



EXHIBIT 1-A

**FINAL MINUTES
Special Meeting – Board Workshop
Board of Directors
Monterey Peninsula Water Management District
May 13, 2020**

The meeting was called to order at 6:00 pm by Chair Edwards. Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, the meeting was conducted with virtual participation via WebEx.

CALL TO ORDER/ROLL CALL

Directors Present via WebEx:

Alvin Edwards, – Chair, Division 1
Jeanne Byrne – Vice Chair, Division
George Riley, Division 2
Molly Evans, Division 3
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

On a motion by Byrne and second of Riley, the agenda was approved without modification on a vote of 7 – 0 by Byrne, Riley, Adams, Edwards, Evans, Hoffmann and Riley.

ADDITIONS AND CORRECTIONS TO THE AGENDA

No review.

OVERVIEW OF TELECONFERENCE PROTOCOLS

No comments were directed to the Board during Oral Communications.

ORAL COMMUNICATIONS

District Counsel Laredo reported that all other Directors were present, except for Director Hoffmann who was absent. The purpose of the closed session was to consider authorizing litigation against Monterey One Water. The Board collectively chose to postpone a decision on initiating litigation, and instead chose to provide Monterey One Water an opportunity to respond to concerns of the District. In the closed session, the six attending directors provided collective direction that the District should send a letter to Monterey One Water demanding resolution of concerns related to certification of the Pure Water

ATTORNEY'S REPORT

- 1. Report on April 30, 2020 Closed Session of the Board**

Monterey Groundwater Replenishment Project SEIR and payment of the recent invoice tended by Monterey One Water. The letter was an offer in settlement meant to avoid initiation of litigation. The Board directed that an opportunity be given for each Director to offer edits to that letter, which would then to be sent by mid-day on May 1, 2020.

Suresh Prasad, Administrative Services Manager and Chief Financial Officer, presented an overview of the draft 2020-2021 budget and responded to questions. A summary of his presentation is available at the District office and can be viewed on the agency website. General Manager Stoldt also responded to questions.

During the question and answer period the following information was provided. (a) The budget does not include new funds for Measure J activities. The \$600,000 shown in the budget are carryover funds for work approved in the 2019-20 fiscal year. Staff determined that it would be inappropriate to budget for additional Measure J activities until the Board made a decision on the Resolution of Necessity, which should occur in September or October 2020. If the Board were to decide to move ahead with a condemnation action against California American Water (Cal-Am), the costs would be paid from the General Reserve. (b) Due to the uncertainty about future income resulting from the COVID economic slowdown, hiring to fill four vacant and new positions would be suspended until January 4, 2021. Temporary fishery positions hired annually during the summer months would be filled. One position that was vacated due to a retirement was replaced with a lower-cost consultant. The revenue total listed in the draft budget did reflect a 15% reduction in User-Fee receipts. (c) The Project Costs listed in the draft budget did not reflect 2.3 million of IRWM project costs, nor the IRWM grant funds that would offset the additional expenditure. The final budget would include the increased project cost and grant revenues. (d) Property liability insurance rates increased 40% over last year, and Workers Compensation Insurance rates increased by 27%. (e) The draft budget did not include funds to establish a sinking fund or reserves to pay off the Mechanics Bank loan. A designated reserve fund could be established for that purpose, or the loan could be paid from General Reserve funds. The Board would be tasked to decide how payment should be handled. (f) It was suggested that the District's Investment Policy should be modified by providing information on the risk level of all investment types listed. (g) There was a request that a report be provided each month on the status of User Fee and Water Supply Charge receipts. Staff responded that the User Fee was tracked on a monthly basis, and there was a 45-day delay in receipt of the information due to Cal-Am's reporting practices. Water Supply Charge receipts were submitted to the District by the County of Monterey in

DISCUSSION ITEMS

- 1. Review Proposed MPWMD Fiscal Year 2020-2021 MPWMD Budget and Resolution 2020-06**

December and April of each year. (h) There was a suggestion that a professional reserve study be developed.

Public comment: John Tilley, member of the Ordinance No. 152 Oversight Panel, explained that the Water Supply Charge was implemented to pay for the ASR project and pay back the Mechanics Bank loan. He stated that the Water Supply Charge should not be used to pay for Measure J expenses. He also asked the Board to conduct a discussion on sunseting the Water Supply Charge.

The meeting was adjourned at 7:55 pm.

ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary