FINAL MINUTES Community Advisory Committee of the Monterey Peninsula Water Management District April 9, 2008

Members Present:

Janet Brennan - League of Women Voters (arrived at 1:55 PM); Paul Bruno - Water For Us (left at 3:40 PM and returned at 4:15 PM); Ron Chesshire; Lance Monosoff (arrived at 2 PM); George Riley – Green Party; Tom Rowley – Monterey Peninsula Taxpayers Association; Roy Thomas – Carmel River Steelhead Association; and John Tilley

Members Absent: Bruce Crist; Peter Dausen; David Dilworth – Helping Our Peninsula's Environment; Manuel Fierro; Robert Greenwood; Greg Pickens;

District Staff Present: Darby Fuerst – General Manager; Stephanie Pintar – Water Demand Division Manager; Arlene Tavani – Executive Assistant

1. Call to Order

The meeting was called to order at 1:15 PM in the Conference Room of the Monterey Peninsula Water Management District.

2. Comments from Public No comments.

3. Receive Minutes of April 3, 2008 Committee Meeting

The minutes were received with no comments from the committee members present.

Develop Recommendation to the District Board on Strategies to Address Negative Impacts 4. of the Draft Cease and Desist Order (CDO) Issued to California American Water on January 15, 2008 by the State Water Resources Control Board, Division of Water Rights On a motion by Rowley and second by Bruno, the committee voted unanimously to appoint Brennan and Tilley to a subcommittee that will develop the final report for submission to the Board of Directors. The final report will be emailed to the entire committee for review. Committee members may submit comments or minority reports to the District for inclusion in the staff report that transmits the committee recommendation to the Board. All comments must be submitted to the District by noon on Tuesday, April 15, 2008. The motion was approved on a vote of 8 - 0. There were no members of the public present to comment on this item. During the discussion, the committee members presented additional comments that were incorporated into Attachment 1, the list of impacts and strategies to address the draft CDO. The committee also began the process of organizing the list of strategies into five categories: Short Term Conservation; Short Term Project; Long Term Project; Legal Action; and Change the CDO. The subcommittee of Brennan and Tilley were directed to complete the process and include the list in the final report to the Board of Directors.

5. Adjourn

The meeting was adjourned at 4:30 PM.

Note: An audio recording of the meeting is available for review and copies can be purchased. Contact Arlene Tavani at 658-5652 or <u>arlene@mpwmd.dst.ca.us</u>.

Attachment 1 to Minutes of April 9, 2008 CAC Meeting

Revised April 3, 2008 Community Advisory Committee Comments Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order	
Potential Impacts	Strategy to Address Potential Impacts
Tilley Fines Projects under consideration require time and study. If there is a rush to put a project in place overspending could occur. Decrease in employment base. Net decrease in tax income. Net increase in legal expenses. Negative impact on image of county as a tourist destination. Blight – Former site of Work building on Alvarado Street (destroyed by fire).	Need some augmentation of system. Must get decision makers to agree on final outcome that would supplement water.
Greenwood Water shortages, rationing. Economic effects on business community due to water restrictions. Draft CDO will spur the district to adopt a new water supply that could be put into effect before 50% reduction is enforced.	District should get to work quickly to develop a plan for a desalination project before the 50% restriction is implemented. Support draft CDO.

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order

Potential Impacts	Strategy to Address Potential Impacts
Chesshire Variety of economic and social impacts that will have various effects on different groups of people. Effect water rates. Amount of additional conservation cannot be assured. High cost of additional conservation measures. Force people to come to decision.	MPWMD and CAW should develop a plan on how to meet the goals of draft CDO. Bring New Los Padres Dam and Reservoir project forward as a solution because the U.S. Army Corps of Engineers issued a permit for construction of the project. Analyze additional methods of conservation and authorize their use despite high cost.
BrunoIf rationing were in effect during a rainy period, CAW &MPWMD would lose public support which could negativelyimpact forward momentum.Will have a paper water shortage.Effect economy, drag on economy.Divert energy and resources of citizens and agencies.Negative pubic perception of failure, not just towards CAW butthe District and elected officials.Creates adversarial v. collaborative atmosphere.Puts pressure on the Seaside Basin.Could cause flooding, without ability to draw water from CarmelRiver.	Could take legal or legislative action against the CDO, such as require an EIR or similar study. Modify or rescind rules that MPWMD has implemented, so that would allow market to facilitate demand reduction solutions. Develop fragmented projects. Consider buy-backs (water fixture and turf buybacks). Pursue wells located outside of the Carmel River watershed, such as small landscape wells in Pacific Grove. Seek additional water rights for diversion from the Carmel River during high flow periods (other than for ASR). Consider pursuit of Pueblo Water Rights.

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 Additional pressure on affordable housing stock - social justice component. Will encourage un-metered use, i.e., theft, that will result in a larger unaccounted for water total. Fairness issues – well owners v. CAW customers. Fairness issues – residents v. part time or vacation homes. Fairness issues – conversion of business (i.e., laundromat) to other uses that would not provide a public benefit. Local population would be reduced due to high cost of housing and loss of jobs. Could increase number of private wells developed. 	
RileyFines for ratepayers.Order should be modified and issued.Draft CDO is directed to CAW, which is part of the PUC process,not easy for public to use.Controlled by regulators and utilities.Process leaves the public out.Draft CDO ignores other things that are going on: REPOG,efforts of MPWMD to consider Order 95-10 desalination project.Too much emphasis on CAW desalination project that ignoresmore recent efforts.	Draft CDO step down formula should be combination of Carmel River and Seaside Aquifer productions. Change the discriminatory water rates that do not provide enough incentive to commercial and industrial users. Formula for determining water allotments should be changed to exclude allowances for acreage and horses. Metered small homes are discriminated against. CAW should reduce unaccounted for water losses.

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Potential Impacts	Strategy to Address Potential Impacts
Fast tracking solution through draft CDO can lead to costly solutions. Desalination is most expensive solution. Draft CDO distracts us from solutions. Capital formation for any large project will be difficult. Financing option available to CAW through PUC is easiest way to proceed because we are already financiers of project. Removes the option of federal or state grants to supplement costs. Effective use of the CDO may avoid adjudication of Carmel River Basin It concentrates the mind. It sets priorities. A new water supply is the issue, and that supply must deal immediately with the Carmel River overdraft. It will test local leadership to come together. Past efforts have been fragmented. Jurisdictions do not work together when they are working alone. It will test the resolve of local leaders to make the distinction between the demands of 95-10, and assumptions about growth. This is behind setting priorities. It should speed up any crackdown on water wasters. It will test the ability of the community to change its perception of water. We live in a water scarce environment, yet we live in denial of that fact. The CDO can concentrate the mind here too. Order should be modified and issued.	

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Brennan Has the threat of and will cause fragmentation in water planning process because jurisdictions developing individual water projects to circumvent Order 95-10. Increase water conservation efforts. Focus our efforts. Facilitate projects. Cause California American Water (CAW) crack down on excessive water users.	Consider climate change. Should live within our constraints. Modify draft CDO: conditions that create administrative drought (ASR not being able to account for increased water in Seaside Aquifer) (95-10 creates administrative drought). Prevent fines from being passed on to ratepayers. CAW should crack down on excess water users and implement targets set previously for unaccounted water use. Modify or exchange percentages in draft CDO. Possibly a moratorium on new connections would be alternative. That would also address the concern re fragmentation.
Crist Possibility of moving forward on solution. Opportunity to get parties to be collaborative as opposed to adversarial, possibility of regional approach.	District should be a party to the hearings on draft CDO. SWRCB conduct local hearings. Require SWRCB to develop EIR on draft CDO. Draft CDO should be modified to reflect all the facts. Correct inaccuracies and omissions. Should develop a refined timeline. Specific milestones on timeline in order to measure progress.

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 Dausen Fort Ord growth will be severely curtailed. Projects in both basins will be affected. DLI is in growth curve. That will be impacted. NPS has growth plans to facilitate research projects (electron laser). That will be impacted. Two basic economic engines on the Monterey Peninsula are tourism and education. Draft CDO would impact them. Can force a deliberate timeline for planned execution of water alternatives. Can empower MPWMD to take on a more complete leadership role. 	Best to create deliberate timeline for projects. State when additional water would be acquired. Delay draft CDO implementation and agree on specific projects, have public comment, and execute project.
Monosoff Concerns addressed in previous comments.	Should implement rationing on golf courses.

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Potential Impacts	Strategy to Address Potential Impacts
Potential ImpactsDilworthCarmel River should return to health, endangered species should be able to recover (steelhead and Red Legged Frog).Inhibit development of car washes.Cause cities and other government agencies to curb water waste (e.g., Window on the Bay in Monterey).If moratorium is imposed per draft CDO or MPWMD would stop increase from 11,000 new connections since our last moratorium. The CDO should stop allowing entitlements for non-existent water.The CDO would harm developers that are applying for loopholes in water regulations. A revisited rationing program will harm the aesthetic appearance	Strategy to Address Potential Impacts The CDO should include a provision forcing the serious consideration of a combination of solutions that will provide no more than the amount of water required to make our water pumping and use legal. The CDO should require a moratorium on all building, all new connections, all new entitlements, all loopholes (with the sole exception for public health and safety projects). Draft CDO should require CAW to immediately present a plan for how to solve the problem and require the plan to obtain public approval. Require fines to be paid by CAW shareholders – not peninsula ratepayers.
of golf courses because the current rationing regulations have no teeth for enforcing golf course water overuse. A revisited rationing regulation and program will harm the ability	Water rights should be purchased from pumpers who own legal rights in Carmel Valley. Draft CDO should force quick projects to top of priority list.
of governments and other users to waste water. The CDO will force to the front of the priority list quick water	Prohibit golf courses. Require further conservation measures.
supply projects intended to legalize our system, e.g., MPWMD desalination plant.	Identify measures Germany has taken to reduce water use to one- third of Peninsula water use. There should be large fines for water wasters (punitive fines). Proceeds should be allocated to paying for a water supply solution.

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Potential Impacts	Strategy to Address Potential Impacts
If the CDO in any way forces a regional project, that project would harm democracy by avoiding allowing voters to vote down another unwanted project. Currently, Monterey Peninsula voters have a right to vote down projects, a regional project would harm our ability to vote down water projects the public does not like. Issuing the CDO shows that the law has meaning by enforcing law that has been flagrantly violated by CAW for more than a decade all while they are making profits on illegally pumped water. Issuing the CDO shows fairness to other Carmel River water users that have been legally pumping all these years.	The District's rationing plan should be revisited. Penalties should be sized by the amount of water wasted – not by whether the user is residential, business, government or golf courses as it is now set up.
RowleyEconomic impacts that inhibit job creation due to unavailabilityof water on Peninsula.Credibility and cost issues.How will private, non-CAW wells be addressed – not in draftCDO.Fragmentation of solutions v. regional solution (REPOG)Mandatory rationing and moratoriums negatively affect quality oflife and economy (hospitality industry).	District should be a party to the draft CDO proceedings. Board should consider implementation of higher conservation/rationing stages. Draft CDO should not be implemented before the end of 2009, when EIR for CAW project (and others included in analysis) should be completed. Urge action on EIR once it is complete. Urge legislative relief to dismiss draft CDO.

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Potential Impacts	Strategy to Address Potential Impacts
Cost of fragmented solutions that will provide water for Order 95- 10 but not for growth. Cost to community is ignored. High likelihood of community paying much too much to solve problem. Must consider what is affordable considering economic effects of water supply solution. Unfairness created because CAW must reduce pumping but private pumpers are not required to do so.	Urge cooperation between PUC and SWRCB. Develop new laws to force agencies to communicate with each other. Begin discussions on how water supply solution will be funded. Get congressman involved with draft CDO solutions. Support development of a regional solution.
Thomas Reduces new development and new wells. Motivates District and CAW to get tough with cheaters. Motivates CAW to react immediately on leaks rather than waiting until it is convenient. Encourages the District to look at private sector to offer a reward for water, and pay whatever is charged. Makes the possibility of putting a rubber dam at the spillway at Los Padres so ASR can operate for a longer period, thus reduce illegal demand on the water supply.	Board should accept reality that you can't go on forever taking illegal water. Should focus on all sources of water. Until a new project is on line, must do everything possible to conserve water. Should not fight draft CDO because the District's responsibility is to protect the Carmel River and its environment. District should consider requesting Carmel River Basin adjudication to ensure equal responsibility for meeting Order 95- 10 and or Draft CDO.

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Potential Impacts	Strategy to Address Potential Impacts
Increase the volume of Los Padres by 40% Motivates recovery of Los Padres by digging it out. Gives justification and motivation to take more water from Seaside even with fines in place. Gives District incentive to get tough with ongoing removal of drought tolerant planting and removal of turf to replace drought tolerant planting. Motivates the District to facilitate private/public conservation of and storage of roof water for use in outdoor irrigation. Money from CAW rate increases should be allocated to correcting illegal diversions. Motivates CAW and District to find an end to illegal, long-term use of Carmel River.	Would be cheap and realistic to develop a "temporary emergency supply", water from Pacheco Creek runs to North of Moss Landing. Connect tunnel from San Luis Reservoir, and release water in winter from San Felipe Project through Pacheco Creek, let it flow through Pajaro River and recover at Highway 1 Bridge. Convey water to Seaside and inject in ASR wells or in percolation ponds.

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