



EXHIBIT 1-B

DRAFT MINUTES **Water Supply Planning Committee of the** **Monterey Peninsula Water Management District** *April 9, 2012*

Call to Order

The meeting was called to order at 8:05 am in the District's conference room.

Committee members present: Bob Brower, Chair
Jeanne Byrne (arrived at 8:35 am)
David Pendergrass

Staff members present: David Stoldt, General Manager
Larry Hampson, Acting Planning & Engineering
Manager/District Engineer
Joe Oliver, Water Resources Manager
Rachel Martinez, Community Relations Liaison
Arlene Tavani, Executive Assistant

District Counsel present: Heidi Quinn

Comments from the Public

No comments.

Action Items

1. **Adopt Minutes of October 11 and March 13, 2012 Committee Meetings**
On a motion by Pendergrass and second of Brower, the minutes were approved with a correction to the October 11, 2011 report, replace the name of Darby Fuerst as General Manager with David Stoldt. The motion was approved unanimously on a vote of 2 – 0. Byrne was absent for the vote.
2. **Develop Recommendation to the Board re Items to be Considered at the April 16, 2012 Board Meeting that are Related to Establishment of Water use Fee Collection Mechanism**
 - A. **Review Draft Water Rate Study**
No discussion. The study was not available for review.
 - B. **First Reading of Ordinance No. 152 – Establishment of Water Use Fees**
On a motion by Pendergrass and second of Brower, the ordinance was referred to the Board of Directors for approval of the first reading version at the April 16,

2012 Board meeting. The motion was approved on a vote of 2 – 0. Director Byrne was absent for the vote.

C. Review Alternate Draft Resolutions for Collection of Water Use Fees

The committee discussed the resolutions. No action taken.

D. Adopt Resolution 2012-03 – Proposition 218 Process Implementation

On a motion by Pendergrass and second of Brower the resolution was referred to the Board for adoption at the April 16, 2012 meeting. The motion was adopted on a vote of 2 – 0. Director Byrne was absent for the vote.

The meeting was recessed at 8:30 am and reconvened at 8:37 am.

Director Byrne joined the meeting at 8:35 am.

E. Approve Language for Proposition 218 Hearing Notice

General Manager Stoldt submitted a revised version of the notice for committee review. The committee discussed the notice and recommended that changes be made. On a motion by Pendergrass and second of Byrne, the committee recommended that the Board consider adoption of the revised hearing notice at the May 21, 2012 Board meeting. The motion was approved unanimously on a vote of 3 – 0.

3. Develop Recommendation to the Board re Memorandum of Understanding (MOU) with Monterey Regional Water Pollution Control Agency and California American Water re Joint Funding of a Groundwater Replenishment Project

Stoldt reviewed the MOU with the committee and responded to questions. Pendergrass offered a motion that was seconded by Byrne, to recommend that the Board approve the MOU with or without section 4.E (indemnification clause). The motion was approved unanimously on a vote of 3 – 0.

Progress Reports

4. Update on Water Projects 1 and 2, Aquifer Storage and Recovery (ASR) – Status of Injection Operations

Oliver reported that due to the lack of sufficient Carmel River flow, there have been few opportunities to conduct injection activities at the Phase 1 Santa Margarita or Phase 2 Seaside Middle School ASR project sites so far this year. Cal-Am production capacity is lower than normal in the coastal areas of the Seaside basin due to the temporary shutdown of the Paralta Well for repair. To make up for the production shortfall, Cal-Am may need to utilize Well #1 at the Phase 1 site. However, due to CDPH permit conditions, Cal-Am may need to hold the Well #1 water and not distribute it immediately if this well is used for injection. Oliver stated that a modification to the SWRCB Phase 1 water rights permit would allow the Phase 1 ASR wells to be utilized more effectively as circumstances require in a dry year such as the current year. Oliver explained that full utilization of ASR Phases 1 and 2 is dependent upon Cal-Am's well capacity in Carmel Valley. With existing infrastructure, Cal-Am can provide only enough winter flows to support Wells 1 and 2 at the Phase 1 project and a small amount of water for the Phase 2 Seaside Middle School site.

5. Update on Monterra Ranch Pipeline Right-of-Way

Stoldt stated that the concept of building a new water transmission line across Monterra Ranch property should not move forward at this time. In discussions with the property owner, staff learned that land needed for the transmission line is now in the hands of the developer, hence may be available in the future, but a portion is being transferred to the homeowners' association which may not be available in the future. That portion could be obtained through eminent domain. However, the cost of building the transmission line would be high in relation to the 800 or 900 gallons per minute of additional water supply that would be available to ASR. Cal-Am's engineer has said that there would be no need for this transmission line, due to plans for infrastructure improvements related to the Regional Water Supply Project.

6. Update on Activities of Cities JPA Technical Advisory Committee

No report. Meeting scheduled for April 2, 2012 was cancelled.

Suggestions from the Public on Water Supply Project Alternatives

No discussion.

Other Items

No discussion.

Set Date for Next Committee Meeting

The meeting was scheduled for Monday, May 7, 2012 at 8 am in the District conference room.

Adjournment

The meeting was adjourned at approximately 9:30 am.