



EXHIBIT 1-A

**Draft Minutes ~~(Red-line)~~
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
Monday, December 14, 2022**

Pursuant to AB 361, this meeting was conducted using teleconferencing means.

Call to Order: Chair Edwards called the meeting to order at 11:00 a.m.

Committee Members Present: Alvin Edwards, Chair
Karen Paull
George Riley

Committee Members Absent: None

Staff Members Present: David J. Stoldt, General Manager (~~L~~eft meeting at 12:25 p.m.)
Jonathan Lear, Water Resources Division Manager
Maureen Hamilton, District Engineer
Joel G. Pablo, Board Clerk

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

Comments from the Public: Chair Edwards opened public comment.

No ~~further~~ comments were directed to the Committee

Action Items

1. Consider Adoption of the October 3, 2022 Committee Meeting Minutes

David J. Stoldt, General Manager introduced Item No. 1~~provided introductory remarks.~~

Chair Edwards opened public comment. *No comments were directed to the Committee.*

A motion was offered by Paull with a second by Riley to approve the October 3, 2022 Committee Meeting Minutes. The motion passed on a roll-call vote of 3-Ayes (Riley, Paull and Edwards), 0-Noes and 0-Abstain.

Discussion Items

2. Aquifer Storage and Recovery (ASR) Preparation for Winter 2022 – 23 Operations

David J. Stoldt provided introductory remarks.

Jonathan Lear, Water Resources Manager briefly described ASR Preparations for Winter 2022–23 Operations and made the following points:

- a) Monday, December 12: Successfully connected the parallel pipeline to ASR Well No. 3 and 4. Started injecting water to the pit.
- b) Tuesday, December 13: Flushed water until the appropriate silt density index has been ~~achieved~~ ~~reached~~ in order to inject water. Once ~~actualized~~ ~~reached~~, ASR Well No. 2 was turned on ~~to commence~~ ~~to continue~~ injecting at a rate of 1,000 gallons per minute. Lastly, turned on the Upper Valley Wells for Cal-Am to support the extra extraction out of the river.
- c) Wednesday, December 14: Staff determined ASR 1 is ready for injection. ASR 2 has been set and turned up to 1,500 gallons per minute with a set target of 2,800 ~~gallons per minute~~ ~~pm~~ moving forward. Lastly, the gauge ~~off~~ ~~off~~ Highway 1 is measured at 350 cubic feet (cu ft) and ~~being injected~~ injection to begin until it falls once measurements fall below 120 cu ft.

In response to Edwards, Lear stated currently all four ASR wells ~~can not~~ cannot be ran at the same time due to ASR 3 and 4 being utilized as production wells. however noted ~~existing pipeline exists~~ to operate all four. Lear mentioned Well No. 3 and 4 ~~are operating as production wells for Cal-Am and~~ may present an issue in the future if ~~the~~ CalAm's practice continues. He commented the intention of said wells was to harvest water from the Carmel River during the winter months and not to be used as recovery wells.

Chair Edwards opened public comment. *No public comments were received.*

3. Status of Fort Ord Well No. 9 Replacement

David J. Stoldt, General Manager provided a verbal status report on Fort Ord Well No. 9 Replacement. Stoldt directed attention to Attachment 3-A and shared the costs for replacing FO-09 Shallow to be in the following percentages: Seaside Basin Groundwater Watermaster (42.5%); Marina Coast Water District (42.5%) and the District (15%). Stoldt stated Marina Coast Water District's need to replace the monitoring well has been to keep track of data points. *In response to Edwards*, Lear stated the District alone paid the approximately \$60,000 in destruction costs for FO-09 Shallow. Chair Edwards highlighted that the cost share of 15% for a replacement well is justified as a result of the District paying for the total cost for the destruction of FO-09 Shallow. Paull concurred with Edwards comments. Riley thanked Edwards for his reminder of the destruction costs

incurred by the District.

Chair Edwards opened public comment. No comments were directed to the committee.

4. Condition Report on Fort Ord Well No. 10

David J. Stoldt, General Manager provided a brief overview of Exhibit 4-A: Wells in the Seaside Basin. Lear informed the committee the District gained access to Fort Ord, a former U.S. Army military base and wells were drilled in the area to understand the hydrostratigraphy of the northern area of the District boundary. He described the need to destroy the aging well that has not ~~contributed~~ returned useful data, and Lear indicated the financial costs on destroying the well will be incurred on the District. *In response to Edwards*, Lear commented a good faith effort has been made to identify potential underlying issues with geophysical equipment (*tools that test for sand and clay*) to further assess the condition of the well. ~~that did not return any data on the well.~~ He believes the root cause may have to do with rusted metals found in the well and will not be picked up with geophysical testing tools.

Chair Edwards opened public comment. No comments were directed to the committee.

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5. Update on MPWSP Desalination Project – Coastal Commission and Other Conditions

David J. Stoldt, General Manager provided an overview of his staff report on actions taken at the California Coastal Commission hearing on November 17, 2022 on CalAm's Coastal Development Permit for the MPWSP Desalination Project and answered committee questions. He directed the committee to Exhibit 5-A: Coastal Commission Preliminary Conditions on MPWSP Approval and noted that each of the listed conditions for approval are standard conditions and best management practices for most projects. He mentioned three other conditions were added during the hearing and as listed as bulleted points in the staff note. He noted final Conditions have not yet ~~been produced~~ materialized. Stoldt briefly covered the five (5) interactions required with the California Public Utilities Commission (CPUC) as listed in the staff note. He commented ~~at the one condition built into the~~ made into the CA Coastal Commission decision ~~is for calls for a final determination on~~ Phase 2 of the CPUC proceedings on supply and demand ~~AND desalination to be rectified and a determination on whether desal is needed.~~ As a result of the hearings and approval of the Coastal Development Permit, the District has ~~decided to join~~ joined other entities in a lawsuit against the California Coastal Commission on ~~the grounds of~~ procedural grounds and CEQA issues. Director Paull thanked the General Manager for his reminder ~~of the conditions~~ the Commission decision and believes some of the conditions fall under the authority and jurisdiction of the CPUC. District Counsel Laredo commented a Notice of Determination has been sent and final conditions have not materialized and released to the public. *In response to Riley*, Stoldt ~~recounts~~ ~~says~~ Josh Stratton, Manager of External Affairs for California American Water ~~stating~~ mentioning that an update on desal costs will be provided. Stoldt is not sure

whether Stratton misspoke or if an update on costs will be released.

Chair Edwards opened public comment. *The following comments were directed to the Committee:*

- a) Saoirse Folsom: Thanked Committee Member Paull and Edwards for acknowledging the false promises made by the CA Coastal Commission on CalAm's Coastal Development Permit Condition's as it relates to low-income ratepayers. She briefly mentioned the income thresholds placed by Cal-Am relative to her household's income and the threats of shut off notices she has received.

No further comments were directed to the Committee.

Director Edwards emphasized that the District advocates for all rate-payers and not just low-income rate-payers.

6. **Update on Pure Water Monterey Expansion – Status of Water Purchase Agreement; Alternate Financing Options**

David J. Stoldt provided a verbal update on Pure Water Monterey- Expansion, Water Purchasing Agreement, Alternative Financing Options and answered committee questions. He stated the District will transmit the signed Water Purchasing Agreement to Cal-Am in San Diego, CA, however noted the company has indicated their unwillingness to sign off on the agreement due to their belief that the CPUC's recent decision created a short-fall in cost recoveries. He noted that on January 19, 2023; the District will respond to the application for rehearing as submitted by Cal-Am to the CPUC and may produce additional filings based on the status of status of the application. Currently, Stoldt stated the Expansion project is at a stand-still. *In response to Edwards*, Stoldt stated the District can proceed on the Expansion without Cal-Am describing in detail the WIFIA credit rating process, and future challenges he foresees as it relates to the MPTA lawsuit and conversion to an enterprise fund. Stoldt mentioned to move forward with the Expansion, the District would need to raise revenues and initiate a Proposition 218 process.

Laredo provided a brief status update on the MPTA 2 and 3 lawsuits. He mentioned, Judge Panetta will hold a hearing in December 2022 on the MPTA 2 lawsuit and anticipates an appeal to be filed by either the District or MPTA on her ruling, *when it is made*.

David J. Stoldt, General Manager left the meeting at 12:25 p.m.

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Further discussions ensued regarding water reserves and supplies; and Cal-Ams statement indicating that it may have to over-pump the Seaside Basin and may potentially violate Condition 2 of the Cease-and-Desist-Order 95-10 as a result of not starting construction on the Expansion.

Chair Edwards opened public comment. *The following comments were directed to the committee:*

- (a) Melodie Chrislock, Executive Director with Public Water Now: Inquired if the District can build the expansion and operated the plant and if the CPUC can compel to sign off on the agreement.
- (b) Saoirse Folsom: Concur with Chrislock's and Edward's comments. Raised the question if the District can make the CPUC aware of the Cal-Am's misuse of the two ASR Wells mentioned earlier in the meeting in order to compel the company to sign-off on the agreement.
- (c) Jason Campbell: Agrees with Edwards that the District should find avenues to finance and purchase the expansion and bring it online.
- (d) Tammy Jennings: Questioned if anyone can make a complaint before the CPUC and concurs with Edwards on his comments on an ~~alternative~~ alternative plan absent Cal-Am.

Laredo commented rate-payers can make a complaint against the CPUC.

No further comments were directed to the committee.

Suggest Items to be Placed on Future Agendas

None.

Adjournment

There being no further business, Chair Edwards adjourned the meeting at 12:37 p.m.

/ s/ Joel G. Pablo

Joel G. Pablo, Board Clerk
MPWMD Water Supply Planning Committee

Approved by the MPWMD Water Supply Planning Committee on March XX, 2023
Received by the MPWMD Board of Director's on March XX, 2023

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