



EXHIBIT 1-C

DRAFT MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District March 3, 2016

Call to Order The meeting was called to order at 9:05 am in the MPWMD conference room.

Committee members present: Robert S. Brower, Sr. - Committee Chair
 Jeanne Byrne
 David Pendergrass

Committee members absent: None

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

District Counsel present David Laredo

Comments from the Public: No comments.

Action Items

1. **Provide Direction to Staff on Consulting Team for North Monterey County Drought Contingency Plan**
 On a motion by Pendergrass and second of Byrne, the committee voted to recommend that the Board of Directors hire the consulting team of Bryant & Associates, Brown and Caldwell, Carollo Engineers and Data Instincts to execute the North Monterey County Drought Contingency Plan for an amount of \$225,000, and to proceed without a Request for Qualifications. The motion was approved on a vote of 3 – 0 by Pendergrass, Byrne and Brower.

George Riley addressed the Board during the public comment period. He asked if the area south of Salinas would be included in the plan. Stoldt stated that in the next round of funding opportunities, the Monterey County Water Resources Agency may submit an application for that area.

Discussion Items

2. **Discuss Finance Plan for Utilization of User Fee and Water Supply Charge Funds**
 Stoldt stated that four questions have been posed to outside counsel. (1) The 7.125% component pre-dated prop 218, could it be re-implemented without the 218 process? (2)

Could the Water Management District continue to collect the 1.2% dedicated to Aquifer Storage and Recovery (ASR)? (3) Requested confirmation that the 7.125% water supply charge could be used for any purpose. (4) As the funding needs of the Water Management District change, could the authorized level of user fee and water supply charge be maintained while suspending collection of a portion of those funds? Stoldt recommended that two surcharges listed on the California American Water (Cal-Am) bill that are paid to MPWMD for activities it carries out on behalf of Cal-Am, be replaced with one surcharge paid directly to the Water Management District for its mitigation and conservation activities. The surcharge should be calculated as a percentage of the total water-service-related charges. Stoldt noted that Ordinance No. 152 contains a sunset provision. The Water Management District could sunset the water supply charge, but he recommended that it should not be de-authorized in case the funds are needed at a later date.

Public Comment: **Brian LeNeve** asked for clarification of the user fee and water supply charges. Stoldt responded that 1.2% of any user fee is set aside for ASR, and that he recommends replacement of the two current user fees with one, but the amount has not been determined. **George Riley** stated that the Ordinance No. 152 Oversight Panel recommended that the user fee and water supply charge remain in effect, and that payment of the Rabobank loan from those funds should be a priority.

3. Update on Seaside Basin Boundary Modification Application for Sustainable Groundwater Management Act (SGMA)

Oliver reported that notification of the request to modify the Seaside Basin Boundary has been submitted to the Department of Water Resources. Staff is preparing additional documents that must be submitted by March 31, 2016.

4. Update on Carmel River Basin (Carmel Valley Alluvial Aquifer SGMA Process)

Stoldt reported that there are other basins in California that consist of surface water flowing in a known and defined channel. The Water Management District's preference was that the Department of Water Resources remove the Carmel Valley Alluvial Aquifer from its purview – which would mean there would be no need for a Groundwater Management Plan for that area.

5. Update on ASR Activities

The project has injected 270 acre-feet of Carmel River water. As of March 3, 2016, flow is insufficient for ASR operations to be conducted. If additional rainfall is received, injection/recovery could start-up again.

6. Update on Pure Water Monterey Project

Stoldt distributed a document that listed an estimate of the project costs with and without Cal-Am facilities.

7. Update on California American Water Desalination Project

Laredo reported that the California Public Utilities Commission has scheduled hearings on April 11 and 12, 2016. Seven issues have been identified for discussion during those hearings.

8. Update on Alternative Desalination Project
No discussion.

Suggestions from the Public on Water Supply Project Alternatives: No comments received.

Set Next Meeting Date: The meeting was scheduled for April 5, 2016 at 9 am

Adjournment: The meeting was adjourned at 10:45 am.

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