



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors**

**Monterey Peninsula Water Management District
June 19, 2017**

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

CALL TO ORDER/ROLL CALL

Directors Present:

Robert S. Brower, Sr. – Chair, Division 5
Andrew Clarke – Vice Chair, Division 2
Brenda Lewis – Division 1
Molly Evans – Division 3
Jeanne Byrne – Division 4
Ralph Rubio – Mayoral Representative

Directors Absent: Mary Adams – Monterey County Board of Supervisors

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No changes.

ADDITIONS AND CORRECTIONS TO AGENDA

The following comments were directed to the Board. (a) **Michael Baer** expressed disagreement with a comment posted to the MPWMD website that supports an editorial by Tim Quinn, Executive Director of the Association of California Water Agencies that is critical of the documentary Water and Power – A California Heist. Baer recommended that the Board members view the documentary and then decide if Quinn’s comments should remain on the MPWMD webpage. (b) **Tom Rowley**, Monterey Peninsula Taxpayers Association (MPTA), reported a significant improvement in the audio quality of televised Board meetings. (c) **Dan Turner**, Public Water Now, proposed that a member of the Board bring forward a motion that the Water Management District fund a study on public ownership of the California American Water distribution system; and that the District proceed with eminent domain if Cal-Am is not willing to sell its assets.

ORAL COMMUNICATIONS

On a motion of Byrne and second by Rubio, the Consent Calendar was approved, except for agenda items 2 and 21 that were pulled for separate consideration. The motion was approved on a vote of 6 – 0 by Byrne, Rubio, Brower, Clarke, Evans and Lewis. Adams was absent.

Adopted.

Byrne offered a motion to approve the list of committee assignments as presented, and submit the list to the Board Chair for review. There was no second to the motion.

Evans offered a motion to utilize the committee list as adopted on January 25, 2017. The committee alternates would fill the vacancies created by the departure of David Pendergrass, and the Chair could develop a new list for presentation at the July 17, 2017 Board meeting. The motion was seconded by Lewis and adopted on a vote of 4 – 2. Directors Clarke, Evans, Rubio and Lewis voted in favor of the motion. Directors Brower and Byrne were opposed. Adams was absent.

The following comments were directed to the Board during the public comment period on this item. (a) **Susan Schiavone**, appointee from Seaside on the Ordinance No. 152 Oversight Panel, stated that Seaside is represented on only two committees. She requested that the Board of Directors reconsider its policy of rotation into the position of Chair. In addition, the Board should revise the proposed committee assignments to more accurately reflect the actual representation on the Board. (b) **Kay Kline**, resident of Seaside, requested that the Board take additional time to review the proposed committee assignments to ensure that Seaside is adequately represented. (c) **Dan Turner**, resident of Monterey, stated that the committee assignments should be revised as suggested by Director Lewis. (d) **Dan Turner** expressed support for the motion offered by Director Evans.

Approved an expenditure of \$7,311.

Approved expenditure of \$20,000.

Approved expenditure of \$56,500.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the May 15, 2017 Regular Board Meeting**
2. **Consider Approval of Committee Assignments**
3. **Consider Expenditure of Funds for a California Department of Fish and Wildlife Permit Application Fee for the Phase 2 Aquifer Storage and Recovery Project**
4. **Consider Approval of Contract with CSUMB for Carmel River Cross Section Survey and Large Wood Inventory**
5. **Consider Approval of Contract with Balance Hydrologics, Inc. for Design of Lower San Carlos Restoration Project**

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| Approved expenditure of \$70,000. | 6. Consider Approval of Amendment No. 1 to Agreement with Regional Government Services Authority for Management and Administrative Services |
| Approved expenditure of \$20,000. | 7. Consider Expenditure to Contract for a Limited-Term Project Manager in the Planning and Engineering Division During FY 2016-2017 |
| Approved expenditure of \$42,135. | 8. Consider Expenditure for Temporary Agency Employee to Assist with Data Migration During FY 2017-18 |
| Approved expenditure of \$35,000. | 9. Consider Approval of Agreement with Lynx Technologies for Geographic Information System (GIS) Services |
| Approved expenditure of \$30,000. | 10. Consider Approval of Contract with Towill Inc. for Annual Aerial Photography of the Carmel River |
| Approved expenditure of \$76,000. | 11. Authorize Funds to Contract for Limited-Term Field Positions during FY 2017-2018 |
| Approved expenditure of \$14,000. | 12. Consider Renewal of Standard License Agreement With CoreLogic Information Solutions, Inc. |
| Approved expenditure of \$60,000. | 13. Consider Continuance of Contract with Zone 24x7 for Water Demand Database Improvements and Maintenance |
| Approved expenditure of \$2,000. | 14. Consider Amendment to Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits |
| Approved expenditure of \$10,800. | 15. Consider Authorizing CLA-VAL Western Regional Service to Proceed with Annual Maintenance and Servicing of Valves at the Santa Margarita and Seaside Middle School Aquifer Storage and Recovery Facilities |
| Approved expenditure of \$42,000 | 16. Consider Contract for District Public Outreach and Communications Services with TBC Communications and Media for Fiscal Year 2017-2018 |

Approved expenditure of \$136,500 plus additional fee for CAFR compilation and implementation of GASB75 standards.

Adopted.

Adopted.

Adopted.

On a motion of Rubio and second by Evans, Resolution No. 2017-12 was adopted on a vote of 6 – 0 by Rubio, Evans, Brower, Byrne, Clarke and Lewis. Adams was absent.

Adopted.

Received.

A summary of General Manager Stoldt’s report is on file at the District office and can be viewed on the agency website. He reported that community water use was 965 acre-feet (AF) below the 10,609 AF trigger that would signal implementation of water rationing. He also noted that water production was 63 AF above production reported for the same time period last year. Stoldt reported that for the period ending May 31, 2017, rainfall received was 155 percent of average; and unimpaired flow was at 293 percent of long-term average. He announced that operation of the Aquifer Storage and Recovery project (ASR) ended on May 30, 2017 and production for this year totaled 2,345.10 AF.

A summary of General Manager Stoldt’s report is on file at the District office and can be viewed on the agency website.

The following comments were directed to the Board during the public comment period on this item. (a) **Tom Rowley**, representing MPTA, expressed concern about the increasing costs of the PWM project. He stated that projected costs were understated, and that the Board must determine the cost of the PWM project as compared to the desalination project

17. Consider Authorization to Contract with Hayashi & Wayland to Conduct Annual Financial Audit for Fiscal Year Ending 2017, 2018, and 2019

18. Consider Adoption of Resolution 2017-07 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges

19. Consider Adoption of Resolution 2017-10 Establishing Article XIII(B) Fiscal Year 2017-18 Appropriations Limit

20. Consider Adoption of Resolution 2017-11 Update to Rule 24, Table 3, Capacity Fee History

21. Consider Adoption of Resolution 2017-12 Amending Fees and Charges Table – Rule 60

22. Consider Adoption of Treasurer's Report for April 2017

23. Receive 2016 Monterey Peninsula Water Conservation Program Annual Report

GENERAL MANAGER’S REPORT

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

25. Update on Development of Water Supply Projects

proposed by California American Water. **(b) Michael Baer** expressed concern about the installation of a pipeline on the bridge over Highway 68. He stated that the pipeline could be unsafe in a magnitude 7 earthquake. He asked if the Monterey pipeline would be adequate to allow an increase in production from the ASR project. *Stoldt responded that with the pipeline, capacity could increase by 40 to 60%. However, diversions from the river could be constrained for other reasons. Stoldt reiterated that the Monterey pipeline is not a component of the PWM project.*

A summary of General Manager Stoldt's report is on file at the District office and can be viewed on the agency website. He noted that the District follows-up on incidents of water waste with warning letters and fines. Once a year, Cal-Am reports non-revenue sales to the CPUC. The General Manager will provide that information when it is available.

Tom Rowley, resident of Monterey, addressed the Board on this item. He noted that he utilized the water waste hotline in the past, and that within twenty minutes of making the call Cal-Am staff had arrived at the location.

No reports were presented.

Byrne offered a motion that was second by Rubio to adopt the July through September 2017 Quarterly Water Supply Strategy and Budget. The motion was approved on a vote of 6 – 0 by Byrne, Rubio, Brower, Clarke, Evans and Lewis. Adams was absent.

Tom Rowley addressed the Board during the public hearing on this item. Mr. Rowley registered his disappointment that a representative from California American Water was not present to respond to questions from the Board on this important topic.

Rubio offered a motion that was seconded by Byrne to adopt the proposed FY 2017-18 MPWMD Budget and Resolution 2017-09 as presented. The motion was approved on a vote of 6 – 0 by Rubio, Byrne, Brower, Clarke, Evans and Lewis. Adams was absent.

Tom Rowley, representing the MPTA, addressed the Board during the public hearing on this item. He stated that members of the Ordinance No. 152 Oversight Committee have expressed concern about simultaneous collection of both the User Fee and the Water Supply Charge. He also opined

26. Report on Status of Non-Revenue Water Sales

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

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

PUBLIC HEARINGS

28. Consider Adoption of July through September 2017 Quarterly Water Supply Strategy and Budget

29. Consider Adoption of Proposed FY 2017-18 MPWMD Budget and Resolution 2017-09

that local rate payers do not believe the Board of Directors is working to control the rise of water rates.

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

The meeting was adjourned at 8:20 pm.

INFORMATIONAL ITEMS/STAFF REPORTS

- 30. Letters Received**
- 31. Committee Report**
- 32. Monthly Allocation Report**
- 33. Water Conservation Program Report**
- 34. Carmel River Fishery Report for May 2017**
- 35. Monthly Water Supply and California American Water Production Report for January 2017**

ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary