

This meeting has been noticed according to the Brown Act rules. This agenda was posted on Monday, April 9, 2018.



**Ordinance No. 152
Oversight Panel**

Members:

*Bill Bluhm
John Bottomley
Paul Bruno
Jason Campbell
Jody Hanson
An McDowell
Ian Oglesby
Susan Schiavone
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**

Thursday, April 12, 2018, 3 pm
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 October 16, 2017 Committee Meeting Minutes

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
3. Discuss Performance of Reinstated District User Fee, To Date, and Timeline for Consideration of Sunset for Water Supply Charge
4. Discuss Status of MPTA v. MPWMD; Monterey Superior Court No. M 123512; CA 6th District Court of Appeal Case No. H042484

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

5. Water Supply Project Update

Adjourn

Staff reports regarding these agenda items will be available for public review on Friday, April 6, 2018 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 Tuesday, April 10, 2018. 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

ACTION ITEM

1. CONSIDER ADOPTION OF OCTOBER 16, 2017 COMMITTEE MEETING MINUTES

Meeting Date: April 12, 2018

From: David J. Stoldt
General Manager

Prepared By: Arlene Tavani

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378

SUMMARY: Draft minutes of the October 16, 2017 committee meeting are attached as Exhibit 1-A.

RECOMMENDATION: Review the minutes and adopt them by motion.

EXHIBIT

1-A Draft Minutes of October 16, 2017 Committee Meeting



EXHIBIT 1-A

DRAFT 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.

ORDINANCE NO. 152 OVERSIGHT PANEL

DISCUSSION ITEM

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

Meeting Date: April 12, 2018

From: David J. Stoldt
General Manager

Prepared By: Suresh Prasad

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378

SUMMARY: Attached as **Exhibit 2-A through 2-C** are the exhibits listed below.

EXHIBITS

- 2-A** Water Supply Charge Receipts
- 2-B** Water Supply Charge Availability Analysis
- 2-C** Labor Allocation by Operating Funds FY 2017-2018

EXHIBIT 2-A

Monterey Peninsula Water Management District

Water Supply Charge Receipts

	FY 2015-2016 Revised Budget	FY 2015-2016 Audited Actuals	FY 2016-2017 Adopted Budget	FY 2016-2017 Un-audited Actuals	FY 2017-2018 Adopted Budget	FY 2017-2018 Actual thru 03/31/18
Water Supply Charge	\$3,400,000	\$3,382,389	\$3,400,000	\$3,401,626	\$3,400,000	\$2,059,657
Percentage collected over budget		99.5%		100.0%		60.6%

EXHIBIT 2-B

Monterey Peninsula Water Management District

Water Supply Charge Availability Analysis

	FY 2015-2016 Revised Budget	FY 2015-2016 Audited Actuals	FY 2016-2017 Revised Budget	FY 2016-2017 Audited Actuals	FY 2017-2018 Revised Budget	FY 2017-2018 thru 03/31/2018
Beginning Fund Balance		\$3,511,567		\$1,016,295		\$912,446
Water Supply Charge	\$3,400,000	\$3,382,389	\$3,400,000	\$3,391,354	\$3,400,000	\$2,059,657
Carry-Forward Prior Year/Fund Balance	4,117,150	0	1,922,945	0	749,000	0
Capacity Fee	175,000	502,298	212,500	370,255	300,000	381,155
Project Reimbursement	444,100	429,074	894,200	693,848	5,576,400	4,145,232
Property Taxes	425,500	472,883	598,400	679,635	-	19,829
User Fees	-	-	-	88,526	577,000	478,559
Grants	-	-	110,400	-	80,000	-
Interest	4,500	38,260	14,000	22,126	20,000	6,317
Other	-	12,908	10,000	3,189	10,000	1,982
Capital Equipment Reserve Fund	44,800	-	-	-	-	-
Total Revenues	\$8,611,050	\$4,837,812	\$7,162,445	\$5,248,933	\$10,712,400	\$7,092,731
Direct Personnel	956,119	916,597	960,450	957,542	1,047,805	822,380
Legal	250,000	334,749	240,000	148,577	200,000	183,899
Project Expenditures [see below]	6,219,550	5,329,436	4,423,145	2,885,920	2,149,900	443,415
Project Expenditures-Reimbursements [see below]	409,000	55,564	823,600	709,104	1,445,700	711,867
Fixed Asset Purchases	74,400	60,530	20,300	17,334	177,900	19,812
Contingencies	25,000	-	23,200	-	24,000	-
Debt Service	230,000	219,136	230,000	220,967	230,000	67,019
Election Expense	20,000	14,720	-	-	2,200	2,196
Indirect Labor*	203,781	203,781	204,750	204,750	180,995	135,746
Indirect Supplies & Services*	223,200	198,571	223,500	208,588	292,500	181,023
Capital Equipment Reserve	-	-	-	-	22,300	-
Total Expenditures	\$8,611,050	\$7,333,084	\$7,148,945	\$5,352,782	\$5,773,300	\$2,567,357
Net Revenue Over Expenses**	\$0	(\$2,495,272)	\$13,500	(\$103,849)	\$4,939,100	\$4,525,374
Ending Fund Balance		\$1,016,295		\$912,446		\$5,437,820
Project Expenditures	FY 2015-2016 Revised Budget	FY 2015-2016 Audited Actuals	FY 2016-2017 Revised Budget	FY 2016-2017 Audited Actuals	FY 2017-2018 Revised Budget	FY 2017-2018 thru 03/31/2018
Groundwater Replenishment Project	\$4,633,000	\$4,140,005	\$3,240,295	\$2,468,940	\$200,000	\$70,901
ASR Phase I	\$323,300	\$371,104	\$391,700	\$86,304	\$1,045,400	\$93,119
Reimbursement Projects	\$409,000	\$55,564	\$823,600	\$709,104	\$1,445,700	\$711,867
Cal-Am Desalination Project	\$140,000	\$92,253	\$100,000	\$78,926	\$175,000	\$12,551
ASR Expansion	\$8,300	\$0	\$0	\$0	\$0	\$0
Other Water Supply Projects - IFIM/GSFlow	\$255,000	\$149,410	\$103,000	\$72,931	\$121,700	\$51,872
Local Water Projects	\$466,000	\$147,256	\$311,900	\$0	\$391,900	\$59,744
Alternate Desal Project	\$350,000	\$350,057	\$0	\$0	\$0	\$0
Drought Contingency Plan	\$0	\$0	\$92,900	\$89,033	\$110,000	\$99,040
Other Project Expenditures	\$43,950	\$79,351	\$183,350	\$89,786	\$105,900	\$56,188
Total Commitments	\$6,628,550	\$5,385,000	\$5,246,745	\$3,595,024	\$3,595,600	\$1,155,282
*: Indirect costs as percent of Water Supply Charge	12.6%	11.9%	12.6%	12.2%	13.9%	14.3%

Recent Activities:

- Cal-Am Desal Structuring & Financing Order
- Cal-Am Professional Fees for Contribution of Public Funds
- GWR bond counsel services
- GWR accounting services for debt equivalence
- GWR Consultant to assess externalities

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

EXHIBIT 2-C
 Monterey Peninsula Water Management District
 Labor Allocation by Operating Funds
 Fiscal Year 2017-2018

	<u>Mitigation</u>	<u>Water Supply</u>	<u>Conservation</u>	<u>Total</u>
<u>General Manager's Office</u>				
General Manager	20%	60%	20%	100%
Executive Assistant	25%	50%	25%	100%
<u>Administrative Services</u>				
ASD Mgr/CFO	33%	34%	33%	100%
Accountant	33%	34%	33%	100%
Human Resources Analyst	33%	34%	33%	100%
Office Services Supervisor	33%	34%	33%	100%
Accounting/Office Specialist	33%	34%	33%	100%
Information Technology Manager	33%	34%	33%	100%
GIS Specialist	33%	34%	33%	100%
<u>Planning & Engineering</u>				
P&E Mgr/District Engineer	50%	50%	0%	100%
Water Resources Engineer	25%	75%	0%	100%
Riparian Projects Coordinator	80%	20%	0%	100%
River Maintenance Specialist	100%	0%	0%	100%
River Maintenance Worker	100%	0%	0%	100%
<u>Water Demand</u>				
Water Demand Manager	0%	20%	80%	100%
Conservation Rep II	0%	75%	25%	100%
Conservation Rep II	0%	25%	75%	100%
Conservation Rep I	0%	0%	100%	100%
Conservation Rep I	0%	0%	100%	100%
Conservation Technician II	0%	0%	100%	100%
<u>Water Resources</u>				
Water Resources Manager	0%	0%	0%	0%
Senior Hydrogeologist	10%	90%	0%	100%
Hydrography Programs Coordinator	90%	10%	0%	100%
Associate Hydrologist	8%	92%	0%	100%
Hydrology Technician	50%	50%	0%	100%
Senior Fisheries Biologist	95%	5%	0%	100%
Associate Fisheries Biologist	100%	0%	0%	100%
Associate Fisheries Biologist	100%	0%	0%	100%
Average Percentage	40%	32%	28%	100%

ORDINANCE NO. 152 OVERSIGHT PANEL

DISCUSSION ITEM

3. DISCUSS PERFORMANCE OF REINSTATED DISTRICT USER FEE, TO DATE, AND TIMELINE FOR CONSIDERATION OF SUNSET FOR WATER SUPPLY CHARGE

Meeting Date: April 12, 2018

From: David J. Stoldt
General Manager

Prepared By: Suresh Prasad

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378

SUMMARY: Attached as **Exhibit 3-A** is a chart titled MPWMD User Fee Revenue Collections that is presented for discussion.

EXHIBIT

3-A MPWMD User Fee Revenue Collections

EXHIBIT 3-A

