



**FINAL MINUTES**  
**Ordinance No. 152 Oversight Panel of the**  
**Monterey Peninsula Water Management District**  
***August 19, 2014***

**Call to Order**           The meeting was called to order at 1:07 pm in the conference room at the offices of the Monterey Peninsula Water Management District.

**Committee members present:**

Paul Bruno  
Jason Campbell  
Jody Hanson  
Rick Smith (alternate for Christine Monteith)  
John Tilley

**MPWMD Staff members present:**

David J. Stoldt, General Manager  
Suresh Prasad, Administrative Services Manager/Chief Financial Officer  
Arlene Tavani, Executive Assistant

**Committee members absent:**

John Bottomley  
Todd Kruper  
Christine Monteith (represented by an alternate)  
George Riley  
Norm Yassany

**Comments from the Public:**

No comments were directed to the committee.

**Action Items**

- 1. Adopt Minutes of May 4, 2014 Committee Meeting**  
On a motion by Bruno and second of Smith, the May 4, 2014 committee meeting minutes were approved unanimously on a vote of 5 – 0.

**Discussion Items**

- 2. Review of Revenue and Expenditures of Water Supply Charge Related to Water Supply Activities**

Stoldt and Prasad reviewed the Water Supply Charge Availability Analysis and the Labor Allocation by Operating Funds for Fiscal Year 2014-2015 that were included in the staff report on this item. Stoldt and Prasad responded to questions from the committee. Their comments are summarized below.

(A) The City of Pacific Grove has requested \$100,000 from the Local Water Projects grant fund to develop a project that will treat storm water and wastewater to produce between 120 and 500 acre-feet per year of tertiary treated water for the Pacific Grove golf course and cemetery. The preliminary cost estimates are up to \$8,000 per acre-foot. One of the project's advantages is that it will help the city comply with new standards for storm water discharges to the ocean. (B) The Water Management District has budgeted \$1,405,000 for the Pure Water Monterey project. By mid-September there should be consensus among the project participants as to whether or not progress will be made on source water agreements and funding. If the project does not move forward, the \$1.4 million could be spent in other ways, such as paying down deficits that have accrued in other water supply projects, or to fund investigations into expansion of Aquifer Storage and Recovery and the future use of Los Padres Dam. (C) If the California Supreme Court rules that the Water Management District can resume collection of the user fee, the water supply charge might be reduced or sunset. However, collection of the water supply charge is a steady funding source that would be an advantage when assembling a financing plan for a water project. (D) The Water Management District's 2013-14 Fiscal Year Audit will not include a separate breakdown of water supply charge expenditures. (E) The categories of Indirect Labor and Indirect Supplies and Services listed in the FY 2014-2015 Budget are 12% of the total water supply charge, which is below the 15% limit that the Water Management District agreed to. (F) The category of Election Expense is allocated to the November 2015 election for directors in Divisions 2, 3, 4 and 5. This represents approximately 33% of the total anticipated cost for the election. There was some disagreement on the committee about the use of water supply charges to fund election expenses; therefore, staff may reconsider how those costs are budgeted.

**3. Update on Monterey Peninsula Taxpayers Association (MPTA) v MPWMD Lawsuit re Ordinance No. 152**

Stoldt reported that the MPTA has amended the original lawsuit to claim that: (1) the District had a ministerial duty to call an election on the referendum against Ordinance No. 152; and (2) the ordinance violates the Water Management District's enabling legislation and the California Constitution because it was adopted without a vote of the electorate, and the water supply charge funds projects or works that, they believe, must be approved by the voters. A hearing is set on December 15, 2014.

**4. Update on Local Water Project Funding Program**

Stoldt distributed Local Project Grant Application documents for review. He noted that if the grant recipients obtain permanent financing that would allow reimbursement of development costs, they must pay back the grant funds received. He expects to receive completed applications from the cities of Seaside and Pacific Grove. The Pebble Beach Company is considering various options such as drilling a well to serve the Del Monterey Golf Course, use of water from Monterey Peninsula Airport District wells, or repurposing a brackish water well at the Monterey Peninsula Country Club Site. The Monterey County Fairgrounds will need funds to complete preliminary design work on

re-plumbing fairground toilets to use non-potable well water from wells on their property. However, that well water is already applied to the Monterey Pines Golf Course. Wells at the Airport District might be utilized on the Monterey Pines Golf Course, if Fairgrounds well water was no longer available. Stoldt noted that there was consensus among the committee members that should the requests for grant funds exceed the \$200,000 budgeted, the Board could consider increasing the amount of grant funds available.

### **Adjournment**

The meeting was adjourned at 2 pm.

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