



## **EXHIBIT 1-A**

### **DRAFT MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District March 13, 2017**

**Call to Order**           The meeting was called to order at 9:20 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  
  Arlene Tavani, Executive Assistant

**District Counsel present**           David Laredo

#### **Comments from the Public**

George Riley, representing Public Water Now, requested that the Water Management District Board of Directors discuss which water supply alternatives should move forward in the event that the desalination project proposed by California American Water is delayed by lawsuits or other reasons.

#### **Action Items**

1.     **Consider Adoption of Committee Meeting Minutes of February 8, 2017**  
      On a motion by Pendergrass and second of Byrne, minutes of the February 8, 2017 committee meeting were approved unanimously on a vote of 3 – 0 by Pendergrass, Byrne and Brower.

#### **Discussion Items**

2.     **Discuss Status of Revisions to District Rules and Regulations**  
      Stoldt stated that the Cease and Desist Order would be in effect for five more years, and during that time only the City of Seaside has water to issue from its Paralta allocation. He asked if the committee was interested in exploring options for creating opportunities in the jurisdictions such as expansion of areas that could benefit from water entitlements, and distribution of water credits that have expired or not been used. Also, should a District reserve be created for public benefit projects – which might be needed to avoid future local military base closures. Comments from the committee members follow. (a) Must clarify in the rules how the second bathroom deed restriction could be

removed when water becomes available. For example, water may be available from the Pacific Grove reclamation project for use in that city. (b) Could create a rule that defines di minimis water usage. This di minimis amount could be loaned for use and paid back from a future water supply project. (c) The question is, would these water sources be used for residential or commercial projects or both. (d) The jurisdictions should have control over allocation of the water. (e) The Water District should control allocation of the water. (f) An EIR must be prepared on establishment of a new allocation. (g) Any rule changes should allow water transfers from one site to another, and the sale of an entitlement so that the owner has incentive to allow use of the water. (h) Water entitlements, such as from the City of Sand City Desalination Project, might be loaned to a jurisdiction until water from a new water project is available for return to the entitlement holder. (i) Staff should move ahead on development of proposed rule changes.

During the public comment period on this item, George Riley expressed support for the concept of “di minimis water use” as long as the Water District manages water “at the margin” instead of acting as an enforcement agency.

**3. Discuss Timing and Guiding Principles for Next Water Allocation Process**

The committee reviewed this issue and suggested that a joint meeting or workshop of the Policy and Technical Advisory committees and the Board of Directors be scheduled to discuss a future allocation policy or program that would benefit the jurisdictions. It may be best to work with the jurisdictions on this issue before the Certificate for Public Convenience and Necessity on Cal-Am’s desalination project is issued.

**4. Discuss Monterey Peninsula Water Supply Project Draft EIR**

Stoldt reported that Water District staff reviewed the EIR and was preparing comments that must be submitted by March 27, 2017. He updated the committee on some concerns that would be raised in the Water District’s comments.

**5. Update on Pure Water Monterey Project**

Stoldt told the committee that the first round of bids for project construction were unsuccessful and the project would be bid again. A groundbreaking ceremony is scheduled for May 5, 2017. The California State revolving fund loan should be issued in late April 2017.

Stoldt advised the committee that bonds for the CAWD/PBCSD Wastewater Reclamation Project will be paid off in July 2022. He proposed that the Water District’s regulations be updated to state that after July 1, 2022, the Pebble Beach water entitlement would no longer be restricted to residential projects only. The committee expressed agreement with that concept.

**Set Next Meeting Date:** A date was not scheduled.

**Adjournment:** The meeting was adjourned at 10:25 am