



**EXHIBIT 1-A**

DRAFT MINUTES

**Regular Meeting**

**Board of Directors**

**Monterey Peninsula Water Management District**

*June 17, 2019*

Board Chair Evans called the meeting to order at 7:10 pm in the MPWMD conference room.

**CALL TO ORDER/ROLL CALL**

*Directors Present:*

Molly Evans – Chair, Division 3

Alvin Edwards, Vice Chair, Division 1

George Riley, Division 2

Jeanne Byrne – Division 4

Gary D. Hoffmann, P.E. – Division 5

Mary Adams – Monterey County Board of Supervisors Rep.

David Potter – Mayoral Representative

*Directors Absent:* None

*General Manager present:* David J. Stoldt

*District Counsel present:* Heidi Quinn

The assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

District Counsel announced that the presentation by California American Water (Cal-Am) representatives Joe Conner, Esq. and George Soneff, Esq. would be time-limited. There would be no opportunity for Board discussion of the item. Members of the public could present comments during Oral Communications.

**ADDITIONS AND CORRECTIONS TO AGENDA**

General Manager Stoldt noted that the Proposed FY 2019-2020 Budget was distributed to the Board and public on Friday, 6/14/19.

The following comments were presented to the Board of Directors during Oral Communications. (1) **Melodie Chrislock** representing Public Water Now, read a statement on file at the District office the agency's website. She distributed a list of 400 water systems that had achieved successful public water buyouts within the last 25 years. (2) **Dan Turner**, resident of Monterey, cautioned that the scheduled presentation from California American Water would focus on warning the Board about the high cost to obtain public ownership of the water system. Mr. Turner stated that the community pays approximately \$15 to \$25 million per year above operational costs to Cal-Am. Money that would not be paid if the water system were publicly

**ORAL COMMUNICATIONS**

owned. (3) **Michael Baer**, advised the District that in order for agencies to make informed decisions regarding the desalination plant, the General Manager should make clear to the State Water Resources Control Board, Regional Water Quality Control Board, the Coastal Commission and Monterey County Board of Supervisors that if Cal-Am were to miss the first milestone, there is a reserve that could be used to meet the community's water needs. (4) **Susan Schiavone**, resident of Seaside, urged the Board to pursue an honest, reality based evaluation process for feasibility despite Cal-Am's scare tactics. (5) **Maryann Carbone**, Mayor of Sand City, requested that the District provide a clear statement of its argument for the public necessity of public ownership; provide budget estimates of the true expected costs of the feasibility study; the costs of litigation and condemnation assuming a win or loss in the public necessity trial; and the range of costs associated with acquisition of the water system.

A summary of the presentation is on file at the District office and the agency's website. Mr. Conner commented on slides 1 – 8 of the presentation and Mr. Soneff spoke to slides 9 – 16. There was no discussion by the Board.

On a motion by Potter and second of Byrne, the Consent Calendar was approved with the exception of items 5, 6, 11 and 19 that were pulled for separate consideration. The motion was approved on a vote of 7 – 0 by Potter, Byrne, Adams, Edwards, Evans, Hoffmann and Riley.

Adopted.

Approved an expenditure of \$70,000.

Approved an expenditure of \$50,000.

Approved an expenditure of \$35,000.

On a motion by Edwards and second of Byrne, an expenditure of up to \$99,320 was approved on a unanimous vote of 7 – 0 by Edwards, Byrne, Adams, Evans, Hoffmann, Potter and Riley.

**PRESENTATION BY JOE CONNER, ESQ.  
AND GEORGE SONEFF, ESQ.,  
CALIFORNIA AMERICAN WATER  
REGARDING CONSIDERATIONS FOR  
FEASIBILITY**

**CONSENT CALENDAR**

1. **Consider Adoption of Minutes of the May 20, 2019 Regular Board Meetings**
2. **Consider Approval of Amendment No. 3 to Agreement with Regional Government Services Authority for Management and Administrative Services**
3. **Consider Expenditure for Temporary Agency Employee to Assist with Document Scanning for All District Divisions During FY 2019-2020**
4. **Consider Approval of Agreement with Lynx Technologies for Geographic Information System (GIS) Services**
5. **Authorize Funds to Contract for Limited-Term Field Positions during FY 2019-2020**

On a motion by Edwards and second of Byrne, an expenditure of up to \$55,500 was approved on a unanimous vote of 7 – 0 by Edwards, Byrne, Adams, Evans, Hoffmann, Potter and Riley.

Approved an expenditure of \$14,000.

Approved an expenditure of \$30,000.

Approved an expenditure of \$114,600.

Approved an expenditure of \$2,000.

On a motion by Byrne and second of Adams, the item was referred back to the Public Outreach Committee for further consideration. The motion was approved on a unanimous vote of 7 – 0 by Byrne, Adams, Edwards, Evans, Hoffmann, Potter and Riley.

Approved an expenditure of \$35,000.

Approved an expenditure of \$100,000.

Approved an expenditure of \$10,000.

Confirmed the appointment of Birt Johnson, Jr.

Adopted Resolution No. 2019-05.

Adopted Resolution No. 2019-07.

6. **Consider Approval of Six Temporary Field Staff Positions Funded Through an Interagency Contract between MPWMD and NMFS to Provide for Legally Mandated Cooperative Research and Monitoring Projects in FY 2019-2020**
7. **Consider Expenditure of Funds With CoreLogic Information Solutions, Inc.**
8. **Approve Expenditure to Corporation Service Company - Recording Fees**
9. **Authorize Expenditure for Software Maintenance Agreements**
10. **Consider Expenditure to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits**
11. **Consider Contract for District Public Outreach and Communications Services with Thomas Brand Consulting for Fiscal Year 2019-2020**
12. **Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services**
13. **Consider Renewal of Contract with the Ferguson Group for Legislative and Administrative Services**
14. **Consider Approval of Additional Expenditure to HDR Engineering, Inc. for the Los Padres Dam Fish Passage Study**
15. **Confirm Appointment to Ordinance No. 152 Oversight Panel**
16. **Consider Adoption of Resolution 2019-05 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges**
17. **Consider Adoption of Resolution 2019-07 Establishing Article XIII(B) Fiscal Year 2019-20 Appropriations Limit**

Adopted Resolution No. 2019-08.

Byrne offered a motion that was seconded by Edwards to approve the proposal to establish a reduced Water Use Capacity of 75% for toilet flushing in residential projects that flush toilets with rainwater and/or Graywater systems; and to refer back to the Water Demand Committee for further consideration the proposed requirement to meter both the Graywater and Potable backup systems. The motion was approved unanimously on a vote of 7 – 0 by Byrne, Edwards, Adams, Evans, Hoffmann, Potter and Riley.

Approved.

A summary of General Manager Stoldt’s presentation is on file at the District office and can be viewed on the agency’s website. He explained why missing the first milestone set by the State Water Resources Control Board in Order 2016-0016, would not result in water rationing for the community. If a milestone is missed, the effective diversion limit (water that could be diverted from the Carmel River) could be reduced by 1,000 acre-feet. However, even with that reduction, if water use does not increase drastically over 2018 levels, adequate water would be available to the community for one year. If two milestones were missed, the effective diversion limit could be reduced by 2,000 acre-feet and the community would be 528 acre-feet short of needed water supply. However, a carryover credit of 3,600 acre-feet exists, based on water savings achieved over time. The SWRCB would allow 528 acre-feet of that carryover credit to be utilized to meet community water needs. Stoldt reported that since October 2018: rainfall received was 30.93 inches or 147% of long-term average; unimpaired flow was measured at 140 acre-feet or 215% of long term average; and useable storage was at 101% of long-term average. Operation of the Aquifer Storage and Recovery project ended on May 30, 2019 for a total of 1,335 acre-feet injected into the Seaside Basin.

District Counsel Laredo reported that under item 3, the Board provided general direction to the labor negotiator, David Stoldt. Regarding item 4, information was provided to the Board on both matters and no reportable action was taken.

**18. Consider Adoption of Resolution 2019-08 Update to Rule 24, Table 3, Capacity Fee History**

**19. Consider Adoption of Resolution No. 2019-09 Amending Table 4 of Rule 25.5: High Efficiency Appliance Credits**

**20. Consider Adoption of Treasurer's Report for April 2019**

#### **GENERAL MANAGER’S REPORT**

**21. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision**

#### **ATTORNEY’S REPORT**

**22. Report on 6:00 pm Closed Session of the Board**

**3. Conference with Labor Negotiators (Gov. Code 54957.6)**  
Agency Designated Representatives:  
David Stoldt; Suresh Prasad and Mi Ra Park

Employee Organization: General Staff and Management Bargaining Units Represented by United Public Employees of California/LIUNA, Local 792

4. **Conference with Legal Counsel – Pending and Threatened Litigation (Gov. Code 54956.9(b)) – Two Cases**

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

Director Riley apologized for his absence at the June 5, 2019 Seaside Groundwater Basin Watermaster meeting.

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

General Manager Stoldt briefly reviewed information provided in the staff note. No action was taken by the Board.

**DISCUSSION ITEMS**

24. **Provide Guidance to General Manager Regarding Proposed Reorganization of District**

Riley offered a motion that was seconded by Edwards to approve the staff recommendation. The motion was approved unanimously on a vote of 7 – 0 by Riley, Edwards, Adams, Evans, Hoffmann, Potter and Byrne. No public comment was directed to the Board.

**ACTION ITEMS**

25. **Consider Converting the Senior Hydrogeologist Position to Water Resources Manager Position**

Potter offered a motion that was seconded by Byrne to approve the staff recommendation. The motion was approved unanimously on a vote of 7 – 0 by Potter, Byrne, Adams, Edwards, Evans, Hoffmann and Riley.

26. **Consider Converting the Riparian Projects Coordinator Position to Environmental Resources Manager Position**

The following comments were directed to the Board. (a) **Judi Lehman** complemented the Board on its excellent staff and said she was pleased that staff could be promoted from within the organization. (b) **Tom Rowley** said that he was looking forward to hearing the results of the fish ladder study.

Byrne offered a motion to approve the first reading of Ordinance No. 183 and schedule second reading and adoption for July 15, 2019. The motion was seconded by Edwards and approved on a unanimous vote of 7 – 0 by Byrne, Edwards, Adams, Evans, Hoffmann, Potter and Riley.

**PUBLIC HEARINGS**

27. **Consider First Reading of Ordinance No. 183 – Adding Rule 20-E Establishing a Zone of Controlled Drinking Water Well Construction and a Zone of Potential Controlled Drinking Water Well Construction Related to Pure Water Monterey Injection of Highly Purified Water (Categorical exemption from CEQA review per section 14 Cal. Code Regs. §15307)**

During the public hearing on this item, Rudy Fischer expressed support for adoption of the ordinance, and cited the effort as an example of the District's leadership and cooperation with other agencies.

Potter offered a motion to adopt the Quarterly Water Supply Strategy and Budget. The motion was seconded by Riley and approved on a unanimous vote of 7 – 0 by Potter, Riley, Adams, Byrne, Edwards, Evans and Hoffmann. No public comment was directed to the Board.

Adams offered a motion to adopt the 2019-2020 MPWMD Budget and Resolution 2019-06. The motion was seconded by Byrne and approved on a vote of 6 – 1 by Adams, Byrne, Edwards, Evans, Potter and Riley. Hoffmann was opposed. No public comment was directed to the Board.

No discussion of these items.

The meeting was adjourned at 9:10 pm.

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**28. Consider Adoption of July through September 2019 Quarterly Water Supply Strategy and Budget**

**29. Consider Adoption of Proposed FY 2019-2020 MPWMD Budget and Resolution 2019-06**

**INFORMATIONAL ITEMS/STAFF REPORTS**

**30. Report on Activity/Progress on Contracts Over \$25,000**

**31. Status on Measure J/Rule 19.8 Spending**

**32. Receive Notice of Appointments to Carmel River Advisory Committee**

**33. Letters Received**

**34. Committee Reports**

**35. Monthly Allocation Report**

**36. Water Conservation Program Report**

**37. Carmel River Fishery Report for March 2019**

**38. Monthly Water Supply and California American Water Production Report**

**ADJOURNMENT**

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Arlene M. Tavani, Deputy District Secretary