



EXHIBIT 1-B

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
April 21, 2014**

The meeting was called to order at 7:00 p.m. in the District's conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

David Potter – Chair, Monterey County Board of Supervisors Representative
Brenda Lewis – Vice Chair, Division 1
Kristi Markey – Division 3(Arrived at 7:05 pm)
Jeanne Byrne – Division 4
Robert S. Brower, Sr., -- Division 5
David Pendergrass – Mayoral Representative

Directors Absent:

Bill Thayer – Vice Chair, Division 2

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

District Counsel reported that the Board reviewed eight items on the agenda. General direction was provided to Counsel but no reportable action was taken. As a component of item 3.A, Application of California American Water to the CPUC (Application No. 12-04-019) Monterey Peninsula Water Supply Project, it was intended that there be a discussion of filing of water rights applications to the CPUC pertaining to the ground water replenishment aspect of the water supply project. The Board decided to not discuss this in closed session.

REPORT ON 5:30 PM CLOSED SESSION FROM DISTRICT COUNSEL

The following comments were received during Oral Communications. **(1) Roger Dolan** stated that approval of Measure O will not delay development of the Monterey Peninsula Water Supply Project. He expressed support for Measure O. **(2) Ron Chesshire** agreed to speak during Board consideration of item XX.

ORAL COMMUNICATIONS

On a motion by Brower and second of Byrne, the Consent Calendar was adopted on a vote of 6 – 0 by Brower, Byrne, Lewis, Markey, Pendergrass and Potter. Thayer was absent.

Approved.

Approved expenditure of \$26,500.

Approved expenditure of \$61,000.

Approved expenditure of \$43,647.

Approved expenditure of \$22,500.

Approved expenditure of \$21,750 thereby increasing the not-to-exceed amount from \$127,500 to \$149,250.

Approved expenditure of \$12,400.

Approved.

Approved.

Approved.

Stoldt's presentation is on file at the District office and can be viewed on the Water Management District's website.

Stoldt reported that a request for proposals was sent out to value engineering firms. The water rate relief bond financing legislation passed through the first

CONSENT CALENDAR

1. Consider Adoption of Minutes from the March 17, 2014 Regular Board Meeting
2. Consider Approval of Expenditure for Replacement of Carpet at 5 Harris Court Office
3. Consider Approval of Expenditure for Purchase of Equipment for Irrigation Retrofits at Monterey Peninsula Unified School District Schools
4. Consider Approval of Expenditure to Contract for Limited-Term Fish Rescue Positions and Amendment of FY 2013-2014 Budget
5. Consider Approval of Expenditure for Purchase of Ford F-150 4x4 Truck
6. Consider Contract Amendment for IRWM Update
7. REMOVED FROM CONSENT CALENDAR
8. Consider Approval of Expenditure for Cost Sharing with Soquel Creek Water District for Third Party Review of DeepWater Desal Costs
9. Receive and File District-Wide Annual Water Distribution System Production Summary Report for Water Year 2013
10. Receive and File District-Wide Annual Water Production Summary Report for Water Year 2013
11. Consider Approval of Treasurer's Report for February 2014

GENERAL MANAGER'S REPORT

12. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**
13. **Update on Development of Water Supply Projects**

Senate committee hearing and would be heard again on April 29, 2014. The Pure Water Monterey Groundwater Replenishment Project pilot plant is operational and all signage has been installed. The Deepwater Desal alternative desalination project is in progress. The Tanera intake study is done, the discharge study is complete, an intake study is close to completion, and a product water pipeline is to be studied. They have closed on Series A financing and are working on Series B financing.

The committee is working on the request for proposals for a value engineering study.

Director Markey reported that she spoke to the Carmel Valley Association. Director Lewis reported that she attended the Region 5 ACWA conference in Santa Cruz. In speaking with other conference attendees, she learned that the Water Management District's water conservation programs are far more advanced than other agencies' programs.

On a motion of Pendergrass and second by Lewis, Ordinance No. 160 was adopted unanimously on a roll call vote of 6 – 0 by Brower, Byrne, Lewis, Markey, Pendergrass and Potter. Director Thayer was absent. No comments were directed to the Board during the public hearing on this item.

Byrne offered a motion to adopt Urgency Ordinance No. 159. The motion was seconded by Brower and adopted on a roll-call vote of 6 – 0 by Brower, Byrne, Lewis, Markey Pendergrass and Potter. Thayer was absent.

David Chardavoyne, General Manager of the Monterey County Water Resources Agency, asked if authorizing outdoor watering on Saturday would increase enforcement costs to the Water Management District. Stephanie Locke, Water Demand Manager for the Monterey Peninsula Water Management District, stated that enforcement costs would not increase.

On a motion by Byrne and second of Brower, the 2013 MPWMD Annual Report was approved on a vote of 6 – 0 by Brower, Byrne, Lewis, Markey, Pendergrass and Potter. Thayer was absent. No comments were directed to the Board during the public hearing on this item.

14. Update on Action by Monterey Peninsula Water Supply Governance Committee

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

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

PUBLIC HEARINGS

16. Consider Second Reading and Adoption of Ordinance No. 160 – Comprehensive Changes to MPWMD Rules and Regulations for Water Distribution System Permits and Adopt Revised Fee Deposit Schedule

17. Consider First Reading of Ordinance No. 159 – An Urgency Ordinance Amending Rule 141, Water Conservation Rebates, and Regulation XV, Expanded Water Conservation and Standby Rationing Plan

18. Consider Adoption of 2013 MPWMD Annual Report

Pendergrass made a motion to adopt the staff recommendation.

Brower offered an amendment to continue this issue to the next Board meeting so that staff can work with Monterey County Water Resources Agency and bring back to the Board direction on a collaborative approach to the issue of water rights to the Reclamation Ditch, Tembladero Slough and Blanco Drain. This would include a more global discussion of other collaborative efforts that could be discussed jointly. The General Manager could schedule a special Board meeting if needed. The motion was seconded by Pendergrass and adopted on a vote of 6 – 0 by Brower, Byrne, Lewis, Markey, Pendergrass and Potter. Thayer was absent.

(1) **Ron Chesshire** stated that the Water Management District cannot look to the Salinas Valley to solve the water supply problem on the Monterey Peninsula. Water resources on the Monterey Peninsula should be utilized. (2) **Norm Groot**, Executive Director of the Monterey County Farm Bureau, advised that 57,000 acre-feet of new water per year is needed to halt saltwater intrusion in the Salinas Valley. He warned that if the Water Management District were to apply for water rights, the agricultural interests would withdraw support for the groundwater replenishment project and the Monterey Peninsula Water Supply Project. He stated that through direct discussions with agricultural interests a solution can be developed. (3) **Roger Dolan** urged the Water Management District to apply for the water rights. (4) **David Chardavoyne**, Monterey County Water Resources Agency responded to questions from the Board. (5) **Mike McCullough**, Monterey Regional Water Pollution Control Agency, responded to questions from the Board.

No discussion.

ACTION ITEMS

XX. Consider Authorization for the General Manager to File with the State Water Resources Control Board Applications to Appropriate Waters of the Reclamation Ditch, Tembladero Slough and Blanco Drain in the Salinas Valley for the Purpose of Providing Source Water to the Pure Water Monterey Project, Subject to Being a Joint Filing with Monterey Regional Water Pollution Control Agency

INFORMATIONAL ITEMS/STAFF REPORTS

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

The meeting was adjourned at 9:05 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

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