



**EXHIBIT 1-A**

DRAFT MINUTES

**Regular Meeting**

**Board of Directors**

**Monterey Peninsula Water Management District**

*July 22, 2013*

The meeting was called to order at 7:03 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  
David Potter – Monterey County Board of Supervisors Representative

*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**

Eric Sabolsice, Director of Operations for the Coastal Division of California American Water (Cal Am), presented the Board of Directors with a plaque recognizing the Water Management District for its contribution towards the removal of San Clemente Dam. He thanked the Water Management District for its work to protect the Carmel River and its native species. Stoldt acknowledged the work of Larry Hampson, MPWMD Engineer, on the San Clemente Dam removal project. In response to a question from the Board, Sabolsice noted that the recent occurrence of brown colored water in some areas of the Cal-Am distribution system was caused by a breakdown in the Begonia water treatment plant. The brown water was not a health risk. The problem has been repaired.

**PRESENTATION FROM CALIFORNIA AMERICAN WATER**

(1) **George Riley** spoke to agenda item 9. He asked that Stoldt present only the highlights of the data normally presented. (2) **Nina Beety** submitted a copy of a letter to Cal Am dated November 15, 2012 (on file at the District office). She expressed concerns about the safety of Neptune water meters installed by Cal Am. In response to Beety's

**ORAL COMMUNICATIONS**

comments, Eric Sabolsice stated that Cal Am discontinued installation of Neptune meters and asked Beety to contact him with her concerns. (3) David Pendergrass acknowledged the work of Kevan Urquhart, Senior Fisheries Biologist, and his staff for completion of recent fish rescue operations that resulted in the rescue of 40,000 fish from drying areas on the Carmel River.

On a motion of Markey and second by Byrne, the Consent Calendar items were approved on a vote of 6 – 0. Directors Byrne, Lehman, Lewis, Markey, Pendergrass and Potter voted in support of the motion. Director Brower was absent.

Approved.

Approved expenditure of \$36,000 to contract with Thomas Brand Consulting, LLC.

Approved expenditure of \$6,886.86 for emergency repairs to the cooling tower.

Approved expenditure of \$87,125 to conduct the November 5, 2013 election.

Adopted Resolution 2013-11.

Received notice of the appointments of Frank Pierce, Margaret Robbins and John Delassio to the committee.

Ratified the appointment of Christine Monteith to the panel.

Received.

A summary of Mr. Stoldt's report is available for review at the Water Management District office and on the MPWMD website.

Stoldt reported the following. **Desalination Project proposed by Cal-Am.** Ongoing settlement agreement discussions have been very collaborative, with a goal of finalizing an agreement by July 31, 2013. **Groundwater Replenishment.** Water Management District staff meets weekly on project

## CONSENT CALENDAR

1. Consider Adoption of Minutes of the June 17, 2013 Regular Board Meeting
2. Consider Expenditure of Budgeted Funds for Annual Contract with Thomas Brand Consulting, LLC
3. Consider Expenditure of Budgeted Funds for Emergency Repairs to Cooling Tower at Sleepy Hollow Steelhead Rearing Facility
4. Consider Expenditure of Budgeted Funds to Conduct November 5, 2013 Election in Divisions 1 and 2
5. Consider Adoption of Resolution 2013-11 -- Election of Representatives to SDRMA Board of Directors
6. Receive Notice of Appointments to the Carmel River Advisory Committee
7. Ratify Notice of Change to Appointment on the Ordinance No. 152 Oversight Panel
8. Receive and File Water Year 2012 Aquifer Storage and Recovery Project Summary of Operations Report

## 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**

development. Once the water purchase agreement is developed, progress will accelerate. The Water Management District may hire an economist to prepare an analysis of rates. **Aquifer Storage and Recovery.** The building for Phase 2 is ready for plastering. The pump motor replacement is underway at the Phase 1 site and will be completed by the end of August 2013. **Alternative Water Supply Project.** The Board will consider a cost sharing agreement with DeepWater Desal at the August 19, 2013 Board meeting. **Education.** Stoldt addressed the Greater Monterey County IRWM group regarding the local water situation. **Governance Committee.** The committee met on July 11, 2013. The next meeting is set for August 1, 2013, when the Cal-Poly design committee will make their final presentation to the committee.

Laredo reported that he provided a status report on items 3A and 3B and received general direction from the Board. Regarding Item 3C, the Board directed that the District intervene as a party to the proceeding. Directors Byrne, Lehman, Lewis, Markey, Pendergrass and Potter voted in support of the motion to intervene. Director Brower was absent

#### ATTORNEY'S REPORT

##### 11. Report on 5:30 PM Closed Session of the Board

##### 3. Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))

- A. Application of California American Water to the CPUC (Application No. 12-04-019) Monterey Peninsula Water Supply Project
- B. Monterey Peninsula Taxpayers Association v. MPWMD, Monterey County Superior Court Case #M123512
- C. Application of California American Water to the CPUC (App. No. 13-07-002) 2013 General Rate Case

##### 4. Conference with Labor Negotiators (Gov. Code 54957.6)

- A. Agency Designated Representatives: David Stoldt, Suresh Prasad and Cynthia Schmidlin
- B. Employee Organization: General Staff and Management Bargaining Units Represented by United Public Employees of California/LIUNA, Local 792
- C. Unrepresented Employees: Confidential Unit

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

Director Lewis reported that she attended the August 20, 2013 meeting of the Monterey County Special Districts Association. One topic of discussion was the Fort Ord Access initiative. Speakers that supported and opposed the initiative addressed the Association.

On a motion of Byrne and second by Lewis, the resolution was approved on a vote of 5 – 1. Directors Byrne, Lehman, Lewis, Pendergrass and Potter voted in support of the motion. Director Markey was opposed. Director Brower was absent. District staff was directed to contact Cal-Am and the State Water Resources Control Board to determine if Cal-Am could be required to supply water to a well that becomes nonproductive. No remarks were directed to the Board during the public comment period on this item.

On a motion by Byrne and second of Lehman, establishment of the Local Water Project Funding Program with a budget of \$200,000 was approved unanimously on a vote of 6 – 0 by Directors Byrne, Lehman, Lewis, Markey Pendergrass and Potter. Director Brower was absent.

During the public comment period on this item, Rudy Fischer, Pacific Grove City Councilman, requested that the Board establish the Local Water Project Funding program.

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

The meeting was adjourned at 8:05 pm.

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

**PUBLIC HEARINGS**

**ACTION ITEMS**

**13. Consider Adoption of Resolution No. 2013-12 to Temporarily Suspend Setting of System Limits for Fractured Rock Wells that Serve One Parcel**

**14. Consider Adoption of Local Water Project Funding Program**

**INFORMATIONAL ITEMS/STAFF REPORTS**

- 15. Letters Received
- 16. Committee Reports
- 17. Carmel River Fishery Report
- 18. Water Conservation Program Report
- 19. Monthly Allocation Report
- 20. Monthly Water Supply and California American Water Production Report
- 21. Quarterly Carmel River Riparian Corridor Management Program Report
- 22. Quarterly Water Use Credit Transfer Status Report
- 23. Minutes of Monterey Peninsula Water Supply Project Governance Committee Meetings

**ADJOURNMENT**