



**EXHIBIT 1-B**

**DRAFT MINUTES  
Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
July 15, 2019**

Board Chair Evans called the meeting to order at 7:00 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:* David Laredo

The assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

No comments were directed to the Board during Oral Communications.

**ORAL COMMUNICATIONS**

Byrne offered a motion that was seconded by Edwards to approve the Consent Calendar except for items 3, 7 and 9 that were pulled for separate consideration. The motion was approved on a unanimous vote of 7 – 0 by Byrne, Edwards, Adams, Evans, Hoffmann, Potter and Riley.

**CONSENT CALENDAR**

Adopted.

**1. Consider Adoption of Minutes of the June 17, 2019 Regular Board Meetings**

Approved contract in the amount of \$42,000.

**2. Consider Contract for District Public Outreach and Communications Services with Thomas Brand Consulting for Fiscal Year 2019-2020**

Hoffmann offered a motion to authorize an expenditure of \$70,000 to contract with Pueblo Water Resources. The motion was seconded by Byrne and approved unanimously on a vote of 7 – 0 by Hoffmann, Byrne, Adams, Edwards, Evans, Potter and Riley.

**3. Consider Contract with Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support**

Approved an expenditure of \$10,000 to contract with Monterey Bay Analytical Services.

Approved an expenditure of \$60,000 to contract with Monterey Bay Analytical Services.

Approved an expenditure of \$20,000 to purchase equipment for upgrades.

Byrne offered a motion to approve the slate of candidates as submitted. The motion was seconded by Adams and approved on a unanimous vote of 7 – 0 by Byrne, Adams, Edwards, Evans, Hoffmann, Potter and Riley.

Approved an expenditure of \$48,000 plus applicable taxes for lease of photocopy machines.

Byrne offered a motion to adopt Resolution No. 2019-09. The motion was seconded by Edwards and approved on a unanimous vote of 7 – 0 by Byrne, Edwards, Adams, Evans, Hoffmann, Potter and Riley.

Adopted.

Adopted.

A summary of General Manager Stoldt’s presentation is on file at the District office and the agency’s website. He reported that for the period of October 2018 through July 2019, water production in the Monterey Peninsula Water Resource System was 116 feet below the target. Based on the twelve-month moving average of water production from all sources for customer service, there are no concerns about implementation of water rationing or conservation water rates.

Stoldt reported that California American Water (Cal-Am) submitted a letter to the District and Monterey One Water (MIW) dated July 2, 2019 stating that the Water Purchase Agreement for the Pure Water Monterey Project (PWM) was in default because delivery of water from the project had been delayed. Stoldt reported that the District and MIW had developed a response letter. He noted that operation of PWM was three months behind schedule and 10% over budget; and also that \$25 million in grants had been secured for project construction. In comparison, Cal-Am’s

**4. Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Watermaster Water Quality Monitoring**

**5. Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Aquifer Storage and Recovery Project Operations**

**6. Consider Funding Upgrades to Six Carmel River Monitoring Stations**

**7. Approve Slate of Candidates for Election to Special District Risk Management Authority Board of Directors**

**8. Consider Approval of Expenditure for Leasing Three Photocopy Machines**

**9. Consider Adoption of Resolution No. 2019-09 Amending Rule 24, Table 4: High Efficiency Appliance Credits for Graywater and Rainwater Reuse**

**10. Consider Adoption of Resolution No. 2019-10 Amending Table 2: Non-Residential Water Use Factors**

**11. Consider Adoption of Treasurer's Report for May 2019**

#### **GENERAL MANAGER’S REPORT**

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

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

desalination project that was \$56 million over budget, was three to four years behind schedule, and had received \$10 million in grant proceeds. Stoldt also reported that the California Coastal Commission determined that Cal-Am could appeal to the Commission the City of Marina's denial of permits for the project. In addition, the Monterey County Board of Supervisors denied an appeal of the combined development permit for the project; therefore, construction could move forward. The project was expected to receive full funding from State Revolving Funds; however, it was likely Cal-Am would maintain an equity component and collect a construction funding surcharge. Consequently, there may be no need for the District to issue rate payer relief bonds to fund the project. Stoldt also reported that upon start-up, PWM would be powered from PG&E's conventional sources, and that within 10 months the conversion to power from landfill gas would be complete.

District Counsel Laredo reported that for item 3 the General Manager provided a report and received guidance from the Board. No reportable action was taken. In regards to item 4, the Board received a status report but no specific reportable action was taken.

Hoffmann reported that he attended the July 7 – 10, 2019 California Special Districts Association Leadership Conference. He noted that good information was provided on the Brown Act and special district financing.

Stoldt reviewed information provided in the staff note and responded to questions from the Board.

Public Comment: Dan Turner, resident of Monterey, expressed concern with what he described as the District's

#### **ATTORNEY'S REPORT**

##### **14. 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)**

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

#### **DISCUSSION ITEMS**

**16. Update on Status of Ryan Ranch Unit of California American Water and Use of Emergency Intertie between the Bishop and Ryan Ranch Units**

casual attitude re Cal-Am's non-compliance with permit conditions.

On a motion by Byrne and second of Edwards, Ordinance No. 183 was adopted as presented on a unanimous roll-call vote of 7 – 0 by Byrne, Edwards, Adams, Evans, Hoffmann, Potter and Riley.

Public Comment: Paul Bruno, resident of Monterey and member of the Seaside Groundwater Basin Watermaster, raised the issue of property owners with adjudicated water rights in the Seaside Groundwater Basin who may need to move a well based on the requirements of this ordinance. He recommended that a rule be developed that would allow those property owners to drill on a different property and wield the water for its intended use. *Response from staff: The secondary zone should not affect the likely locations of any well expansion, including Seaside Memorial.*

On a motion by Potter and second of Riley, the Board approved Resolution No. 2019-11, adopting the Water Treatment Facility Modification Addendum as Addendum 5 to the ASR EIR/EA. The motion was approved on a unanimous vote of 7 – 0 by Potter, Riley, Adams, Byrne, Edwards, Evans and Hoffmann. No comments were directed to the Board during the public hearing on this item.

No discussion of these items.

#### **PUBLIC HEARINGS**

- 17. Consider Second Reading and Adoption 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)**
  
- 18. Consider Approval of a CEQA Addendum to the ASR EIR/EA for the Water Treatment Facility Modification (Subject to CEQA Review per CEQA Guideline Sections 15162 and 15164)**

#### **INFORMATIONAL ITEMS/STAFF REPORTS**

- 19. Report on Activity/Progress on Contracts Over \$25,000**
- 20. Status on Measure J/Rule 19.8 Spending**
- 21. Letters Received**
- 22. Committee Reports**
- 23. Monthly Allocation Report**
- 24. Water Conservation Program Report**
- 25. Quarterly Water Use Credit Transfer Status Report**
- 26. Carmel River Fishery Report for June 2019**
- 27. Quarterly Carmel River Riparian Corridor Management Program Report**
- 28. Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**
- 29. Draft Water Year 2018 Aquifer Storage and Recovery Project Summary of Operations Report**
- 30. Monthly Water Supply and California American Water Production Report**

The meeting was adjourned at 8:30 pm.

**ADJOURNMENT**

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Arlene M. Tavani, Deputy District Secretary