



EXHIBIT 1-A
DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
August 21, 2017

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

CALL TO ORDER/ROLL CALL

Directors Present:

Robert S. Brower, Sr. – Chair, Division 5
Andrew Clarke – Vice Chair, Division 2
Brenda Lewis – Division 1
Molly Evans – Division 3
Jeanne Byrne – Division 4
Ralph Rubio – Mayoral Representative
Mary Adams – 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

No changes.

ADDITIONS AND CORRECTIONS TO AGENDA

ORAL COMMUNICATIONS

The following comments were directed to the Board during Oral Communications. (1) **Susan Schiavone**, resident of Seaside and member of the Ordinance No. 152 Oversight Panel, requested that the Directors consider committee appointments at the next meeting of the Board. She handed out a chart that listed committee membership in several Board committees for the years 2005 – 2017. (2) **Gary Cursio**, Director of Government Affairs for the Monterey County Hospitality Association, who also represented the Coalition of Peninsula Businesses. He spoke in opposition to preparation of a feasibility study on the cost to purchase California-American Water (Cal-Am). (3) **Brian LeNeve**, a resident of Carmel, stated that he strongly opposed a public takeover of Cal-Am water distribution system, and asked the Board of Directors to resist the request from Public Water Now that the District fund preparation of a feasibility study on public ownership. (4) **Diane Cotton**, resident of Seaside expressed support for the request that the Board of Directors consider committee appointments at their next meeting, with an emphasis on increasing representation of Division 1. (5) **Tom Rowley**, representing the Monterey Peninsula

Taxpayers Association, expressed opposition to preparation of a feasibility study on public ownership of the Cal-Am water distribution system. He also expressed support for consideration of committee assignments at the next Board meeting that could be effective in January 2018. **(6) Dan Turner**, resident of Monterey, stated that he spoke with Directors Brower, Clarke, Evans and Lewis about public ownership of the Cal-Am water distribution system and that he had a meeting scheduled with Director Adams. He registered concern that Directors Rubio and Byrne had not responded to his requests for a meeting. He noted the high cost of water delivered by Cal-Am and asked how Directors Rubio and Byrne could choose to not discuss the most important issue facing the community. **(7) Jody Hanson**, President and CEO of the Monterey Peninsula Chamber of Commerce, asked the Board of Directors to keep focused on development of water supply projects underway, and to not be sidetracked by requests to conduct a feasibility study on public ownership of the Cal-Am water distribution system. **(8) Amy Anderson**, resident of Carmel, stated that the time was right for the District to look at all options because: (a) new questions had been raised about Cal-Am's desalination project, and (b) local water rates were the highest in the nation. She urged the Board to not ignore those problems. **(9) Michael Baer**, resident of Monterey, asked why the community should wait to know the outcome of a referendum on the purchase of the Cal-Am water distribution system. He opined that there were many problems with the proposed desalination plant. He asked the Board to not ignore the opinions of persons on both sides of the issue. **(10) George Riley** stated it was fundamentally wrong that Cal-Am water rates were the highest in the country. He noted that the community must look at options for increasing the water supply in cost effective ways. He announced that Public Water Now would conduct workshops to educate the public about the feasibility study process in order to move the discussion forward. **(11) Diane Cotton** advised the Board of Directors that she supported publicly owned water because profits from a new water supply project should remain with the community instead of with shareholders. **(12) Scott Dick**, Government Affairs Director for the Monterey County Association of Realtors, stated that the voters should decide if they want a feasibility study to be conducted. He noted that the Association represented 1,300 small businesses. **(13) Paul Bruno**, a resident of Monterey, urged the Board to deny the request by Public Water Now that the District conduct a feasibility study. He cautioned the Board that if the District were to conduct a feasibility study, the expenditure could be considered a gift of public funds to Public Water Now. **(14) Jennifer Haydew**, a small business owner and teacher, stated that earlier comments made by members of two business organizations did not represent her views. She expressed support for conducting investigations into all possible solutions. She said the Board should not ignore the voices of those that support preparation of a feasibility study. **(15) Suzi Yopi**, a resident of Pacific

Grove, expressed support for preparation of a feasibility study and for a publicly owned water distribution system. (16) **Susan Schiavonne**, a small business owner, stated that earlier comments made by members of two business organizations were not representative of her views. She opined that there was no need for the desalination project proposed by Cal-Am, because production from Pure Water Monterey and the Deepwater Desal Project would meet community water needs. (17) **John Narigi**, Chairman of the Coalition of Peninsula Businesses, stated that local water supply problems should be solved before investigations into the purchase of Cal-Am’s water distribution system are conducted.

Lewis offered a motion that was seconded by Clarke to adopt the Consent Calendar. The motion was adopted on a unanimous vote of 7 – 0 by Lewis, Clarke, Adams, Brower, Byrne, Evans and Rubio.

Director Lewis thanked the persons who commented during Oral Communications regarding the need for a revised list of committee appointments. She stated that she would like to correct some of the misstatements that had been made. However, she was prevented from making additional remarks as District Counsel reminded the Board that further discussion of this item could not continue, because the issue was not listed on the agenda nor noticed in advance of the meeting.

Adopted.

Approved renewal of contract for \$35,000.

Approved expenditure of \$50,000.

Approved expenditure of \$38,031.25.

Approved expenditure of \$8,500.

Approved expenditure of \$30,000.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of July 17, 2017 Regular Meeting of the Board**
2. **Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services**
3. **Consider Approval of Budget for Groundwater Models for Seaside Groundwater Basin**
4. **Authorize Expenditure to Replace the Vertical Water Quality Profiling Device’s Drive System in the Carmel River Lagoon**
5. **Authorize Expenditure for Passive Integrated Transponder (PIT) Tag Reading Equipment to Monitor Juvenile Steelhead Emigration and Eventual Adult Returns**
6. **Consider Funding for Community Water Conservation Demonstration Project at Martin Luther King Jr. Elementary School, 1713 Broadway Ave., Seaside**

Approved rebate of \$10,508.

Approved.

Approved expenditure of \$120,137.

Approved expenditure of \$14,000.

Approved expenditure of \$24,950.

General Manager Stoldt reported that there was no immediate threat of exceeding the rationing trigger of 10,609 acre-feet, as total production for the 12-month moving as of August 21, 2017 was 9,921 acre-feet. He noted that total production within the California-American Water System for October 2016 through July 17, 2017 was 7,778 acre-feet which was 51 acre-feet below the total for the same period last year of 7,727 acre-feet. Mr. Stoldt advised the Board that although no rainfall was recorded in July, unimpaired flow exceeded the long-term average that month. He stated that the river might flow continuously through the entire year, as it did in 2011 and 1998.

District Counsel Laredo reported that he provided to the Board a status report on items A and B. In addition, the Board provided general direction to staff and counsel. No reportable action was taken.

7. Consider Issuance of Lawn Removal Rebate to Monterey Peninsula Unified School District for Martin Luther King Jr. School

8. Consider Approval of 2017 Annual Memorandum of Agreement for Releases from Los Padres Reservoir among California American Water, California Department of Fish and Wildlife, and Monterey Peninsula Water Management District
(Exempt from environmental review per SWRCB Order Nos. 95-10, 98-04, 2002-0002 and 2016-0016, and Section 15268 of the California Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources.)

9. Authorize Funding for Pueblo Water Resources to Proceed with the Supplemental Sample Analysis Plan Water Quality Investigation

10. Consider Expenditure to Contract with the California Conservation Corps for Fall 2017 Vegetation Management Activities

11. Authorize Funds for Repair of Injection Valve at Aquifer Storage and Recovery Well Number 1

GENERAL MANAGER'S REPORT

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

ATTORNEY'S REPORT

13. 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 CPUC (No. 12-04-019) – Monterey Peninsula Water Supply Project
 - B. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO – (6th District Appellate Case #H039154)

Suresh Prasad, Administrative Services Manager/Chief Financial Officer, was recognized for earning an Award of Financial Reporting Achievement from the Government Finance Officers Association, for preparation of the MPWMD Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015-2016. Due to Mr. Prasad's efforts, the MPWMD was awarded the Certificate of Achievement for Excellence in Financial Reporting. The MPWMD also received this award for its 2014-2015 CAFR. Prasad stated that he was only able to obtain this achievement with the help and cooperation of the Board of Directors, his staff and auditors Hayashi and Wayland.

RECOGNIZE SURESH PRASAD FOR GOVERNMENT FINANCE OFFICERS ASSOCIATION EXCELLENCE IN FINANCIAL REPORTING AWARD

No reports were presented.

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

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

On a motion by Evans and second of Rubio, the first reading of Ordinance No. 177 was adopted on a roll call vote of 7 – 0 by Directors Evans, Rubio, Adams, Brower, Byrne, Clarke and Lewis.

PUBLIC HEARINGS

15. **Consider First Reading of Ordinance No. 177 - Amending Rules 11, 23, 23.5, 24, 25.5, 141, 142, 143, 144, and 154 (CEQA Section 15063 Initial Study; Negative Declaration will be presented at second reading pursuant to CEQA Section 15070.)**

During the public hearing on this item, Tom Rowley expressed support for adoption of the first reading of Ordinance No. 177.

Adams offered a motion that was seconded by Lewis to authorize an increase in the General Manager's base salary to \$220,000 per year, effective July 17, 2017. All other terms and conditions of his contract were to remain unchanged. The motion was approved on a unanimous vote of 7 – 0 by Adams, Lewis, Brower, Byrne, Clarke, Evans and Rubio.

ACTION ITEMS

16. **Consider Approval of Amendment to Agreement for Employment of General Manager**

Each Director expressed appreciation for General Manager Stoldt noting his intelligence, sense of humor and commitment to achievement of the District goals. Also, that the community relied on his expertise in water issues.

During the public comment period on this item, George Riley expressed support for the proposed Board action and stated that Stoldt was approachable and the District was lucky to have him as manager of the agency.

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

The meeting was adjourned at 8:00 pm.

INFORMATIONAL ITEMS/STAFF REPORTS

- 17. Receive Notice of Appointment to Carmel River Advisory Committee**
- 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