



FINAL MINUTES

**Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
September 15, 2014**

The meeting was called to order at 7:00 p.m. in the Water Management District conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

David Potter – Chair, Monterey County Board of Supervisors Representative
Brenda Lewis – Division 1
Jeanne Byrne – Division 4
David Pendergrass – Mayoral Representative

Directors Absent:

Vacant – Division 2
Kristi Markey – Division 3
Robert S. Brower – Division 5

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

George Riley, representing Public Water Now, stated that the organization will raise questions about the feasibility criteria for slant wells proposed for the Monterey Peninsula Water Supply Project. His concern is that feasibility criteria such as cost, prior experience and timelines were not part of the established guidelines.

ORAL COMMUNICATIONS

On a motion by Pendergrass and second of Byrne, the Consent Calendar was adopted on a unanimous vote of 4 – 0 by Directors Pendergrass, Byrne, Lewis and Potter. Directors Markey and Brower were absent.

CONSENT CALENDAR

Approved.

Approved amendments.

Approved not-to-exceed amount of \$13,700.

1. **Consider Adoption of Minutes of the August 18, 2014 Regular Board Meeting**
2. **Consider Recommendation to the Board to Amend Cost Sharing Agreement with DeepWater Desal**
3. **Consider Extension of Cooperative Agreement with the United States Geological Survey for Streamflow Gaging in Water Year 2015**

Approved.

Approved.

A summary of General Manager Stoldt's report is on file at the District office and can be viewed on the MPWMD website.

Stoldt reported the following. **Monterey Peninsula Water Supply Project Desal** – The deadline for a decision on the desalination project has been extended eleven months to the third quarter of 2015. California American Water (Cal Am) is expected to submit to the California Coastal Commission an appeal of the decision by the City of Marina to deny a permit to drill test wells. SB936, the ratepayer relief legislation, was approved unanimously by the California Assembly and Senate and is awaiting the Governor's signature. The project Governance Committee will meet on September 17, 2014 to discuss bids for construction of desal project test wells and to review the Value Engineering Study.

Pure Water Monterey groundwater replenishment project – A stakeholder meeting is set for September 19, 2014 to review a source water memorandum of understanding that will be submitted for consideration by the Monterey County Water Resources Agency on September 22, 2014. **Aquifer Storage and Recovery (ASR)** – staff is working with the City of Seaside on a lease agreement that will facilitate completion of site improvements at the Santa Margarita ASR location. **Local Water Project Grant Funding** – Applications are to be submitted to the Water Management District by October 1, 2014. No applications have been received. **DeepWater Desal Project** – a study on the project costs has been completed and will be reviewed by the Water Supply Planning Committee in September, and submitted for Board review in October. **Cease and Desist Order** - The working group will meet on November 7, 2014 with State Water Resources Control Board staff regarding a possible extension to the CDO deadlines.

A summary of Stephanie Locke's report is on file at the Water Management District office and can be viewed on the District's website.

District Counsel Laredo reported that he provided an update to the Board on items of pending litigation listed on the agenda. The Board of Directors provided general direction to Counsel and staff. No reportable action was taken.

4. **Consider Approval of Fourth Quarter Fiscal Year 2013-2014 Investment Report**
5. **Consider Approval of Treasurer's Report for June 2014**

GENERAL MANAGER'S REPORT

6. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**
7. **Update on Development of Water Supply Projects**

8. **Report on Drought Response**

ATTORNEY'S REPORT

9. **Report on 5:30 pm Closed Session of the Board**

3. Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))
 - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO (6th District Appellate Case #H039566
 - B. Water Plus v. MPWMD, Case No. M125274
 - C. Monterey Peninsula Taxpayers Association v. MPWMD; Case No. M123512

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

No reports were submitted by the Directors.

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

PUBLIC HEARINGS

On a motion by Byrne and second of Pendergrass, the Board approved the staff recommendation to: (a) adopt the Findings of Approval for Application #20140206CYP; (b) approve Application #20140206CYP and issue MPWMD Permit M14-05-L4 with the Conditions of Approval; and (c) direct staff to file a Notice of Exemption. The motion was approved unanimously on a vote of 4 – 0 by Directors Byrne, Pendergrass, Lewis and Potter. Directors Brower and Markey were absent.

11. Consider Approval of Application to Amend California American Water Distribution System – Transfer of Cypress Pacific Water Rights in Seaside Basin, APN 011-011-020, 715 Tioga Avenue, Sand City (donor parcel)

The following comments were directed to the Board during the public hearing on this item. (1) **Tony Lombardo**, representing the applicant, expressed support for the staff recommendation and requested that the Board approve the application. (2) **Eric Sabolsice** of California American Water spoke in support of the staff recommendation.

Byrne offered a motion to approve Resolution 2014-15. The motion was seconded by Lewis and approved unanimously on a vote of 4 – 0 by Directors Byrne, Lewis, Pendergrass and Potter. Directors Brower and Markey were absent. No comments were directed to the Board during the public hearing on this item.

12. Consider Adoption of Resolution 2014-15 Modifying Rule 162 -- Regulatory Water Production Targets for California American Water Systems

On a motion by Byrne and second of Pendergrass, this item was continued to the October 20, 2014 Board meeting. The motion was approved unanimously on a vote of 4 – 0 by Directors Byrne, Pendergrass, Lewis and Potter. Directors Brower and Markey were absent.

13. Consider Adoption of October through December 2014 Quarterly Water Supply Strategy and Budget

Byrne offered a motion that was seconded by Pendergrass, to select the Division 2 representative by appointment of the Board. The motion failed on a

ACTION ITEMS

14. Specify Method for Selection of Director to Fill Vacancy in Voter Division 2

vote of 3 – 1 with Directors Byrne, Pendergrass and Potter voting in favor and Director Lewis opposed. Directors Brower and Markey were absent. Counsel Laredo noted that a motion is only approved by the affirmative vote of a majority of the Board.

There was consensus among the four directors present that staff should post notice of the vacancy on the Board, and that a decision on whether to appoint or set an election will be made at the October 20, 2014, Board meeting. Until then, the Water Management District would continue to accept letters of interest and statements of qualifications from persons who would like to represent Voter Division 2. Directors could individually interview any persons that expressed an interest in the open position. No comments were directed to the Board during the public comment period on this item.

On a motion of Byrne and second by Pendergrass, Director Markey was elected to the position of Vice Chair. The motion was approved on a unanimous vote of 4 – 0 by Directors Byrne, Pendergrass, Lewis and Potter. Directors Brower and Markey were absent. No comments were directed to the Board during the public comment period on this item.

There was no discussion of the Informational Items/Staff Reports.

The meeting was adjourned at 7:45 pm.

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15. **Specify Method for Selection of Director to Fill Vacancy in Office of Vice Chair and Make Selection**

INFORMATIONAL ITEMS/STAFF REPORTS

16. **Letters Received**
17. **Committee Report**
18. **Carmel River Fishery Report**
19. **Water Conservation Program Report**
20. **Monthly Allocation Report**
21. **Monthly Water Supply and California American Water Production Report**
22. **Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**
23. **Minutes of Monterey Peninsula Water Supply Project Governance Committee**

ADJOURNMENT


Arlene M. Tavani, Deputy District Secretary