

**MONTEREY PENINSULA REGIONAL WATER AUTHORITY
(MPRWA) REGULAR MEETING MINUTES
Thursday, June 28, 2012**

1. CALL TO ORDER

The MPRWA regular meeting of June 28, 2012 was called to order at 6:00 p.m. by President Chuck Della Sala.

2. ROLL CALL AND INTRODUCTIONS

Roll call was taken and a quorum established with the following members in attendance:

- a. Chuck Della Sala, Monterey –President
- b. David Pendergrass, Sand City
- c. Jason Burnett, Carmel
- d. Carmelita Garcia, Pacific Grove
- e. Jerry Edelen, Del Rey Oaks
- f. Felix Bachofner, Seaside – Vice President (arrived after roll call at 6:05pm).

3. PLEDGE OF ALLEGIANCE

Director Pendergrass led the attendees in the Pledge of Allegiance.

4. REPORTS FROM MEMBERS OF THE AUTHORITY BOARD AND STAFF

Mr. Don Freeman presented options regarding legal counsel.

Ms. Christine Davi expressed the need for continuity of legal services, or to go back for shared services with City of Monterey.

Options discussed include carrying on as is, having shared services with Monterey, any other entity, or retired city clerks.

Extensive discussion took place among the Board members regarding legal counsel needs.

Mr. John Dunn introduced the budget.

Mr. Fred Muerer expressed that water is an important project, and public has high expectations for this Board.

Mr. Nelson Vega expressed concerns from a taxpayer's perspective. He expressed that this organization needs appropriate legal advice, and to decide first who is going to do the project. Mr. Vega suggested options such as going back to City Council and Districts, and possibly a bigger desal plant.

Mr. Bill Hood expressed concern for 2 legal issues, and this organization needs someone knowledgeable.

Mr. Mark Del Piero expressed that \$1,000 for a letter is expensive. There is also potential for conflict of interest for Monterey/Carmel attorneys. He expressed concerns as to why the County is not represented here.

Extensive board discussion took place.

M/S/C (DELLA SALA/EDELEN) to continue item to a future meeting with the recommendation to appoint an Ad-hoc committee. There were six affirmative votes.

Mayor Burnett provided updates on meetings with PUC and Coastal Commission.

Charles Della Sala met with the president of California American Water Company (Cal-Am) and spoke about the analysis of 3 desal projects, followed by a Cal-Am discussion.

5. RECEIVE REPORT FROM TAC AND PROVIDE DIRECTION AS NEEDED

Mayor Garcia excused herself due to potential conflict of interest - campaign regulations during supervisorial race.

Mr. Bill Reichmuth spoke about the SWOT analysis of 3 desal plants. He informed the Board that he was asked by Cal-Am to do an update on water rights/negotiations, etc. He mentioned that the RFP is finally out today, and he would like to do an addendum. Mr. Reichmuth stated there are lots of disconnects, and we need someone who has primary duty of providing these clerical administrative tasks.

The Board expressed thanks to Mr. Reichmuth for his hard work. He will be stepping down from his role due to health reasons.

President Della Sala opened public comment.

A member from the public spoke about a PUC workshop to be held in San Francisco on July 26 and 27. The JPA has previously submitted a request for this meeting to be held in Monterey on a future date.

Mr. George Schroeder, People's project, spoke about RFP comments and suggested that proposers should spend 2 days looking at the projects themselves. People's project would pay a portion of cost.

Mr. Rudy Fischer, Pacific Grove Councilmember, mentioned that TAC is doing a good job for hiring a consultant. There are high expectations for TAC. neutral funding for analysis. Many people are counting on JPA.

Mr. Nelson Vega mentioned that the agenda for this meeting wasn't properly posted, and continuity is needed for clerical duties. He emphasized that real independent legal representation is needed.

Mr. George Schroeder made a comment in reference to the RFP in which an addendum should be sent out quickly for a consultant to do a site inspection.

The President closed public comment and opened up discussion to Board members.

Mr. Bill Reichmuth answered questions from Board.

6. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Mayor Garcia returned to the Boardroom.

Mr. Tom Rowley expressed concerns on several topics. He feels there is a lack of community consensus and support for water and regional desal projects. The role of JPA is important to get message out to the community on the 3 desal project proposals. In regards to government funding, knowing how to negotiate some funding may be beneficial to get a job done. Lastly, this organization is lacking County representation. He suggested that the JPA listen to community and Cal-Am rate payers. A water supply project will be crucial for the entire Monterey Peninsula community.

Mr. Nelson Vega mentioned potential conflict of interest. He asked what confidence does community have in JPA directors? Mayor shouldn't have private meeting with Cal-Am. He also suggested that the City of Marina be outreached to due to their legal right to the water. Mr. Vega mentioned that JPA shouldn't go forward with the budget item until the public has seen the budget in the staff report.

Mr. Bill Hood mentioned an interim decision that is scheduled for February, is due in September. He expressed the importance of putting time into that process, and to move quickly with practical decisions. It is expected that budgets can dictate a level of effort and vice versa. If you can't be actively involved, there won't be a major impact.

A member of the public from Carmel brought up the issue of not having an appropriate EIR as ordered by PUC. If this isn't done properly, a lot of money will be wasted. He suggested that even with a limited budget, an appropriate letter with issues to be addressed in proper EIR should be sent to PUC.

7. APPROVAL OF MINUTES – JUNE 14, 2012

M/S/C (DELLA SALA/BACHOFNER) to continue approval of minutes at a future meeting.

Vice-President Bachofner suggested that agenda item #8 (membership fees) be discussed after agenda item #9 (budget.) Extensive discussion took place about membership fees. Agenda item #9 will be discussed before agenda item #8.

The MPRWA Board recessed for 6 minutes at 7:45pm.

8. DISCUSS MEMBERSHIP FEE AS A MEANS OF SUPPORTING OPERATIONS OF JPA

Mr. Don Freeman discussed that a weighted average from water usage is preferred over a membership fee. A way to re-word the discussion on membership fees would be to “discuss financial support for operations of JPA.”

President Della Sala opened public comment.

Mr. Nelson Vega spoke about a weighted vote emphasis because the citizens will know exactly how much everything is going to cost. He stated that there should be a policy for when people bring desal projects to JPA, they should be responsible for paying the costs; not on the taxpayers.

Mr. Rudy Fischer commented on the budget. He mentioned that the JPA focus should be on what can be done quickly. The big items include project evaluation study, PUC representation, and legal costs.

No action for this item is necessary due to re-noticing requirements by Don Freeman.

9. CONSIDER ADOPTING BUDGET

John Dunn presented report on budget. Extensive discussion took place.

President Della Sala opened public comment regarding budget.

Mr. Rudy Fischer commented on the budget suggesting that weighted distribution is a favorable option.

Mr. Nelson Vega commented on the budget and the significance of weighted votes.

President Della Sala closed public comment and opened the discussion to Board members.

Extensive discussion took place regarding the budget.

M/S/C (BURNETT/BACHOFNER) to continue item with direction for staff to have line item on legal representation and staff support and for each mayor to get authorization from Council.

10. DISCUSS ADDING ENGINEER TO TAC

Due to the retirement of Mr. Reichmuth and Mr. Dolan not returning to the TAC, a recommendation has been made to replace two engineers - One with CEQA background (planner) and one with water expertise.

Mr. Nelson Vega suggested hiring someone for technical advice for intense analysis of this entire process.

Mr. Doug Helm suggested adding someone with financial background to work with community.

11. ITEMS FOR FUTURE AGENDA

- Agency modifications. How likely is it to capture costs?
- send letter to County for reconsideration of representation to JPA
- County role in shared costs
- Policy direction on “pay as you go” policy.
- Discuss public outreach.

12. DETERMINE TIME AND PLACE OF FUTURE MEETINGS

Thursday July 12 and July 26 – place TBD.

City manager meetings potentially scheduled for July 9.

Ad hoc meeting to meet with City Managers – TBD.

13. ADJOURNMENT

The meeting was adjourned at 8:50 p.m.

Respectfully submitted,

Toni Oasay
Acting Clerk

ATTEST:

Chuck Della Salla
Chair