



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
April 18, 2016**

The meeting was called to order at 7:10 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Jeanne Byrne – Chair, Division 4
Molly Evans – Division 3
Andrew Clarke – Division 2
Brenda Lewis – Division 1
David Pendergrass – Mayoral Representative
David Potter – Monterey County Board of Supervisors

Directors Absent:

Robert S. Brower, Sr. – Vice Chair, Division 5

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No action.

ADDITIONS AND CORRECTIONS TO AGENDA

Moe Ammar, President, Pacific Grove Chamber of Commerce, announced that David Stoldt was selected by the Chamber as Public Official of the Year. The chamber event to recognize Mr. Stoldt will be conducted on May 21, 2016. He distributed invitations to the Board of Directors.

ORAL COMMUNICATIONS

On a motion by Pendergrass and second of Potter, the Consent Calendar was approved, except for item 5 that was pulled for separate consideration. The motion was approved on a vote of 6 – 0 by Byrne, Clarke, Evans, Lewis, Pendergrass and Potter. Brower was absent.

CONSENT CALENDAR

Adopted.

- 1. Consider Adoption of Minutes of the March 21, 2016 Regular Board Meeting**
- 2. Consider Authorization of Contract for Preparation of Los Padres Dam Fish Passage Study**

Approved contract with HDR Engineering, Inc. for \$310,000.

Approved expenditure of \$12,000.

Approved expenditure of \$3,000.

Evans offered a motion to authorize an expenditure of \$2,500 for the demonstration project, and that construction of the raised beds would be modified to place posts on the outside of the structures. The motion was seconded by Clarke and approved on a vote of 6 – 0 by Evans, Clarke, Byrne, Lewis, Pendergrass and Potter. Brower was absent.

Adopted.

Adopted.

Stoldt announced that as of April 16, 2016, production from the Aquifer Storage and Recovery Project (ASR) was 699.18 acre-feet for the 2015/16 injection season. Chair Byrne requested that the chart titled Actual versus Target Production be modified to include under the heading Carmel River Basin, a column that lists diversions for ASR. Through March 31, 2016, rainfall was categorized as above normal, and was estimated as 115 percent of long-term average. For the same time period, unimpaired flow was described as normal.

Stoldt reported the following. **Deepwater Desal Project** - the administrative draft EIR for the Deepwater Desal Project was scheduled for release in July 2016, the draft should follow in December, and the final could be completed by September 2017. **People’s Desalination Project** - The Moss Landing Harbor District has advised that the administrative draft of the project EIR was under a consultant’s review, so it was not yet available for public review. It could take two or three months before it would be distributed to the public. **Monterey Peninsula Water Supply Project (MPWSP)** – The week of April 12, 2016, hearings were conducted before the California Public Utilities Commission (CPUC) regarding the project. On April 18, 2016, a motion was filed by all parties, except for Water Plus, requesting that the Pure Water Monterey Project and the Monterey Pipeline be segregated from the MPWSP application, and that the CPUC render a decision on those two projects in July and subsequently issue a final decision in August. If that were to be approved, construction contracts could be issued in September 2016.

3. **Consider Approval of Funds to Replace HVAC Unit at the MPWMD Harris Court Administration Building**

4. **Authorize Expenditure for a Joint Project with Monterey Peninsula Regional Park District - Rainwater Harvesting and Drought Tolerant Demonstration Garden at Garland Regional Park**

5. **Authorize Expenditure to Complete Rainwater Harvesting Demonstration Project at District Offices**

6. **Adopt 2016-17 Legislative Advocacy Plan**

7. **Consider Adoption of Treasurer’s Report for February 2016**

GENERAL MANAGER’S REPORT

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

9. **Update on Development of Water Supply Projects**

Stoldt reported that the California State Water Resources Control Board (SWRCB) is in the process of developing long-term conservation standards for implementation throughout the state. The Association of California Water Agencies was working to ensure that there would be local control over conservation activities, rather than yield to statewide control.

Laredo advised that the Board met in closed session and discussed the items listed on the agenda. Regarding the Conference with Labor Negotiators, the Board provided direction to Chair Byrne and Vice Chair Brower but no other reportable action was taken. Regarding item 1 – a status report was provided on the delayed EIR for the desalination project component, and on the Pure Water Monterey schedule. The Board discussed the effects of the timing delays on the CDO deadlines and the previously submitted application to extend the CDO. The Board gave concept approval to amend the previously submitted application to the SWRCB.

No reports were presented.

On a motion by Pendergrass and second of Clarke, the first reading of Ordinance No. 170 was approved on a roll-call vote of 6 – 0 by Pendergrass, Clarke, Byrne, Evans, Lewis and Potter. Brower was absent.

The following comments were directed to the Board during the

10. Report on Drought Response

ATTORNEY’S REPORT

11. Report from District Counsel on 5:30 PM Closed Session of the Board

Conference with Labor Negotiators (Gov. Code 54957.6)

Agency Designated Representatives:
Jeanne Byrne
Unrepresented Employee: David Stoldt

Conference with Legal Counsel- Existing Litigation (Gov. Code 54956.9 (a))

1. Application of California American Water to CPUC (No. 12-04-019) – Monterey Peninsula Water Supply Project
2. Application of California American Water to CPUC Case No. A1001012 – Monterey Peninsula Water Management District User Fee
3. MPWMD v SWRCB; Santa Clara 1-10-CV-163328 – CDO (6th District Appellate Case #H039455)

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

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

PUBLIC HEARINGS

13. Consider First Reading of Ordinance No. 170 – Amending Rules 11, 20, 21, 22, 23, 24, 25.5, 142 and 143

public hearing on this item. (a) **Eric Sabolsice**, Director of Operations for California American Water, spoke in opposition to allowing sub-metering of an adjacent parcel as that would result in a violation of the Cease and Desist Order. He urged the Board to approve Ordinance No. 170 as presented. (b) **James Smith**, architect, stated that the Board should allow sub-metering on an adjacent parcel, as a means to increase housing when a reduction in water use could be demonstrated. (c) **John Hain**, owner of a large parcel in Pacific Grove that consists of four lots with one house on the property. He planned to demolish that house and use the water credits to rebuild it and add another house on one of the other lots. He proposed that the second house would be sub-metered. He estimated that water use would be low due to installation of rainwater catchment systems and other water saving devices. He stated that he would like to be innovative and work with the District to find a solution.

Potter offered a motion that was seconded by Pendergrass, to approve the items related to the Integrated Regional Water Management Program. The motion was approved on a vote of 6 – 0 by Potter, Pendergrass, Byrne, Clarke, Evans and Lewis. Brower was absent. No comments were directed to the Board during the public comment period on this item.

The General Manager was authorized to make minor or non-substantive modifications to the MOU.

Authorized execution of the MOA.

Authorized contract with Gutierrez Consultants, Inc. for an amount of \$25,000.

On a motion by Clarke and second of Lewis, items related to the Bureau of Reclamation WaterSmart Program were approved on a vote of 6 – 0 by Clarke, Lewis, Byrne, Evans, Pendergrass and Potter. No comments were directed to the Board during the public comment period on this item.

Authorized a contract with Brown and Caldwell in the amount of \$45,000.

Authorized the General Manager to enter into a grant agreement with United States Bureau of Reclamation.

ACTION ITEMS

14. Consider Approval of Items Related to Integrated Regional Water Management Program

- A. Approve Revised MOU for Integrated Regional Water Management in the Monterey Peninsula, Carmel Bay and South Monterey Bay**
- B. Authorize Execution of MOA for Integrated Regional Water Management Planning and Funding in the Central Coast Region**
- C. Authorize Expenditure for Assistance with Proposition 1 Grant Program Coordination**

15. Consider Approval of Items Related to Bureau of Reclamation WaterSmart Program

- A. Consider Authorization of Contract for Assistance with Preparation of the Salinas and Carmel River Basins Study**
- B. Authorize the General Manager to Enter into a Grant Agreement with the United States Bureau of Reclamation**

On a motion by Potter and second of Pendergrass, the Finance Plan outlined in the nine bullet-points listed on page 214 of the staff note were adopted on a vote of 6 – 0 by Potter, Pendergrass, Byrne, Clarke, Evans and Lewis. Brower was absent.

Tom Rowley, MPTA, addressed the Board during the public comment period on this item. He expressed concern that the Board of Directors has repeatedly exceeded its authority when it has approved funding for development of water supply projects without a vote of the electorate within the Water Management District boundaries. He advised that the MPTA will continue with its appeal of the determination in its lawsuit against the Water Management related to implementation of the water supply charge. *In response, District Counsel Laredo stated that a vote is only required if a project would benefit water users in a specific zone. In that case, an election would be held within the benefited zone. A project that would provide a common benefit to water users in the Water Management District does not require a public vote. He noted that the Superior Court upheld that determination in the lawsuit filed by the MPTA against the Water Management District, and the MPTA appeal did not address that aspect of the lawsuit.*

Stoldt summarized information provided in the staff report. He also reported that the Department of Water Resources (DWR) has determined that the Seaside Groundwater Basin Boundary Modification Request is complete. DWR has also determined that a letter of support for the boundary modification from the Seaside Groundwater Basin Watermaster will fulfill the previous requirement that letters from ¾ of the affected local agencies and water agencies be submitted. The DWR has also concluded that the Carmel Valley Alluvial Aquifer is surface water, and therefore will be exempt from the requirement to develop a groundwater sustainability plan. The DWR will be submitting a formal letter after receipt of confirmation from the SWRCB.

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

16. Consider Adoption of a Finance Plan for Utilization of User Fee and Water Supply Charge Funds

DISCUSSION ITEMS

17. Update on Sustainable Groundwater Management Act (SGMA): (a) Seaside Groundwater Basin, and (b) Carmel Valley Alluvial Aquifer

INFORMATIONAL ITEMS/STAFF REPORTS

- 18. Letters Received**
- 19. Committee Report**
- 20. Monthly Allocation Report**
- 21. Water Conservation Program Report**
- 22. Quarterly Water Use Credit Transfer Status Report**
- 23. Carmel River Fishery Report**
- 24. Quarterly Carmel River Riparian Corridor Management Report**
- 25. Monthly Water Supply and California American Water Production Report**

The meeting was adjourned at 8:30 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

U:\staff\Boardpacket\2016\20160516\ConsentClndr\01\Item-1-Exh-A.doc