

FINAL MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
May 17, 2010

The meeting was called to order at 7:03 PM in the District Conference Room.

CALL TO ORDER/ROLL CALL

Directors Present:

Regina Doyle, Chair -- Division 4
Bob Brower, Vice Chair – Division 5
Alvin Edwards – Division 1
Judi Lehman – Division 2
Kristi Markey – Division 3
David Pendergrass – Mayoral Representative

Directors Absent: David Potter – Monterey County Board of Supervisors

General Manager present: Darby Fuerst

District Counsel present: David C. Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No comments were directed to the Board during Oral Communications.

ORAL COMMUNICATIONS

On a motion by Director Edwards and second of Director Pendergrass the Consent Calendar was approved unanimously on a vote of 6 – 0. Director Potter was absent.

CONSENT CALENDAR

Approved.

1. **Consider Adoption of Minutes of the April 19, 2010 Regular Board Meeting**

Approved.

2. **Consider Approval of Contract with General Manager**

Approved.

3. **Consider Approval to Contract with Bank of America to Secure a \$1.5 Million Line of Credit to Fund Development of Water Supply Projects**

Approved.

4. **Consider Adoption of Resolution No. 2010-05 Expressing Support for Submitting an Application for “Water Smart: Water and Energy Efficiency Grants for FY 2010”**

Approved

5. **Consider Expenditure of Budgeted Funds to Contract with WaterWise, Inc. to Conduct Water Audits of Schools Outside of the California American Water Service Area**

Approved.

Approved.

Approved.

Approved.

Approved.

Approved.

Approved.

Approved.

Approved.

An outline of Mr. Anthony's report is on file at the District office and can be viewed on the District's website. He stated that at a future meeting he could provide the amount of water used by commercial customers that does not include use on local military installations.

6. **Authorize the General Manager to Execute a Partnership Agreement with the Environmental Protection Agency's (EPA) WaterSense Program as a Promotional Partner**
7. **Consider Increase in Budgeted Funds Allocated to the Lawn Rebate Program**
8. **Authorize the General Manager to Execute a Memorandum of Understanding Among Monterey Peninsula Water Management District, County of Monterey, Monterey County Water Resources Agency, California Department of Parks and Recreation, and Big Sur Land Trust for the Purpose of Coordinating Planning Activities for the Proposed Carmel River Floodplain Restoration Project**
9. **Consider Expenditure of Budgeted Funds to Comply with Governmental Accounting Standards Board Actuarial Requirement for Employee Post Retirement Medical Benefits**
10. **Consider Approval of 2010 Annual Memorandum of Agreement for Releases from San Clemente Reservoir among California American Water, California Department of Fish and Game, and Monterey Peninsula Water Management District**
11. **Receive and File District-Wide Annual Water Distribution System Production Summary for Water Year 2009**
12. **Receive and File District-Wide Annual Water Production Summary Report for Water Year 2009**
13. **Consider Approval of Third Quarter FY 2009-10 Investment Report**
14. **Consider Adoption of Treasurer's Report for March 2010**

PRESENTATIONS

15. **Monthly Report from California American Water General Manager, Craig Anthony**

Henrietta Stern, Project Manager, presented the report. It is on file at the District office and can be viewed on the District's website.

Stephanie Pintar, Water Demand Manager, presented a report that is on file at the District office and can be viewed on the District's website.

Darby Fuerst, General Manager, presented the report. An outline of the presentation is on file at the District office and can be viewed at the District's website. Mr. Fuerst reported that for the period of October 1, 2009 through April 30, 2010, Cal-Am production from the Carmel River Basin was 674 acre-feet under the production target of 5,743 acre-feet established as a result of State Water Resources Control Board (SWRCB) Order 95-10. Production from the Coastal Subareas of the Seaside Basin was 181 acre-feet under the production target of 1,050 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the Laguna Seca Subarea was 88 acre-feet over the production target of 105 acre-feet established by the Seaside Groundwater Basin Adjudication. Therefore, total Cal Am production from the Seaside Basin was 93 AF under the adjudication target of 1,255 AF. Rainfall over the same time period was recorded as 27 inches, which is above the average of 20.6 inches.

Darby Fuerst, General Manager, presented the report. An outline of the presentation is on file at the District office and can be viewed at the District's website. The Board directed staff to contact the California Public Utilities Commission and request that the June 28 and 29, 2010 Public Participation Hearings be video taped and broadcast. Director Markey suggested that the Board conduct a public forum on the Regional Water Project. The Chair referred the suggestion to the May 20, 2010 Special Board meeting for discussion.

District Counsel Laredo reported that the Board received status reports on all agenda items and provided general direction. No reportable action was taken. He noted that the Board did schedule a Special meeting on May 20, 2010 that would include a Closed Session to discuss the Coastal Water Project

16. Update on Development of Water Supply Project Alternatives Including Recycled Water

17. Water Conservation Program Report

GENERAL MANAGER'S REPORT

18. Status Report on California American Water Compliance with State Water Resources Control Board Order 95-10 and Seaside Groundwater Basin Adjudication Decision

19. Status Report and Discussion of CPUC Proceedings Relating to California American Water's Coastal Water Project and the Regional Water Project

ATTORNEY'S REPORT

20. Report on 5:PM Session of the Board

Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))

A. Application of California American Water Company to the Public Utilities Commission Application No. 04-09-019 – Coastal Water Project

- B. Application of California American Water Company to PUC Application No. 10-01-012 – Mitigation Cost Reimbursement
- C. Application of California American Water Company regarding Reimbursement Balancing — CPUC Application No. 09-04-015
- D. Seaside v. California American Water (MBSE/Cal-Am Motion) (Appellate Court #HO34335; Superior Court Case No. M 66343)
- E. MPWMD v. State Water Resources Control Board; Superior Court Case No. 1-10-CV-163328
- F. California American Water v. State Water Resources Control Board, Superior Court Case No. M102097
- G. California American Water v. MPWMD (SWRCB/SNG) (Superior Court Case No. M 99622)
- H. California American Water v. MPWMD (Ryan Ranch) (Superior Court Case No. M 101255)

DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

21. Oral Report on Activities of County, Cities, Other Agencies/Committees/ Associations

Director Lehman reported that a community member contacted her regarding the Board's April 19, 2010 approval of the request to issue a Water Distribution System Permit for the Ocean View Plaza project. Ms. Lehman referred the caller to District staff. She thanked staff for responding to the caller. Directors Brower and Doyle reported that they attended the May 4 through 7, 2010 Association of California Water Agencies Spring Conference in Monterey. Director Brower stated that 1900 persons attended the conference, and he found it to be very information. Director Doyle reported that she attended the May 4, 2010 forum sponsored by the League of Women Voters regarding the Regional Water Supply Project, and heard the presentation by Diana Brooks of the California Public Utilities Commission, Division of Ratepayer Advocates.

No Public Hearing items were submitted for consideration by the Board.

On a motion by Director Pendergrass and second of Director Edwards, the Water Supply Forecast was unanimously received by the Board on a vote of 6 – 0. Director Potter was absent. No comments were directed to the Board during the public comment period on this item.

PUBLIC HEARINGS

ACTION ITEMS

22. Receive and Confirm Water Supply Forecast for Period of May 1, 2010 - September 30, 2011

On a motion by Director Markey and second of Director Doyle, Resolution 2010-06 was approved on a vote of 4 – 2. Directors Doyle, Lehman, Markey and Edwards voted in favor of the motion. Directors Brower and Pendergrass were opposed. Director Potter was absent.

No comments were directed to the Board during the public comment period on this item.

Director Markey made a motion that was seconded by Director Lehman, to remain neutral on the issue and take no action on the resolution.

Director Edwards offered an amended motion that was seconded by Director Markey, to continue this item to the June 21, 2010 Board meeting. The amended motion was approved unanimously on a vote of 6 – 0. Director Potter was absent.

No comments were directed to the Board during the public comment period on this item.

There was no discussion of the Informational Items/Staff Reports.

The meeting was adjourned at 8:55 p.m.

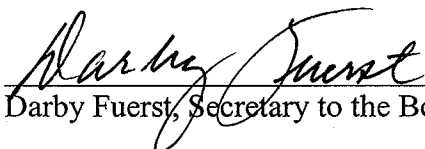
23. **Consider Adoption of Resolution 2010-06 Modifying Rule 162 -- Regulatory Water Production Targets for California American Water Main System**

24. **Consider Adoption of Resolution No. 2010-07 Expressing Support for the Safe, Clean and Reliable Drinking Water Supply Act of 2010**

INFORMATIONAL ITEMS/STAFF REPORTS

- 25. Letters Received
- 26. Committee Reports
- 27. Carmel River Fishery Report for March 2010
- 28. Water Conservation Program Report
- 29. Monthly Allocation Report
- 30. Monthly California American Water Production Report
- 31. Monthly Water Supply Status Report

ADJOURN TO CLOSED SESSION



Darby Fuerst, Secretary to the Board