



EXHIBIT 1-B

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
October 20, 2014**

The meeting was called to order at 7:00 p.m. in the Water Management District conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

David Potter – Chair, Monterey County Board of Supervisors Representative
Vacant – Division 2
Kristi Markey – Division 3
Jeanne Byrne – Division 4
Robert S. Brower, Sr. – Division 5
David Pendergrass – Mayoral Representative

Directors Absent:

Brenda Lewis –Division 1

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

Chair Potter presented an engraved photo frame to Yolanda Muñoz. He congratulated her upon her retirement and expressed appreciation for her ten years of service with the Water Management District

**PRESENTATION TO YOLANDA MUNOZ –
RETIRING AFTER 10 YEARS WITH THE
MPWMD**

On a motion by Pendergrass and second of Markey, the September 15, 2014 meeting minutes were approved unanimously on a vote of 5 – 0 by Potter, Markey, Byrne, Brower and Pendergrass.

CONSENT CALENDAR

Approved expenditure of \$177,000.

1. Consider Adoption of Minutes of the September 15, 2014 Regular Board Meeting

Approved expenditure of \$55,000.

2. Consider Authorization to Fund Water Saving Retrofits at Local Schools

Approved.

3. Consider Approval of Amendment to Contract with Thomas Brand Consulting

4. Consider Adoption of Treasurer's Report for July 2014

Approved.

A summary of General Manager Stoldt's presentation is on file at the Water Management District office and on the agency website.

No report.

A summary of Stephanie Locke's report is on file at the Water Management District office and can be viewed on the agency website.

General Manager Stoldt reviewed the staff report that was presented on this item. He stated that associated with this project will be development of an ordinance similar to that which established the Pebble Beach Company entitlement related to the Carmel Area Wastewater District/Pebble Beach Company Wastewater Reclamation Project. Committee level discussions could begin in January 2015.

Chair Potter clarified statements he made at the September 30, 2014 Monterey County Board of Supervisors meeting, regarding the county's participation on the Monterey Peninsula Regional Water Authority. Potter stated that he appreciated the accomplishments of the Authority. But before making a commitment to participate, he needed more information on the goals of the Authority how financial contributions from the County would be spent. Director Markey stated that Chair Potter's previous comments on the Authority had been misrepresented, and that at the September 30, 2014 hearing, he asked probing questions because the Authority had requested a significant financial contribution from Monterey County.

On a motion by Byrne and second of Brower, the October through December 2014 Quarterly Water Supply Strategy and Budget was adopted unanimously on a vote of 5 – 0 by Byrne, Brower, Markey, Pendergrass and Potter.

Tom Rowley, Monterey Peninsula Taxpayers Association, addressed the Board during the public hearing on this item. He noted that water production in the Coastal and Laguna Seca sub-basins of the Seaside Groundwater Basin continually exceed

5. Consider Adoption of Treasurer's Report for August 2014

GENERAL MANAGER'S REPORT

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

7. Update on Development of Water Supply Projects

8. Report on Drought Response

9. Report on Odello/Malpasso Water LLC

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

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

PUBLIC HEARINGS

11. Consider Adoption of October through December 2014 Quarterly Water Supply Strategy and Budget

production targets. He asked when the Water Management District would address that situation. Stoldt responded that the Board of Directors may delve into this issue in 2015.

On a motion by Brower and second of Byrne, the Board of Directors voted to appoint a representative to Voter Division 2. The motion was approved on a vote of 4 - 1 by Brower, Byrne, Pendergrass and Potter. Markey was opposed. Lewis was absent for the vote.

Public Comment: **(1) George Riley** encouraged the Board of Directors to appoint a representative to Voter Division 2. **(2) Tom Rowley**, representing himself, proposed that the Board of Directors fill the vacancy in Voter Division 2 by conducting an election.

Brower offered a motion that was seconded by Byrne to appoint Andrew Clarke as Division 2 Director. Markey offered a motion to appoint Jay Bartow as Division 2 Director. A roll-call vote was taken. Andrew Clarke received four votes and was appointed as Division 2 Director. Directors Brower, Byrne, Pendergrass and Potter cast votes for Andrew Clarke. Markey cast a vote for Bartow. Lewis was absent for the vote.

Public Comment: **(1) Andrew Clarke** stated that he was a twelve-year resident of Del Rey Oaks. He had served on the Del Rey Oaks Planning Commission for six years, and also on the boards of several other non-profits. Clarke said that he had a strong accounting background and was focused on making this community a better place for his children to live. **(2) Jay Bartow** stated that he had been a resident of Del Rey Oaks since 1974, and served as pastor of First Presbyterian Church of Monterey during that time. He described himself as a person who could bring people together to reach consensus. He hoped to make a difference in the community, and stated that the work accomplished by the Board of Directors is often unknown and unappreciated. **(3) Kevin Stone**, Monterey County Association of Realtors, encouraged the Board of Directors to appoint Andrew Clarke. **(4) Tom Rowley**, Monterey Peninsula Taxpayers Association, stated that Clarke and Bartow were both good candidates and opined that the Board of Directors had a difficult decision to make. **(5) Jody Hanson**, Monterey Peninsula Chamber of Commerce, expressed support for Andrew Clarke. **(6) Dale Ellis**, Monterey County Hospitality Association, endorsed Andrew Clarke. **(7) George Riley** stated that the Board of Directors could not make a mistake by selecting either candidate. He noted that many endorsements were from politically

ACTION ITEMS

12. **Specify Method for Selection of Director to Fill Vacancy in Voter Division 2**

13. **Take Action to Fill Vacancy in Voter Division 2: (a) Appoint Division 2 Representative, or (b) Call an Election in Voter Division 2 (Candidates will be allowed to make presentations to the Board under this item)**

active organizations. He urged the Directors to refrain from selection of a candidate that had a “baggage list.”

Markey offered a motion that was seconded by Brower to approve the distribution of \$75,000 in Local Water Project grant funds to the Monterey County Fairgrounds. The motion was approved on a vote of 4 – 0 by Markey, Brower, Pendergrass and Potter. Director Byrne abstained due to a conflict of interest. Director Lewis was absent.

14. Consider Distribution of Funds from Local Water Project Funding Program

On a motion by Markey and second of Pendergrass, the request from the City of Pacific Grove for Local Water Project grant funds was continued to an unspecified date, and referred to staff and the Water Supply Planning Committee to work with the City of Pacific Grove to bring the item back to the Board for further deliberation. The motion was approved on a vote of 5 – 0 by Markey, Pendergrass, Brower, Byrne and Pendergrass. Lewis was absent.

The following comments were received during the public comment period on this item. **(1) Thomas Frutchey**, City Manager, City of Pacific Grove, stated that agreements with the Monterey Regional Water Pollution Control Agency (PCA) state that during phase 1 of the project, wastewater flows to PCA will not decrease. Phase 2 of the project utilizes stormwater. He opined that this agreement poses no threat to the growers who are negotiating agreements regarding source water for the Pure Water Monterey project. In Phase 2, stormwater and dry weather flows will supply the project. That is water that would otherwise flow into the National Marine Sanctuary. He offered to delay the request for grant funds for six months, until the Pure Water Monterey agreements have been completed. **(2) George Riley** expressed support for funding the request by the City of Pacific Grove. He reasoned that the return on investment for the Pacific Grove project is greater than for the Monterey County Fairgrounds project. **(3) Tom Rowley**, Monterey Peninsula Taxpayers Association, stated that residents of 16 neighborhoods in Monterey and Pacific Grove voted to support the Pacific Grove project. However, due to concerns about the future of negotiations with growers regarding the Pure Water Monterey project, it would not be advisable to proceed with funding the Pacific Grove project at this time. **(4) Bill Kampe**, Mayor City of Pacific Grove, urged the Board to approve grant funding for the city’s project. He stated that the Board must look beyond Phase 1, and see that ultimately more water will be available to the growers.

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

Tom Rowley, Monterey Peninsula Taxpayers Association, addressed the Board during the public comment period on this item. He stated that the organization fully supports Proposition 1.

The Deputy District Secretary administered the Oath of Office to Division 2 Director, Andrew Clarke.

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

The meeting was adjourned at 8:50 pm.

15. Consider Adoption of Resolution in Support of Proposition 1

16. Administer Oath of Office to Division 2 Director

INFORMATIONAL ITEMS/STAFF REPORTS

- 17. Letters Received**
- 18. Committee Report**
- 19. Water Conservation Program Report**
- 20. Monthly Allocation Report**
- 21. Quarterly Water Use Credit Transfer Status Report**
- 22. Monthly Water Supply and California American Water Production Report**
- 23. Carmel River Fishery Report**
- 24. Quarterly Carmel River Riparian Corridor Management Program Report**
- 25. Receive Notice of Appointment to Carmel River Advisory Committee**

ADJOURNMENT