

EXHIBIT 1-A

REVISED DRAFT MINUTES

**Regular Meeting
Board of Directors**

**Monterey Peninsula Water Management District
June 15, 2020**

The meeting was called to order at 6:05 pm. Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, the meeting was conducted with virtual participation via WebEx.

CALL TO ORDER/ROLL CALL

Directors Present via WebEx:

Alvin Edwards, – Chair, Division 1
Jeanne Byrne – Vice Chair, Division 4
George Riley, Division 2
Molly Evans, Division 3
Gary D. Hoffmann, P.E. – Division 5
Mary Adams – Monterey County Board of Supervisors Rep.
David Potter – Mayoral Representative (joined the meeting at 6:15 pm)

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No action taken on this item.

**ADDITIONS AND CORRECTIONS TO
AGENDA**

No comments

ORAL COMMUNICATIONS

On a motion by Byrne and second of Evans, the Consent Calendar was adopted except for agenda items 5, 10, 11 and 24 that were pulled for separate consideration. The motion was approved on a vote of 6 – 0 by Byrne, Evans, Adams, Edwards, Hoffmann, and Riley. Potter was absent for the vote.

CONSENT CALENDAR

Adopted.

1. Consider Adoption of Minutes of the May 13, 2020 Special Meeting/Budget Workshop and May 18, 2020 Regular Board Meeting

Adopted.

2. Consider Adoption of Resolution 2020-07 Calling an Election for Directors in Voter Divisions 3, 4 and 5 on November

Adopted – expenditure of \$66,000 of IRWM grant funds.

Approved – increase the budget for appraisal services to \$120,000 and set a 5% contingency for a total of \$126,000.

Approved – contract with Weston Solutions in the amount of \$426,378.70 with a 10% contingency for a total of \$29,016.57. Approved on a motion by Byrne and second of Evans on a vote of 6 – 0. Directors Byrne, Evans, Adams, Edwards, Hoffman, and Riley voted in favor of the motion. Director Potter was absent for the vote.

Approved – contract amendment in the amount of \$70,000.

Approved – contract with retired annuitant not to exceed \$85,000.

Approved - expenditure of \$43,500.

Approved – contract with Lynx Technologies in the amount of \$35,000.

On a motion by Riley and second of Adams, the Board approved an expenditure of \$91,620 on a unanimous vote of 7 – 0 by Riley, Adams, Byrne, Edwards, Evans, Hoffmann, and Potter.

On a motion of Evans and second by Potter, funding was approved in the fully reimbursable amount of \$21,000. The motion was approved on a vote of 7 - 0 by Evans, Potter, Adams, Edwards, Byrne, Hoffmann, and Riley.

Approved – expenditure of \$14,000 for Fiscal Year 2020-2021 to obtain Core Logic’s RealQuest Professional.

Approved – expenditure of \$122,500.

3, 2020, and Approve Services Agreement with Election Department

3. Consider Pursuing Retrofits at Rippling River Center Followed by Release of Unused Grant Funding to City of Monterey’s Franklin Street Stormwater Project
4. Recommend the Board Consider an Increase in the Budget for Appraisal Services for Measure J Phase 2 Activities
5. Consider Authorizing the General Manager to Enter into Unexploded Ordnance Support Contractors for the Santa Margarita ASR Project
6. Consider Approval of Amendment No. 4 to Agreement with Regional Government Services Authority for Management and Administrative Services
7. Authorize Funds to Contract for District Engineer
8. Consider Expenditure for Temporary Agency Employee to Assist with Document Scanning for All District Divisions During FY 2020-2021
9. Consider Approval of Agreement with Lynx Technologies for Geographic Information System (GIS) Services
10. Authorize Funds to Contract for Limited-Term Field Positions during FY 2020-21
11. Consider Approval of Three Temporary Field Staff Positions Funded Through an Interagency Contract between MPWMD and NMFS to Provide for Cooperative Research and Monitoring Project
12. Consider Expenditure of Funds for CoreLogic Information Solutions, Inc.
13. Authorize Expenditure for Software Maintenance Agreements

Approved – expenditure of \$16,000 that will be partially reimbursed.

Approved – expenditure of \$35,000 to contract with JEA & Associates.

Approved – expenditure of \$99,500 to contract with the Ferguson Group.

Approved – renew contract in the amount of \$2,000.

Approved – contract with Pueblo Water Resources in the amount of \$75,000.

Approved – expenditure of \$40,000.

Approved – expenditure of \$10,000.

Approved – expenditure of \$195,000 that includes a 10% contingency to contract with DeVeera Inc.

Approved – expenditure of \$48,000 for 2020; \$49,500 for 2021; and \$51,000 for a total of \$148,500 plus additional fees for Comprehensive Annual Financial Report and GASB.

Adopted.

Refer to Item 35X
On a motion by Evans and second by Edwards, the Board agreed that the item would be considered following adoption of item 32. The motion was approved unanimously by Evans, Edwards, Adams, Byrne, Hoffmann, Riley, and Potter. Chair Edwards directed that the item be identified as the new item 35.

Adopted.

Adopted.

14. Approve Expenditure to Corporation Service Company - Recording Fees
15. Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services
16. Consider Renewal of Contract with Ferguson Group for Legislative and Administrative Services
17. Consider Expenditure to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits
18. Consider Contract with Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support
19. Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Aquifer Storage and Recovery Water Quality Monitoring
20. Consider Authoring Monterey Bay Analytical Services to Provide Laboratory Support for Watermaster Water Quality Monitoring
21. Consider Approving 3-Year Agreement with DeVeera, Inc. for Information Technology Services
22. Consider Authorization to Contract with Hayashi Wayland to Conduct Annual Financial Audit for Fiscal Years Ending 2020, 2021, and 2022
23. Consider Adoption of Resolution No. 2020-08 - Amending Fees and Charges Table – Rule 60
24. Consider Adoption of Resolution 2020-09 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges
25. Consider Adoption of Resolution 2020-10 Establishing Article XIII(B) Fiscal Year 2020-21 Appropriations Limit
26. Consider Adoption of Resolution 2020-

Adopted.

A summary of General Manager Stoldt’s report is available at the District office and can be viewed on the agency’s website. He reported that for the period of October 1, 2019 through May 31, 2020 rainfall received was at 84% of long-term average, and unimpaired flow was at 66% of average; both of which could be categorized in the normal range.

A summary of General Manager Stoldt’s report is on file at the District office and can be viewed on the agency’s website. He presented a timeline indicating that the EIR on the Potential Acquisition of Monterey Water System and District Boundary Adjustment Project must be complete before LAFCO will conduct a hearing on the District’s readiness to operate the Monterey Peninsula water system. The hearing may be conducted in January 2021.

No comments.

Evans offered a motion that was seconded by Edwards to adopt the July through September 2020 Quarterly Water Supply Strategy and Budget. The motion was approved on a unanimous vote of 7 – 0 by Evans, Edwards, Adams, Byrne, Hoffmann, Potter and Riley. No comments were directed to the Board during the public hearing on this item.

Riley offered a motion that was seconded by Evans to adopt Resolution 2020-06 adopting the FY 2020-2021 Fiscal Year Budget. The motion was approved on a vote of 6 – 1 by Riley, Evans, Adams, Byrne, Edwards, and Potter. Hoffmann was opposed.

Public Comment: Paul Bruno, a member of the Ordinance No. 152 Oversight Panel, encouraged the Board to control current expenditures in order to meet significant future financial obligations such as pension, benefits, and the Mechanics Bank loan.

Riley offered a motion that was seconded by Edwards to send Letter A that expressed support for the Pure Water Monterey Expansion Project. The motion was approved on a vote of 4 to 3 by Riley, Edwards, Adams, and Evans.

11 Update to Rule 24, Table 3, Capacity Fee History

27. Consider Adoption of Treasurer's Report for April 2020

GENERAL MANAGER’S REPORT

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

29. **Update on Progress re Phase 2 of Measure J Activities**

DIRECTORS REPORTS (INCLUDING ab 1234 REPORTSS ON TRIPS, CONVERENCE ATTENDANCE AND MEETINGS)

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

PUBLIC HEARINGS

31. **Consider Adoption of July through September 2020 Quarterly Water Supply Strategy and Budget**

ACTION ITEMS

32. **Consider Adoption of Proposed FY 2020-2021 MPWMD Budget and Resolution 2020-06**

33. **Consider Sending a Letter to the California Coastal Commission for Consideration of the Monterey Peninsula Water Supply Project**

Byrne, Potter and Hoffmann were opposed.

Public comment: **(a) Carol Setinek** expressed support for Letter B, advocating for the Pure Water Monterey (PWM) Expansion project. **(b) Wayne Kelley** stated that Pure Water Monterey Expansion is the best option at this time. **(c) Melodie Chrislock**, representing Public Water Now, expressed support for Letter B, advocating for the PWM Expansion project. **(d) Anna Thompson**, resident of Carmel, urged the Board to send Letter B to the California Coastal Commission. **(e) Jeff Davi**, Co-Chair of the Coalition of Peninsula Businesses, urged the Board to send a letter to the CCC in support of the Monterey Peninsula Water Supply Project that includes California American Water Company’s desalination project. **(f) Paul Bruno** expressed support for Letter A, advocating for approval of a permit to construct California American Water Company’s desalination project. **(g) Amy Anderson** expressed support for Letter B that advocated for a water source other than desalination. **(h) Michael Baer** expressed support for Letter B and said the District should also advocate for additional water rights. **(i) Erik Tynan**, General Manager of the Castroville Community Services District, urged the Board to support development of the Monterey Peninsula Water Supply Project. **(j) Scott Dick** requested that the District send Letter A supporting development of the desalination project.

Potter offered a motion that the Board take no action on this item. The motion was seconded by Byrne and adopted on the following vote: Ayes: Byrne, Evans, and Potter; Noes: Edwards; Abstentions: Adams and Riley. Hoffmann did not cast a vote.

The following comments were directed to the Board **(a) Melodie Chrislock** stated that Director Hoffmann should be penalized for his defiance of an action taken by the Board. **(b) Michael Baer** stated that he was surprised that Director Hoffmann took a position against a decision made by the Board in his absence. **(c) Paul Bruno** expressed support for the motion that no action be taken. **(d) Jeff Davi**, lifetime resident of the Monterey Peninsula, spoke in support of the motion that no action be taken.

On a motion by Evans and second of Byrne the Board approved Resolution No. 2020-09 on a unanimous vote of 7 – 0 by Evans, Byrne, Adams, Edwards, Hoffmann, Potter and Riley. No comments were directed to the Board on this item.

There was no discussion of these items.

34. Board Review and Action Related to Recent Correspondence Sent to Monterey One Water

35X. Consider Adoption of Resolution 2020-09 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges

INFORMATIONAL ITEMS/STAFF REPORTS

- 35. Report on Activity/Progress on Contracts Over \$25,000**
- 36. Status Report on Measure J/Rule 19.8**

- Phase II Spending**
- 37. Monthly Progress Report – Santa Margarita Water Treatment Facility**
- 38. Letters Received**
- 39. Committee Reports**
- 40. Monthly Allocation Report**
- 41. Water Conservation Program Report**
- 42. Carmel River Fishery Report for June 2020**
- 43. Monthly Water Supply and California American Water Production Report**

Paul Bruno asked when a report on the Closed Session would be provided. Counsel Laredo stated that the report would be published to the District’s website.

Public Comment

The meeting was adjourned to Closed Session at 9:05 pm.

ADJOURN TO CLOSED SESSION

The MPWMD Board of Directors met in closed session during its regular meeting held on June 15, 2020 on the topic of anticipated initiation of litigation pursuant to CA Gov Code Sec. 54956.9(g). During this session, the Board continued to discuss with legal counsel whether and how to protect its rights and interests via possible litigation against Monterey One Water (M1W) related to actions and responses surrounding the Pure Water Monterey Expansion Supplemental Environmental Impact Report (SEIR) in the context of the Cost Sharing Agreement between the two public agencies.

- 1. Anticipated Initiation of Litigation by MPWMD - CA Government Code Sec. 54956.9(g) – One Case**

A motion was made by Director Evans, on the second of Chair Edwards, to initiate the dispute resolution process specified in Section G 16 of the 5/20/2013 Cost Sharing Agreement between MPWMD and M1W. The motion was approved on a 6 – 1 vote, with Director Hoffmann dissenting.

ADJOURNMENT

The meeting adjourned at 9:55 pm.