



EXHIBIT 1-A

DRAFT MINUTES

Legislative Advocacy Committee of the Monterey Peninsula Water Management District *April 24, 2013*

Call to Order

The meeting was called to order at 4:00 pm in the conference room of the Monterey Peninsula Water Management District office.

Committee members present: David Potter, Chair
Bob Brower
David Pendergrass (alternate)

Committee members absent: Judi Lehman

Staff members present: David Stoldt, General Manager
Arlene Tavani, Executive Assistant

District Counsel present: David Laredo, De Lay and Laredo

Legislative Consultant: John Arriaga, JEA and Associates (participate by telephone)

Comments from Public

No comments.

Discussion Items

1. Review Form of Proposed "Public Contribution" to California American Water Monterey Peninsula Water Supply Project

Stoldt described the public contribution concept, which is to establish by legislation the ability for Cal-Am to collect a surcharge to pay debt cost and related costs of securitization on an estimated \$100 million of tax-exempt funds, through the issuance of Ratepayer Relief Bonds. This type of funding could save the ratepayer approximately \$54 million, as compared to Cal-Am's traditional cost recovery method. Under this plan, the Water Management District would issue the Ratepayer Relief Bonds to achieve tax-exempt borrowing. Legislation is needed that would authorize this type of financing for the Monterey Peninsula Water Supply Project only. The proposed legislation is based on existing legislation that authorized this type of financing for other infrastructure projects such as electrical power generation. Listed here are comments from the committee on this proposal. (a) This will be limited to the local water project, this will not be a state-wide initiative. (b) The deadline for submission of legislation has passed, but this could be submitted as an urgency matter, if there is evidence to support that assertion. (c) It might be appropriate to submit this in the current legislative session, and if action is not taken, it could be held over for consideration in the next session. (d) The CPUC could be advised that legislation has been developed re this financing proposal, and the Water Management District is seeking a

sponsor. There was consensus among the committee members that: (a) The ALJ should be advised that legislation has been developed and the District is seeking a sponsor. (b) It may be possible to add this bill to another that is already in process. (c) A meeting should be arranged with Bill Monning and/or Mark Stone to advance this bill in the legislature.

2. Adopt Minutes of January 25, 2013 Committee Meeting

On a motion by Brower and second of Pendergrass, the minutes were approved unanimously on a vote of Brower, Pendergrass and Potter.

3. Consider Authorizing Release of Draft Legislation

Refer to item 1.

4. Consider Recommendation to the Board to Authorize Third Phase of Work with Sidley Austin for Legislation in Amount Not to Exceed \$15,000 from Budgeted Funds.

The committee agreed to recommend that the Board approve the expenditure of \$15,000 to contract with Sidley Austin.

Other Items

Stoldt noted that both the SWRCB and CPUC have meetings planned in the Monterey area. He will contact the directors when the dates are available.

Set Next Meeting Date

No date was set. A meeting will be called when needed.

Adjournment

The meeting was adjourned at 4:30 pm.