



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
December 16, 2019**

Board Chair Evans called the meeting to order at 6:05 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Molly Evans – Chair, Division 3
Alvin Edwards, Vice Chair, Division 1
George Riley, Division 2
Jeanne Byrne – Division 4
Gary D. Hoffmann, P.E. – Division 5
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 action.

ADDITIONS AND CORRECTIONS TO AGENDA

Dan Turner addressed the Board during Oral Communications. He advised the Board to ignore the complaints and accusations raised by California American Water Company (Cal-Am) regarding the Preliminary Valuation and Cost of Services Analysis Report (Feasibility Study), the Board's process in following the mandates of Measure J, and General Manager Stoldt. He urged the Board to focus on its goals.

ORAL COMMUNICATIONS

On a motion by Riley and second of Byrne, the Consent Calendar was approved on a vote of 7 – 0, except for item 3 that was pulled for separate consideration. The motion was approved by Riley, Byrne, Adams, Edwards, Evans, Hoffmann and Potter.

CONSENT CALENDAR

Adopted

- 1. Consider Adoption of Minutes of the November 12, 2019 Special Meeting/Board Workshop and November 18, 2019 Regular Board Meeting**

Adopted.

Adams offered a motion that was seconded by Byrne to approve the Annual Disclosure Statement. The motion was approved unanimously on a vote of 7 – 0 by Adams, Byrne, Edwards, Evans, Hoffmann, Potter and Riley.

Approved expenditure of \$5,131.00.

Adopted.

A summary of General Manager Stoldt’s report is on file at the District office and can be viewed on the agency website. He noted that for the period of October 1, 2019 through November 30, 2019 water production within the Monterey Peninsula Water Resources System was 117 acre-feet above the production target. Rainfall received between October 1, 2019 and December 16, 2019 was approximately 8 inches. Between December 1 and December 15, 2019, ASR injection totaled approximately 98 acre-feet.

Stoldt reviewed briefly information provided in the staff report.

District Counsel Laredo reported the Board considered item 3 on the closed session agenda. The Board provided specific direction to a subcommittee of Directors Potter, Riley and Hoffmann. They were asked to refine and return to the full Board deliverables concerning the General Manager’s performance objectives and goals. The Board reviewed the evaluation format and criteria to be used which would be brought back for review at a future closed session.

Riley reported that he attended the December 4, 2019 meeting of the Seaside Groundwater Basin Watermaster. At that meeting an agreement was made with the City of Seaside to allow in lieu recharge to protect the basin from overdraft. He also attended a recent joint meeting of the Carmel River Advisory Committee and Carmel River Watershed Conservancy. The groups discussed the possibility of merging into one organization. Edwards

2. **Adopt Board Meeting Schedule for 2020**
3. **Review Annual Disclosure Statement of Employee/Board Reimbursement for FY 2018-2019**
4. **Authorize Expenditure for Software Maintenance Agreement with Kisters North America Inc.**
5. **Consider Adoption of Treasurer's Report for October 2019**

GENERAL MANAGER’S REPORT

6. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision**
7. **Report on Legislative Outreach for Calendar Year 2019**

ATTORNEY’S REPORT

8. **Report on 5:00 pm Closed Session of the Board**
3. **Public Employee Performance Evaluation (Gov. Code 54957) – General Manager**

DIRECTORS’ REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

9. **Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations**

attended the December 9, 2019 meeting of the California Public Utilities Commission regarding the proposal for a moratorium in Laguna Seca. He noted that only ten persons were in attendance. He asked the Public Outreach Committee to develop a plan for increasing public awareness of future meetings of that type. Director Edwards also reported that he attended the December 12, 2019 informational meeting regarding the SEIR on the Pure Water Monterey Expansion Project where he learned that the project will be delayed. He advised the public that they could express concerns about the delay at the December 19, 2019 meeting of the Monterey One Water Board of Directors. Director Riley stated that he also attended the December 12, 2019 meeting.

Edwards made a motion that was seconded by Byrne to approve the Quarterly Water Supply Strategy and Budget. The motion was approved on a unanimous vote of 7 – 0 by Edwards, Byrne, Adams, Evans, Hoffmann, Potter and Riley. No public comment was directed to the Board during the public hearing on this item.

Edwards made a motion to receive the Fiscal Year 2018-2019 Comprehensive Annual Financial Report. The motion was seconded by Riley and approved on a unanimous vote of 7 – 0 by Edwards, Riley, Adams, Byrne, Evans, Hoffmann and Potter. No public comment was directed to the Board during the public hearing on this item.

Potter offered a motion that was seconded by Edwards to approve entering into new agreements with Rutan & Tucker, Raftelis, Close and Associates; sole-source professionals service agreements with Jacobs Engineering, and an MAI appraiser to be determined; and issue a competitive Request for Qualifications for CEQA work, all as described in the staff report, and authorize a total not-to-exceed budget of \$1,241,000. The work shall be completed by July 31, 2020. The motion was approved on a unanimous vote of 7 – 0 by Potter, Edwards, Adams, Byrne, Evans, Hoffmann and Riley.

The following comments were directed to the Board during the public comment period on this item. **(1) Anna Thompson**, resident of Carmel, spoke in support of public ownership of the Cal-Am water system because it would benefit the long-term growth and prosperity of the community and establish local control. She encouraged the Board to proceed with the next phase of the process to determine feasibility. **(2) Paul Bruno**, resident of the unincorporated Monterey, proposed that the Board conduct a supermajority vote that evening, and if fewer than five directors voted in favor of the expenditure the process would not move forward. He stated that the \$2 million from financial reserves that would be spent to complete the

PUBLIC HEARINGS

10. **Consider Adoption of January through March 2020 Quarterly Water Supply Strategy and Budget (Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1))**

11. **Receive Fiscal Year 2018-2019 Comprehensive Annual Financial Report**

ACTION ITEMS

12. **Consider Authorization of Additional Consulting and Legal Work in Advance of a Resolution of Necessity**

studies, should instead be used to pay down the agency’s pension liability. **(3) Rick Heuer**, Monterey Peninsula Taxpayers Association, expressed concern that should the Board authorize funding for these studies and then decide public ownership would not be feasible, \$2 million would have been wasted. If the Board were to challenge Cal-Am in court to obtain ownership and was unsuccessful, much more money would have been wasted. **(4) Melodie Chrislock**, Public Water Now, stated that 24,000 voters approved Measure J, or 56% of the vote, which proved there was support for the Board to approve the expenditure regarding feasibility. **(5) Sam Teal**, resident of Pacific Grove, stated that the demand estimates used in the Feasibility Study were incorrect. Her urged the Board to revise the Feasibility Study with the inclusion of different demand estimates. **(6) Jeff Davi** recommended that the Board conduct a supermajority vote that evening to determine if there was support for authorizing additional expenditures on the Measure J process. **(7) Brenda Lewis**, resident of Seaside, stated that an expenditure of \$1.2 million was small compared to the amount of money Cal-Am overcharges its customers. She urged the Board to stay on course and follow the will of the voters that approved Measure J. **(8) Dan Turner**, resident of Monterey, stated that if the vote to authorize additional funds is approved on a vote of 4 – 3, and the ultimate vote on the Resolution of Necessity is also approved on a vote of 4 – 3, the process will come to a stop. In November 2020 the composition of the Board could change, and the new Board could again consider the Resolution of Necessity. **(9) Marlene Fischer** – resident of Carmel-by-the-Sea, urged the Board to authorize funding for additional studies in order to be prepared to prevail in the legal battle for public ownership. **(10) Gary Cursio**, representing the Monterey Peninsula Hospitality Association, proposed that instead of authorizing an additional \$1.2 million, the Board should complete the robust work in all four areas of feasibility that the District previously promised, then receive public comment. Only then should the Board consider an expenditure of \$1.2 million. **(11) Mark Kelley**, resident of Monterey, requested that the Board make a decision on continuing collection of the Water Supply Charge and User Fee, before considering whether to spend \$1.2 million to complete the studies as proposed. *District Counsel Laredo advised the Board that it could vote as to whether or not it should fund the collection of additional data. However, at this time, it could not take a poll or vote to express support for a resolution of necessity or for acquisition of the utility. To make a premature expression of intent could provide grounds to recuse directors from participating in the final vote on the resolution of necessity. The Board could only take those steps after following the CEQA process and adopting findings of fact and conclusions of law.*

Byrne offered a motion to strike the words “on behalf of their division, or” from line 8 of the proposed rule.

13. Consider Modification to MPWMD Meeting Rule 6: Spokesperson

Hoffmann offered a second to the motion.

Potter offered a substitute motion to send the proposed language back to staff for further refinement and continue the item to a future Board meeting. The motion was seconded by Edwards and approved on a vote of 6 – 1 by Potter, Edwards, Adams, Byrne, Evans and Riley. Hoffmann was opposed.

Judi Lehman addressed the Board during the public comment period on this item. She stated that under the agenda item “Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations” the Directors could report on their community outreach activities.

Adams offered a motion to approve the recommendation: Chair – Alvin Edwards; Vice Chair – Jeanne Byrne; Secretary - David Stoldt; and Treasurer, Suresh Prasad. The motion was seconded by Potter and approved on a unanimous vote of 7 – 0 by Adams, Potter, Byrne, Edwards, Evans, Hoffmann and Riley. No comments were directed to the Board during the public comment period on this item.

There was no discussion of these items.

The meeting was adjourned at approximately 8:25 pm.

14. Conduct Election of Board Officers for 2020

INFORMATIONAL ITEMS/STAFF REPORTS

- 15. Report on Activity/Progress on Contracts Over \$25,000**
- 16. Status on Measure J/Rule 19.8 Spending**
- 17. Letters Received**
- 18. Committee Reports**
- 19. Monthly Allocation Report**
- 20. Water Conservation Program Report**
- 21. Carmel River Fishery Report for November 2019**
- 22. Monthly Water Supply and California American Water Production Report**

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary