

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
Brenda Lewis, Division 1 (arrived at 7:05 pm)
Molly Evans – Division 3
Jeanne Byrne – Division 4
Robert S. Brower, Sr. – Division 5
Mary Adams – Monterey County Board of Supervisors Rep.

Directors Absent: None

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) Peter Munteer**, Pacific Grove Chamber of Commerce, expressed support for the portfolio approach to meet community water supply needs and economic expansion. He stated that the desalination component is critical to meet water supply needs and obtain compliance with the Cease and Desist Order. **(b) Tom Rowley**, Monterey Peninsula Taxpayers Association (MPTA), stated that he was pleased the EIR on the Monterey Peninsula Water Supply Project would be completed soon, despite a two week delay. He expressed a hope that the County of Monterey would participate on the Monterey Peninsula Regional Water Authority. He noted that on February 27, 2018, a hearing is scheduled on MPTA v MPWMD in the 6th District Court of Appeal, Case No. H042484. **(c) Dan Turner**, resident of Monterey, explained that property taxes in Felton increased when the San Lorenzo Valley Water District purchased the California American Water (Cal-Am) system. He stated that local property taxes would not be raised in order to fund public ownership of the Cal-Am system that serves customers within the Water Management District, because it would be purchased through the sale of bonds. He also stated that if the

ORAL COMMUNICATIONS

Pure Water Monterey Project expansion does not go forward, and Cal-Am constructs a desalination project, water rates will be unaffordable.

On a motion by Brower and a second of Byrne, the Consent Calendar was approved, except for Item 1 that was pulled for separate consideration. The motion was approved on a vote of 7 – 0 by Brower, Byrne, Adams, Clarke, Evans, Lewis and Rubio.

On a motion by Byrne and second of Adams, the minutes were approved with a correction at the end of page 1, the reference to Peter Cursio should be replaced with Gary Cursio. The motion was approved on a unanimous vote of 7 – 0 by Byrne, Adams, Brower, Clarke, Evans, Lewis and Rubio.

Approved an expenditure of \$5,000.

Approved an expenditure of \$50,000.

Adopted resolution for approval to receive \$1,800,000 in grant funds.

Approved.

Approved.

Adopted.

A summary of General Manager Stoldt’s report is on file at the District office and can be viewed on the agency website. He noted that production from the Carmel River was lower than in 2017 because there has been insufficient rainfall and flow in the river to allow withdrawals for operation of the Aquifer Storage and Recovery Project. Stoldt reported that for the current reporting period (October 1, 2017 to January 31, 2018) rainfall received was approximately the same as was measured in 1924, which was the lowest on record. Unimpaired streamflow for the current reporting period was classified as dry, and long-term storage was at 96 percent. Stoldt advised the Board that since 1924, of the ten years that

CONSENT CALENDAR

1. **Consider Adoption of Minutes from the January 24, 2018 Regular Meeting of the Board of Directors**
2. **Consider Approval of Purchase of Internet License for Water Wise Gardening in Monterey County**
3. **Consider Approval of Expenditure for Increased County Recording Fees and Increased Recording Activity**
4. **Consider Adoption of Resolution No. 2018-02 in Support of Entering into an Agreement with the California State Coastal Conservancy to Upgrade the Intake for the Sleepy Hollow Steelhead Rearing Facility**
5. **Receive and File Second Quarter Financial Activity Report for Fiscal Year 2017-18**
6. **Consider Approval of Second Quarter FY 2017-18 Investment Report**
7. **Consider Adoption of Treasurer's Report for December 2017**

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**

were classified as critically dry in October through December, six of those years resulted in normal to below normal rainfall.

Director Evans reported that she and Director Brower attended the groundbreaking for construction of the Regional Urban Water Augmentation Project pipeline which will transport water from the Pure Water Monterey project to injection wells.

A summary of Dr. Sanford's presentation is on file at the District office and can be viewed on the agency website. In response to questions from the Directors, representatives from Cal-Am stated the following. In areas where sewer pipes and potable water pipes are in the same trench, Cal-Am's pipes are in compliance with all government regulations intended to protect the potable water pipes from contamination. In addition, there are no known instances of cross contamination events in the Cal-Am system. However, it is important to ensure that potable water in the pipes is adequately chlorinated. The level of pharmaceuticals present in recycled water is much lower than in conventional drinking water systems. Regulations established in California for ground and surface water augmentation eliminate most constituents as they are designed to manage specific contaminants and classes of contaminants.

Public comment: (a) **Gary Cursio**, Director of Government Affairs for the Monterey County Hospitality Association, thanked Dr. Stanford for the presentation. (b) **Dan Turner**, resident of Monterey, stated that one of the slides presented by Dr. Stanford depicted a slant well that extended beyond the beach to below the ocean floor. Turner noted that the slant well proposed for the desalination project, does not extend beyond the beach.

Motion #1 – Byrne offered a motion to approve a Group I use based on the following reasons: (a) the water use could be similar to a wine tasting room or a convenience store that serves similar products; and (b) the property owner is facing an exceptional hardship due to the possible loss of property insurance, and the property owner has made every effort over the past year to rent the space. The motion was seconded by Rubio. Byrne stated that her motion applied to only the portion of the building that had a previously established water credit of 0.371 acre-feet. No action was taken on the motion.

Motion #2 – Rubio offered a substitute motion to deny the variance and direct staff to bring the issue to the Board at a future meeting as an appeal. The motion was seconded by

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

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

SPECIAL PRESENTATIONS

10. Presentation by Dr. Ben Stanford, Senior Director of Water Research and Development at American Water regarding "Innovations in Desalination, Water Reuse, and Emerging Contaminants at American Water"

PUBLIC HEARINGS

11. Consider Application for Variance to Allow Non-Residential Group II Water Use Capacity at 458-460 Alvarado Street, Monterey (APN: 001-572-029)

Evans and approved on a unanimous vote of 7 – 0 by Rubio, Evans, Adams, Brower, Byrne, Clarke, and Lewis.

The following comments were directed to the Board during the public hearing on this item. **(a) Anthony Davi, Sr.**, the applicant, stated that it has been difficult to rent the space because the City of Monterey will not allow Group I uses such as Dental Clinic, Medical Clinic, Church, School, Gym and Nail Salon to be operated at street level on Alvarado Street, and also there is no demand for the Retail use that is allowed. He opined that Group I uses that would be allowed: such as Family Grocery, Convenience Store and Supermarket, sell products that are similar to those proposed for sale by the Fruit Bar. Mr. Davi explained that beverages to be served at the Fruit Bar would be premixed and served in disposable containers, and therefore, would use less water than a wine tasting room. He noted that Group II uses require complete kitchens, food preparation and dish washing which requires more water than the Fruit Bar would use. He requested that the Board consider the Fruit Bar as a Group I use. **(b) Jess Flowers**, representing the Tea Zone & Fruit Bar, provided information on operation of the business, and water use at other Tea Zone sites. She requested that a Group I use be applied to this project. **(c) Timothy Barrett**, member of the Monterey City Council, expressed support for the variance with the understanding that the City of Monterey’s current or future water allocation would not be debited for the intensification of water use at the site. **(d) Gary Cursio**, Monterey County Hospitality Association, urged the Board of Directors to grant the variance. **(e) Tyler Williamson**, resident of Monterey, asked where the water would come from to serve a Group II use. He expressed support for Mr. Davi’s project but stated there are more pressing needs such as water for affordable housing. **(f) Jeff Davi** expressed support for granting the variance. He urged the Board to combine the Group I and II categories into one group. **(g) Jess Flowers** told the Board that it is incorrect to place Gyms in the low water use category of Group I.

On a motion by Evans and second of Lewis, the Board adopted the resolution presented at the meeting labeled Revised February 20, 2018, and staff was directed to file a Notice of Determination. The motion was adopted on a vote of 7 – 0 by Evans, Lewis, Brower, Byrne, Adams, Clark and Rubio. No comments were directed to the Board during the public comment period on this item.

On a motion by Byrne and second by Brower, the Mid-Year Fiscal Year 2017-2018 Budget Adjustment was adopted on a unanimous vote of 7 – 0 by Byrne, Brower, Adams, Clarke, Evans, Lewis and Rubio. No comments were directed to the Board during the public comment period on this item.

12. **Consider Approval of a CEQA Addendum for the Carmel River Bank Stabilization Project at Rancho San Carlos Road (CEQA: Approve Addendum to the Carmel River Management Plan Environmental Impact Report Under CEQA Guideline Sections 15162 and 15164)**
13. **Consider Adoption of Mid-Year Fiscal Year 2017-2018 Budget Adjustment**

There was no discussion of these items.

**INFORMATIONAL ITEMS/STAFF
REPORTS**

- 14. Letters Received**
- 15. Committee Report**
- 16. Monthly Allocation Report**
- 17. Water Conservation Program
Report**
- 18. Carmel River Fishery Report**
- 19. Monthly Water Supply and
California American Water
Production Report**
- 20. Semi-Annual Groundwater Quality
Monitoring Report**

The meeting was adjourned at 8:50 pm.

ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary