



EXHIBIT 1-B

DRAFT MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
September 16, 2013

Call to Order

The meeting was called to order at 9:05 am in the MPWMD conference room.

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

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

District Counsel present: Heidi Quinn

Comments from the Public: No comments.

Action Items

- 1. Develop Recommendation to the Board on Authorization of a Contract for Financial Consultant Related to Contribution of Public Funds for California American Water Desalination Project**
On a motion of Pendergrass and second by Byrne, the committee recommended on a unanimous vote that the Board of Directors approve the hiring of Charles Atkins to provide financial services consulting for an amount not to exceed \$250,000. There was no public comment.
- 2. Develop Recommendation to the Board on Authorization of a Contract for Bond Counsel Services Related to Groundwater Replenishment Water Purchase Agreement**
On a motion by Byrne and second of Pendergrass, the committee recommended on a unanimous vote that the Board of Directors approve extending the services of Sidley Austin for an expenditure of up to \$90,000. There was no public comment.
- 3. Develop Recommendation to the Board on Authorization of a Contract for Accounting Services Related to Groundwater Replenishment Project Debt Equivalence**
On a motion by Byrne and second of Pendergrass, the committee recommended on a unanimous vote that the Board of Directors authorize a contract for accounting services related to debt equivalence under a water purchase agreement for Groundwater Replenishment in an amount not to exceed \$10,000. There was no public comment.

4. Develop Recommendation to the Board on Authorization of a Contract for Consultant to Assess Externalities for Groundwater Replenishment Project

On a motion by Pendergrass and second of Byrne, the committee recommended on a unanimous vote that the Board of Directors authorize an expenditure of up to \$80,000 for consulting services to assess externalities for Groundwater Replenishment. Public Comment: Sarah Hardgrave, City of Pacific Grove, suggested that a request for proposals be submitted to ECONorthwest, an environmental economics firm.

5. Develop Recommendation to the Board on Distribution of Funds under Local Water Project Funding Program

On a motion by Byrne and second of Pendergrass, the committee recommended on a unanimous vote that the Board authorize distribution of funds from the Local Water Project Funding Program for the City of Pacific Grove's project, with a condition that a determination be made as to whether the Water Management District will own the project or partner with the City.

On a motion by Byrne and second of Pendergrass, the committee recommended on a unanimous vote that the Board authorize distribution of funds from the Local Water Project Funding Program for the project proposed by the Monterey Peninsula Airport District (MPAD).

Public Comment: (1) Sara Hardgrave, City of Pacific Grove, stated that the District and the City could negotiate on how a portion of the water produced from the project could be distributed to the District for regional use. (2) Desmond Johnston, MPAD, thanked the committee for the opportunity to apply for funds that will facilitate the beneficial use of wells on MPAD property.

Discussion Items

6. Update on Investigation into Desalination Contingency Project

Stoldt reported that the Water Management District has spent \$37,000 of the \$50,000 contribution approved by the Board for this project. However, DeepWater Desal is making slow progress and coordination with the District has been minimal. Stoldt stated that he is carefully reviewing invoices submitted by DeepWater Desal.

7. Discuss Plans for Future Use of Los Padres Dam

In response to comments from the committee, Stoldt stated that one new request for proposals would be developed for the Shibatani Group that combines some elements of the two scopes of work that were previously submitted by Shibatani. The proposal would include an analysis of fish passage at Los Padres Dam and providing expert testimony in a future California American Water rate case. Tasks that could be completed by Water Management District staff will be excluded from the new request for proposals.

Suggestions from the Public on Water Supply Project Alternatives

No comments.

Set Next Meeting Date

The committee agreed to meet again on October 8, 2013 at 2 pm in the MPWMD conference room.

Adjournment

The meeting was adjourned at 10:35 am.

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