



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
April 20, 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:

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

George Riley apologized for the cost of the Measure O election presented in agenda item 5.

ORAL COMMUNICATIONS

On a motion by Potter and second of Lewis, the Consent Calendar was approved on a vote of 7 – 0 by Markey, Byrne, Lewis, Clarke, Brower, Pendergrass and Potter.

CONSENT CALENDAR

Approved.

1. Consider Adoption of Minutes of the March 16, 2015 Regular Board Meeting

Approved.

2. Consider Adoption of Resolution 2015-04 Amending Table XIV-1 Rebate Amounts

Approved.

3. Consider Adoption of Resolution 2015-05 Supporting SWRCB Expanded Emergency Conservation Regulations

Approved.

4. Consider Rescission of Variance to Group II Use at 484 Washington Street, Monterey (APN: 001-692-011)

Approved expenditure of \$185,583.48.

Approved expenditure of up to \$2,000.

Approved.

Approved not-to-exceed amount of \$40,000 for services provided by Bryant & Associates.

Approved expenditure of \$460,000.

Approved expenditure of \$95,000 for services from Raymond James.

Approved.

Approved.

Approved.

Approved.

A summary of Mr. Stoldt's report is on file at the District office and can be viewed on the agency website. He reported that water production is 7.8% less than 2014 levels. Rainfall was at 70% of the long-term average. Conditions could be described as dry. Streamflow was at 37% of the long-term average. Useable storage was at 97% of the long-term average, and was twice the annual production target for Cal-Am and other alluvial pumpers. Normally no action would be taken to ration water use, but due to the Governor's edict, an 8 to 10% reduction in water production could be required.

5. **Consider Approval of Expenditure for Measure O Election Costs**
6. **Consider Approval of Expenditure for Field Data Collection Support for Pure Water Monterey Project**
7. **Consider Extension of Memorandum of Understanding Regarding Source Waters and Water Recycling**
8. **Authorize First Supplement to Federal Funding Strategy and Advocacy Services to Monterey Peninsula Water Management District for the Pure Water Monterey Program**
9. **Authorize First Supplement to Professional Services Agreement Dated January 17, 2013 Between District and Sidley Austin LLP Relating to Public Financing of a Portion of the Cal-Am Desal Project**
10. **Authorize First Supplement to Underwriting Services Agreement Relating to Public Financing of a Portion of the Cal-Am Desal Project**
11. **Consider Extension of Deepwater Desal Cost Sharing Agreement**
12. **Receive and File District-Wide Annual Water Distribution System Production Summary Report for Water Year 2014**
13. **Receive and File District-Wide Annual Water Production Summary Report for Water Year 2014**
14. **Consider Approval of Treasurer's Report for February 2015**

GENERAL MANAGER'S REPORT

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

Stoldt noted that operation of the test slant well for California American Water’s desalination project continued. The draft EIR on that project should be released on April 30, 2015. Stoldt announced that the draft EIR on the Pure Water Monterey project should be available on April 29, 2015. Public hearings on the EIR were scheduled for May 20, 2015 at Hartnell College and May 21, 2015 at Oldemeyer Center.

Stoldt and Locke’s presentations are on file at the MPWMD office and can be viewed on the agency’s website. In response to Locke’s presentation, the Directors suggested that the following comments be submitted to the State Water Resources Control Board (SWRCB) regarding statewide mandatory water conservation measures: (a) if local water use is below 55 gallons-per-day, than the reduction in water production should be limited to 3 percent; and (b) a statewide goal of 55 gallons per person per-day should be established.

District Counsel Laredo reported that the Board did not conduct the closed session that was scheduled on March 16, 2015. He also reported that at the April 20, 2015 Closed Session, on a unanimous vote of 7 – 0, the Board rejected the settlement position offered by Thum in Thum v MPWMD: Monterey Case No. M113598.

Potter reported that on April 12 and April 13, 2015 he and General Manager Stoldt joined Ralph Rubio of the Monterey Regional Water Pollution Control Agency in a series of meetings in Washington DC regarding the Pure Water Monterey Project. Brower reported that he and Directors Byrne and Clarke attended a meeting on April 18, 2015 and presented information on water issues. Byrne reported that at that meeting, former Monterey County Supervisor Lou Calcagno stated that water from the Salinas Valley would never be used on the Monterey Peninsula. Director Lewis reported that fifth grade students from the Monterey International School in Seaside completed a water conservation segment that included video presentations and photos developed by students. She requested that the material be uploaded to the MPWMD website.

Potter offered a motion that was seconded by Byrne to adopted Ordinance No. 164 with the amendment proposed in the staff report. The motion was approved on a unanimous roll-call vote of 7 – 0 by Potter, Byrne, Brower, Clarke, Lewis, Markey and Pendergrass.

16. Update on Development of Water Supply Projects

17. Report on Drought Response

ATTORNEY’S REPORT

18. Report from District Counsel on Closed Sessions of March 16 and April 20, 2015

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

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

PUBLIC HEARINGS

20. Consider Second Reading and Adoption of Ordinance No. 164 Establishing Water Permit Requirements for Outdoor Seating at Restaurants

The following comments were directed to the Board during the public hearing. (a) George Riley stated that this ordinance could be a model for the SWRCB to utilize. (b) Lou Coletti, resident of Pacific Grove, opined that the proposed regulations were not a conservation effort, but rather a generous gift to restaurateurs.

On a motion by Brower and second of Pendergrass the 2014 MPWMD Annual Report was approved on a unanimous vote of 7- 0 by Brower, Pendergrass, Byrne, Clarke, Lewis, Markey and Potter. No comments were directed to the Board during the public hearing on this item.

Potter offered a motion that was seconded by Lewis to approve the Sales Agreement, subject to changes deemed to be insubstantial by District Counsel and the General Manager. In addition, any changes that are inconsistent with the agreement should come back to the Board for consideration. The motion was approved on a vote of 6 – 1. Directors Potter, Lewis, Byrne, Markey, Clarke and Pendergrass voted in favor of the motion. Director Brower was opposed. Stoldt noted that paragraph 3, line 2 of the staff note should be corrected: the words “30 years” should be replaced with the words “20 years” which reflect a 10-year term with two five-year options. No comments were directed to the Board during the public comment period on this item.

On a motion by Pendergrass and second of Potter, the Board approved a pledge of the District’s revenue-raising capacity in support of the long-term capital financing of the Pure Water Monterey project. The motion was approved on a vote of 7 – 0 by Pendergrass, Potter, Brower, Byrne, Clarke, Lewis and Markey.

During the public comment period on this item, George Riley expressed support for Board approval. He also suggested that Cal-Am should establish a reserve fund to pay for debt service when the project is not operational.

On a motion by Potter and second of Brower the Strategic Planning Goals were adopted with the following changes: (a) Under One-Year Goals, #7, add a bullet “other local resource agencies.” (b) Three-Year-Goals, # 9, Establish a Long-Term Strategy for Los Padres Dam; move that to One-Year Goals. (c) Under Three-Year Goals, # 11, Prepare for Allocation of “New Water,” the references to the Odello and City of Pacific Grove projects should be listed under the heading “New Allocation” under One-Year Goals. The motion was approved on a vote

21. Consider Adoption of 2014 MPWMD Annual Report

ACTION ITEMS

22. Consider Approval of Sales Agreement with Brant Family Trust re: Purchase of MPWMD Schulte South Well, APN 416-028-027

23. Authorize Utilization of District Credit for Pure Water Monterey Financing

24. Discuss and Adopt Strategic Planning Goals

of 7 – 0 by Potter, Brower, Byrne, Clarke, Lewis,
Markey and Pendergrass.

Public Comment: Lou Coletti, resident of Pacific Grove, urged the Board to encourage Pacific Grove to conserve water through development of wastewater reclamation facilities. He expressed opposition to establishment of a corresponding entitlement of potable water to the City.

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

The meeting was adjourned at 8:30 pm.

INFORMATIONAL ITEMS/STAFF REPORTS

25. **Notice of Appointment to the Carmel River Advisory Committee**
26. **Letters Received**
27. **Committee Report**
28. **Monthly Allocation Report**
29. **Water Conservation Program Report**
30. **Quarterly Water Use Credit Transfer Status Report**
31. **Carmel River Fishery Report**
32. **Quarterly Carmel River Riparian Corridor Management Program Report**
33. **Monthly Water Supply and California American Water Production Report**

ADJOURN