



EXHIBIT 1-A

DRAFT MINUTES Water Demand Committee of the Monterey Peninsula Water Management District *September 25, 2012*

Call to Order

The meeting was called to order at 2:40 pm 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: David Stoldt, General Manager
Stephanie Pintar, Water Demand Division Manager
Arlene Tavani, Executive Assistant

District Counsel present: David Laredo

Comments from Public

No comments.

Action Items

1. Adopt Minutes of July 23 and August 13, 2012 Committee Meetings

On a motion by Director Byrne and second of Director Markey, the minutes were approved with an amendment to the record of the July 23, 2012 meeting. The action on Item 1, Develop Recommendation to the Board Regarding First Reading of Ordinance No. 151 should be amended with the addition of the following sentence: The committee requested that at a future meeting, there be a discussion on allowing the credit for removal of a 1.3 gallon flush toilet to be retained, even when that fixture becomes mandatory.

2. Develop Recommendation to the Board Regarding Requests to Review Cal-Am Billing Practices

On a motion by Director Byrne and second of Director Markey, the committee agreed to recommend that the Board review the following suggestions and provide direction to staff on the preferred action(s). (1) The District could serve as the local ombudsman for persons that would like to lodge a complaint with the California Public Utilities Commission (CPUC) regarding a spike in metered water use. Members of the public would find information on how to contact the CPUC and application forms at the District

office. The District could forward documents to the CPUC but would have no responsibility for the accuracy or completeness of the contents. (2) The District could place on its website a link to the CPUC website related to lodging a complaint. (3) The District could prepare and distribute to all ratepayers contact information for the CPUC and information on the procedure for lodging a complaint. The public should also be reminded to check their meters regularly for accuracy. A newsletter, one page tri-fold mailer or a postcard could be prepared for this purpose. It may be preferable to include this information as part of the District's regular quarterly newsletter that has a limited distribution. The publication should be published in Spanish and English. Staff should present information to the Board on the cost to distribute information by the suggested methods. (4) Request that Cal-Am include in monthly billings to the ratepayers information on how to contact the CPUC with a complaint. The committee would request to review and approve the information before it is distributed to the ratepayers. Information should be published in Spanish and English. (5) The District should coordinate a meeting between Cal-Am, and the Division of Ratepayer Advocates to request that Cal-Am be required to include in its monthly billings information on the CPUC complaint procedure. District staff should report back to the Board on the outcome of that discussion. (6) The committee recommended that Cal-Am should modify its billing practices so that the first time a Tier 1 user experiences a leak or unexplained spike in metered water use, there would be no charge for the water consumed beyond the normal amount, or they would be charged at the Tier 1 rate for the extra water used. The first time a Tier 2 or 3 user experiences a leak or unexplained spike in metered water use, the additional water could be billed at the Tier 1 rate. This suggestion may need to be included in the next Cal-Am rate case to the CPUC. The Board could direct staff to include this proposal in the next rate case filing.

During the committee discussion, Eric Sabolcise, Director of Operations for Cal-Am's Monterey District, stated that it might be possible to provide to the District a list of Cal-Am accounts (no names or addresses) that includes average water use and the spike in metered water use. The committee requested that if that information becomes available, District staff should conduct an analysis in an effort to determine if the unusually high water bills are related to one-time excess water use, the tiered rate structure or if another trend can be identified. Sabolcise also advised the Board that if Cal-Am were to not charge for excess water use attributed to a spike in water consumption, that excess water use would have to be counted as non-revenue water. Cal-Am has taken costly measures to reduce the percentage of non-revenue water in the Monterey system to 8.7 percent. He also stated that Cal-Am is in the process of preparing a water bill insert that would advise the ratepayer about how to report and prevent a spike in water use. He offered to distribute the insert text to the District for review and comment. The District could include additional information in the subsequent mailer it may prepare. Sabolcise noted that the Tier 3 rate exceeds the cost to provide water to the user, the Tier 2 rate covers that cost, but the lower Tier 1 rate is less than the cost of the water.

3. Develop Recommendation to the Board on First Reading of Ordinance No. 151 Amending Definitions, the Residential Fixture Unit Count, High Efficiency Appliance Credits, the Variance Process, Water Efficiency Standards, and the Landscape Water Audits Rule

The committee referred the ordinance to the Board for first reading without a recommendation. During the discussion, there was agreement that if the ordinance is adopted, an effort should be made to advise the public that the 0.004 acre-foot water credit for retrofit to a High Efficiency Toilet will be available until January 1, 2014, and the credit will be in effect for five years thereafter. Non-residential users should also be advised of rule changes that would be in effect upon adoption of the ordinance. It was suggested that the information could be publicized in a biannual newsletter or by post card mailed throughout the District. The committee could not agree on whether the date for non-residential users to comply with specified water efficiency standards should be changed from July 1, 2013 to December 31, 2013.

4. Develop Recommendation to the Board on First Reading of Ordinance XXX – Extension of Water Credits for Redevelopment Projects

Directors Markey and Byrne expressed no objections to the ordinance; therefore, it was referred to the Board for first reading.

Set Next Meeting Date

The committee directed that staff should advise them should there be a need to meet on the previously scheduled date of October 11, 2012.

Other Items – No discussion.

Adjournment

The meeting was adjourned at 4:15 pm.