

MONTEREY PENINSULA
WATER
MANAGEMENT DISTRICT
EXHIBIT 1-A

DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
August 17, 2020

The meeting was called to order at 6:04 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

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

Edwards offered a motion that was seconded by Byrne to remove item 11 from the agenda. The motion was approved on a vote of 7 – 0 by Edwards, Byrne, Adams, Evans, Hoffmann, Potter and Riley

ADDITIONS AND CORRECTIONS TO AGENDA

The following persons addressed the Board during Oral Communications: **(1) Ron Chesshire** proposed that the District should begin talks with Monterey One Water about a merger of the two agencies. He also requested that the General Manager resign as no progress had been made towards obtaining a sufficient water supply for the community. **(2) Varman Chhoeung** requested sufficient water credits for projects at the Presidio of Monterey and stated that he would request a waiver from Rule 25.5. **(3) Melodie Chrislock** stated that anyone serious about the need for a water supply should support the Pure Water Monterey Expansion Project.

ORAL COMMUNICATIONS

On a motion by Evans and second of Riley item 1 was approved, and agenda items 2, 3 and 4 were pulled for separate consideration. The motion was approved on a vote of 7 – 0 by Evans, Riley, Adams, Byrne, Edwards, Hoffmann and Potter.

CONSENT CALENDAR

Approved.

Byrne made a motion to approve the staff recommendation to authorize the General Manager to contract with the lowest bidder at bid cost plus 10% contingency, not to exceed \$130,000. The motion was seconded by Riley.

Evans offered a substitute motion to authorize the General Manager to negotiate a contract with Fishbio in a sole source arrangement due to a lack of bids received under the public bid process, and to authorize a bid cost plus 10% contingency, not to exceed \$130,000. The motion was seconded by Riley and approved on a vote of 6 – 1 by Evans, Riley, Adams, Byrne, Edwards and Potter. Hoffmann was opposed. No public comment was directed to the Board on this item.

Adams offered a motion to authorize the General Manager to enter into an agreement with Martin Feeney in an amount not to exceed \$53,820. The motion was seconded by Potter and approved on a vote of 6 – 1 by Adams, Potter, Byrne, Edwards, Evans and Riley. Hoffmann was opposed. No public comment was directed to the Board on this item.

Riley made a motion to approve the 2020 Memorandum of Agreement and direct the General Manager to sign the agreement. The motion was seconded by Evans and approved on a unanimous vote of 7 – 0 by Riley, Evans, Adams, Byrne, Edwards, Hoffmann and Potter. No public comment was directed to the Board on this item.

A summary of General Manager Stoldt’s presentation can be viewed on the District’s website. He reported that for the period of October 2019 through July 31, 2020, water production in the Monterey Peninsula Water Resources System exceeded the production target by 176 acre-feet. That was the first time in the current water year that production had exceeded the target. He explained that California-American Water’s pumping regime in the Seaside Basin had increased in preparation for implementation of the Pure Water Monterey Project, and that water production should balance out by the end of the water year. He reported that staff had rescued 6,872 steelhead from the mainstem of the Carmel river and 4,379 from the tributaries. Recently rescued fish were transferred to the renovated Sleepy Hollow Steelhead Rearing Facility.

Stoldt reported that on August 13, 2020, the Board conducted a closed session regarding threatened litigation as well as real property negotiations. They reviewed progress

1. **Consider Adoption of Minutes of the July 20, 2020 Regular Board Meeting and July 31, 2020 Special Meeting of the Board**
2. **Consider Expenditure to Contract for Construction and Related Services to Complete the Carmel River Steelhead Resistance Board Weir Project**
3. **Consider Authorizing the General Manager to Contract with Martin Feeney to Perform Project Management for the Final Commissioning of the Pure Water Monterey Injection Well Field**
4. **Consider Approval of 2020 Annual Memorandum of Agreement for Releases from Los Padres Reservoir among California American Water, California Department of Fish and Wildlife, and Monterey Peninsula Water Management District**

GENERAL MANAGER’S REPORT

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

on operations and how that would effect a potential bench trial should the Board desire to carry through the process. A report may be submitted at the September Board meeting. A discussion was also held with the appraiser and financial firm related to rate setting under public ownership. Real estate was part of the appraisal effort and it was ongoing as 111 parcels were included. That effort should be complete by the end of September or early October 2020. The Final EIR on potential acquisition of the water system should be completed by September and could be presented for certification in October 2020.

Stoldt announced that on July 27, 2020, the District was awarded the District Transparency Certificate of Excellence through the Special District Leadership Foundation.

Stoldt reported that the Department of Water Resources denied use of HEART program funds for a retrofit program at the Rippling River complex in Carmel Valley. The funds will likely be used for a wastewater project in Monterey that had previously been approved for Integrated Regional Water Management program funding.

District Counsel Laredo reported the following.

July 31, 2020 Closed Session: The Board met on the initiation of litigation regarding the dispute resolution process that is ongoing with Monterey One Water related to the Pure Water Monterey Expansion Project SEIR. The Board provided general direction, but no reportable action was taken.

August 13, 2020 Closed Session: The Board met with real property negotiators to review properties held by California American Water Company. No specific reportable action was taken.

August 17, 2020, Closed Session: The Board met regarding the General Manager’s performance appraisal. They reviewed process and provided general direction regarding development of a performance evaluation, but no reportable action was taken. The Board also discussed again initiation of litigation with Monterey One Water and reviewed its appointed representatives in furtherance of the mediation process. General direction was provided but no specific action was taken.

Directors Adams, Potter and Riley all commented on their attendance at the July 29, 2020 ACWA Virtual Summer Conference. Adams reported that she found a presentation on modern wildfire management techniques to be interesting, as was a talk by Wade Crowfoot, California

7. Report on CSDA Transparency Certificate

REPORT FROM DISTRICT COUNSEL ON JULY 31, 2020 AND AUGUST 13, 2020 BOARD CLOSED SESSIONS

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

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

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

Secretary for Natural Resources. Potter stated that the conference was edifying, but the lack of opportunity to network with other attendees was a negative aspect of the virtual event. Riley noted that Secretary Crowfoot was working to obtain approval for direct potable reuse of recycled water by 2023. Riley also reported that all decisions of the Seaside Groundwater Basin Watermaster were decided by weighted vote, as were votes of the Monterey One Water Board of Directors. He noted that the politics of a weighted vote system were interesting to consider. Chair Edwards requested that the Board should consider sending a letter to the California Public Utilities Commission by August 27, 2020 in support of R1706024, and request discontinuance of the water rate adjustment methodology. No discussion or action was taken on the suggestion by Chair Edwards.

Potter offered a motion to adopt Resolution 2020-12. The motion was seconded by Riley and approved on a unanimous vote of 7 – 0 by Potter, Riley, Adams, Byrne, Edwards, Evans and Hoffmann. No comments were directed to the Board during the public hearing on this items.

Riley made a motion to begin discussions with the state, build a coalition of support among housing advocates, and make a request for 75 acre-feet of relief from the Cease and Desist Order, and if granted, allocations be made initially at one-half of those listed in the table provided in the staff report. The motion was seconded by Potter and approved on a vote of 6 – 1 by Riley, Potter, Adams, Byrne, Edwards and Evans. Hoffmann was opposed. No comments were directed to the Board during the public comment period on this item.

Removed from agenda by action of the Board. Refer to agenda item ADDITIONS AND CORRECTIONS TO AGENDA.

There was no discussion of these items.

In response to a question from the Board, the General Manager reported that completion if the facility was one-month behind schedule.

PUBLIC HEARINGS

9. **Consider Ratification of Resolution 2020-12, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Seeking Authorization to Activate Latent District Powers and to Adopt A Sphere of Influence Amendment and Annexation**

ACTION ITEMS

10. **Approve Strategy to Address Water for Near-Term Housing Needs**

11. **Provide Direction Regarding Pure Water Monterey Expansion Final SEIR**

INFORMATIONAL ITEMS/STAFF REPORTS

12. **Monthly Progress Report – Santa Margarita Water Treatment Facility**

13. **Letters Received**
14. **Committee Reports**
15. **Monthly Allocation Report**
16. **Water Conservation Program Report**
17. **Carmel River Fishery Report for August 2020**
18. **Monthly Water Supply and California American Water Production Report**

The meeting was adjourned at 8:23 pm.

ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary