



**EXHIBIT 1-B**

**Draft Minutes  
Special and Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
November 13, 2023 at 5:00 P.M.**

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

**CLOSED SESSION AT 5:00 P.M.**

**CALL TO ORDER:**

Chair Adams called the meeting to order at 5:01 PM.

**ROLL CALL:**

Board members present: Mary Adams, Chair  
Amy Anderson, Vice Chair (arrived at 5:11 p.m.)  
George Riley  
Marc Eisenhart  
Karen Paull  
Ian Oglesby  
Alvin Edwards

Board members absent: None

District staff members present: David Stoldt, General Manager  
Suresh Prasad, Administrative Services Manager/Chief Financial Officer  
Sara Reyes, Executive Assistant/Board Clerk

District staff members absent: None

District Counsel present: David Laredo with De Lay & Laredo  
Fran Farina with De Lay & Laredo  
Doug Dennington with Rutan & Tucker, LLP  
Edward T. Schexnayder with Shute, Mihaly & Weinberger

**ADDITIONS AND CORRECTIONS TO THE AGENDA:**

None

**PUBLIC COMMENT ON THE CLOSED SESSION AGENDA:**

Chair Adams opened Oral Communications; *the following comments were directed to the Board:*

- (1) Margaret Ann Coppernoll stated given the District already has latent powers with a long-established precedent, it does not seem necessary for the MPWMD to acquire an expansion of its latent powers with the Local Agency Formation Commission of Monterey County (LAFCO).

No further comments were directed to the Board.

**CLOSED SESSION:**

District Counsel Laredo led the Board into Closed Session.

- CS 1. Conference with Legal Counsel - Existing Litigation (§54956.9(d)(1)) (City Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County); Monterey County Superior Court) – Case No. 22CV000925
- CS 2. Pursuant to Government Code §54956.9(c), the board will confer with district counsel to review two matters of potential/anticipated litigation.
- CS 3. Conference with Legal Counsel - Existing Litigation (§54956.9(d)(1)) (Cal-Am General Rate Case) – CPUC A. 22-07-001
- CS 4. Conference with Legal Counsel - Existing Litigation (§54956.9(d)(1)) (Cal-Am Application re Water Purchase Agreement) – CPUC A. 21-11-024
- CS 5. Public Employee Performance Evaluation, (Pursuant to CA Gov Code Sec. 54957 of the Government Code) - Title: General Manager
- CS 6. Conference with Labor Negotiator (§54957.6), Agency designated representative: General Manager David Stoldt; Unrepresented employee: CFO/Administrative Services Manager

**RECESS TO CLOSED SESSION:**

The Board recessed Closed Session at 5:56 p.m.

**REGULAR SESSION AT 6:00 P.M.**

**CALL TO ORDER:**

Chair Adams called the meeting to order at 6:03 p.m.

**ROLL CALL:**

Board members present: Mary Adams, Chair  
 Amy Anderson, Vice Chair  
 George Riley  
 Marc Eisenhart  
 Karen Paull  
 Ian Oglesby  
 Alvin Edwards

Board members absent: None

District staff members present: David Stoldt, General Manager  
 Suresh Prasad, Administrative Services Manager/Chief Financial Officer  
 Stephanie Locke, Water Demand Manager  
 Maureen Hamilton, District Engineer  
 Thomas Christensen, Environmental Resources Manager  
 Sara Reyes, Executive Assistant/Board Clerk

District staff members absent: None

District Counsel present: David Laredo with De Lay & Laredo

**PLEDGE OF ALLEGIANCE:**

The assembly recited the Pledge of Allegiance.

**ADDITIONS AND CORRECTIONS TO THE AGENDA:**

None

**ORAL COMMUNICATIONS:**

Chair Adams opened Oral Communications; *the following comments were directed to the Board:*

- (1) Anna Thompson thanked the Board, General Manager, and Counsel for their service to the community and for moving forward with the buyout of California American Water (Cal-Am).
- (2) Michael Baer, asked for an update on the legal proceedings with LAFCO and thanked the Board for their work.

**CONSENT CALENDAR:**

Chair Adams introduced the matter.

Director Eisenhart asked to pull Item 1-C, the draft minutes from the October 10, 2023, Special Board meeting for discussion. Director Riley asked for Items 4 and 5 to be pulled for questions. General Manager Stoldt responded and stated that staff would make the desired changes to the minutes and return to the Board for approval at the December meeting.

There being no further discussion, a motion was offered by Director Riley with a second by Director Oglesby to approve the Consent Calendar with the exception of Exhibit 1-C. The motion passed by a voice vote of 7-Ayes (Adams, Oglesby, Eisenhart, Anderson, Paull, Edwards and Riley), and 0-Noes.

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

1. **Consider Adoption of Minutes of the Special Board Meeting on September 7, 2023, and the Regular Board Meeting on September 18, 2023**
2. **Consider Adoption of Treasurer’s Report for August 2023**
3. **Consider Adoption of Treasurer’s Report for September 2023**
4. **Receive and File First Quarter Financial Activity Report for Fiscal Year 2023-2024**
5. **Consider Approval of First Quarter Fiscal Year 2023-2024 Investment Report**
6. **Consider Converting the Associate Hydrologist Position to Meter Program Coordinator Position**
7. **Consider Authorizing CLA-VAL Western Regional Service to Proceed with Five Year Maintenance and Servicing of Valves at the Santa Margarita Aquifer Storage & Recovery Facility**

**GENERAL MANAGER’S REPORT:**

Chair Adams introduced the matter.

David Stoldt, General Manager, announced a letter was received on November 11, 2023, addressed to Chair Adams awarding Suresh Prasad, Chief Financial Officer, the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. General Manager Stoldt read excerpts from the letter to the Board.

8. **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 answered questions and provided information on the status of this agenda item via slide-deck presentation titled “Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Basin Decision as of October 1, 2023” and answered board questions. Mr. Stoldt stated that District staff will be meeting with Cal-Am to discuss a few topics such as how Cal-Am can optimize their system to avoid not operating under the legal water right and preparation for ASR. He pointed out that year 2023 is the 8th-best rainfall on record. *A copy of the presentation*

is available at the District office and can be found on the District website.

## 9. Update on Water Supply Projects

Matters reported by General Manager Stoldt:

- Mr. Rowley’s group - Fisherman’s Flats Neighborhood Association Homeowners and Residents Association has a luncheon on Wednesday, November 15, 2023, with representatives from Cal-Am to discuss the conditions and progress on meeting those conditions in the timeline for the desalination plan. A similar presentation was done at the quarterly Monterey County Hospitality Association luncheon in October so there continues to be effort made to meet those conditions as imposed by the Coastal Commission in their conditional approval.
- Pure Water Monterey expansion, there are two contracts, and both have been given the notice to proceed. It is a 24-month build, so progress at the site will be visible soon with testing and implementation in 2 years.

Chair Adams opened the public comment for Item Nos. 8 and 9; no comments were directed to the Board:

### REPORT FROM DISTRICT COUNSEL:

Chair Adams introduced the matter.

## 10. Update on Pending Litigation

District Counsel Laredo reported that the Board deliberated on two closed session matters pertaining to the following:

- CS 1. Conference with Legal Counsel - Existing Litigation (§54956.9(d)(1)) (City Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County); Monterey County Superior Court) – Case No. 22CV000925
- CS 2. Pursuant to Government Code §54956.9(c), the board will confer with district counsel to review two matters of potential/anticipated litigation.

Counsel Laredo reported the following action was taken by the Board:

A motion was made by Director Edwards with a second by Director Anderson to file a complaint to acquire the California American Water Distribution System and to fulfill Measure J in accord with the October 10<sup>th</sup> Resolution of Necessity. The motion passed unanimously with 7-Ayes (Edwards, Riley, Paull, Eisenhart, Oglesby, Anderson and Adams), 0-Noes, 0-Absent.

Counsel Laredo reported the Board will return to a closed session to discuss the remaining five items at the end of the public session on November 13, 2023.

Counsel Laredo also provided a verbal status report and answered questions on pending litigation to include the following:

- Request by the Marina Coast Water District that the MPWMD support its petition for review of the case Cal-Am vs MCWD for review of the appeal related to Cal-Am’s Coastal development permit for its desalination plant.

A motion was made by Director Paull with a second by Director Eisenhart that the MPWMD ask the Supreme Court to take that matter under review. The motion passed unanimously with 7-Ayes (Edwards, Riley, Paull, Eisenhart, Oglesby, Anderson and Adams), 0-Noes, 0-Absent.

Chair Adams opened the public comment for Item No. 10; *the following comments were directed to the Board:*

- (1) Michael Baer, congratulated Suresh Prasad on being awarded the GFOA Certificate and praised the Board for their financial transparency and proceeding with eminent domain.

**DIRECTORS' REPORTS:**

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

Chair Adams introduced the matter.

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

Director Riley reported out on his attendance at the November Seaside Groundwater Basin Watermaster Meeting.

Director Edwards reported out on his virtual attendance at the October Monterey One Water Board meeting.

*This item was informational only and no action was taken.*

**PUBLIC HEARING:**

Chair Adams introduced the matter.

**12. Consider Recommendation to the Board to Fund Rebates in the California American Water System Between January 1, 2024, and the Availability of Funding from the California American Water General Rate Case**

Stephanie Locke, Water Demand Manager, provided an overview of her staff report and answered questions by the Board.

Chair Adams opened the public comment; *the following comments were directed to the Board:*

- (1) Michael Baer, asked Ms. Locke if the 1.1 million per year or for the entire three-year cycle.

A motion was offered by Director Paull Oglesby with a second by Director Eisenhart to approve the interim funding of up to \$200,000 through June 2024 for the Rebate Program from the District's general reserve fund. The motion passed by a voice vote of 7-Ayes (Edwards, Adams, Oglesby, Eisenhart, Anderson, Paull, and Riley) and 0-Noes.

**13. Consider Authorization of \$600,000 for Acquisition of Monterey Water System Phase IV Activities**

General Manager Stoldt provided an overview of his staff report and answered questions from the Board.

Chair Adams opened the public comment; no comments were directed to the Board:

A motion was offered by Director Edwards with a second by Director Anderson to authorize up to \$600,000 for Phase IV activities related to the acquisition of the Monterey Water System, to be expended only on the 5 firms identified as Rutan and Tucker – Special Counsel, Close & Associates – Operations & Condition Assessment, Jacobs Engineers – Operations & Condition Assessment, Raftelis Financial Consultants – Appraisal, Finance, and Rates and Barclays – Investment Banking. The motion passed by voice vote of 7-Ayes (Edwards, Adams, Oglesby, Eisenhart, Anderson, Paull, and Riley) and 0-Noes.

**DISCUSSION ITEM:**

Chair Adams introduced the matter.

**14. Update on Water Demand by Jurisdiction**

General Manager Stoldt provided an overview of his staff report and answered questions from the Board. He stated that this information was presented to the Water Demand Committee at their October 2, 2023 meeting, but it was important to bring it to the full Board for information and discussion purposes.

Chair Adams opened the public comment; *the following comments were directed to the Board:*

- (1) Tom Rowley, President of Fisherman’s Flats Neighborhood Association Homeowners and Residents Association stated in 1985-1086, the City of Monterey had presented plans for a four-lane expansion along Highway 68 that has never moved forward as Monterey County developed. He pointed out the traffic issues on Highway 68 go back to the early 1980s and entities are not taking into account what the needs are for future planning.

*This item was discussed only and no action was taken.*

**15. Water Allocation Process Schedule**

General Manager Stoldt directed the Board to the schedule presented in his report and answered questions from the Board.

Chair Adams opened the public comment; no comments were directed to the Board.

**INFORMATIONAL ITEMS/STAFF REPORTS:**

- 16. Report on Activity/Progress on Contracts Over \$25,000**
- 17. Status Report on Measure J/Rule 19.8 Phase II Spending**
- 18. Letters Received**
- 19. Committee Reports**
- 20. Monthly Allocation Report**
- 21. Water Conservation Program Report**
- 22. Carmel River Fishery Report for September 2023**
- 23. Carmel River Fishery Report for October 2023**
- 24. Monthly Water Supply and California American Water Production Report**
- 25. Quarterly Water Use Credit Transfer Status Report**
- 26. Quarterly Carmel River Riparian Corridor Management Program 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:**

1. Chair Adams adjourned the Regular Session at 7:25 PM.
2. Recessed the Board into continued Closed Session at 7:25 PM
3. The Board Adjourned from Closed Session at 8:02 PM

[Verbal reportable action on CS Nos. 3-6 will be provided by District Counsel on Monday, December 11, 2023]

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Sara Reyes, Deputy District Secretary

Minutes Approved by the MPWMD Board of Directors on Monday, December XX, 2023