



FINAL MINUTES

Ordinance No. 152 Oversight Panel of the Monterey Peninsula Water Management District *October 17, 2017*

Call to Order The meeting was called to order at 2:00 pm in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:

John Bottomley
Paul Bruno
Jason Campbell
Jody Hanson (arrived at 2:25 pm)
Ian Oglesby
George Riley
Susan Schiavone
John Tilley

MPWMD Staff members present:

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

District Counsel Present:

David Laredo

Committee members absent: None

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Consider Adoption of Minutes of June 6, 2017 Committee Meeting

On a motion by Bruno and second of Riley, the minutes were approved on a vote of 6 – 1 by Bruno, Riley, Campbell, Oglesby, Schiavone, and Bottomley. Tilley abstained and Hanson was absent for the vote.

2. Provide Guidance on Preparation of 2017 Annual Report of the Committee

There was agreement among the committee members that Mr. Stoldt should prepare a report similar to the 2016 report, distribute it to the committee for review, incorporate any comments received into the final document, and then submit the report to the Water Management District Board of Directors. Stoldt advised that he would reinforce in the report that it is important to develop a plan for paying down the Rabobank loan and utilization of the reinstated User Fee funds. During the discussion of this item, there was a request that the 2017 report be reduced to half the size of the 2016 report.

In response to a question from the committee, Stoldt explained that Water Supply Charge receipts cannot be used to analyze the cost to purchase the California American Water distribution system. At this point there is no funding to conduct an election, prepare a study, or pursue the eminent domain process. The Board of Directors has

determined that District funds should only be spent on a study if the voters mandate that it be done.

Jody Hanson arrived at 2:25 pm during the discussion on this item.

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 Receipts and Exhibit 3-B, Water Supply Charge Availability Analysis and responded to questions from the committee. Stoldt noted that the indirect costs category had increased to 14 percent due to the hiring of contract staff positions.

4. Discuss Performance of Reinstated District User Fee, To Date, and Timeline for Consideration of Sunset for Water Supply Charge

Stoldt told the committee that the Water Supply Charge must remain in place until the Rabobank loan was paid off. A small component of the charge would continue to be collected for a few years in order to fund ASR and some water supply related studies. A decision will need to be made as to whether the fee should be authorized but not collected, or if it should be de-authorized. If the fee were to be de-authorized, the Prop 218 protest hearing process would need to be repeated if there was a need to collect the fee again. The District could also suspend collection but not de-authorize the charge, so that it could be reinstated if needed. A percentage of the Water Supply Charge should continue to be collected in order to fund establishment of an operating reserve and a drought reserve from the Pure Water Monterey project.

Other Items

5. Water Supply Project Update

No report.

Adjourn: The meeting was adjourned at 3:25 pm.