



EXHIBIT 1-B

**Draft Minutes
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
January 27, 2022**

The meeting was called to order at 6:01 p.m. by Chair Paull. *Pursuant to AB 361, the meeting was conducted with virtual participation via Zoom.*

CALL TO ORDER

Directors Present via Zoom:

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

ROLL CALL

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.

PLEDGE OF ALLEGIANCE

Joel G. Pablo, *Board Clerk* noted the following addition to the Published Agenda:

ADDITIONS AND CORRECTIONS TO THE AGENDA

Insert Recognition of Outgoing Chair Alvin Edwards as Board Chair for Calendar Year 2020 and 2021 and to be placed following Oral Communications.

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

ORAL COMMUNICATIONS

(a) *John Tilley representing the Coalition of Peninsula Businesses:* Addressed the board on past decisions made by the body and its support of Aquifer Storage and Recovery, Pure Water Monterey and the Water Supply Project (WSP)-Desalinization. He noted the current board has moved away from the WSP- Desalinization due to its ongoing pursuit of Measure J. Tilley addressed the board on water for housing, on water supply concerns and asked the board to refrain from using the term: Lettuce Curtain.

(b) *Rudy Fischer*: Encouraged and reminded the Board to remain in compliance with the Brown Act and to achieve all goals as listed on the District’s website. Fischer addressed issues attributed to the Cease-and-Desist Order and asked the board to find new sources of water.

(c) *Susan Schiavone*: Applauded the board for their continued efforts in pursuing Measure J, recognized the excellent work as done by the Board and the District. Schiavone asked the board to educate the community relating to water supply.

(d) *Michael Baer*: Responded to comments made by John Tilley and noted an incentive received by commercial businesses. Baer noted private entities are not subject to the same disclosure and transparency processes public agencies must go through allowing private entities to make backdoor decisions.

Written Public Received:

Rudy Fischer | E-mail dated January 25, 2022

Subject Line: Reminder to the Board to Act in Compliance with the Brown Act and Goals of the District. A copy of the letter is on file at the District office and can be viewed on the District website.

No further oral or written communications were received.

The Board praised Director Edwards for his leadership, his intelligence, his enthusiasm and expressed gratitude for all he accomplished during his year as Board Chair.

Director Edwards thanked the Board and District Staff for all the hard worked accomplished during the past two years.

Chair Paull pulled Item No. 2 from the Consent Calendar and asked that it be placed following discussion Item No. 15. No further requests were received by Chair Paull to pull matters from the Consent Calendar.

Opened Public Comments; *No comments were received.*

A motion was made by Director Malek with a second by Director Anderson to approve the Consent Calendar Items No. 1; 3 through 8. The motion passed on a roll-call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

Adopted the Meeting Minutes from the November 29, 2021 Special Board Meeting, December 13, 2021 Special/Regular Board Meeting, and December 29, 2021 Special Board Meeting.

**RECOGNITION OF OUTGOING CHAIR
ALVIN EDWARDS AS BOARD CHAIR
FOR 2020 AND 2021**

CONSENT CALENDAR

- 1. Consider Adoption of Minutes from the November 29, 2021 Special Board Meeting, December 13, 2021 Special/Regular Board Meeting and December 29, 2021 Special Board Meeting**

[Item No. 2 considered by the Board following Discussion Item No. 15.]

Matter Pulled by Chair Paull. Further discussion was had regarding Board Committee Preferences and Assignments for Calendar Year 2022.

Opened Public Comment; No comments were received.

A motion was made by Director Riley with a second by Director Adams to Revise Exhibit 2-A to include Director Mary L. Adams to serve as the alternate committee member on the Legislative Advocacy Committee. The motion passed on a roll-call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

Reviewed and adopted the revised CY2022 through February 2023 MPWMD Board meeting schedule.

Adopted Resolution No. 2022-02 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).

Reviewed and approved the District Investment Policy.

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

Approved the funds for road maintenance and directed the General Manager to enter into a contract with Valley Grading and Paving, Inc., for a not-to-exceed amount of \$9,950.

Approved the funds for deferred road maintenance and direct the General Manager to reimburse California America Water up to \$9,950 for repair work.

David J. Stoldt, General Manager responded to comments received during Oral Communications. He noted that the District’s priority is to provide an adequate water supply and noted ongoing efforts with the CA Public Utilities Commission on the Pure Water Monterey Expansion, he clarified no discussion was had pertaining to the extension of the Cease-and-Desist Order and further clarified the District’s goals and objectives.

2. Ratify Board Committee Assignments for Calendar Year 2022

3. Adopt the Revised Board Meeting Schedule for CY2022 through February 2023

4. Consider Adopting Draft Resolution No. 2022-02 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)

5. Consider Approval of Annual Update on Investment Policy

6. Consider Adoption of Treasurer's Report for November 2021

7. Consider Expenditure of Funds to Maintain the Access to the Sleepy Hollow Steelhead Rearing Facility.

8. Consider Expenditure of Funds for Deferred Maintenance of the Access Road to the Sleepy Hollow Steelhead Rearing Facility.

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

David J. Stoldt, General Manager presented via MS PowerPoint entitled Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Decision as of January 2022 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 year to date through the first quarter of the water year is below target; (2) On Water Projects and Rights Actuals for the PWM Recovery include 739 AF, Table 13 – 42 Acre feed and Sand City Desal – 34 AF. (3) The Monthly Demands/Deliveries for Customer Service is down by 160 AF compared to WY2021; (4) Provided an overview of Monthly/Rainy Recorded Rainfall at the San Clemente Rain Gage for Water Year 2022. (5) Estimated Unimpaired Carmel River Flow at Sleepy Hollow WEIR: Water Year 2022 he noted a steady flow of water due rainfall received in December 2021.

David J. Stoldt, General Manager provided a verbal status update on Measure J / Proposed Acquisition of the Monterey Water System, answered questions from the Board and the following points were made:

10. Update on Measure J / Proposed Acquisition of the Monterey Water System

1. LAFCo of Monterey County at its January 5, 2022 Special Meeting dismissed the District's application to activate latent powers.
2. The District has hired Legal Counsel to weigh out options pertaining to the LAFCo decision.
3. LAFCo of Monterey County approved the annexation of 58 parcels in Yankee Point and Hidden Hills at its December 6, 2021 meeting.
4. The District will make efforts to rectify the LAFCo Decision through the reconsideration process and proceed from there.

In response to Director Riley, Dave's understanding is the LAFCo of Monterey County will consider the reconsideration request as an action item at its February 2022 meeting.

In response to Director Edwards, Dave confirmed the District Boundary maps to include the 58 parcels has been sent to the County of Monterey and the CA State Board of Equalization. He noted the District is awaiting a response and further action from the CA State Board of Equalization.

The following comments were directed to the Board:

- (a) *John Tilley:* Stated the frequent delays in bringing up the parallel pipeline has caused lost years of production due to public outcry. Tilley noted that part of the water supply production includes the 'sustainable water

supply project’ and that Pure Water Monterey is part of the supply production not the main water source as many have come to assume.

- (b) *Michael Baer*: Responding to John Tilley’s comments stated he should read the CA Coastal Commission’s staff report over the denial of the proposed desalinization plant and look at the commission’s rationale for denial.

David Laredo, District Counsel provided introductory remarks and greetings to the Board.

Laredo congratulated outgoing Chair Edwards for his service to the Board as Chairman of the Board for 2020 and 2021.

Laredo reported out from the Closed Session meeting held on Wednesday, December 29, 2021 to consider one item of potential litigation: *MPWMD v. LAFCo of Monterey County – Case No.: Not Yet Assigned*. He noted that the board received a status report from staff, spoke in brief about the potential retention of legal services from Shute, Mihaly & Weinberger and the board provided general direction to staff. *No reportable or specific action was taken at the meeting.*

Director Riley recently attended a Seaside Basin Groundwater Watermaster meeting and an Outreach Committee was formed to address stresses on the Seaside Groundwater Basin and how to address those issues with the community. Riley informed the board of his meeting with the Monterey County Special District’s Association featuring special guest speaker Steve Vagnini, County-Clerk-Recorder/Assessor. At the meeting, Vagnini addressed and answered specific questions relating to public acquisitions of private entities.

Director Paull mentioned she also attended the Special District’s Association meeting and noted Vagnini provided a few examples of when private property is sold to a tax-exempt agency.

Vice-Chair Adams made the board aware of an upcoming water forum to be placed on the Monterey County Board of Supervisors agenda for March 15, 2022 at 1:30 p.m.

General Manager Stoldt provided a verbal status report and an overview of his staff report.

REPORT FROM DISTRICT COUNSEL

Read out by District Counsel on the MPWMD Special Board of Director’s – Closed Session meeting on Wednesday, December 29, 2022

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

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

ACTION ITEMS

- 12. Consider Adoption of Resolution No. 2022-03 for Reimbursement of Expenditures for Pure Water Monterey Expansion**

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

(a) *John Tilley*: Thanked the District on the good news received on the Water Purchasing Agreement. Tilley provided suggestions on where to direct District monies.

(b) *Rudy Fischer*: Expressed support on this matter and touts the Pure Water Monterey Base Project and now the Expansion project as being a proven technology, environmentally friendly and noted previous funding mechanisms to fund the base project to include state financing, federal grants, and contributions from MPWMD. Fischer would like to see additional grants come in for various water projects and looks forward to seeing Deep Injection Wells fully operable by March 2022.

A motion was made by Director Malek with a second by Director Riley to adopt Resolution 2022-03 for reimbursement of expenditures for Pure Water Monterey Expansion. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

General Manager Stoldt and Joel G. Pablo, Board Clerk provided a verbal status report, an overview of the staff report and responded to Board questions.

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

A motion was made by Director Paull with a second by Director Malek to ratify Director- Division Appointments to include the appointments made by the County Supervisorial Representative and Mayoral Representative. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

Marc Eisenhart and N. Monica Lal shared brief statements, shared relevant background information, shared their interest and qualifications in serving on the MPWMD Redistricting Advisory Commission as At-Large Commissioners.

The following comment was directed to the Board:

(1) *John Tilley*: Mentioned that the board has an opportunity to select a candidate in this matter.

Original Motion: A motion was made by Director Paull with a second by Director Adams to appoint Eisenhart and Lal to the At-Large roles on the MPWMD Redistricting Advisory Commission.

13. Ratify Director- Division Appointments and Appoint Two At-Large Commissioners to the MPWMD Redistricting Advisory Commission

A motion was offered by Director Riley and Director Edwards to formally close nominations. The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes, and 0-Absent.

On the Original Motion: The motion passed on a roll call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes, and 0-Absent.

General Manager Stoldt provided a historical overview of Ordinance No. 152, the Ord. No. 152 Citizen’s Oversight Panel and an overview of his staff report.

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

(a) *John Tilley with the Monterey Peninsula Taxpayer’s Association:* Expressed gratitude for including both majority and minority opinion within the Ordinance No. 152 Citizen’s Oversight Panel 2021 Annual Report.

The Board received the 2021 Ordinance No. 152 Oversight Panel Annual Report.

Chair Karen Paull addressed the board on District Board Committees, meeting frequency and allowed for Board discussion.

Vice-Chair Adams suggested for a sub-committee to be formed to consider the matter further and bring the matter back to the board for potential action. Mayor Roberson accepted an offer to serve on the sub-committee.

In response to Director Edwards, Chair Paull noted his concerns pertaining to resources to be used for Public Outreach over the Legislative Advocacy Committee may have to deal with District priorities.

Alvin Edwards, Clyde Roberson and Karen Paull agree to participate and form a sub-committee in order to have further discussion on the matter.

[Following Board Discussion on Item No. 15, the Board Considered Consent Item No. 2: Ratification of Board Committee Assignments for Calendar Year 2022. (*See Page No. 2 for Action Taken*)]

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

14. Receive 2021 Ordinance 152 Oversight Panel Annual Report

DISCUSSION ITEMS

15. Streamlining and Scheduling of District Board Committees

INFORMATIONAL ITEMS/STAFF REPORTS

- 16. Report on Activity/Progress on Contracts Over \$25,000**
- 17. Status Report on Measure J/Rule 19.8 Phase II Spending**
- 18. Letters Received**

19. **Committee Reports**
20. **Monthly Allocation Report**
21. **Water Conservation Program Report**
22. **Carmel River Fishery Report for December 2021**
23. **Monthly Water Supply and California American Water Production Report**
24. **Quarterly Carmel River Riparian Corridor Management Program Report**
25. **Quarterly Water Use Credit Transfer Status Report**
26. **Semi-Annual Groundwater Quality Monitoring Report**

Chair Paull closed out the open session of the agenda and proceeded to matters on the Closed Session Agenda.

RECESS THE BOARD TO CLOSED SESSION

No comments were directed to the board.

PUBLIC COMMENT ON CLOSED SESSION AGENDA ITEMS

The Board recessed to closed session at 8:14 p.m. and adjourned Closed Session at 8:18 p.m.

CONVENE TO CLOSED SESSION

CS 1 Conference with Labor Negotiators (Gov. Code §54957.6) – The Board will select and provide direction to its designated representatives (a sub-quorum of Board Members) as to the negotiation of wages and benefits for General Manager Dave Stoldt, an unrepresented employee.

ADJOURNMENT

Joel G. Pablo, Deputy District Secretary

Minutes approved by the MPWMD Board of Directors on Thursday, February XX, 2022