



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
August 19, 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
David Potter – Monterey County Board of Supervisors Representative

Directors Absent:

Kristi Markey – Division 3

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

Juliana Rhodes presented the results of her study on Carmel river lagoon quality. Thomas Evan Delay spoke on the outcome of his study on Carmel river surface water quality temperature trends. A summary of the presentations is on file at the District office and can be viewed on the District's website.

PRESENTATION: CSUMB/USDA Interns Julianne Rhodes and Evan Delay on their Field Work Experience with the Water Management District In Lagoon and River Surface Water Quality Monitoring, with a Summary of their Final Reports

The following comments were directed to the Board during Oral Communications. **(1) Bill Thayer**, introduced himself as a candidate for director of Division 2 in the November 5, 2013 election. **(2) Dean Provence** introduced himself as a candidate for director of Division 1 in the November 5, 2013 election. **(3) Tom Rowley** urged the Board to get all the facts before making any short or long-term decisions.

ORAL COMMUNICATIONS

Lehman offered a motion that was seconded by Brower to adopt the Consent Calendar except for Item 2 that was pulled for separate consideration. The motion was approved unanimously on a vote of 6 – 0 by Directors Brower, Byrne, Lehman, Lewis, Pendergrass and Potter. Director Markey was absent.

CONSENT CALENDAR

Approved.

Byrne offered a motion that was seconded by Brower, to adopt Resolution No. 2013-13 with the following changes. Item 1 should be amended to read, “The District’s Primary and Alternate representatives to the Association shall be appointed by the Board Chair annually.” Item 2 shall be deleted. The fourth Whereas section should also be modified to conform with the revision to Item 1. The motion was adopted on a unanimous vote of 6 – 0 by Directors Brower, Byrne, Lehman, Lewis, Pendergrass and Potter. Director Markey was absent.

Approved expenditure of \$3,000.

Approved expenditure of \$135,125.

Approved expenditure of \$127,908.

Adopted.

A summary of Mr. Stoldt’s report is on file at the District office and can be viewed on the MPWMD website.

Stoldt noted that a written report is on file at the District office and can be viewed at the MPWMD website. He mentioned that a meeting has been scheduled with State Water Resources Control Board enforcement staff on August 28, 2013 to advocate for an expanded interpretation of the Cease and Desist Order. Specifically, the need is to allow meters to be set when a change of use will not increase water consumption.

No report. The Board did not meet in Closed Session.

1. Consider Adoption of Minutes of the July 22, 2013 Regular Board Meeting
2. Consider Adoption of Resolution No. 2013--13 – Restate Designation of Representative to Monterey County Special Districts Association
3. Authorize Expenditure for Certified Landscape Irrigation Auditor Training Scholarships for MPWMD Applicants and Staff
4. Authorize Expenditure for Purchase of Well Equipment – Seaside Middle School ASR Project
5. Authorize Expenditure for Assistance with Building a GSFlow Model for Water Resource Planning
6. Consider Adoption of Treasurer's Report for May 2013

GENERAL MANAGER’S REPORT

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

ATTORNEY’S REPORT

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

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

No report.

No Public Hearing items were submitted for Board consideration.

Chair Pendergrass received public comment on items 11 and 12; Board action followed. The Directors took action on item 12 before taking action on item 11.

On a motion by Lewis and second of Lehman, Resolution 2013-14 was adopted on a unanimous vote of 6 – 0 by Directors Lewis, Lehman, Brower, Byrne, Pendergrass and Potter. Director Markey was absent.

Public Comment -- David W. Balch, representing the Peoples Moss Landing Desalination Project, spoke to the Board. He referred to a letter addressed to the Board and submitted earlier that day dated August 20, 2013. Mr. Balch alleged that the Board would violate CEQA if action were taken to approve items 11 and 12. He urged the Board to defer action on items 11 and 12 for one month, rather than risk project delays due to litigation.

Motion 1 – Moved by Brower and second of Byrne to approve items 11 and 12. No action taken. At the request of Lehman, items 11 and 12 were considered separately.

Motion 2 – Moved by Brower and second of Byrne to approve the cost sharing agreement with DeepWater Desal (revised Exhibit 12-A) with a not-to-exceed cap of \$800,000 on the Water Management District's share of cost. The motion was approved on a vote of 5 – 1 by Directors Brower, Byrne, Lewis, Pendergrass and Potter. Director Lehman was opposed and Director Markey was absent.

Public Comment – (1) **Tom Rowley**, representing the Monterey Peninsula Taxpayers Association, opined that a judge may need to decide if this is an effort to approve a project or to establish an option agreement. He urged the Board to exercise caution in whatever decision was made that evening. (2) **David Balch** referred to his letter dated August 20, 2013, and the case of *Save Tara v. City of West Hollywood*. He maintained that approval of the Cost Sharing Agreement would violate CEQA. (3) **George Riley** expressed support for item 12. He stated that all water supply options, including open-water intake for desal, must be analyzed as open-water intake may not be a feasible option. (4) **Brent Constantz**, representing DeepWater Desal, expressed support for

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

PUBLIC HEARINGS

ACTION ITEMS

11. Consider Adoption of Resolution No. 2013-14, for Reimbursement of Expenditures for Alternative Desalination Project

12. Consider Approval of Cost Sharing Agreement for Alternative Desalination Project

approval of the cost sharing agreement.

The Board members expressed thanks to General Manager Stoldt and staff for their work on development of the settlement agreements, and the complicated financial arrangements that were incorporated into the agreements. Stoldt noted that much work needs to be done by the District as a result of the settlement agreements including expansion of a financial consulting team and moving legislation forward that would facilitate the public contribution.

Public Comment – Tom Rowley, representing the Monterey Peninsula Taxpayer Association, asked for an explanation as to why LandWatch and the Sierra Club did not sign the plant sizing agreement. Staff responded that the settlement negotiations are confidential, and recommended that Mr. Rowley contact the parties for an explanation.

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

The meeting was adjourned at 8:30 pm.

DISCUSSION ITEMS

13. Settlement Agreement – California American Water Application to the California Public Utilities Commission No. 12-04-019

INFORMATIONAL ITEMS/STAFF REPORTS

14. Letters Received
15. Committee Reports
16. Carmel River Fishery Report
17. Water Conservation Program Report
18. Monthly Allocation Report
19. Monthly Water Supply and California American Water Production Report
20. Minutes of Monterey Peninsula Water Supply Project Governance Committee Meetings

ADJOURNMENT