



EXHIBIT 1-A

**Draft Minutes
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
*June 16, 2025 at 6:00 p.m.***

Meeting Location: District Office, Main Conference Room
5 Harris Court, Building G, Monterey, CA 93940 AND
By Teleconferencing Means - *Zoom*

CALL TO ORDER

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

ROLL CALL

Board Members Present:

George Riley, Chair
Ian Oglesby, Vice-Chair
Amy Anderson
Kate Daniels
Alvin Edwards
Rebecca Lindor (via Zoom)
Karen Paull (via Zoom)

Board Members Absent:

None

District Staff Members Present:

David Stoldt, General Manager
Mike McCullough, Assistant General Manager
Nishil Bali, Chief Financial Officer/Administrative
Services Manager
Stephanie Locke, Water Demand Manager
Jonathan Lear, Water Resources Manager
Maureen Hamilton, District Engineer
Sara Reyes, Clerk of the Board / Executive Assistant

District Staff Members Absent:

Thomas Christensen

District Counsel Present:

David Laredo, De Lay & Laredo
Michael Laredo, De Lay & Laredo
Fran Farina, De Lay & Laredo

PLEDGE OF ALLEGIANCE

The assembly recited the Pledge of Allegiance.

ADDITIONS AND CORRECTIONS TO THE AGENDA

None

ORAL COMMUNICATIONS

Chair Riley opened the Oral Communications period, and the following comments were made to the Board:

- 1) Tom Rowley reported that groundwater contamination has prompted plans for a \$2 billion desalination facility at Barber's Point, underscoring that even aquifer-rich regions face water safety concerns. He expressed concern regarding the district's reliance on the Seaside Basin, citing previous contamination incidents caused by infrastructure failure, and emphasized the need to protect water quality as well as supply.
- 2) Melodie Chrislock commended MPWMD and Monterey One Water for their effective and visionary management approach in securing a reliable water supply. She highlighted the availability of multiple sources-river, groundwater, Aquifer Storage and Recovery (ASR), and Pure Water Monterey (PWM)-and stated that contamination is not a concern. Ms. Chrislock urged the Board to clearly communicate water security to the public and noted that California American Water's (Cal-Am) reluctance to lift the Cease and Desist Order (CDO) continues to fuel the perception that a desalination plant is necessary.

CONSENT CALENDAR

Chair Riley introduced the item.

Director Oglesby offered a motion, seconded by Director Anderson, to approve the Consent Calendar. The motion passed by a voice vote of 7 Ayes (Anderson, Daniels, Edwards, Lindor, Paull, Oglesby, and Riley) and 0 Noes.

The following agenda items were accepted as part of the Consent Calendar:

1. **Consider Adoption of the Board Minutes from the May 19, 2025 Special and Regular Meeting, and the May 29, 2025 Special Budget Workshop Meeting**
2. **Consider Adoption of Resolution No. 2025-05 - Amending Fees and Charges Table – Rule 60**
3. **Consider Adoption of Resolution No. 2025-06 – Annual Update to Rule 24, Table 3, Capacity Fee History**
4. **Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Aquifer Storage and Recovery, Watermaster Monitoring and Maintenance Plan, and Carmel Valley Alluvial Aquifer Water Quality Monitoring**
5. **Consider Authorization to Enter into a Contract Amendment with Montgomery and Associates to Provide Groundwater Modeling Support to the District**
6. **Consider Extension of Cooperative Agreement with the United States Geological Survey for Streamflow Gaging in Water year 2026**
7. **Consider Authorization to Enter into a Contract with a Qualified Well Driller Contractor for As-Needed ASR Repairs**
8. **Consider Adoption of Treasurer's Report for April 2025**

GENERAL MANAGER'S REPORT

Chair Riley introduced the item.

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

General Manager Stoldt provided information on the status of this agenda item through a slide-deck presentation titled "Status Report on Cal-Am Compliance with SWRCB Orders and Basin Decision as of June 1, 2025".

Following the presentation, the Board engaged in discussion. A copy of the presentation is available on the District's website.

10. **Update on Water Supply Project**

General Manager Stoldt confirmed that the Pure Water Monterey Expansion project remains on schedule for October, with no reportable delays. Preparations are underway for a ribbon-cutting or commemorative event, potentially timed with the project's sixth or seventh anniversary.

REPORT FROM DISTRICT COUNSEL

Chair Riley introduced the item.

11. **General Report of Pending Litigation**

District Counsel David Laredo referenced the litigation report on page 55 of the meeting packet and provided a

summary of ongoing legal matters. He also reported on actions taken during the Closed Session meetings.

Chair Riley opened the public comment period, and the following comment was made to the Board:

- 1) Michael Baer praised the Board's persistence in legal matters and supported collaboration with MCWD and Marina on potential appeals. He asked about ways to prompt State Water Board action on the CDO and sought clarification on the status of eminent domain proceedings.

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

Chair Riley introduced the item.

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

Director Paull reported on attending CPUC meetings on June 4-6 to discuss the proposed decision on water supply and demand estimates. She noted disagreement with Cal-Am's projections, which led to further review. Ms. Paull encouraged prompt public comments via the CPUC website while revisions remain under consideration.

PUBLIC HEARING

Chair Riley introduced the item.

13. Consider Adoption of July through September 2025 Quarterly Supply Strategy and Budget

Jonathan Lear, Water Resources Manager, provided information on this agenda item through a slide-deck presentation titled "Consider Adoption of Jul – Sep 2025 Quarterly Water Supply Strategy and Budget for California American Water".

Following the presentation, the Board engaged in discussions. A copy of the presentation is available on the District's website.

Chair Riley opened the public comment period, and the following comment was made to the Board:

- 1) Michael Baer asked for clarification on issues with injection wells 3 and 4 and emphasized the need to maximize well use during the ASR season. He questioned Cal-Am's role in limiting well usage and whether those issues would persist without their involvement.

General Manager Stoldt responded to Mr. Baer and stated that Bayonet Wells 1 and 2 are expected online by year-end to boost capacity. ASR Well 4 has water quality issues and may return to injection-only use. Wells 3 and 4 are temporarily used for production due to current capacity needs. He noted a shift from the river to the Seaside Basin and that no new wells have been developed since 2020.

A motion was made by Director Daniels, seconded by Director Anderson, to recommend that the Board adopt the proposed quarterly water supply budget. The motion passed by a voice vote with 7 Ayes (Anderson, Daniels, Edwards, Lindor, Paull, Oglesby, and Riley) and 0 Noes.

14. Consider First Reading of Draft Ordinance No. 198 – Amending Definitions and Permit Processes

Stephanie Locke, Water Demand Manager, provided information on this agenda item through a slide-deck presentation titled "Consider First Reading of Ordinance No. 198, Amending Definitions and Permit Processes".

Following the presentation, the Board engaged in discussions.

Chair Riley opened the public comment period; however, no comments were received.

A motion was made by Director Oglesby, seconded by Director Edwards, to recommend the Board approve the first reading of Ordinance No. 198. The motion passed by a voice vote with 7 Ayes (Anderson, Daniels, Edwards, Lindor, Paull, Oglesby, and Riley) and 0 Noes.

ACTION ITEMS

Chair Riley introduced the item.

15. Adopt Proposed Fiscal Year 2025-2026 MPWMD Budget and Resolution No. 2025-04

Nishil Bali, Chief Financial Officer/Administrative Services Manager, provided an overview of this agenda item through a slide-deck presentation titled “Consider Adoption of Proposed Fiscal Year 2025-2026 MPWMD Budget and Resolution 2025-04”.

General Manager Stoldt provided additional information through a slide-deck presentation titled “Cost of Acquisition of Monterey Water system 2018-2025”.

Following the presentation, the Board engaged in discussions. Copies of the presentations are available on the District’s website.

Chair Riley opened the public comment period, and the following comments were made to the Board:

- 1) Tom Rowley, Vice President of the Monterey Peninsula Taxpayers Association, expressed appreciation that the water supply charge was removed. He raised concerns about the continued allocation of funds for the potential acquisition of a water company that is not currently for sale. Mr. Rowley urged the Board to reconsider the financial commitment, suggesting the money could be better spent elsewhere. He concluded by referencing eminent domain laws as a possible justification for the effort.
- 2) Susan Schiavone expressed support for the use of eminent domain, noting that it aligns with voter intent. She thanked staff for the clear and understandable budget graphics. Ms. Schiavone inquired about the impact of recent expenses, particularly the water supply settlement, on the agency’s reserve. She asked whether reduced project spending in the coming year would help stabilize the reserves.
- 3) Michael Baer, stated that Cal-Am has not updated the cost estimate for building its desalination plant since 2018. He noted that, considering inflation and other economic factors, it is reasonable to expect that financing the project over 25 years could result in a total cost exceeding one billion dollars.
- 4) Melodie Chrislock, representing Public Water Now, emphasized that the original intent behind Measure J was not based on the expectation that Cal-Am would willingly sell, but rather on the understanding that the Monterey Peninsula Water Management District has the authority to pursue eminent domain. She expressed concern over Cal-Am’s continued profit from local ratepayers and warned that allowing the company to proceed unchecked could have serious economic consequences for the region.

A motion was made by Director Edwards, seconded by Director Lindor, to recommend that the Board adopt Resolution No. 2025-04, approving the budget for Fiscal Year 2025-2026. The motion passed by a voice vote with 7 Ayes (Anderson, Daniels, Edwards, Lindor, Paull, Oglesby, and Riley) and 0 Noes.

DISCUSSION ITEMS

Chair Riley introduced the item.

16. Update on Resolution No. 2024-13 Supporting Closure of Open Water Permits by Implementing a One-Time Amnesty Period

Stephanie Locke, Water Demand Manager, provided an overview of this item through a slide-deck presentation titled “Update on Resolution 2024-13-Supporting Closure of Open Water Permits by Implementing a One-Time Amnesty Period”.

Following the presentation, the Board engaged in discussions. A copy of the presentation is available on the District’s website.

Chair Riley opened the public comment period, and the following comment was made to the Board:

- 1) Tom Rowley, a licensed realtor and member of the local Government Relations Committee, expressed strong support for the program presented by staff, commending Stephanie for her organization and effectiveness. He highlighted the importance of addressing unresolved violations, noting that such issues can complicate real estate transactions and potentially disrupt escrows. Mr. Rowley noted that Phase One of the program plays a key role in improving compliance and reducing burdens on realtors.

17. Update on Summer Splash Water Challenge Giveaway 6

Stephanie Locke presented an overview of this item through a slide-deck presentation titled “Summer Splash-Starting July 1”.

Following the presentation, the Board engaged in discussions. A copy of the presentation is available on the District’s website.

Chair Riley opened the public comment period, and the following comment was made to the Board:

- 1) Melodie Chrislock suggested developing a future version of the “Summer Splash” campaign focused on educating the public about the local water supply, citing widespread misinformation. She shared that she and Michael DeLapa of LandWatch contacted approximately 3,500 people multiple times to encourage participation in a recent CPUC meeting, which resulted in 14 public comments, all opposing the proposed decision. She concluded by reaffirming ongoing efforts to raise public awareness.

18. Comments on Proposed Decision for California Public Utilities Commission (CPUC) – Case No. A21-11-024

Chair Riley noted that this topic was addressed under Item 11 - Report from District Counsel, after which the Board engaged in discussion.

INFORMATIONAL ITEMS/STAFF REPORTS:

- 19. Report on Activity/Progress on Contracts Over \$25,000**
- 20. Status Report on Spending – Public’s Ownership of Monterey Water System**
- 21. Letters Received and Sent**
- 22. Committee Reports**
- 23. Monthly Allocation Report**
- 24. Water Conservation Program Report for May 2025**
- 25. Carmel River Fishery Report for May 2025**
- 26. Monthly Water Supply and California American Water Production Report**

These items were informational only and no action was taken. Copies of these reports are available at the District office and can be found on the District website.

ADJOURNMENT

There being no further business, Chair Riley adjourned the meeting at 8:20 p.m.

Sara Reyes, Deputy District Secretary

Minutes approved by the MPWMD Board of Directors on _____, 2025