



**EXHIBIT 1-B**

**DRAFT MEETING MINUTES  
Special and Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
December 13, 2021**

**CLOSED SESSION, 4:30 PM**

The meeting was called to order at 4:30 p.m. by Chair Edwards. Pursuant to AB 361, the meeting was conducted with virtual participation via Zoom.

*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 Board of Supervisors Representative  
Clyde Roberson – Mayoral Representative

*Directors Absent: None*

*General Manager present:* David J. Stoldt

*District Counsel present:* David Laredo with De Lay and Laredo

None

*Opened Public Comment; the following comments were directed to the Board:*

Nina Beety commented on Closed Session Matter Item No.CS 2(c) re-iterated her concerns she previously raised to the district on smart meters and disappointment that staff did not convey the board's position to the CPUC.

District Counsel Laredo read the board into closed session.

**CALL TO ORDER / ROLL CALL**

**ADDITIONS AND CORRECTIONS FOR  
CLOSED SESSION BY DISTRICT  
COUNSEL**

**PUBLIC COMMENT**

**CLOSED SESSION**

**CS 1 Public Employee Performance Evaluation (CA Gov Code Sec. 54957) - General Manager**

**CS 2 Conference with Legal Counsel – the board will confer with District Counsel to review**

**pending or anticipated litigation pursuant as follows:**

**a. Conference with Legal Counsel – the board will review Existing Litigation (§ 54956.9) MPWMD v. Cal-Am – CPUC Case No. 21-05-005**

**b. Conference with Legal Counsel – the board will review Existing Litigation (§ 54956.9) – CPUC Case No. A.21-11-024**

**c. Conference with Legal Counsel – the board will review Existing Litigation (§ 54956.9) – CPUC Case No. A.19-07-004**

**d. Conference with Legal Counsel – the board will review Significant Exposure to Threatened or Potential Litigation (§ 54956.9), MPWMD v. LAFCO of Monterey County – Case No. Not Yet Assigned**

**e. Conference with Legal Counsel - the board will review two matters of potential/anticipated litigation. Government Code §54956.9(c).**

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**RECONVENE TO OPEN SESSION - REGULAR SESSION | 6:00 PM**

The meeting reconvened to open session at 6:06 p.m. by Chair Edwards. *Pursuant to AB 361, the meeting was conducted with virtual participation via Zoom.*

*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 Board of Supervisors Representative  
Clyde Roberson – Mayoral Representative

*Directors Absent: None*

*General Manager present:* David J. Stoldt

*District Counsel present:* Dave Laredo with De Lay and Laredo

The assembly recited the Pledge of Allegiance.

Joel G. Pablo, *Board Clerk* read the following correction to the agenda:

**CALL TO ORDER**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**ADDITIONS AND CORRECTIONS TO A**

Under Action Items- Item No. 15

Strike-out the recommended language and insert:  
The Board should review and consider adopting the MPWMD Redistricting Advisory Commission – Rules of Procedure and provide direction to staff on the names of communities of interest that should be invited to participate.

*Public Comment Period Opened. The following comments were directed to the board:*

**a. Susan Schiavone:** Voiced disappointment with LAFCo of Monterey County’s recent decision to deny the District’s application.

**b. Anna Thompson:** Concurred with Susan Schiavone comments, discussed past performances of the District and Cal-Am and is supportive of the District’s ongoing efforts

**c. Nina Beety:** Requested the board pull Item No. 4 and 5 from the consent calendar and provided her rationale for her request.

**d. Tammy Jennings:** Expressed disappointment with the recent LAFCo of the Monterey County decision on the District’s application and is supportive of the District’s ongoing efforts.

**e. Melodie Chrislock:** Commented and summarized discussions she had with Supervisor Chris Lopez (District 3) and thanked the District for its work.

*No further comments were received.*

Chair Edwards pulled Item No. 4 and 5 from the Consent Calendar. No further requests were received by Chair Edwards to pull matters off the Consent Calendar.

Opened Public Comments; *No comments were received*

A motion was made by Director Riley with a second by Director Roberson to approve the Consent Calendar Items No. 1, 2 and 3. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

David J. Stoldt, General Manager provided background information on Item No. 4 and 5.

A motion was made by Director Edwards with a second by Director Adams to approve the Consent Calendar Items No. 4 and 5. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

**ORAL COMMUNICATIONS**

**CONSENT CALENDAR**

Adopted the meeting minutes of the MPWMD Board of Director’s for Regular Meeting on November 15, 2021.

Adopted the October 2021 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month.

Adopted Resolution No. 2021-19 authorizing remote teleconference meetings of all District legislative bodies for the following 30 days in accord with the Ralph M. Brown Act and AB 361 (Rivas).

Adopted Resolution 2021-16, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Amending Table XIV-1, Rebate Amounts.

Authorized District staff to allocate funds up to \$11,000 to purchase an electronic current meter to support the District’s Surface Water Monitoring Program.

David J. Stoldt, General Manager provided a verbal status report on direction provided from the CA Department of Health and Human Services on the COVID-19 recommending individuals to wear a mask indoors regardless of vaccination status.

David J. Stoldt, General Manager (GM) presented via MS PowerPoint entitled Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Decision as of December 1, 2021 and answered Board questions and answered Board questions. *A copy of the presentation is on file at the District office and can be viewed on the district website.*

GM Stoldt provided an overview of the slide-deck, and the following points were made: (1) The Monterey Peninsula Water Resources System (Carmel River & Seaside Groundwater Basin) noting that target is exceeding actual; (2) For the total year-to-date for Water Projects and Rights actuals is falling behind target; (3) The Monthly Demands/Deliveries for Customer Service is down by 99 AF compared to WY2021; (4) Provided an overview of Monthly/Rainy Recorded Rainfall at the San Clemente Rain Gage from October through December 2021.

Stoldt reported that the American Society of Civil Engineers has recognized and has selected the Pure Water Monterey Groundwater Replenishment Project to receive an Honor Award and potentially the 2022 Outstanding Civil Engineering Achievement Award. Jon Lear responded to Director Edwards and explained that ASR 1 and 2 are not to be used until the Tracer Test has concluded sometime in

1. **Consider Adoption of Minutes from the November 15, 2021 Regular Board Meeting**
2. **Consider Adoption of Treasurer’s Report for October 2021**
3. **Consider Adopting Draft Resolution No. 2021-19 Authorizing Remote Teleconferencing Meetings of all District Legislative Bodies for the Following 30 Days in Accord with the Ralph M. Brown Act and AB 361 (Rivas)**
4. **Consider Adopting Draft Resolution No. 2021-16 Amending MPWMD Rule 141, Rebate Amounts**
5. **Consider Allocating Funds to Purchase a Digital Current Meter for Surface Water Monitoring Program**

**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 Water Supply Projects**

January 2022 and provided a verbal status update on injections.

David J. Stoldt, General Manager provided an overview of his staff note and answered questions from the Board. Stoldt noted the District has signed onto a letter to Chairman Ron Wyden of the U.S. Senate Committee of Finance on the Build Back Better Act. *A copy of the letter is on file at the District office and can be viewed on the district website.*

David Laredo, District Counsel reported out from Closed Session.

CS Item No. 1: The Board conferred with and heard from the David J. Stoldt, General Manager. *No reportable action taken.*

CS Item No. 2d and 2e: The board provided general direction to staff. *No reportable action taken.*

CS Item No. 2a, 2b and 2c: The board will return to closed session following the conclusion of the open session of the meeting.

David Laredo, District Counsel provided a verbal status report and informed the board that the California Public Utilities Commission (CPUC) has issued a decision on General Rate Case No. 19-07-004 at its November 18, 2021 meeting fixing rates for Rate Years 2021, 2022 and 2023. He noted the District has participated in these proceedings since the application was filed with the CPUC. The District has entered into a settlement agreement and was successful on issues relating to reduction of surcharges on rate payer bills, protecting the Monterey's conservation budget and rate design. He further added that the District was successful against a high cost fund proposed by Cal-Am and reached agreement on variety of capital projects to include Carmel Valley Wells on the former Rancho Canada Golf course and Forest Lake pumping station. He noted the District's request to have Cal-Am purchase more power generators and a more sophisticated rehabilitation and replacement program for wells was not accepted.

Laredo informed the board Cal-Am is gearing up to have a preliminary application filed with the CPUC in May 2022 and will be for rate years 2024, 2025 and 2026.

*Opened Public Comment; the following comments were received:*

**a. Nina Beety:** Expressed disappointment the District did

**8. Report on Legislative Outreach for Calendar Year 2021**

**REPORT FROM DISTRICT COUNSEL**

**9. a. California-American Water Company (Cal-Am), 2019 General Rate Case No. 19-07-004 filed with the California Public Utilities Commission**

not convey to the CPUC a predecision made by the MPWMD Board of Director's on the issue of smart water meters.

**b. Susan Schiavone:** Thanked the district for its efforts and sought clarification on the monthly meter charge at 30% and how opting out of a smart meter would affect it.

**c. Marli Melton:** Questioned and asked the Board the percentage change on a typical Cal-Am customers bill.

David Laredo responded to comments received by the Susan Schiavone and Marli Melton.

*No further comments were received.*

Director Edwards informed the board and members of the public that the District and the Board is set on carrying out, pursuing the Board Adopted Rule 19.8 and Measure J.

Stephanie Locke, Water Demand Manager provided an overview of her staff note, answered questions from the board and presented via MS PowerPoint. *A copy of the presentation is on file at the District office and can be viewed on the district website.*

*Opened Public Comment; no comments were directed to the board.*

A motion was made by Director Edwards with a second by Director Roberson to adopt Ordinance No. 189. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

Jonathan Lear, Water Resources Manager provided an overview of the staff note, answered questions from the board and presented via MS PowerPoint. *A copy of the presentation is on file at the District office and can be viewed on the district website.*

*Opened Public Comment; no comments were directed to the board.*

A motion was made by Director Riley with a second by Director Anderson adopted the January through March 2022 Quarterly Water Supply Strategy and Budget. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

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

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

#### **PUBLIC HEARINGS**

- 11. Consider Second Reading and Adoption of Ordinance No. 189, an Ordinance of the Monterey Peninsula Water Management District Board of Directors Clarifying and Amending Rules Related to Definitions (Rule 11), Water Distribution Systems (Rule 21), Water Permits (Rules 23 And 24), Water Use Credits (Rule 25.5), and Rebates (Rule 141); Deleting Rule 91 (Short Term Variance); And Revising The Title Of Regulation XV**
- 12. Consider Adoption of January through March 2022 Quarterly Water Supply Strategy and Budget**

Suresh Prasad, Administrative Services Manager/CFO provided an overview of the staff note, answered questions from the board and presented via MS PowerPoint entitled Receive Fiscal Year 2020-2021 Annual Comprehensive Financial Report (ACFR). Rae Gularte and Michael Briley with Hayashi | Wayland presented via MS PowerPoint entitled Audit Results. *A copy the presentations is on file at the District office and can be viewed on the district website.*

*Opened Public Comment; no comments were directed to the board.*

A motion was made by Director Malek with a second by Director Adams to receive Fiscal Year 2020-21 Comprehensive Annual Financial Report. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

Joel Pablo, Board Clerk provided an overview of the Staff Note.

*Opened Public Comments; no comments were received.*

A motion was made by Director Roberson with a second by Director Paull to adopt the Board meeting schedule for Calendar Year 2022. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent

David J. Stoldt, General Manager and Joel Pablo, Board Clerk provided an overview of the Staff Note and answered questions from the committee.

Director Riley directed attention to Exhibit 15-A, under Item 1 seeking clarification and further discussion was had to clarify and make note that it should not be a paid member of staff of a public entity.

Director Adams suggested for staff to add-in to Exhibit 15-A, under Invited Communities of Interest to include the Monterey County Hospitality Association, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce and Other Resident/Neighborhood Associations on the Peninsula.

*Opened Public Comments; No comments were received.*

A motion was made by Director Edwards with a second by Director Paull to adopt the MPWMD Advisory Redistricting Commission – Rules of Procedure with modifications made to Exhibit 15-A. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

**13. Receive Fiscal Year 2020-21 Comprehensive Annual Financial Report**

**ACTION ITEMS**

**14. Review and Consider Adopting the Board Meeting Schedule for Calendar Year 2022**

**15. Review and Consider Adopting the MPWMD Advisory Redistricting Commission – Rules of Procedure**

David J. Stoldt, General Manager provided an overview of the Staff Report and thanked Director Edwards for his service as Chair of the Board for Calendar Year 2020 and 2021.

*Opened Public Comments; No comments were received*

A motion was made by Director Edwards with a second by Director Malek to elect Karen Paull as Board Chair, Mary L. Adams as Vice-Chair, David J. Stoldt as Secretary and Suresh Prasad as Treasurer of the Board. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

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

Chair Edwards adjourned the open session at meeting at 8:08 p.m.

The Board recessed to closed session at 8:10 p.m. and adjourned Closed Session at 9:07 p.m.

**16. Conduct Election of Board Officers for 2022**

**INFORMATIONAL ITEMS/STAFF REPORTS**

- 19. Report on Activity/Progress on Contracts Over \$25,000**
- 20. Status Report on Measure J/Rule 19.8 Phase II Spending**
- 21. Letters Received**
- 22. Committee Reports**
- 23. Monthly Allocation Report**
- 24. Water Conservation Program Report**
- 25. Carmel River Fishery Report for October 2021**
- 26. Monthly Water Supply and California American Water Production Report**

**ADJOURN THE OPEN SESSION AND CONVENE TO CLOSED SESSION ON ITEM NO. CS 2A, 2B AND 2C**

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Joel G. Pablo, Deputy District Secretary