



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
October 17, 2016**

The meeting was called to order at 7:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Jeanne Byrne – Chair, Division 4
Robert S. Brower, Sr. – Vice Chair, Division 5
Brenda Lewis – Division 1
Andrew Clarke – Division 2
Molly Evans – Division 3
David Pendergrass – Mayoral Representative
David Potter – Monterey County Board of Supervisors

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

On a motion by Clarke and second of Evans, the agenda was approved without amendments on a vote of 7 – 0 by Clarke, Evans, Brower, Byrne, Potter, Lewis and Pendergrass. No public comment was directed to the Board on this item.

ADDITIONS AND CORRECTIONS TO AGENDA

During Oral Communications, **Tom Rowley**, representing the Monterey Peninsula Taxpayers Association, reported on a forum held between the three candidates running for Monterey City Council. He reported the candidates unanimously agreed that water is the top issue in Monterey. He urged the Board to continue addressing this issue wisely.

ORAL COMMUNICATIONS

On a motion by Pendergrass and second of Lewis, the Consent Calendar was approved on a vote of 7 – 0 by Pendergrass, Lewis, Brower, Byrne, Clarke, Evans and Potter.

CONSENT CALENDAR

Adopted.

1. Consider Adoption of Minutes of the September 19, 2016 Board Meeting

Approved.

2. Receive Alternative Measurement Method Report for Determining Annual Costs for Post-Employment Medical Benefits

Adopted.

3. **Consider Adoption of Resolution 2016-16 – Revisions to MPWMD Conflict of Interest Code**

Approved.

4. **Consider Approval of Reclassification of the Hydrography Programs Coordinator Position**

Adopted.

5. **Consider Adoption of Memorandum of Understanding with the General Staff Bargaining Unit**

Adopted.

6. **Consider Adoption of Memorandum of Understanding with the Management Staff Bargaining Unit**

Adopted.

7. **Consider Adoption of Memorandum of Understanding with the Confidential Staff Bargaining Unit**

Adopted.

8. **Consider Adoption of Treasurer’s Report for July 2016**

Adopted.

9. **Consider Adoption of Treasurer’s Report for August 2016**

GENERAL MANAGER’S REPORT

A summary of General Manager Stoldt’s report is on file at the Water Management District’s office and can be viewed on the agency website. He noted some minor revisions to the chart titled Actual versus Target Production for Cal-Am: Oct to Sep 2016 (Acre-Feet). In the row titled Actual, the Coastal amount has been revised to 1,559 rather than 1,556 changing the difference to 692 and the total to 9,580 and the difference to 2,422. It was noted that for the year, consumer demand was under 10,000 acre-feet (AF) for the first time since 1968. This was 376 AF or about 4% below last year’s performance, and 83% of the 2013 total, which is the comparative number the state uses for conservation targets. The District agreed to an 8% conservation target for this year relative to 2013. The Monterey Peninsula has made great strides since the Cease and Desist Order (CDO) was issued in 2009. This is due to the conservation programs and rate structures California-American Water (Cal-Am) has put into place. With respect to how this compares with the new effective diversion limit, the 2015-16 Carmel River Production Limit was set at 7,705 AF. The new CDO Effective Diversion Limit is set at 8,310 AF, resulting in 605 AF bounce back in demand, assuming the amended CDO moves forward as expected. Stoldt reported he plans to work with Cal-Am to quantify the amount of water used for the Soberanes Fire suppression effort, and will report back to the Board.

10. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**

Stoldt reported both the Monterey Pipeline Groundbreaking and Pure Water Monterey Water Sales Agreement signing ceremonies, were a result of leadership taken by the Board on

11. **Update on Development of Water Supply Projects**

water supply solutions, which led to progress in working with the public and private agencies involved. He noted the Pure Water Monterey project reflected the commitment of the Monterey Regional Water Pollution Control Agency, City of Salinas and the Monterey Peninsula Water Management District to move forward with a water supply project. **Tom Rowley**, expressed his concern that the MPWMD Board moved forward with pursuit of the water supply charge, but the community was not able to vote on this effort. He thanked Director Potter for his efforts to bring the Water Supply Charge to the community for input. Mr. Rowley stated that community input was needed and should not be avoided. **George Riley**, Public Water Now, stated that a group of community members supported the MPWMD.

District Counsel Laredo reported that the Board convened at 5:30 pm for the closed session. Regarding item 3, the Board met with the labor negotiator David Stoldt for a status report on the General and Management bargaining units. Regarding items 4 and 5, Counsel provided the Board of Directors with an update but no reportable action was taken.

No reports.

ATTORNEY'S REPORT

12. Report on 5:30 pm Closed Session of the Board

3. Conference with Labor Negotiators (Gov. Code 54957.6)

Agency Designated
Representative: David Stoldt
Employee Organization: General Staff and Management Bargaining Units Represented by United Public Employees of California/LIUNA, Local 792
Unrepresented Employees:
Confidential Unit

4. Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))

- A.** Monterey Peninsula Water Management District v. California Public Utilities Commission (California American Water Company) (Case S208838)
- B.** MPWMD v SWRCB; Santa Clara 1-10-CV-163328 – CDO (6th District Appellate Case #H039194)

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

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

Potter offered a motion that was seconded by Brower to adopt the second reading of Ordinance No. 174. The motion was approved on a roll-call vote of 7 – 0 by Pendergrass, Evans, Byrne, Clarke, Lewis, Brower and Potter. No comments were directed to the Board during the public hearing on this item.

Evans offered a motion that was seconded by Lewis to adopt the first reading of Ordinance No. 175. The motion was approved on a roll-call vote of 7 – 0 by Clarke, Pendergrass, Potter, Brower, Byrne, Evans and Lewis. No comments were directed to the Board during the public hearing on this item.

Lewis offered a motion that was seconded by Brower to adopt the first reading of Ordinance No. 176. The motion was approved on a roll-call vote of 7 – 0 by Evans, Clarke, Potter, Byrne, Pendergrass, Lewis and Brower. No comments were directed to the Board during the public hearing on this item.

On a motion of Potter and second by Evans, Resolution 2016-17 was adopted on a vote of 7 – 0 by Potter, Evans, Brower, Byrne, Clarke, Lewis and Pendergrass. No comments were directed to the Board during the public comment period on this item.

On a motion of Brower and second by Lewis, Resolution 2016-18 was adopted on a vote of 7 – 0 by Brower, Lewis, Clarke, Byrne, Evans, Pendergrass and Potter.

The following comments were directed to the Board during the public comment period on this item. **(a) George Riley**, Public Water Now, encouraged the MPWMD Board to continue its efforts with the Public Utilities Commission with regards to the General Rate Case. **(b) Eric Sabolsice**, Director of Operations for California American Water, presented a letter to the Board from Anthony Cerasuolo, Vice President, Legal for California American Water, requesting that the District refrain from acting on draft Resolution 2016-18 at that time. **(c) Tom Rowley**, Monterey Peninsula Taxpayers Association, expressed concern about how reinstatement of the user fee would impact ratepayers.

There was no discussion of the Informational Items/Staff Reports.

PUBLIC HEARINGS

14. **Consider Second Reading and Adoption of Ordinance No. 174 – An Ordinance of the Monterey Peninsula Water Management District Suspending Authority to Accept Water Permit Applications for New Connections Based Upon Paralta Allocation, Pre-Paralta Allocation, Quail Meadows Subdivision Annexation, and Water West Reserve**
15. **Consider First Reading of Ordinance No. 175 – Modification of District Rules re Use of Water from the Carmel Valley Alluvial Aquifer for Water Supply**
16. **Consider First Reading of Ordinance No. 176 – Amending Rules 11, 21, 24, 25.5, 60, 64, 141, 143 and 144**

ACTION ITEMS

17. **Consider Adoption of Resolution No. 2016-17 – Resolution of Intention to Approve an Amendment to the District’s Contract with the California Public Employees’ Retirement System**
18. **Consider Adoption of Resolution No. 2016-18 – Directing California American Water to Continue Collection and Remittance of the District Water Distribution System User Fee**

INFORMATIONAL ITEMS/STAFF REPORTS

19. **Letters Received**

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

The meeting was adjourned at 8 pm.

ADJOURNMENT

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Sara C Reyes, Office Services Supervisor