



EXHIBIT 1-A

DRAFT MINUTES

Regular Meeting

Board of Directors

Monterey Peninsula Water Management District

November 13, 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

Dan Turner, resident of Monterey, addressed the Board. He stated that residential water customers are not represented by the Water Management District Board of Directors or the Monterey Peninsula Regional Water Authority, because those public officials are influenced by supporters of California American Water. He referenced an upcoming election and said “that is what the election is all about.”

ORAL COMMUNICATIONS

Evans offered a motion to approve the Consent Calendar, except for agenda items 2, 3 and 4 that were pulled for separate consideration. The motion was seconded by Director Byrne and approved on a unanimous vote of 7 – 0 by Evans, Byrne, Adams, Brower, Clarke, Lewis and Rubio.

CONSENT CALENDAR

Adopted.

1. Consider Adoption of October 16, 2017 Regular Board Meeting Minutes

On a motion by Rubio and second of Byrne, the Board approved a contract with ACCELA in the amount of \$725,000. The motion was approved on a vote of 6 – 1 by

2. Approve Contract with ACCELA for Water Demand Data Base

Rubio, Byrne, Adams, Brower, Clarke and Lewis. Evans was opposed.

On a motion by Evans and second of Adams, the Board approved a contract with LSA Associates, Inc. for a not-to-exceed amount of \$25,000. The motion was approved unanimously by Evans, Adams, Brower, Clarke, Evans, Lewis and Rubio.

The following comments were directed to the Board regarding this item. (a) **Linda Yamani**, who identified herself as Rumsen Ohlone, requested that the patch of Santa Barbara sedge in the project area be preserved as part of the streambank stabilization project. (b) **Christopher Houser**, resident of Carmel Valley, stated that the Santa Barbara sedge was a unique natural and cultural resource that should be protected as part of the streambank stabilization project. (c) **Patricia Faye Maguera**, read a letter from Louis Trevino, stating that the sedge bed was central to the Rumsen Ohlone traditional art of basketry. He requested that the sedge bed be protected as part of the streambank stabilization project. (d) **Christina Fisher**, Executive Director of the Santa Lucia Conservancy, thanked Water Management District staff for addressing concerns regarding preservation of the sedge bed in a professional and caring manner, and developing a plan that would protect the sedge.

On a motion by Adams and second of Evans, the Board approved an agreement with Baski in the amount of \$70,000. The motion was approved on a vote of 7 – 0 by Adams, Evans, Brower, Byrne, Clarke, Lewis and Rubio.

Approved.

Adopted.

Received.

Approved.

Received.

3. **Consider Expenditure for Cultural Resource Studies for the Rancho San Carlos Road Streambank Stabilization Project**
4. **Consider Expenditure to Repair Downhole Injection Valve at Aquifer Storage and Recovery Well Number 1**
5. **Consider Approval of Compensation Agreement Regarding the Transfer of Former City of Monterey Redevelopment Agency Property at 300 Pacific Street, Monterey, to the City of Monterey**
6. **Consider Adoption of Amendment 2 to the Cost Sharing Agreement with Monterey One Water for the Pure Water Monterey Project**
7. **Receive Report on Legislative Outreach for Calendar Year 2017**
8. **Consider Approval of Fourth Quarter Fiscal Year 2016-2017 Investment Report**
9. **Receive and File Fourth Quarter Financial Activity Report for Fiscal Year 2016-2017**

Adopted.

Adopted.

General Manager Stoldt reported that for the first month of the water year (October 2017 through September 2018) water demand was 28 acre-feet over the target and 258 acre-feet above the total for the same time period in 2016. Stoldt stated that demand has been down over the last five years and he does not believe this signals a long-term increase in demand. He noted that one contributor to the increase could have been the unexpected influx of visitors to the Monterey Peninsula, due to fires in the Sonoma region of California.

Stoldt reported the following. **Pure Water Monterey** – the diversion facilities, advanced water treatment facility and pipeline from the treatment facility to the injection area are under construction. A contract has been issued for construction of the water delivery pipeline. **Aquifer Storage and Recovery** – Discussions with California American Water are underway regarding development of a central chlorination facility, as opposed to conducting chlorination at each ASR site.

Director Stoldt and District Counsel Laredo explained that seven days of hearings were conducted on this issue before a panel of three administrative law judges. These proceedings were not intended for a discussion of environmental issues, as those will be addressed in the Final EIR to be released in 2018. Some issues that were addressed are: (a) what is existing water demand and the amount of bounce back that should be assumed; (b) what amount of water will be needed for lots-of-record under what timeline; (c) how much water is needed for the buildout of the Pebble Beach entitlement and the timeline; and (d) the timing of the CDO reductions and ramp down in the Seaside Basin production. Opening briefs must be filed by December 15, 2017, and reply briefs are due on January 9, 2018. Additional briefs will be filed on environmental issues when the Final EIR is issued. The Conservation and Planning League will be filing a request that an additional day of hearings be scheduled to update the ALJs on the proposed expansion of the Pure Water Monterey Project.

District Counsel Laredo reported that he provided to the Board of Directors a more detailed report on the pending proceedings before the Public Utilities Commission under agenda item 3. In addition, General Manager Stoldt provided a report on possible issues affecting acquisition of properties from California American Water Company. The Board provided general policy parameters, but no reportable action was taken.

10. **Consider Adoption of Treasurer's Report for July 2017**

11. **Consider Adoption of Treasurer's Report for August 2017**

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**

13. **Update on Development of Water Supply Projects**

14. **Report on October Evidentiary Hearings - Application of California American Water to CPUC (No. 12-04-019) – Monterey Peninsula Water Supply Project**

ATTORNEY'S REPORT

15. **Report on 5:30 pm Closed Session of the Board Report on 5:30 pm Closed Session of the Board**

2. **Conference with Real Estate Negotiators (Government Code Sections 54954.5(b), 54956.8.)**
District Representatives: David Stoldt
Matter: Negotiation Affecting Properties Held by California American Water Company
3. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
Application of California American Water to CPUC (No. 12-04-019) – Monterey Peninsula Water Supply Project

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

Director Lewis reported on her attendance at the October 17, 2017 Monterey County Special Districts Association meeting. The featured speaker was Senator Bill Monning who addressed the group on SB 223 that would assess a fee on water bills to assist underprivileged communities with upgrading their water distribution systems. Director Lewis stated that under California law all citizens have a right to clean drinking water, and this bill would provide for that.

Director Brower reported that on October 23, 24 and 25, 2017 he and David Stoldt and Paul Scuito (Monterey One Water) participated in meetings in Washington DC scheduled by the Ferguson Group. The complete list of meetings is shown on pages 185 thru 187 of the Board packet. Director Brower described the meetings as extremely productive.

Director Byrne referenced page 179 of the Board packet that listed proposed legislation related to housing mandates. She noted that the Water Management District should express opposition to legislation such as SB166 that would require cities to maintain an ongoing supply of housing construction sites. She noted that limits on water availability are incompatible with the proposed legislation.

On a motion by Byrne and second of Adams, Ordinance No. 178 was adopted on second reading by a unanimous roll-call vote of Byrne, Adams, Brower, Clarke, Evans, Lewis and Rubio. No comments were directed to the Board during the public hearing on this item.

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

PUBLIC HEARINGS

17. **Consider Second Reading and Adoption of Ordinance No. 178, Adding Water Efficiency Requirements for Multi-Family Residential Sites and Common Interest Properties and Allowing Sub-Metering of Accessory Dwelling Units** (*Ordinance No. 178 is categorically exempt from California Environmental Quality Act (CEQA) under Section 15301, Class 1, Existing Facilities (Multi-Family Residential Site retrofit requirements) and Section*

15303, Class 3, New Construction or Conversion of Small Structures.)

On a motion by Byrne and second of Evans, the Board voted unanimously to approve an expenditure of up to \$360,000 in support of qualifying an expansion of Pure Water Monterey for approval by the CPUC o or about April 2018. The motion was approved by Byrne, Evans, Adams, Brower, Clarke, Lewis and Rubio. No comments were directed to the Board during the public comment period on this item.

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

The meeting was adjourned at 8:37 pm.

U:\staff\Boardpacket\2017\20171211\ConsentClndr\01\Item-1-Exh-A.doc

ACTION ITEMS

- 18. Consider Expenditures for Preconstruction Costs for Expansion of Pure Water Monterey Project**

INFORMATIONAL ITEMS/STAFF REPORTS

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

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary