



EXHIBIT 1- B

Draft Minutes

Ordinance No. 152 Oversight Panel of the
Monterey Peninsula Water Management District
November 19, 2013

Call to Order The meeting was called to order at 9:05 am in the MPWMD conference room.

Committee members present:

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

MPWMD Staff members present:

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

Committee members absent: Norm Yassany

District Counsel present: David Laredo

Comments from the Public:

No comments were directed to the committee.

Action Items

- 1. Adopt Minutes of August 1, 2013 Oversight Panel Meeting**
No action taken.

Discussion Items

- 2. Review of Revenues and Expenditures of the Water Supply Charge on Water Supply Related Activities**

Stoldt gave a presentation titled November Water Supply Update. He also distributed a chart that illustrated projected savings to local ratepayers over time with implementation of the ratepayer relief financing proposal for funding the desalination component of the Monterey Peninsula Water Supply Project.

Stoldt also briefed the committee on the status of the Groundwater Replenishment Project (GWR). One proposal is to purchase Salinas River water. The County of Monterey has a water right that will expire soon. A portion of that water right might be purchased over two, 30 year periods for the GWR. Proceeds from sale of the water right could fund new water projects in the Salinas Valley. This proposal has not yet been accepted by the agricultural water users in the Salinas Valley. Several committee members expressed support for this concept.

The committee discussed the Water Supply Charge Availability Analysis that was submitted in advance of the meeting. Discussion focused on the Project Expenditure section of the chart. Stoldt noted that if the DeepWater Desal project is eventually developed by another entity and the water used outside of the District, there is no requirement that funds the Water Management District has contributed will be repaid. Stoldt also advised the committee that Water Supply Charge proceeds are funding legal costs to defend the Water Management District in a lawsuit filed by the Monterey Peninsula Taxpayers Association regarding implementation of the Water Supply Charge.

3. Discussion of District Overhead and Cost Shaving Activities

Stoldt reviewed with the committee documents titled Allocation of Indirect Labor, Supplies and Services to the Water Supply Charge, and the Labor Allocation by Operating Funds.

Adjournment

The meeting was adjourned at 10:40 am.