



EXHIBIT 1-A

DRAFT MINUTES Water Demand Committee of the Monterey Peninsula Water Management District *June 20, 2012*

Call to Order

The meeting was called to order at 10:35 am in the conference room of the Monterey Peninsula Water Management District office.

Committee members present: Kristi Markey, Chair
Jeanne Byrne

Committee members absent: Brenda Lewis

Staff members present: Stephanie Pintar, Water Demand Division Manager
Rachel Martinez, Community Relations Liaison
Arlene Tavani, Executive Assistant

Comments from Public

No comments.

Action Items

1. Receive Minutes of April 12, 2012 Committee Meeting

On a motion by Director Byrne and second of Director Markey, the minutes were adopted unanimously on a vote of 2 – 0. Director Lewis was absent.

2. Review Non-Residential Best Management Practices

Director Markey offered a motion that was seconded by Director Byrne that staff should proceed with development of an updated list of Best Management Practices (BMPs) including a separate list of BMPs for residential properties. The BMP's would not be required, but rather suggested as a method to achieve optimal water savings. It was understood that the non-residential BMP's might be utilized by California American Water for rate setting. At this time, the intent for residential BMP's would be to achieve voluntary water savings. The motion was adopted unanimously on a vote of 2 – 0. Director Lewis was absent. Pintar will review the list of BMP's with hospitality industry representatives, and bring those comments back to the committee at a future meeting. Comments from the Non Residential Users Working Group should be added to the BMP list when it is presented for committee review.

Discussion of this item included the following comments. (1) During Stage 5 rationing, a variance procedure would be available to non-residential users who are compliant with all

BMP's yet cannot keep below rationing limits. It was suggested that the same procedure should be available to residential users. (2) How do we measure the amount of water that should be saved by each residential or non-residential user? (3) Is there a calculation of the amount of water that should be saved by BMP's? (4) If the rebate for cooling towers and other costly methods is not high enough to encourage installation of the BMP's, then the rebate should be increased. (5) Under current District rules, if residential users were required to install BMP's, no water credit could be assigned for the retrofit. (6) It was suggested that Cal-Am rates might be adjusted based on the BMP's that have been installed. For example if 50 percent of BMP's were achieved on a property, the water rate could be reduced by 50 percent.

The following comments were received during the public comment period on this item. **(1) John Turner**, Chair Monterey County Hospitality Association and General Manager of the Intercontinental Clement Hotel, stated that some of the BMP's will be very costly to implement. Hotels support green technologies, and are not trying to circumvent BMP's; however, there must be a 5 or 10 year time period in which to comply with BMP's. Without the variance available at Stage 5, hotels may need to close down rooms in order to comply with rationing limits. The public needs to be educated as to the seasonal nature of the business, and how a vibrant hospitality industry benefits the community. The committee should not assume that non-residential BMP's will not achieve necessary water savings. His concerns about the list of BMP's are related to timing: should the BMP's be installed upon remodel, or by a specific date? Possibly a tiered or priority system should be established that would require specific BMP's be installed before others. **(2) Bonnie Adams**, President and Chief Executive Officer of Monterey County Hospitality Association, noted that BMP's are specifically for non-residential users, and are critical to California-American Water's proposed rate structure.

Set Next Meeting Date

The committee agreed to meet on July 23, 2012, at 9 am.

Other Items

Director Byrne stated that a community member had expressed concern about water waste during fire system tests. The District could consider development of a rule that would prohibit utilizing full-flow when testing fire safety systems. Pintar will provide the state or federal rule that outlines fire-flow testing procedures.

Adjournment

The meeting was adjourned at approximately 12:15 pm.