



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
December 12, 2016**

The meeting was called to order at 7:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Jeanne Byrne – Chair, Division 4
Robert S. Brower, Sr. – Vice Chair, Division 5
Brenda Lewis – Division 1
Andrew Clarke – Division 2
Molly Evans – Division 3
David Pendergrass – Mayoral Representative
David Potter – Monterey County Board of Supervisors

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

On a motion by Clarke and second of Brower, the Board voted unanimously to approve revisions to the agenda. The motion was approved on a vote of 7 – 0 by Clarke, Brower, Byrne, Lewis, Evans, Pendergrass and Potter.

ADDITIONS AND CORRECTIONS TO AGENDA

No comments.

ORAL COMMUNICATIONS

Potter offered a motion that was seconded by Pendergrass to approve the Consent Calendar with the exception of items 4 and 5 that were pulled for separate consideration. The motion was approved on a vote of 7 – 0 by Potter, Pendergrass, Brower, Byrne, Clarke, Evans and Lewis.

CONSENT CALENDAR

Adopted.

1. Consider Adoption of October 17, 2016 and November 14, 2016 Board Meeting Minutes

Adopted.

2. Adopt Board Meeting Schedule for 2017

Adopted.

3. Consider Adoption of Resolution No. 2016-21 Expressing Appreciation to David Potter for 20 Years of Service on the Board of Directors

On a motion by Brower and second of Lewis, the Board approved a contract with The Ferguson Group for up to \$40,000. Staff will work with the contractor on development of a scope of work for services through June 30, 2017. The goal is to develop a full scope of work and contract for the next fiscal year. The motion was approved on a vote of 7 – 0 by Brower, Lewis, Byrne, Clarke, Evans, Pendergrass and Potter.

On a motion by Evans and second of Clarke, the agreement was approved for an amount not-to-exceed \$35,000. The motion was approved unanimously on a vote of 7 – 0 by Evans, Clarke, Brower, Byrne, Lewis, Pendergrass and Potter.

Approved expenditure of \$80,000 to contract with Denise Duffy & Associates.

Received.

Adopted.

Chair Byrne presented a framed resolution of appreciation and a gift of a golf bag to Director Potter. She thanked him for his service to the Board and stated that his expertise would be missed. Director Potter stated that it had been a pleasure and a privilege to serve on the Water Management District Board. He noted that the agency had evolved into a well-respected and professional organization, known at the Federal and State level as an agency that knows how to create water in many ways. Director Pendergrass thanked Potter for his service and stated that he had been a very important member of the Board.

Chair Byrne thanked Ms. Schmidlin for her time with the District and presented her with a gift. Stoldt stated that he was appreciative of the human resources infrastructure that Ms. Schmidlin had developed over 20-years with the District. Ms. Schmidlin stated that the Water Management District staff was the finest group of public employees she had worked with.

General Manager Stoldt reported that the District had been awarded the Region 5 Outstanding Outreach Participation Award by the Association of California Water Agencies in December 2016. Stoldt explained that the Status Report had been reformatted due to the modified Cease and Desist Order adopted in July 2016. He noted that for the chart titled Actual

4. Consider Retention of Federal Legislative Consultant
5. Consider Approving Agreement with Regional Government Services Authority for Management and Administrative Services
6. Consider Funding Additional Expenditures for Environmental Monitoring and Compliance Services for Monterey Pipeline and Hilby Pump Station Projects
7. Receive Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report
8. Consider Adoption of Treasurer's Report for October 2016

PRESENTATIONS

9. Presentation to Director David Potter for 20 Years of Service on the Board of Directors
10. Presentation to Cynthia Schmidlin upon her Retirement after 20 Years with the MPWMD

GENERAL MANAGER'S REPORT

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

versus Target Production for Cal-Am Oct to Dec 2016, the Carmel River Basin Actual column did not reflect diversions from Malpasso for entitlement water. Stoldt reported that Actual diversions were much lower than the Targets which was due to withdrawals from Aquifer Storage and Recovery (ASR) that were counted as diversions in the prior year. Rainfall for the period of October through November 2016 was measured at 1.2 inches above the long-term average. Unimpaired Carmel River Flow for the October through November 2016 period was close to the long-term average.

General Manager Stoldt provided an update on several projects. **(a) ASR** – Diversions had not begun, but rains were expected the next week. Diversions to the ASR wells could begin when Carmel River Flows measured 60 to 80 cubic feet per second at the Near Carmel Gage. **(b) Pure Water Monterey Project (PWM)** – a \$10 million grant was issued from Proposition 1 Water Bond funds to the City of Salinas which will benefit the project. This would facilitate construction of a return pipeline from Salinas Industrial Ponds, so that stormwater could accumulate in the winter and be transmitted for treatment in the summer and utilized in the dry months. In addition, one of the industrial ponds would be lined to reduce percolation losses. The National Marine Fisheries Service had expressed support for the project, which was a requirement for submission of an application to receive State Revolving Fund financing. A pre-bid meeting regarding construction of the advanced water treatment facility was scheduled for mid-February. Regarding construction of injection facilities in Seaside, the City will issue a grading permit after receipt of proof from FORA that unexploded ordinance removal had been completed on the site. The Monterey Regional Water Pollution Control Agency and Marina Coast Water District were scheduled to meet regarding amendments to agreements for use of the pipeline. Also, the Regional Water Quality Control Board planned to consider the waste discharge permit at its March 2017 meeting in Watsonville. **(c) Other Items** - In response to a request from the Board, Stoldt stated that at the next Board meeting, he would present an update on Cal-Am non-revenue water totals. Potter requested that the District contact the Carmel River Steelhead Association and advise them that their concerns over breaching the Carmel River Lagoon may be solved by completion of projects that are in progress such as the barrier wall and the Big Sur Land Trust Carmel River FREE Project.

District Counsel reported that the Board discussed items 3.A through 3B. Counsel provided a status report and received general direction from the Board. No reportable action was taken.

12. Update on Development of Water Supply Projects

REPORT FROM DISTRICT COUNSEL 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 CPUC Case No. A10-01-012 – Monterey Peninsula Water Management District user Fee
- B. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO – (6th District Appellate Case #HO39455)
- C. Application of California American Water to CPUC (No. 15-07-019) – Modify Water Rationing Rules, Rate Design

Byrne reported that she represented the Board of Directors at the December 9, 2016 groundbreaking ceremony for the City of Pacific Grove’s Local Water Project.

On a motion by Pendergrass and second of Clarke, the Board of Directors adopted the January through March 2017 Quarterly Water Supply Strategy and Budget on a unanimous vote of 7 – 0 by Pendergrass, Clarke, Brower, Byrne, Evans, Lewis and Potter. No comments were directed to the Board during the public hearing on this item.

On a motion by Brower and second of Potter, the Board of Directors received the report on a unanimous vote of 7 – 0 by Brower, Potter, Byrne, Clarke, Evans, Lewis and Pendergrass. Stoldt stated that a few minor edits were noted by the Directors and that the report would be revised to include those corrections. No comments were directed to the Board during the public comment period on this item.

On a motion by Potter and second of Lewis, the Board adopted Resolution No. 2016-22 on a unanimous vote of 7 – 0 by Potter, Lewis, Brower, Byrne, Clarke, Evans and Pendergrass. It was noted that the staff report incorrectly referred to this issue as a Consent Calendar item. No comments were directed to the Board during the public comment period on this item.

Byrne offered a motion that was seconded by Potter to elect Brower to the position of Chair; Clarke as Vice Chair; Stoldt as Secretary; and Suresh Prasad as Treasurer. The motion was approved on a unanimous vote of 7 – 0 by Byrne, Potter, Brower, Clarke, Evans, Lewis and Pendergrass.

During the public comment period on this item, George Riley stated that he admired David Potter for his good memory and intelligence.

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

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

PUBLIC HEARINGS

- 14. Consider Adoption of January through March 2017 Quarterly Water Supply Strategy and Budget**

ACTION ITEMS

- 15. Receive Fiscal Year 2015-2016 Comprehensive Annual Financial Report**
- 16. Consider Adoption of Resolution No. 2016-22 – Authorizing an Amendment to the District’s Contract with the California Public Employees’ Retirement System**
- 17. Conduct Election of Board Officers for 2017**

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

INFORMATIONAL ITEMS/STAFF REPORTS

- 18. Letters Received**
- 19. Committee Report**
- 20. Monthly Allocation Report**

- 21. Water Conservation Program Report**
- 22. Carmel River Fishery Report**

The meeting was adjourned at 8 pm.

ADJOURNMENT

U:\staff\Boardpacket\2017\20170125\Consent Calendar\01\Item-1-Exh-A.docx

Arlene M. Tavani, Deputy District Secretary