

FINAL MINUTES  
**Water Demand Committee of the  
Monterey Peninsula Water Management District**  
*October 16, 2007*

**Call to Order**

The meeting was called to order at 1:35 PM- in the conference room of the Monterey Peninsula Water Management District office.

Committee members present: Larry Foy, Chair  
Kristi Markey  
David Pendergrass

Staff members present: David A. Berger, General Manager  
Stephanie Pintar, Water Demand Manager  
Arlene Tavani, Executive Assistant

District Counsel present: David Laredo, General Counsel

**Comments from Public**

No comments.

**Action Items**

**1. Receive Minutes of September 18, 2007 Committee Meeting**

On a motion by Director Pendergrass and second by Director Markey, the minutes were received on a unanimous vote of 3 – 0.

**2. Review and Discuss Concept Ordinance – Adding A Process for Sub-Potable Water Use Credits to the District's Rules and Regulations**

The committee directed that a draft ordinance be developed for review at the next Water Demand Committee meeting. On a vote of 2 – 1 (Markey dissenting), the committee directed that staff determine the cost for production of an environmental impact report that would assess the impacts of transferring a specific amount of subpotable water, such as between 50 to 300 acre-feet. The EIR would not consider site specific impacts. The jurisdiction appropriating the use of the transferred water would prepare that focused evaluation. In addition, the draft ordinance should: (1) facilitate the transfer of sub-potable water credits off-site; (2) require a conservation savings of 25 percent from the amount of water to be transferred; (3) establish on-site credit for replacement of California American Water supply with sub-potable use on a property that is outside of the Monterey Peninsula Water Resources System and the Seaside Goundwater Basin; and (4) opportunities for subpotable use should be maximized by allowing both potable and subpotable irrigation on a site, as long as both uses were metered and plumbed separately.

**3. Continue Review of Contingency Implementation Plan for Stages 4 through 7 of the Expanded Water Conservation and Standby Rationing Plan**

Ms. Pintar provided the committee with an update on the status of the Plan. She announced that California American Water (CAW) submitted the Plan to the Public Utilities Commission (PUC). If the Board were to change the Plan, CAW could submit the amended document to the PUC. She explained that CAW will file a

request for a general rate increase with the PUC by November 15, 2007. It will include a request to: (1) recover emergency rates in conservation program stages 4 through 7; (2) amend the general rate structure so that rates for high water use will be increased as an incentive to reduce consumption; (3) realign rates in the Laguna Seca area so they more closely approximate CAW rates in other areas of the Monterey system; and (4) establish emergency rates in the Laguna Seca area. There is no guarantee that the PUC will authorize recovery of conservation program costs from the rate payers. Ms. Pintar noted that if funding cannot be recovered from CAW, the District could implement a surcharge. Ms. Pintar advised the Committee that CAW has expressed concerns about the water banking provision of the Plan due to: (1) the inability of the CAW billing system to facilitate water banking; and (2) a concern that water use banked during high flow periods could be utilized during low flow periods and cause CAW to exceed its production limit. The Committee members recommended that the water banking provision of the Plan should not be amended at this time. The District could review the water banking provision upon the request of CAW.

### **Other Items**

The committee set the next meeting for October 21, 2007 at 9:30 AM.

### **Adjournment**

The meeting was adjourned at 2:45 PM.