



EXHIBIT 1-A

DRAFT MINUTES

Regular Meeting

Board of Directors

Monterey Peninsula Water Management District

July 16, 2018

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

CALL TO ORDER/ROLL CALL

Directors Present:

Andrew Clarke – Chair, Division 2

Ralph Rubio – Vice Chair, Mayoral Representative

Brenda Lewis, Division 1

Molly Evans – Division 3

Jeanne Byrne – Division 4

Mary Adams – Monterey County Board of Supervisors Rep.

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

No action taken.

ADDITIONS AND CORRECTIONS TO AGENDA

The following comments were directed to the Board during Oral Communications. (1) **Tom Rowley**, directed his comment to General Manager Stoldt, a native of Illinois. He announced that it should be a good year for Chicago Cubs fans. (2) **George Riley**, representing Public Water Now (PWN), referenced a letter from PWN to the Central Coast Regional Water Quality Control Board, requesting that the agency conduct a feasibility analysis of the slant wells proposed for California-American Water Company's desalination project. Riley stated that ratepayers should not bear the cost for an experimental project, and that the State should prepare the feasibility study. (3) **Michael Baer**, resident of Monterey, encouraged directors to attend forums sponsored by PWN re public ownership of California-American Water Company facilities. He stated that attendance would not indicate support for the concept. He announced that a forum was scheduled for July 24, 2018, at 7 pm at the Universalist Unitarian Church in Monterey.

ORAL COMMUNICATIONS

The Consent Calendar was approved unanimously on a motion by Rubio and second of Lewis. Directors Rubio, Lewis, Adams, Byrne, Clarke and Evans voted in favor of the motion; Director Brower was absent.

Adopted.

Approved.

Approved expenditure of \$907,000.

Approved expenditure of \$70,000 to contract with Pueblo Water Resources.

Approved expenditure of \$10,000 for the services of Monterey Bay Analytical Services.

Approved expenditure of \$60,000 for the services of Monterey Bay Analytical Services.

Approved expenditure of \$20,000 to contract with Normandeau Associates, Inc.

Received.

Adopted.

CONSENT CALENDAR

1. **Consider Adoption of Minutes from the June 18, 2018 Regular Meeting of the Board of Directors**
2. **Consider Approval of Amendment to License Agreement with California American Water for the Sleepy Hollow Steelhead Facility Upgrade**
3. ****Consider Expenditure to Contract for Construction and Related Services to Complete the Carmel River Bank Stabilization at Rancho San Carlos Road Project (CEQA: An Addendum for this project was approved by the Board on March 19, 2018.)**
4. **Consider Contract with Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support**
5. **Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Watermaster Water Quality Monitoring**
6. **Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Aquifer Storage and Recovery Project Operations**
7. **Consider Expenditure to Contract with Normandeau Associates, Inc. for Carmel River IFIM for IFIM Model Support**
8. **Receive Draft Water Year 2017 Aquifer Storage and Recovery Project Summary of Operations Report**
9. **Consider Adoption of Treasurer's Report for May 2018**

General Manager Stoldt reported that as of June 30, 2018, water production from the Carmel River Basin was under the target for 2018; however, it was higher than recorded during the same time-period in 2017. He stated that customer water use was 297 acre-feet higher than recorded in the same time-period in 2017. However, approximately 250 acre-feet of that overage was accumulated in October – December 2017 when water use increased as a result of high demand in the local visitor serving business sector due to fires in other tourist areas of the state. Mr. Stoldt reported the following. (a) No rainfall was received in June 2018; however, the annual total was at 65% of long-term average and was described as dry-year conditions. (b) Unimpaired streamflow was estimated at 47% of the long-term average and was categorized as below normal. (c) Useable Storage was at 96% of the long-term average. Mr. Stoldt reported that on Monday, July 9, 2018, a meeting was conducted to discuss Condition 2 of Order 2009-0060. Those in attendance were seven representatives from the State Water Resources Control Board, three representatives from the District, four representatives from California-American Water, Ben Harvey the City Manager for the City of Pacific Grove, Brien Le Neve and Luke Coletti representing the Carmel River Steelhead Association, and Larry Silver attorney for the Sierra Club. Representatives from the District described our water permitting and water credit regulations. The Sierra Club expressed opposition to water credit transfers, and the CRSA opposed any new use of water due to illegal diversions. Mr. Stoldt described the meeting as “a positive discussion” and a followup meeting was set for July 27, 2018. Mr. Stoldt announced that the District prevailed in the lawsuit brought against it by the Monterey Peninsula Taxpayers Association regarding implementation of the Water Supply Charge.

No report from District Counsel.

No reports were presented.

On a motion by Byrne and second of Lewis, the first reading of Ordinance No. 179 was approved by the Board of Directors on a unanimous vote of 6 – 0 by: Byrne, Lewis, Adams, Clarke, Evans and Rubio. Director Brower was absent. No comments were directed to the Board during the public hearing on this item.

GENERAL MANAGER’S REPORT

10. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision

ATTORNEY’S REPORT

11. No report for July 16, 2018

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

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

PUBLIC HEARINGS

13. Consider First Reading of Ordinance No. 179 – Clarifying Rules Related to the Rebate Program, Permits, and Water Waste (CEQA: Exempt pursuant to CEQA Guidelines Section 15301)

Byrne offered a motion that was seconded by Evans to: (a) adopt CEQA Findings; (b) Adopt MPWMD Resolution No. 2018-15 certifying the Initial Study/Mitigated Negative Declaration and Addendum; (c) adopt mitigation measures; and (d) prepare a Final Initial Study/Mitigated Negative Declaration and file a Notice of Determination. The motion was approved unanimously by Byrne, Evans, Adams, Clarke, Lewis, and Rubio. Director Brower was absent.

Public Comment: **Michael Baer** addressed the Board during the public hearing on this item. He asked if a budget had been prepared for this project. *Larry Hampson, Water Resources & Engineering Manager/District Engineer responded that a budget had been established for this project. Cal-Am would reimburse the District for permitting expenses. The District would contribute in-kind services as Lead Agency and for project management in the field.*

On a motion by Rubio and second of Adams, the Board of Directors adopted MPWMD Resolution No. 2018-16 approving the Addendum to the Mitigated Negative Declaration. The motion was approved unanimously on a vote of 6 – 0 by Rubio, Adams, Byrne, Clarke, Evans and Lewis. Director Brower was absent.

Public Comment: During the public hearing on this item, **Michael Baer** addressed the Board. He suggested that fill material could be placed .50 miles above the river and held there until needed at Paso Hondo.

Evans offered a motion that was seconded by Lewis to adopt MPWMD Resolution No. 2018-17 adopting Addendum #4 to the ASR EIR/EA. The motion was approved unanimously on a vote of 6 – 0 by Evans, Lewis, Adams, Byrne, Clarke and Rubio. Director Brower was absent. No comments were directed to the Board during the Public Hearing on this item.

On a motion by Adams and second of Byrne, the Board unanimously adopted MPWMD Resolution No. 2018-18 declaring Monterey County Zoning Ordinance inapplicable to the Sleepy Hollow Steelhead Rearing Facility Upgrade. The motion was adopted on a vote of 6 – 0 by Adams, Byrne, Clarke, Evans, Lewis and Rubio. Director Brower was absent.

Public Comment: **Tom Rowley**, a citizen of Monterey, asked if the Carmel River Steelhead Association had provided input on development of the project.

Byrne offered a motion that was seconded by Rubio to contract with Mercer-Fraser in the amount of \$2,000,000 for construction of the project. The motion was approved on a vote of 6 – 0 by Byrne, Rubio, Adams, Clarke, Evans and Lewis. Director Brower was absent. During the

14. **Consider Certification of Initial Study/Mitigated Negative Declaration and Addendum for Los Padres Dam Gravel Augmentation Program Including Adoption of CEQA Findings and Mitigation Measures (CEQA Sections 15063, Initial Study; 15070, Negative Declaration; and 15162(b), Addendum. Adoption is final Board action in the CEQA process.)**

15. **Consider Approval of a CEQA Addendum to the Mitigated Negative Declaration for the Sleepy Hollow Steelhead Rearing Facility Upgrade (CEQA: Approve Addendum to the Mitigated Negative Declaration for the Sleepy Hollow Steelhead Rearing Facility Raw Water Intake and Water Supply System Upgrade Under CEQA Guideline Sections 15162 and 15164)**

16. **Consider Approval of a CEQA Addendum to the ASR EIR/EA for the Backflush Basin Expansion (CEQA: Approve Addendum to the ASR EIR/EA for the Backflush Expansion under CEQA Guideline Sections 15162 and 15164)**

17. **Consider Declaring Monterey County Zoning Ordinance Inapplicable to the Sleepy Hollow Steelhead Rearing Facility Upgrade (CEQA: Does not constitute a “Project” per California Environmental Quality Act (CEQA) Guidelines 15378 (b))**

ACTION ITEMS

18. **Consider Expenditure to Contract for Construction and Related Services for the Sleepy Hollow Steelhead Rearing Facility Raw Water Intake and Water Supply System Upgrade**

presentation on this item, Larry Hampson, advised the Board that the recommendation in the staff report incorrectly reported that \$30,000 should be authorized for “service contracts for associated tasks” and that the correct amount was \$40,000 as shown in the staff note in Table 1 – Summary of Costs.

Public Comment: **Michael Baer** suggested that since the District had no previous experience working with Mercer-Fraser, the staff could require the contractor to view the Sleepy Hollow Facility prior to awarding the contract.

On a motion by Rubio and second of Lewis, the Board of Directors authorized an expenditure of \$675,843 which represents: (a) FORA \$55,215; (b) Denise Duffy & Associates \$9,397; (c) Pueblo Water Resources \$96,034 and (d) Granite Rock \$515, 197 reflecting project works with an iron fence as required by the City of Seaside. The motion was approved on a unanimous vote of 6 – 0 by Rubio, Lewis, Adams, Byrne, Clarke and Evans. No comments were directed to the Board during the public comment period on this item.

General Manager Stoldt introduced a member of the audience, Colonel Gregory Ford, the recently appointed Garrison Commander for the Presidio of Monterey.

There was no discussion of these items.

The meeting was adjourned at 8:30 pm.

Project (CEQA: The Board certified the Final Initial Study/Mitigated Negative Declaration for this project and adopted the Mitigation and Monitoring and Reporting Plan on November 14, 2016.)

- 19. Consider Expenditure for the Santa Margarita Backflush Basin Expansion Project Construction and Support Services (CEQA: A Resolution to adopt an addendum to the ASR EIR/EA for this project will be presented to the Board on July 16, 2018 in advance of the request for the Board to approve this project. See agenda item 16.)**

INFORMATIONAL ITEMS/STAFF REPORTS

20. Letters Received
21. Committee Report
22. Monthly Allocation Report
23. Quarterly Water Use Credit Transfer Status Report
24. Water Conservation Program Report
25. Carmel River Fishery Report
26. Quarterly Carmel River Riparian Corridor Management Program Report
27. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary