

This meeting has been noticed according to the Brown Act rules. This agenda was posted on Monday, July 8, 2019.



<p>Ordinance No. 152 Oversight Panel Members: <i>Bill Bluhm</i> <i>John Bottomley</i> <i>Paul Bruno</i> <i>Jason Campbell</i> <i>Birt Johnson, Jr.</i> <i>Patie McCracken</i> <i>Karen Paull</i> <i>Susan Schiavone</i> <i>John Tilley</i></p> <p>MPWMD Contacts: <i>General Manager,</i> <i>David J. Stoldt</i></p> <p><i>Administrative Services Manager, Suresh Prasad</i></p> <p><i>Executive Assistant,</i> <i>Arlene Tavani</i></p>	<p style="text-align: center;">AGENDA Ordinance No. 152 Oversight Panel Of the Monterey Peninsula Water Management District *****</p> <p style="text-align: center;">Thursday, July 11, 2019, 10 AM District Conference Room, 5 Harris Court, Building G, Monterey, CA</p> <p>Call to Order</p> <p>Comments from Public -- <i>The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.</i></p> <p>Action Items -- <i>Public comment will be received on Action Items. Please limit your comments to three minutes in length.</i></p> <ol style="list-style-type: none">1. Consider Adoption of April 1, 2019 Committee Meeting Minutes <p>Discussion Items -- <i>Public comment will be received on Discussion Items. Please limit your comments to three minutes in length.</i></p> <ol style="list-style-type: none">2. Review of Revenue and Expenditures of Water Supply Charge Related to Water Supply Activities3. Discuss Performance of District User Fee, To Date <p>Other Items -- <i>Public comment will be received on Other Items. Please limit your comments to three minutes in length.</i></p> <ol style="list-style-type: none">4. Water Supply Project Update <p>Adjourn</p>
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Staff reports regarding these agenda items will be available for public review on Monday, July 8, 2019 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, July 9, 2019.

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 APRIL 1, 2019 COMMITTEE MEETING MINUTES

Meeting Date: July 11, 2019

**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 April 1, 2019 committee meeting are attached as **Exhibit 1-A**.

RECOMMENDATION: Review the minutes and adopt them by motion.

EXHIBIT

1-A Draft Minutes of April 1, 2019 Committee Meeting



DRAFT MINUTES

**Ordinance No. 152 Oversight Panel of the
Monterey Peninsula Water Management District
*April 1, 2019***

Call to Order The meeting was called to order at 3:05 pm in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:

Bill Bluhm
John Bottomley
Patie McCracken
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
Paul Bruno

Other persons present:

Karen Paull, scheduled to be appointed to the committee on April 15, 2019, attended the meeting but did not participate in the discussion.

Comments from the Public:

No comments were directed to the committee.

Action Items

1. **Consider Adoption of November 15, 2018 Committee Meeting Minutes**
On a motion by Bluhm and second of Tilley, the revised draft minutes were adopted with the correction to Item 5: replace "\$407,000" with "\$400,000 to \$700,000." The motion was adopted on a vote of 5 – 0 by Bluhm, Bottomley, McCracken, Schiavone and Tilley.

2. **Approve Draft 2018 Oversight Panel Annual Report to the MPWMD Board of Directors**
On a motion by Tilley and second of Bluhm, the committee approved submittal of the report to the Board of Directors with minor corrections. The motion was approved on a vote of 5 – 0 by Tilley, Bluhm, Bottomley, McCracken and Schiavone.
During the discussion of this item, Stoldt reported that a portion of the Water Supply Charge will fund the cost to conduct the 2018 election on Measure J/Rule 19.8, and could be made available for preparation of the Feasibility Study required by voter approval of the measure. Elements of the Measure J process that must be paid by the District are not discretionary expenditures; therefore, those expenses are not

constrained by the 15% limit on overhead costs for the Water Supply Charge. The District's reserve fund is at \$12 million but those reserves are also slated for other purposes including payment of the Rabobank loan and pension benefits and liabilities. Reserve funds may not be sufficient to fund all costs related to Measure J going forward. Special counsel has opined that the Water Supply Charge could be used to fund legal fees associated with eminent domain proceedings and acquisition costs, if needed.

3. Approve 2019 Committee Meeting Schedule

On a motion by Bluhm and second of Schiavone, the 2019 meeting schedule was approved on a unanimous vote of 5 – 0 by Bluhm, Schiavone, Bottomley, McCracken and Tilley.

Discussion Items

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

Suresh Prasad, Administrative Services Manager, reviewed Exhibit 4-A – Water Supply Charge Receipts and responded to questions. He also reviewed Exhibit 4-B – Water Supply Charge Availability Analysis and responded to questions.

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

Prasad reviewed the chart titled MPWMD User Fee Revenue Collections FY 2018-2019 and responded to questions. Stoldt advised the committee that in the coming year, staff will have two years of actual User Fee receipts in order to estimate future User Fee collections. Staff can then evaluate when sufficient fees could be available to pay the Rabobank loan and sunset all or a portion of the Water Supply Charge. However, it may not be desirable to reduce the Water Supply Charge until the financial responsibility associated with the Measure J process is fully determined.

6. Discuss Actions Related to Rule 19.8 – Development of the Feasibility Study on Public Ownership of the Monterey Peninsula Water System

Brief comments from Stoldt on this item, as it was discussed under Item 2.

Other Items

7. Water Supply Project Update

Stoldt provided an update on the status of California-American Water Company's desalination project. He noted that the next milestone to be met is that construction begin by September 30, 2019. In the event that construction of the desalination project is delayed, the District and Monterey One Water are considering funding an investigation into the expansion of the Pure Water Monterey Project.

Adjourn: The meeting was adjourned at 4:15 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: July 11, 2019

**From: Suresh Prasad
Administrative Services
Manager/Chief Financial
Officer**

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: Please review **Exhibits 2-A and 2-B** submitted for discussion at the July 11, 2019, committee meeting.

EXHIBITS

2-A Water Supply Charge Receipts

2-B Water Supply Charge Availability Analysis

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 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	\$1,930,663
Percentage collected over budget		99.5%		100.0%		100.1%		56.8%

EXHIBIT 2-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 Revised Budget	FY 2018-2019 thru 03/31/2019
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	\$1,930,663
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	450,000	496,776
Project Reimbursement	894,200	693,848	5,576,400	5,583,786	619,200	(19,241)
Property Taxes	598,400	679,635	-	-	150,000	76,727
User Fees	-	88,526	577,000	808,039	640,000	532,266
Grants	110,400	-	80,000	-	95,000	-
Interest	14,000	22,126	20,000	31,347	90,000	69,638
Other	10,000	3,189	10,000	2,258	5,000	474
Capital Equipment Reserve Fund	-	-	-	-	-	-
Total Revenues	\$7,162,445	\$5,248,933	\$10,712,400	\$10,352,605	\$7,012,000	\$3,087,303
Direct Personnel	960,450	957,542	1,047,805	1,104,912	1,160,205	910,367
Legal	240,000	148,577	200,000	255,146	200,000	162,030
Project Expenditures [see below]	4,423,145	2,885,920	2,149,900	898,699	2,588,500	887,966
Project Expenditures-Reimbursements [see below]	823,600	709,104	1,445,700	951,601	731,600	470,816
Fixed Asset Purchases	20,300	17,334	177,900	64,404	110,100	50,027
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	135,746
Indirect Supplies & Services*	223,500	208,588	292,500	254,388	299,800	212,611
Capital Equipment Reserve	-	-	22,300	-	-	-
Total Expenditures	\$7,148,945	\$5,352,782	\$5,773,300	\$3,931,477	\$5,576,400	\$2,894,963
Net Revenue Over Expenses**	\$13,500	(\$103,849)	\$4,939,100	\$6,421,128	\$1,435,600	\$192,340
Ending Fund Balance		\$912,446		\$7,333,574		\$7,525,914
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 Revised Budget	FY 2018-2019 thru 03/31/2019
Groundwater Replenishment Project	\$3,240,295	\$2,468,940	\$200,000	\$140,561	\$425,000	\$13,532
ASR Phase I	\$391,700	\$86,304	\$1,045,400	\$237,891	\$1,144,000	\$620,998
Reimbursement Projects	\$823,600	\$709,104	\$1,445,700	\$951,601	\$731,600	\$470,816
Cal-Am Desalination Project	\$100,000	\$78,926	\$175,000	\$65,080	\$150,000	\$0
ASR Expansion	\$0	\$0	\$0	\$0	\$0	\$0
Other Water Supply Projects - IFIM/GSFlow	\$103,000	\$72,931	\$121,700	\$56,606	\$20,000	\$23,578
Local Water Projects	\$311,900	\$0	\$391,900	\$144,744	\$292,000	\$0
Measure J/Feasibility Study	\$0	\$0	\$0	\$0	\$144,000	\$11,027
Drought Contingency Plan	\$92,900	\$89,033	\$110,000	\$156,951	\$235,000	\$175,777
Other Project Expenditures	\$183,350	\$89,786	\$105,900	\$96,866	\$178,500	\$43,054
Total Commitments	\$5,246,745	\$3,595,024	\$3,595,600	\$1,850,300	\$3,320,100	\$1,358,782
*: Indirect costs as percent of Water Supply Charge	12.6%	12.2%	13.9%	12.8%	14.1%	18.0%

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

ORDINANCE NO. 152 OVERSIGHT PANEL

DISCUSSION ITEM

3. DISCUSS PERFORMANCE OF DISTRICT USER FEE, TO DATE

Meeting Date: July 11, 2019

**From: Suresh Prasad
Administrative Services
Manager/Chief Financial
Officer**

Prepared By: Arlene Tavani

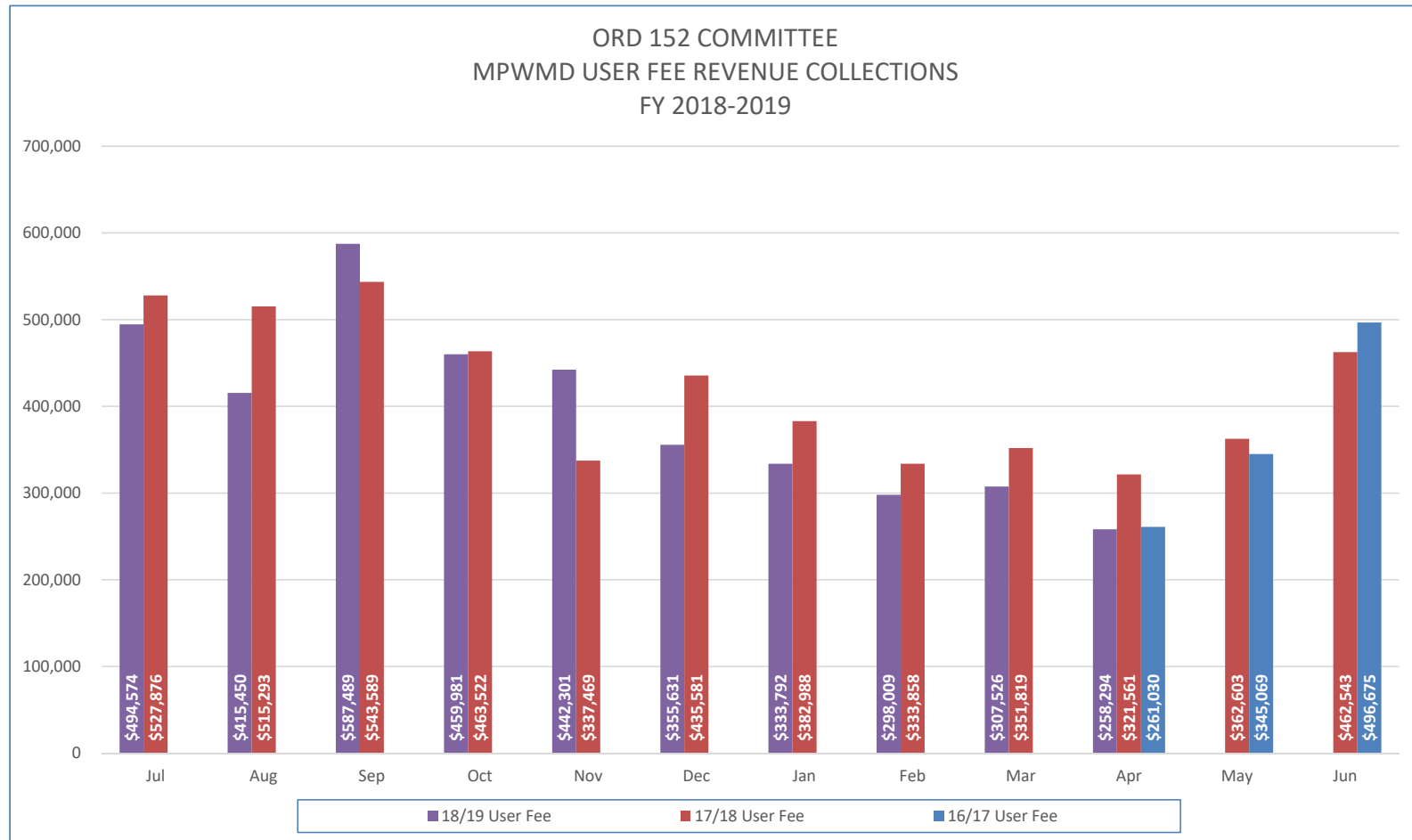
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378

SUMMARY: Attached for your review in advance of the July 11, 2019 committee meeting is **Exhibit 3-A.**

EXHIBIT

3-A MPWMD User Fee Revenue Collections FY 2018-2019

Exhibit 3-A



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	298,009	307,526	258,294			\$ 3,953,048
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
Var (%)	-6%	-19%	8%	-1%	31%	-18%	-13%	-11%	-13%	-20%			-22%