



**EXHIBIT 1-B**

**DRAFT MINUTES  
Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
July 16, 2012**

The meeting was called to order at 7:00 p.m. in the District's conference room.

**CALL TO ORDER/ROLL CALL**

*Directors Present:*

David Potter – Chairperson – Monterey County Board of Supervisors Representative  
David Pendergrass – Vice Chair, Mayoral Representative  
Brenda Lewis – Division 1  
Judi Lehman – Division 2  
Kristi Markey – Division 3  
Robert S. Brower, Sr., -- Division 5

*Directors Absent:*

Jeanne Byrne – Division 4

*General Manager present:* David J. Stoldt

*District Counsel present:* David Laredo

The assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

The following comments were directed to the Board during Oral Communications. **(1) Tom Rowley**, resident of Monterey, stated that until the cost for development of groundwater replenishment and aquifer storage and recovery projects has been determined, representatives of the District should stop repeating the statement that those projects are less costly than other water supply options. **(2) Nelson Vega** expressed agreement with Mr. Rowley's statement. He requested that Consent Calendar item 10 be pulled for separate consideration. He also stated that the Monterey Peninsula Regional Water Authority (Authority) should be disbanded. He urged the Board to respectfully disengage from the Authority and resolve the water supply situation.

**ORAL COMMUNICATIONS**

On a motion by Director Brower and second of Director Pendergrass, the Board voted to approve the Consent Calendar except for item 9 that was removed from the agenda, and item 10 that was pulled for separate consideration. The motion was approved

**CONSENT CALENDAR**

unanimously on a vote of 6 – 0. Directors Brower, Lewis, Lehman, Markey, Potter and Pendergrass voted in favor of the motion. Director Byrne was absent.

Approved.

1. **Consider Adoption of Minutes of the June 19 and June 27, 2012 Continued Regular/Special Board Meetings**

Approved.

2. **Receive and File Water Year 2011 Water Project 1 Summary Report**

Approved.

3. **Consider Expenditure of Budgeted Funds to Amend Contract with Golden State Planning and Environmental Consulting to Assist with Water Distribution System Permit Program**

Approved.

4. **Consider Expenditure of Budgeted Funds to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits**

Approved.

5. **Consider Expenditure of Budgeted Funds to Contract for Limited Term Field Positions During FY 2012-2013**

Approved.

6. **Authorize Expenditure of Budgeted Funds for Temporary Agency Employee to Assist with Data Migration in the Water Demand Division During FY 2012-2013**

Approved.

7. **Approval to Surplus and Transfer Ownership of Two Out of Date Backpack Electrofishing Units to the Carmel River Steelhead Association**

Approved.

8. **Consider Approval of 2012 Annual Memorandum of Agreement for Releases from San Clemente Reservoir among California American Water, California Department of Fish and Game, and Monterey Peninsula Water Management District**

The item was pulled from the agenda. No action taken.

9. **Consider Adoption of Side Letter Agreements Amending the Memorandums of Understanding Between the Monterey Peninsula Water Management District and the General, Management, and Confidential Staff Bargaining Units**

On a motion of Director Brower and second by Director Markey, the General Manager was authorized to enter into a reimbursement agreement with California American Water for Water Project 2. The motion was approved unanimously on a vote of 6

10. **Authorize General Manager to Enter Into Reimbursement Agreement for Water Project 2**

– 0. Directors Potter, Brower, Pendergrass, Markey, Lehman and Lewis voted in favor of the motion. Director Byrne was absent.

During the public comment period on this item, Nelson Vega asked if ratepayers would receive a refund of user fees, should the fee be collected and Cal-Am reimburse the District for Aquifer Storage and Recovery (ASR) costs. General Manager Stoldt explained that the user fee is intended to fund completion of Phase 1 ASR and studies for future expansion of ASR. The reimbursement agreement will address costs for ASR Phase 2, namely well Nos. 3 and 4, which are owned by Cal-Am. The California Public Utilities Commission issued a decision authorizing collection of funds to construct well No. 4. The District, Cal-Am's contractor for Phase 2, will pay construction costs from its credit line and later be reimbursed by Cal-Am.

Approved.

A summary of General Manager Stoldt's report is on file at the District office and can be viewed on the agencies' website. Mr. Stoldt advised that the Santa Margarita ASR well had recently been used as a Cal-Am production well while the Paralta and Plumas wells were off-line. Also the Sand City Desalination project was not operational for a 15 to 17 day period in June, due to repairs at the associated production well. He reported that District staff rescued 4,000 steelhead from drying sections of the Carmel River during the first four weeks of fish rescue operations. On a motion of Director Brower and second by Director Lehman, the report was received on a unanimous vote of 6 – 0. Directors Brower, Lehman, Lewis, Markey, Pendergrass and Potter voted in favor of the motion. Director Byrne was absent.

General Manager Stoldt reviewed information provided in the staff report on this item. On a motion by Director Brower and second of Director Markey, the Board received the report on a unanimous vote of 6 – 0. Directors Brower, Lehman, Lewis, Markey, Pendergrass and Potter voted in favor of the motion. Director Byrne was absent.

During the public comment period on this item, Nelson Vega expressed a concern that Mr. Stoldt's participation on the Authority's Technical Advisory Committee (TAC) is a conflict of interest. He suggested that Mr. Stoldt should step down from the Authority's TAC.

**11. Consider Adoption of Treasurer's Report for May 2012**

**GENERAL MANAGER'S REPORT**

**12. Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**

**13. Update on Development of Water Supply Projects**

District Counsel Laredo stated that the Board discussed the items listed on the agenda. No reportable action was taken.

No reports from the Directors.

Director Markey offered a motion that was seconded by Director Brower to adopt Resolution 2012-10 as presented, and authorize the agreement for collection of special taxes, fees, and assessments with the County of Monterey. The motion was adopted on a unanimous vote of 6 – 0. Directors Brower, Lehman, Lewis, Markey, Pendergrass and Potter voted in favor of the motion. Director Byrne was absent.

During the public comment period on this item, Nelson Vega recommended that the Board take no action on the resolution or agreement until the possibility of a referendum is resolved. He reasoned that it could be problematic if the District were to spend user fee funds before legality of the fee has been determined.

There was no discussion of the Informational Items/Staff Reports.

#### ATTORNEY'S REPORT

##### 14. Report on July 16, 2012 Board Closed Session

Conference with Legal Counsel –  
Threatened Litigation (Gov. Code 54956.9  
(b)) – One Case

Conference with Labor Negotiators (Gov.  
Code 54957.6)

Agency Designated Representative: David J.  
Stoldt

Employee Organization: General Staff and  
Management Bargaining Units Represented  
by United Public Employees of  
California/LIUNA, Local 792

Unrepresented Employees: Confidential Unit

#### DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

##### 15. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations

#### ACTION ITEMS

##### 16. Consider (1) Adoption of Resolution 2012- 10 -- Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges; and (2) Authorize Agreement for Collection of Special Taxes, Fees, and Assessments with the County of Monterey

#### INFORMATIONAL ITEMS/STAFF REPORTS

17. Letters Received
18. Committee Reports
19. Carmel River Fishery Report
20. Water Conservation Program Report
21. Monthly Allocation Report
22. Monthly Water Supply and California  
American Water Production Report
23. Quarterly Carmel River Riparian  
Corridor Management Program Report

**24. Quarterly Water Use Credit Transfer  
Status Report**

The meeting was adjourned at 7:25 pm.

**ADJOURNMENT**

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Arlene M. Tavani, Deputy District Secretary

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