



EXHIBIT 19-A

FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District May 21, 2015

Call to Order The meeting was called to order at 9:03 am 2511 Garden Road, Suite B-100, Monterey, CA.

Committee members present: Robert S. Brower, Sr. - Committee Chair
 David Pendergrass
 Jeanne Byrne

Committee members absent: None

Staff members present: David Stoldt, General Manager
 Joe Oliver, Water Resources Division Manager
 Arlene Tavani, Executive Assistant

Comments from the Public

Luke Coletti expressed concern that the 125 acre-feet of entitlement water from Pacific Grove's proposed wastewater reclamation project has not been proven as feasible. Although this project is described as a water conservation effort, it is actually a move to create water for growth. He expressed this opinion to the State Water Resources Control Board, and they appreciated the information. He stated that the issue of obtaining new water entitlements while the community is subject to the Cease and Desist Order (CDO) should be completely transparent.

Action Items

- 1. Consider Adoption of March 17, 2015 Committee Meeting Minutes**
On a motion by Pendergrass and second of Byrne, the minutes of the March 17, 2015 meeting were approved unanimously on a vote of 3 – 0 by Pendergrass, Byrne and Brower.

Discussion Items

- 2. Discuss Process to Become Groundwater Sustainability Agency within Jurisdiction of MPWMD**
Stoldt reviewed the process for establishment of a Groundwater Sustainability Agency (GSA). The area of jurisdiction would be the Water Management District boundary. Work does need to be done to define the boundaries of the groundwater basins within the District. The Water Management District considers the Seaside Groundwater Basin to be distinct and separate from the Salinas Valley Groundwater Basin; however, the Department of Water Resources (DWR) views them as one groundwater basin. The State Water Resources Control Board (SWRCB) views the Carmel Valley Alluvial

Aquifer as surface water flowing in a subterranean channel; however, the DWR views it as a groundwater aquifer. For the initial filing with the state, the District could define the Carmel Valley Alluvial Aquifer as referenced in DWR Bulletin 118. For the Seaside Goundwater Basin, the Water Management District could cite the portion of the basin within its boundaries. Oliver warned that DWR Bulletin 118 incorrectly defines the Seaside Basin. In 2009 the Water Management District submitted correcting information to DWR, but they took no action. Since then, DWR has established a process for amending the boundaries and that could affect plans to establish a GSA. Laredo noted that the Seaside Basin Watermaster is not eligible to serve as a GSA. Stoldt stated that the Water Management District will contact the Watermaster about the GSA, and coordinate on state mandated groundwater reporting requirements. At a future committee meeting, staff will present a draft resolution establishing the GSA. If a Salinas Valley GSA is formed, a joint powers authority would likely be established and the Water Management District would request membership.

3. Discuss 10-Year Forecast of Water Supply Charge Needs and Potential Uses

Stoldt reviewed the project expenditures listed in Exhibit 3-A of the committee packet. He explained that the GWR Operating Reserve shown is a fund that would accumulate approximately \$6 million to pay financing costs in the event that plant operations are temporarily halted and there are no water sales to cover those costs. The drought reserve category would be set aside to pay for water that would accumulate for use during a drought. Cal-Am will not fund production of water that is not sold, so accounts need to be established for the Operations Reserve and Drought Reserve. A public bond issue will include a reserve fund to cover debt service, but it would not have a reserve to cover fixed O&M costs. Exhibit 3-A reflects the assumption that the Water Management District would not obtain public bond monies, but instead would receive state revolving funds that cannot be used to fund reserves. Once the Pure Water Monterey Project is approved, financing could be obtained to pay prior expenses covered by the water supply charge. That would allow the Water Management District to replenish its reserves. Also, if the California Superior Court made a final determination in the District's favor on collection of the user fee, additional funds would be available.

During the public comment period, Luke Coletti asked if water from the Aquifer Storage and Recovery project was treated for iron removal before injection or upon recovery. Stoldt responded that the water was treated before injection and again upon recovery.

4. Discuss Action Plan for Los Padres Dam Improvements and Acquisition

Stoldt reported that the dam could be insured for up to \$10 million, which would create an unreasonable risk for the Water Management District if it were to take ownership of the dam. It may be possible that greater coverage is available. In discussions with Rob MacLean, Stoldt was advised that Cal-Am may not consider a transfer of ownership until results of studies underway are available. Therefore, Cal-Am may not be willing to work with the District very soon on expanding dam capacity. The Water Management District's ultimate goal is to take over Los Padres and expand its capacity. That would only be realistic if Los Padres could be dredged, and sediment moved annually at a cost of approximately \$40 million. The committee will continue to discuss this issue at future meetings.

During the public comment period on this item, Luke Coletti stated that an agency could not plan for an event such as the Marble Cone Fire which was the source of extensive siltation at San Clemente Dam.

5. Update on California-American Water Co. Desalination Plant

The committee reviewed action taken at the Monterey Peninsula Water Supply Project Governance Committee meeting regarding the test slant well. Stoldt noted that there is a concern in the community that if return flows are delivered to Zone 2C, they could be utilized by Marina Coast Water to supply the Monterey Downs Project. Stoldt has advised those concerned that agreements could be devised that would prevent the water from being used for new development.

During the public comment period on this item, Luke Coletti inquired about the plan for brine discharge, and if salinity levels will adversely affect the squid fishery. He opined that the discharge modeling method utilized for the EIR was proved to be “bogus” at a hearing before the SWRCB. Stoldt responded that during the summer months, the desal brine will be mixed with reject water from the groundwater replenishment project. The discharge will meet permit requirements.

6. Update on Pure Water Monterey Project

Stoldt provided an update on progress with the project. He stated that the City of Marina must make a decision as to use of its pipeline for the project. Another unresolved issue is if the County of Monterey will be designated as a discharger, and if so, must water from the Blanco drain be treated to drinking water standards. Also, the cost distribution aspects of the project must be developed.

7. Update on Local Water Projects

Stoldt reported that staff is working with the Monterey Peninsula Airport District, Monterey County Fairgrounds, and the City of Pacific Grove on local water projects. The Pebble Beach Company and the City of Seaside have both proposed projects, but there may not be sufficient grant funds for both proposals.

During the public comment period on this item, Luke Coletti stated that the projects funded by Local Water Project grants should focus on water conservation, not new connections that are an “end run” around the CDO. He inquired about the Pebble Beach project at Old Del Monte. Stoldt responded that the Pebble Beach project entails exploratory work on an old well to determine if there is a non-potable supply that could offset potable use.

Suggestions from the Public on Water Supply Project Alternatives

No comments.

Set Next Meeting Date

No date set.

Adjournment – The meeting was adjourned at 10:30 am.

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