

MONTEREY PENINSULA
WATER
MANAGEMENT DISTRICT
EXHIBIT 1-B

DRAFT MINUTES
Special Meeting
Board of Directors
Monterey Peninsula Water Management District
May 18, 2020

The meeting was called to order at 5:15 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 (joined meeting at 5:30 pm)
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

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

The following comments were directed to the Board during Oral Communications. (a) **John Tilley** requested that agenda item 17 be moved to the beginning of meeting so that the greatest number of persons in attendance could witness the discussion. (b) **Jeff Davi** expressed agreement with comments made by John Tilley. (c) **Tammy Jennings** urged the Board to clear up the log-in issues that delayed commencement of the meeting. (d) **Saoirse Folsom** stated that Director Hoffmann should be censured for sending the May 1, 2020 letter to Monterey One Water.

ORAL COMMUNICATIONS

On a motion by Byrne and second of Riley, the Consent Calendar was approved on a unanimous vote of 7 – 0 by Byrne, Riley, Adams, Edwards, Evans, Hoffmann and Potter.

CONSENT CALENDAR

Adopted.

- 1. Consider Adoption of Minutes of the April 20, 2020 Regular Board Meeting and April 30, 2020 Special**

Adopted.

Adopted.

Received.

Approved.

A summary of Mr. Stoldt’s report is on file at the District office and can be viewed on the agency website. He noted that despite limitations on the movement of residents and operation of businesses due to the shelter-in-place order, water demand was down in April which could be attributed to higher than normal rainfall received that month. For the period of October 1, 2019 through April 30, 2020, rainfall was measured at 85% of normal; unimpaired flow was at 64% of the long-term average; and 916.5 acre-feet of water was injected through aquifer storage and recovery.

A summary of Mr. Stoldt’s presentation is available at the District office and can be viewed on the agency website. He provided a progress report on construction of the Santa Margarita Water Treatment Facility, and the storage tank rehabilitation project associated with the Carmel Area Wastewater District/Pebble Beach Community Services Project wastewater reclamation project.

No report.

Director Riley noted that recent meetings of the Seaside Groundwater Basin Watermaster had been cancelled. Chair Edwards thanked staff for enabling the Board and public to participate in on-line meetings. He expressed confidence that access would improve with increased understanding of new virtual meeting software.

On a motion by Byrne and second of Adams, the Board voted to adopt findings supporting the Negative Declaration on Ordinance No. 185 and to adopt the second reading of the ordinance. The motion was approved on a vote of 7 – 0 by Byrne, Adams, Edwards, Evans, Hoffmann, Potter and Riley. No comments were directed to the Board during the

2. Meeting/Closed Session of the Board Consider Adoption of Resolution No. 2020-04 - Amending Fees and Charges Table - Rule 60

3. Consider Adoption of Treasurer’s Report for March 2020

4. Receive and File Third Quarter Financial Activity Report for Fiscal Year 2019-20

Consider Approval of Third Quarter Fiscal Year 2019-2020 Investment Report

GENERAL MANAGER’S REPORT

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

7. Update on Development of Water Supply Projects

ATTORNEY’S REPORT

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

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

PUBLIC HEARINGS

9. Consider Second Reading and Adoption of Ordinance No. 185 – Amending District Rule 24 to Allow Special Fixture Unit Accounting for Second Bathrooms in Existing Dwelling Units and to Permanently

public hearing on this item.

Evans offered a motion to receive the Water Supply Forecast and adopt Resolution No. 2020-05. The motion was seconded by Riley and approved on a unanimous vote of 7 – 0 by Evans, Riley, Adams, Byrne, Edwards, Hoffmann and Potter. No comments were directed to the Board during the public hearing on this item.

Evans offered a motion to adopt Urgency Ordinance No. 186. The motion was seconded by Adams and approved on a unanimous vote of 7 – 0 by Evans, Adams, Byrne, Edwards, Hoffmann, Potter and Riley.

The following comments were directed to the Board during the public hearing on this item: (a) **Gary Cursio**, Chair of Government Affairs for the Monterey County Hospitality Association, expressed support for adoption of the ordinance. (b) **Kevin Dayton**, representing the Monterey Peninsula Chamber of Commerce, urged the Board to adopt the ordinance. (c) **Alan Haffa**, Councilmember for the City of Monterey, expressed concern for employees of businesses that would be reopening, and also for the 40% reduction in revenue the City of Monterey anticipated due to the COVID pandemic. He urged the District to collaborate with local jurisdictions and businesses on their reopening plans. (d) **Margaret Anne Coppernoll** expressed support for adoption of the ordinance. (e) **Tammy Jennings** urged the Board to approve the ordinance. (f) **Lizanne Sawhney** expressed support for adoption of the ordinance. (g) **Esther Malkin**, representing Monterey Peninsula Renters United, urged the Board to adopt the ordinance. (h) **Jeff Davi** expressed support for adoption of the ordinance. (i) **Carol Chorbajian** spoke in support of the proposed ordinance. (j) **Paul Bruno** expressed support for the proposed ordinance.

Motion #1 – Byrne offered a motion to receive the report as an opinion but not as a representation of reality for every situation. The motion failed for lack of a second.

Motion #2 – Hoffmann offered a motion to reject the report. Potter seconded the motion and it failed on a vote of 3 – 4 with Byrne, Potter and Hoffmann voting in favor of the motion. Riley, Evans, Adams and Edwards were opposed.

Motion #3 – Evans offered a motion that was seconded by Edwards to adopt the report. The motion was approved on a vote of 4 – 3 by Evans, Edwards, Adams and Riley. Opposed were Byrne, Hoffmann and Potter.

The following comments were directed to the Board during the public comment period on this item. (a) **Rick Heuer**, representing the Monterey Peninsula Taxpayers Association,

Adopt Sub-Metering Requirements and Exemptions for Accessory Dwelling Units

10. **Receive and Confirm Water Supply Forecast for Period of May 1, 2020 through September 30, 2020; Adopt Resolution 2020-05 to Amend Rationing Table (XV-4)**
11. **Consider Adoption of Urgency Ordinance No. 186 - Temporarily Suspending a Portion of Rule 24-B-1-i Pertaining to Exterior Restaurant Seating in Response to COVID-19 Re-Opening Procedures**

ACTION ITEMS

12. **Consider Recommendation to the Board to Adopt Final Report “Supply and Demand for Water on the Monterey Peninsula”**

asserted that water needs and availability projections in the report did not meet the long-term growth needs of the area. **(b) Kevin Dayton**, representing the Monterey Peninsula Chamber of Commerce. Stated that the demand estimates in the report were inaccurate and could be used to by those opposed to new development and diversification of the local economy. **(c) Fred Meurer**, representing the Monterey Bay Defense Alliance, recommended that the Board reject the report. He urged the Board to focus on development of the Monterey Peninsula Water Supply Project with desalination, Pure Water Monterey phase 1 and aquifer storage and recovery. **(d) Peter Munteer**, representing the Pacific Grove Chamber of Commerce, stated that the Board should vote against this report and send a message to policy makers at the State level that the patchwork approach was the wrong strategy for solving the area’s water supply issues. **(e) Susan Schiavone** requested that the Board adopt the report. **(f) Paul Bruno** asked the Board to reject the report as written. **(g) Melodie Chrislock** representing Public Water Now, recommended that the Board adopt the report and distribute it to State agencies in order to counteract efforts by California American Water Company (Cal-Am) to discredit the report. **(h) Margaret Anne Coppernoll** expressed support for adoption of the report and described it as, “accomplished with outstanding excellence”. **(i) Tony Lombardo** recommended that the Board refrain from adopting the report as the District’s position on future water demand, because it was inconsistent in many areas including demand projections by the military and jurisdictions. **(j) Saoirse Folsom** opined that it was “absolutely necessary” for the Board to adopt the report. **(k) Jeff Davi**, Co-Chair of the Coalition of Peninsula Businesses, stated that the Coalition did not support adoption of the document as it would perpetuate continuance of water poverty in the area. **(l) J. E. Tynan** stated that he hoped a solution could be reached that would provide the water needed for the Castroville area and the Monterey Peninsula. **(m) Anna Thompson** urged the Board to adopt the report. **(n) Scott Dick**, Government Affairs Director for the Monterey County Association of Realtors, stated that the Association would recommend that the Board reject the report; however, there was no such option listed in the staff report. **(o) Tammy Jennings** urged the Board to adopt the report. **(p) Steve Westhoff**, an attorney with the State Water Resources Control Board (SWRCB) who had been working on Monterey Peninsula/Carmel River issues for two years. He stated that it was the SWRCB’s view that the California Public Utilities Commission (CPUC) made a reasonable and conservative determination as to future and current demand. He advised the assembly that the SWRCB had made no determination as to the adequacy of the Pure Water Monterey Expansion project. **(q) Alan Haffa** stated that residents wanted an adequate and affordable water supply. If the report validated the claim that water was available to meet regional housing needs, he would fully support adoption. **(r) Barbara Moore** requested that the Board

adopt the report. (s) **Paco Morales** referenced water poverty in the area and stated that Cal-Am was focused on profit. He expressed concern about rising water rates. (t) **Esther Malkin**, representing Monterey Peninsula Renters United, stated that affordable water was a priority and she commended efforts to find an alternative to Cal-Am. (u) **John Tilley** warned that if responsible decisions weren't made regarding the water supply the result would be unemployment. He advocated for development of a sustainable water supply.

Adams offered a motion that was seconded by Evans to deny the staff recommendation and approve the allocation of water from the District's Reserve allocation for the project and to also add language that the City of Monterey would indemnify the Water Management District, and also that the District should take the leadership role it was elected to carry-out.

Byrne offered an amendment to the motion that the 5 acre-feet of water be allocated to the City of Monterey without specifying how it should be used. The maker of the motion did not accept the amendment.

The original motion was approved on a vote of 5 – 2 by Potter, Evans, Riley, Byrne and Adams. Hoffmann and Edwards were opposed.

The following comments were directed to the Board during the public comment period on this item. (a) **Ande Flower**, Principal Planner for the City of Monterey, confirmed that the City was willing to absorb the risk along with developer and offer indemnity. She asked that the Board reconsider the staff recommendation to deny the City's request. (b) **Hans Usler**, City Manager for the City of Monterey, recommended that the Board of Directors authorize the allocation of water from the District reserve for the project. (c) **Steve Westhoff**, SWRCB, stated that the project could move forward with the amount of water used at the site previously. If the project was not expected to use more water than it did in 2009 before the rezoning, it would be okay. He noted that the SWRCB was watching this project closely. (d) **Kevin Dayton**, Government Affairs Liaison for the Monterey Peninsula Chamber of Commerce, suggested the Board double its efforts to find a solution to make the project work. (e) **Alan Haffa** urged the Board to work with the City of Monterey to develop the projects and the affordable housing component. He supported the inclusion of indemnification by the City of Monterey as a condition of approval for the allocation of water for the project. (f) **Kelly deWolf**, representing the United Way of Monterey County, urged the Board to reconsider denial of the City of Monterey's request for water from the District reserve. (g) **Gabriel Sanders**, representing the Monterey County Student Housing Coalition, encouraged the Board to review water use projections and actual use, to determine if water

13. **Consider Denial of Request from City of Monterey re Allocation for 2000 and 2600 Garden Road, Monterey**

could be found for the proposed low-income housing. He encouraged the District to be innovative in developing solutions. **(h) P K Diffenbaugh**, urged the Board to enable the project to move forward. He expressed concern about the loss of students and teachers in the Monterey Peninsula Unified School District due to the high cost of housing in the area. **(i) Esther Malkin**, representing Monterey Peninsula Renters United, urged the District to do the right thing and become a partner with the City of Monterey to develop the proposed projects. **(j) Paul Bruno** requested that the Board reconsider denial of the City of Monterey’s request. He stated that the District should require indemnity and work with the City of Monterey to develop the proposed project. **(k) Tyler Williamson**, Councilmember for the City of Monterey, encouraged the Board to support development of the proposed project. **(l) Madeleine Smith**, graduate student at the Middlebury Institute of International Studies, urged the Board to support the allocation of water for the affordable housing project. **(m) Kimberly Cole**, Community Development Director for the City of Monterey, stated that the City was interested in working with the SWRCB on development of this project in order to meet the State’s housing goals. She urged the Board to approve the allocation of water for the project. **(n) Emily Ham**, recent graduate of the Middlebury Institute of International Studies, said there was no time to delay construction of affordable housing projects and asked the Board to reconsider denial and allow the project to continue. **(o) Scott Dick**, Government Affairs Director for the Monterey County Association of Realtors, urged the District to take a risk and support development of the project. **(p) Ashley Gauer**, representing the Monterey Bay Economic Partnership, expressed support for the City of Monterey’s request for water from the District’s Reserve allocation to supply the project. She stated that the Partnership would advocate for a negotiated settlement with the SWRCB to resolve any issues that were not in alignment with the Governor’s housing emergency policies.

On a motion by Adams and second of Potter, agenda items 14, 15 and 17 were deferred to the June 15, 2020 Board meeting. The motion was approved on a unanimous vote of 7 – 0 by Adams, Potter, Byrne, Edwards, Evans, Hoffmann and Riley. No public comment was directed to the Board on this item.

Deferred by motion to June 15, 2020 Board meeting. See action under agenda item 14.

Riley offered a motion that was seconded by Byrne to withdraw its former position of support for installation of Advanced Metering Infrastructure (AMI).

14. Consider Disposition of District Reserve Allocation

15. Consider Pursuing Retrofits at Rippling River Center Followed by Release of Unused Grant Funding to City of Monterey’s Franklin Street Stormwater Project

16. Consider Adoption of Policy on Smart Water Meter Installation

Byrne offered an amendment that was accepted by Riley to include in the motion that should AMI be authorized by the CPUC, the District would withdraw its support for any optout charge to the customer. The amended motion was adopted on a vote of 6 – 1 by Riley, Byrne, Adams, Edwards, Evans and Potter. Hoffmann was opposed.

The following comments were directed to the Board during the public comment period on this item. **(a) Saoirse Folsom** requested that the Board take a position in opposition to installation of smart water meters. **(b) Sean Folsom** expressed opposition to installation of smart water meters. He stated that there should be no charge to the customer for opting out of smart water meter installation. **(c) Nina Beety** requested that the Board oppose installation of smart water meters because they presented a health and environmental safety hazard. She asked that Cal-Am be requested to replace the AMI meters with analog meters when requested, at no charge to the customer. **(d) Anna Thompson**, resident of Carmel, expressed opposition to installation of smart water meters and any charge to the customer for opting out of installation of those meters. **(e) Tammy Jennings**, resident of Monterey, expressed agreement with comments presented by of Saoirse Folsom and Nina Beety. **(f) Susan Schiavonne**, resident of Seaside, expressed opposition to installation of smart water meters and a charge to customers that choose to optout of installation. **(g) Melodie Chrislock** spoke in opposition to installation of smart water meters.

Deferred by motion to June 15, 2020 Board meeting. See action under agenda item 14.

There was no discussion of these items.

The meeting was adjourned at 10 pm.

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

INFORMATIONAL ITEMS/STAFF REPORTS

- 18. Report on Activity/Progress on Contracts Over \$25,000**
- 19. Status Report on Measure J/Rule 19.8 Phase II Spending**
- 20. Monthly Progress Report – Santa Margarita Water Treatment Facility**
- 21. Letters Received**
- 22. Committee Reports**
- 23. Monthly Allocation Report**
- 24. Water Conservation Program Report**

- 25. Carmel River Fishery Report for May 2020**
- 26. Monthly Water Supply and California American Water Production Report**

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary