



**EXHIBIT 1-A**

**DRAFT MINUTES  
Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
February 18, 2015**

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:*

Jeanne Byrne – Vice Chair, Division 4  
Andrew Clarke – Division 2  
Robert S. Brower, Sr. – Division 5  
David Pendergrass – Mayoral Representative  
David Potter – Monterey County Board of Supervisors Representative

*Directors Absent:*

Kristi Markey – Chair, Division 3  
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.

**ORAL COMMUNICATIONS**

Potter offered a motion that was seconded by Pendergrass, to adopt the Consent Calendar without item 2 and pull it for separate consideration. The motion was approved on a vote of 5 – 0 by Byrne, Clarke, Brower, Pendergrass and Potter. Lewis and Markey were absent.

**CONSENT CALENDAR**

Approved.

1. Consider Adoption of Minutes of the January 28, 2015 Regular Board Meeting

On a motion by Potter and second of Brower, Resolution 2015-02 was adopted on a vote of 5 – 0 by Byrne, Clarke, Brower, Pendergrass and Potter. Lewis and Markey were absent.

2. Consider Adoption of Resolution 2015 - 02 Declaring March 16 through March 22, 2015 to be Fix a Leak Week

Approved expenditure of \$5,000.

3. Consider Expenditure of Budgeted Funds for Purchase of Internet License for Water Wise Gardening in Monterey County

Approved.

4. Consider Amendment to Cost Sharing Agreement with DeepWater Desal

Approved expenditure of \$300,000.

Approved.

Approved.

Approved.

A summary of Stoldt's report is available for review at the office and website of the Water Management District. Stoldt noted that for the period of October 1, 2014 through February 11, 2015, rainfall was at 103% of long-term average. For the same time period unimpaired flow was at 55% of long-term average, and useable storage was estimated to be 102% of long-term average.

A summary of Stoldt's report is available for review at the office and website of the Water Management District.

No report was presented.

District Counsel Laredo reported that at the January 28, 2015 closed session, he presented a status report on agenda item 1. No reportable action was taken.

No reports were presented by the Board members.

On a motion by Potter and second of Brower, the Board of Directors adopted the first reading of Ordinance No. 163 on a vote of 5 – 0 by Potter, Brower, Byrne, Clarke and Pendergrass. Lewis and Markey were absent. No comments were directed to the Board during the public hearing on this item.

5. Consider Funding Purchase and Reestablishment of Pure Water Monterey Project Pilot Plant
6. Receive and File Second Quarter Financial Activity Report for Fiscal Year 2014-15
7. Consider Approval of Second Quarter FY 2014--2015 Investment Report
8. Consider Adoption of Treasurer's Report for December 2014

#### GENERAL MANAGER'S REPORT

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

#### ATTORNEY'S REPORT

12. **Report on January 28, 2015 Closed Session of the Board**
  1. Conference with Real Property Negotiators (Gov. Code 54956.8)  
Address: 1910 General Jim Moore Blvd., Seaside, CA 93955  
Agency Negotiator: David J. Stoldt, General Manager

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

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

#### PUBLIC HEARINGS

14. **Consider First Reading of Ordinance No. 163, Replacing Urgency Ordinance No. 159, Regarding Rebate Program Amendments and Amendments to the Expanded Water Conservation and Standby Rationing Plan (Regulation Xv)**

Brower offered a motion to adopt the first reading of Ordinance No. 165 with the following amendment: the words “bars/brew pubs, and to” shall be added to the definition of “Restaurant.” The motion was seconded by Potter, and failed for lack of a determination by a Board majority. Affirmative votes were cast by Potter, Brower and Byrne. Voting in opposition to the motion were Clarke and Pendergrass. Lewis and Markey were absent.

During the public hearing on this item, John Narigi, representing the Coalition of Peninsula Businesses, stated that he did not support the ordinance. He explained that the Coalition’s position was that an outdoor seat would not create additional water demand.

On a motion by Potter and second of Brower, the Mid-Year Fiscal Year 2014-15 Budget Adjustment was approved on a vote of 5 – 0 by Potter, Brower, Byrne, Clarke and Pendergrass. Lewis and Markey were absent. No comments were directed to the Board during the public hearing on this item.

Pendergrass offered a motion that was seconded by Brower to approve the distribution of Local Project grant funds to the City of Pacific Grove. The motion was approved on a vote of 5 – 0 by Pendergrass, Brower, Byrne, Clarke and Potter. Lewis and Markey were absent. No comments were directed to the Board during the public hearing on this item.

Brower moved that staff develop a long-term comprehensive action plan for intervention at Los Padres Dam with a focus on dredging, sediment management, preservation of water rights, and investigations into CEQA, liability, and project costs. The motion was seconded by Pendergrass and approved on a vote of 5 – 0 by Brower, Pendergrass, Byrne, Clark and Potter. Lewis and Markey were absent.

**George Riley** addressed the Board during the public hearing on this item. He expressed support for the staff recommendation. In addition, he asked how the proposed effort relates to the request by California American Water for authority to spend \$7 million to study the demolition of Los Padres Dam. *Stoldt responded that Cal-Am has requested over \$1 million in the three-year General Rate Case to fund the Carmel River Instream Flow Study; Coupled Groundwater-Surface Water Flow Model; and Los Padres Dam Long-Term Plan necessary for development of an alternatives analysis related to removal or future operation of the Los Padres Dam. The Water Management District will take the*

**15. Consider First Reading of Ordinance No. 164 Amending Regulations regarding Outdoor Restaurant Seating**

**16. Consider Adoption of Mid-Year Fiscal Year 2014-15 Budget Adjustment**

**17. Consider Distribution of Local Project Grant Funds to City of Pacific Grove**

#### **ACTION ITEMS**

**18. Discuss and Provide Direction on Action Related to the Future of Los Padres Dam**

*leadership role in preparation of the studies and contribute in excess of \$1 million to that end.*

Stoldt summarized the proposed draft settlement agreement and exhibits presented in the staff report. He distributed a chart titled Attachment 1, Table 1, Projected Reductions in Illegal Diversions from the Carmel River, which is from the CDO. He compared the columns titled Mandatory Cumulative Annual Reduction and Total Estimated Amount Diverted from Carmel River to the same columns in the proposed settlement agreement. He explained that the community has reduced diversions from the Carmel River at a greater rate than originally expected. Therefore, the proposed settlement decreases the amount of water that can be diverted from the Carmel River and places a greater burden to reduce water use. There is no allowance for an eventual rebound in the economy and the corresponding increase in water use that could occur. Another concern is that milestones proposed in the settlement assume progress on a new water supply. However, if progress is delayed or halted and the milestones are not met, severe water reductions would be required. Stoldt noted that it might be advantageous to the community if the Board maintained its right to challenge punitive fines or water reductions in court. The Board discussed the settlement agreement. No direction was given to staff.

Public Comment: (1) **John Bottomley** suggested that a local delegation of community leaders should meet with the current members of the SWRCB, as they did not issue either Order 95-10 or the CDO and may not support them. (2) **George Riley** proposed that the settlement should protect the community against water rationing in the event that milestones are not met. Instead of water rationing, fines should be assessed on Cal-Am shareholders, not the ratepayers. The fines collected could be allocated to Carmel River mitigation programs.

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

The closed session was not conducted.

#### DISCUSSION ITEMS

19. **Discuss Public Release of Proposed Amendment to State Water Resources Control Board Cease and Desist Order WR 2009-0060 (CDO)**

#### INFORMATIONAL ITEMS/STAFF REPORTS

20. **Letters Received**
21. **Committee Report**
22. **Monthly Allocation Report**
23. **Water Conservation Program Report**
24. **Carmel River Fishery Report**
25. **Monthly Water Supply and California American Water Production Report**

#### ADJOURN TO CLOSED SESSION

1. **Conference with Real Property Negotiators (Gov. Code 54956.8)**

Address: 1910 General Jim Moore Blvd.,  
Seaside, CA 93955  
Agency Negotiator: David J. Stoldt, General  
Manager

The meeting was adjourned at approximately 8:55 pm.

**ADJOURNMENT**

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Arlene M. Tavani, Deputy District Secretary