



**EXHIBIT 1-A**

DRAFT MINUTES  
**Regular Meeting**  
**Board of Directors**  
**Monterey Peninsula Water Management District**  
*March 19, 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  
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**

General Manager Stoldt suggested that agenda items 12 and 14 could be considered early in the agenda, if necessary, to ensure that item 9 would be heard at 7:30 pm, per the request of the presenter. Chair Clarke accepted the potential change to the agenda.

**ADDITIONS AND CORRECTIONS TO AGENDA**

The following comments were directed to the Board during Oral Communications. **(a) Dan Turner**, Public Water Now, presented information on how public ownership of the California American Water (Cal-Am) distribution facilities in Felton resulted in savings to rate payers. An outline of his statement is on file at the District office and is on the agency's website. **(b) Tom Rowley**, Monterey Peninsula Taxpayers Association, questioned the accuracy of some assertions made in the Ordinance No. 152 Oversight Panel Annual Report. He also stated that Public Water Now misrepresents the truth about the cost for public ownership of the local Cal-Am water distribution system. *Stoldt responded that the Ordinance No. 152 Oversight Panel Annual Report was distributed to every member of the committee for review and comment prior to finalization and publication.* **(c) Melodie Chrislock**, Public Water Now, stated that rates in the Felton Water District are lower than they would have been had Cal-Am retained ownership of the water distribution system. **(d) Michael Warburton**, Public Trust Alliance, stated that there is a

**ORAL COMMUNICATIONS**

relationship between the amount of water consumed and the price of water, which the California Public Utilities Commission (CPUC) is obliged to supervise. He alleged that issuance of bonds for purchase of the water distribution system had the potential for securities fraud. **(e) Christie Bozeman**, resident of Pacific Grove, noted that while gathering signatures for the Public Water Now petition, she learned that Cal-Am customers were very angry about the high cost of water. She claimed that Cal-Am disrupted the democratic process by taking actions to dissuade people from signing the petition.

On a motion by Byrne and second of Rubio, the Consent Calendar items were approved unanimously on a vote of 7 – 0 by Byrne, Rubio, Adams, Brower, Clarke, Evans and Lewis.

Adopted.

Adopted.

Approved.

Approved.

Adopted.

A summary of General Manager Stoldt’s presentation is on file at the District office and can be viewed on the agency’s website. He reported that water production in the District between October 2017 and February 2018 was 395 acre-feet higher than was reported for the same time period in 2017. He asserted that if water use continued at that pace, production for the water-year could be 950 acre-feet higher than in the previous year. Stoldt explained that the District fought for a higher diversion limit due to annual fluctuations in community water use. He advised that 6 inches of rain was received during the reporting period, and 3.3 inches was recorded in March. The long-term averages were: rainfall 39%, streamflow 18%, and useable storage was 94%. He also reported that the Aquifer Storage and Recovery project (ASR) had been in operation for two weeks, and during that time 153

## CONSENT CALENDAR

1. **Consider Adoption of Minutes from the February 22, 2018 Regular Meeting of the Board of Directors**
2. **Consider Adoption of Resolution 2018-04 to Supersede Resolution 2018-03 and Approve the Carmel River Bank Stabilization Project at Rancho San Carlos Road (Action will be taken in compliance with CEQA Sections 15164 and 15168)**
3. **Consider Application for Variance to Allow Non-Residential Group II Water Use Capacity at 458-460 Alvarado Street, Monterey (APN: 001-572-029)**
4. **Receive 2017 Ordinance No. 152 Oversight Panel Annual Report**
5. **Consider Adoption of Treasurer's Report for January 2018**

## GENERAL MANAGER’S REPORT

6. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision**

acre-feet of water was injected into the Seaside Groundwater Basin.

District Counsel Laredo reported that the Board met in Closed Session at 6:30 pm, and that prior to the meeting, notice was received from the Sierra Club that they might initiate court proceedings in MPWMD v SWRCB; Santa Clara 1-10-CV-163328 – CDO- (6th District Appellate Case #HO39455). At the closed session, a motion was made by Adams and seconded by Byrne to add MPWVD v SWRCB to the closed session agenda. The motion was approved unanimously. The Board provided general direction to staff and counsel on the item but no reportable action was taken. Mr. Laredo explained that Item 3.A was placed on the agenda in anticipation that direction would be received from the appellate court on the matter. No direction was issued by the court; therefore, no discussion of this item occurred. Regarding Item 3.B, the Board provided direction to staff and counsel but no reportable action was taken.

No report.

Directors Brower, Adams, Evans and Clarke commented on their attendance at the February 27 – March 1, 2018 Annual Association of California Water Agencies conference in Washington DC. Brower reviewed the series of meetings that were scheduled with legislators and federal agency representatives for February 27 and March 1, 2018 in DC. He also reviewed the ACWA conference activities and noted that they were very informative. Director Adams expressed a favorable impression of presentations given by John Garamendi and Jeff Denham at the conference. She was very appreciative of the opportunity to attend the conference and said that it was a good learning experience. Director Evans stated that representatives from the Office of Management and Budget provided good advice on securing grants in the future. Director Clarke stated that the meetings provided increased potential for federal grant funding that would reduce the cost of water projects.

A summary of the presentation given by George Riley of Public Water Now is available at the District office and can be viewed on the agency's website.

A summary of the presentation given by Joe A. Conner, Attorney with Baker Donelson, representing California American Water, is on file at the District office and can be viewed on the agency's website.

**7. Update on Development of Water Supply Alternatives**

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

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

**SPECIAL PRESENTATIONS**

**9. Presentation from Public Water Now: Campaign Message Summary**

**10. Presentation from California-American Water on Proposal for Public Ownership of the Water Distribution System**

Byrne offered a motion to uphold the appeal and classify the project as a Group I use. The motion was seconded by Rubio and approved on vote of 4 – 3 by Byrne, Rubio, Adams and Brower. Opposed were Clarke, Lewis and Evans.

The following comments were directed to the Board during the public hearing on this item. (a) **Anthony Davi, Sr.**, the applicant, requested that the Board determine that a Group I use should be assigned to the Fruit Bar project. He advised the Board that all food preparation would be done off-site; only tea would be brewed from hot water; all other drinks would be pre-mixed; and all ice would be delivered to the site as no icemaker would be installed. In response to a question from the Board, Mr. Davi stated that he would agree to split the water meter so there would be a separate service to the site. (b) **Jess Flowers**, representing the Tea Zone and Fruit Bar, maintained that Group I would be the appropriate category for this project because only 15% of the water used in their operation would be from on-site tap water. (c) **Jeff Davi** requested that the District establish only two commercial water use categories: high water users and all others. He supported the applicant's request to apply a Group 1 use to this project. (d) **John Tilley**, representing the Monterey Commercial Property Owners Association, spoke in support of applying a Group 1 use to this project.

On a motion by Brower and second of Byrne, the June 2018 Quarterly Water Supply Strategy and Budget was adopted on a unanimous vote of 7 – 0 by Brower, Byrne, Adams, Clarke, Evans, Lewis and Rubio. No comments were directed to the Board during the public hearing on this item.

Motion 1 - Byrne offered a motion to adopt Resolution 2018-05 as presented. The motion was seconded by Lewis.

Motion 2 - Evans offered an amendment to the motion – establish a 60-day implementation period for the resolution to allow the State Water Resources Control Board to come to the table. If at the end of the 60-day period they have not made any movement, then the resolution would be in place. There was no second to the motion. No action taken.

Action on Motion 1 – The motion was approved on a unanimous vote of 7 – 0 by Brower, Lewis, Byrne, Adams, Clarke, Evans and Rubio.

The following comments were directed to the Board during the public comment period on this item. (a) **Eric Sabolsice**, Director of Operations for Cal-Am, referenced his letter dated March 19, 2018 (on file at the District office) and urged the Board to table the proposed resolution until it could obtain certainty from the SWRCB that Cal-Am's compliance with the resolution would not jeopardize the water supply of the Monterey Peninsula. (b) **Tom Rowley**, Monterey Peninsula

## PUBLIC HEARINGS

11. **Consider Appeal of Determination of Water Needs for Tea Zone & Fruit Bar at 460 Alvarado Street, Monterey (APN: 001-572-005-000)**

12. **Consider Adoption of April through June 2018 Quarterly Water Supply Strategy and Budget**

## ACTION ITEMS

13. **Consider Adoption of Resolution 2018 - 05 Regarding State Water Resources Control Board Order WR 2009-0060**

Taxpayers Association, expressed agreement with statements made by Eric Sabolsice. He urged the Board to be very cautious in making a decision. (c) **John Narigi**, Chairman of the Coalition of Peninsula Businesses, referenced a letter he submitted dated March 19, 2019 (on file at the District office) and urged the Board to approve the resolution and move forward for the betterment of the community. (d) **Luke Coletti**, resident of Pacific Grove, recommended that the Board table action on the proposed resolution. (e) **George Riley** opined that the District had every right to interpret Condition 2 on a local level. (f) **Scott Dick**, Government Affairs Director for the Monterey County Association of Realtors, expressed support for statements made by John Narigi and George Riley. (g) **Michael Warburton**, Public Trust Alliance, stated that the focus should be on development of a water supply. He recommended that the resolution be tabled for the time being.

**Following the public comment period, a five-minute recess was called. The meeting re-adjourned at 9:25 pm. General Manager Stoldt apologized for personalizing the comments he made at the last session, prior to the recess. Board action followed.**

On a motion by Rubio and second of Byrne, Resolution 2018-06 was adopted on a unanimous vote of 7 - 0 by Rubio, Byrne, Adams, Brower, Clarke, Evans and Lewis. No comments were directed to the Board during the public comment period on this item.

There was no discussion of these items.

The meeting was adjourned at 9:35 pm in memory of Paul DeLay for his many years of service to the community.

14. **Consider Adoption of Resolution 2018 - 06 Declaring the Week of March 19-25, 2018, to be *Fix a Leak Week***

#### **INFORMATIONAL ITEMS/STAFF REPORTS**

15. **Letters Received**
16. **Committee Report**
17. **Monthly Allocation Report**
18. **Water Conservation Program Report**
19. **Carmel River Fishery Report for February 2018**
20. **Monthly Water Supply and California American Water Production Report**

#### **ADJOURNMENT**