



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
December 15, 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
Brenda Lewis – Division 1 (arrived at 7:05 pm)
Andrew Clarke – Division 2
Jeanne Byrne – Division 4
Robert S. Brower, Sr. – Division 5
David Pendergrass – Mayoral Representative

Directors Absent: Kristi Markey – Vice Chair, Division 3

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.

ORAL COMMUNICATIONS

On a motion of Pendergrass and second by Brower, the Consent Calendar was adopted with a correction to the minutes of November 17, 2014 presented under agenda item 1. The motion was adopted on a unanimous vote of 5 – 0 by Pendergrass, Brower, Byrne, Clark and Potter. Markey and Lewis were absent for the vote.

CONSENT CALENDAR

The minutes were adopted with a correction to action recorded under item 15. The date listed as “December 17, 2014” should be changed to “December 15, 2014.”

1. Consider Adoption of Minutes of the November 17, 2014 Regular Board Meeting

Adopted.

2. Adopt Board Meeting Schedule for 2015

Adopted amendment of annual compensation to \$195,000 and monthly vehicle reimbursement to \$500.

3. Consider Approval of Amendment to General Manager's Contract

Approved not-to-exceed amount of \$24,000.

Adopted.

Adopted.

Adopted.

Adopted.

Adopted.

4. Consider Approval of Pay Differential for Employees Caused by Increase in Tax for PERS Contributions

5. Consider Expenditure of Funds to Contract for a Limited-Term Senior Fisheries Biologist

6. Consider Adoption of Resolution No. 2014-19 -- Updating Rule 24, Table 3: Capacity Fee History

7. Receive Alternative Measurement Method Report for Determining Annual Costs for Post- Employment Benefits

8. Review and Accept Independent Audit Report for Fiscal Year 2013-2014

9. Consider Adoption of Treasurer’s Report for October 2014

Director Lewis arrived to the meeting during the General Manager’s Report.

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 rainfall received between October 1, 2014 and December 1, 2014 was estimated to be 162% of the long-term average. He also reported that Los Padres Dam began to spill on December 7, 2014. Due to the San Clemente Dam bypass construction, the San Clemente Dam spilled on December 11, 2014. The County of Monterey opened passage between the Carmel River Lagoon and the ocean on December 11, 2014. In addition, due to recent rainfall, 11.5 acre-feet of excess Carmel River flows were injected into the Seaside Groundwater Basin through the Aquifer Storage and Recovery project.

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

A summary of Stephanie Locke’s presentation is on file at the District office and can be viewed on the MPWMD website.

District Counsel Laredo reported that the Board met in closed session at 7:40 pm on November 17, 2014. Agenda item 2 was not discussed. An update was provided to the Board on all other agenda items, but no specific reportable action was taken.

GENERAL MANAGER’S REPORT

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

11. Update on Development of Water Supply Projects

12. Report on Drought Response

ATTORNEY’S REPORT

13. Report on November 17, 2014 Closed Session of the Board

1. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
 - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO (6th District Appellate Case #H039566
Water Plus v. MPWMD, Case No. M125274
Monterey Peninsula Taxpayers Association v. MPWMD; Case No. M123512

Thum v. MPWMD; Monterey Case No. M113598; 6th District Appellate Case #H039566)
2. **Conference with Real Property Negotiators**
Address: 1910 General Jim Moore Boulevard, Seaside, CA 93955
Agency Negotiator: David J. Stoldt, General Manager
3. **Public Employee Annual Performance Evaluation (Gov. Code 54957) – General Manager**

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

No reports were presented by the Directors.

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

PRESENTATIONS

Catherine Stedman, Manager for External Affairs for California American Water, provided a detailed description of both residential and non-residential water bills. A summary of the presentation is on file at the District office and can be viewed on the MPWMD website. Director Lewis requested that District staff invite a representative from the Seaside Municipal Water Company to provide a similar presentation at a future Board meeting.

15. **California American Water – How to Read Your Water Meter and Your Monthly Water Bill**

A summary of General Manager Stoldt’s presentation is on file at the District office and can be viewed on the MPWMD website. He recommended that the Water Supply Planning Committee evaluate the issues related to formation of a Groundwater Sustainability Agency and then report back to the Board. The Chair of the Water Supply Planning Committee, Director Brower, agreed to take up the issue with the committee.

16. **Presentation re 2014 Groundwater Management Legislation**

Brower offered a motion that was seconded by Byrne, to adopt the January through March 2015 Quarterly Water Supply Strategy and Budget. The

PUBLIC HEARINGS

17. **Consider Adoption of January through March 2015 Quarterly Water Supply Strategy and Budget**

motion was adopted on a unanimous vote of 6 – 0 by Brower, Byrne, Clarke, Lewis, Pendergrass and Potter. No comments were directed to the Board during the public hearing on this item.

Brower offered a motion that was seconded by Byrne, to adopt the recommendation of the Water Demand Committee as outlined in the staff report, which was to direct staff to develop a conceptual ordinance for review by the Water Demand Committee prior to submission to the full Board. The motion was approved on a vote of 5 – 1 by Brower, Byrne, Clarke, Lewis and Potter. Pendergrass was opposed. Markey was absent.

The following comments were directed to the Board during the public comment period on this item. (a) **Mike Zimmerman**, Coalition of Peninsula Businesses, spoke in opposition to establishment of new outdoor restaurant seating regulations. He requested that the Coalition be included in the process, if the Board directed that new regulations be developed. (b) **Kambiz Ajir**, owners of Monterey Cookhouse, stated that replacement of landscaping with an outdoor seating area will reduce water use at his restaurant, and that outdoor seating is critical to compete with downtown Monterey restaurants. (c) **Gary Cursio**, Co-Chair of Government Affairs for the Monterey County Hospitality Association (MCHA), read a letter dated December 13, 2014 from the MCHA stating that outdoor restaurant seating does not increase water use, and expressing support for allowing 50% of indoor seating to be added as outdoor seating. (d) **Rudi Fisher**, resident of Pacific Grove, expressed opposition to development of new regulations for outdoor restaurant seating and described the effort as “micromanaging.” (e) **Lou Clay**, resident of Pacific Grove, stated that residential and commercial water use expansion requires a water permit. He expressed opposition to establishment of a third category of water use that would not require a water permit.

On a motion by Brower and second of Byrne, the Board voted to maintain the existing rotation schedule specified in Board Meeting Rule 2.5. The motion was adopted on a vote of 4 – 1 by Brower, Byrne, Clarke and Potter. Pendergrass was opposed. Lewis abstained and Markey was absent.

During the public comment period on this item, **Jason Campbell** expressed support for adoption of the revised rotation schedule presented as the first option in the original and amended staff reports.

Director Lewis exited the meeting during Board discussion of item 19. She rejoined the meeting as

ACTION ITEMS

18. Consider Adoption of Policy on Outdoor Restaurant Seating

19. Select Schedule for Rotation of Directors into the Positions of Board Chair and Vice Chair

a member of the audience during discussion of item 20.

Brower moved to elect Markey to the position of Chair and Byrne as Vice Chair. The motion was seconded by Clarke and approved on a vote of 4 – 1 by Brower, Clarke, Byrne and Potter. Pendergrass was opposed. Lewis abstained and Markey was absent.

On a motion by Brower and second of Byrne, David J. Stoldt was elected to the position of Board Secretary and Suresh Prasad to the position of Treasurer. The motion was approved on a vote of 5 – 0 by Brower, Byrne, Clarke, Pendergrass and Potter. Lewis abstained and Markey was absent. No comments were directed to the Board during the public comment period on this item.

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

The meeting was adjourned to closed session at 9:10 pm.

The meeting was adjourned at approximately 10 pm.

20. Conduct Election of Officers for 2015

INFORMATIONAL ITEMS/STAFF REPORTS

21. Letters Received
22. Committee Report
23. Monthly Allocation Report
24. Water Conservation Program Report
25. Carmel River Fishery Report for November 2014
26. Monthly Water Supply and California American Water Production Report
27. Semi-Annual Groundwater Quality Monitoring Report

ADJOURN TO CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))
 - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO (6th District Appellate Case #H039566)

ADJOURNMENT