



Monterey Peninsula Chamber of Commerce
Government Affairs Committee Meeting
April 9, 2008
Community Hospital Properties
787 Munras Avenue, Suite C, Monterey

No items require Board action but please review the conclusion in the special presentation item.

“Support the Issues and People that Support the Monterey Peninsula Economy”

MINUTES

I. Call to Order – 3:36 pm

Present: Limesand, Buhl, Cynthia Watson (for Debbie Hale), Walters, Low, Cohn, Sessums, Boskoff, Gustafson and guests Lyndel Melton and Steve Kasower
Staff: Coleman, Pejhan, McKenzie

II. Consent Calendar

M/S/P: Minutes of meeting of March 12, 2008 approved as distributed.

III. Board Actions on Prior GAC Motions

Limesand reported the 2008 Government Affairs Committee Goals were presented to the Board, that a letter was written to City of Monterey encouraging the city to conduct significant business outreach before banning polystyrene food packaging products, and that the revised Environment and Green Business Practices Policy had been presented to the Board for approval; the Board decided to take more time to review the revised policy and will consider it at its April meeting.

IV. Special Presentation

Guest presenters Lyndel Melton, PE, of RMC Water and Environment, and Steve Kasower, Research Economist with University of California, Santa Cruz Center for Integrated Water Research (CIWR), were introduced to make a presentation on the water supply project work of the Regional Plenipotentiary Oversight Group (REPOG) commissioned by the Department of Ratepayer Advocates (DRA) of the California Public Utilities Commission (PUC). Kasower was appointed by DRA to lead the effort to find if a community consensus could be reached on water supply projects that would solve regional water supply needs at a cost lower than Cal Am’s Coast Water Project (CWP). Melton and RMC were selected to put the work of REPOG together in a comprehensive report that includes engineering cost estimates and construction timelines.

Melton provided background information on Cal Am’s application to PUC to build its CWP. DRA called in UCSC’s CIWR to develop the basis for an alternative to CWP. Kasower reflected on the complicated politics surrounding water in Monterey County, and explained Cal Am’s CWP is limited in size to replacement of Carmel River water and Seaside Basin water that can no longer be taken because of the adjudication of that basin. The REPOG review is not similarly limited and so looked at broader idea of water supply need. Kasower noted the area is extremely acrimonious and provincial on water issues. Melton noted the urban water needs of coastal and northern Monterey County is upwards of 30,000 acre feet per year (afa) including 17,000 afa for Monterey Peninsula Water Management District (the Carmel River deficit, Seaside Basin replacement water, and 4,500 afa for General Plan needs of the cities and unincorporated areas). Melton emphasized the water supply target figures are not finalized yet and that adding up the estimated yields of the collection of projects exceeds the amount of water actually needed. REPOG built on all previous water projects work done in the area – a collection

of most of the projects discussed over the years - and added some new ideas developed by the group. The REPOG-recommended program provides for incremental implementation, building on successes as projects come on line.

More details of the projects and their estimated water supply yields can be found at the following website:

[http://ciwr.ucsc.edu/monterey/March_2008_Mont\(3\).pdf](http://ciwr.ucsc.edu/monterey/March_2008_Mont(3).pdf)

Limesand asked if further water use conservation could be a significant water supply help, as some advocate. Melton stated the simple answer is no, but that Cal Am and MPWMD agreed to reach additional savings over next few years. Melton also pointed out that outdoor water use is an opportunity for more savings by doing a better job of using non-potable water for landscaping and other outdoor uses. Kasower noted there are always some who believe there's another "widget" out there to increase savings but it's simply not true in this area. The band on the water supply projects graph that represents recycled water reflects that the Castroville Seawater Intrusion Project (CSIP) is probably the best and biggest in the US, maybe in the world, and it's already supplying 13-14000 afa. CSIP can be extended/expanded - and this frees up groundwater. The last piece in the recommended project is a desal plant that would use seawater-intruded groundwater, thus eliminating the environmental problem of killing fish, and using the Monterey Regional Water Pollution Control Agency (MRWPCA) outfall. Because the desal will depend on brackish water rather than seawater, the discharge would have an average salinity almost identical to the ambient salinity of Monterey Bay, eliminating another environmental complication of salinity dilution. Another advantage and cost-saving factor of the proposed desal is since it is located near the regional waste management site, methane from the dump can power the plant at a lower cost than buying electricity from regular vendors and the price paid will be greater than the waste management agency receives on its wholesale sales of the methane. Boskoff pointed out that the projects total a lot of water and asked if that would trigger anti-growth sentiments. Kasower responded that REPOG has anti-growth groups at the REPOG table, and that the group hears their concerns loud and clear. The next steps are to finish engineering and related studies and get the package to PUC in late spring (June or so). PUC will add the proposal to its Environmental Impact Report as an alternative to the CWP. The CWP Draft EIR should be out by the end of December. The total cost of the REPOG projects is \$100M less than the cost of CWP alone and produces three times the amount of water, or more.

Limesand asked what REPOG could use from the Chamber. After discussion, the committee agreed a letter to REPOG indicating general support/endorsement of the REPOG proposal would be in order and consistent with the Chamber's water policy and that the support should be shared with Chamber membership. Cohn suggested a similar presentation should be made to the Board of Directors. Low suggested several ways to communicate to members including using a bigger portion of the Chamber's website. McKenzie suggested adding the link to the CIWR Monterey project to the website.

V. Current issues/Action Items

McKenzie provided an overview of the issue of eminent domain reform discussed by the committee almost two years ago when it deliberated on Proposition 90 (on the November 2006 ballot); he furnished the committee with the Legislative Analyst's summary of the propositions, the ballot arguments on each, and the text of the propositions. He mentioned GAC recommended opposing Proposition 90 because it went too far by proposing to require compensation to property owners for regulations that diminish property value or usability. Propositions 98 and 99 on the June ballot are

two approaches to eminent domain reform. Sessums distributed literature describing the League of California Cities concerns with Proposition 98 explained to the committee why the League of California Cities and other public agency associations, Western Growers Association, the California Chamber of Commerce and other groups oppose Proposition 98. The concerns center around the potential for lengthy and expensive lawsuits, potential delays and increased costs of public agency projects including water projects, and the fact that in the view of those groups Proposition 98 goes beyond eminent domain reform and includes eliminating rent control. McKenzie informed the committee that the Howard Jarvis Taxpayers' Association and the California Farm Bureau Federation are sponsors of Proposition 98. Boskoff indicated he would like to have time to check with his California Marriott group and California Hotel and Lodging Association to see if either has a position on the two propositions. After brief discussion, the committee agreed it needed more time to discuss the two propositions and further agreed to hold a special meeting at 7 am on April 15th at the Community Hospital Properties offices to finish its deliberations.

VI. Carryover items: deferred.

VII. Reports from local government and legislative representatives –deferred.

VIII. Standing Issues – deferred.

IX. Next Meeting – the next regular meeting will be held on May 14th at 3:30 pm at Community Hospital Properties offices in Monterey. The special meeting to finish discussion of Propositions 98 and 99 will be held at 7 am at the same location.

X. Adjournment – 5:35 pm.

Prepared by Bob McKenzie