



EXHIBIT 1-A

**Draft Minutes
Special and Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
Monday, October 17, 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 only.

CLOSED SESSION

Chair Paull called the meeting to order at 5:00 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
Safwat Malek – Division 3
Amy Anderson – Division 5
Clyde Roberson – Mayoral Representative

ROLL CALL

Directors Absent: None

General Manager Present: David J. Stoldt

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

No additions and corrections to the Closed Session Agenda.

ADDITIONS AND CORRECTIONS TO THE 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.

CS 1. Conference with Legal Counsel – the board will confer with District Counsel to review two matters of pending litigation pursuant to Government Code §54956.9.:

- a. CPUC Case No. A. 21-11-024**
- b. CPUC Case No. R. 22-04-003**

CS 2. Conference with Legal Counsel – Significant exposure to litigation pursuant to § 54956.9(b): (one potential case) involving:

a. Threatened breach of contract relating to the Storage and Recovery Agreement and the Water Purchase Agreement between Cal-Am and MPMWD

CONVENE TO CLOSED SESSION

RECONVENE TO REGULAR SESSION

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

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
Safwat Malek – Division 3
Amy Anderson – Division 5
Clyde Roberson – Mayoral Representative

Directors Absent: None

General Manager Present: David J. Stoldt

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

The Assembly recited the Pledge of Allegiance.

No additions and corrections were made to the published agenda.

Chair Paull opened public comment.

The following comments were directed to the Board:

- (a) Michael Baer: Thanked the Board and District Staff for their work. He requested to receive a detailed report on matters listed on the Closed Session Agenda.

No further comments were directed to the Board.

Chair Paull introduced the matter. Paull pulled Item No. 4 from the consent calendar for separate discussion and consideration by the Board. No further requests were made by the Board and the public to pull matters off the consent

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ADDITIONS AND CORRECTIONS TO THE AGENDA

ORAL COMMUNICATIONS

CONSENT CALENDAR

calendar.

A motion was made by Director Adams with a second by Director Anderson to approve Item Nos. 1, 2 and 3. The motion passed by roll-call vote of 7-Ayes (Adams, Roberson, Anderson, Paull, Malek, Riley and Edwards), 0-Noes and 0-Abstain.

Item No. 4- Pulled Matter

Chair Paull requested Maureen Hamilton, District Engineer to provide an overview of the Local Project Grant Funding distribution to the City of Monterey.

Hamilton, District Engineer provided an overview of her staff note. She mentioned the City of Monterey’s proposed Olivier Street Stormwater Diversion Project would divert urban/untreated water from being discharged to the Monterey Bay National Marine Sanctuary, to an existing City sanitary sewer utility treatment at Monterey One Water Regional Treatment Plant and reduce point source discharge in a disadvantage community.

The following comments were directed to the Board:

- (a) Susan Schiavone: Applauded the District’s work on the matter and hopes the District will undertake similar projects in the future.

No further comments were directed to the Board.

The Board by unanimous consensus was in favor of Item No. 4 via roll-call vote of 7-Ayes (Edwards, Riley, Malek, Paull, Anderson, Roberson and Adams), 0-Noes and 0-Abstained.

Approved the Meeting Minutes of the Regular Board Meeting on Monday, September 19, 2022 and the Special Board Meeting on Monday, October 10, 2022

Adopted Resolution No. 2022 – 29 authorizing remote teleconference meetings of all District legislative bodies for the following 30 days in accord with the Ralph M. Brown Act and AB 361 (Rivas).

The Board adopted the following actions to include:

- 1. Adopted Resolution 2022-28 authorizing the General Manager to apply for and enter into a grant agreement with the DWR for a Proposition 1

- 1. **Consider Adoption of Minutes of the Regular Board Meeting on Monday, September 19, 2022 and the Special Board Meeting on Monday, October 10, 2022**
- 2. **Consider Adopting Draft Resolution No. 2022-29 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 Approval of Resolution No. 2022-28 to Apply for and Enter into Grant Agreements for Proposition 1 IRWM Implementation Round 2 Grant,**

Integrated Regional Water Management Implementation Round 2 Grant; and

and Authorize a Grant Administration Services Contract

2. Authorized the General Manager to enter into sub-grant agreements with project proponents; and
3. Authorized the General Manager to enter into an agreement for grant administration services not to exceed \$148,896 and to be reimbursed by the grant.

Considered Distribution of Funds for Local Project Grant Funding

4. Consider Distribution of Funds for Local Project Grant Funding

1. Approved the City of Monterey grant application to MPWMD for Olivier Street Stormwater Diversion Project development costs; and
2. Authorized the General Manager to enter into a grant agreement with the City of Monterey for Olivier Street Stormwater Diversion Project development costs in the amount of \$25,000.

GENERAL MANAGER'S REPORT

David J. Stoldt, General Manager announced CliftonLarsonAllen, LLP has acquired Hayashi & Wayland, the District's contracted auditors. Stoldt mentioned at some point next year the Board will have to consider whether to continue retaining services offered through CliftonLarsonAllen, LLP.

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

David J. Stoldt, General Manager presented via MS PowerPoint entitled, "Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Basin Decision as of October 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) for the period covering October through September 2022 of the Water Year: (a) Total Target for the Carmel River Basin has not been actualized [Actual: 4,085 Acre Feet (AF); Target: 5,670 AF]; and (b) Total Targets for the Seaside Groundwater Basin have been met [Actual: 1,651 AF; Target: 1,075 AF].
2. Water Projects and Rights for the period covering October through September 2022 of the Water Year: (a) Pure Water Monterey (PWM) Recovery exceeded its 3,500 AF of contracted obligation and deliveries to California American Water (CalAm) by 261 AF; and (b) Sand City

Desal closes out the Water Year below its targets by 180 AF.

3. On Monthly Production for Customer Service for Cal-Am (Water Year 2022): Stoldt reported the difference in customer demand between WY2021 (9,641 AF) and WY2022 (9,516 AF) is 125 AF.

4. Stoldt presented a graph on Water Demand Since 2002 noting that during the current and previous eight (8) years demand has fell below 10,000 AF.

5. On Monthly and Daily Recorded Rainfall at the San Clemente Rain Gage (Water Year 2022): Reported just under 1/2 inch of precipitation received during the month of September 2022.

6. Displayed graph on Estimated Unimpaired Carmel River Flow at Sleepy Hollow WEIR: (Water Year 2022).

District Counsel Laredo reported out from Closed Session.

REPORT FROM DISTRICT COUNSEL

CS 1 (a): CPUC Case No.: A. 21-11-024. Laredo stated the application has been divided into two phases:

Phase 1 of the Application: CalAm seeks authorization to enter into an Amended and Restated Water Purchasing Agreement for the Pure Water Monterey Expansion. A proposed decision was released by the Administrative Law Judge (ALJ) on September 30, 2022 authorizing CalAm to proceed into the agreement. On the matter, opening comments are due October 20, 2022 and reply comments are due on October 25, 2022.

Phase 2 of the Application: Currently in progress, CPUC has asked CalAm to re-examine its long-term water supply and demand estimates in relation to its proposed Monterey Peninsula Water Supply Project (MPWSP). Opening testimony has been received by the ALJ and evidentiary hearings for cross examination may be set sometime in November or December of 2022.

No reportable action was taken.

CS 1 (b): CPUC Case No.: R. 22-04-003, Order Instituting Rulemaking (OIR)

Laredo stated the OIR matter is to review the existing framework regarding acquisitions involving water utilities under the Commission’s jurisdiction. The District is a party to the matter. There will be continued workshops on the matter from December 2022 through July 2023.

No reportable action was taken.

CS 2 (a) Threatened breach of contract relating to Storage

and Recovery Agreement and the Water Purchase Agreement between CalAm and MPWMD.

An oral report to the Board during Closed Session was provided. He stated the parties involved in the matter have met and conferred on multiple occasions resulting in a physical solution being identified and to be implemented. A future meeting will likely occur in April 2023 around the same time a report on implementation has been produced.

No reportable action was taken.

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

Director Mary L. Adams: Described her experience at the ACWA Region 5 Tour and was quite pleased with the presentations and receptions had.

Director George Riley: Mentioned he attended the ACWA Region 5 Tour, commented on Dave Stoldt's presentation and commended Supervisor Adam's last minute impromptu request by ACWA for her to speak.

Director Amy Anderson: Stated she attended the ACWA Region 5 Tour. She mentioned she toured Pure Water Monterey, the desal plant at the Marina Coast Water District and was intrigued by conversations had at the event on new technological innovations as it relates to desal.

Director Karen Paull: Concurred with Director's comments on the ACWA Region 5 Tour. She commented that she toured and was impressed by the Pure Water Monterey facility. She noted that its platform/space has unused capacity and is ready to be made operational for the Pure Water Monterey- Expansion.

Director Alvin Edwards: Commented that he attended a Seaside City Council meeting along with Susan Sandoval informing the Council on water, the Seaside Basin and the CA Coastal Commission upcoming hearing in Salinas, CA. Edwards thanked the General Manager for two letters sent to the Seaside Groundwater Basin Watermaster.

David J. Stoldt reported that the District, Maureen Hamilton and Jon Lear received a Federal Facility Excellence in Site Reuse Award for the work done at the Former Fort Ord.

Director Clyde Roberson: Informed the Board that he recommended at a recent Mayor's Association meeting that the Mayoral Representative on the MPWMD Board should be on rotation following his departure from elected office.

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

Chair Paull opened public comment. The following comments were directed to the Board:

- (a) Michael Baer: Thanked Mayor Roberson for his service on the Board and for his recommendation to the Mayor’s Association on Mayoral Representative Rotation for the MPWMD Board. Inquired and requested for the District to ask from the CA Coastal Commission to have CalAm update its numbers for the cost of their proposed desalination project.
- (b) Melodie Chrislock: Thanked Mayor Roberson for his leadership on water matters.

No further comments were directed to the Board.

David J. Stoldt, General Manager introduced the matter, provided an overview of the staff note, answered Board questions and recommended approval of the matter.

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

A motion was offered by Director Anderson with a second by Director Edwards to adopt Resolution No. 2022-30 and directed staff to submit an application to the State Water Resources Control Board. The motion passed on a roll-call vote of 7-Ayes (Paull, Riley, Edwards, Anderson, Roberson, Adams and Malek), 0-Noes and 0-Absent.

David J. Stoldt, General Manager introduced the matter.

David C. Laredo provided an overview of the staff note, answered Board questions and recommended approval of the matter.

Chair Paull opened public comment; the following comments were directed to the Board.

- (a) Margaret-Anne Coppernoll: Expressed support for Resolution No. 2022 – 31 and thanked the District staff for their work.
- (b) Susan Schiavone: Expressed support and believes the District should asserts its rights through the adoption of Resolution No. 2022 – 31.
- (c) Eric Tyan, General Manager with the Castroville Community Services District: Shared his concern over the District taking water from Castroville Seawater Intrusion Project (CSIP) to serve the

ACTION ITEMS

- 7. **Consider Adoption of Resolution No. 2022-30: A Resolution of the Board of Directors Authorizing the Application, Acceptance, and Execution with the California State Water Resources Control Board for Deep Injection Well No. 6 of the Expansion of the Pure Water Monterey Project**
- 8. **Consider Adoption of Resolution No. 2022-31: A Resolution of the Board of Directors Confirming District Permit Authority Associated with Receipt of Desal Plant Product Water into the Cal-Am Water Distribution System**

Peninsula’s needs.

- (d) Michael Baer: Apologized to the Board for his comment made earlier and expressed support for Resolution No. 2022 – 31.
- (e) Melodie Chrislock: In response to Tynan, she explained Pure Water Monterey is not taking water
- (f) Anna Thompson: Thanked the District’s for its proactive work and supports Resolution No. 2022 – 31.

Chair Paull requested for the General Manager to place as a future discussion item the relationship between Pure Water Monterey and concerns raised by Eric Tynan, General Manager with the Castroville Community Services District during the meeting.

Written Public Comment received from Winston P. Stromberg with Latham and Watkins, LLP on Monday, October 17, 2022. A copy of the presentation is available at the District office and can be found on the District website.

No further comments were received by the Board.

A motion was offered by Director Riley with a second by Director Edwards to adopt Resolution No. 2022-31 with editorial changes and directed staff to notify Cal-Am and other permit requirements applicable to importation and use of desal water into the Cal-Am Water Distribution System. The motion passed on a roll-call vote of 7-Ayes (Paull, Riley, Edwards, Anderson, Roberson, Adams and Malek), 0-Noes and 0-Absent.

No further discussion was had on Informational Items.

INFORMATIONAL ITEMS/STAFF REPORTS

- 9. Letters Received and Sent
- 10. Committee Reports
- 11. Monthly Allocation Report
- 12. Water Conservation Program Report
- 13. Carmel River Fishery Report for September 2022
- 14. 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]*

- 15. Quarterly Carmel River Riparian Corridor Management Program Report**
- 16. Quarterly Water Use Credit Transfer Status Report**

There being no further business, Chair Paull adjourned the meeting at 7:26 p.m.

ADJOURNMENT

Joel G. Pablo, Deputy District Secretary

Minutes Approved by the MPWMD Board of Directors on Monday, November XX, 2022

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