

REVISED 3/29/19
DRAFT MINUTES

**Ordinance No. 152 Oversight Panel of the
Monterey Peninsula Water Management District
November 15, 2018**

Call to Order The meeting was called to order at 3:00 pm in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:

Bill Bluhm
John Bottomley
Paul Bruno
Jody Hanson
An McDowell (arrived at 3:30 pm)
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:

Jason Campbell
Ian Oglesby

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Consider Adoption of July 23, 2018 Committee Meeting Minutes

On a motion by Bruno and second of Bluhm, the minutes were adopted as presented on a vote of 7 – 0. McDowell was not present for the vote.

Discussion Items

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

Suresh Prasad, Administrative Services Manager, reviewed Exhibit 2-A – Water Supply Charge Receipts and responded to questions. He also reviewed Exhibit 2-B – Water Supply Charge Availability Analysis and responded to questions. General Manager Stoldt submitted a document titled, Analysis of Reserves Fiscal Year 2018-2019 Budget and responded to questions. He noted that the reserve balance was \$10,707,607 consisting of Mitigation, Water Supply and Conservation funds. Preparation of the feasibility study required by Rule 19.8 would likely be funded from reserves. The District has begun to pre-fund pension and OPEB liabilities from the reserves. The \$3.2 million Rabobank loan also must be funded.

3. Discuss Performance of Reinstated District User Fee, To Date

Mr. Stoldt reviewed the chart titled MPWMD User Fee Revenue Collections FY 2018-2019 and responded to questions.

Other Items

4. Water Supply Project Update

No discussion.

5. Measure J Discussion

Mr. Stoldt explained that the District has ~~\$407,000~~ \$400,000 to \$700,000 available to fund preparation of the feasibility study as required by Rule 19.8. If the effort to purchase California American Water's water production facilities is determined to be feasible, the issue will move to a bench trial. If Cal-Am prevails in that proceeding, the District must pay all legal fees, which were \$13 million when the City of Claremont lost its bid to purchase the private entity.

The committee discussed the question of whether or not to utilize water supply funds to pay for preparation of the feasibility study. There was consensus that the water supply charge was intended to fund water supply projects, and that reserves sourced from water supply funds should not be used to pay for feasibility study preparation. The committee expressed support for paying off the Rabobank Loan as soon as possible.

Adjourn: The meeting was adjourned at 4:25 pm.

EXHIBIT 4-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 Audited Actuals	FY 2017-2018 Adopted Budget	FY 2017-2018 Un-audited Actuals	FY 2018-2019 Adopted Budget	FY 2018-2019 Un-audited Actuals
Water Supply Charge	\$3,400,000	\$3,382,389	\$3,400,000	\$3,401,626	\$3,400,000	\$3,404,897	\$3,400,000	\$1,933,039
Percentage collected over budget		99.5%		100.0%		100.1%		56.9%

EXHIBIT 4-B

Monterey Peninsula Water Management District

Water Supply Charge Availability Analysis

	FY 2016-2017 Revised Budget	FY 2016-2017 Audited Actuals	FY 2017-2018 Revised Budget	FY 2017-2018 Audited Actuals	FY 2018-2019 Adopted Budget	FY 2018-2019 thru 12/31/2018
Beginning Fund Balance		\$1,016,295		\$912,446		\$7,333,574
Water Supply Charge	\$3,400,000	\$3,391,354	\$3,400,000	\$3,405,008	\$3,400,000	\$1,933,039
Carry-Forward Prior Year/Fund Balance	1,922,945	0	749,000	0	1,562,800	0
Capacity Fee	212,500	370,255	300,000	522,167	250,000	363,811
Project Reimbursement	894,200	693,848	5,576,400	5,583,786	619,200	-
Property Taxes	598,400	679,635	-	-	130,000	76,727
User Fees	-	88,526	577,000	808,039	600,000	369,135
Grants	110,400	-	80,000	-	95,000	-
Interest	14,000	22,126	20,000	31,347	15,000	30,268
Other	10,000	3,189	10,000	2,258	5,000	380
Capital Equipment Reserve Fund	-	-	-	-	-	-
Total Revenues	\$7,162,445	\$5,248,933	\$10,712,400	\$10,352,605	\$6,677,000	\$2,773,360
Direct Personnel	960,450	957,542	1,047,805	1,104,912	1,153,305	663,265
Legal	240,000	148,577	200,000	255,146	200,000	115,618
Project Expenditures (see below)	4,423,145	2,885,920	2,149,900	898,699	3,391,000	486,083
Project Expenditures-Reimbursements (see below)	823,600	709,104	1,445,700	951,601	931,600	374,983
Fixed Asset Purchases	20,300	17,334	177,900	64,404	110,100	44,768
Contingencies	23,200	-	24,000	-	24,000	-
Debt Service	230,000	220,967	230,000	219,136	230,000	65,400
Election Expense	-	-	2,200	2,196	51,200	-
Indirect Labor*	204,750	204,750	180,995	180,995	180,995	90,498
Indirect Supplies & Services*	223,500	208,588	292,500	254,388	296,800	136,075
Capital Equipment Reserve	-	-	22,300	-	-	-
Total Expenditures	\$7,148,945	\$5,352,782	\$5,773,300	\$3,931,477	\$6,569,000	\$1,976,689
Net Revenue Over Expenses**	\$13,500	(\$103,849)	\$4,939,100	\$6,421,128	\$108,000	\$796,671
Ending Fund Balance		\$912,446		\$7,333,574		\$8,130,245
Project Expenditures	FY 2016-2017 Revised Budget	FY 2016-2017 Audited Actuals	FY 2017-2018 Revised Budget	FY 2017-2018 Audited Actuals	FY 2018-2019 Adopted Budget	FY 2018-2019 thru 12/31/2018
Groundwater Replenishment Project	\$3,240,295	\$2,468,940	\$200,000	\$140,561	\$925,000	\$4,342
ASR Phase I	\$391,700	\$86,304	\$1,045,400	\$237,891	\$1,058,000	\$275,212
Reimbursement Projects	\$823,600	\$709,104	\$1,445,700	\$951,601	\$931,600	\$374,983
Cal-Am Desalination Project	\$100,000	\$78,926	\$175,000	\$65,080	\$300,000	\$0
ASR Expansion	\$0	\$0	\$0	\$0	\$130,000	\$0
Other Water Supply Projects - IFIM/GSFlow	\$103,000	\$72,931	\$121,700	\$56,606	\$20,000	\$17,455
Local Water Projects	\$311,900	\$0	\$391,900	\$144,744	\$482,000	\$0
Alternate Desal Project	\$0	\$0	\$0	\$0	\$0	\$0
Drought Contingency Plan	\$92,900	\$89,033	\$110,000	\$156,951	\$220,000	\$148,389
Other Project Expenditures	\$183,350	\$89,786	\$105,900	\$96,866	\$256,000	\$40,685
Total Commitments	\$5,246,745	\$3,595,024	\$3,595,600	\$1,850,300	\$4,322,600	\$861,066

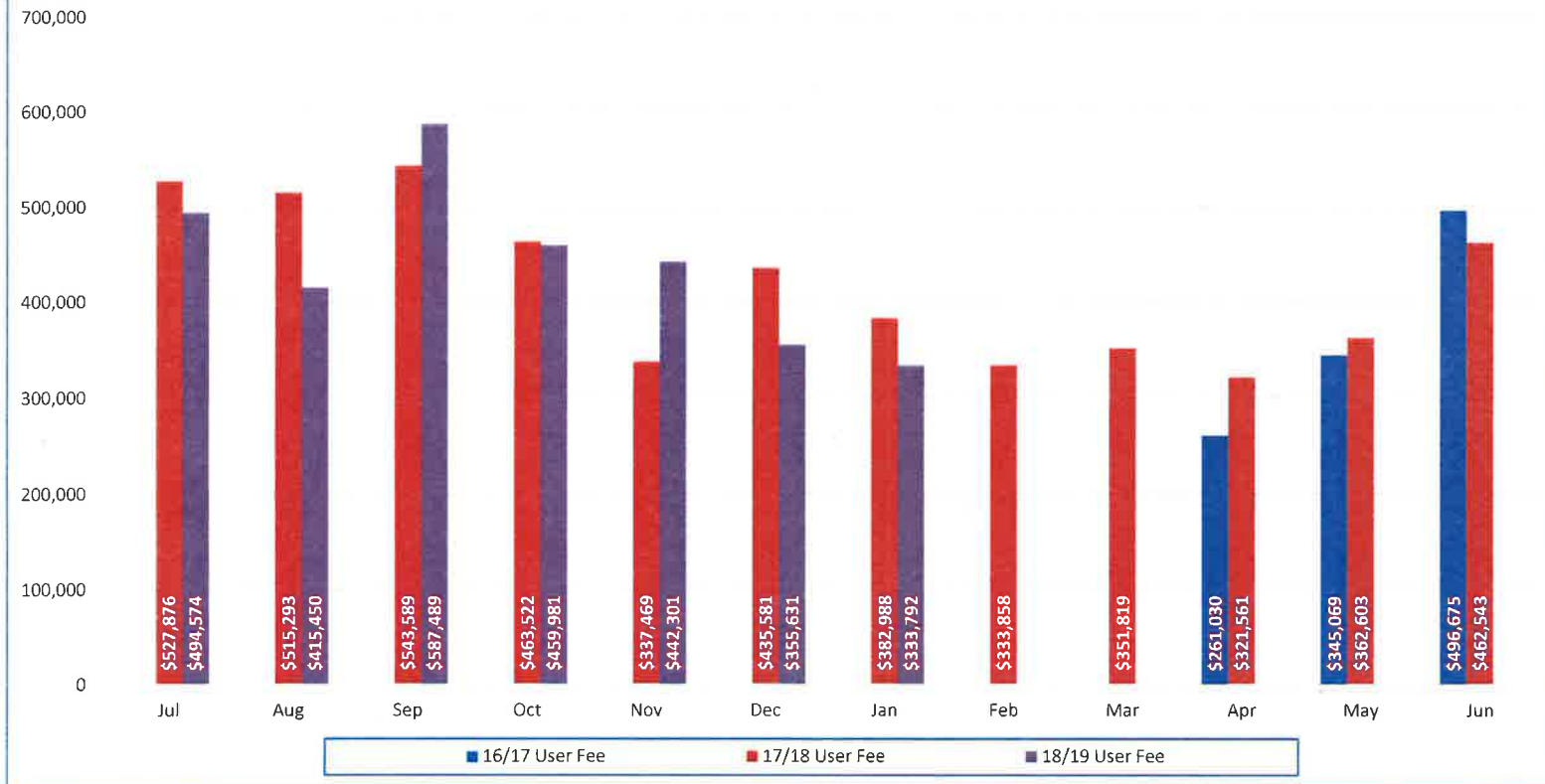
*: Indirect costs as percent of Water Supply Charge 12.6% 12.2% 13.9% 12.8% 14.1% 11.7%

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

**ORD 152 COMMITTEE
ITEM #5 - MPWMD USER FEE REVENUE COLLECTIONS
FY 2018-2019**



User Fee Collections:

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2018/2019	494,574	415,450	587,489	459,981	442,301	355,631	333,792						\$ 3,089,219
2017/2018	527,876	515,293	543,589	463,522	337,469	435,581	382,988	333,858	351,819	321,561	362,603	462,543	\$ 5,038,701