



EXHIBIT 1-A

DRAFT MINUTES
Special Meeting – Board Workshop
Board of Directors
Monterey Peninsula Water Management District
June 13, 2019

Board Chair Evans called the meeting to order at 4:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Molly Evans – Chair, Division 3
Alvin Edwards, Vice Chair, Division 1 (arrived at 4:03 pm)
George Riley, Division 2
Jeanne Byrne – Division 4
Gary D. Hoffmann, P.E. – Division 5 (arrived at 4:25 pm)
Mary Adams – Monterey County Board of Supervisors Rep.
David Potter – Mayoral Representative

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No comments were directed to the Board during Oral Communications.

ORAL COMMUNICATIONS

General Manager Stoldt gave a presentation titled Evolution of MPWMD Organizational Structure and responded to questions from the Board. Mr. Prasad presented an overview of the draft budget and responded to questions from the Board. Both presentations are on file at the District office and on the agency's website.

DISCUSSION ITEMS

- 1. Review and Discuss Proposed FY 2019-2020 MPWMD Budget and Resolution 2019-06**

During the discussion, Stoldt noted that the draft budget did not include a staff salary increase that may be implemented as a result of labor negotiations that were underway. However, he estimated the cost of a 1% increase would be approximately \$30,000. The budget also did not include costs for completion of the Measure J process. Stoldt advised that payment of the Rabobank loan was not anticipated in this budget. He explained that if the feasibility study indicates that the process for ownership of the Monterey Water System should proceed, an operating plan must be in place and findings prepared in preparation for the bench trial. Funds need to be set aside to cover those expenses.

Comments from Directors. (a) Add the Board of Directors to the District's organization chart. (b) Suggest that in the future a reserve fund be established for facilities such as Aquifer Storage and Recovery and the Sleepy Hollow Steelhead Rearing Facility.

Public Comment: (a) **Tom Rowley**, representing the Monterey Peninsula Taxpayers Association, expressed disappointment in continuation of the water supply charge and user fee through the end of the fiscal year. He stated that the Board should discuss how the budget would be affected if California American Water was not able to complete the milestones related to construction of the desalination plant established in the Cease and Desist Order. *Stoldt responded that if a milestone was to be missed and water production remained at current levels, there would be no need for rationing in the first year. In the second year, the community could endure a cutback of 1,000 acre-feet due to a carryover credit related to conservation savings achieved.* (b) **Rudi Fisher** congratulated staff on preparation of a good budget report. (c) **John Tilley** stated that the Ordinance No. 152 Oversight Panel recommended that funds be held in reserve for the Rabobank loan balloon payment. The water supply charge was intended for water supply projects and should not be used to pay costs associated with Measure J. *Stoldt responded that the Ordinance No. 152 Oversight Panel endorsed the District's plan to collect the user fee and water supply charge for three years and then develop a plan to sunset, in whole or part, one or both charges. However, the District must take into consideration the scope of costs associated with Measure J.*

The meeting was adjourned at 5:35 pm.

ADJOURNMENT