



**EXHIBIT 1-A**

**DRAFT MINUTES  
Regular Meeting  
Board of Directors**

**Monterey Peninsula Water Management District  
June 21, 2021**

The meeting was called to order at 6:01 pm. Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, the meeting was conducted with virtual participation via Zoom.

**CALL TO ORDER/ROLL CALL**

*Directors Present via Zoom:*

Alvin Edwards, Chair – Division 1  
Karen Paull, Vice Chair – Division 4  
George Riley – Division 2  
Safwat Malek – Division 3  
Amy Anderson – Division 5  
Mary L. Adams – Monterey County Supervisorial Rep.  
Clyde Roberson – Mayoral Representative

*Directors Absent: None*

*General Manager present:* David J. Stoldt

*District Counsel present:* David Laredo, Esq. with De Lay and Laredo

The assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

No changes

**ADDITIONS AND CORRECTIONS TO AGENDA**

The following comments were directed to the board during Oral Communications:

**ORAL COMMUNICATIONS**

(a) *Susan Schiavone*: Expressed continued support of the Water Supply Charge and User Fee Revenue to fund current projects and Measure J. Schiavone thank the Board and staff for their community outreach efforts and efforts on securing a Water Purchasing Agreement regarding Pure Water Monterey.

Chair Edwards acknowledged Director Riley's request to pull Item No. 14 from the Consent Calendar to allow for a separate vote and further discussion with staff on the matter. No further requests were received by Chair Edwards to pull matters off the Consent Calendar from board members and members of the public.

**CONSENT CALENDAR**

A motion was made by Director Paull and second by Director Roberson to approve the Consent Calendar Items No. 1 through 26 with the exception of Item No. 14. The motion passed unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

Item No. 14

Jonathan Lear, Water Resources Manager responded to Director Riley and explained additional processing and reporting is needed to complete laboratory analysis related to the ASR Project.

No public comment was received for Item No. 14

A motion was made by Director Riley and second by Director Adams to authorize the General Manager to spend up to \$40,000 to complete laboratory analysis related to the ASR Project in FY 2021-2022. The motion passed unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

Approved

Approved a Contract with TMD Creative for Fiscal Year 2021-22 with a monthly retainer of \$4,250 and an amount not to exceed \$51,000.

Approved and authorized the General Manager or the Administrative Services Manager/CFO to executive Amendment No. 5 with Regional Government Services Authority for Management and Administrative Services in an amount not to exceed \$70,000 for FY 2021-22.

Approved and authorized the expenditure of funds for a local staffing agency to provide an individual, or successive individuals, if necessary, to perform scanning projects for the District in an amount not to exceed \$43,500.00

Authorize the General Manager or the Administrative Services Manager/CFO to enter into an agreement with Lynx Technologies to provide GIS services for an amount not to exceed \$35,000.00

Approved the limited-term Water Resources Assistants for up to a total of 1,998 hours of work and several Fisheries Aides for up to 2,759 hours of work for an amount not to exceed \$91,155.00.

Authorized an expenditure of up to \$14,000 for Fiscal Year 2021-2022 to obtain CoreLogic's RealQuest

1. **Consider Adoption of Minutes from the May 17, 2021 Regular Meeting and May 27, 2021 Special/Budget Workshop Meeting**
2. **Consider Approval of Contract with TMD Creative for Public Outreach Services for Fiscal Year 2021-2022**
3. **Consider Approval of Amendment No. 5 Agreement with Regional Government Services Authority for Management and Administrative Services**
4. **Consider Expenditure for Temporary Agency Employee to Assist with Document Scanning for All District Divisions During FY 2021-2022**
5. **Consider Approval of Agreement with Lynx Technologies for Geographic Information System (GIS) Services**
6. **Authorize Funds to Contract for Limited-Term Field Positions during FY2021-2022**
7. **Consider Expenditure of Funds with CoreLogic Information Systems, Inc.**

Professional.

Approved expenditures not-to-exceed \$140,500 to purchase various Software Maintenance Agreements.

Approved the expenditure of \$26,000 with Corporation Service Company- for recording fees for Fiscal Year 2021-2022.

Authorized the General Manager to amend the current District professional services contract with Pueblo Water Resources for a not-to-exceed amount of \$2,000 for FY 2021-2022, which was recently adopted by the Board as part of the FY 2021-2022 budget.

Authorized the General Manager to enter into an agreement on an as-needed basis, not to exceed \$75,000 with Public Water Resources to support the District with WY 2022 ASR operations.

Approved the contract with JEA & Associates for a not-to-exceed amount of \$43,400 for Fiscal Year 2021-2022.

Authorized the General Manager to enter into an agreement with The Ferguson Group for FY 2021-22 in an amount not to exceed \$99,500.00

Authorized the General Manager to spend up to \$40,000 to complete laboratory analysis related to the ASR Project in FY 2021-2022

Authorized the General Manager to spend up to \$10,000 to complete laboratory analysis related to the Watermaster in FY 2021-2022 with Monterey Bay Analytical Services.

Adopted Resolution 2021-06 and authorized the County of Monterey for collection of Water Supply Charge on the property tax bill.

Adopted Resolution 2021-07, A Resolution Establishing an Appropriations Limit for Fiscal Year 2021-2022 in the amount of \$1,953,352.00

Adopted Resolution 2021-08

Adopted Resolution No. 2021-09

8. **Authorize Expenditure for Software Maintenance Agreements / Purchase**
9. **Approve Expenditure to Corporation Service Company - Recording Fees**
10. **Consider Expenditure to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits**
11. **Consider Contract with Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support**
12. **Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services**
13. **Consider Renewal of Contract with Ferguson Group for Legislative and Administrative Services**
14. **Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Aquifer Storage and Recovery Water Quality Monitoring**
15. **Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Watermaster Water Quality Monitoring**
16. **Consider Adoption of Resolution 2021-06 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges**
17. **Consider Adoption of Resolution 2021-07 Establishing Article XIII(B) Fiscal Year 2021-22 Appropriations Limit**
18. **Consider Adoption of Resolution 2021-08 Update to Rule 24, Table 3, Capacity Fee History**
19. **Consider adoption of Resolution 2021-**

Adopted Resolution No. 2021-10

Approved expenditures not-to-exceed \$60,000 to purchase and install two new servers and pertinent components related to the servers.

Approved expenditures not-to-exceed \$60,000 (\$15,000/year for four (4) years) to lease and install new workstations and pertinent components related to the workstations.

Authorized the expenditure of funds to hire retired annuitant for up to 960 hours of work from July 1, 2021 through June 30, 2022 in an amount not to exceed \$85,000.

Authorize the expenditure of funds to hire a retired annuitant for up to 80 hours of work from July 1, 2021 through September 30, 2021 in an amount not to exceed \$4,000.00

Adopted

Ratified the appointment of John Tilley to the Ordinance No. 152 Oversight Panel, for a two-year term ending on February 25, 2023.

David J. Stoldt, General Manager (GM) responded to questions from board members and provided an overview of the MS PowerPoint entitled Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Decision as of June 1, 2021. *A copy of the presentation is on file at the District office and can be viewed on the district website.*

Stoldt made the following points: (1) He reported that for the period of October 2020 through May 2021, water production in the Monterey Peninsula Water Resources System is falling behind the production target by 308 Acre Feet (AF) and noted a 2400 AF below target production for the same period in comparison to WY2020 Actuals. (2) Pure Water Monterey is exceeding production by 243 AF while Sand City Desal is behind in production. (3) The Monthly Precipitation at the San Clemente Rain Gage is at 10.85 inches and is 52% of the long-term average. Continued (4) Daily averages at the San Clemente Rain Gage for the months of April, May and June of 2021 reported little to no recorded rainfall; and (5) Unimpaired Carmel River Flow at Sleepy Hollow WEIR is at 24% of the long term averages placing it in the dry category.

**09 Amending Table XIV-1, Rebate Amounts, to Delete Footnote**

20. **Consider Adoption of Resolution 2021-10 to Amend Rule 160, Table XV-1 to Add-In a Footnote**
21. **Authorize Expenditure for Information Technology Hardware Purchase (Server)**
22. **Authorize Expenditure for Leasing of Workstations (Laptops)**
23. **Authorize Funds to Contract for District Engineer**
24. **Authorize Funds to Contract for Executive Assistant**
25. **Consider Adoption of Treasurer's Report for April 2021**
26. **Ratify Appointment to Ordinance No. 152 Oversight Panel**

**GENERAL MANAGER'S REPORT**

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

Stoldt provided an update on the district's application to LAFCO in regards to Measures J. He informed the board that the next public hearing of LAFCO of Monterey County will be on July 28, 2021 whereby the Commissioners will determine if third party studies are needed. In addition, Stoldt noted on the district's application to LAFCO there are two incomplete items to include: (1) a zero-property tax transfer to be considered for adoption by the Monterey County Board of Supervisors at their meeting on June 22, 2021; and (2) a property tax analysis.

District Counsel Laredo updated the board on the district's complaint against California American Water lodged with the CA Public Utilities Commission and a pre-hearing conference will take place on July 8, 2021. In addition, provided the board an update on California American Water's lawsuit/petition for a writ of mandate challenging the district's EIR in connection with the potential acquisition of the Monterey water system and the district's boundary adjustment application to LAFCO of Monterey County. The hearing date on this matter is set for August 30, 2021 at 9:00 am before the Honorable Judge Thomas Wills in Department 15.

Chair Edwards attended the Monterey One Water Recycled Committee meeting on June 17, 2021 and sought clarification on a few points from the General Manager.

Stoldt informed the Chair/Board that the remaining piece or 5% of the Water Purchase Agreement Negotiations relates to performance guarantees (water delivery guarantees/amounts) and damages. The district in coordination with Monterey One Water transmitted a letter and revised version of the Water Purchase Agreement.

Stoldt informed the Chair/Board confirmed that \$2 million was provided to Monterey One Water and suggested it may have been a contribution in aid of construction as opposed to a loan. He stated once a Water Purchasing Agreement is finalized and adopted by the CA Public Utilities Commission then the district will bring a matter to the board to request participation in funding pre-construction costs.

Jonathan Lear, Water Resources Manager summarized his staff report and presented via MS PowerPoint entitled *Consider Adoption of July – September 2021 Quarterly*

## **REPORT FROM DISTRICT COUNSEL**

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

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

## **PUBLIC HEARINGS**

### **29. Consider Adoption of July through September 2021 Quarterly Water Supply Strategy and Budget.**

*Supply Strategy and Budget for California American Water.* The presentation is on file at the District office and can be viewed on the agency's website.

The following comments were directed to the board:

(a) Tom Rowley, Monterey Peninsula Taxpayers Association: Believes staff is low on the September monthly forecast.

Lear responded to Chair Edwards in response to Rowley's comments stating the district can build operational reserve or recover ASR water and estimates as presented during the hearing are based on the climate and historical water use data.

A motion was made by Director Riley and second by Director Anderson to approve approval of a proposed production strategy for the California American Water Distribution System for the three-month period of July through September 2021. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water system. The motion passed unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

David J. Stoldt, General Manager presented and summarized the staff note.

The following public comments were directed to the Board:

- a. Captain Paul Dale, Commanding Officer of Naval Support Activity encouraged the board to support adoption of Ordinance No. 187 and noted adoption of said ordinance will benefit the current and future planning and construction processes.
- b. Erika Marx, US Army Garrison: Thanked district staff for their work on the matter and the board for considering adoption of the ordinance.

A motion was made by Director Adams and second by Director Paull to adopt Ordinance No. 187 and a negative declaration attached as Exhibit 30-B with the County Clerk. The motion passed unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

GM Stoldt provided an overview of his staff note and answered questions from the board.

The following comments were directed to the board for Item No. 31:

(a) Tom Rowley: Addressed concerns about the work done by Lapkoff and Gobalet Demographic Research and encourages the board to create a citizens committee and

#### **ACTION ITEMS**

**30. Consider Second Reading and Adoption of Ordinance 187 – (1) Establishing the Department of Defense as a Jurisdiction and adding a Water Use Credit Process Specific to the Department of Defense, and (2) Authorizing the General Manager to Extend Any Water Use Credit for One Year for Justifiable Cause.**

**31. Consider Expenditure of Budgeted Funds to Contract with Lapkoff and Gobalet Demographic Research to Provide Demographic Redistricting Services.**

gain input on redistricting.

A motion was made by Director Roberson and second by Director Edwards to authorize entering a contract with Lapkoff and Gobalet Demographic Research in an amount not to exceed \$52,000 for Option 3 fees, meeting costs, and GIS expenses, if necessary. The motion passed unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

GM Stoldt provided an overview of his staff note and answered questions from the board.

The following comments were directed to the board for Item No. 32:

(a) Tom Rowley: Voiced support of the District/Board’s letter to the State Water Resources Control Board and believes the SWRCB should respond.

A motion was made by Director Riley and second by Director Anderson to insert in the CC list CA State Senator John Lair and Assemblymember Mark Stone and approve the draft letter to the State Water Resources Control Board on the 1000 AF Penalty on Withdrawals from the Carmel River. The motion passed unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

GM Stoldt provided introductory remarks. Suresh Prasad, Administrative Services Manager/CFO summarized his staff note and presented his MS PowerPoint entitled Consider Adoption of Proposed Fiscal Year 2021-2022 MPWMD Budget and Resolution No. 2021-05. *A copy of the presentation is on file at the District office and can be viewed on the district website.*

The following comments were directed to the board for Item No. 33:

(a) Tom Rowley: Suggested the elimination of the 17% user fee and 12% water supply charge as it is affecting ratepayers and noted that those monies are kept in district reserves. He encouraged the Ordinance No. 152 Oversight Committee and the board to review and discuss the matter further.

(b) John Tilley, Co-Chair of the Coalition of Peninsula Businesses: Encouraged the board to reduce the Mechanic Bank loan and reduce the debt by \$1 million dollars by using the district’s reserves. Also, he suggested for the board to provide a separate budget and future presentations to account for Measure J costs.

A motion was made by Director Riley and second by Director Malek to adopt adopting Resolution No. 2021-05

**32. Consider Approval of Letter to the State Water Resources Control Board on the 1000AF Penalty on Withdrawals from the Carmel River**

**33. Consider Adoption of Proposed FY 2021-2022 MPWMD Budget and Resolution 2021-05**



approving the Fiscal Year (FY) 2021-22 Budget for the Monterey Peninsula Water Management District. The motion passed unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

GM Stoldt discussed the matter with the Board. He stated that further discussions need to take place with the Watermaster and the Marina Coast Water District on their needs for a replacing/rebuilding the well. Stoldt mentioned ideally he would like to bring the matter back to the Water Supply Planning Committee for further discussion and there is not a draft proposal to look at.

The following comments were directed to the board:

- a. Tom Rowley, Monterey Peninsula Taxpayer's Association: Voiced support to either fixing or replacing the well to monitor for sea-water intrusion.
- b. Susan Schiavone: Questioned the board and asked if continued monitoring for sea-water intrusion is needed.

GM Stoldt summarized his staff note and via consensus the board would like district staff / district counsel to negotiate an agreement that protects constituents and future ratepayers.

No public comments were directed to the board on this item.

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

The meeting was adjourned at 8:32 pm.

#### DISCUSSION ITEMS

**34. Consider Funding to Replace/Rebuild Seaside Basin Monitoring Well FO-09S**

**35. Discuss Replacement Intake Wells for the Sand City Desalination Plant**

#### INFORMATIONAL ITEMS/STAFF REPORTS

- 36. Status Report on Measure J / Rule 19.8 Phase II Spending**
- 37. Report on Activity / Progress on Contracts Over \$25,000**
- 38. Letters Received**
- 39. Committee Reports**
- 40. Monthly Allocation Report**
- 41. Water Conservation Program Report**
- 42. Carmel River Fishery Report for April, 2021**
- 43. Monthly Water Supply and California American Water Production Report**

#### ADJOURNMENT

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Joel G. Pablo, Deputy District Secretary

Approved by the MPWMD Board of Director's on  
July XX, 2021