



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
June 17, 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

Ronald Cohen, Managing Director of Public Water Now, announced that the organization will sponsor an initiative to be placed on the June 2014 ballot that would call for public ownership of the California American Water Distribution System by the Water Management District either through cooperative purchase agreement or eminent domain. He invited the public to attend a town hall meeting regarding public ownership on June 18, 2013 at 7:30 pm.

ORAL COMMUNICATIONS

Director Lehman offered a motion that was seconded by Director Lewis to approve the Consent Calendar items. The motion was adopted unanimously on a vote of 5 – 0. Directors Brower, Byrne, Lehman, Lewis and Pendergrass voted in favor of the motion. Directors Markey and Potter were absent.

CONSENT CALENDAR

Approved.

1. Consider Adoption of Minutes of May 20, 2013 Regular Board Meeting

Approved expenditure of \$12,000 for conservation equipment and signage.

2. Consider Expenditure of Budgeted Funds for Water Conservation Equipment and Signage

Approved expenditure of \$8,600 for replacement of exterior signage at MPWMD main office.

Approved expenditure of \$50,000 for contract with Normandeau Environmental Consultants.

Approved expenditure of \$6,000 for contract with Golden State Planning and Environmental Consulting.

Approved expenditure of \$13,000 to contract with Pueblo Water Resources.

Approved.

Approved expenditure of \$38,220 for temporary agency employee.

Approved expenditure of \$33,750 to contract with Hayashi & Wayland.

Approved.

Approved.

Adopted.

Adopted.

Adopted.

3. Consider Approval of Final Design and Expenditure for Replacement of Exterior Signage at MPWMD Main Office
4. Consider Expenditure of Budgeted Funds for Assistance with IFIM to Analyze Instream Flow Requirements for the Carmel River
5. Consider Expenditure of Budgeted Funds to Amend Contract with Golden State Planning and Environmental Consulting to Assist with Water Distribution System Permit Program
6. Consider Expenditure of Budgeted Funds to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits
7. Consider Expenditure of Budgeted Funds to Contract for Limited Term Field Positions During FY 2013-2014
8. Authorize Expenditure of Budgeted Funds for Temporary Agency Employee to Assist with Data Migration in the Water Demand Division During FY 2013-2014
9. Consider Authorization to Contract with Hayashi & Wayland to Conduct Annual Financial Audit for Fiscal Year 2012-2013
10. Consider Approval of 2013 Annual Memorandum of Agreement for Releases from San Clemente Reservoir among California American Water, California Department of Fish and Wildlife, and Monterey Peninsula Water Management District
11. Consider Authorization of Funds to Amend Contracts for Limited-Term Employees Engaged in Fish Rescues
12. Consider Adoption of Resolution No. 2013-07 Calling an Election in Voter Divisions 1 and 2 on November 5, 2013
13. Consider Adoption of Resolution No. 2013-08 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges
14. Consider Adoption of Resolution No. 2013-09 Establishing Article XIII(B) Fiscal Year 2013-2014 Appropriations Limit

Received.

15. Receive and File Third Quarter Financial Activity Report for Fiscal Year 2012-13

Adopted.

16. Consider Adoption of Treasurer's Report for April 2013

A summary of General Manager Stoldt's report is on file at the District office and can be viewed on the District's website. He noted that between October 2012 and May 31, 2013 rainfall received was 69 percent of long-term average. Unimpaired flow was measured at 41 percent of long-term average, and water storage was 94 percent of the long-term average and 79 percent of system capacity. Due to low Carmel River flows, Water Management District staff were conducting fish rescues seven days a week which resulted in the rescue of 30,000 fish.

GENERAL MANAGER'S REPORT

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

General Manager Stoldt reported that on June 5, 2013, Water Management District staff provided State Water Resources Control Board (SWRCB) members and their staff a tour of the Sleepy Hollow Fish Rearing Facility. Mr. Stoldt also met with Stephanie Marcus, Chair of the SWRCB about allowing water meters to be set for mixed-use commercial projects where there is no increase in water use. Stoldt advised the Board that the Monterey Peninsula Water Supply Project EIR should be complete by February 2014. He stated that the Monterey Peninsula Water Supply Project Governance Committee met on June 13, 2013 to receive a presentation from the California Polytechnic University San Luis Obispo team of architectural studies students tasked to develop the desalination facility design. The next opportunity to review the revised design would be August 1, 2013.

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

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 Water Management District website.

19. **Water Conservation Program Report**

Public Comment: Tom Rowley, member of the Monterey County Hospitality Association (MCHA), commended Stoldt and Pintar on the excellent presentation they gave to the MCHA on June 11, 2013 regarding water conservation requirements for the hospitality industry.

District Counsel Laredo reported that he provided information to the Board on items 3, 5 and 6. In addition, a report was provided by labor negotiators under item 4. No reportable action was taken.

ATTORNEY'S REPORT

20. **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

6. Conference with Legal Counsel – Threatened Litigation

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9

One Case

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

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

Byrne reported that she and Brower participated in a June 11, 2013 meeting with representatives from the National Marine Fisheries Service that opened opportunities for further discussions about the Carmel River and the Los Padres Dam. Pendergrass announced that he and Byrne attended the June 4, 2013 meeting of the SWRCB in Monterey. Lewis advised that she has been active with public outreach, distributing flyers on water conservation and the Water Management District's rebate program. She noted that Orchard Hardware in Seaside has expressed an interest in allowing the Water Management District to set up a display table in the store so that staff could distribute rebate and water conservation information.

On a motion of Byrne and second of Brower, the July through September 2013 Quarterly Water Supply Strategy and Budget was adopted on a vote of 5 – 0. Directors Brower, Byrne, Lehman, Lewis and Pendergrass voted in favor of the motion. Directors Markey and Potter were absent.

PUBLIC HEARINGS

22. Consider Adoption of July through September 2013 Quarterly Water Supply Strategy and Budget

Brower offered a motion to adopt the FY 2013-14 Water Management District Budget and also Resolution 2013-10. The motion was seconded by Byrne and approved on a vote of 5 – 0. Directors Brower, Byrne, Lehman, Lewis and Pendergrass voted in favor of the motion. Directors Markey and Potter were absent.

Public Comment: Tom Rowley, Monterey Peninsula Taxpayers Association (MPTA), stated that the MPTA filed a lawsuit against the Water Management District challenging implementation of the water supply charge under the District's Ordinance No. 152. He urged the Board to place the water supply charge on the ballot for voter consideration, in order to avoid legal fees associated with the MPTA lawsuit. General Manager Stoldt responded briefly to Mr. Rowley's comments.

Byrne offered a motion to approve the restated reclamation project agreements, and authorize the General Manager to incorporate additional technical amendments as they are identified prior to final execution of the agreements. The motion was seconded by Lewis and approved unanimously on a vote of 5 – 0. Directors Brower, Byrne, Lehman, Lewis and Pendergrass voted in favor of the motion. Directors Markey and Potter were absent.

The following comments were received during the public comment period on this item. (1) **Mark Stilwell**, Executive Vice President of Real Estate for the Pebble Beach Company, expressed support for Board approval of the amended agreements so that new rates could be implemented on July 1, 2013. (2) **Lloyd Lowrey**, representing the Independent Reclaimed Water Users Group, requested that the Board approve the amended agreements.

Stoldt advised the Board that on June 18, 2013, the Monterey Regional Water Pollution Control Agency (MRWPCA) would conduct a public scoping session on the project EIR. He would attend and speak on the Water Management District's partnership with MRWPCA on funding the project. Members of the Board of Directors asked questions no action was taken.

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

23. **Consider Adoption of Proposed FY 2013-14 MPWMD Budget and Resolution 2013-10**

ACTION ITEMS

24. **Consider Amendment to Carmel Area Wastewater District/Pebble Beach Community Services District Reclamation Project Agreements**

DISCUSSION ITEM

25. **Review and Comment on Notice of Preparation of an Environmental Impact Report for the Monterey Peninsula Groundwater Replenishment Project**

INFORMATIONAL ITEMS/STAFF REPORTS

26. **Letters Received**
27. **Committee Reports**
28. **Carmel River Fishery Report**
29. **Water Conservation Program Report**
30. **Monthly Allocation Report**

- 31. Monthly Water Supply and California American Water Production Report**
- 32. Receive and Confirm Water Supply Forecast for Period of May 1, 2013 through September 30, 2014**

The meeting was adjourned at 8:10 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

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