

MONTEREY PENINSULA  
**WATER**  
MANAGEMENT DISTRICT  
EXHIBIT 1-A

DRAFT MINUTES  
**Special and Regular Meeting**  
**Board of Directors**  
Monterey Peninsula Water Management District  
*December 14, 2020*

The meeting was called to order at 5:00 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  
George Riley, Division 2  
Molly Evans, Division 3  
Karen Paull – Division 4  
Amy Anderson – 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**

The Oath of Office was administered to Molly Evans, Karen Paul and Amy Anderson.

**ADMINISTER OATH OF OFFICE TO  
MOLLY EVANS, DIRECTOR DIVISION 3;  
KAREN PAULL, DIRECTOR DIVISION 4;  
AND AMY ANDERSON, DIRECTOR  
DIVISION 5**

No changes.

**ADDITIONS AND CORRECTIONS TO  
AGENDA**

The following comments were directed to the Board during Oral Communications. (a) **Michael Baer** proposed that a trophy should be given to Director Evans as the longest serving one-term director, as she served for 5 years due to a modification to election dates. He noted that she may also have the distinction of serving the shortest time, as her resignation was effective following the Board meeting. He asked if there would be a report regarding Cal-Am v MPWMD that was scheduled for closed session discussion. (b) **Margaret-Anne Coppernoll** congratulated Amy Anderson and Karen Paull for their election to the Board of Directors. She urged the Board to do everything possible to support certification of the Pure Water Monterey Project Expansion EIR. (c) **Tom Rowley** congratulated the newly

**ORAL COMMUNICATIONS**

elected directors, and congratulated Arlene Tavani on her retirement.

Potter offered a motion that was seconded by Evans to adopt the Consent Calendar. The motion was approved on a unanimous vote of 7 – 0 by Potter, Evans, Adams, Anderson, Edwards, Paull, and Riley

Adopted.

Adopted.

Approved contract with Dudek in an amount not to exceed \$132,204. The expenditure will be fully reimbursed from a Proposition 1 IRWM Implementation Round 1 Grant.

Adopted.

Received.

Approved.

Director Adams presented resolutions adopted by the Monterey County Board of Supervisors recognizing Molly Evans, Jeanne Byrne and Arlene Tavani for their contributions to the District and the community. Evans stated that it was an honor to serve the residents of Division 3, also to work with her fellow directors and excellent District staff. The directors expressed appreciation to Molly Evans for her intelligence, commitment, insightful comments and coordination with her fellow directors. Arlene Tavani expressed appreciation to the Directors she worked with through the years who were willing to make difficult water policy decisions, and the hard working and intelligent staff who carried out the Board’s directives. The directors thanked Tavani for her commitment, proficiency, and professionalism. Jeanne Byrne was not in attendance. The Directors thanked for Jeanne Byrne for her long-term commitment to the Board and public service, and willingness to welcome and educate new directors.

General Manager Stoldt reported that the chart titled Actual versus Target Production Oct – Nov Water Year 2021 had been updated to incorporate the 1,000 acre-feet reduction in the effective diversion limit as reflected in the Carmel River Basin Target number. He reported that 600 acre-feet of

## CONSENT CALENDAR

1. **Consider Adoption of Minutes of the November 16, 2020 Regular Meeting of the Board of Directors**
2. **Adopt Board Meeting Schedule for 2021**
3. **Consider Authorizing the General Manager to Enter into a Contract for Grant Administration Services with Dudek**
4. **Consider Adoption of Treasurer's Report for September 2020**
5. **Receive and File First Quarter Financial Activity Report for Fiscal Year 2020-2021**
6. **Consider Approval of First Quarter Fiscal Year 2020-2021 Investment Report**

## PRESENTATIONS TO OUTGOING DIRECTORS MOLLY EVANS, DIVISION 3; JEANNE BYRNE, DIVISION 4; AND RETIRING BOARD CLERK ARLENE TAVANI

## GENERAL MANAGER’S REPORT

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

water from the Pure Water Monterey project was purchased by Cal-Am for distribution. He also noted that customer demand for the period of October 20 through November 20, 2020 was 120 acre-feet below production recorded in 2019. Staff would conduct further analysis to separate commercial from residential use and compare pre-COVID water use records to the current situation under COVID restrictions. Stoldt reported that rainfall was at  $\frac{3}{4}$  of an inch for the Water Year, and normal rainfall would be  $6\frac{3}{4}$  inches. Regarding unimpaired streamflow, the actual streamflow recorded was well below the long-term average.

Stoldt reviewed information that was presented in the staff report under agenda item 8.

Counsel Laredo reported that prior to adjournment of the open session, public comment would be received on agenda item 28, the closed session item regarding Cal-Am v MPWMD, Case # 20CV003201. In the lawsuit, Cal-Am asserted that the District's certification of the EIR was flawed because the District did not take into consideration the environmental impacts that would result from public ownership of the water system. Laredo explained that the next step in the process was for the District to confirm with the Local Agency Formation Commission that the District had authority to operate the water system. The District would operate the water system in the same manner as Cal-Am. Laredo also reported that resolution of Cal-Am's three-year General Rate case had been delayed due to the COVID pandemic. Evidentiary hearings could be held at the end of January 2021. The proposed decision might not be issued until early June 2021, with a final decision in September 2021.

Adams reported that the Monterey County Board of Supervisors was considering amendments its well ordinance. Changes to the ordinance would affect well owners within the District. She noted that a public workshop on the changes would be conducted in early 2021. Riley reported that the Watermaster had met bi-monthly during the COVID pandemic. He expressed a concern that the committee had become active in promoting Cal-Am's proposed desalination project before the California Coastal Commission (CCC). He asked if the Watermaster had the authority to engage in political activism, and he questioned the accounting system used for collection of groundwater replenishment funds. Edwards reported that in January 2021 the District's virtual public meetings would be conducted with Zoom, instead of WebEx.

**8. Report on Legislative Outreach for Calendar Year 2020**

**REPORT FROM DISTRICT COUNSEL**

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

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

On a motion by Evans, seconded by Potter, Resolution No. 2020-19 was adopted on a unanimous roll-call vote of 7 – 0 by Evans, Potter, Adams, Anderson, Edwards, Paull and Riley. No comments were directed to the Board during the Public Hearing on this item.

Riley offered a motion that was seconded by Adams to adopt the January through March 2021 Quarterly Water Supply Strategy and Budget. The motion was adopted unanimously on a roll-call vote by Riley, Adams, Anderson, Edwards, Evans, Paull and Potter. No comments were directed to the Board during the Public Hearing on this item.

Potter offered a motion that was seconded by Adams to receive the Fiscal Year 2019-2020 Comprehensive Annual Financial Report with minor, non-substantive changes. The motion was approved unanimously on a roll-call vote by Potter, Adams, Anderson, Edwards, Evans, Paull and Riley.

The following comments were directed to the Board during the public comment period on this item. **(a) John Tilley** asked staff to provide an estimate of the Measure J costs and contingent liabilities. **(b) Michael Baer** acknowledged that the District’s accounting processes received the highest possible rating, which could be an advantage in any future court cases, when compared to Cal-Am’s accounting processes. **(c) Margaret-Anne Coppernoll** congratulated the District on receiving the Certificate of Achievement for Excellence in Financial Reporting for the fifth consecutive year. **(d) Susan Schiavone** stated that she was proud of the Board and staff for receiving the Certificate of Achievement for Excellence in Financial Reporting, and the Transparency Certificate of Excellence.

On a motion by Evans and second by Riley, agenda item 16 would be considered before agenda item 13. The motion was approved unanimously on a roll-call vote of 7 – 0 by Evans, Riley, Adams, Anderson, Edwards, Paull and Potter. Refer to agenda item 16 for the record of action taken by the Board.

## PUBLIC HEARINGS

10. **Consider Adoption of Resolution No. 2020-19 Modifying Rule 160 – Regulatory Water Production Targets for California American Water System (Exempt from environmental review per SWRCB Order Nos. 95-10 and 2016-0016, and the Seaside Basin Groundwater Basin adjudication decision, as amended and Section 15268 of the California Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources.)**
11. **Consider Adoption of January through March 2021 Quarterly Water Supply Strategy and Budget (Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1))**

## ACTION ITEMS

12. **Receive Fiscal Year 2019-2020 Comprehensive Annual Financial Report**

Potter offered a motion that was seconded by Anderson to enter into the cost sharing agreement and authorize an expenditure of \$4,070,000 to fund construction of Deep Injection Well 4. The motion was approved on a unanimous roll-call vote of 7 – 0 by Potter, Anderson, Adams, Edwards, Evans, Paull and Riley.

The following comments were directed to the Board during the public comment period on this item. (a) **Michael Baer** asked the Board to remember that the configuration of the Monterey One Water Board could change in January with the appointment of a new member. (b) **Susan Schiavone** expressed support for construction of the new wells and urged cooperation between agencies in order to assure a water supply for the region. (c) **John Tilley** spoke in support of measures required to enable success of the Pure Water Monterey Project.

Evans offered a motion that was seconded by Potter, that the General Manager edit the letter incorporating the Directors’ comments and present the letter for public review and Board consideration at a special meeting. The motion was approved on a unanimous roll-call vote of 7 – 0 by Evans, Potter, Adams, Anderson, Edwards, Paull and Riley.

(a) **John Tilley** stated that the Board was doing its best to litigate and not meet its responsibilities with regards to a water supply project. (b) **Michael Baer** asked that the Directors’ edits be incorporated into the letter and that the Board review the edited letter, even if there was insufficient time for public review of the final letter.

Evans proposed a motion that no action be taken and that the item be brought forward at a future meeting of the Board. The motion was seconded by Potter.

Evans amended the motion to state that no action be taken that evening and that the item be brought forward to the February 25, 2021 regular meeting of the Board. Potter agreed to the amendment. The motion was approved on a unanimous roll-call vote of 7 – 0 by Evans, Potter, Adams, Anderson, Edwards, Paull and Riley.

(a) **John Tilley** stated that it was not clear as to whether the Board was seeking a water supply project or litigious behavior. (b) **Michael Baer** stated that the incompleteness letter from the CCC to Cal-Am pointed out how building the desalination project was a “pipe dream.”

On a motion by Riley, seconded by Paull, the Board authorized an interim expenditure of \$200,000 from the General Reserve Fund to continue the program until Cal-Am’s General Rate Case was approved and funding for the rebate program was available. The motion was approved on a unanimous roll-call vote of 7 – 0 by Riley, Paull, Adams, Anderson, Edwards, Evans and Potter.

13. **Consider Approval of Amendment 4 to the Cost Sharing Agreement with Monterey One Water for Pure Water Monterey Deep Wells 3 and 4**

14. **Consider Response to State Water Resources Control Board regarding Reduction in Effective Diversion Limit under the Cease and Desist Order**

15. **Consider Development of Board Position on California American Water Application to the California Coastal Commission for a Coastal Development Permit – Monterey Peninsula Water Supply Project**

16. **Consider Funding Rebates in the California American Water System between January 1, 2020 and the Availability of Funding from the California-American Water General Rate Case**

During the public comment period on this item, Michael Baer expressed support for continuance of the program.

On a motion by Riley, seconded by Edwards, Resolution No. 2020-18 was adopted by the Board of Directors authorizing a contract with Arlene Tavani in an amount not to exceed \$15,000. The motion was approved on a unanimous roll-call vote of 7 – 0 by Riley, Edwards, Adams, Anderson, Evans, Paull and Potter. No comments were directed to the Board during the public comment period on this item.

On a motion by Riley, seconded by Potter, the Board agreed to call for statements of interest from potential candidates interested in serving as Division 3 Director, and to also retain the right to choose instead to call an election. The motion was approved on a unanimous roll-call vote of 7 – 0 by Riley, Potter, Adams, Anderson, Edwards, Evans and Paull.

(a) **John Tilley** expressed opposition to the option of appointing a person to represent Division 3, instead of conducting an election. (b) **Michael Baer** expressed support for conducting an election to determine the Division 3 representative.

District Counsel Laredo noted that Director Evans resigned that evening, effective December 15, 2020.

Evans offered a motion to nominate Director Riley as Board Chair for 2021. There was no second to the motion.

On a motion of Riley, seconded by Adams, Director Edwards was elected to serve as interim Board Chair in 2021. The motion was approved on a unanimous roll-call vote of 7 – 0 by Riley, Adams, Anderson, Edwards, Evans, Paull and Potter.

(a) **Michael Baer** thanked Director Edwards for his leadership as Chair of the Board in 2000. He endorsed Directors Adams, Edwards and Riley to serve as Chair in 2021. (b) **Melodie Chrislock** expressed support for the election of Director Edwards to serve as interim Chair in 2021. (c) **Margaret-Anne Coppernoll** spoke in support of the election of Director Edwards to serve as interim Chair in 2021.

There was no discussion of the Informational Items/Staff Reports.

17. **Consider Adoption of Resolution 2020-18 Authorizing an Exception to the CALPERS 180-Day Wait Period for Hiring**

18. **Consider Calling for Applications and Discuss Process to Fill the Position of Director Division 3**

19. **Conduct Election of Board Officers for 2021**

#### INFORMATIONAL ITEMS/STAFF REPORTS

20. **Report on Activity/Progress on Contracts Over \$25,000**

21. **Status Report on /Rule 19.8 Phase II Spending**

22.. **Letters Received**

23. **Committee Reports**

- 24. **Monthly Allocation Report**
- 25. **Water Conservation Program Report**
- 26. **Carmel River Fishery Report**
- 27. **Monthly Water Supply and California American Water Production Report**

The following comments were directed to the Board. (a) **Michael Baer** encouraged the Board to deal aggressively with Cal-Am. (b) **Marli Melton** expressed confidence that the District could respond successfully to the charges made by Cal-Am in the lawsuit. (c) **Tom Rowley** stated that he could not comment on the Final EIR for the Potential Acquisition of Monterey Water System and Boundary Adjustment because he had seen no update on two related issues: the Operations Plans for acquisition of the Monterey Water System and adoption of an addendum to the District's prior ASR EIR for construction of a bypass pipeline.

Adjourned to closed session at 8:47 pm.

The meeting adjourned at approximately 9:20 pm.

**RECEIVE PUBLIC COMMENT ON  
CLOSED SESSION ITEMS**

- ADJOURN TO CLOSED SESSION**
- 28. **Cal-Am v. MPWMD; Monterey Superior Court Case No. 20CV003201**

**ADJOURNMENT**

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Joel G. Pablo, Deputy District Secretary