



EXHIBIT 1-A

DRAFT MINUTES

Regular Meeting

Board of Directors

Monterey Peninsula Water Management District

January 23, 2019

Board Chair Evans called the meeting to order at 7:05 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Molly Evans – Chair, Division 3

Alvin Edwards, Vice Chair, Division 1

George Riley, Division 2

Jeanne Byrne – Division 4

Gary D. Hoffmann, P.E. – Division 5

David Potter - Mayoral Representative

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

Chair Evans announced that Director Potter took the oath of office prior to the meeting, so no action was needed on the item titled Administer Oath of Office to David Potter.

ADDITIONS AND CORRECTIONS TO AGENDA

No action taken. The Deputy District Secretary of the Board administered the oath of office to David Potter at 6:15 pm that evening.

ADMINISTER OATH OF OFFICE TO DAVID POTTER, MAYORAL REPRESENTATIVE TO THE BOARD OF DIRECTORS

The following comments were directed to the Board during Oral Communications. (a) **Dave Lesikar**, resident of Seaside, suggested that water from Roberts Lake could be recovered for community use. (b) **Melodie Chrislock** distributed to the Board of Directors a copy of The State of Public Water in the United States published by Food and Water Watch. She explained that the study compared the cost of public versus privately owned water systems and determined that the highest cost of water was in California American Water's (Cal-Am) Monterey District. (c) **Dan Turner**, resident of Monterey, opined that the appointments of Gary D. Hoffmann and David Potter to the Board of Directors were not conducted in an impartial manner. He also stated that the community's water supply would be sufficient without the addition of water from Cal-Am's

ORAL COMMUNICATIONS

desalination plant. **(d) Tom Rowley** stated that the absence of a long-term sustainable water supply thwarts the growth of small businesses and limits the availability of affordable housing. **(e) Barbara Moore**, resident of Monterey, asked Directors to speak clearly into their microphones. **(f) Michael Baer**, Carmel Valley resident, objected to the manner in which the Monterey County Mayors Select Committee appointed David Potter as its representative to the Board. He requested that the Board find a way to reverse the decision. **(g) John Narigi**, Coalition of Peninsula Businesses, stated that Dave Potter brought to the Board several decades of experience with water issues; therefore, his presence provided balance on a Board with members who have little water related experience. **(h) Anna Thompson** stated that affordable water could best be achieved through public ownership of the local water system.

On a motion by Potter and second by Byrne, the Consent Calendar was approved with the exception of items 2 and 3 that were pulled for separate consideration. The motion was approved on a unanimous vote of 7 – 0 by Potter, Byrne, Adams, Edwards, Evans, Hoffmann, and Riley.

Adopted.

On a motion by Byrne and second of Potter, the Board voted unanimously to approve the committee assignments, and at a future meeting review the Policy Advisory Committee charge to determine if it could be modified to provide assistance with Rule 19.8 compliance. The motion was approved on a vote of 7 – 0 by Byrne, Potter, Adams, Edwards, Evans, Hoffmann and Riley.

Public Comment: **(a) Tom Rowley**, representing the Monterey Peninsula Taxpayers Association, stated that the Association supported a joint meeting between the MPWMD Board and the Monterey Peninsula Regional Water Authority conducted on October 16, 2017. **(b) Judi Lehman** noted that the Water Authority was scheduled to meet on January 31, 2019.

Edwards offered a motion to approve a not-to-exceed expenditure of \$104,000 to contract with an Underwriter for the Monterey Peninsula Water Supply Project. The motion was seconded by Riley and approved on a unanimous vote of 7 – 0 by Edwards, Riley, Adams, Evans, Byrne, Hoffman and Potter.

Approved a not-to-exceed expenditure of \$23,797 to contract with Denise Duffy and Associates.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the December 17, 2018 Board Meeting**
2. **Ratify Board Committee Assignments for Calendar Year 2019**
3. **Consider Expenditure of Funds to Contract with Underwriter for Monterey Peninsula Water Supply Project**
4. **Consider Entering into an Agreement for an Addendum to the MPWMD Aquifer Storage and Recovery Project Environmental Impact Report/Environmental Assessment**

Approved a reimbursable expenditure of \$39,198.

Confirmed.

Approved.

Received.

Adopted.

General Manager Stoldt announced that the District would not issue water permits between February 1 and February 8, 2019 due to the conversion of the water permit database. He also noted that due to the temporary federal government shutdown, progress on projects that involve coordination with our federal partners could be delayed.

He reported that for the first quarter of the 2019 Water Year ending December 31, 2019, water production in the Monterey Peninsula Water Resources System was 124 acre-feet below production recorded during the same time-period in Water Year 2018. He also reported that for the same time-period, rainfall, unimpaired flow and storage were measured at 90%, 67% and 99% of long-term average respectively. Mr. Stoldt also noted that pages 255 and 257 of the Board packet should be corrected to state that 6.07 inches of rainfall was received in the first quarter of the water year, which equates to 90% of long-term average. He reported that ASR operations began in January 2019 and 165 acre-feet of water were injected to date.

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 a lawsuit filed recently by the City of Marina against the California Public Utilities Commission (CPUC) could delay progress on Cal-Am's desalination plant, which could result in missing one of the milestones that must be achieved in order to comply with SWRCB Order 2016-0016.

Mr. Stoldt referenced the staff report on this item.

5. Consider Approval of Two Temporary Field Staff Positions and Supplies Funded through a Second Interagency Contract between MPWMD and NMFS to Provide for an Additional Cooperative Research and Monitoring Project

6. Confirm Appointments to Ordinance No. 152 Oversight Panel

7. Consider Approval of Annual Update on Investment Policy

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

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

GENERAL MANAGER'S REPORT

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

11. Update on Development of Water Supply Projects

12. Update on Major District Projects

District Counsel Laredo reported that the Board met in closed session on December 17, 2018 at 9 pm, and no reportable action was taken at that session. A report on the December 17, 2018, 5:30 pm session was provided under Agenda Item 1, Adoption of Minutes of the December 17 2018 Regular Board meeting. At the January 23, 2019, 6:30 pm closed session the Board received a report on agenda item 3.C. The Board voted to authorize staff and counsel to file a response to the action filed by the City of Marina. The motion to authorize was made by Byrne and seconded by Edwards with a unanimous vote of 7 – 0.

Director Hoffmann reported the following. (1) He received a briefing on the Pure Water Monterey Project from Paul Sciuto, General Manager of Monterey One Water. Director Hoffmann suggested that Mr. Sciuto should be invited to provide an update on the project at a future Board meeting. (2) He met with Michael Waxer of the Carmel River Watershed Conservancy and was apprised of the Conservancy's pharmaceutical drug diversion project. Director Hoffmann proposed that the District office be identified as a drop-off location for the drug diversion effort. (3) He met with Chris Cook, General Manager of California American Water who took him on a tour of the pipeline used for ASR injection. Director Evans reported that she spoke to the Monterey Commercial Property Owners Association and the New Monterey Neighborhood Association regarding the January listening sessions and other priorities of the District.

No public hearing items were submitted for consideration by the Board

Motion No. 1 – Potter made a motion that was seconded by Byrne to receive the report, have consultants recommended for hiring appear at the February 21, 2019 Board meeting, and agree to discuss the possible establishment of objective criteria for the feasibility study in open session at the February 21, 2019 Board meeting.

Amendment Proposed - Edwards offered a friendly amendment to discuss formation of an advisory committee at the February 21, 2019 Board meeting.

Motion No. 2 – Potter amended his motion to include the addition of a discussion of the formation of an advisory committee at the February 21, 2019 Board meeting. Byrne did not second the amendment.

ATTORNEY'S REPORT

13. **Report on December 17, 2018, 9 pm, Continued Closed Session of the Board**
 3. **Conference with Legal Counsel – Existing Litigation (Gov Code 54946.9 (a))**
 - C. **City of Marina v CPUC**

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

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

PUBLIC HEARINGS

ACTION ITEMS

15. **Receive Report on Rule 19.8 Listening Sessions of January 7, 8, 9, 10 and 15, 2019, and Determine Subsequent Action Regarding Preparation of a Feasibility Study**

Motion No 1 was approved on a unanimous vote of 7 – 0 by Potter, Byrne, Adams, Edwards, Evans, Hoffmann and Riley.

The following comments were directed to the Board during the public comment period on this item. (a) **Bill Hood** stated that the rating sheets distributed at the listening sessions asked attendees about desirability, which may be misleading because the study will determine the facts related to feasibility. (b) **Renee Franken**, Monterey resident, noted that over 55% of voters approved the proposal to conduct a feasibility study; therefore, feasibility should be determined in terms of how public ownership could be accomplished. (c) **Anna Thompson** stated that the feasibility study should analyze all the benefits that public and private ownership would provide. (d) **Mary Ann Carbone**, Mayor of the City of Sand City, read a letter dated January 24, 2019, that is on file at the District office and on the agency's website. The letter requested that the Board ensure transparency in four areas related to the feasibility study, and that the public be given the opportunity to vote on a financing mechanism prior to condemnation of Cal-Am's assets. (e) **David Beach** reviewed a document he submitted at the meeting titled Urgent Suggestions for the Written Plan Process. The document is on file at the District office and can be viewed on the agency's website. He stated that the object of the feasibility study should be to provide facts for the Board's decision making process. (f) **Michael Baer**, Carmel Valley resident, stated that the evaluation jury trial should not be held in Monterey County. He requested that the District form a public advisory committee that would review consultant reports and make recommendations to the Board. The committee could include representatives from the Mayors Authority, the Business Coalition, Measure J proponents and non-partisan members of the community. (g) **Barbara Evans**, Carmel resident, requested that all Directors and consultants involved in feasibility study preparation should verify they have no conflict of interest. In addition, the study should analyze feasibility with and without a desalination plant. (h) **Doug Wilhelm**, Carmel resident, spoke in support of openness in the feasibility process, but stated that a good negotiator cannot divulge the maximum amount that could be paid. (i) **Tom Rowley**, Monterey Peninsula Taxpayers Association, described the District's charge to develop a feasibility study as a conflict of interest, and that the community hoped for as much transparency in the process as possible. (j) **Dan Turner**, Monterey resident, questioned the General Manager's decision to exclude from the survey results those on which all criteria listed were ranked as the number one priority. (k) **John Narigi**, Coalition of Peninsula Businesses, asked for confirmation that the Coalition's January 14, 2019 letter regarding the feasibility study was included in the staff report for this agenda item. General Manager Stoldt affirmed inclusion of the letter. (l) **Melodie Chrislock** stated that representatives from Public Water Now were trained to advise the public

that Measure J required preparation of a feasibility study, and if public ownership was determined to be feasible then a buy-out would be pursued. **(m) Anna Thompson**, stated that public ownership of the water system would be an investment in the future. Private ownership would cost the same but with the addition of the earned return on investment. Public ownership would benefit the entire community.

On a motion by Byrne and second by Adams, the revised MOU was approved on a unanimous vote of 7 – 0 by Byrne, Adams, Edwards, Evans, Hoffmann, Potter and Riley. No comments were directed to the Board during the public comment period on this item.

The Board discussed this item. No action was taken.

The following comments were directed to the Board during the public comment period on this item. **(a) Tom Rowley**, expressed support for the District’s representatives communicating with legislators in Washington D.C. **(b) Rudy Fischer**, expressed support for attendance at the ACWA D.C. Legislative Conference.

District Counsel Laredo reviewed the memorandum that was presented in the staff report on this item. He reported that the California Public Utilities Commission had not authorized installation of smart water meters by Cal-Am. No public comment was directed to the Board during the public comment period on this item.

There was no discussion of these items.

Note a correction to this staff note reported under Agenda item 10 – General Manager’s Report.

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The meeting was adjourned at 9:45 pm.

16. **Consider Approval of Revised MOU for Integrated Regional Water Management in the Monterey Peninsula, Carmel Bay and South Monterey Bay Items Related to Integrated Regional Water Management Program**

DISCUSSION ITEMS

17. **Discuss District Attendance at Association of California Water Agencies Washington D.C. Legislative Conference February 26-28, 2019**
18. **Discuss Memorandum from David C. Laredo, General Counsel on Smart Meters**

INFORMATIONAL ITEMS/STAFF REPORTS

19. **Letters Received**
20. **Monthly Allocation Report**
21. **Water Conservation Program Report**
22. **Quarterly Water Use Credit Transfer Status Report**
23. **Carmel River Fishery Report for December 2018**
24. **Monthly Water Supply and California American Water Production Report**
25. **Quarterly Carmel River Riparian Corridor Management Program Report**
26. **Semi-Annual Groundwater Quality Monitoring Report**

ADJOURNMENT