

This meeting has been noticed according to the Brown Act rules. This agenda was posted on Friday, March 10, 2017.



**Ordinance No. 152
Oversight Panel**

Members:

*John Bottomley
Paul Bruno
Jason Campbell
Todd Kruper
George Riley
Christine Monteith
John Tilley*

MPWMD Contacts:

*General Manager,
David J. Stoldt*

*Administrative Services
Manager, Suresh Prasad*

*Executive Assistant,
Arlene Tavani*

AGENDA

**Ordinance No. 152 Oversight Panel
Of the Monterey Peninsula Water Management District**

Wednesday, March 15, 2017, 10:30 am
District Conference Room, 5 Harris Court, Building G, Monterey, CA

Call to Order

Comments from Public -- *The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.*

Action Items -- *Public comment will be received on Action Items. Please limit your comments to three minutes in length.*

1. Consider Adoption of Minutes of October 31, 2016 Committee Meeting

Discussion Items -- *Public comment will be received on Discussion Items. Please limit your comments to three minutes in length.*

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

Other Items -- *Public comment will be received on Other Items. Please limit your comments to three minutes in length.*

3. Update on District User Fee and CPUC
4. Water Supply Project Update

Adjourn

Staff reports regarding these agenda items will be available for public review on Friday, March 10, 2017 at the District office and website. After staff reports have been distributed, if additional documents are produced by the District and provided to the Committee regarding any item on the agenda, they will be made available at 5 Harris Court, Building G, Monterey, CA during normal business hours. In addition, such documents will be posted on the District website at www.mpwmd.net. Documents distributed at the meeting will be made available in the same matter. Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with

disabilities to participate in public meetings. Please send a description by 5 PM on Friday, March 10, 2017. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

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ORDINANCE NO. 152 OVERSIGHT PANEL

1. CONSIDER ADOPTION OF MINUTES OF OCTOBER 31, 2016 COMMITTEE MEETING

Meeting Date: March 15, 2017

From: David J. Stoldt
General Manager

Prepared By: Arlene Tavani

CEQA Compliance: No CEQA Review Required

SUMMARY: Draft minutes of the October 31, 2016 committee meeting are attached as **Exhibit 1-A**.

RECOMMENDATION: Review the minutes and adopt them by motion.

EXHIBITS

1-A Draft Minutes of October 31, 2016 Committee Meeting



EXHIBIT 1-A

DRAFT MINUTES
Ordinance No. 152 Oversight Panel of the
Monterey Peninsula Water Management District
October 31, 2016

Call to Order The meeting was called to order at 10:10 am in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:

Paul Bruno
Jason Campbell
Jody Hanson (arrived at 10:30 am)
Todd Kruper
George Riley
John Tilley

MPWMD Staff members present:

David J. Stoldt, General Manager
Suresh Prasad, Administrative Services Manager
Arlene Tavani, Executive Assistant

District Counsel Present:

Heidi Quinn

Committee members absent:

Christine Monteith
John Bottomley

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Consider Adoption of Minutes of June 7, 2016 Committee meeting

On a motion by Kruper and second of Riley, the minutes were approved on a vote of 4 – 0 by Bruno, Campbell, Kruper and Riley. Tilley abstained as he did not attend the June 7, 2016 meeting. Hanson was absent for the vote.

2. Approve 2016 Annual Report to MPWMD Board

Riley offered a motion that was seconded by Bruno to approve the 2016 Annual Report with the following modifications. (a) Page 2, paragraph 2, describe how the Water Revenue Adjustment Mechanism surcharge relates to the User Fee. (b) Page 2, paragraph 3, second sentence – remove the word “significant” from the phrase “significant progress is being made...” (c) Explain why the Rabobank loan was needed and how it relates to water supply. The motion was approved on a vote of 5 – 0 by Bruno, Campbell, Kruper, Riley and Tilley. Hanson was absent for the vote.

Discussion Items

3. Review of Revenue and Expenditures of Water Supply Charge Related to Water Supply Activities

Suresh Prasad, Administrative Services Manager/Chief Financial Officer, reviewed Exhibit 3-A, Water Supply Charge Availability Analysis that was submitted with the staff report. (Hanson joined the meeting at 10:30 am.) Prasad explained that Water Supply Charge Collections totaled only \$71,694 because it was early in the year. The next installment from the Monterey County Assessor would be received in December 2016. Stoldt stated that the analysis did not reflect an additional \$700,000 in unbudgeted Pure Water Monterey (PWM) expenses. Prasad noted Aquifer Storage and Recovery project (ASR) costs will be lower than budgeted, so funds originally intended for ASR will cover the additional Pure Water Monterey project costs.

Other Items

4. Update on District User Fee and CPUC

Stoldt reported that the California Public Utilities Commission (CPUC) had not taken action to implement the User Fee, although the courts had ordered that the User Fee be reinstated. However, a member of the Commission who had opposed reinstatement of the User Fee recently resigned from the CPUC. In response to the personnel change, the Water Management District and California American Water submitted to the CPUC an All Party Motion for Order Authorizing Collection and Remittance of the Monterey Peninsula Water Management District User Fee. The Motion proposes that the two surcharges on the Cal-Am bill currently collected for the District be removed (Carmel River Mitigation Surcharge and MPWMD Conservation Surcharge), and replaced with the reinstated User Fee. It is anticipated that the User Fee will provide sufficient revenue to pay for water conservation and mitigation activities currently funded by the two surcharges. After the User Fee has been collected over time, staff can determine if sufficient funds will be available to fund water supply expenditures. The District plans to collect the User Fee and the Water Supply Charge for a three-year period and then determine if the Water Supply Charge can be reduced.

5. Water Supply Project Update

Stoldt presented an update that is on file at the District office and can be viewed on the Water Management District's website.

Adjourn: The meeting was adjourned at 11:25 pm

ORDINANCE NO. 152 OVERSIGHT PANEL

2. REVIEW OF REVENUE AND EXPENDITURES OF WATER SUPPLY CHARGE RELATED TO WATER SUPPLY ACTIVITIES

Meeting Date: March 15, 2017

From: David J. Stoldt
General Manager

Prepared By: Suresh Prasad

CEQA Review: No CEQA review required

SUMMARY: Please refer to **Exhibits 2-A** and **2-B** that will be discussed at the June 7, 2016 committee meeting.

EXHIBITS

2-A MPWMD Water Supply Charge Receipts

2-B MPWMD Water Supply Charge Availability Analysis

EXHIBIT 2-A

Monterey Peninsula Water Management District

Water Supply Charge Receipts

	FY 2014-2015 Revised Budget	FY 2014-2015 Audited Actuals	FY 2015-2016 Revised Budget	FY 2015-2016 Audited Actuals	FY 2016-2017 Adopted Budget	FY 2016-2017 Actual thru 12/31/16
Water Supply Charge	\$3,400,000	\$3,327,701	\$3,400,000	\$3,382,389	\$3,400,000	\$2,037,436
Percentage collected over budget		97.9%		99.5%		59.9%

EXHIBIT 2-B

Monterey Peninsula Water Management District

Water Supply Charge Availability Analysis

	FY 2014-2015 Revised Budget	FY 2014-2015 Audited Actuals	FY 2015-2016 Revised Budget	FY 2015-2016 Audited Actuals	FY 2016-2017 Adopted Budget	FY 2016-2017 thru 12/31/2016
Beginning Fund Balance		\$3,892,112		\$3,511,567		\$1,016,295
Water Supply Charge	\$3,400,000	\$3,327,701	\$3,400,000	\$3,382,389	\$3,400,000	\$2,037,436
Carry-Forward Prior Year Water Supply Charge/Reserve	0	0	4,117,150	0	1,617,350	0
Capacity Fee	175,000	159,250	175,000	502,298	212,500	137,871
Project Reimbursement	626,900	712,002	444,100	429,074	595,600	-
Property Taxes	657,750	740,898	425,500	472,883	598,400	369,797
Grants	-	-	-	-	110,400	-
Interest	4,500	20,199	4,500	38,260	14,000	(1,589)
Other	-	12,112	-	12,908	10,000	1,052
Capital Equipment Reserve Fund	41,800	-	44,800	-	-	-
Total Revenues	\$4,905,950	\$4,972,162	\$8,611,050	\$4,837,812	\$6,558,250	\$2,544,567
Direct Personnel	908,936	884,281	956,119	916,597	960,450	470,758
Legal	230,000	241,583	250,000	334,749	240,000	83,210
Project Expenditures [see below]	3,760,400	3,225,649	6,219,550	5,329,436	3,690,050	555,196
Project Expenditures-Reimbursements [see below]	591,400	147,743	409,000	55,564	966,500	327,415
Fixed Asset Purchases	78,150	38,752	74,400	60,530	19,800	5,315
Contingencies	10,250	-	25,000	-	23,200	-
Debt Service	230,000	225,209	230,000	219,136	230,000	70,424
Election Expense	-	-	20,000	14,720	-	-
Measure O Costs	-	185,583	-	-	-	-
Indirect Labor*	200,314	200,314	203,781	203,781	204,750	102,375
Indirect Supplies & Services*	204,000	203,593	223,200	198,571	223,500	95,992
Total Expenditures	\$6,213,450	\$5,352,707	\$8,611,050	\$7,333,084	\$6,558,250	\$1,710,685
Net Revenue Over Expenses**	(\$1,307,500)	(\$380,545)	\$0	(\$2,495,272)	\$0	\$833,882
Ending Fund Balance		\$3,511,567		\$1,016,295		\$1,850,177
Project Expenditures	FY 2014-2015 Adopted Budget	FY 2014-2015 Audited Actuals	FY 2015-2016 Revised Budget	FY 2015-2016 Audited Actuals	FY 2016-2017 Adopted Budget	FY 2016-2017 thru 12/31/2016
Groundwater Replenishment Project	\$2,494,000	\$2,524,912	\$4,633,000	\$4,140,005	\$1,576,500	\$401,715
ASR Phase I	\$522,400	\$307,218	\$323,300	\$371,104	\$1,025,900	\$22,743
Reimbursement Projects	\$591,400	\$147,743	\$409,000	\$55,564	\$966,500	\$327,415
Cal-Am Desalination Application	\$75,000	\$106,614	\$140,000	\$92,253	\$200,000	\$14,960
ASR Expansion	\$50,000	\$1,320	\$8,300	\$0	\$18,500	\$0
Other Water Supply Projects - IFIM/GSFlow	\$75,000	\$72,301	\$255,000	\$149,410	\$152,000	\$35,673
Local Water Projects	\$150,000	\$0	\$466,000	\$147,256	\$386,900	\$0
Alternate Desal Project	\$225,000	\$153,133	\$350,000	\$350,057	\$0	\$0
Drought Contingency Plan	\$0	\$0	\$0	\$0	\$192,900	\$35,351
Other Project Expenditures	\$169,000	\$60,151	\$43,950	\$79,351	\$137,350	\$44,754
Total Commitments	\$4,351,800	\$3,373,392	\$6,628,550	\$5,385,000	\$4,656,550	\$882,611
*: Indirect costs as percent of Water Supply Charge	11.9%	12.1%	12.6%	11.9%	12.6%	12.6%

Recent Activities:

	Amount
Cal-Am Desal Structuring & Financing Order	460,000
Cal-Am Professional Fees for Contribution of Public Funds	75,000
GWR bond counsel services	90,000
GWR accounting services for debt equivalence	10,000
GWR Consultant to assess externalities	178,637

** Deficit balances are paid from combination of loan, interfund borrowing, line of credit proceeds, or fund balance