



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
November 19, 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
Jeanne Byrne – Division 4
Robert S. Brower, Sr., -- Division 5

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No comments were directed to the Board under Oral Communications.

ORAL COMMUNICATIONS

On a motion by Director Pendergrass and second of Director Brower, the Consent Calendar items were approved unanimously on a vote of 7 – 0.

CONSENT CALENDAR

Approved.

1. Consider Adoption of Minutes of Regular Board Meeting of October 15, 2012

Approved not-to-exceed amount of \$50,000.

2.A. Consider Expenditure of Budgeted Funds for Work Related to Securing Approval for Aquifer Storage and Recovery Water Project 1 Expansion

Approved not-to-exceed amount of \$20,000.

2.B. Consider Expenditure of Budget Funds for Preparation of Preliminary Analysis of Tularcitos Groundwater Basin – Potential Future Aquifer Storage and Recovery Site

A summary of Mr. Stoldt's report is available on the District's website and at the MPWMD office.

Mr. Stoldt reported on the following projects.
Groundwater Replenishment – The Monterey Regional Water Pollution Control Agency (MRWPCA) Board of Directors did not approve a budget for CEQA work needed to initiate development of the project. MRWPCA staff continues to meet with representatives for Salinas Valley growers in order to resolve water rights issues.
Aquifer Storage and Recovery (ASR) – District staff met with representatives from the City of Seaside to further plans for expansion of ASR, including construction of a back-flush pit that would serve all ASR wells in the General Jim Moore area. Progress was also made on securing a permanent funding source to reimburse fund balances that have financed ASR costs.
Desalination – The draft report titled Evaluation of Seawater Desalination Projects prepared by SPI has been received by the Monterey Peninsula Regional Water Authority (MPRWA). The District presented a financial analysis to the MPRWA TAC. The final SPI report should be released by December 15, 2012. The California Public Utilities Commission has scheduled workshops in December on cost methodology modeling for the California American Water (Cal-Am) Monterey Peninsula Water Supply Project.

A summary of the report presented by Stephanie Pintar, Water Demand Manager, is on file at the District office and can be viewed on the MPWMD website.

District Counsel Laredo reported that he provided a status report to the Board on item 6.A, and no reportable action was taken. All other agenda items were continued to the next meeting.

GENERAL MANAGER'S REPORT

3. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**
4. **Update on Development of Water Supply Projects**
5. **Water Conservation Program Report**

ATTORNEY'S REPORT

6. **Report on 6:00 PM Closed Session of the Board**

Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))

- A. Application of California American Water to the CPUC Application No. 12-04-019 -- Monterey Peninsula Water Supply Project
- B. Application of California American Water Company to CPUC Application No.10-01-012 – User Fee Collection

- C. California-American Water Company v. Monterey Peninsula Water Management District. Superior Court Case No: M113336 – Reverse Validation Action

Public Employee Performance Evaluation (Gov. Code 54957) – General Manager

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

7. **Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations**

Director Byrne reported that she met with representatives from September Ranch approximately two months prior to the November 19, 2012 meeting. Director Brower reported that he made a presentation to Citizens for Public Water on November 9, 2012. Board Chair Potter thanked Director Pendergrass for serving as Chair of the October 15, 2012 Board meeting in his absence.

Motion #1 -- Director Brower offered a motion that was seconded by Director Byrne, to approve the application to create the September Ranch Water Distribution System, and to adopt the Conditions of Approval as presented by staff at the meeting along with the following amendments. (A) Condition 13 – remove the last sentence to clarify that there will be no Cal-Am connection for fire service. (B) Condition 21 – Remove the first two sentences, and modify the third sentence to read, “Construction of permitted water facilities shall be completed within the time specified by the County of Monterey in its Subdivision Improvement Agreement which is required as part of the filing of the subdivision final maps.”

Substitute Motion -- Director Markey offered a substitute motion that was seconded by Director Lewis, to adopt Motion #1 with an additional condition of approval that would require de-annexation of the September Ranch property from the California-American service area boundary. No action was taken on the substitute motion.

Director Markey offered a motion that was seconded by Director Lewis, to amend Motion #1 with the addition of a condition specifying that within 90 days, the applicant would make a good faith effort to request in writing to California-American Water and the California Public Utilities Commission that the September Ranch property be de-annexed from the California-American Water service area boundary. Directors Brower and Byrne agreed to the proposed amendment. The applicant expressed agreement with the amendment. The amended motion was approved on a unanimous vote of 7 – 0.

PUBLIC HEARINGS

8. **Consider Application to Create September Ranch Water Distribution System; September Ranch Partners LLC, Applicant; MPWMD Application #20110316SEP; APN 015-071-010 and -012; 015-361-013 and -014; Carmel Valley**

During the public hearing on this item, Tony Lombardo, attorney for the applicant, addressed the Board. He requested revisions to the Conditions of Approval as follows. (A) Condition No. 21 should be modified to state that the life of the water distribution system permit would run with the life of the County permit. (B) Condition No. 13 – the allowance for a fire connection to Cal-Am should be eliminated completely. Mr. Lombardo expressed agreement with all other conditions of approval. He mentioned that several audience members were prepared to submit comments in support of the application, but had decided to withhold comment.

The directors reported exparte communications with the applicant as follows. Directors Byrne and Markey spoke to Anthony Lombardo, the applicant's legal counsel. Directors Pendergrass and Lewis were contacted by Mr. Lombardo. Directors Brower and Potter spoke with the applicant and Mr. Lombardo. Director Lewis was contacted by the applicant and Mr. Lombardo but did not respond to voice-mail messages.

On a motion by Director Byrne and second of Director Brower, Ordinance No. 151, as revised by staff and submitted for Board review on November 19, 2012, was adopted on second reading with: (A) items listed on the MPWMD Ordinance No. 151 Errata Sheet; and (2) proposed amendment #4, as shown on the list of proposed amendments submitted by staff on November 19, 2012. A Negative Declaration was adopted on the revised ordinance. Proposed amendments #1 through #3 will be included in a subsequent ordinance to be circulated for 30-day CEQA review and then brought back to the Board for first reading. The motion was adopted by the Board on a roll-call vote of 5 – 2. Directors Brower, Byrne, Lehman, Pendergrass and Potter voted in favor of the motion. Directors Lewis and Markey were opposed.

No comments were directed to the Board during the public hearing on this item.

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

9. **Consider Second Reading and Adoption of Ordinance No. 151 -- Amending Definitions, the Residential Fixture Unit Count, High Efficiency Appliance Credits, the Variance Process, Water Efficiency Standards, and the Landscape Water Audits Rule**

INFORMATIONAL ITEMS/STAFF REPORTS

10. **Letters Received**
11. **Committee Reports**
12. **Carmel River Fishery Report**
13. **Water Conservation Program Report**
14. **Monthly Allocation Report**
15. **Monthly Water Supply and California American Water Production Report**

The meeting was adjourned at 8:25 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

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