

FINAL MINUTES
**Legislative Advocacy Committee of the
Monterey Peninsula Water Management District**
November 16, 2011

Call to Order

The meeting was called to order at 10:00 am in the conference room of the Monterey Peninsula Water Management District office.

Committee members present: David Potter, Chair
Bob Brower

Committee members absent: Judi Lehman

Staff members present: David Stoldt, General Manager
Arlene Tavani, Executive Assistant

District Counsel present: David Laredo, De Lay and Laredo

Legislative Consultant: John Arriaga, JEA and Associates

Comments from Public

No comments.

Oral Reports

1. Report from District Counsel on Status of State Water Resources Control Board Proceedings Regarding Cease and Desist Order WR 2009-0060

District Counsel reported that the District met with representatives from the State Water Resources Control Board, Quail Meadows, Pebble Beach Company, Sierra Club, Carmel River Steelhead Association, and the Peninsula cities to discuss the Cease and Desist Order (CDO). The consensus was that until the future of the Regional Project is known, discussions related to relaxation of the CDO cannot occur. The parties agreed to meet again in December, February and April to prepare for a May 2012 case management conference.

2. Report from General Manager on Meetings with Legislative Staff and Resources Secretary John Laird re Continuance of MPWMD User Fee

Stoldt reported that he met with staff from Assembly Member Luis Alejo's office, also Secretary John Laird and his staff regarding continuation of the user fee. They agreed to send a letter to California Public Utilities Commission (CPUC) Commissioner Michael Peevey (with a copy to the CPUC Board members) expressing support for the District's position that the all-party settlement should be reinstated and collection of the user fee on the Cal-Am water bill should resume. Stoldt also met with staff from the offices of Senator Sam Blakeslee and Assembly Member Bill Monning who also agreed to prepare a letter for the CPUC expressing support for the District's position. A meeting has been scheduled with Congressman Sam Farr, Senator Sam Blakeslee and Assembly Member Bill Monning on the user fee issue. Staff continues to inform and seek support from

environmental groups including the Carmel Valley Association and the Carmel River Watershed Conservancy. Stoldt described the option of collecting the user fee on the property tax bill of California American Water's (Cal-Am) customers. A rate study would be needed to determine the best methodology for allocation of costs to each property

3. Report from John Arriaga on Status of Current Legislation

Arriaga reported that the priority issue at the state level is development of the 2012 budget. Projected revenues are \$1.5 billion below anticipated levels. The loss of redevelopment funds is an important issue, as are pension reform and delta stewardship. A water bond is scheduled for the November 2012 ballot that includes approximately \$60 million in grant funds for the Central Coast region. The concern is that the legislation could be amended to reduce that amount of funding. It is important that legislators be advised of the District's opinion regarding amendments to the water bond

Discussion Items

4. Discuss Progress on Interaction with California American Water and Agencies re Carmel River Reroute/San Clemente Dam Removal Project

A proposed decision has been issued by a CPUC Administrative Law Judge stating that Cal-Am cannot collect funds from the rate payers to cover past expenditures for the project. No decision was made on the District's issue related to securing an interest in the Sleepy Hollow Steelhead Rearing Facility property, to ensure continued operation of the facility after ownership of the property changes. Stoldt mentioned that the best option would be for Cal-Am to grant the District an easement to Sleepy Hollow prior to the transfer of ownership. Stoldt was advised to work with Congressman Sam Farr's staff to resolve this issue.

5. Discuss Progress on Interaction with California American Water and Agencies Regarding District's Role in Regional Water Supply Planning

Stoldt reported that he participates in a group that meets once a week to discuss operations and management of the regional project. The other members of the committee are city managers from the six jurisdictions within the District, Chuck McKee from Monterey County and Jim Heitzman of the Marina Coast Water District.

Adjournment

The meeting was adjourned at approximately 11:00 am.