



**EXHIBIT 1-A**

**DRAFT MINUTES  
Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
March 18, 2013**

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

**CALL TO ORDER/ROLL CALL**

*Directors Present:*

David Pendergrass –Chair, Mayoral Representative  
Brenda Lewis – Vice Chair, Division 1  
Judi Lehman – Division 2  
Kristi Markey – Division 3  
Jeanne Byrne – Division 4  
Robert S. Brower, Sr., -- Division 5  
David Potter – Monterey County Board of Supervisors Representative

*Directors Absent: None*

*General Manager present: David J. Stoldt*

*District Counsel present: David Laredo*

The assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

Paul Hart of Johnson, Moncrief & Hart addressed the Board. He referred to a letter dated March 18, 2013, (on file at the District office and available on the MPWMD website) requesting that action on item 17 be deferred to a future meeting date.

**ORAL COMMUNICATIONS**

Markey offered a motion that was seconded by Lehman to adopt the Consent Calendar items. The motion was approved unanimously on a vote of 7 -0.

**CONSENT CALENDAR**

Approved.

**1. Consider Adoption of Minutes from the Regular Board Meeting of February 27, 2013**

Approved not-to-exceed expenditure of \$475,000.

**2. Consider Expenditure of Budgeted Reimbursable Funds to Contract with WaterWise Inc., and AquaSave to Conduct Required Landscape Water Audits and Prepare Budgets**

Approved not-to-exceed expenditure of \$3,500.

**3. Consider Expenditure of Budgeted Funds to Contract with Zone 24-7 for Online Rebate Application**

Approved not-to-exceed expenditure of \$247,000.

4. **Consider Expenditure of Budgeted Funds for Contract Amendment with Zim Industries for ASR Well Equipment Installation**

Approved expenditure of \$4,700.88.

5. **Consider Approval of Expenditure for Repairs to 2005 Ford F-250 (Unit #8)**

Approved not-to-exceed amount of \$5,000.

6. **Consider Expenditure of Budgeted Funds for Confined Spaces Fall Protection Equipment at the Sleepy Hollow Steelhead Rearing Facility**

Approved.

7. **Consider Approval of Resolution No. 2013-03 -- Regarding Amendment to the Flexible Benefits Plan**

Approved.

8. **Consider Adoption of Treasurer's Report for January**

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

#### **GENERAL MANAGER'S REPORT**

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

Mr. Stoldt reported the following: (1) The Monterey Peninsula Water Supply Project Governance Committee will meet on March 20, 2013 to review the request for qualifications for design/construction of a desalination project that was developed by California American Water (Cal-Am). (2) Groundwater Replenishment Project -- The Monterey Regional Water Pollution Control Agency (MRWPCA) has contracted for CEQA work and feasibility engineering. In May 2013 a public scoping meeting for the EIR should be conducted. A cost-sharing agreement between the District and MRWPCA to fund the GRP planning effort is under development. (3) Felicia Marcus has been appointed to the State Water Resources Control Board to replace Charlie Hoppin upon his retirement. The District plans to meet with Ms. Marcus in May or June. (4) Stoldt participated on a panel regarding the Monterey water supply plan at the March 17, 2013 meeting of the WaterReuse Association.

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

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

Byrne reported that she and Brower attended the Association of California Water Agencies February 2013 conference in Washington D.C. She noted that the conference was excellent. While in Washington, she and Brower met with Congressman Sam Farr and

also representatives from the Office of Protective Resources. Brower advised the Board that the EPA supports investment in water and wastewater reuse, also that a social benefit analysis will be required in future EIR's.

On a motion by Byrne and second of Potter, Ordinance No. 155 was adopted unanimously on a vote of 7 – 0 by Brower, Byrne, Lehman, Lewis, Markey, Pendergrass and Potter. No comments were directed to the Board during the public hearing on this item.

On a motion by Lehman and second of Byrne, the Annual Report text was approved subject to final review by the Public Outreach Committee. The motion was approved unanimously on a vote of 7 – 0 by Brower, Byrne, Lehman, Lewis, Markey, Pendergrass and Potter. No public comment was directed to the Board during the public hearing on this item.

Markey offered a motion that was seconded by Byrne to adopt the April through June 2013 Quarterly Water Supply Strategy and Budget. The motion was approved unanimously on a vote of 7 – 0 by Brower, Byrne, Lehman, Lewis, Markey, Pendergrass and Potter. No comments were directed to the Board during the public hearing on this item.

On a motion by Byrne and second of Lewis, the Mid-Year FY 2012-2013 budget adjustment was approved unanimously on a vote of 7 – 0 by Brower, Byrne, Lehman, Lewis, Markey, Pendergrass and Potter. No comments were directed to the Board during the public hearing on this item.

Potter offered a motion to designate Brower as the committee representative, and Byrne as the alternate. The term of membership on the committee shall be for one year. Membership will be considered annually, when the Board ratifies appointments to all its committees. The motion was approved unanimously by Brower, Byrne, Lehman, Lewis, Markey, Pendergrass and Potter. No comments were directed to the Board during the public comment period on this item.

On a motion by Byrne and second of Lewis, the Board voted unanimously to enter into further negotiations with DeepWater Desal to establish a cost-sharing relationship for the environmental and permitting work necessary to advance that project as an alternative to the Cal-Am proposal. Directors Brower, Byrne, Lehman, Lewis, Markey, Pendergrass and Potter voted in favor of the motion.

#### **PUBLIC HEARINGS**

- 12. Consider Second Reading and Adoption of Ordinance No. 155 -- Modifying the Definition of Redevelopment Project Site and Amending Rule 25.5-D**
- 13. Consider Approval of Draft 2012 MPWMD Annual Report**
- 14. Consider Adoption of April through June 2013 Quarterly Water Supply Strategy and Budget**
- 15. Consider Adoption of Mid-Year FY 2012-2013 Budget Adjustment**

#### **ACTION ITEMS**

- 16. Appointment of District Governance Committee Representative for Monterey Peninsula Water Supply Project**
- 17. Consider Negotiating a Cost Sharing Relationship with DeepWater Desal to Advance a Desalination Alternative to the Cal-Am Proposal**

The following comments were directed to the Board during the public comment period on this item. **(1) Paul Hart** of Johnson, Moncrief & Hart, representing People’s Moss Landing Desalination Project (PMLD), restated several comments contained in his letter to the Board of Directors dated March 18, 2013 (on file at the District office and available on the MPWMD website.) He expressed disagreement with conclusions presented in the District’s Evaluation Matrices, and the Water Supply Planning Committee review process. He requested that before the Board makes a decision on Item 17, the PMLD should be allowed time to submit additional information which could result in revisions to the Evaluation Matrices. He requested that the Water Supply Planning Committee meet again to reconsider its recommendation to the Board based on new information to be provided. **(2) David Balch** of Johnson, Moncrief & Hart, stated that the public was not given sufficient time to review and comment on the Evaluation Matrices. He requested that action on this item be deferred to a future meeting of the Board, and that the Water Supply Planning Committee meet in three weeks to review additional information to be submitted on the PMLD. **(3) Brent Constantz**, Managing Director of DeepWater Desal, described the process his team followed in development of the deep water source concept at Moss Landing. He stated that the advantages of DeepWater Desal are: an experienced team; relationships developed with regulators and local jurisdictions that could result in low power generation emissions and energy costs; easements that have been obtained; and site control.

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

#### INFORMATIONAL ITEMS/STAFF REPORTS

- 18. Letters Received
- 19. Committee Reports
- 20. Carmel River Fishery Report
- 21. Water Conservation Program Report
- 21. Monthly Allocation Report
- 23. Monthly Water Supply and California American Water Production Report

The meeting was adjourned at 8:30 pm.

#### ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary