

Ordinance 152 Citizens Oversight Panel

2018 Annual Report

Received by the MPWMD Board on April 15, 2019

2018 Recommendations

The following areas of discussion represent three key topics the Panel has identified of particular interest or concern during the recent calendar year.

1. **Measure J Costs:** The panel believes that the Water Supply Charge was intended for projects to solve the region's longstanding water supply problem and should not be used to fund any of the costs related to Measure J. That includes the cost of the feasibility study, costs related to a "right to take" bench trial, the costs related to a subsequent jury trial to establish fair compensation, and/or the costs of acquisition.
2. **Dual Collection of the Water Supply Charge and District User Fee:** The User Fee began collection in April 2017. The Panel recognizes the plan adopted by the District Board in April 2016 to collect both fees for a 3-year period because: (i) the User Fee would primarily fund programs already in Cal-Am surcharges (District conservation and river mitigation), so there is little "new" revenue; (ii) there are still large near-term expenditures required on water supply projects; and (iii) Cal-Am has a recent history of significant revenue under collection, so it makes sense to have a period of collection until the predictability of the User Fee revenue is better known.

Therefore, the Panel reminds the Board that the next fiscal year will be the third year of dual collection, therefore it is time to begin a plan for their use, including reductions or possible sunsets of either or both.

3. **Rabobank Loan and Other District Obligations:** The Panel urges the District to develop a plan to retire the Rabobank loan that was initiated to pay for the Aquifer Storage and Recovery water supply project in a timely fashion after the District's User Fee was suspended by the CPUC.

Respectfully submitted by the Ordinance 152 Citizens Oversight Panel, April 15, 2019.