



EXHIBIT 1-B

DRAFT MINUTES

**Special Meeting – Board of Directors
Monterey Peninsula Water Management District
October 29, 2020**

The meeting was called to order at 5:36 pm by Chair Edwards. 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 5:38 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

General Manager Stoldt stated that when the Board was ready to consider agenda item 3, he would announce a change to that item.

ADDITIONS AND CORRECTIONS TO THE AGENDA

Anna Thompson addressed the Board during Oral Communications. She thanked all persons involved in development of the successful Pure Water Monterey (PWM) project. She expressed opposition to the desalination project proposed by California American Water (Cal-Am) and stated that the profit-driven company should not influence local water policy.

ORAL COMMUNICATIONS

Potter offered a motion that was seconded by Evans to adopt Resolution No. 2020-16. The motion was approved on a unanimous vote of 7 – 0 by Potter, Evans, Adams, Byrne, Hoffmann, Potter and Riley.

ACTION ITEM

- 1. Consider Adoption of Resolution 2020-16 - Expressing Appreciation to Robert S. Brower, Sr. for Eleven Years of Exceptional Service on the Board of Directors**

The Directors commented on the motion and described Mr. Brower as a mentor, friend, innovative, articulate, professional, gracious and a man who will be greatly missed.

Public Comment: Gary Cursio, stated that Bob Brower was a fine hospitality professional and a great asset to the MPWMD Board of Directors. He expressed support for adoption of the resolution.

Riley offered a motion that was seconded by Potter, to adopt the staff recommendation: (i) Approve Resolution 2020-17 Certifying the Monterey Peninsula Water Management District Potential Acquisition of Monterey Water System and District Boundary Adjustment Environmental Impact Report, including the Findings, (ii) Approve the Mitigation Monitoring and Reporting Program provided contained as an Exhibit to the Findings, and (iii) direct staff to file a Notice of Determination of compliance with the California Environmental Quality Act at the State Office of Planning and Research. The motion was approved on a vote of 6 – 1 by Riley, Potter, Adams, Edwards, Evans and Riley. Hoffmann was opposed.

Public Comment: The following persons addressed the Board during the Public Hearing on this item. **(a) Rick Heuer**, President of the Monterey Peninsula Taxpayers Association, stated that the FEIR was flawed because it did not evaluate the impact to the community of increased water demand that would result from lower water rates. **(b) Kevin Dayton**, Government Affairs Liaison for the Monterey Peninsula Chamber of Commerce, expressed opposition to the concept of a public takeover of the water company and described it as an attempt to control development. He cited flaws in the FEIR such as an incomplete list of projects planned for development in the District. **(c) George Soneff**, Counsel for Cal-Am, referred to letters he had submitted to the MPWMD Board dated July 31, 2020 and October 28, 2020. He stated that the proposed Operations Plan for Rule 19.8 Acquisition of the Monterey Water System should have been analyzed in the FEIR because it proposed numerous operational changes that would impact the environment. He stated that the FEIR was insufficient because it did not evaluate the impacts of the project on the cost of water and how that would impact demand. He requested that the June 15, 2020 letter from the MPWMD to the California Coastal Commission be included as part of the administrative record of the meeting. **(d) Tom Rowley** described the FEIR as not effective, efficient or comprehensive and the operations plans should have been incorporated into the FEIR. **(e) Michael Baer** stated that if water rates were lowered, demand could increase and eventually become limited which would force the price up again. He stated that the Operations Plan was not appropriate for environmental review and therefore should be considered separately from the FEIR. **(f) Fred Meurer**, Chairman of the Monterey Bay Defense Alliance, stated that the FEIR was inadequate and that it should evaluate current operations. He urged the Board to pursue a water supply that would be resilient to drought and meet

PUBLIC HEARINGS

- 2. Consider Certification of Final EIR for the Potential Acquisition of Monterey Water System and District Boundary Adjustment** *(In accordance with Section 15121 of CEQA, the purpose of this EIR is to serve as an informational document that: "...will inform public agency decision makers and the public generally of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project.")*

the needs of workforce housing and businesses. **(g) John Tilley**, Co-Chair of the Coalition of Peninsula Businesses and a member of the Ordinance No. 152 Oversight Panel, asked the Board to place Measure J on the same level of priority as development of a sufficient water supply. **(h) Melodie Chrislock**, representing Public Water Now, stated that Measure J was not promoted as a means to limit growth or development. The effort was intended to achieve local control over the water supply and lower water rates. **(i) Amy Anderson** stated that the FEIR was not an analysis of the water supply under public ownership. The FEIR analyzed a boundary adjustment required under public ownership and was another step towards completion of Measure J requirements. **(j) Marli Melton** expressed support for approval of the detailed and complete FEIR. **(k) Eric Tynan**, General Manager of the Castroville Community Services District, stated that Castroville had developed several affordable housing projects and many of the city's residents commuted to jobs on the Monterey Peninsula. He noted that there was opposition to the desalination project and also much work to be done before PWM Expansion could be approved. He stated that this effort was intended to limit the water supply on the Peninsula so that low-income workers must live elsewhere. **(l) Susan Schiavone** expressed support for the strategic goals outlined in the Operations Plan and urged the Board to certify the FEIR. **(m) Anna Thompson** expressed support for certification of the FEIR. **(n) Rudy Fischer** stated that the expenditure of funds to meet the mandate of Measure J did nothing to meet the District's priority goal to increase the water supply so the community could be free of the CDO.

Stoldt announced that the staff recommendation had changed from adoption of the Operations Plan to "receive" the plan, and that although marked final, the plan would be considered a draft. The District would endeavor to address specific comments made about inconsistencies between the plan as presented and current operations. He reiterated that the District's intent was to operate the water system for a transitional period of time as close to exactly as Cal-Am operated the system. The plan could be brought back to the Board for adoption at a later date, possibly during LAFCO review or if the project moved forward to bench trial.

Riley offered a motion that was seconded by Edwards to receive the draft Operations Plan. The motion was adopted on a vote of 7 – 0 by Riley, Edwards, Adams, Byrne, Evans, Hoffmann and Potter.

Public Comment: **(a) George Soneff**, Counsel for Cal-Am, stated that many facets of the Operations Plan were infeasible in the Monterey System and would be costly. He stated the District had not properly noticed receipt the plan, as the item was scheduled for adoption. **(b) Tom Rowley** described the operations plans as inadequate and faulty, and

- 3. Consider Adoption of Proposed Operations Plans for Rule 19.8 Acquisition of Monterey Water System**
(Exempt from environmental review according to Section 15262 of CEQA Guidelines, Feasibility and Planning Studies.)

stated the reports should be edited and refined before they were presented for receipt by the Board. (c) **Michael Baer** suggested that Cal-Am provide the District with the information it claims is missing from the Operations Plan. He stated that Cal-Am may be reluctant to divulge in a court proceeding the condition of its water system and could decide to sell the water system instead of going to court.

The meeting was adjourned at 7:55 pm.

ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary