



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
August 17, 2015**

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:

Kristi Markey – Chair, Division 3
Jeanne Byrne – Vice Chair, Division 4
Brenda Lewis – Division 1
Andrew Clarke – Division 2
Robert S. Brower, Sr. – Division 5
David Pendergrass – Mayoral Representative
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

No comments were directed to the Board during Oral Communications.

ORAL COMMUNICATIONS

On a motion by Brower and second of Byrne, the Consent Calendar was approved unanimously on a vote of 7 – 0 by Markey, Byrne, Lewis, Clarke, Brower, Pendergrass and Potter.

CONSENT CALENDAR

Approved.

1. Consider Adoption of Minutes of the July 20, 2015 Regular Board Meeting

Approved an expenditure of \$10,000 to contract with Maddaus Water Management Inc.

2. Consider Contract with Maddaus Water Management Inc. for Commercial Water Efficiency Training

Approved.

3. Authorize a Change to the Organization Chart Adding a Conservation Representative I/II Position

Approved a contract amendment with Central Coast Surveyors for the amount of \$25,000.

4. Consider Expenditure for Carmel River Thalweg Profile

Approved expenditure of \$16,500 for Geographic Information Systems maintenance agreements.

Approved.

Approved.

A summary of Stoldt's presentation is on file at the District office and on the agency website. Stoldt noted that rainfall was at 76% of long-term average as of July 31, 2015. Streamflow was estimated at 33% of long-term average for the same time period.

Stoldt reported that the District was awarded a \$200,000 drought contingency planning grant from the U.S. Bureau of Reclamation for completion of the North Monterey County Drought Contingency Plan. The District will provide matching funds of about \$300,000. A \$950,000 grant was also awarded by the U.S. Bureau of Reclamation for a basin study that includes the Carmel River and Seaside Basin. He announced that the District will make a presentation in September 2015 at the National WaterReuse Symposium regarding building a coalition in a collaborative fashion for the Pure Water Monterey Project. Stoldt will participate on a panel with Gary Peterson, City of Salinas; Paul Sciuto, Monterey Regional Water Pollution Control District; and David Potter, Monterey County Board of Supervisors. An award will also be presented at that conference for the Pure Water Monterey Project. In addition, at the Water Smart Innovations Conference in October 2015 staff will speak on water conservation and rationing program planning. The District will also make a presentation at the American Water Works Conference in October 2015.

David Armanasco introduced Kim Adamson, General Manager for DeepWater Desal who gave the presentation. A summary is on file at the District office and on the agency website. Armanasco and Adamson responded to questions from the Board. Armanasco noted that development of the desalination project is not dependent on creation of a data center. However, there is great interest from various parties about development of a data center. He thanked the Water Management District for support of the DeepWater Desal project.

No report.

Counsel Laredo reported that the Monterey Peninsula Taxpayers Association (MPTA) appealed the court's decision to award costs to the District for the challenge brought by the MPTA on implementation of the Proposition 218 water supply charge. On Friday, August 14, 2015, the court denied the MPTA objections, ruled in favor of the District, and agreed that the costs were reasonable

5. Authorize Expenditure for Software Maintenance Agreements

6. Consider Approval of Fourth Quarter Fiscal Year 2014-2015 Investment Report

7. Consider Approval of May 2015 Treasurer's Report

GENERAL MANAGER'S REPORT

8. Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision

9. Report from DeepWater Desal Project Representatives

10. Report on Drought Response

ATTORNEY'S REPORT

Counsel reported that at the 6:30 pm closed session, the Board was given a status report on items 1 and 2; no reportable action was taken.

11. Report from District Counsel on 6:30 pm Closed Session

1. **Conference with Real Property Negotiators (Gov. Code 54956.8)**
 - A. Address: 1910 General Jim Moore Blvd., Seaside, CA 93955
Agency Negotiator: David J. Stoldt, General Manager
Under Negotiation: Price and Terms
2. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
 - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO

Markey congratulated Directors Brower, Byrne and Clarke who had filed unopposed for candidacy in the November 2015 election and will therefore serve another four-year term on the Board. Markey announced that she did not file for candidacy for another term as Division 3 representative, because she is shopping for a new home and may be moving out of Division 3.

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

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

Brower offered a motion that was seconded by Byrne, that the Board determine that the State Water Resources Control Board's Eastwood/Odello Water Rights Change Petition certified Environmental Impact Report sufficiently analyzed the impacts related to water and hydrology and that the evaluation was adequate to rely upon for establishment of the Malpas Water Company LLC Water Entitlement, and that a Notice of Determination should be filed with the Monterey County Clerk. The motion was approved on a vote of 7 – 0 by Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter.

PUBLIC HEARINGS

13. Consider Second Reading and Adoption of Ordinance No. 165 Amending Rules 11, 21, 23 and 23.1 and Adding Rule 23.7 to Establish a Water Entitlement for Malpas Water LLC

On a motion by Byrne and second of Lewis, the second reading of Ordinance No. 165 was adopted unanimously on a roll-call vote of Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter. No comments were directed to the Board during the public hearing on this item.

On a motion by Pendergrass and second of Hampson, the Board approved the staff recommendation to: (1) Adopt the MPWMD Findings of Approval for Application #WDS-20150715MAL to create the Malpas Water Distribution System and amend the California American Water Water Distribution System; (2) Approve Application #WDS-20150715MAL and authorize issuance of MPWMD Permit #M15-04-L3 to create the Malpas

14. Consider Approval of Application #WDS-20150715MAL to Create Malpas Water Distribution System (WDS) and Amend California-American Water Company WDS Pursuant to SWRCB License

Water Distribution System with 33 Conditions of Approval and direct staff to file a Notice of Determination with the Monterey County Clerk; and (3) Approve Application #WDS-20150715MAL and authorize issuance of MPWMD Permit #M15-05-L3 for the California American Water/Malpasos Amendment with 32 Conditions of Approval and file a Notice of Determination with the Monterey County Clerk. The motion was approved unanimously on a vote of Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter. No comments were directed to the Board during the public hearing on this item.

On a motion of Byrne and second by Lewis the Board approved the staff recommendation to: (1) Adopt the MPWMD Findings of Approval for Application #WDS-20150715RYA for the California American Water (CAW)/Ryan-Ranch-Community Hospital of the Monterey Peninsula (CHOMP) Amendment; (2) Approve Application #WDS-20150715RYA and authorize issuance of MPWMD Permit #M15-06-L3 for the CAW/Ryan Ranch-CHOMP Amendment with Conditions of Approval; (3) Direct staff to file a Notice of Exemption with the County Clerk; and (4) Approve a Statement of Expanded Supply for the Ryan Ranch Unit. The motion was approved unanimously on a vote of Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter.

During the public hearing on this item, Tony Lombardo, representing Cypress Pacific, expressed support for the staff recommendation and stated that the applicant agreed with all permit conditions.

#13868A, California-American Water Company and Malpasos Water Company, LLC, Co-Applicants

- A. Approve Application to Create Malpasos WDS, Parcel APN 015-162-038 (Well Lot)**
- B. Approve Application to Amend California-American Water Company WDS to Receive Malpasos Source of Supply (CAW/Malpasos Amendment)**

- 15. Consider Approval of Application #WDS-20150715RYA to Transfer Cypress Pacific Water Rights to Community Hospital of the Monterey Peninsula (CHOMP) Parcels in Ryan Ranch**

- A. Consider Approval of Amendment to Ryan Ranch Unit Water Distribution System (WDS) to Enable Service to CHOMP, Parcels APN 259-221-004 and -005, California-American Water Company, Applicant**
- B. Consider Approval of Ryan Ranch WDS System Capacity Amendment in Compliance with MPWMD Decision on Insufficient Physical Supplies (June 2009)**

On a motion of Brower and second of Potter, the Board approved the staff recommendation to authorize staff to post notice of a public hearing scheduled for the September Board meeting, hold the public hearing, and subsequent to the hearing file Notice of intent with the State Department of Water Resources to become GSA for the Carmel Valley Alluvial Aquifer. The motion was approved on a vote of 7 – 0 by Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter. No comments were directed to the Board during the public comment period on this item.

Brower offered a motion that was seconded by Byrne, to authorize the General Manager to enter into an agreement for California American Water to co-fund up to \$1 million over three years for studies to evaluate long-term options for the future of Los Padres Dam and Reservoir. The General Manager would be authorized to make non-substantive changes to the draft agreement. The motion was approved on a vote of 7 – 0 by Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter.

The following comments were directed to the Board during the public comment period on this item. **(A) George Riley**, representing Public Water Now, encouraged the Water Management District to do what it determines is right for the watershed and the river as the District’s priorities are superior to those of California American Water. **(B) Tom Rowley**, representing the Monterey Peninsula Taxpayers Association, suggested that plans for the New Los Padres Dam fish ladder be reviewed for applicability to fish passage for the Los Padres Dam long-term plan.

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

The meeting was adjourned at 8:40 pm.

ACTION ITEMS

16. **Consider District Assuming Role of Groundwater Sustainability Agency for Carmel Valley Alluvial Aquifer**

17. **Consider Entering into an Agreement with California American Water for Los Padres Dam Long-Term Plan**

INFORMATIONAL ITEMS/STAFF REPORTS

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

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary