



**EXHIBIT 1-A**

**DRAFT MINUTES**

**Water Supply Planning Committee of the  
Monterey Peninsula Water Management District**

*March 11, 2013*

**Call to Order**

The meeting was called to order at 9 am in the MPWMD conference room.

**Committee members present:** Bob Brower, Chair  
Jeanne Byrne  
David Pendergrass

**Staff members present:** David Stoldt, General Manager  
Joe Oliver, Water Resources Division Manager  
Larry Hampson, Acting Planning & Engineering Division Manager  
Arlene Tavani, Executive Assistant

**District Counsel present:** Alex Lorca

**Comments from the Public**

Tom McDonald, representing Ratepayers First, expressed support for the District to consider public ownership of a desalination project and eventually the entire water system. He expressed opposition to the \$100 million surcharge that has been proposed as part of the Monterey Peninsula Water Supply Project financing plan.

**Action Items**

1. **Adopt Minutes of February 12, 2013 Committee Meeting**  
The minutes were approved unanimously on a vote of 3 – 0 by Directors Byrne, Pendergrass and Brower. No public comment was directed to the committee on this item.
2. **Develop Recommendation to the Board re Appointment of a Representative to the Monterey Peninsula Water Supply Project Governance Committee**  
On a motion by Director Pendergrass and second of Director Byrne, the committee recommended that Director Brower serve as the District's representative and Director Byrne be designated as alternate to the Monterey Peninsula Water Supply Project Governance Committee. The motion was approved unanimously on a vote of 3 – 0 by Directors Brower, Byrne and Pendergrass. No public comment was directed to the committee on this item.
3. **Develop Recommendation to the Board re Authorization of Contract Amendment with Zim Industries for ASR Well Equipment Installation**  
On a motion by Director Byrne and second of Director Pendergrass the committee voted to recommend approval of the contract amendment in the amount of \$247,000. The motion was approved unanimously on a vote of 3 – 0 by Directors Brower, Byrne and Pendergrass. No public comment was directed to the Board on this item.

## Discussion Items

### 4. **Report from Directors Brower and Byrne re Meetings with Federal Regulators on NMFS Draft Steelhead Recovery Plan**

Directors Brower and Byrne reported the following. (1) Staff at the top managerial levels that they spoke with were not focused on removal of San Clemente Dam and received with interest the information provided by the District. They were very complementary of the handouts the District provided and requested additional copies. (2) Brower and Byrne informed the federal regulators that once the recommendation to remove San Clemente Dam is finalized, Cal-Am has no reason to make needed improvements. The agency reps advised the directors that the report could be final within six months. They were encouraged to present the District's concerns to with agency staff at the Santa Barbara office. (3) Discussions with Congressman Sam Farr went well. He told them that he would do everything possible to delete removal of the San Clemente Dam from the Steelhead Recovery Plan. (4) The directors encouraged Mr. Stoldt to attend the next ACWA DC Conference as they found it to be informative, and they believe that ACWA's legislative activities could be a help to the District. (5) The committee members agreed that staff and/or directors should meet with federal regulators in Santa Barbara and follow-up with Sam Farr. No public comment was directed to the committee on this item.

### 5. **Progress Report on Investigation in Desalination Contingency Project**

Stoldt submitted for committee review and discussion a staff report that would be submitted for Board review on March 18, 2013 that included the Evaluation Matrices of District Engineer and General Manager. The committee received public comment and discussed the Evaluation Matrices. Director Pendergrass made a motion that was seconded by Director Byrne to support the staff recommendation that the Board consider further negotiations with DeepWater Desal to establish a cost-sharing relationship for the environmental and permitting work necessary to advance that project as an alternative to the Cal-Am proposal. The motion was adopted unanimously on a vote of 3 – 0 by Directors Brower, Byrne and Pendergrass.

The following comments were directed to the committee: (1) **Brent Constantz**, representing DeepWater Desal described the merits of his project to the committee. (2) **George Riley** stated that if it is determined that cost savings will not be achieved with this project, there should be a clause in the contract that allows the District to withdraw from project development. (3) **Harvey Billig** advocated for public ownership of a desalination project. (4) **Ron Cohan** stated that the District should develop a publicly-owned desalination alternative to California American Water Company's Monterey Peninsula Water Supply Project. (5) **Oscar** (Unintelligible), resident of Carmel Highlands, expressed support for MPWMD development and ownership of an alternative water supply project. (5) **Dan Turner** expressed support for comments made by Ron Cohan.

### 6. **Review Draft of Groundwater Replenishment Project Cost Sharing Agreement**

Stoldt submitted for committee review the draft MRWPCA-MPWMD Groundwater Replenishment Project Cost Sharing Agreement. The committee discussed the agreement and received public comment.

The following comments were directed to the committee: (1) **Ron Cohan** opined that groundwater replenishment is more costly than desalination and therefore the District should not pursue this project. (2) **George Riley** stated that if a project is to be publicly owned, the District should be the responsible agency. (3) **Max Chaplain** stated that the community will support the District's effort at development of an alternative water supply. (4) **Harvey Billig** expressed support for David Stoldt's ability to lead the District in an effort for public ownership of a water supply project.

**7. Discuss Funding for Small Water Supply Projects**

Stoldt asked the committee if the District should offer matching funds or other money to jurisdictions that are working to develop small water projects. The committee discussed this issue and asked that at a future committee meeting, a draft policy be presented that could be submitted for Board consideration. The policy could extend funding to all jurisdictions within the District; a decision would need to be made as to whether or not funds extended by the District would be considered a loan or grant; and a source of funding could be the Water Supply Charge.

**Suggestions from the Public on Water Supply Project Alternatives**

No comments.

**Set Next Meeting Date**

The committee agreed to meet again on April 2, 2013 at 2 pm in the MPWMD conference room.

**Adjournment**

The meeting was adjourned at 3 pm.

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