



EXHIBIT 1-A

DRAFT MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
April 16, 2013

Call to Order

The meeting was called to order at 1:50 pm in the MPWMD conference room.

Committee members present: Bob Brower, Chair
Jeanne Byrne (arrived at 2 pm)
David Pendergrass

Staff members present: David Stoldt, General Manager
Joe Oliver, Water Resources Division Manager
Larry Hampson, Acting Planning & Engineering Division Manager
Arlene Tavani, Executive Assistant

District Counsel present: David Laredo

Comments from the Public

No comments.

Action Items

- 1. Adopt Minutes of March 11, 2013 Committee Meeting**
On a motion of Pendergrass and second by Brower, the minutes were approved on a vote of 2 – 0. Director Byrne was absent for the vote. No public comment was directed to the committee on this item.
- 2. Consider Request from Paul Hart that the District Simultaneously Negotiate Potential Contract Terms with People’s Moss Landing Desalination Project and DeepWater Desal on Development of a Water Supply Project**
On a motion of Pendergrass and second by Byrne, the committee voted to deny Mr. Hart’s request that the Board of Directors reconsider its previous decision to negotiate exclusively with DeepWater Desal (DWD). The motion was approved on a vote of 3 – 0 by Pendergrass, Byrne and Brower. The committee expressed support for the Board of Director’s original decision, and acknowledged that the “door is not shut” on future negotiations with PML.

Paul Hart, representing PML, addressed the committee during the public comment period. He stated that the best way to move forward would be to negotiate with both PML and DWD. He opined that staff time would not increase significantly by negotiating with both parties. The benefit would be to discover the true differences between both projects. Hart explained that PML now supports Ranney collectors as the intake source. He submitted revised information for committee review. Hart stated that PML proponents could build the project without funding from the District; however, they recognize that public funding is important in order for the project to qualify as a public project. He noted that PML continues to negotiate with the City of Pacific Grove on development of the project.

Discussion Items

3. Review Progress on Groundwater Replenishment Project Cost Sharing Agreement

Item 3 was discussed following Item 1. Director Brower joined the meeting at 2 pm, during the discussion of this item.

The committee requested that Stoldt present for consideration at the next meeting a plan for MPWMD to increase its contribution towards funding the project from 50% to 75%, per the request of the Monterey Regional Water Pollution Control Agency (MRWPCA).

Stoldt noted that MRWPCA is funding GWR through reserves, and has decided to limit future expenditures in order to maintain a balance in its reserve account. Stoldt explained that the MRWPCA advised him that estimated project costs are: \$3.8 million in FY 2013-14; \$2.1 million in FY 2014-15; \$7 to \$9.1 million in FY 2015-16 and thereafter \$5.9 million. Application for use of State Revolving Funds cannot be made until CEQA work is complete. MRWPCA has asked the District to increase its contribution to 75% of project costs which would include the salary for the agency's two project managers. For FY 2013-14, 75% of project costs would be \$2.8 million. Income from the Water Supply Charge will be \$3.3 to \$3.5 million. Stoldt believes the District could fund the 75% contribution in FY 2013-14. The District has secured a loan, a portion of which could fund the \$2.8 million along with carryover funds from the 2012-13 budget – money intended for GWR that was not spent in the current fiscal year. Funds should also be available in the upcoming fiscal year to pay for desalination and other water supply efforts. No public comment was directed to the committee during the public comment period on this item.

4. Update on Investigations into Desalination Contingency Projects

No discussion.

5. Discuss Funding for Small Local Water Supply Projects

The committee agreed with the concept of the MPWMD funding small water supply projects developed within the jurisdictions, such as reuse of non-potable sources. Stoldt will bring this concept before the Ordinance No. 152 Oversight Panel to assess their interest in use of Water Supply Charge funds for this purpose. The committee members suggested that loans could be distributed and paid back over time, or a percentage of the water created by a project could be allocated to the District for drought reserve or other needs.

6. Update on Scheduling Meetings with Federal Regulators (Local Level) on National Marine Fisheries Service Draft Steelhead Recovery Plan

Staff is in the process of scheduling meetings between Brower, Byrne and regulators.

Suggestions from the Public on Water Supply Project Alternatives

No comments.

Set Next Meeting Date

The committee agreed to meet again on May 2, 2013 at 1:30 pm in the MPWMD conference room.

Adjournment

The meeting was adjourned at 3:25 pm.