



EXHIBIT 1-A

**Draft Minutes
Special and Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
Monday, December 12, 2022**

As a precaution to protect public health and safety, and pursuant to provisions of AB 361 (Rivas), this meeting was conducted via Zoom Video/Teleconference.

CLOSED SESSION

Chair Paull called the meeting to order at 4:30 p.m.

CALL TO ORDER

Directors Present via Zoom:

Karen Paull, Chair – Division 4
Mary L. Adams, Vice Chair – Monterey County Board of Supervisors Representative
Alvin Edwards – Division 1
George Riley – Division 2
Marc A. Eisenhart – Division 3
Amy Anderson – Division 5
Vacant Seat – Mayoral Representative

ROLL CALL

Directors Absent: None

General Manager Present: David J. Stoldt

District Counsel Present: David C. Laredo and Fran Farina with De Lay and Laredo

No additions and corrections were made to the Closed Session Agenda.

ADDITIONS AND CORRECTIONS ON THE CLOSED SESSION AGENDA BY DISTRICT COUNSEL

Chair Paull opened public comment. *No comments were directed to the Board.*

PUBLIC COMMENT ON THE CLOSED SESSION AGENDA

District Counsel Laredo read the Board into Closed Session.

CLOSED SESSION

CS 1. Public Employee Performance Evaluation, (Pursuant to CA Gov Code Sec. 54957 of the Government Code) - Title: General Manager

CS 2. Conference with Legal Counsel – Anticipated Litigation: Significant

exposure to litigation pursuant to § 54956.9(b): (One potential case)

- CS 3. Conference with Legal Counsel – Existing Litigation (§ 54956.9): (California American Application to CPUC for Authority to Execute the Water Purchase Agreement); re: Pure Water Monterey Expansion – CPUC Case No.: A.21-11-024
- CS 4. Conference with Legal Counsel – Existing Litigation (§ 54956.9) (Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County); Monterey County Superior Court – Case No. 22CV000925
- CS 5. Conference with Legal Counsel – Existing Litigation (§ 54956.9) (Monterey Peninsula Taxpayers Assoc. v. Monterey Peninsula Water Management District) – Case No. 21CV003066
- CS 6. Conference with Legal Counsel – Existing Litigation (§ 54956.9) (Monterey Peninsula Taxpayers Assoc. v. Monterey Peninsula Water Management District) – Case No. 22CV002113

The Board convened into Closed Session.

CONVENE TO CLOSED SESSION

Chair Paull called the meeting to order at 6:00 p.m.

CALL TO ORDER

Directors Present via Zoom:

Karen Paull, Chair – Division 4
Mary L. Adams, Vice Chair – Monterey County Board of Supervisors Representative
Alvin Edwards – Division 1
George Riley – Division 2
Marc A. Eisenhart – Division 3 (*Left at 7:17 p.m.*)
Amy Anderson – Division 5
Vacant Seat – Mayoral Representative

ROLL CALL

Directors Absent: None

General Manager Present: David J. Stoldt

District Counsel Present: David C. Laredo and Fran Farina with De Lay and Laredo

The Assembly recited the Pledge of Allegiance.

The Oath of Office was administered by Joel G. Pablo, *Board Clerk* to Alvin Edwards, George T. Riley and Marc A. Eisenhart.

No additions and/or corrections were made to the agenda.

Chair Paull opened oral communications to the public. *The following comments were directed to the Board:*

- (a) *Margaret Ann-Coppernoll:* Urged the Board to consider and start construction on Pure Water Monterey (PWM) – Expansion without delay. She provided congratulatory remarks to Director Edwards, Riley and Eisenhart for their election on the Board of Directors.
- (b) *Susan Schiavone:* Congratulated Alvin Edwards, George T. Riley and Marc Eisenhart for their election to the Board of Directors.
- (c) *Michael Baer:* Expressed disappointment with the November 17, 2022 CA Coastal Commission decision approving CalAms Coastal Development Permit and CalAms refusal to sign the Amended and Restated Water Purchasing Agreement (WPA). He urged the board to move forward with eminent domain proceedings.
- (d) *Melodie Chrislock, Executive Director with Public Water Now:* Provided background information on CPUC proceedings as it relates to the Amended and Restated Water Purchasing Agreement. She commented on CalAms refusal to sign off on the agreement is based on the company’s desire to receive an additional authorization to recover more costs in rates through a rehearing. She provided congratulatory remarks to Director Edwards, Riley and Eisenhart.

PLEDGE OF ALLEGIANCE

SWEARING IN CEREMONY / ADMINISTER OATH OF OFFICE TO:

- ALVIN EDWARDS, DIRECTOR
DIVISION 1
- GEORGE T. RILEY, DIRECTOR
DIVISION 2
- MARC A. EISENHART,
DIRECTOR DIVISION 3

ADDITIONS AND CORRECTIONS TO THE AGENDA

ORAL COMMUNICATIONS

- (e) *Tammy Jennings*: Concurred with the prior commentors. Jennings mentioned she is appalled by CalAms refusal to sign the Amended and Restated WPA. She would like to see the PWM-Expansion built absent CalAms signature on the agreement due to delay tactics employed by the company.

No further comments were directed to the Board.

Chair Paull introduced the matter and provided an overview of Item No. 5.

Chair Paull opened Public Comment. *No comments were directed to the Board and no requests were made by members of the public or members of the Board to hold for separate discussion and/or vote on items listed on the consent agenda.*

A motion was offered by Director Adams with a second by Director Edwards to approve the Consent Calendar Item No. 1 through 8. The motion passed by roll-call vote of 6-Ayes (Adams, Anderson, Paull, Eisenhart, Riley and Edwards), 0-Noes and 0-Absent.

Approved the meeting minutes of the Special and Regular Board Meeting on Monday, November 14, 2022 and the Special Board Meeting on Monday, November 28, 2022.

Adopted Resolution No. 2022-34.

Adopted the August 2022 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month.

Adopted the September 2022 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month.

Authorized Expenditure of Funds for Board Room Audio/Visual System Upgrade from Fiscal Year 2022 – 23 Budgeted Funds not-to-exceed \$45,000 plus \$20,000 in contingencies.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the Special and Regular Board Meeting on Monday, November 14, 2022 and the Special Board Meeting on Monday, November 28, 2022**
2. **Consider Adopting Draft Resolution No. 2022-34 Authorizing Remote Teleconferencing Meetings of All District Legislative Bodies for the Following 30 Days in Accord with the Ralph M. Brown Act and AB 361 (Rivas)**
3. **Consider Adoption of Treasurer’s Report for August 2022**
4. **Consider Adoption of Treasurer’s Report for September 2022**
5. **Authorize Expenditure of Funds for Board Room Audio/Visual System Upgrade**

Received and Filed First Quarter Financial Activity Report for Fiscal Year 2022 – 2023.

Approved the First Quarter Fiscal Year 2022-2023 Investment Report.

Approved expenditures in the amount of \$160,000 to purchase Hewlett Packard Storage Area Network equipment from DeVeera.

David J. Stoldt, General Manager (GM) presented via MS PowerPoint entitled, “Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Basin Decision as of November 1, 2022” and answered board questions. *A copy of the presentation is available at the District office and can be found on the District website.*

GM Stoldt provided an overview of the slide-deck and the following points were made on the:

1. Monterey Peninsula Water Resources System (MPWRS) from October to November Water Year (WY) 2023: Reported that it is in Budget Compliance for the WY.
2. Water Projects and Rights from October to November Water Year 2023: PWM Recovery targets were actualized [Actual: 739; Target: 620] and Sand City Desal almost reached its budget [Actual: 47 AF; Target: 50 AF].
3. On Monthly Production for Customer Service for Cal-Am (Water Year 2023): Customer demand is 44 AF below the same time last year and reminded the board that total demand has remained steady for the past 8 years at or around the 9,500 to 9,600 AF range.
4. On Monthly and Daily Recorded Rainfall at the San Clemente Rain Gage (Water Year 2023): Projected rainfall totals for November 2022 are on par with past averages and December 2022 is projected to be above normal. Reported precipitation totals at the San Clemente Rain Gage is 3.6 inches and Los Padres Dam is 10.2 inches total.
5. Rainfall Year Types: Displayed graph and reported that to be on track with a normal or an above-normal water year.
6. Displayed graph on Estimated Unimpaired Carmel River Flow at Sleepy Hollow Weir: (Water Year 2023).

6. Receive and File First Quarter Financial Activity Report for Fiscal Year 2022-2023

7. Consider Approval of First Quarter Fiscal Year 2022-2023 Investment Report

8. Authorize Expenditure for Purchase of Storage Area Network Equipment

GENERAL MANAGER’S REPORT

9. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision

In response to Director Riley, Stoldt reported injections and extractions at the Aquifer and Storage Recovery Facility is a joint collaboration between the District and CalAm.

District Council Laredo reported out from Closed Session on Monday, November 28, 2022 at 5:00 p.m.

Item No. 1 | Public Employee Performance Evaluation, (Pursuant to CA Gov Code Sec. 54957 of the Government Code) - Title: General Manager

No reportable action was taken.

District Council Laredo reported out from Closed Session on Monday, December 12, 2022 at 5:00 p.m.

CS 1. | Public Employee Performance Evaluation, (Pursuant to CA Gov Code Sec. 54957 of the Government Code) - Title: General Manager

No reportable action was taken.

CS 2. | Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to § 54956.9(b): (One potential case)

Laredo disclosed the closed session matter pertained to the November 17, 2022 CA Coastal Commission decision to approve CalAms Coastal Development Permit.

A motion was offered by Director Riley and seconded by Director Edwards to join in litigation against the CA Coastal Commission on their approval of Cal-Ams Coastal Development Permit. The motion was adopted unanimously via roll-call vote of 6-Ayes (Edwards, Riley, Eisenhart, Paull, Anderson and Adams), 0-Absent and 1-Vacant Seat (Mayoral Representative).

Director Adams: Thanked those who were able to attend the Regional Water Forum at the recent Monterey County Board of Supervisors meeting on December 6, 2022.

Director Riley: Mentioned his attendance at the Regional Water Forum, the CA Coastal Commission hearing, the CPUC proceedings on the Water Purchasing Agreement, a Seaside Groundwater Basin Watermaster meeting and the Monterey County Association of Realtors' meeting. He acknowledged and thanked Supervisor Adams for putting

REPORT FROM DISTRICT COUNSEL

10. Reportable Action from Closed Session on Monday, November 28, 2022 and Monday, December 12, 2022

DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONVERENCE ATTENDANCE AND MEETINGS)

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

together the 2023 Water Forums at the County Board of Supervisor’s meeting.

Director Edwards: Commented that he attended the CA Coastal Commission, the Seaside Groundwater Basin Watermaster, Monterey One Water (M1W) and the Seaside City Council. Edwards mentioned at the Council meeting he informed the City on the Water Purchasing Agreement, the CA Coastal Commission hearing and on PWM-Expansion. He informed the Board that on November 28, 2022 the M1W Board had on their agenda a Resolution to consider authorizing the agency to enter into a WIFIA Loan with the U.S. Environmental Protection Agency in the amount not-to-exceed \$77,000,000.

Director Paull: Appreciates Supervisor Adams efforts in putting the Water Forums together to address and resolve the water issues facing the County. She attended the CA Coastal Commission and the CPUC proceedings on the Amended and Restated Water Purchasing Agreement.

Director Anderson: Attended the CA Coastal Commission hearing and the Monterey County Association of Realtors’ annual luncheon.

Jonathan Lear, Water Resources Manager presented via MS PowerPoint entitled, “Consider Adoption of January through March 2023 Quarterly Water Supply Strategy and Budget for California American Water”, answered board questions and recommended approval of the matter. *A copy of the presentation is available at the District office and can be found on the District website.*

Chair Paull opened public comment; *no comments were directed to the Board.*

A motion was offered by Director Riley with a second by Director Anderson to approve a proposed production strategy for the California American Water’s Main and Satellite Water Distribution Systems, which are within the Monterey Peninsula Water Resources System for the three-month period of January through March 2023. The motioned passed on a roll-call vote of 6-Ayes (Edwards, Riley, Eisenhart, Paull, Anderson, Adams), 0-Noes, 0-Absent.

Suresh Prasad, Administrative Services Manager/Chief Financial Officer (CFO) presented via MS PowerPoint entitled, “Receive Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report”, answered board questions and recommended the Board to receive the report. *A copy of the presentation is available at the District office and can be found on the District website.*

PUBLIC HEARINGS

12. Consider Adoption of January through March 2023 Quarterly Water Supply Strategy and Budget

[CEQA Compliance: Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1)]

[ESA Compliance: Consistent with the September 2001 and February 2009 Conservation Agreements between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River and Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016]

13. Receive Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report

Chair Paull opened public comment; *no comments were directed to the Board.*

A motion was offered by Director Edwards with a second by Director Riley to receive the Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report. The motioned passed on a roll-call vote of 6-Ayes (Edwards, Riley, Eisenhart, Paull, Anderson, Adams), 0-Noes and 0-Absent.

[Director Eisenhart left the meeting at 7:17 p.m.]

Suresh Prasad, Administrative Services Manager/CFO presented via MS PowerPoint entitled, “Receive Government Accounting Standards Board Statement No. 75 Accounting and Financial Reporting for Other Post-Employment Benefits (OPEB)”, answered board questions and recommended the Board to receive the report. *A copy of the presentation is available at the District office and can be found on the District website.*

- 14. Receive Government Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension**

Chair Paull opened public comment. *No comments were directed to the Board.*

A motion was offered by Director Edwards with a second by Director Riley to receive the Government Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension. The motioned passed on a roll-call vote of 5-Ayes (Edwards, Riley, Paull, Anderson and Adams), 0-Noes and 1-Absent (Eisenhart).

ACTION ITEMS

Joel G. Pablo, *Board Clerk* provided introductory remarks and a brief overview of the staff report.

- 15. Review and Consider Adopting the Board Meeting Schedule for Calendar Year 2023 Through February 2024**

Chair Paull opened public comment. *No comments were directed to the Board.*

A motion was offered by Director Adams with a second by Director Paull to adopt the Calendar Year 2023 through February 2024 MPWMD Board meeting schedule. The motioned passed on a roll-call vote of 5-Ayes (Edwards, Riley, Paull, Anderson and Adams), 0-Noes and 1-Absent (Eisenhart).

- 16. Conduct Election of Board Officers for 2023**

David J. Stoldt, General Manager provided introductory remarks.

Chair Paull opened public comment. *No comments were directed to the Board.*

A motion was offered by Director Paull with a second by Director Edwards to elect Mary L. Adams as Board Chair, Amy Anderson as Vice-Chair, David J. Stoldt as Secretary and Suresh Prasad as Treasurer of the Board. The motioned passed on a vote of 5-Ayes (Edwards, Riley, Paull, Anderson and Adams), 0-Noes and 1-Absent (Eisenhart).

No further discussion was had on Informational Items.

INFORMATIONAL ITEMS/STAFF REPORTS

17. **Report on Activity/Progress on Contracts Over \$25,000**
18. **Status Report on Measure J / Rule 19.8 Phase II Spending**
19. **Letters Received and Sent**
20. **Committee Reports**
21. **Monthly Allocation Report**
22. **Water Conservation Program Report**
23. **Carmel River Fishery Report for November 2022**
24. **Monthly Water Supply and California American Water Production Report**

[Exempt from environmental review per SWRCB Order Nos. 95-10 and 2016-0016, and the Seaside Basin Groundwater Basin adjudication decision, as amended and Section 15268 of the California Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources]

There being no further business, Chair Paull adjourned the meeting at 7:45 p.m.

ADJOURNMENT

Joel G. Pablo, Deputy District Secretary

Minutes Approved by the MPWMD Board of Directors on Monday, January XX, 2023