



EXHIBIT 1-A

Draft Minutes

Ordinance No. 152 Oversight Panel of the
Monterey Peninsula Water Management District
August 1, 2013

Call to Order

The meeting was called to order at 9:15 am in the MPWMD conference room.

Committee members present

John Bottomley
Paul Bruno (arrived at 9:25 am)
Jason Campbell
Jody Hanson
Todd Kruper
George Riley
John Tilley

MPWMD Staff members present

David J. Stoldt, General Manager
Suresh Prasad, Chief Financial Officer
Arlene Tavani, Executive Assistant

Committee members absent: Christine Monteith, Norman Yassany

District Counsel present: David C. Laredo

Comments from the Public

No comments were directed to the committee.

Presentation

- 1. Update on Progress of Groundwater Replenishment Project by Keith Israel, General Manager of the Monterey Regional Water Pollution Control Agency**
Israel's presentation is on file at the District office and can be viewed on the MPWMD website. Israel and Stoldt responded to questions from the committee.

Action Items

- 2. Adopt Minutes of April 23, 2013 Oversight Panel Meeting**
On a motion by Bruno and a second of Campbell, the minutes were adopted on a unanimous vote of 7 – 0, with the following amendment: (a) item 3 should state that several members of the committee expressed concern that some costs that could be considered overhead, were allocated as project costs so that they would not be subject to the limits placed on unallocated administrative overhead by Ordinance No. 152.

Discussion Items

- 3. Review of Revenues and Expenditures of the Water Supply Charge on Water Supply Related Activities**
Stoldt reviewed the Water Management District's Capital Improvement Plan for Fiscal Year 2013-14 Budget that was provided in the committee packet. He updated the committee on the

status of the alternative desalination project proposed by Deepwater Desal. The District plans to spend \$70,000 of the Water Supply Charge proceeds on environmental studies to evaluate open water intake. A data center developer and the City of Salinas are interested in development of this project. Environmental studies and planning can move forward independent of California American Water's desalination project, as the project may prove to be an option if Cal-Am's project is delayed or not approved. Stoldt noted that the Water Management District could evaluate the possibility of recovery of monies spent on the DeepWater Desal project, if it were developed to deliver water outside of the District boundaries. Stoldt stated that due to fish passage issues, it is not likely that a new dam could be constructed on the Carmel River, as has been suggested by some members of the community. However, the Water Management District proposes to fund studies that would evaluate improvements to Los Padres Dam that would improve fish passage and river flow in the Carmel River. Stoldt explained that water rights issues with growers need to be solved in order to move the Groundwater Replenishment Project forward so that it is underway, if Cal-Am's desalination project is delayed or not developed. If it is clear that the water rights issues could be resolved, the state might be convinced to modify the Cease and Desist Order.

4. Discussion of Water Management District's Local Project Funding Program

Stoldt reviewed information provided in the staff report on this item and responded to questions from the committee.

5. Discussion of District Overhead and Cost Saving Activities

Stoldt reported that the Board has taken measures to contain employee salary and benefit costs. A two tier system has been created so that future employees will receive a lower level of benefits than current employees. Over the past four years, there has been no increase in employee salaries. For the current fiscal year, salaries were raised but only to the level that would cover the employees increased contribution to the Public Employees Retirement System. In addition, employees will be covered by a lower cost health care plan.

Adjourn

The meeting was adjourned at 11:15 am.