



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
May 20, 2013**

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 Pendergrass –Chair, Mayoral Representative
Brenda Lewis – Vice Chair, Division 1
Judi Lehman – Division 2
Jeanne Byrne – Division 4
Robert S. Brower, Sr., -- Division 5

Directors Absent:

Kristi Markey – Division 3
David Potter – Monterey County Board of Supervisors Representative

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 during Oral Communications.

ORAL COMMUNICATIONS

On a motion of Brower and second by Byrne, the Consent Calendar was adopted unanimously on a vote of 5 – 0 by Directors Brower, Byrne, Pendergrass, Lewis and Lehman. Directors Markey and Potter were absent.

CONSENT CALENDAR

Adopted

1. Consider Adoption of Minutes of the April 15, 2013 Regular Board Meeting

Adopted.

2. Receive Fiscal Year 2011-12 Mitigation Program Annual Report

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

3. Consider Authorization of Budgeted Funds for Financial Services Consulting for Third Phase of Work on Proposed Legislation re Public Financing of a Water Supply Project in CPUC Application A.12-04-019

Adopted.

4. **Consider Approval of Cost Sharing Agreement with Monterey Regional Water Pollution Control Agency (MRWPCA) for Groundwater Replenishment Project (GWR)**

Approved not-to-exceed expenditure of \$525,000.

5. **Consider Expenditure of Budgeted Funds for Development of GWR**

Approved.

6. **Consider Approval of California American Water Implementation Agreement for the Carmel River Mitigation Program Covering Calendar Years 2013 and 2014**

Approved not-to-exceed expenditure of \$267,720.

7. **Authorize Expenditure of Budgeted Funds for Purchase of Well Electrical Equipment -- Seaside Middle School ASR Project**

Approved not-to-exceed expenditure of \$462,000.

8. **Authorize Expenditure of Budgeted Funds for Construction of Electrical Equipment Facility Building – Seaside Middle School ASR Project**

Approved not-to-exceed expenditure of \$5,000.

9. **Consider Expenditure of Budgeted Funds for New Total Station (Survey Instrument)**

Approved.

10. **Consider Approval of Third Quarter Fiscal Year 2012-13 Investment Report**

Adopted.

11. **Consider Adoption of Treasurer's Report for March 2013**

GENERAL MANAGER'S REPORT

A summary of Stoldt's presentation is on file at the District office and on the MPWMD website. He noted that rainfall between October 2012 and April 2013 is 70% percent of the long-term average, and unimpaired flows are 42% of long-term average. He described this as a critically-dry year and stated that the water system should be managed accordingly. However, since useable storage is at 94% of long term average, the community is not yet subject to Stage 4 rationing. Stoldt cautioned that water conservation is still critical to preservation of our limited resource.

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

Stoldt summarized the staff report presented for item 13. He also referenced the chart on page 113 of the Board packet titled Water Supply Charge Availability Analysis that lists budgeted revenues and expenditures through 2016, and expenditures by project through 2014. Stoldt explained that funds are sufficient to complete project expenditures through 2016; however, in some years there may be shortfalls that will require moving money from one fund to another in the short term.

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

District Counsel Laredo reported that he provided the Board with a status report on items 3 and 4. The Board provided general direction, but no reportable action was taken.

Director Byrne reported that on April 17, 2013, two teams of architectural students from California Polytechnic State University San Luis Obispo gave excellent presentations to the Monterey Peninsula Water Supply Project Governance Committee on their conceptual designs for desalination facilities. The teams will refine their designs for presentation to the committee on June 13, 2013. The Cal-Poly Architectural Department was asked by California American Water to develop the design for structures that would house desalination equipment, offices and educational displays for the proposed Monterey Peninsula Water Supply Project.

No Public Hearing items were presented for Board consideration.

On a motion of Byrne and second of Lehman, the Board voted to adopt Resolution 2013-05, and referred this issue to the Legislative Advocacy Committee with a request that a plan be developed to move the proposed legislation through the California legislature. The motion was approved on a vote of 4 – 1. Directors Brower, Byrne, Lehman, and Pendergrass voted in favor of the motion. Director

ATTORNEY'S REPORT

14. Report on 5:30 PM Closed Session of the Board

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

Application of California American Water to the CPUC (Application No. 12-04-019) Monterey Peninsula Water Supply Project

4. Conference with Labor Negotiators (Gov. Code 54957.6)

Agency Designated Representatives: David Stoldt, Suresh Prasad and Cynthia Schmidlin
Employee Organization: General Staff and Management Bargaining Units Represented by United Public Employees of California/LIUNA, Local 792

Unrepresented Employees:
Confidential Unit

5. Liability Claim

Claimant: Hartford Underwriters Insurance Company
Agency Claimed Against: MPWMD

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

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

PUBLIC HEARINGS

ACTION ITEMS

16. Consider Adoption of Resolution 2013-05 in Support of Legislation to Facilitate a Public Contribution towards Financing the Monterey Peninsula Water Supply Project

Lewis was opposed. No comments were directed to the Board during the public comment period on this item.

Brower offered a motion that was seconded by Lewis, to adopt the revised version of Exhibit 17-A, Draft GWR Criteria, submitted by staff at the meeting. The motion was approved unanimously on a vote of 5 – 0 by Directors Brower, Byrne, Lehman, Lewis and Pendergrass. Directors Markey and Potter were absent. No comments were directed to the Board during the public comment period on this item.

On a motion of Byrne and second by Brower, Resolution No. 2103-06 was adopted on a vote of 4 – 1. Directors Brower, Byrne, Lehman and Pendergrass voted in favor of the motion. Director Lewis was opposed. Directors Markey and Potter were absent. No comments were directed to the Board during the public comment period on this item.

Lehman offered a motion that was seconded by Byrne to adopt the amendment to the Governance Committee Agreement. The motion was adopted on a vote of 5 - 0 by Directors Brower, Byrne, Lehman, Lewis and Pendergrass. Directors Markey and Potter were absent. No comments were directed to the Board during the public comment period on this item.

Suresh Prasad, Chief Financial Officer, provided an overview of the proposed FY 2013-2014 MPWMD Budget and responded to questions from the Board. No action was taken. The final draft budget will be presented for adoption at the June 17, 2013 Board meeting.

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

The meeting was adjourned at 8:25 pm.

17. Consider Adoption of Groundwater Replenishment Project Criteria for the Go/No-Go Decision

18. Consider Adoption of Resolution No. 2013-06 for Reimbursement of Expenditures for Contribution of Public Funds for A. 12-04-019 Desalination Project

19. Consider Adoption of Amendment to Monterey Peninsula Water Supply Project Governance Committee Agreement

DISCUSSION ITEM

20. Review Proposed MPWMD Fiscal Year 2013-2014 MPWMD Budget

INFORMATIONAL ITEMS/STAFF REPORTS

- 21. Letters Received**
- 22. Committee Reports**
- 23. Carmel River Fishery Report**
- 24. Water Conservation Program Report**
- 25. Monthly Allocation Report**
- 26. Monthly Water Supply and California American Water Production Report**

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary