



EXHIBIT 26-B

FINAL MINUTES

**Water Supply Planning Committee of the
Monterey Peninsula Water Management District
October 8, 2015**

Call to Order The meeting was called to order at 9:05 am in the MPWMD conference room.

Committee members present: Robert S. Brower, Sr. - Committee Chair
 Jeanne Byrne (participated by telephone)
 David Pendergrass

Committee members absent: None

Staff members present: David Stoldt, General Manager
 Larry Hampson, Planning & Engineering Division Manager
 Joe Oliver, Water Resources Division Manager
 Arlene Tavani, Executive Assistant

District Counsel present David C. Laredo

Comments from the Public: No comments.

Action Items

- 1. Develop Recommendation to the Board on Use of Local Water Projects/Grants Funds for Wastewater Recycling Projects**
Byrne offered a motion that was seconded by Pendergrass to adopt a policy that would prohibit prospectively use of Local Water Project Grant Funds for any wastewater reclamation project that would remove wastewater flows from the Carmel Area Wastewater District or the Monterey Regional Water Pollution Control District. The Pure Water Monterey Project was exempted from the prohibition. Pendergrass seconded the motion. Pendergrass later withdrew his second. Brower offered a second to the motion. The motion was approved on a roll-call vote of 2 – 1. Brower and Byrne were in favor of the motion, and Pendergrass was opposed.

Public Comment: **(A) Jessica Kahn**, Environmental Programs Manager, City of Pacific Grove, stated that the city had not spent funds from the previous Local Water Project Grant due to time needed to complete reports that must be done before the RFP is issued. Requests for reimbursement for expenditures should be submitted after the RFP is issued in November 2015. She noted that the 2015 Grant Application does not include a wastewater component. **(B) Luke Coletti** – stated that he is opposed to the

new application by the City of Pacific Grove because it proposes to expand Crespi Pond and utilize it for feeder water into the Pacific Grove local project.

2. Develop Recommendation to the Board on Selection of Recipients – FY 2015-16 Local Water Projects/Grants

Pendergrass offered a motion to adopt the staff recommendation to approve the three projects: Pebble Beach Company, City of Monterey and City of Seaside and increase the Local Water Project Grant Fund to \$171,900 at the mid-year budget adjustment, and that no funds would be spent to study scalping. The motion failed on lack of a second.

Brower offered a motion that was seconded by Byrne to distribute \$80,000 to Pebble Beach Company and \$106,900 to the City of Seaside and to reduce the Local Water Project Grant Fund accordingly at the mid-year budget adjustment. Pendergrass offered an amendment to the motion that was seconded by Byrne, to add that a discussion of the application from the City of Monterey for the reduced amount of \$85,000 be considered at a future meeting. The amended motion was approved unanimously on a roll-call vote of 3 – 0 by Brower, Byrne and Pendergrass.

Public Comment: **(A) Rick Riedl**, Senior Engineer for the City of Seaside, stated that the proposed reduction of the grant to \$106,900 was a fair offer but must be accepted by the City Council. **(B) Brent Reitz**, Project Manager for Pebble Beach Company, expressed support for the opportunity to fund a project that would provide an alternative water source for the Del Monte Golf Course. **(C) Jessica Kahn**, advised the committee that the Pacific Grove project does include a detention facility for storm water, to allow for the City and MRWPCA to agree on the amount of water to be sent back to the MRWPCA treatment plant. **(D) Luke Coletti** opined that the detention facility proposed is Crespi Pond which is in conflict with the current stormwater plan EIR. He noted that one proposal is to store stormwater and utilize it for feeder water for the local water project. **(E) Jessica Kahn** responded that the detention facility would be a concrete storage area at the local water project site. It is anticipated that wastewater would be treated and that stormwater would be distributed to the MRWPCA. However, there is the potential to mix both sources of water and treat them for other purposes.

Byrne left the meeting at 9:50 am following the close of item 2.

Discussion Items

3. SB13 and Modifications to the Sustainable Groundwater Management Act

Stoldt advised the committee that in September 2015, the California State Legislature approved an amendment to the Sustainable Groundwater Management Act that authorizes investor-owned water utilities to participate in the Groundwater Sustainability Agency process. The Water Management District's intent to take on the responsibility of GSA for the Carmel River Groundwater Basin will proceed. It may be that California American Water (Cal-Am) will file a protest. The Water Management District could enter into an MOU with Cal-Am that would identify the agency as an ex-officio member of the GSA, with the authority to participate but no vote. Or, the Board could decide to increase Cal-Am's level of participation. The Water Management District's goal is to have the Carmel River Groundwater Basin removed from the list of priority basins, as it has been determined by the State Water Resources Control Board to

be surface water flowing in a subterranean channel.

4. Update on Pure Water Monterey Project

Stoldt reported that certification of the Final EIR for the Pure Water Monterey Project was scheduled for that afternoon at the Monterey Regional Water Pollution Control Agency office. The Coalition of Peninsula Businesses (CPB) had encouraged its members to protest the certification. Stoldt spoke with the CPB leadership and they agreed to halt their protest, as certification of the EIR does not indicate the project is approved. A certified EIR is necessary for completion of sourcewater agreements and to apply for project financing. Work is underway to determine project costs in comparison to the large and small desalination project alternatives. A prehearing conference is scheduled to address the following. (1) Phase 2 proceedings and the Ground Water Recharge aspect of the application. (2) Should cost data be updated. Cal-Am has agreed that the 2013 data can be used until updated data is available from contracts and bids. (3) Accelerate the Commission's decision on Phase 2 so the project can proceed.

Public Comment: **(A) Rick Riedl** asked if the cost comparison will include the terminal pipeline. Stoldt stated that it would. **(B) Luke Coletti** asked for clarification as to opposition to the proposed project. Stoldt responded that cost is the issue: some persons support a large desalination plant, and are opposed to a smaller desalination project combined with the Pure Water Monterey project.

5. Update on California-American Water Desalination Plant

Stoldt reported that on October 6, 2015, the California Coastal Commission approved Cal-Am's revised application and authorized start-up of the test slant well. The RFP for conveyance facilities is due on October 16, 2015 and the RFP for slant well construction are due on October 23, 2015.

6. Update on Alternative Desalination Project

Stoldt noted that the California State Lands Commission has hired an environmental consultant for preparation of the project EIR. DeepWater Desal is limited by a 90-day disclosure period with a design/build firm.

7. Update on Status of Los Padres Dam

Hampson reported that a draft agreement has been reviewed and circulated to Cal-Am; however, there has been no commitment as to when the agreement will be returned for signature. The committee requested that the final agreement be emailed to the committee members for review.

Suggestions from the Public on Water Supply Project Alternatives

No comments.

Set Next Meeting Date

November 4, 2015, at 9 am in the MPWMD conference room.

Adjournment

The meeting was adjourned at 10:10 a.m.