



EXHIBIT 1-A

DRAFT MINUTES

**Ordinance No. 152 Oversight Panel of the
Monterey Peninsula Water Management District
March 4, 2014**

Call to Order The meeting was called to order at 10:02 am in the MPWMD conference room.

Committee members present:

John Bottomley
Paul Bruno
Jason Campbell
Jody Hanson (Arrived at 10:08 am)
Todd Kruper
Christine Monteith
George Riley
John Tilley (arrived at 10:05 am)

MPWMD Staff members present:

David J. Stoldt, General Manager
Arlene Tavani, Executive Assistant

Committee members absent: Norm Yassany

District Counsel present: David Laredo

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Adopt Minutes of August 1, 2013 and November 19, 2013 Committee Meeting

On a motion by Bruno and second of Riley, the minutes were adopted on a unanimous vote of 6 - 0, by Bottomley, Bruno, Campbell, Kruper, Monteith and Riley. Hanson and Tilley were absent for the vote. .

2. Adopt 2014 Meeting Schedule

On a motion by Riley and second of Monteith, the 2014 meeting schedule was adopted unanimously on a vote of Bottomley, Bruno, Campbell, Kruper, Monteith and Riley. Hanson and Tilley were absent for the vote. It was also agreed that meetings would begin at 10 am.

Tilley arrived at 10:05 am and Hanson arrived at 10:08 am.

Discussion Items

3. Review of Revenues and Expenditures of the Water Supply Charge on Water Supply Related Activities

Stoldt summarized the Water Supply Charge Availability Analysis and responded to questions. Concerns were raised about the negative balance shown under the Carry-Forward Prior Year Water Supply Charge category for FY 2014-2015 and 2015-2016 budget years. Stoldt explained that total project expenditures listed for the FY 2014-2015 and 2015 – 2016 budget years are overstated, which results in the deficit numbers. At the next committee meeting, Stoldt will clarify this inconsistency and present a more detailed explanation of water supply charge revenues and expenditures, as compared to project expenditures.

4. Update on MPTA v MPWMD Lawsuit re Ordinance No. 152

Laredo reported that Margaret Thum, the attorney for MPTA, has suggested that a hearing be set in July or August 2014. At this time, the court has not set a hearing date. Because the time to set the tax rolls will have elapsed, the water supply charge will be collected through 2015, irrespective of the outcome of the lawsuit.

5. Review Mid-Year Budget Adjustment for Groundwater Replenishment Project (GWR)

The committee expressed concern as to whether the spike in GWR and other water project expenditures is temporary or will continue into the future. Are the expenditures necessary due to the multiple projects under consideration at this time? The committee also wants assurance that overhead costs are limited to 15% of water supply charge expenditures. Stoldt will provide at the April meeting, a draft memo from the committee that includes recommendations to the Board regarding water supply charge expenditures.

6. Update on Local Projects

The committee expressed support for use of water supply charge funds for development of local water projects such as the following. (1) Wells on Monterey Airport District property that is outside of the Seaside Groundwater Basin that could provide a sub potable water source. Filling stations could be established for mobile water distribution systems to provide sub potable water for landscape irrigation or other uses. (2) The MPAD wells could be used to irrigate the Monterey Pines Golf Course. (3) Wells on the Monterey County Fairgrounds property might be used for toilet flushing, in order to reduce potable water use. The District's goal would be to free up potable water and make it available for use by the jurisdictions. For example, if 50 acre-feet of non-potable water could be produced by the MPAD wells, that might facilitate the transfer of 40 acre-feet of potable water to the jurisdictions.

7. Discuss District Responsibilities and How They Can be Funded should the Public Water Now Initiative be Enacted

All committee members present expressed opposition to use of water supply charge funds to pay for the analysis of the cost to purchase California American Water facilities, should the Public Water Now initiative be approved by the voters. This

recommendation will be included in the draft memo from the committee to the Board of Directors that will be presented for review at the April 1, 2014 committee meeting.

Adjournment

The meeting was adjourned at 11:30 am.

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