



EXHIBIT 1-A

**Draft Minutes
Special and Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
December 16, 2024 at 5:30 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 5:30 p.m.

CALL TO ORDER:

Chair Anderson called the meeting to order at 5:35 p.m.

ROLL CALL

Board Members Present

Amy Anderson, Chair
George Riley, Vice Chair
Karen Paull (arrived at 5:39 p.m.)
Supervisor Mary Adams (arrived at 5:41 p.m.)
Alvin Edwards
Marc Eisenhart
Mayor Ian Oglesby

Board Members Absent

None

District Staff Members Present

David Stoldt, General Manager
Sara Reyes, Executive Assistant/Board Clerk

District Staff Members Absent

None

District Counsel Present

Michael Laredo, De Lay & Laredo

ADDITIONS AND CORRECTIONS TO THE AGENDA

None

PUBLIC COMMENT ON THE CLOSED SESSION AGENDA

Chair Anderson opened the Public Comment period; however, no comments were made to the Board. General Manager David Stoldt announced his consent to allow Director-elect Lindor to attend the Closed Session, with the understanding that she will not be able to comment or take action on the item. The Board agreed by consensus.

CLOSED SESSION

District Counsel Michael Laredo led the Board into Closed Session.

- CS 1. Public Employee Performance Evaluation, (Pursuant to CA Gov Code Sec. 54957 of the Government Code)
- Title: General Manager

RECESS TO CLOSED SESSION

At 5:35 p.m. the Board went into Closed Session.

REGULAR SESSION AT 6:00 p.m.

CALL TO ORDER

Chair Anderson called the meeting to order at 6:10 p.m.

ROLL CALL

Board Members Present

Amy Anderson, Chair
George Riley, Vice Chair
Karen Paull
Supervisor Mary Adams
Alvin Edwards
Rebecca Lindor
Mayor Ian Oglesby

Board Members Absent

None

District Staff Members Present

David Stoldt, General Manager
Nishil Bali, Chief Financial Officer / Administrative Services Manager
Jonathan Lear, Water Resources Manager
Stephanie Locke, Water Demand Manager
Thomas Christensen, Environmental Resources Manager
Sara Reyes, Executive Assistant/Board Clerk

District Staff Members Absent

None

District Counsel Present

Michael Laredo, De Lay & Laredo
David Laredo, De Lay & Laredo
Fran Farina, De Lay & Laredo (via Zoom)

PLEDGE OF ALLEGIANCE

The assembly recited the Pledge of Allegiance.

INTRODUCTION OF NEW DIVISION 3 DIRECTOR: REBECCA LINDOR

Chair Anderson introduced Rebecca Lindor, the newly elected Division 3 Director. Director Lindor expressed her pleasure to be present and anxious to get to work. She thanked all the persons involved in her campaign including her predecessor, Mark Eisenhart.

ADDITIONS AND CORRECTIONS TO THE AGENDA

General Manager David Stoldt reported there was a duplicate report under Item 22 and a corrected Item 22 report was distributed to the board and posted on the District website.

ORAL COMMUNICATIONS

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

- (1) Marc Eisenhart, welcomed the new Division 3 Director Rebecca Lindor. He acknowledged the individual Board members and stated he enjoyed his time serving on the Board of Directors.
- (2) Michael Baer thanked the directors for their work over the years and welcomed Director Lindor. Mr. Baer asked:
 - 1. How California American Water (CalAm) accounted for expenses amounting to \$225 million in its quarterly reports to the Public Utilities Commission regarding the Water Supply Project
 - 2. What is the plan to ensure that CalAm is drawing the appropriate amount of water from the river when it is flowing.
- (3) Melodie Chrislock, stated she disagreed with CalAm’s water usage projection from their proposed desalination plant and also mentioned that the project is too expensive. Ms. Chrislock expressed her sentiments to Marc Eisenhart and Director Lindor.

CONSENT CALENDAR

Chair Anderson introduced the item.

Director Edwards pulled Item 4 for discussion. General Manager Stoldt provided a brief report to the Board.

Director Adams offered a motion, seconded by Director Edwards, to approve Consent Calendar items 1, 2, and 3. The motion passed by a voice vote of 7 Ayes (Anderson, Oglesby, Adams, Paull, Edwards, Lindor, and Riley) and 0 Noes.

Director Edwards offered a motion, seconded by Director Oglesby, to approve the Consent Calendar. The motion passed by a voice vote of 7 Ayes (Anderson, Oglesby, Adams, Paull, Edwards, Lindor, 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 and Regular Board Meeting on November 18, 2024**
2. **Consider Adoption of Treasurer’s Report for October 2024**
3. **Review Annual Disclosure Statement of Employee/Board Reimbursements for Fiscal Year 2023-2024**
4. **Consider Adoption of Resolution No. 2024-14 - Amending the Non-Residential Water Use Factor for Beauty Salons and Dorm Beds**

GENERAL MANAGER’S REPORT

Chair Anderson introduced the item.

5. **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 December 1, 2024”. The board engaged in discussions. *A copy of the presentation is available at the District office and can be found on the District website.*
 - General Manager Stoldt also presented information on the Cease and Desist Order (CDO) through a slide-deck presentation titled “Timeline for Action on the Cease and Desist Order”. The board engaged in discussions. *A copy of the presentation is available at the District office and can be found on the District website.*
6. **Update on Water Allocation Process**
 - General Manager Stoldt provided a brief overview and reported that he had given a presentation to the Cities of Del Rey Oaks, Sand City, Seaside and the County Board of Supervisors.

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

- (1) Tom Rowley, a Realtor with Century 21, stated that he has heard General Manager Stoldt’s presentation on several occasions and encouraged the Board to ask about the future demand.
- (2) Michael Baer, responded to Tom Rowley's comments about the business community's support for lifting the CDO, provided there is a desalination plant. Mr. Baer questioned Mr. Rowley and others, asking if everyone shouldn't be united in lifting the CDO, regardless of their stance on desalination. He emphasized that the goal is to secure water so that people can build houses and businesses can open and stressed that lifting the CDO and the moratorium should be the primary effort, as it benefits the entire community.

REPORT FROM DISTRICT COUNSEL

Chair Anderson introduced the matter.

7. Report From District Counsel

- District Counsel Michael Laredo reported that the Board met in Closed Session this evening and discussed one item: the General Manager’s Performance Evaluation. The Performance Evaluation will be discussed again at a future Board meeting.

- District Counsel David Laredo referenced the litigation report on page 37 of the meeting packet and provided a brief overview.

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

Chair Anderson introduced the matter.

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

- Director Paull reported that she attended the Seaside City Council meeting where General Manager Stoldt presented the Water Allocation report and stated the report was well received.
- Director Edwards also noted his attendance at the Seaside Council meeting.

PUBLIC HEARING

Chair Anderson introduced the matter.

9. Consider Adoption of January through March 2025 Quarterly Water Supply Strategy and Budget

Maureen Hamilton, District Engineer, provided information on this item through a slide-deck presentation titled “Consider Adoption of January through March 2025 Quarterly Water Supply Strategy and Budget for California American Water”. The Board engaged in discussion. *A copy of the presentation is available at the District office and can be found on the District website.*

Chair Anderson opened the public comment period; however, no comments were made to the Board.

A motion was made by Director Riley, seconded by Director Adams, to adopt the January through March 2025 Quarterly Water Supply Strategy and Budget. The motion passed by a voice vote of 7 Ayes (Oglesby, Adams, Paull, Lindor, Anderson, Edwards, and Riley) and 0 Noes.

10. Consider First Reading of Ordinance No. 196 – Establishing Allocation of Water from the Pure Water Monterey Expansion Project

David Stoldt, General Manager, provided an overview of this item through a slide-deck presentation titled “Consider First Reading of Ordinance No. 196 – Establishing Allocations of Water from the Pure Water Monterey Expansion Project.” General Manager Stoldt reported that staff is recommending the Board approve the first reading and consider a second reading and adoption at their January meeting. Mr. Stoldt noted that District Counsel Fran Farina, with De Lay & Laredo, is recommending the Ordinance be amended to delete the sentence in Section 4 that says, 'Future allocation of water may occur by resolution of the Board of Directors,' in order to ensure fair practice to all jurisdictions.

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

- (1) Ara Azhderian, General Manager of the Monterey County Water Resources Agency, acknowledged the great success of Pure Water Monterey and the unique collaboration that makes it work. Mr. Azhderian expressed concerns about characterizing this supply as permanent. He emphasized that his message is directed more towards the jurisdictions that may receive an allocation, including the county, urging them to be thoughtful about how they use what in MCWRA’s opinion is a variable, interruptible supply and to avoid making permanent commitments amid current uncertainties.
- (2) Tom Rowley, a resident of Monterey, stated that this Ordinance is premature and that the Board should wait until next summer to evaluate its impact on the District. He expressed concern that this is significantly raising people's hopes that water will be available, and noted that it won't help much with new permits until the CDO is actually lifted.
- (3) Nina Beety, a resident of Monterey and a CalAm customer, stated that the Monterey One Water Project is an experiment on the public. She claimed that the MPWMD has no basis for asserting that Monterey One Water is safe for distribution due to basin Superfund contamination, deficient testing, and immature science on treating sewage waste safely. She expressed concern that the public will continue to bear the costs, including decreased property values.

- (4) Andy Myrick, Economic Development and Community Planning Manager with the City of Seaside, thanked the District for its presentation to the City Council. Mr. Myrick stated the following:
- In reviewing the Ordinance issues, there were a few points not mentioned, including the mayor's comment about the section on no sale of water. The Council created a program incentivizing certain behaviors from applicants. It would be beneficial to have the option to create similar programs in the future.
 - He had a question about the statement that each jurisdiction should limit the release of water from its allocation to projects not completed before December 31, 2025, until the Pure Water Monterey expansion receives final approval from the City of Marina. Mr. Myrick asked for clarification on what this means and what happens if a project is under construction when December 31, 2025, arrives. Mr. Myrick invited the District to discuss any potential changes with the City of Seaside.
- (5) Jeff Davi, Chair of the Coalition of the Monterey Peninsula Business Association, stated that they continue to support a long-term water supply solution for the Peninsula and the lifting of the CDO, if there are no negative impacts on the progress of the desalination plant. Mr. Davi questioned the accuracy of the Ordinance, implying that the expansion will result in the lifting of the CDO, and stated that this is misleading. He emphasized that the 'three-legged stool' approach—water storage, water reclamation, and desalination—achieves the goal of working together to support the permanent water supply solution needed to lift the CDO.
- (6) Melodie Chrislock attended the State Water Resources Control Board meeting and confirmed that the Board considers Pure Water Monterey to be a permanent new water supply. She questioned why the CDO is being conflated with the desalination project, stating they are separate issues. Chrislock emphasized the need for the business community to support lifting the CDO, as everyone needs water. She asserted that Pure Water Monterey will provide the necessary water and that the State Board seemed positive about this. She also criticized the condition that lifting the CDO is tied to stopping the lawsuit and supporting the desalination project, stating they are unrelated.
- (7) Marli Melton, referred to advocating for using water allocations to support the development of affordable housing. Ms. Melton also mentioned the City of Seaside's approach of using water allocations to encourage the creation of more affordable units. She encouraged people to consider focusing on promoting the construction of workforce housing.

A motion was made by Director Edwards, seconded by Director Riley, with amendments presented, to approve the first reading of Ordinance No. 196. The motion passed by a roll call vote of 7 Ayes (Oglesby, Adams, Lindor, Paull, Edwards, Riley, and Anderson) and 0 Noes.

11. Receive Fiscal Year 2023-2024 Annual Comprehensive Financial Report

Nishil Bali, Chief Financial Officer/Administrative Services Manager, provided information on this item through a slide-deck presentation titled 'Receive Fiscal Year 2023-2024 Annual Comprehensive Financial Report (ACFR).' A presentation titled 'MPWMD Audit Results for June 30, 2024' was given by Rae Gularte with CliftonLarsonAllen LLP. The Board engaged in discussion. *Copies of the presentations are available at the District office and on the District website.*

Chair Anderson opened the public comment period; however, no comments were made to the Board.

A motion was made by Director Paull, seconded by Director Edwards to receive the Annual Comprehensive Financial Report for the year ending June 30, 2024. The motion passed by a voice vote of 7 Ayes (Oglesby, Adams, Paull, Lindor, Anderson, Edwards, and Riley) and 0 Noes.

12. Consider Approval of Additional Funds for Legal Services in Support of the Public's Acquisition of the Monterey Water System

General Manager Stoldt reported that he is recommending the Board approve entering into a contract amendment with Rutan & Tucker for the remainder of the fiscal year and authorize a total budget of \$250,000. The Board engaged in discussion.

Chair Anderson opened the public comment period; however, no comments were made to the Board.

A motion was made by Director Riley, seconded by Director Adams to approve additional funding for Legal Services in support of the Public’s Acquisition of the Monterey Water System. The motion passed by a voice vote of 7 Ayes (Oglesby, Adams, Paull, Lindor, Anderson, Edwards, and Riley) and 0 Noes.

13. Review and Consider Adopting the Board Meeting Schedule for Calendar Year 2025 through February 2026

General Manager Stoldt reported that the Board should review and adopt the calendar year 2025 through February 2026 MPWMD Board meeting schedule. The Board engaged in discussion.

Chair Anderson opened the public comment period; however, no comments were made to the Board.

A motion was made by Director Oglesby, seconded by Director Edwards to adopt the Board meeting schedule for Calendar Year 2025. The motion passed by a voice vote of 7 Ayes (Oglesby, Adams, Paull, Lindor, Anderson, Edwards, and Riley) and 0 Noes.

General Manager Stoldt presented a certificate of appreciation to Director Anderson for serving as the 2024 Board Chair.

14. Conduct Election of Board Officers

General Manager Stoldt provided a brief overview of his report and noted that Director Riley would rotate into the position of Chair and Director Oglesby would move into the position of Vice Chair. Additionally, staff recommends that General Manager Stoldt be elected to serve as Board Secretary and Nishil Bali, CFO/ASD Manager, be elected as Board Treasurer.

Chair Anderson opened the public comment period; however, no comments were made to the Board.

A motion was made by Director Edwards, seconded by Director Paull, to confirm the rotation of Directors into the positions of Board Chair and Vice Chair according to Meeting Rules 2 and 2.5, and to approve staff recommendations for Board Secretary and Treasurer.

INFORMATIONAL ITEMS/STAFF REPORTS:

- 15. Report on Activity/Progress on Contracts Over \$25,000**
- 16. Status Report on Spending – Public’s Ownership of Monterey Water System**
- 17. Letters Received and Sent**
- 18. Committee Reports**
- 19. Monthly Allocation Report**
- 20. Water Conservation Program Report for October 2024**
- 21. Carmel River Fishery Report for October 2024**
- 22. 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

Director Anderson passed the gavel to Director Riley, the 2025 Chair. Chair Riley adjourned the meeting at 9:25 p.m.

Sara Reyes, Deputy District Secretary

Minutes approved by the MPWMD Board of Directors on _____, 2024

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