



EXHIBIT 1-A

DRAFT MINUTES
Monterey Peninsula Water Management District
Administrative Committee
November 12, 2013

Call to Order

The meeting was called to order at 4:06 PM in the District Conference Room.

Committee members present: Director Lewis
 David Pendergrass
 Judi Lehman

Staff present: David Stoldt, General Manager
 Suresh Prasad, Administrative Services Manager/Chief Financial Officer
 Joe Oliver, Water Resources Manager
 Stephanie Pintar, Water Demand Manager
 Sara Reyes, Office Services Supervisor

Oral Communications

None

Adopt Minutes of October 14, 2013 Committee Meeting

On a motion by Lehman and second by Pendergrass, the minutes were approved unanimously on a vote of 2 – 0. Lewis was absent for this item.

Items on Board Agenda for November 18, 2013

Consider Expenditure of Funds for Non-Residential Community Outreach

On a motion by Pendergrass and second by Lehman, the committee voted 2 – 0 to recommend the Board support a not-to-exceed amount of \$11,000 to notify Non-Residential customers of the requirements.

Pintar reported that the District hopes to undertake an advertising campaign targeted at the Non-Residential water users regarding conservation requirements mandated at the end of 2013. After December 31, 2013, rebates (and credit) will no longer be available for devices required by Rule 143.

Authorize Expenditure of Funds for Review of California American Design Build Procurement Process

On a motion by Pendergrass and second by Lehman, the committee voted 3 – 0 to recommend the Board approve the hiring of SPI by the Authority to serve as consultant for the Governance Committee, with services not-to-exceed \$36,000 for which the District will reimburse one-third

of the cost which shall not exceed \$12,000.

Stoldt reported that California American Water (Cal-Am) anticipates selecting the design-build consultant on or about November 15, 2013 and this information will be made public on December 6, 2013. The cost to the District is estimated at \$11,000.

Consider Expenditure of Funds to Contract with Underwriter for Monterey Peninsula Water Supply Project

On a motion by Pendergrass and second by Lehman, the committee voted 3 – 0 to recommend the Board approve the hiring of Raymond James Associates to provide lead underwriting services for the Water Rate Relief Bonds, with near-term services not-to-exceed \$60,000 over the next 18 months; paid as an advance against future underwriting fees.

Stoldt reported in order to advance the financing concept further and to provide expert support during the December 2 and 3, 2013 hearings with Administrative Law Judge Minkin, the General Manager and General Counsel believe that it is important to retain the same third party expert (Raymond James Associates) that provided earlier testimony in support of its financing proposals. This underwriter would be contracted for the eventual bond issue, but pay for services required during the next 18 months as an advance against the future underwriting fee.

Authorize Expenditure for Final Wellhead Completions at Phase 1 ASR Facility

On a motion by Lehman and second by Pendergrass, the committee voted 3 to 0 to recommend the Board authorize expenditure of budgeted funds up to \$8,680, which includes a 15% contingency amount (\$1,130) over the estimated cost in the event that actual costs exceed the current estimate.

Oliver reported that staff is seeking authorization of funds for preparing, painting and sealing the wellhead piping, valving, instrumentation and motor Recovery (ASR) facility. The work is to be completed to the same specifications as the Cal-Am wells and will be approved by a Cal-Am approved contractor. The work is scheduled for completion this fall before the upcoming winter injection operating season. Staff confirmed the costs would be reimbursable by Cal-Am.

Authorize Expenditure for Final Wellhead Completions at Phase 2 ASR Facility

On a motion by Lehman and second by Pendergrass, the committee voted 3 to 0 to recommend the Board authorize expenditure of budgeted funds up to \$8,280, which includes a 15% contingency amount (\$1,080) over the estimated cost in the event that actual costs exceed the current estimate.

Consider Adoption of Resolution No. 2013-30 – To Amend the Scope of the General Manager’s Delegated Authority to Approve Expenditures, and Establish the Process by which Emergency Funds are Authorized

On a motion by Pendergrass and second by Lehman, the committee voted 2 to 1 to 1) recommend the Board increase the delegated authority of the General Manager to authorize budgeted expenditures to \$15,000 and emergency expenditures to \$25,000, 2) delegate authority to the General Manager to avoid the bid process in times of emergency by adopting Resolution 2013-20, and 3) in situations when the General Manager authorizes emergency contracts are are

not required to be reported to the Board within seven days, that those contracts exceeding \$15,000 be reported to the Board at its next regularly scheduled meeting. Lewis voted against the motion.

Prasad reported that currently, the General Manager is authorized to approve expenditures up to \$2,000 and emergency expenditures up to \$20,000 without prior Board approval. This item addresses the scope of the General Manager delegated authority to approve expenditures, and the process by which emergency funds are authorized. Staff is proposing an increase in the dollar limits contained in the current purchasing procedures to increase operational efficiency and effectiveness.

Consider Approval of Amendment to General Manager’s Contract

On a motion by Lehman and second by Pendergrass, the committee voted 3 – 0 to recommend the Board adopt the proposed terms of the General Manager’s contract for FY 2013-14, effective September 1, 2013 and amend the contract accordingly.

Receive Alternative Measurement Method Report for Determining Annual Costs for Post-Employment Medical Benefits

On a motion by Pendergrass and second by Lehman, the committee voted 3 – 0 to recommend the Board receive the Alternative Measurement Method Report prepared by Milliman, continue to pay retiree medical costs on a pay-as-you-go basis.

Prasad reported that at the October 15, 2013 meeting, the Board authorized expenditure of funds to contract with the actuarial firm Milliman to compile the required data as required by the Governmental Accounting Standards Board (GASB) to establish financial reporting requirements for post-employment benefits other than pensions.

Consider Approval of Fourth Quarter Fiscal Year 2012-2013 Investment Report

On a motion by Pendergrass and second by Lehman, the committee voted 3 – 0 to recommend the Board approve the Fourth Quarter Fiscal Year 2012-2013 Investment Report.

Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project

This item was presented as information only. No action was taken by the Committee.

Other Business

Receive Fourth Quarter Legal Services Activity Report for Fiscal Year 2012-2013

This item was presented as information only. No action was taken by the Committee.

Review Draft Agenda for November 18, 2013 Regular Board Meeting

Stoldt reviewed a revised November 18, 2013 agenda with the committee. The committee made no changes.

Adjournment

The meeting was adjourned at 5:42 PM.

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