



EXHIBIT 1-A

DRAFT MINUTES **Water Supply Planning Committee of the** **Monterey Peninsula Water Management District** *December 4, 2012*

Call to Order

The meeting was called to order at 10:00 am in the MPWMD conference room.

Committee members present: Bob Brower, Chair
Jeanne Byrne
David Pendergrass

Staff members present: David Stoldt, General Manager
Joe Oliver, Water Resources Division Manager
Larry Hampson, Acting Planning & Engineering Division Manager
Arlene Tavani, Executive Assistant

District Counsel present: David Laredo

Action Items

- 1. Adopt Minutes of November 15, 2012 Committee Meeting**
On a motion of Director Pendergrass and second by Director Byrne, the minutes were approved unanimously on a vote of 3 – 0.

- 2. Consider Recommendation to the Board on Adoption of Reimbursement Resolution for Groundwater Replenishment Project**
Director Pendergrass offered a motion to recommend that the Board of Directors adopt Resolution No. 2012-14 with the following amendment: add the phrase “The Board has determined that the groundwater replenishment project is for the common benefit of the District as a whole.” The motion was seconded by Director Byrne and approved on a vote of 3 – 0.

- 3. Consider Recommendation to the Board on Loan Agreement for Aquifer Storage and Recovery Related Costs**
On a motion by Director Byrne and second of Director Pendergrass, the committee voted unanimously to recommend that the Board of Directors approve Resolution No. 2012-15 that would authorize the Board to obtain a loan not-to-exceed \$4 million for ASR costs. The motion was approved on a vote of 3 – 0.

- 4. Consider Recommendation to the Board on Investigation into Desalination Contingency Project**
On a motion by Director Byrne and second of Director Brower, the committee voted unanimously to recommend that the Board of Directors commence an investigation into development of a desalination contingency project as outlined in the staff report, including: (A) distribute a request for proposals for development of a project description; and (B) authorize an expenditure of

\$500,000 per year over a two-year period to fund CEQA and NEPA review. The motion was adopted on a vote of 3 – 0.

The following comments were directed to the committee during the public comment period on this item. (1) **Todd Norgaard** stated that the approach proposed will offer flexibility in project sizing. He opined that the community does not support a large desalination project that would provide water to North Monterey County and outlying areas. (2) **Sylvia Shih** suggested that the District should take the lead in development of a publicly owned desalination project. (3) **Ron Cohan** urged the District to identify a private company that could design and build a desalination project and sell the water at a reasonable price. (4) **Roger Dolan** stated that the District should drop the contingency project concept, and develop an alternative to Cal-Am's Monterey Peninsula Water Supply Project. The District should pursue public ownership. It should contract with a private company to design and build a project within a 5-year time frame. (5) **Tom McDonald** urged the District to commence development of a publicly owned project or a public/private partnership. (6) **Dick Rudyard** spoke in support of the District pursuing public ownership of a desalination project. (7) **Doug Wilhelm** urged the District to develop an aggressive schedule for development of the desalination contingency project, because he believes that it will eventually replace Cal-Am's Monterey Peninsula Water Supply Project as the preferred project. (8) **Dan Turner** expressed support for a publicly owned desalination project, and stated the District should abandon the contingency project concept and focus on development of a publicly owned alternative to the Monterey Regional Water Supply Project. (9) **John Walton** opined that the District should move ahead on construction of a "much bolder" alternative than a contingency project. (10) **Diane Cotton** stated that the District, as the local water agency that offers direct representation to the rate payers, should be responsible to construct a publicly owned water supply project. (11) **Bob Siegfried** expressed support for public ownership of a desalination plant. He proposed that water from the project would be sold to Cal-Am for distribution to its customers. (12) **Dale Hekhuis** requested that the District distance itself from support for Cal-Am collection of \$99 million through a surcharge to fund its desal project costs. The ratepayers should get a share of ownership for any use of such a surcharge. The District should encourage the PUC to make it available for any of the alternative projects from the Authority's SPI consulting work so their funding plan could be improved by use of the \$99 million. (13) **Skip Hodges** stated that Cal-Am will never develop water at a reasonable cost. He proposed that the District should develop a publicly owned project that will provide reasonably priced water. (14) **Carmelita Garcia** stated that the District should move forward on construction of a desalination project. The request for qualifications to be distributed by the District should demand that the final cost to the ratepayer be included in the project description. The District must explain to the public the difference between its role in development of a project, and the role of the Monterey Peninsula Regional Water Authority.

5. **Consider Recommendation to the Board on Adoption of Ordinance No. 152 Citizen's Oversight Panel Mission and Responsibilities**

Director Byrne offered a motion that was seconded by Director Pendergrass, that the Board of Directors adopt the proposed Mission and Responsibilities and the committee Bylaws. In addition, committee members should be required to participate in a tour of water production facilities in Carmel Valley, the Sleepy Hollow fish rearing facility, and the District's aquifer storage and recovery projects. The motion was adopted on a vote of 3 – 0. Director Pendergrass suggested that committee members might be interested in participating in a tour of the Orange County Water Factory 21 water treatment facility. Tours are coordinated by the Monterey Regional Water Pollution Control Agency.

6. Consider Recommendation to the Board on Selection of Monterey County Association of Realtors and Monterey Peninsula Tax Payers Association Representatives to Citizen's Oversight Panel

Director Byrne made a motion that was seconded by Director Pendergrass, that the committee recommend to the Board of Directors that it appoint to the Oversight Panel Rick Smith, representing the Monterey County Association of Realtors; and Paul Bruno, representing the Monterey Peninsula Taxpayers Association.

Discussion Items

7. Update on Progress of MPWMD Response to National Marine Fisheries Service Recommendation re Draft Recovery Plan

No discussion.

8. Future of Los Padres Dam

No discussion.

9. Status of Aquifer Storage and Recovery Water Availability Study (IFIM)

No discussion.

Suggestions from the Public on Water Supply Project Alternatives

No comments.

Set Next Meeting Date

The committee agreed to meet again on Thursday, January 10, 2013 at 2 pm in the District conference room.

Adjournment

The meeting was adjourned at approximately 11:30 am.