



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
July 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
Robert S. Brower, Sr. – Vice Chair, Division 5
Brenda Lewis – Division 1
Andrew Clarke – Division 2
Molly Evans – Division 3
David Pendergrass – Mayoral Representative
David Potter – Monterey County Board of Supervisors

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

On a motion by Pendergrass and second of Brower, the agenda was approved as presented on a vote of 7 – 0 by Brower, Byrne, Clarke, Evans, Lewis, Pendergrass and Potter.

ADDITIONS AND CORRECTIONS TO AGENDA

The following comments were directed to the Board during Oral Communications. **(a) George Riley** stated that there are serious threats of litigation against components of the Monterey Peninsula Water Supply Project. He urged the Board to prioritize consideration of contingency water supply projects. **(b) Chuck Cech**, resident of Monterey, expressed concern about the proposed Monterey Pipeline that will cross through Pacific Grove, Monterey and Seaside. He noted that a representative of the Ohlone Indian Tribe advised him that the pipeline will disturb Indian sacred grounds. Cech advocated development of an alternate pipeline that would go around the Peninsula cities. He submitted a letter that described his proposal which is on file at the District office and can be viewed on the agency's website.

ORAL COMMUNICATIONS

On a motion by Brower and second of Potter, the Consent Calendar was approved on a vote of 7 – 0 by Brower, Potter, Byrne, Clarke, Evans, Lewis and Pendergrass. No comments were directed to the Board during the public comment period on this item.

CONSENT CALENDAR

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| Adopted. | 1. Consider Adoption of Minutes of the June 20, 2016 Board Meeting |
| Received. | 2. Receive Water Year 2015 Aquifer Storage and Recovery Project Summary of Operations Report |
| Approved expenditure of \$184,748 for ASR Operations Support, and expenditure of \$300,729 for ASR Engineering Support. | 3. Consider Expenditure for FY 2016-17 Aquifer Storage and Recovery Planning and Operations |
| Approved expenditure of \$2,000. | 4. Consider Expenditure to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits |
| Approved expenditure of \$49,200. | 5. Consider Contract for District Public Outreach and Communications Services with Thomas Brand Consulting for Fiscal Year 2016-2017 |
| Approved expenditure of \$100,000. | 6. Consider Contract for Pure Water Monterey Project Management, Public Outreach and Communication Services with Thomas Brand Consulting for Fiscal Year 2016-2017 |
| Approved expenditure of \$61,075. | 7. Authorize Expenditure for Software Maintenance Agreements |
| Approved. | 8. Consider Approval of Change from Senior Water Resources Engineer to Water Resources Engineer on the District's Organization Chart |
| Approved. | 9. Consider Reclassification of Two Conservation Representative I/II Positions and Related Change to the District's Organization Chart |
| Adopted. | 10. Consider Adoption of Resolution 2016-13 Update to Rule 24, Table 3, Capacity Fee History |
| Approved | 11. Consider Approval of an Amendment to the Cost Sharing Agreement with the Monterey Regional Water Pollution Control Agency for the Groundwater Replenishment Project |

Adopted.

Stoldt announced that Suresh Prasad, Chief Financial Officer and Administrative Services Division Manager, was awarded a certificate of achievement by the Government Financial Officers Association for development of the comprehensive annual financial report for Fiscal Year 2014-15.

Board Chair Byrne presented Joseph Oliver with a gift and thanked him for his service to the Water Management District. Oliver stated that he was honored and privileged to have had the opportunity to work with a very dedicated and competent staff. Stoldt acknowledged Joe for development of a well populated database on the water resources system. In addition Joe envisioned and oversaw development of his legacy, the Aquifer Storage and Recovery Project.

Stoldt reported that as of June 30, 2016, water production in the Monterey Peninsula Water Resources System was 14 percent below the target. In addition, consumer demand was 421 acre-feet less than recorded at the end of June 2015. Chair Byrne requested that a report on non-revenue water production be presented at a future meeting. In response to a question from Brower, Stoldt stated that production delays at the Sand City Desalination plant were due to poor intake water quality caused by drought conditions. The proposed California-American desalination project should not experience the same problems because the source water will be pumped from slant wells.

Stoldt reported that the State Water Resources Control Board was scheduled to meet on July 19, 2016 to consider the application for modification of Order 2006-0060, the Cease and Desist Order. Stoldt noted that 77 comment letters were submitted to the SWRCB regarding a previous draft of the proposed modification order. He distributed a draft order amending Order 2006-0060 that was received from the SWRCB on July 15, 2016. Stoldt stated that the community could comply with the proposed diversion limit to the Carmel River; however, the carryover was capped to a diversion limit which would not allow the community much flexibility from year-to-year. The SWRCB did not agree with the request that a portion of water from any new water supply project could be set aside for the project developer and a portion for the river to reduce diversions.

No report.

District Counsel Laredo stated that the Board of Directors provided general direction on item 3, but no reportable action was taken.

12. Consider Adoption of Treasurer's Report for May 2016

PRESENTATIONS

13. Recognize Suresh Prasad for Certificate of Achievement for Excellence in Financial Reporting Awarded to the MPWMD by the Government Financial Officers Association

14. Presentation to Joseph Oliver upon his Retirement after 31 Years of Service to the MPWMD

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

16. Update on Development of Water Supply Projects

17. Report on Drought Response

ATTORNEY'S REPORT

18. Report on 5:30 pm Closed Session of the Board

- 3. Conference with Labor Negotiators (Gov. Code 54957.6)**
Agency Designated
Representatives: David Stoldt;
Suresh Prasad and Cynthia Schmidlin
Employee Organization: General Staff and Management Bargaining Units Represented by United Public Employees of California/LIUNA, Local 792
Unrepresented Employees: Confidential Unit

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

No reports.

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

On a motion by Potter and second of Lewis, a motion to approve the first reading of Ordinance No. 172, and to incorporate changes suggested by the Board in preparation for second reading, was approved on a roll-call vote of 6 -1 by Potter, Lewis, Byrne, Clarke, Evans and Pendergrass. Director Brower was opposed.

During the public hearing on this item, Chuck Cech asked if the new regulations would apply to a half-acre lot covered in wild native grasses. Staff stated that the lot as described would not be subject to the regulations.

Brower offered a motion that was seconded by Lewis that the District contract with Hazen and Sawyer for preparation of a value engineering study, not to exceed \$110,000, and receive reimbursement from California-American Water conditional upon the MPWSP Governance Committee recommendation to approve on July 20, 2016. The motion was approved on a unanimous vote of 7 – 0 by Brower, Lewis, Byrne, Clarke, Evans, Pendergrass and Potter.

The following comments were directed to the Board during the public comment period on this item. **(a) Chuck Cech** stated that the proposed Monterey Pipeline was expensive and should be abandoned, and that the Segunda Pipeline would be a more cost effective option for delivery of ASR water and Pure Water Monterey project water. **(b) George Riley** requested that Public Water Now be placed on the distribution list to receive notice of any public meetings regarding alternate pipelines.

PUBLIC HEARINGS

- 20. Consider First Reading of Ordinance No. 172 – An Ordinance of the Monterey Peninsula Water Management Amending Regional Water Efficient Landscape Requirements in Compliance with the California Code of Regulations, Title 23, Division 2, Chapter 2.7, California Model Water Efficient Landscape Ordinance**

ACTION ITEMS

- AA. Authorize Entering Into Contract with Consultant to Conduct Value Engineering Analysis of MPWSP Pipelines and Conveyance Facilities**

On a motion by Pendergrass and second of Evans, the Board of Directors approved Amendment 2, conditional on MPWSP Governance Committee recommendation and approval on July 20, 2016. The motion was approved on a unanimous vote of 7 – 0 by Pendergrass, Evans, Brower, Byrne, Clarke, Lewis and Potter. No comments were directed to the Board of Directors during the public comment period on this item.

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

The meeting was adjourned at 8:25 pm.

- BB. Consider Approval of Amendment 2 to Amended and Restated Agreement to Form the Monterey Peninsula Water Supply Governance Committee**

INFORMATIONAL ITEMS/STAFF REPORTS

- 21. Letters Received**
- 22. Committee Report**
- 23. Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**
- 24. Monthly Allocation Report**
- 25. Water Conservation Program Report**
- 26. Water Use Credit Quarterly Transfer Status Report**
- 27. Carmel River Fishery Report for June 2016**
- 28. Quarterly Carmel River Riparian Corridor Management Program Report**
- 29. Monthly Water Supply and California American Water Production Report**

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary