



DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
May 21, 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
Mary Adams – Monterey County Board of Supervisors Rep.

Directors Absent: Robert S. Brower, Sr. –Division 5

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. (1) **Dan Turner**, resident of Monterey, presented a graphic titled Felton Water Buyout Saves Money - an excerpt from Chapter 11 of a book titled The Fine Print by Pulitzer Prize winning author David K. Johnston. He asserted that the purchase of California American Water (CAW) water production facilities by Felton residents resulted in significant savings to water customers. (2) **Michael Baer**, resident of Monterey, encouraged Board members to attend future presentations regarding the proposal for public ownership of Cal-Am and to hear from Felton residents on their experience with a buyout of Cal-Am. He noted that attendance would not indicate support for the Public Water Now initiative; it would provide an opportunity for the Directors to gain information regarding the proposal for local public ownership of Cal-Am. (3) **Paul Bruno**, resident of Monterey, stated that he attended a recent presentation at which residents of Felton recounted their experience with public ownership of the water system. He noted that some speakers said water rates had increased significantly since the takeover, and also that the cost to purchase the Cal-Am system was much higher than anticipated.

ORAL COMMUNICATIONS

On a motion by Rubio and second of Byrne, the Consent Calendar items were approved unanimously on a vote of 6 – 0 by Rubio, Byrne, Adams, Clarke, Evans and Lewis. Director Brower was absent.

CONSENT CALENDAR

Adopted.

1. Consider Adoption of Minutes from the April 16, 2018 Regular Meeting of the Board of Directors

Adopted.

2. Consider Adoption of Resolution 2018-07 Calling an Election for Directors in Voter Divisions 1 and 2 on November 6, 2018

Approved.

3. Consider Two-Year Extension for Use of Local Water Project Grant Funds – City of Seaside

Authorized expenditure of \$51,000 to contract with Cooling Tower Technologies.

4. Consider Approval of Repair and Maintenance of the Sleepy Hollow Steelhead Rearing Facility Cooling Tower

Ratified expenditure of \$23,600.

5. Ratify Emergency Expenditure to ZIM Industries to Rewind Pump at Aquifer Storage and Recovery Well Number 1

Approved.

6. Authorize the General Manager to Enter Into Access and Maintenance Agreements for the Carmel River Bank Stabilization Project at Rancho San Carlos Road

Approved.

7. Authorize the General Manager to Enter into an Agreement with the Carmel Valley Trail and Saddle Club to Use an Irrigation Well for Mitigation Plantings and to Make Non Substantive Changes to the Draft Agreement

Approved.

8. Declaration of Surplus Assets

Adopted.

9. Consider Adoption of Treasurer's Report for March 2018

Received.

10. Receive and File Third Quarter Financial Activity Report for Fiscal Year 2017-2018

Approved.

11. Consider Approval of Third Quarter Fiscal Year 2017-2018 Investment Report

General Manager Stoldt reported that water production for the period of October 2017 through April 2018 was 478 acre-feet below the target. Customer water demand was 401 acre-feet above demand recorded for the same time period in 2017. Rainfall received through the end of April was 13.42 inches which was 66% of the long-term average. Unimpaired flow was at 44% of long-term average, which was considered below normal. Operation of the Aquifer Storage and Recovery project ceased in April with total production for the year of 530.49 acre-feet.

No report.

District Counsel Laredo reported that on a unanimous vote of the six members present, the case of Monterey Peninsula Taxpayers Association (MPTA) v MPWMD was added to the agenda. He explained that on May 21, 2018, District was notified that the MPTA had filed a petition with the California Supreme Court for review of the appellate court's decision to uphold the Superior Courts decision in MPTA v. MPWMD; Monterey Superior Court No. M 123512; CA 6th District Court of Appeal Case No. H042484. Counsel Laredo also reported that for all agenda items, he provided a status report to the Board. General direction was given to staff and Counsel, but no reportable action was taken.

No reports were presented.

No Public Hearing items were presented for Board consideration.

Rubio offered a motion that was seconded by Lewis to adopt Resolution No. 2018-08 to immediately order that the Monterey Peninsula Water System Local Ownership and Cost Savings Initiative be submitted to the voters, without alteration. The motion was approved unanimously on a vote of 6 – 0 by Rubio, Lewis, Adams, Byrne, Clarke and Evans. Director Brower was absent.

The following comments were directed to the Board during the public comment period on this item. (a) **George Riley** asked three questions: does the District prepare the question

GENERAL MANAGER'S REPORT

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

13. Update on Development of Water Supply Alternatives

ATTORNEY'S REPORT

14. Report on 6:30 pm Closed Session of the Board

Conference with Legal Counsel – Threatened Litigation (Gov. Code 54956.9 (b)) - Two Cases

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

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

PUBLIC HEARINGS

ACTION ITEMS

16. Consider Action to be Taken with Respect to Public Water Now Initiative

that would appear on the ballot; does the District prepare the impartial analysis that appears on the ballot; and will the District prepare a fiscal analysis regarding implementation of the ballot initiative. *Response from District Counsel – The ballot question will be taken up by the Registrar of Voters, subject to review of Monterey County Counsel; the impartial analysis will be developed by County Counsel; and the District is authorized to prepare a 30-day report on the costs of the question itself – not the cost of a takeover of Cal-Am.*

(b) Eric Sabolsice, Director of Operations for California American Water, expressed support for adoption of Resolution No. 2018-08 that would authorize placement of the initiative before the voters. He stated that Cal-Am was not for sale. **(c) Tyler Williamson**, resident of Monterey, asked the Board to support the ordinance that evening and move ahead on preparation of the economic feasibility study. **(d) Dan Turner**, resident of Monterey, expressed opposition to adoption of Resolution No. 2018-08. He urged the Board to eliminate the need to pay for the cost of an election by taking action to adopt the ordinance, thereby authorizing preparation of a feasibility study on public ownership of Cal-Am facilities. **(e) Gary Cursio**, Director of Government Affairs for the Monterey County Hospitality Association, urged the Board to adopt Resolution No. 2018-08 and place the issue before the voters. **(f) Michael Baer** expressed support for adoption of Resolution No. 2018-08 that would place the measure before the voters. **(g) John Narigi**, Chair of the Coalition of Peninsula Businesses, urged the Board to adopt Resolution No. 2018-08 and place the issue before the voters. **(h) Jodi Hanson**, President and CEO of the Monterey Peninsula Chamber of Commerce, expressed support for adoption of Resolution No. 2018-08 that would authorize placement of the issue before the voters. **(i) Paul Bruno**, resident of Monterey, expressed support for adoption of Resolution No. 2018-08 that would authorize placement of the issue before the voters. He urged the Board to remain neutral on the ballot measure. **(j) Peter Munteer**, Marketing and Events Manager, Pacific Grove Chamber of Commerce, urged the Board to adopt Resolution No. 2018-08 and place the issue before the voters.

Byrne offered a motion to accept the report. The motion was seconded by Evans.

Byrne amended the motion to propose receipt of the Water Supply Forecast and adoption of Resolution No. 2018-09. The amendment was accepted by Evans. The motion was approved unanimously on a vote of 6 – 0 by Byrne, Evans, Adams, Clarke, Lewis and Rubio. Director Brower was absent. No comments were directed to the Board during the public comment period on this item.

The report was presented by Suresh Prasad, Administrative Services Manager/Chief Financial Officer. A summary of his comments is available for review on the District’s website

17. **Receive and Confirm Water Supply Forecast for Period of May 1, 2018 through September 30, 2019; Adopt Resolution 2018-09 to Amend Rationing Table (XV-4)**

DISCUSSION ITEMS

18. **Review Proposed MPWMD Fiscal Year 2018-2019 MPWMD Budget and Resolution 2018-10**

and at the agency's office. The Board received the report, no action was taken.

The following comments were directed to the Board during the public comment period on this item. **(a) George Riley**, Public Water Now, expressed support for the District's decision to study water supply options. He noted that his organization supported the water supply project that could be brought on line at the earliest opportunity. He stated that the Pure Water Monterey project addressed the Cease and Desist Order, water supply, cost and schedule. **(b) Dan Turner** asked if the \$160,000 for election costs specified in the proposed budget was for the election of Directors in Voter Divisions 1 and 2. *General Manager Stoldt responded that \$160,000 was an estimate of the cost to conduct the District-wide election on the Public Water Now initiative petition, and the election in Voter Divisions 1 and 2.*

The report was presented by Suresh Prasad, Administrative Services Manager/Chief Financial Officer. A summary of his comments is available for review on the District's website and at the agency's office. The Board received the report, no action was taken. 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 9:05 pm.

19. Discuss and Recommend Creating Reserves for Pension Retirement and Other Post-Employment Benefits (OPEB) Unfunded Liability

INFORMATIONAL ITEMS/STAFF REPORTS

- 20. Letters Received**
- 21. Committee Report**
- 22. Monthly Allocation Report**
- 23. Water Conservation Program Report**
- 24. Carmel River Fishery Report**
- 25. Monthly Water Supply and California American Water Production Report**
- 26. Monterey Bay Air Resources District (MBARD) Clean Air Leader Award Nomination**

ADJOURNMENT