



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
July 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

Stoldt announced that items 13 and 14 had been pulled from the agenda. On a motion by Potter and second of Lewis, the amendments to the agenda were accepted by the Board on a unanimous vote of 7 – 0 by Potter, Lewis, Brower, Byrne, Clarke, Markey and Pendergrass.

The following comments were directed to the Board during Oral Communications. **(1) George Riley**, representing Public Water Now (PWN), reiterated a request made by letter dated July 10, 2015, that PWN have an opportunity to provide input on California American Water (Cal-Am) rate setting proposals prior to submission of the application to the California Public Utilities Commission. **(2) Andy Bell** submitted a letter dated July 20, 2015 requesting that the Water Management District website include information on the alternative desalination project proposed by DeepWater Desal. **(3) Rudy Fischer**, member of the Pacific Grove City Council, submitted a statement entitled Water Savings at Pacific Grove Golf Links, 2008-2010 prepared by Daniel Gho. Mr. Fischer requested that the Board review the

ORAL COMMUNICATIONS

information provided and disregard data provided by persons that are protesting development of the proposed Pacific Grove recycled water project and water entitlement.

On a motion by Pendergrass and second of Potter, the Consent Calendar was adopted except for item 5 that was pulled for separate consideration. The motion was approved on a vote of 7 – 0 by Pendergrass, Potter, Brower, Byrne, Clarke, Lewis and Markey.

Approved.

Approved extension to September 30, 2015.

Approved.

Approved.

On a motion by Byrne and second of Brower, the contract for \$49,200 was approved on a unanimous vote of 7 – 0 by Byrne, Brower, Clarke, Lewis, Markey, Pendergrass and Potter.

Tom Rowley, representing the Monterey Peninsula Taxpayers Association (MPTA), noted that the consultant’s scope of work used the term “misguided lawsuits.” He stated that there was no intent by the MPTA to misguide the public when it filed a lawsuit against the Water Management District.

Approved not-to-exceed amount of \$2,100.

A summary of General Manager Stoldt’s report can be viewed on the Water Management District’s website and at the agency office. He reported that as of July 1, 2015, cumulative water production in the Monterey Peninsula Water Resources System was 11% below cumulative production in 2014. For the month of June, rainfall received was 76% of long-term average; unimpaired flow was estimated as 32% of long-term average; and storage was at 91% of long-term average.

CONSENT CALENDAR

1. Consider Adoption of Minutes of the June 15, 2015 Regular Board Meeting
2. Consider Extension of Memorandum of Understanding Regarding Source Waters and Water Recycling - Amendment No. 2
3. Consider Adoption of Resolution 2015-14 for State Revolving Fund Application for Pure Water Monterey Project
4. Consider Adoption of Resolution 2015-15 Restating Intent to Reimburse Expenditures for Pure Water Monterey Project
5. Consider Contract for Public Outreach and Communications Services with Thomas Brand Consulting for Fiscal Year 2015-2016
6. Consider Awarding \$125.00 Scholarships for ARCSA Attendance to Residents/Professionals Within the MPWMD Boundaries

GENERAL MANAGER’S REPORT

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

Stoldt reported that the Coastal Commission may schedule a hearing on August 12, 13 or 14, 2015 for Cal-Am's amended permit for slant well testing. The comment period for Cal-Am's EIR on the Monterey Peninsula Water Supply Project has been extended to September 30, 2015. Stoldt noted that 28 comment letters were received on the Pure Water Monterey Project EIR. He stated that Monterey Peninsula Airport has estimated that production from three subpotable wells on its property could yield 107 acre-feet per year, but additional well production testing must be completed to verify that number. Stoldt responded to questions from the Board. Chair Markey requested that Cal-Am and DeepWater Desal provide updates on their projects at the August 20, 2015 Board meeting. It was also suggested that Stoldt submit a letter to Cal-Am requesting that the geotechnical section of the EIR on the Monterey Peninsula Water Supply Project (MPWSP) be revised without delay. Chair Markey asked staff to determine if the referenced letter should be prepared.

Tom Rowley, MPTA, addressed the Board during the public comment period on this item. He stated that it was premature to prepare EIRs on the MPWSP and the Pure Water Monterey Project before source water was finalized for the projects. He expressed support for a delay in order to update the EIR, which would allow time for source water issues to be resolved.

A summary of Stoldt's presentation can be viewed on the Water Management District website or at the agency office.

Counsel Laredo reported that the Board reviewed item 1 and determined that Action Item 14 should be deferred to the August 17, 2015 Board meeting agenda.

Counsel Laredo reported that he provided status reports on items 2.A, 2.C and 2.D, but no reportable action was taken.

8. Update on Development of Water Supply Projects

9. Report on Drought Response

ATTORNEY'S REPORT

10. Report from District Counsel on Closed Sessions of June 15 and July 20, 2015

July 20, 2015 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

June 15, 2015 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

2. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
 - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO
 - B. Application of Cal-Am to CPUC (No. 12-04-019) - Mon. Pen. Water Supply Project
 - C. MPTA v MPWMD Case No. M123512
 - D. Thum v. MPWMD; Monterey Case No. M113598; 6th District Appellate Case #HO39566
 - E. MPWMD v CPUC (Cal-Am); CA supreme Court Case No. S208838
 - F. Water Plus v. MPWMD, Case No. M125274
 - G. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO

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

No reports from the Directors.

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

PUBLIC HEARINGS

12. **Consider First Reading of Ordinance No. 165 Amending Rules 11, 21, 23 and 23.1 and Adding Rule 23.7 to Establish a Water Entitlement for Malpasos Water LLC**

Potter offered a motion that was seconded by Brower to adopt the first reading of Ordinance 165 with the following changes: (1) Amend Rule 23.7.A.1 to reflect conveyance losses. (2) Amend Rule 23.7A.3 to state “and that are located ~~within~~ in the California American Water Service Area and ~~within~~ in the Carmel River watershed ~~and~~ or the City of Carmel-by-the-Sea” The motion was adopted on a unanimous vote of 7 – 0 by Potter, Brower, Byrne, Clarke, Lewis, Markey and Pendergrass.

The following comments from the public were directed to the Board on this item. (1) **Alan Williams**, Manager of Malpasos Water System, stated that the staff report was complete, and offered to answer questions about the project. (2) **Jeannette Tuitele-Lewis**, President and CEO of the Big Sur Land Trust, requested that the Board approve the first reading of Ordinance No. 165, as it would facilitate completion of the Carmel River Free Project. (3) **Morgan Gillman**, resident of Carmel Point, asked how property owners would access entitlement water. Stoldt stated that Water Management District staff would contact Mr. Gillman after the meeting with a response.

No discussion.

No discussion. Item deferred to a future meeting date.

Brower offered a motion that was seconded by Potter to submit the response letter to the Grand Jury.

On a motion of Brower and second of Potter, the motion was amended to request that: (1) the response letter be submitted to the Grand Jury; and (2) that the General Manager contact the Grand Jury administrator and suggest that the process for report preparation be modified to allow fact checking by the local agency so that errors could be corrected before the final report is released to the public. The motion was approved unanimously on a vote of 7 – 0 by Brower, Potter, Byrne, Clarke, Lewis, Markey and Pendergrass. No comments from the public were directed to the Board on this item.

On a motion by Brower and second of Pendergrass, the General Manager was authorized to sign the Application to Modify Cease and Desist Order WR 2009-0060 on behalf of the Board. The motion was approved on a unanimous vote of 7 – 0 by Brower, Pendergrass, Byrne, Clarke, Lewis, Markey and Potter.

The following comments were directed to the Board on this item. (1) **Tom Rowley**, MPTA, agreed with the need for the Board to take action. However, he stated that procedurally it may not be wise for the Water Management District and Cal-Am to be joint signatories to the application. (2) **George Riley** objected to section 3A2(ii) and (iii) of Attachment 1 to the Application to Modify. He stated that in order to avoid the loss of 1,000 acre-feet of water production for the community, the Water Management District would likely defend any failure of Cal-Am to meet a deadline.

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

13. ~~Deleted 7/17/2015 Consider First Reading of Ordinance No. 166 Amending Rule 11 and Adding Rule 23.8 to Establish a Water Entitlement for the City of Pacific Grove~~

ACTION ITEMS

14. Consider Approval of Ground Lease with City of Seaside for Santa Margarita ASR Site Expansion
15. Consider Approval of Response to 2014-2015 Monterey County Grand Jury Report

16. Consider Approval of Proposal to Modify Cease and Desist Order 2009-0060

INFORMATIONAL ITEMS/STAFF REPORTS

17. Letters Received
18. Committee Report
19. Receive Notice of Appointments to Carmel River Advisory Committee
20. Carmel River Fishery Report for June 2015

- 21. Quarterly Carmel River Riparian Corridor Management Program Report**
- 22. Monthly Allocation Report**
- 23. Water Conservation Program Report**
- 24. Quarterly Water Use Credit Transfer Status Report**
- 25. Monthly Water Supply and California American Water Production Report**
- 26. Semi-Annual Groundwater Quality Monitoring Report**

The meeting was adjourned at 8:45 pm.

ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary