



January 15, 2021

David Stoldt  
General Manager  
Monterey Peninsula Water Management District  
P.O. Box 85  
Monterey, CA 93940

Dear Mr. Stoldt:

At its meeting of May 18, 2020, the Monterey Peninsula Water Management District (MPWMD) considered the Water Demand Committee's recommendation to deny the City's water allocation request. The additional water allocation would have allowed 31 additional 100% affordable units at 2000 Garden Road, and 35 additional 100% affordable units at 2600 Garden Road.

At that meeting a motion was made to deny MPWMD's staff recommendation and approve the allocation of water from the District's reserves as long as the City of Monterey agrees to indemnify and defend the MPWMD. This motion passed 5-2.

The MPWMD has requested that the City sign an agreement, which will hold the City and the affordable housing developer responsible for any potential legal costs as a result of the decision made by MPWMD.

I have to decline the request to indemnify and defend the MPWMD.

I understand that the State's Water Resources Control Board has been closely following the actions by our two elected boards. As a matter of fact, during the meeting on May 18, 2020 the Deputy Counsel of the SWRCB phoned in to let the board know that he was watching the meeting and subsequent actions of the board on this matter.

Therefore, it is more than likely that the legal staff of the SWRCB might initiate legal steps against our actions. The high cost to defend the MPWMD's decision cannot be carried by the taxpayers of the City of Monterey.

I regret that the very real threat of potential legal actions by the State Water Resources Control Board will prevent the construction of 66 affordable housing units. Furthermore, this experience amplifies the need for a reliable water source on the Monterey Peninsula.

Sincerely,

A handwritten signature in black ink, appearing to read "Hans Uslar". The signature is fluid and cursive, with a prominent loop at the end.

Hans Uslar  
City Manager  
City of Monterey

CC: Mayor and City Council