

**Water Supply Planning Committee  
March 13, 2012**

**Item 3**

## **AGENDA--AMENDED**

### **MONTEREY PENINSULA REGIONAL WATER AUTHORITY**

**6:00 p.m. – Thursday, March 8, 2012**

**Seaside City Hall**

**440 Harcourt Avenue -- Seaside, CA 93955**

1. Call to Order
2. Roll call and introductions
3. Pledge of Allegiance
4. Reports from members of the Authority Board and staff
5. Public Comment for items not on the agenda
6. Approval of minutes (**Action**)
7. Discussion and consideration of scope and focus of the Authority (**Action**)
8. Authorize President to speak on behalf of the MPRWA at the March 14, 2012 Public Water Meeting (**Action**)
9. Discussion and consideration of Authority staff (**Action and Appointment**)
10. Discussion and consideration of Technical Advisory Committee and appointees (**Appointment**)
11. Designation of Officers (**Information**)
12. Items for future agendas (**Information**)
13. Discussion of future meetings
14. Adjournment

*Seaside City Hall is an ADA-accessible facility.*

**MINUTES--DRAFT**  
**MONTEREY PENINSULA REGIONAL WATER AUTHORITY**  
**Saturday, February 25, 2012**

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**1. CALL TO ORDER**

The meeting of the Monterey Peninsula Regional Water Authority was held at Carpenter Hall in the Sunset Cultural Center, in the City of Carmel-by-the-Sea, on the above stated date at the stated hour of 1:00 p.m. President Della Sala called the meeting to order.

**2. ROLL CALL AND INTRODUCTIONS**

Present: Directors Bachofner; Della Sala; Edelen; McCloud and Pendergrass. Director Garcia arrived at 1:20 p.m.

**3. PLEDGE OF ALLEGIANCE**

Vice President McCloud led the Directors and public in the Pledge of Allegiance.

**4. PUBLIC COMMENTS NOT ON THE AGENDA**

George Riley urged the Authority to move quickly and to give formal support for water projects already under way.

Roger Dolan and George Schroeder spoke about the need for a mission statement for the Authority.

Ron Weitzman addressed the need for an independent evaluation.

Tom Rowley discussed the cost and affordability of the project.

Janet Shriner addressed a mission statement for the Authority, having the Water Management District being the lead agency, and representation for the unincorporated areas of the County.

Harvey Billig urged consideration of all water options.

Dale Ellis clarified that the Coalition of Peninsula Businesses has not taken a position on the Monterey Water Management District's proposed fee increase.

Dave Berger read a letter into the record offering the Authority the assistance of technical support from himself and a team of three other local retired engineers.

Dale Hekhuis spoke about the "value added" of JPA leadership in moving water projects forward.

**5. REPORTS FROM MEMBERS OF THE AUTHORITY BOARD AND STAFF**

Carmel City Administrator Jason Stilwell reported that the documentation to establish the Authority had been submitted to the Secretary of State and that development of a Website to post documents and reports related to the Authority was under way.

Vice President McCloud reported that she had been a guest speaker at the Coalition of Peninsula Businesses annual retreat meeting on February 16.

Director Edelen thanked the City of Carmel for serving as the initial staff for the Authority.

President Della Sala outlined some key dates: March 1 (when Cal-Am Water must file answers with the California Public Utilities Commission on the obstacles to meet the CDO); March 14 (the Water Forum hosted by the County and others) and April 23 (when Cal-Am must present to the California Public Utilities Commission the water project it could provide). Because of the April 23 date, it is important that the Authority have its technical advisory committee in place by April 1.

**6. APPROVAL OF THE MINUTES**

Vice President McCloud moved to approve the Minutes of the February 9, 2012 meeting, with amendments, seconded by Director Garcia, and approved unanimously.

**7. CONSIDERATION OF BYLAWS**

Carmel City Administrator Stilwell presented the report.

President Della Sala opened the meeting to public comment at 1:59 p.m.

Jean Grace asked about successor members in the instance of an election.  
Jan Shriner asked about the implications of the Brown Act.

President Della Sala closed the meeting to public comment at 2:05 p.m.

Director Pendergrass moved to approve a Resolution adopting the Bylaws of the Authority, with amendments, seconded by Director Edelen, and approved unanimously. The amendments pertain to Sections 4.1 and 4.3 (ad hoc committees not being subject to the Brown Act) and 2.2.1 (reversing the order of public comments and staff reports).

**8. CONSIDERATION OF DIRECTION TO OBTAIN AUTHORITY LIABILITY INSURANCE**

City Administrator Stilwell presented the staff report.

President Della Sala opened and closed the meeting to public comment at 2:15 p.m.

Director Edelen moved to approve the staff recommendation to secure quotes and return with recommendations and appropriate action, seconded by Vice President McCloud, and approved unanimously.

## **9. DISCUSSION OF ITEMS FROM CITY COUNCIL**

Director Edelen said his Council wants to get representation from the unincorporated sections of the County and a technical advisory board soon as possible.

President Della Sala reported that he had received a letter from Supervisor Dave Potter indicating that the Monterey Board of Supervisors must approve him to become the representative for the unincorporated area. He agreed that getting a working technical advisory committee is important.

Director Bachofner said the Seaside Council would like to see the meetings televised and that one member of the Seaside Council would like Authority consideration of having a weighted vote based on a population formula.

President Della Sala opened and closed the meeting to public comment at **2:24 p.m.**

## **9a. CONSIDERATION OF REQUESTED RESPONSES FROM OTHER AGENCIES**

President Della Sala reported that letters had been sent to five agencies, requesting information on what role those agencies may like to play with the Authority and the timing of any projects they may have in progress. Responses were received from all five agencies.

President Della Sala opened the meeting to public comment at **2:29 p.m.**

Ron Weitzman and Keith Israel spoke to the issue.

President Della Sala closed the meeting to public comment at **2:32 p.m.**

## **10. CONSIDERATION OF FISCAL YEAR 2011-2012 BUDGET**

Carmel City Administrator Stilwell presented the staff report.

The budget for FY 2011-12 will be \$30,000 with a commitment from each city of \$5,000. He confirmed that any unspent money could be rolled over to the next year.

President Della Sala opened and closed the meeting to public comment at **2:34 p.m.**

Vice President McCloud moved to adopt a Resolution to approve the Fiscal Year 2011-2012 budget, seconded by Director Pendergrass, and approved unanimously.

## **11. DESIGNATION OF SIGNATORS**

Carmel City Administrator Stilwell presented the report.

President Della Sala opened and closed the meeting to public comment at **2:36 p.m.**

Vice President McCloud moved to adopt a Resolution to approve the designation of the President and Treasurer to be the signators (with the Vice President in the absence of the President), seconded by Director Edelen and approved unanimously.

## **12. ITEMS FOR FUTURE AGENDAS**

President Della Sala said discussion of the need for legal representation should be placed on a future agenda.

Director Bachofner recommended the Authority discuss setting regular meeting dates to make it easier to plan ahead. Further, he suggested the Authority look into low-cost or possibly free Website services to post material related to Authority business.

President Della Sala opened the meeting to public comment at **2:50 p.m.**

Speaking to the issue were: George Riley, Ron Weitzman, Roger Dolan, Dale Hekhuis, Dan Presser, Harvey Billig, Tom Rowley, Libby Downey and Jason Burnett and Jean Grace.

President Della Sala closed the meeting to public comment at **3:23 p.m.**

## **13. DISCUSSION OF FUTURE MEETINGS**

The next scheduled regular meetings of the Monterey Peninsula Regional Water Authority will be held at 6:00 p.m. at the Seaside City Hall Council Chambers on Thursday, March 8 and again at 6:00 p.m. on March 22 in Pacific Grove at a location to be determined.

On a vote of 5-1 (Vice President McCloud dissenting) the Authority voted to hold a special meeting at 2:00 p.m. on Friday, March 2, 2012 at Sand City Council Chambers to review the qualifications of parties interested in serving in a technical advisory capacity.

## **14. ADJOURNMENT**

The meeting was adjourned at **3:40 p.m.**

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Jerry Edelen, Secretary

**MINUTES – SPECIAL MEETING--DRAFT**  
**MONTEREY PENINSULA REGIONAL WATER AUTHORITY**  
**Friday, March 2, 2012**

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**1. CALL TO ORDER**

The special meeting of the Monterey Peninsula Regional Water Authority was held in the City Council Chambers at Sand City City Hall, on the above stated date at the stated hour of 2:02 p.m. President Della Sala called the meeting to order.

**2. ROLL CALL AND INTRODUCTIONS**

Present: Directors Bachofner; Della Sala; Edelen; Garcia, McCloud and Pendergrass.

**3. PLEDGE OF ALLEGIANCE**

Director Edelen led the Directors and public in the Pledge of Allegiance.

**4. REPORT FROM BOARD MEMBERS AND STAFF**

Vice President McCloud reported on status reports filed by Cal-Am Water with the California State Public Utilities Commission.

Director Bachofner reported he had been working with Carmel's IT manager on a purchasing a domain name for the Authority and said that a modest budget may be needed for hosting it.

President Della Sala said a draft agenda is being developed for the public water forum to be held on March 14 at the Oldemeyer Center in Seaside.

**5. PUBLIC COMMENT**

President Della Sala opened the meeting to public comment at 2:08 p.m.

Chuck Miner, President of the Seaside-Sand City Chamber of Commerce, offered his support to the Authority.

President Della Sala closed the meeting to public comment at 2:09 p.m.

6. **REVIEW THE QUALIFICATIONS OF PARTIES INTERESTED IN SERVING IN A TECHNICAL ADVISORY CAPACITY**

City Attorney Don Freeman, who is currently acting as the legal counsel for the Authority, clarified that based on the agenda title, the Authority could only review the qualifications of those individuals and groups that had expressed interest in serving the Authority in a technical capacity, but could not take action to appoint.

Carmel City Administrator Jason Stilwell presented the staff report and introduced the five people/groups that had submitted information expressing their interest in serving in a technical position.

As Bill Hood was out of town, Stilwell presented his qualifications on his behalf. The other presenters spoke in alphabetical order: David Berger who, with a group he has assembled, is interested in serving in a staff role; Roger Dolan, who is interested in volunteering for the Technical Advisory Committee (TAC); Keith Israel, General Manager for the Monterey Regional Water Pollution Control Agency, which has offered participation as a member of both the TAC and limited in-house staff support equivalent to 40 hours; and George Riley, who also is interested in participating as a public member on the TAC.

President Della Sala opened the meeting to public comment at 2:55 p.m.

Speaking to this issue were: Ron Weitzman; Ralph Rubio; Harvey Billig; George Schroeder; Richard Stillwell; Libby Downey; Herbert Olsen; and Roger Dolan.

President Della Sala closed the meeting to public comment at 3:09 p.m.

Authority members discussed items they would like added the agenda for the March 8, 2012, meeting which will be held at Seaside City Hall at 6:00 p.m. Among the items for inclusion are: the scope and focus of the Authority; consideration of a technical advisory team and appointees; and discussion and consideration of Authority staff.

**ADJOURNMENT**

The meeting was adjourned at 3:43 p.m.

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Jerry Edelen, Secretary

# MONTEREY PENINSULA REGIONAL WATER AUTHORITY

## Staff Report

**DATE:** March 8, 2012  
**FROM:** Jason Stilwell, City Administrator, Carmel-by-the-Sea serving the MPRWA  
**SUBJECT:** Scope and Focus of the MPRWA

**RECOMMENDED ACTION:** Adopt Scope and Focus.

Attached is a framework document to assist in developing the scope and focus of the Monterey Peninsula Regional Water Authority. The framework utilizes an hourglass model dividing up scope and focus between long term goals and short term issues.

The first page focuses on long-term goals. The goal-based plan is a long range focus on steps of the MPRWA that will contribute to a future water supply. It begins with why the MPRWA exists (a mission statement) and the desired future state as a result of the Water Authority's efforts (a vision statement). After the statements are specific goals and related objectives corresponding to each of the goals. There are two goals. One proposed goal is "Ensure the selection of replacement water projects are the most-cost effective possible that can be delivered to meet ordered deadlines while representing California American Water ratepayers." The second goal as proposed is "Present a unified political and public voice to the California Public Utilities Commission in support of the ultimate replacement water project. Goal one has three corresponding objectives and goal two has two objectives.

The second page is issue-based focusing on the major issues facing the MPRWA in the shorter term. It lists two issues. The first issue is "California American Water recommending a project" and the second issue is "vetting the recommended project." Each issue has three related ideas.

The hourglass planning model with broad goals and objectives coupled with shorter term issues are distinct to enable the Authority to keep a focus and to facilitate planning. The approach is flexible enough to encompass the various focuses and desired outcomes of the Authority while providing a clear scope and focus and shorter term work plan.

Also attached is a chart depicting the goal-based and issue-based information. The information in the chart is identical to that on the two pages but the visual depiction may clarify relationships and be a useful depiction.

## **Goals-based (long-range plan)**

**(Mission)** The MPRWA exists to promote timely development of replacement projects, to cooperate with the Monterey Peninsula Water Management District, the Monterey Regional Water Pollution Control Agency, and California American Water while not duplicating or replacing their missions, and to provide a means for representation in the governance of the Authority that is directly accountable to the residents receiving a water supply from the replacement water project.

**(Vision)** The Monterey Peninsula will have a stable and reliable water supply as a result of new water supply projects to replace water supplies lost because of administrative and court orders.

### **What goals will be achieved between now and December 31, 2016?**

- Goal 1: Ensure the selection of replacement water projects are the most-cost effective possible that can be delivered to meet ordered deadlines while representing California American Water ratepayers.
- Goal 2: Present a unified political and public voice to the California Public Utilities Commission in support of the ultimate replacement water project.

### **What specific objectives are needed to achieve each goal?**

#### Objectives for Goal 1:

- G1a: Maintain a transparent process for open deliberation and articulation of MPRWA preferences and concerns regarding any replacement water supplies for the Monterey Peninsula ratepayers;
- G1b: Maintain a working relationship on the replacement water project with California American Water and other water supply agencies from permit entitlements through construction, and through full operation of all of the components of the replacement water project;
- G1c: Assure financing project costs are as low as feasible including utilizing state revolving funds and other financial sources (for example, bonds, grants, loans, and federal or other state funds).

#### Objectives for Goal 2:

- G2a: Serve a leadership role in the entitlement and approval process;
- G2b: Maintain cohesiveness among the members of the MPRWA and the project partners.

**Issue-based (short-range plan)**

Issue 1: California American Water recommending a project

Issue 2: Vetting the recommended project

**Identify ideas that address each issue (9-12 months)****Ideas for Issue 1:**

- a) It is our understanding that after many years of reviewing more than eleven proposals for a replacement water project, with the assistance of the California Public Utilities Commission (CPUC) and the RBF Consulting report of 2011, California American Water will recommend a project to the CPUC by April 23, 2012;
- b) We believe the replacement water project will be a portfolio approach, utilizing multiple sources of water to serve as the water supply to the Monterey Peninsula;
- c) The Authority should utilize a Technical Advisory Committee to conduct an analysis and a major milestone schedule of the four projects identified for further review in the BASE consulting report.

**Ideas for Issue 2:**

- a) After California American Water's selection is known, it will be the goal of the MPRWA to vet that choice by having the technical advisory committee review California American Water's decision-making in selecting the project and validating that choice in a public meeting or meetings of the MPRWA.
- b) Should the MPRWA technical advisory committee find that California American Water's choice of the water supply portfolio is lacking in any way, the MPRWA will coordinate and deliver that message to California American Water for further consideration by California American Water, resulting in appropriate adjustments to the replacement water project or reasons those adjustments are not necessary.
- c) This short term goal should take no longer than three months from April 23, 2012, the date of the California American Water submission of the recommended project to the California Public Utilities Commission.

# Goal-Based plan

The MPRWA exists to promote timely development of replacement projects, to cooperate with the Monterey Peninsula Water Management District, the Monterey Regional Water Pollution Control Agency, and California American Water while not duplicating or replacing their missions, and to provide a means for representation in the governance of the Authority that is directly accountable to the residents receiving a water supply from the replacement water project.

The Monterey Peninsula will have a stable and reliable water supply as a result of new water supply projects to replace water supplies lost because of administrative and court orders.

*Goals to be achieved between now and December 31, 2016*

## Goal 1:

Ensure the selection of replacement water projects are the most-cost effective possible that can be delivered to meet ordered deadlines while representing California American Water ratepayers.

## Objectives for Goal 1:

- a) Maintain a transparent process for open deliberation and articulation of MPRWA preferences and concerns regarding any replacement water supplies for the Monterey Peninsula ratepayers.
- b) Maintain a working relationship on the replacement water project with California American Water and other water supply agencies from permit entitlements through construction, and through full operation of all of the components of the replacement water project.
- c) Assure financing project costs are as low as feasible including utilizing state revolving funds and other financial sources (for example, bonds, grants, loans, and federal or other state funds).

*Specific Objectives needed to achieve each goal*

## Goal 2:

Present a unified political and public voice to the California Public Utilities Commission in support of the ultimate replacement water project.

## Objectives for Goal 2:

- a) Serve a leadership role in the entitlement and approval process;
- b) Maintain cohesiveness among the members of the MPRWA and the project partners.

# Issue-Based plan

The major issues facing the  
Monterey Peninsula Regional Water  
Authority

Ideas that address each issue

## Issue 1:

California American Water  
recommending a project



## Ideas for Issue 1:

It is our understanding that after many years of reviewing more than eleven proposals for a replacement water project, with the assistance of the California Public Utilities Commission (CPUC) and the RBF Consulting report of 2011, California American Water will recommend a project to the CPUC by April 23, 2012. We believe the replacement water project will be a portfolio approach, utilizing multiple sources of water to serve as the water supply to the Monterey Peninsula. The Authority should utilize a Technical Advisory Committee to conduct an analysis and a major milestone schedule of the four projects identified for further review in the BASE consulting report.

- a)
- b)
- c)

## Issue 2:

Vetting the recommended project



## Ideas for Issue 2:

After California American Water's selection is known, it will be the goal of the MPRWA to vet that choice by having the technical advisory committee review California American Water's decision-making in selecting the project and validating that choice in a public meeting or meetings of the MPRWA. Should the MPRWA technical advisory committee find that California American Water's choice of the water supply portfolio is lacking in any way, the MPRWA will coordinate and deliver that message to California American Water for further consideration by California American Water, resulting in appropriate adjustments to the replacement water project or reasons those adjustments are not necessary.

- a)
- b)
- c)

This short term goal should take no longer than three months from April 23, 2012, the date of the California American Water submission of the recommended project to the California Public Utilities Commission

# MONTEREY PENINSULA REGIONAL WATER AUTHORITY

## Staff Report

**DATE:** March 8, 2012  
**FROM:** Jason Stilwell, City Administrator, Carmel-by-the-Sea serving the MPRWA  
**SUBJECT:** Presentation to the March 14, 2012 meeting

**RECOMMENDED ACTION:** Authorize President Della Sala to make comments on behalf of the MPRWA at the Monterey Peninsula Public Water Forum scheduled for March 14, 2012.

The County of Monterey, the Monterey Peninsula Regional Water Authority, the Monterey Peninsula Water Management District, the Monterey Regional Water Pollution Control Agency and California American Water are co-sponsoring a public forum on solving the Monterey Peninsula's long term water supply needs. The meeting is scheduled for March 14, 2012 and the meeting flyer is attached.

The forum organizer is requesting brief presentations from those involved in solving the region's water supply needs. They have asked that a representative of the MPRWA review the purpose of the Authority.

# Monterey Peninsula Public Water Forum

## IMPORTANT PUBLIC NOTICE

Please join the County of Monterey, the Monterey Peninsula Regional Water Authority, the Monterey Peninsula Water Management District, the Monterey Regional Water Pollution Control Agency and California American Water for a co-sponsored public forum on solving the Monterey Peninsula's long term water supply needs.

### FORUM WILL BE FACILITATED BY THE MONTEREY COLLEGE OF LAW

**March 14, 2012  
5:00 to 8:00 P.M.**

**OLDEMEYER CENTER  
986 Hilby Avenue  
Seaside, Ca 93955**



*"If there is magic on this planet, it is contained in water."*  
The Immense Journey, 1957 Loren Eiseley, 1907-1977

# MONTEREY PENINSULA REGIONAL WATER AUTHORITY

## Staff Report

**DATE:** March 8, 2012  
**FROM:** Jason Stilwell, City Administrator, Carmel-by-the-Sea serving the MPRWA  
**SUBJECT:** Discussion and consideration of Authority staffing

**RECOMMENDED ACTION:** Align staffing requirements with the adopted goals, objectives, and ideas of the Authority.

An earlier agenda item on this meeting of March 8, 2012 provides for a discussion and consideration of the scope and focus of the Monterey Peninsula Regional Water Authority. That item could provide a framework for staffing needs of the Authority aligning staffing requirements to specific goals, objectives, and issues of the Authority. At various times the Authority has utilized and discussed the need for three staffing functions: administrative staff, an executive director, and technical staff.

### Administrative Staff

Upon the formation of the MPRWA, the six charter member cities determined it best to utilize existing city staff to administer the Authority. One city would serve the administrative function, providing management, administrative and legal staffing, meeting preparation and administration, office space and records retention, and other requirements such as Web hosting and media and public requests for information. The City of Carmel-by-the-Sea agreed to be the initial city to provide this assistance. It is anticipated this function would rotate among the six cities every three months.

There are certain advantages and disadvantages of the rotation of administrative staffing.

#### Advantages include:

- **Cost.** The cities are not charging the Authority for the cost of administrative staff;
- **Breadth and depth.** The cities have staffing available to provide the administrative functions of the Authority;
- **Familiarity.** The cities are familiar with the water issue and with working with elected leaders to develop solutions.

#### Disadvantages include:

- **Continuity.** The rotation of administrative staffing, while seeking to share the burden among the member cities, will result in some loss of continuity during the rotation even though the cities have strong working relationships;

- **Water expertise.** The six cities, as a whole, do not have the water utility expertise that a technical expert or water agency would have;
- **Resource limits.** The cities have a limit in the resources available to the MPRWA. As cities progress through key staffing transitions or face staffing shortfalls, balancing the needs and requirements of the Authority against the expectations of the cities may pose challenges. The rotation is designed to mitigate this impact but workload requirements of staffing the city and the Water Authority could pose challenges.

### *Executive Director*

The adopted bylaws of the MPRWA provide for the appointment of an executive director. The Authority has not appointed an executive director. The adopted bylaws hold in Article 5.2 that:

“the Executive Director shall administer the business and activities of the Authority, and shall execute all resolutions and agreements on behalf of the Board. The Executive Director shall have such powers, duties and responsibilities as set forth in the Agreement, these Bylaws and as may be provided by agreement between the Executive Director and the Authority or as otherwise delegated to the Executive Director by the Board. The Executive Director shall coordinate staff resources toward the completion of tasks assigned by these Bylaws or other order of the Board. To the extent cost-effective and efficient, the Executive Director shall seek the provision of staff resources from the Members and coordinate among Members to accomplish said tasks.”

The Authority Board did not further specify duties of the executive director nor did it delegate authority from the Board to an executive director. The bylaws may be amended by resolution of the Authority Board. Thirty days' written notice of the proposed amendment must be provided to all members of the board. Such notice need not be through a meeting of the Board but could be done by a letter to each Director at least 30 days prior to the meeting when the proposed amendments would be considered.

### *Technical Staff*

At the Special Meeting of March 2, 2012 the Authority Board reviewed the qualifications of parties interested in serving in a technical advisory capacity. The Board received five letters of interest. Two of those interested, Roger Dolan and George Riley, were interested in serving on a technical advisory committee. Two, David Berger and Bill Hood, offer technical staff assistance. The Monterey Regional Water Pollution Control Agency offered both technical staff assistance and service on a technical advisory committee.

Technical staffing will be key if the Authority is to fill a role of analyzing project alternatives and project proposals. Depending on the goals, objectives, and issues identified by the Authority Board, the technical staffing could be provided by the Technical Advisory Committee, a consulting firm, or an individual or group of individuals.

# MONTEREY PENINSULA REGIONAL WATER AUTHORITY

## Staff Report

**DATE:** March 8, 2012  
**FROM:** Jason Stilwell, City Administrator, Carmel-by-the-Sea serving the MPRWA  
**SUBJECT:** Technical Advisory Committee

**RECOMMENDED ACTION:** Establish a technical advisory committee and select appointees

Article 4 of the Monterey Peninsula Regional Water Authority bylaws provides for advisory committees. The Authority Board may establish one or more advisory committees or establish standing or *ad hoc* committees to assist in carrying out the purposes and objectives of the Authority (4.1) and any advisory committee shall exercise such powers as may be delegated to it with certain limitations (4.2). Advisory committees shall meet at the call of their respective committee chairs. All advisory committee meetings, except for *ad hoc* committees, shall be conducted in accordance with the Ralph M. Brown Act (California Government Code sections 54950 et seq.). *Ad hoc* committees shall not be not subject to the Ralph M. Brown Act. Minutes of committee meetings shall be recorded and upon approval shall be distributed to the Board.

Previously the Authority sent letters to other agencies involved in water supply soliciting their interest in assisting the Authority and asking what role they envision serving in to provide the assistance. In response, California American Water offered "it seems that having a representative from our company serve on (the Authority's) Technical Advisory Committee would be a good fit." The Monterey Regional Water Pollution Control Agency Board "offers participation as a member of a technical advisory committee that could serve the Authority."

At the Special Meeting of March 2, 2012 the Authority Board reviewed the qualifications of parties interested in serving in a technical advisory capacity. The Board received five letters of interest. Two of those interested, Roger Dolan and George Riley, were interested in serving on a technical advisory committee.

Depending on the role the Authority Board identifies for a technical advisory committee other individuals or agencies may be represented. For example, the cities, a member of the general public, consulting staff, other water agencies or special districts may be represented to provide the expertise commensurate with the charge of the committee.

# MONTEREY PENINSULA REGIONAL WATER AUTHORITY

## Staff Report

**DATE:** March 8, 2012  
**FROM:** Jason Stilwell, City Administrator, Carmel-by-the-Sea serving the MPRWA  
**SUBJECT:** Appointment of Officers

**RECOMMENDED ACTION:** Appoint Officers

The Authority Board appointed officers at its first meeting on February 9, 2012. Monterey Mayor Chuck Della Sala was elected President, Carmel-by-the-Sea Mayor Sue McCloud was elected Vice President, Del Rey Oaks Mayor Jerry Edelen was elected Secretary, and Pacific Grove Mayor Carmelita Garcia was elected Treasurer. The initial term of the elected Officers shall run until June 30, 2013.

Any Officer may resign at any time by giving written notice to the Executive Director or Secretary. Any resignation takes effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in that notice, the acceptance of the resignation is not necessary to make it effective. Any vacancy in the offices because of resignation or any other cause will be filled for the balance of the vacated term in the manner prescribed in the Bylaws for regular appointments to that office. Such vacancies may be filled at any regular or special meeting of the Board. An Officer may be removed, with or without cause, by a majority vote of the Board at a regular or special meeting.

The Treasurer need not be a Director. The required duties of the Treasurer are listed in Section 3.6.4 of the bylaws.

# WATER SUPPLY OPTIONS

		Ownership	
		Private Company	Public Agency
Water Supply	Single Source	Cal Am	WaterPlus
	Portfolio of Sources	JPA Water Authority?	Water Mgt District

**Note. From most to least costly, the four options are JPA, Cal Am, Water Mgt District, & WaterPlus. Only Cal Am & WaterPlus are drought-proof.**

# EXPLANATION OF THE TABLE NOTE ON THE OTHER SIDE

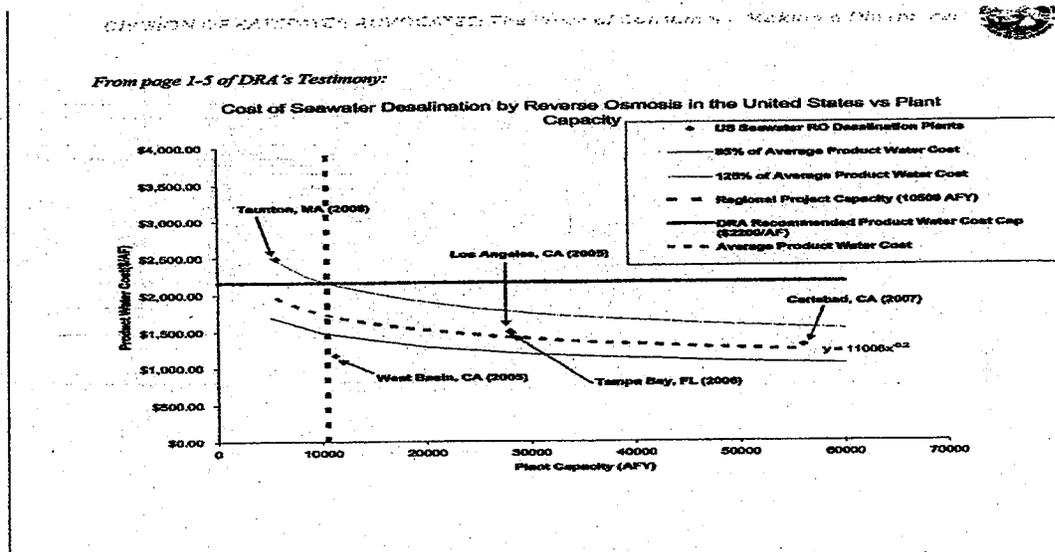
## 1. COST COMPARISON

- a. The two privately-owned options are more expensive than the other two because a private company has to pay much more for capital than a public agency does—in the case of desalination up to one-half billion dollars more
- b. A portfolio of water-supply sources (aquifer storage & recovery, waste water recharge, & desalination) is more costly than a single desalination source for two reasons:
  - i. Each source is more costly per acre-foot than desalination
    - 1. ASR & WWR are each more costly than desal per acre-foot according to Cal Am (see its March 2012 response to ALJ Bushey)
    - 2. Water is more costly per acre-foot from a small desal plant than from a large one according to the CPUC Division of Ratepayer Advocates (see its graph below, based on empirical data)
  - ii. Use of a single desal source would obviate the need for much of Cal Am's current infrastructure and associated O&M costs while a portfolio of sources would continue to incur much of these costs plus the cost of the three add-ons

## 2. DROUGHT COMPARISON

- a. The portfolio
  - i. Depends on ASR, which is not drought-proof (Carmel has had one-quarter of the rain this year than it had last year)
  - ii. Supplies the minimum amount of water to meet WR 95-10 requirements, with no "cushion" in case of a drought
- b. Single-source desalination is drought-proof

### CPUC Division of Ratepayer Advocates Graph from its Comments on the RDP Settlement Agreement



Monterey Peninsula Water Management District  
Meeting with City Managers

March 5, 2012

AGENDA

- 1) Water Supply Planning
  - GWR
  - ASR
  - Desal
  
- 2) Cal-Am Path for Desal – Issues and hurdles
  - CPUC Process
  - CEQA
  - Litigation Risk – Water rights; Land use/growth; CEQA
  - Public Ownership Issues:
    - ✓ County Ordinance
    - ✓ Coastal Commission
    - ✓ Financing Cost
    - ✓ SRF Loans
    - ✓ O&M
    - ✓ Governance
    - ✓ Schedule
  
- 3) Public Path for Desal – Issues and Hurdles
  - Technical Evaluation & Scoping
  - CEQA
  - CPUC Process
  - Scheduling
  - Financing
  
- 4) User Fee