



EXHIBIT 1-A

**DRAFT MINUTES
Regular and Special Meeting
Board of Directors
Monterey Peninsula Water Management District
January 23, 2020**

Board Chair Edwards called the meeting to order at 6:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Molly Evans – Chair, Division 3
Alvin Edwards, Vice Chair, Division 1
George Riley, Division 2
Jeanne Byrne – Division 4
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

No action.

ADDITIONS AND CORRECTIONS TO AGENDA

The following comments were presented under Oral Communications. **(a) Melodie Chrislock**, representing Public Water Now, asked when California American Water (Cal-Am) will fulfill its obligation to deliver water through its new pipeline to the community. **(b) Michael Baer**, resident of San Jose CA, noted that one of the local charities supported by Cal-Am is The Village Project in Seaside. He asked the Board to develop a plan for continuing support of The Village Project and other charities under public ownership of the water company. **(c) Peter Kaiser**, resident of Seaside, stated that water supply options such as desilting Los Padres Dam; constructing storage ponds on Fort Ord; and treating wastewater in each city for outdoor use would alleviate the need for a desalination project. **(d) Kevin Dayton**, representing the Monterey Peninsula Chamber of Commerce, urged the Board to fulfill the City of Monterey's request to provide water for affordable housing.

ORAL COMMUNICATIONS

Chair Edwards presented Director Evans with a plaque and thanked her for serving as Chair of the Board and providing strong leadership in 2019. The Directors praised Evans for

**PRESENTATION TO MOLLY EVANS,
2019 BOARD CHAIR**

her intelligence and enthusiasm and expressed gratitude for all she accomplished during her year as Board Chair.

On a motion by Potter and second by Adams, the Consent Calendar was approved except for items 2 and 3 that were pulled for separate consideration. The motion was approved on a unanimous vote of 7 – 0 by Potter, Adams, Byrne, Edwards, Evans, Hoffmann and Riley.

Adopted.

Potter offered a motion that was seconded by Riley to approve the committee assignments as presented in the Board packet. The motion was approved on a vote of 5 – 2 by Potter, Riley, Adams, Edwards and Evans. Voting in opposition were Byrne and Hoffmann.

Dan Turner, a resident of Monterey, addressed the Board during the public comment period on this item. He expressed concern about division on the Board, as he observed that even with this issue, there appeared to be split between people who supported public ownership of the water supply and those that were opposed to that effort.

Evans offered a motion that was seconded by Byrne to adopt Resolution 2020-01. The motion was approved on a unanimous vote of 7 – 0 by Evans, Byrne, Adams, Edwards, Hoffmann, Potter and Riley.

The following comments were received during the public comment period on this item. (a) **Michael Baer** urged the Board to provide funds to property owners for construction of graywater systems. (b) **Kevan Dayton**, speaking as a private citizen, stated that the District should help people to be self-sufficient and collect their own water so they are not dependent upon a corporation or agency to meet their water needs. (c) **Susan Schiavone**, resident of Seaside, urged the District to provide assistance to low-income residents for installation of graywater systems. (d) **Mark Nichols** stated that water quality was important and that use of graywater exclusively for outdoor irrigation would be harmful to the environment. He expressed support for a dam to provide water to the community. (e) **Matthew Kyler**, licensed Civil Engineer and the applicant for agenda item 13, advised that the City of San Francisco distributes a complete manual on installation of residential rainwater systems. He offered to share with the District all his data related to the application for a rainwater system. (f) **Peter Kaiser** asked the District to establish rules for installation of a reasonably priced rainwater system that could be easily constructed. He also told the Board that he was opposed to the purchase of Cal-Am through eminent domain.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the December 16, 2019 Regular Board Meeting**
2. **Ratify Board Committee Assignments for 2020**
3. **Consider Adoption of Resolution 2020-01 Amending Rule 25.5, Table 4: High Efficiency Appliance Credits, to Allow Rainwater/Graywater Systems in all Residential Applications**

Approved.

Received.

Adopted.

Received.

Received.

4. **Consider Approval of Annual Update on Investment Policy**
5. **Receive Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**
6. **Consider Adoption of Treasurer's Report for November 2019**
7. **Receive Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report**
8. **Receive Government Accounting Standards Board Statement No. 75 Report for Determining Annual Costs for Post-Employment Medical Benefits**

A summary of General Manager Stoldt's presentation is on file at the District office and can be viewed on the agency's website. He reported that California Public Utilities Commission (CPUC) will conduct public participation hearings regarding Cal-Am's general rate case for 2021-2023 on February 18, 2020 in Seaside City Hall and 6 pm, and on February 19, 2020 at Gonzales City Hall at 6 pm. An open house on this issue has also been scheduled by Cal-Am on February 6, 2020 from 5 pm to 7 pm at the company's offices in Pacific Grove. Stoldt reported that for the period of October 1, 2019 through December 31, 2019 the community exceeded the water target production by 164 acre feet. For that same period, 10.23 inches of rainfall was received which represented 110% of average. Unimpaired flow was estimated at 205% of the long-term average. Regarding compliance with the Cease and Desist Order (CDO) Stoldt reported that Cal-Am completed milestone # 4 by installation of 2,500 linear feet of transmission pipeline.

The following comments were directed to the Board during the public comment period on this item. **(a) John Tilley**, resident of Pacific Grove, said that according to a September 15, 2019 letter from the State Water Resources Control Board (SWRCB), it would not accept substitution of the Pure Water Monterey Expansion project for the 6.4 MGD desalination project as a basis to release the CDO milestones. **(b) Michael Baer** asked what was limiting distribution of ASR water from the Seaside basin through the new pipeline.

A summary of Stoldt's report is on file at the District office and can be viewed on the agency's website.

GENERAL MANAGER'S REPORT

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

10. **Update on Development of Water Supply Projects**

District Counsel Laredo reported that as to item 3, on a motion of Byrne and second by Evans the Board approved the format and template to be used for the 2019-2020 evaluation of the General Manager. Copies of the template were available for public review. Regarding item 4, general direction was provided to the General Manager and the item was scheduled for action at the February 19, 2020 Regular meeting of the Board.

Director Riley reported that he attended the January 21, 2020 meeting of the Special Districts Association of Monterey County and found it to be very interesting.

No action.

Adams made a motion to approve the request for a variance. The motion was seconded by Byrne and approved on a unanimous vote of 7 – 0 by Adams, Byrne, Edwards, Evans, Hoffmann, Potter and Riley.

The applicant, James Ryan McMickle, addressed the Board during the public hearing. He stated that District staff had accurately described the variance request.

A summary of General Manager Stoldt’s presentation is on file at the District office and can be viewed on the agency’s website. In response to a question from the Board, he recommended that the report should be updated every five years. Chair Edwards stated that this issue would be brought before the Board again at the February 19, 2020 meeting.

The following comments were directed to the Board during the public comment period on this item. (a) **Fred Meuer**, representing the Monterey Bay Defense Alliance, referenced a letter from the Alliance dated January 21, 2020 that is on file at the District office and can be viewed on the agency’s

ATTORNEY’S REPORT

11. Report on 5:00 pm Closed Session of the Board

3. Public Employee Performance Evaluation (Gov. Code 54957) – General Manager

4. Public Employee Performance Evaluation (Gov. Code 54957) – Administrative Services Manager/Chief Financial Officer

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

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

PUBLIC HEARINGS

13. Consider Request for Variance for Rainwater System in Mixed Use Building at 537 Anthony Street, Monterey, APN 001-712-010, Applicant: Monterey Design Collective, LLC

14. Consider Request for Variance from Separate Supply Lines Requirement at a New Single Family Dwelling at 26425 Laureles Grade, Carmel Valley, APN: 416-051-005 Applicant: James Ryan McMickle

DISCUSSION

15. Presentation of Updated Water Demand Forecasts Related to Association of Monterey Bay Area Government 2018 Regional Growth Forecast and Regional Housing Needs Allocation Plan: 2014-2023, and Inclusion of 2019 Water Year

website. He requested that before considering the Supply and Demand Report assumptions, the District should obtain written confirmation from the SWRCB that elimination of the desalination component of the water supply portfolio in favor of Pure Water Monterey expansion would be sufficient to lift the Cease and Desist Order. **(b) Dan Turner**, resident of Monterey, urged the Board to take a vote in support of the Supply and Demand for Water on the Monterey Peninsula report. **(c) John Tilley**, representing the Coalition of Peninsula Business, stated that according to a letter from the California State Department of Community and Development and Housing, AMBAG's Regional Housing Needs Allocation (RHNA) numbers are not growth forecasts; they represent minimal residential housing needs in the community and should not be used as a maximum cap on housing development. **(d) Kevin Dayton**, representing the Monterey Peninsula Chamber of Commerce, stated that the lack of water for housing is the cause of population contraction on the Monterey Peninsula which is bad for commerce and society. He recommended that Table 1- Monterey Peninsula Available Supply shown in the Water Supply Study should include a minimum and maximum from each source listed. **(e) Susan Schiavone**, resident of Seaside, stated that the high cost of housing is the reason people have left the area, and that commitment is needed to develop affordable housing. She opined that the population of Silicon Valley is moving southward and population projections for the Monterey Peninsula are deceiving. **(f) Melodie Chrislock** asked the Board to consider adopting the Water Supply and Demand report at the February 19, 2020 Board meeting and then begin educating the permitting agencies because Cal-Am was aggressively lobbying them. **(g) Michael Baer** suggested that the Board should adopt the Water Supply and Demand report so the information could be presented to the CPUC and the CCC. **(h) Marc Kelley**, resident of Monterey, stated that the indoor water use standard of 55 and 52.5 gallons of water per capita daily is only a benchmark because by January 1, 2121 the legislature will reconvene to determine if those estimates should be modified. He also noted that the Water and Supply Demand report does not factor in outdoor water use, as no standard has been set. **(i) Mark Eckels** stated that desalination is an environmental abomination, and that desalination for water is somewhat like fracking for oil.

The Directors suggested the following items for discussion at future meetings of the Board: Water Supply and Demand report should be reviewed after input from jurisdictions is received; review the District's investment policy; conduct the budget workshop and reserve policy earlier than May of each year; discuss the reserve policy, investment policy and the budget at one meeting; review the return water agreement; elimination of the CDO; and discuss the pending elimination of the Districts water right on the Carmel River.

16. Identify Agenda Items and Timing for Upcoming Board Meetings

The following comments were directed to the Board during the public comment period on this item. **(a) John Tilley**, representing the Coalition of Peninsula Businesses, warned that there could be serious repercussions were the Board to make decisions on a water supply in combination with pursuit of public ownership of the Cal-Am water system. **(b) Rudi Fisher**, resident of Pacific Grove suggested that another topic for Board discussion would be how to respond if the CCC did not make a decision in March on approval of the desalination project. **(c) Melodie Chrislock** suggested the Board schedule a discussion on moving the Pure Water Monterey Expansion project forward. **(d) Michael Baer** urged the Board to move forward on approval of a backup plan that would be ready to construct when it is known that desalination cannot be developed. **(e) Marc Kelley** requested that the Board consider the Water Supply and Demand report in February, or delay until the jurisdictions have provided their input on the report. **(f) Dan Turner**, resident of Monterey, stated that the CCC staff was under enormous pressure to approve Cal-Am’s application to develop the desalination project, despite the evidence of environmental damage that could occur.

There was no discussion of these items.

INFORMATIONAL ITEMS/STAFF REPORTS

17. Report on Activity/Progress on Contracts Over \$25,000
18. Status on Measure J/Rule 19.8 Spending
19. Monthly Progress Report – Santa Margarita Water Treatment Facility
20. Letters Received
21. Committee Reports
22. Monthly Allocation Report
23. Water Conservation Program Report
24. Quarterly Water Use Credit Transfer Status Report
25. Carmel River Fishery Report for December 2019
26. Monthly Water Supply and California American Water Production Report
27. Quarterly Carmel River Riparian Corridor Management Program Report
28. Semi-Annual Groundwater Quality Monitoring Report

The meeting was adjourned at approximately 9:00 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary