



## **EXHIBIT 1-A**

### **DRAFT MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District *December 11, 2015***

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

**Committee members present:**     Robert S. Brower, Sr. - Committee Chair  
David Pendergrass

**Committee members absent:**     Jeanne Byrne

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

District Counsel present             David Laredo

**Comments from the Public:**       No comments.

#### **Action Items**

1.     **Consider Adoption of November 2, 2015 Committee Meeting Minutes**  
On a motion by Pendergrass and second of Brower, the November 2, 2015 Committee meeting minutes were approved on a unanimous vote of 2 – 0 by Brower and Pendergrass. Byrne was absent.
2.     **Consider Development of Recommendation on Groundwater Lease with City of Seaside for Santa Margarita ASR Facilities**  
On a motion by Pendergrass and second of Brower, the committee recommended that the Board of Directors approve the groundwater lease according to the terms described as Alternative 2 in the handout Stoldt distributed to the committee. Alternative 2 assumes a reduced lease payment from that requested by the City of Seaside. The motion was approved unanimously on a vote of 2 – 0 by Brower and Pendergrass. Byrne was absent. No public comment was directed to the committee on this item.

#### **Discussion Items**

3.     **Update on Seaside Basin Groundwater Sustainability Meeting**  
Stoldt reported that on November 19, 2015, staff met with representatives from the Monterey County Water Resources Agency, Seaside Basin Watermaster, Marina Coast Water District and California American Water (Cal-Am) to discuss the Sustainable Groundwater Management Act (SGMA) and how it relates to the Seaside Groundwater

Basin. Stoldt explained that the Department of Water Resources Bulletin 118 depiction of the Seaside Groundwater Basin is outdated and needs to be modified to better comport with the more recent technical and regulatory settings attendant to the basin. As an eligible agency under SGMA, the Water Management District offered to lead the effort on boundary modification through the DWR's process. At the November meeting, the stakeholders determined that the boundaries could be modified as described below, and depicted in handouts 1, 2 and 3. After the stakeholders have reviewed the proposal again, and indicated approval, the Water Management District could make a formal request for modification to the DWR.

**Proposed Modification:** The Bulletin 118 boundary is shown in handout 1 (**DWR-118-boundary.pdf**) and is labeled "Salinas Valley Seaside Area". The modification that the group achieved consensus on is shown in handout 2 (**Plate1-Seaside-Basin-modif-regional.pdf**). This modification inserts the adjudicated Seaside Basin boundary and removes the remainder area in the southwest portion of the DWR boundary, as this area is not hydrogeologically linked to the aquifer system in the Seaside Basin. The remainder area to the north of the Seaside Basin has been renamed "Salinas Valley Marina Area". A more detailed view of the proposed basin boundary modification is shown in handout 3 (**Plate2-Seaside-Basin-modif-local.pdf**), and this map includes the internal Seaside Basin subarea boundaries as described in the adjudication decision.

During the public comment period on this item, **Luke Coletti** asked if new wells planned for the Del Monte Golf Course will be located in the section of the basin to be removed from the DWR Bulletin 118 map. *Staff responded that those wells are not in that area.*

#### 4. **Update on Pure Water Monterey Project**

Stoldt stated that he met with representatives from HDR regarding the Externalities Study of the Pure Water Monterey Project (PWM) that is underway, and determined that there are social and environmental benefits associated with the project. Stoldt reviewed the outcome of discussions with Cal-Am on the cost structure for the project. He stated the following. (a) In 2013, Cal-Am filed estimated desalination project costs with the courts. Those cost estimates have been utilized to develop a cost comparison between the 9.6 mgd Desal plant, and a 6.4 mgd desal plant with PWM. (b) By December 15, 2015, Cal-Am must submit to the CPUC updated estimates of costs for the proposed desalination project. (c) An application has been submitted to the state for 1% financing of the PWM project. If 1% financing is obtained, the project will be eligible for Proposition 1 grant funds. (d) The water purchase agreement is still under negotiation. Cal-Am has demanded joint and several responsibility; which the Water Management District and the Monterey Regional Water Pollution Control Agency (PCA) will not agree to. (e) The cost estimates for PWM compared favorably to the 2013 cost projections for the two desalination project options. (f) The 2015 cost updates indicate that 9.6 mgd project costs have not changed significantly, but the 6.5 mgd numbers have shifted. Cal-Am proposes the same structure for the 9.6 mgd plant and the 6.5 mgd plant, which allows future expansion if necessary, but also increases the cost for the 6.5 mgd plant. Therefore the desalination project cost difference has narrowed in comparison to PWM.

During the public comment period on this item, **Luke Coletti** stated that cost savings will be achieved due to power generated from methane gas by the Monterey Regional Waste Management District.

**5. Update on SWRCB Hearing re Pacific Grove Water Project**

Stoldt reported that in November 2015, the City of Pacific Grove was granted low-interest State Revolving Loan funds and grants for development of the Pacific Grove Water Project. The loans/grants were approved with a condition that prohibits the allocation of water from the project for new uses, until the State Water Resources Control Board (SWRCB) gives consent to use the water for new connections. The Water Management District disagrees with that condition and will be in contact with the Executive Director of the SWRCB. The Water Management District will present Ordinance No. 168 to the Board of Directors that would establish a water entitlement of 66 acre-feet of water from the project for the City of Pacific Grove; a 9 acre-feet allocation to the District; and 13 acre-feet permanently suspended from use to benefit the Carmel River. The goal is to establish the entitlement so that it is available to the City of Pacific Grove when the SWRCB authorizes use of the water for new connections.

**Luke Coletti** addressed the committee during the public comment period on this item. He stated that the Water Management District should review video from the SWRCB hearing on the Pacific Grove Water Project to learn that the SWRCB supports the restrictions on allocation of water from the project. He asked if the Water Management District understands the ruling to mean that allocation of water from the District's 9 acre-feet allotment is also restricted. *Brower responded that no decision has been made on that issue.*

**6. Update on California American Water Desalination Plant**

Stoldt reported that Cal-Am must file documents regarding project costs on December 15, 2015 and on January 22, 2016 regarding project sizing. Cal-Am plans to design the plant based on maximum daily and monthly water needs. Also the 10-year average use.

**Luke Coletti** addressed the committee during the public comment period on this item. He asked if the Water Management District had an opinion on Cal-Am's slant well test results, considering that they had not extended the well out to the ocean as originally designed. *Hampson stated that the Water Management District has questioned project feasibility due to difficulties Cal-Am encountered in drilling the test well.* **Brian LeNeve** stated that the well could draw in saltwater at a higher rate due to its location.

**7. Update on Los Padres Dam**

The California Public Utilities Commission (CPUC) authorized Cal-Am to co-fund \$1 million from the 2015-2017 general rate case to develop a long-term plan on Los Padres Dam. The reimbursement agreement between the Water Management District and Cal-Am to do that work has been executed. The first study to be done is development of a plan for downstream volitional fish passage. The cost to develop the study could be \$25 to \$50 million.

**Brian LeNeve** addressed the Board during the public comment period on this item. He asked what plans had been made for improvements at the existing fish ladder, considering that one of the mitigation measures for extending the CDO was to improve the fish ladder. *Hampson stated that Cal-Am will request a one-year extension in its rate filing to fund the fish passage studies, so there is time to study improvements or alternatives to the existing trap and truck operations.*

**8. Update on Alternative Desalination Project**  
No report.

**Suggestions from the Public on Water Supply Project Alternatives:** No Discussion

**Set Next Meeting Date:** January 20, 2016 at 9 am

**Adjournment:** The meeting was adjourned at 10:25 am.

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