



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
February 13, 2014**

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 – Chair, Monterey County Board of Supervisors Representative
Bill Thayer – Vice Chair, Division 2
Brenda Lewis – Vice Chair, Division 1
Kristi Markey – Division 3
Jeanne Byrne – Division 4
Robert S. Brower, Sr., -- Division 5
David Pendergrass – Mayoral Representative

Directors Absent: None

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) Rick Heuer** stated that he would comment during item 3, if it were to be pulled for discussion. **(2) Ken Dursa**, representing the Central Coast Coalition of Communities for Wastewater Equity, submitted a statement dated February 12, 2014 regarding application 13-07-002 to the California Public Utilities Commission (CPUC). He asked that the Board: (a) lobby the CPUC to conduct local hearings on the application, and (b) place all available digital documents related to the application on the Water Management District's website. **(3) George Riley**, representing Citizens for Public Water, requested that the Board petition the CPUC to conduct hearings on application 13-07-002 at a location within the Water Management District boundaries.

ORAL COMMUNICATIONS

On a motion by Brower and second of Pendergrass, the Consent Calendar was approved with the exception of Item 3 that was pulled for separate consideration. The motion was approved

CONSENT CALENDAR

unanimously on a vote of 7 – 0 by Directors Potter, Thayer, Lewis, Markey, Byrne, Brower and Pendergrass.

Approved.

Approved.

Brower offered a motion that was seconded by Thayer to: (a) continue this item to a date certain when there is a source water agreement, and (b) establish a committee made up of Byrne and Brower to work with MRWPCA on the source water agreement.

Byrne suggested that the motion be amended to state that environmental review will commence in parallel with other expenditures, but public outreach costs should be minimized until there is progress on obtaining source water agreements. Brower withheld support for the amendment.

Brower withdrew his previous motion, and offered another motion to refer this item back to the Water Supply Planning Committee for analysis and subsequent referral to the Board of Directors in March 2014. Thayer seconded the motion. The Board approved the motion unanimously on a vote of 7 – 0 by Directors Potter, Thayer, Lewis, Markey, Byrne, Brower and Pendergrass.

On a motion by Markey and second of Byrne, the Board agreed to appoint Directors Brower, Byrne and Lewis to an ad-hoc committee that will work with the MRWPCA’s groundwater replenishment committee on completion of source water agreements. The motion was approved on a vote of 7 – 0 by Directors Potter, Thayer, Lewis, Markey, Byrne, Brower and Pendergrass.

The following comments were directed to the Board during the public comment period on this item. (1) **Rick Heuer**, a resident of Monterey, objected to funding environmental studies for a project that has no identified water source. He asked when the public had voted on this project in accordance with Sections 333 and 471 of the Water Management District’s enabling legislation. (2) **Dale Hekhuis** expressed support for the funding increase. (3) **George Riley** asked if any conditions are associated with the expenditure of funds. (4) **Dennis Allion**, Chair of the Board of Directors for the Monterey Regional Water Pollution Control Agency (MRWPCA), asked the Board to support development of the Pure Water

1. Consider Adoption of Minutes from the January 29, 2014 Regular Meeting of the Board of Directors
2. Consider Adoption of Resolution 2014 - 03 Declaring March 17- 23, 2014 to be Fix a Leak Week
3. Consider Authorization to Increase Budget for Groundwater Replenishment Project (GWR)

Monterey project. Once source water is secured, the MRWPCA can obtain a loan to complete the project and will no longer need funding from the Water Management District. If funding is not approved, the 2017 date for project completion will need to be extended. (5) **Keith Israel**, General Manager of the MRWPCA, stated that the goal is to ensure that agricultural interests and Monterey Peninsula customers have sufficient water. The MRWPCA has infrastructure that is under capacity, and by working together, additional water should be available from the treatment facilities to utilize that capacity. It took eight years to complete the last wastewater reclamation project, and it could take five years, a tight timeline, to complete the Pure Water Monterey project.

Approved expenditure of \$40,000 to fund evaluation.

Approved.

Approved expenditure of \$5,000 to purchase license.

Approved expenditure of \$35,000 for water conservation equipment.

Approved expenditure of \$80,000 for DIDSON sound camera.

Approved.

Approved.

Approved.

Approved.

Approved.

Approved.

4. Consider Expenditure of Funds to Amend an Agreement with Schaaf and Wheeler Consulting Civil Engineers to Evaluate the Blanco Drain as a Source of Supply for the Groundwater Replenishment Project
5. Consider Recommendation to the Board to Amend Cost Sharing Agreement with DeepWater Desal
6. Consider Approval of Purchase of Internet License for Water Wise Gardening in Monterey County
7. Consider Expenditure for Water Conservation Equipment
8. Consider Approval to Purchase a New DIDSON Sound Camera Funded by a Grant from the California Department of Fish and Wildlife's Fisheries Restoration Grant Program
9. Receive Notice of Appointment to Carmel River Advisory Committee
10. Review and Accept Independent Audit Report for Fiscal Year 2012-2013
11. Receive and File Fourth Quarter Financial Activity Report for Fiscal Year 2012-13
12. Receive and File Second Quarter Financial Activity Report for Fiscal Year 2013-14
13. Consider Approval of Second Quarter Fiscal Year 2013--2014 Investment Report
14. Consider Adoption of Treasurer's Report for June 2013

Approved.

15. Consider Adoption of Treasurer's Report for October 2013

Approved.

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

Approved.

17. Consider Adoption of Treasurer's Report for December 2013

Stoldt reported that California-American Water did not exceed production limits in January 2014. He announced that the outdoor watering schedule has been modified, so that watering is restricted to Wednesdays and Saturdays for all residents within the Water Management District. A mailer announcing the new schedule will be distributed soon. He also reported that the Water Management District has joined with the Monterey County Water Resources Agency, MRWPCA and San Luis Obispo County in application for a blanket study of the Salinas and Carmel River Watersheds and how climate change could affect water availability. The study will be grant funded by the U. S. Bureau of Reclamation and local matching funds.

GENERAL MANAGER'S REPORT

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

Jim Riley, representing Central Coastal Communities for Wastewater Equity, addressed the Board during the public comment period on this item. He proposed that Cal-Am should release ownership of wastewater flow from the Oak Hills and Spreckels areas so the flows could be sent to the MRWPCA to supplement Pure Water Monterey project source water.

No report.

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

Director Byrne requested that in the future, directors should report on the other committees they participate on such as the Monterey Peninsula Regional Water Authority.

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

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

Markey offered a motion that was seconded by Brower, to continue this item to a future Board meeting for consideration of a variance as an alternative with associated findings. The motion was adopted unanimously on a vote of 7 – 0 by Brower, Byrne, Lewis, Markey, Thayer, Pendergrass and Potter.

PUBLIC HEARINGS

21. **Consider Appeal of General Manager's Decision to Require a Water Permit for a Change of Use from a Deli (Group II) Use to a Restaurant (Group III) Use Pursuant to District Rule 20, Permits Required – 484 Washington Street, Monterey (APN: 001-692-011)**

The following persons addressed the Board during the public hearing on this item. (1) **Uve Grobecker** urged the Board to grant the appeal. A summary of

his presentation is on file at the District office and can be viewed on the MPWMD website. (2) **Mrs. Uve Grobecker** urged the Board to reassess how restaurants are regulated and categorized. She suggested that water use should be regulated. (3) **Hans Thomas** expressed support for the variance request.

On a motion by Markey and second of Byrne, the Board voted to approve the mid-year budget adjustment without the \$1,118,781 increase in expenditures for Groundwater Replenishment. The motion was approved on a unanimous vote of 7 – 0 by Directors Brower, Byrne, Lewis, Markey, Thayer, Pendergrass and Potter.

During the public comment period on this item, **Rick Heuer** spoke in opposition to the proposed budget amendments.

On a motion by Thayer and second of Lewis, the Board voted unanimously to approve the plan to: (a) adopt a neutral policy with respect to arguments for, against, and rebuttals with respect to the initiative, and (b) assign District staff and General Counsel responsibility for receiving from outside parties and conveying to the County Registrar the arguments for, against, and rebuttals. The motion was approved on a vote of 7 – 0 by Directors Brower, Byrne, Lewis, Markey, Thayer, Pendergrass and Potter.

The following persons addressed the Board during the public comment period on this item. (1) **Rick Heuer** asked for clarification of the suggestion that the General Manager might sign a rebuttal statement. (2) **George Riley** stated that Public Water Now would follow any direction the Water Management District would give with regards to a rebuttal statement.

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

22. **Consider Adoption of Mid-Year Fiscal Year 2013-2014 Budget Adjustment**

ACTION ITEMS

23. **Adopt Plan for Submission and Review of Arguments For or Against the Monterey Peninsula Water System Local Ownership and Cost Saving Initiative**

INFORMATIONAL ITEMS/STAFF REPORTS

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

The meeting was adjourned at 9:08 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

U:\staff\Boardpacket\2014\20140519\ConsentCldr\01\item1_exh1a.docx