



EXHIBIT 1-B

DRAFT MINUTES
**Monterey Peninsula Water Management District
Administrative Committee
February 12, 2014**

Call to Order

The meeting was called to order at 3:02 PM in the District Conference Room.

Committee members present: Brenda Lewis
David Pendergrass
Bill Thayer

Staff present: David Stoldt, General Manager
Suresh Prasad, Administrative Services Manager/Chief Financial Officer
Larry Hampson, District Engineer
Stephanie Pinter, Water Demand Manager
Kevan Urquhart, Sr. Fisheries Biologist
Sara Reyes, Office Services Supervisor

Others present:

Oral Communications

None

Adopt Minutes of January 21, 2014 Committee Meeting

On a motion by Pendergrass and second by Thayer, the minutes were approved on a vote of 3– 0.

Items on Board Agenda for February 13, 2014

Consider Approval of Purchase of Internet License for Water Wise Gardening in Monterey County

On a motion by Thayer and second by Pendergrass, the committee voted 3 – 0 to recommend the Board approve the expenditure of \$5,000 and authorize the General Manager to renew the contract with GardenSoft to purchase a web license for the Water Wise Gardening for Monterey County software.

Consider Expenditure for Water Conservation Equipment

On a motion by Pendergrass and second by Thayer, the committee voted 3 – 0 to recommend the Board support the District spending up to \$35,000 to renew the District's stock of water conservation equipment.

Consider Approval of Purchase of New DIDSON Sound Camera Funded by a Grant from the California Department of Fish and Wildlife’s Fisheries Restoration Grant Program

On a motion by Pendergrass and second by Thayer, the committee voted 3 - 0 to recommend the Board authorize the expenditure of up to \$80,000 in reimbursable grant funds to purchase a new DIDSON Model 300SV or ARIS Model 1200, whichever is still in stock at the time the Purchase Order can be placed.

Urquhart reported in June 2011, the California Department of Fish and Wildlife Fisheries Restoration Grant Program granted the District funds in 2011 to pursue the experimental installation of a Dual Frequency Identification Sonar (DIDSON) device to track adult steelhead immigration rates in the lower Carmel River.

Review and Accept Independent Audit Report for Fiscal Year 2012-2013

On a motion by Thayer and second by Pendergrass , the committee voted 3 - 0 to recommend the Board review and accept the Financial Statements and Independent Auditors’ Report for the year ending June 30, 2013.

Rae Galarte and Mike Briley with Hayashi & Wayland, attended the meeting and answered questions from the committee. Prasad reported the auditors have issued a clean opinion on the District’s financial statements.

Receive and File Fourth Quarter Financial Activity Report for Fiscal Year 2012-2013

On a motion by Pendergrass and second by Thayer, the committee voted 3 - 0 to recommend the Board accept and file the Fourth Quarter Financial Activity Report for Fiscal Year 2012-2013.

Receive and File Second Quarter Financial Activity Report for Fiscal Year 2013-2014

On a motion by Thayer and second by Pendergrass, the committee voted 3 - 0 to recommend the Board accept and file the Second Quarter Financial Activity Report for Fiscal Year 2013-2014.

Consider Approval of Second Quarter Fiscal Year 2013-2014 Investment Report

On a motion by Pendergrass and second by Thayer, the committee voted 3 - 0 to recommend the Board approve the Second Quarter Fiscal Year 2013-2014 Investment Report.

Consider Adoption of Treasurer’s Report for June 2013

On a motion by Thayer and second by Pendergrass, the committee voted 3 - 0 to recommend the Board adopt the June 2013 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month.

Consider Adoption of Treasurer’s Report for October 2013

On a motion by Thayer and second by Pendergrass, the committee voted 3 - 0 to recommend the Board adopt the October 2013 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month.

Consider Adoption of Treasurer’s Report for November 2013

On a motion by Thayer and second by Pendergrass, the committee voted 3 - 0 to recommend the Board adopt the November 2013 Treasurer’s Report and financial statements, and ratification of

the disbursements made during the month.

Consider Adoption of Treasurer’s Report for December 2013

On a motion by Thayer and second by Pendergrass, the committee voted 3 - 0 to recommend the Board adopt the December 2013 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month.

Consider Expenditure of Funds to Amend an Agreement with Schaaf and Wheeler Consulting Civil Engineers to Evaluate the Blanco Drain as a Source of Supply for the Groundwater Replenishment Project

On a motion by Pendergrass and second by Thayer, the committee voted 3 – 0 to recommend the board approve the expenditure of up to \$40,000 in budgeted funds for analysis of flow availability for diversion from the Blanco Drain near its confluence with the Salinas River to supply a portion of the source water for the Monterey Regional Water Pollution Control Agency Groundwater Replenishment Project.

Stoldt reported the Monterey Regional Water Pollution Control Agency and the District are working cooperatively to develop the Monterey Peninsula Groundwater Replenishment Project to provide highly treated water from an advanced water treatment plant to the Seaside Groundwater Basin for indirect potable use in the California American Water supply system for the Monterey Peninsula.

Consider Adoption of Amendments to Cost Sharing Agreement with DeepWater Desal

On a motion by Pendergrass and second by Thayer, the committee voted 3 – 0 to recommend the Board extend the deadline for definitive agreements under Section 6.4 of the Cost Sharing Agreement with DeepWater Desal LLC to May 30, 2014.

Stoldt report staff believes the sixth provision with respect to definitive agreements (Section 6.4 of the Agreement) is at risk of not being satisfied by February 28, 2014 as required under the Agreement. Staff met with the DeepWater team and its data center developer on January 22, 2014 and believes sufficient progress is being made on all of the areas, and the February 28, 2014 deadlines should be extended.

Other Business

Approve 2014 Committee Meeting Schedule

On a motion by Thayer and second by Pendergrass, the committee voted 3 – 0 to approve the 2014 Administrative Committee meeting schedule.

Review Draft Agenda for February 13, 2014 Regular Board Meeting

The committee made no changes to the agenda.

Adjournment

The meeting was adjourned at 4:03 PM.