



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
January 24, 2018**

The meeting was called to order at 7:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Andrew Clarke – Chair, Division 2
Ralph Rubio – Vice Chair, Mayoral Representative
Molly Evans – Division 3
Jeanne Byrne – Division 4
Robert S. Brower, Sr. –Division 5
Mary Adams – Monterey County Board of Supervisors Rep.

Directors Absent: Brenda Lewis, Division 1

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No changes.

ADDITIONS AND CORRECTIONS TO AGENDA

The following comments were directed to the Board during Oral Communications. **(a) Gary Cursio**, Director of Government Affairs for the Monterey County Hospitality Association which is a member of the Coalition of Peninsula Businesses, expressed support for the Pure Water Monterey Project (PWM) but was opposed to project expansion. He expressed concern that PWM expansion would distract from pursuit of the California American Water desalination project. **(b) George Riley**, Public Water Now, requested that the organization be given the opportunity to make a ten minute presentation at the February 22, 2018 Board meeting regarding their proposal for public ownership of California American Water. **(c) Tom Rowley**, Monterey Peninsula Taxpayers Association, expressed opposition to the request by Public Water Now to make a presentation at the next Board of Directors meeting. **(d) Michael Baer**, resident of Monterey, asked that the MPWMD prepare a feasibility study by April 2018 on public ownership of the California American Water distribution system. He distributed a brochure titled “Now or Never.” **(e) Peter Munteer**, Pacific Grove Chamber of Commerce, agreed with the comments made by Peter Cursio. He stated that expansion of PWM is not a feasible alternative

ORAL COMMUNICATIONS

to the desalination plant proposed by California American Water. (f) **Dan Turner**, resident of Monterey, opined that the water district has refused to prepare a feasibility study on public ownership of California American Water because a study would disprove the theory that the cost would be billions of dollars, and would instead provide evidence that the value of Cal-Am is \$100 million to \$250 million. (g) **Jody Hanson**, representing the Monterey Peninsula Chamber of Commerce which is member of the Coalition of Peninsula Businesses, expressed support for the portfolio approach to a water supply solution. She stated that any expansion of PWM should not result in a reduction in the amount of water available from the proposed desalination project.

The Consent Calendar was approved unanimously on a vote of 6 – 0 by motion of Brower and second of Byrne. Directors Adams, Brower, Byrne, Clarke, Evans and Rubio voted in favor of the motion. Director Lewis was absent.

Adopted.

Approved.

Approved not-to-exceed amount of \$70,000.

Approved not-to-exceed amount of \$45,000 for the District's share of geochemical modeling, and \$28,000 for District's share of recalibrating and updating the basin model.

Approved an expenditure of \$7,000.

Approved expenditure of up to \$50,000.

Approved.

Approved.

Approved.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the December 11, 2017 Regular Board Meeting and October 16, 2017 Special Meeting**
2. **Ratify Board Committee Assignments for Calendar Year 2018**
3. **Consider Authorizing Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support**
4. **Consider Approval of Budget for Groundwater Models for Seaside Groundwater Basin**
5. **Consider Authorization of Repairs and Alterations to the DeDampierre Irrigation Well**
6. **Consider Authorization of Expenditure for Financial Consultant to Evaluate Expansion of Pure Water Monterey Project**
7. **Consider Converting the River Maintenance Worker Position to Environmental Programs Specialist**
8. **Consider Reclassification of the Associate Hydrologist Position**
9. **Consider Approval of Resolution 2018-01 in Support of an Application for Steelhead Monitoring to the California Department of Fish and**

Game Fisheries Restoration Grant Program

Approved.

- 10. Consider Approval of Annual Update on Investment Policy**

Received.

- 11. Receive Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**

Adopted.

- 12. Consider Adoption of Treasurer's Report for October 2017**

Adopted.

- 13. Consider Adoption of Treasurer's Report for November 2017**

Chair Clarke presented Director Brower with a plaque, and thanked him for providing guidance to the Board during his term as Chair in 2017.

PRESENTATION TO ROBERT S. BROWER SR., 2017 BOARD CHAIR

General Manager Stoldt presented the report which can be viewed at the MPWMD office, or on the agency website. He noted that pumping from the Carmel River Basin and Seaside Groundwater Basin was 560 acre-feet above the 2017 total for the same time period. However, the 2018 total included 305 acre-feet of pumping for ASR recovery. He pointed out that the slide titled Actual Versus Target Production contained an error, so he did not review that slide. The slide titled Production for Customer Service showed that customer demand was 243 acre-feet higher than the demand for the same period in 2017. Stoldt attributed the increase to an influx of tourists due to the Sonoma fires and the Christmas holiday season. Also, low rainfall contributed to increased outdoor irrigation. Rainfall in between October and December 2017 measured 0.5 inches, for a total of 1.02 inches or 15 percent of long-term average. This was at or below rainfall recorded in 1924, the lowest year on record. Stoldt reported that unimpaired flow was at 37% of average and usable storage was at 105% long-term average, which equates to a three-year supply.

GENERAL MANAGER'S REPORT

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

Stoldt's presentation is on file at the District office and can be viewed on the agency website. He explained that expansion of PWM is under discussion not as an alternative to the desalination project, but as additional water that could be developed in a very short time frame if desalination could not proceed due to a lawsuit or other delay. In that case, expansion of PWM would facilitate lifting the Cease and Desist Order and moratorium on setting new water meters.

- 15. Update on Development of Water Supply Projects**

The following comments were directed to the Board during the public comment period on this item. (a) **Michael Baer** referred to the presentation under Item 14, and asked if the Big Sur fire contributed to the increase in pumping. He referenced the presentation under Item 15, and asked for

clarification of the amount of source water for PWM expansion that was represented in the graph. *General Manager Stoldt responded that water use to combat the Soberanes fire was reflected in the 2016 water consumption totals, and that most of that water was from rural water sources – not the Cal-Am system. He stated that local water use increased during the Sonoma and Southern California fires due to high hotel occupancy rates because tourists visited the Monterey Peninsula instead of the areas affected by fire. Regarding PWM, Mr. Stoldt explained that the total represents approximately 6,006 acre-feet of source water, but an agreement with Monterey County specifies that only half of the winter wastewater would be utilized so that the remaining portion would be available to eventually address seawater intrusion issues.* (b) **Tom Rowley** urged the Board to consider the impact on the rate payer for the cost of additional studies related to expansion of PWM. *Mr. Stoldt responded that the \$480,000 spent on PWM is necessary to qualify the project for review by permitting agencies. He explained that water from the proposed desalination plant would be injected underground with ASR wells 5 and 6. Similarly, the PWM water would be injected underground.* (c) **Dan Turner** referenced slide 3 of the presentation on Item 15. He stated that construction of a new desalination plant would increase the cost of water, which would affect customer demand. He referenced slide 14 and inquired about the Malpaso (Odello) water. *Mr. Stoldt stated that the 13,290 acre-feet estimate of average customer demand cited in the presentation on Item 15 was based on a 5-year average developed in 2012. There are differing views of what current demand is and how the desalination plant should be sized. Regarding Malpaso (Odello) water, he explained that 1/10th of an acre-foot or more of this water entitlement could be purchased for use on properties primarily within the Carmel River watershed and a small section of the City of Carmel-by-the-Sea.*

No reports were presented.

On a motion by Evans and second of Adams, the Quarterly Water Supply Strategy and Budget was unanimously approved on a vote of 6 – 0 by Directors Evans, Adams, Brower, Byrne, Clarke and Rubio. Director Lewis was absent.

Tom Rowley addressed the Board during the public hearing on this item. He stated that historically seven out of ten years are classified as wet years, and that some experts believe there is a 50/50 chance that sufficient rainfall will occur in February and March of 2018.

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

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

PUBLIC HEARINGS

- 17. Consider Adoption of January through March 2018 Quarterly Water Supply Strategy and Budget (Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1))**

On a motion by Rubio and second of Byrne, rebate funding in the amount of \$270,000 was unanimously approved by the Board on a vote of 6 – 0 by Directors Rubio, Byrne, Adams, Brower, Clarke and Evans. Lewis was absent.

Michael Baer addressed the Board during the public comment period on this item. He urged the Board to approve funding for the rebate program.

There was no discussion of these items.

The meeting was adjourned at 8:15 pm.

ACTION ITEMS

- 18. Consider Funding Rebates in the California American Water System between January 1, 2018 and the Availability of Funding from the Cal-Am General Rate Case**

INFORMATIONAL ITEMS/STAFF REPORTS

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

ADJOURNMENT