



This meeting has been noticed according to the Brown Act rules. This agenda was posted on Friday, July 2, 2021.

**Ordinance No. 152
Oversight Panel
Members:**

*Susan Schiavonne
Jason Campbell
Melodie Chrislock
Marli Melton
Mike Rachel
Kevan Urquhart
Bill Peake
Scott Dick
John Tilley*

MPWMD Contacts:
*General Manager,
David J. Stoldt*

*Administrative Services
Manager, Suresh Prasad*

*Executive Assistant,
Joel G. Pablo*

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 on the District's website prior to the meeting. Documents distributed at the meeting will be made available upon request and posted to the District's website within five days following the meeting.

**AGENDA
Ordinance No. 152 Oversight Panel
of the Monterey Peninsula Water Management District**

Thursday, July 8, 2021 at 1:00 PM, *Virtual Meeting*

Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, and to do all we can to help slow the spread of COVID-19 (coronavirus), meetings of the Monterey Peninsula Water Management District Board of Directors and committees will be conducted with virtual (electronic) participation only using Zoom.

Join the meeting at this link:

<https://zoom.us/j/96862574112?pwd=OS96OEZVYTlxUUdCb2JTMG9nUWhrdz09>

Or access the meeting at: zoom.us

Webinar ID: 968 6257 4112

Meeting password: 07082021

Participate by phone: (669) 900 9128

For detailed instructions on connecting to the Zoom meeting see page 2 of this agenda.

Call to Order / Roll Call

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 the Committee Meeting Minutes of March 24, 2021

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. Review Adopted Budget and Capital Improvement Plan for Fiscal Year 2021-2022
4. Discuss Performance of District User Fee to Date

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

5. Water Supply Project Update

Adjournment

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. MPWMD will also make a reasonable effort to provide translation services upon request. Submit requests by 5:00 pm on Friday, July 2, 2021 to joel@mpwmd.net, or call (831) 658-5652. Alternatively, you may contact Sara Reyes, Administrative Services Division at 831-658-5610.

Instructions for Connecting to the Zoom Meeting

Note: If you have not used Zoom previously, when you begin connecting to the meeting you may be asked to download the app. If you do not have a computer, you can participate by phone.

Begin: Within 10 minutes of the meeting start time from your computer click on this link: <https://zoom.us/j/96862574112?pwd=OS96OEZVYTlxUUdCb2JTMG9nUWVhZ09> or paste the link into your browser.

DETERMINE WHICH DEVICE YOU WILL BE USING (PROCEED WITH ONE OF THE FOLLOWING INSTRUCTIONS)

USING A DESKTOP COMPUTER OR LAPTOP

1. In a web browser, type: <https://www.zoom.us>
2. Hit the enter key
3. At the top right-hand corner, click on “Join a Meeting”
4. Where it says “Meeting ID”, type in the Meeting ID# above and click “Join Meeting”
5. Your computer will begin downloading the Zoom application. Once downloaded, click “Run” and the application should automatically pop up on your computer. (If you are having trouble downloading, alternatively you can connect through a web browser – the same steps below will apply).
6. You will then be asked to input your name. It is imperative that you put in your first and last name, as participants and attendees should be able to easily identify who is communicating during the meeting.
7. From there, you will be asked to choose either ONE of two audio options: Phone Call or Computer Audio:

COMPUTER AUDIO

1. If you have built in computer audio settings or external video settings – please click “Test Speaker and Microphone”.
2. The client will first ask “Do you hear a ringtone?” •If no, please select “Join Audio by Phone”.
•If yes, proceed with the next question:
3. The client will then ask “Speak and pause, do you hear a replay?” •If no, please select “Join Audio by Phone”
•If yes, please proceed by clicking “Join with Computer Audio”

PHONE CALL

1. If you do not have built in computer audio settings or external video settings – please click “Phone Call”
2. Select a phone number based on your current location for better overall call quality.

+1 669-900-9128 (San Jose, CA)	+1 253-215-8782 (Houston, TX)
+1 346-248-7799 (Chicago, IL)	+1 301-715-8592 (New York, NY)
+1 312-626-6799 (Seattle, WA)	+1 646-558-8656 (Maryland)

3. Once connected, it will ask you to enter the Webinar ID No. and press the pound key
4. It will then ask you to enter your participant ID number and press the pound key.
5. You are now connected to the meeting.

USING AN APPLE/ANDROID MOBILE DEVICE OR SMART PHONE

1. Download the Zoom application through the Apple Store or Google Play Store (the application is free).
2. Once download is complete, open the Zoom app.
3. Tap “Join a Meeting”
4. Enter the Meeting ID number
5. Enter your name. It is imperative that you put in your first and last name, as participants and attendees should be able to easily identify who is communicating during the meeting.
6. Tap “Join Meeting”
7. Tap “Join Audio” on the bottom left hand corner of your device
8. You may select either ONE of two options: “Call via Device Audio” or “Dial in”

DIAL IN

1. If you select “Dial in”, you will be prompted to select a toll-free number to call into.
2. Select a phone number based on your current location for better overall call quality.

+1 669-900-9128 (San Jose, CA)	+1 253-215-8782 (Houston, TX)
+1 346-248-7799 (Chicago, IL)	+1 301-715-8592 (New York, NY)
+1 312-626-6799 (Seattle, WA)	+1 646-558-8656 (Maryland)
3. The phone will automatically dial the number, and input the Webinar Meeting ID No. and your Password.
4. Do not hang up the call, and return to the Zoom app
5. You are now connected to the meeting.

Presenting Public Comment

Receipt of Public Comment – the Chair will ask for comments from the public on all items. Limit your comment to 3 minutes but the Chair could decide to set the time for 2 minutes.

- (a) Computer Audio Connection: Select the “raised hand” icon. When you are called on to speak, please identify yourself.
- (b) Phone audio connection **with** computer to view meeting: Select the “raised hand” icon. When you are called on to speak, push *6 to unmute and please identify yourself.
- (c) Phone audio connection only: Press *9. Wait for the clerk to unmute your phone and then identify yourself and provide your comment. Press *9 to end the call.

Submit Written Comments

If you are unable to participate via telephone or computer to present oral comments, you may also submit your comments by e-mailing them to comments@mpwmd.net with one of the following subject lines "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "PUBLIC COMMENT – ORAL COMMUNICATIONS". Comments must be received by 12:00 p.m. on Thursday, July 8, 2021. Comments submitted by noon will be provided to the Board of Directors and compiled as part of the record of the meeting.

ORDINANCE NO. 152 OVERSIGHT PANEL

ACTION ITEM

1. CONSIDER ADOPTION OF MARCH 24, 2021 COMMITTEE MEETING MINUTES

Meeting Date: July 8, 2021

From: David J. Stoldt
General Manager

Prepared By: Joel G. Pablo

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 March 24, 2021 committee meeting (**Exhibit 1-A**) are attached.

RECOMMENDATION: Consider adoption of the March 24, 2021 committee meeting minutes.

EXHIBIT

1-A Draft Minutes of March 24, 2021 Committee Meeting



EXHIBIT 1-A

**DRAFT MEETING MINUTES
Ordinance No. 152 Oversight Panel of the
Monterey Peninsula Water Management District
March 24, 2021**

*Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20,
the meeting was conducted with virtual participation via Zoom.*

Call to Order The virtual meeting was called to order at 2:01 pm via Zoom by David J. Stoldt, General Manager / Chair to the Panel

Roll Call

Committee Members Present via Zoom:

Susan Schiavonne
Jason Campbell
Melodie Chrislock
Marli Melton
Mike Rachel
Kevan Urquhart
Scott Dick
Rudy Fischer

MPWMD Staff members present:

David J. Stoldt, General Manager / Chair to the Panel
Suresh Prasad, Administrative Services Manager/CFO
Joel G. Pablo, Executive Assistant/Board Clerk

District Counsel Present:

David Laredo, Esq. with Delay and Laredo

Committee Members Absent:

Bill Peake

Comments from the Public:

The following comments were directed to the board during this time:

- (a) **Division 3 / Director Alvin Edwards:** Thanked new and continuing committee members for their commitment on the Ordinance No. 152 Oversight Panel.

Action Items

1. **Consider Adoption of October 27, 2020 Committee Meeting Minutes**

No public comment was directed to the panel for Action Item No. 1.

A motion was made by Fischer and seconded by Schiavone to approve the draft committee meeting minutes of October 27, 2020. The motion passed on a roll-call vote of 8-Ayes (Schiavonne, Campbell, Chrislock, Melton, Rachel, Urquhart, Dick and Fisher), 0-Noes and 1-Absent (Peake).

Discussion Items

2. **Discuss Role and Purpose of the Committee**

David J. Stoldt, General Manager discussed the role and purpose of the committee and directed attention to Exhibits 2-A (Committee Charge) and 2-B (Ordinance No. 152).

Stoldt briefly discussed the committee's purpose and touched upon the following:

(a) Provided historical context as to the formation of the Ordinance No. 152 Citizen's Oversight Panel and the Water Supply Charge.

(b) Stoldt explained that the proceeds of the water supply charge include the physical, personnel and services costs related to water supply projects.

(c) The committee is charged with drafting, reviewing, and finalizing an Annual Report in October, 2021. The report will be forwarded to the Board in or around the beginning of Calendar Year 2022.

(d) Summarized past discussions and debate regarding the administrative overhead charge and sunseting of the water supply charge partially or completely

(e) Recommendation/Achievements made by the Ordinance No. 152 Oversight Panel to include various local water funding projects for Pacific Grove, the Pebble Beach Company- Golf Course and the Monterey Peninsula Airport District.

3. **Discuss Key Issues in the Past and Annual Report to the Board of Directors**

David J. Stoldt, General Manager discussed past key issues highlighted in annual reports to the Board of Directors to include: (1) Measure J Costs and whether the Water Supply Charge should be used to fund any of the costs related to the voter approved initiative; (2) Retiring the Mechanic Bank (formerly Rabobank) loan to pay for the Aquifer Storage and Recovery Water Supply Project; (3) Dual Collection of the Water Supply Charge and District User Fee- the board had a policy to collect both; (4) Reserve Policies; (5) Local Projects; (6) 2017 Annual Report: Dual Collection of the Reinstatement of District User Fee; (7) 2017 Annual Report: 15% Overhead Calculation; and (8) 2017 Annual Report: Deficit Spending.

Stoldt responded to questions from the Panel.

(1) *In response to Susan Schiavonne:* Stoldt advised the members that a 2020 Annual Report will be brought forward to the panel on October, 2021 and to be received by the Board on January, 2022.

(2) *In response to Melodie Chrislock:* Stoldt/Prasad advised the members that the funds collected through the water supply planning charge/fund was used to pay for the Pure Water Monterey Supplement Environmental Impact Report (SEIR).

4. **Review Sources and Uses of District Water Supply Funding to Date**

David J. Stoldt, General Manager summarized his staff note and answered questions from the committee. Stoldt noted that over the course of 9 years the total expended on water supply projects is a little under \$55 million dollars on various activities. Stoldt provided a breakdown of expenditures/collected revenues and explained the district board's policy on user fee collections that if User fee collections in a fiscal year exceed the budget, then the excess will be carried over to the following fiscal year. Discussion ensued regarding various uses and potential uses of the District's Water Supply funding to include costs as it relates to Pure Water Monterey Expansion, continued conservation/mitigation activities, legal fees as it relates to Measure J and other tangible projects in the future.

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

Prasad reviewed Exhibits 5-A and 5-B that were submitted with the committee packet and answered questions from the committee.

- (1) Prasad/Stoldt responded to Rachel and explained that the Water Supply Charge has remain unchanged since inception of the charge.
- (2) Stoldt responded to Chrislock and provided estimates of a homeowners Water Supply Charge based on square footage of a home. Chrislock expressed concerned many property owners may not be aware of the charge and how the cost appearing on property tax statements is contributing to various activities in resolving the water shortage.

6. **Discuss Performance of District User Fee to Date**

Prasad reviewed Exhibits 6-A that were submitted with the committee packet and answered questions from the committee.

Other Items

7. **Water Supply Project Update**

No verbal report provided on Item No. 7

Adjourn: Chair Stoldt adjourned the meeting at 2:30 pm

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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 8, 2021

From: Suresh Prasad
Administrative Services Manager/
Chief Financial Officer

Prepared By: Sara Reyes

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

SUMMARY: Please review **Exhibit 2-A** and **2-B** submitted for discussion at the July 8, 2021, 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 2020-2021 Revised Budget	FY 2020-2021 Thru 04/30/2021	FY 2019-2020 Revised Budget	FY 2019-2020 Audited Actuals
Water Supply Charge	\$3,300,000	\$3,363,183	\$3,400,000	\$3,355,193
Percentage collected over budget		101.9%		98.7%

EXHIBIT 2-B

Monterey Peninsula Water Management District

Water Supply Charge Availability Analysis

	FY 2020-2021 Revised Budget	FY 2020-2021 Thru 04/30/2021	FY 2019-2020 Revised Budget	FY 2019-2020 Audited Actuals
Beginning Fund Balance		\$7,506,595		\$8,584,956
Water Supply Charge	\$3,300,000	\$3,363,183	\$3,400,000	\$3,355,193
Capacity Fee	400,000	415,200	500,000	575,511
PWM Water Sales	4,800,000	4,411,126	-	0
Project Reimbursement	1,125,700	401,132	845,700	1,220,812
Property Taxes	1,850,000	1,984,161	1,800,000	1,945,614
User Fees	994,950	625,603	720,000	789,399
Interest	100,000	39,587	115,000	193,985
Reclamation Project	520,000	500,000	-	0
Other	5,000	3,287	5,000	2,192
Total Revenues	\$13,095,650	\$11,743,279	\$7,385,700	\$8,082,706
Direct Personnel	1,278,734	1,115,272	1,252,304	1,313,679
Direct Supplies & Services*	120,219	90,425	112,365	108,649
Legal	220,000	78,040	220,000	99,004
Project Expenditures [see below]	15,217,400	8,003,743	11,403,550	6,699,372
Project Expenditures-Reimbursements [see below]	954,700	392,642	754,700	296,513
Fixed Asset Purchases	63,000	12,646	61,600	14,927
Contingencies	23,100	0	23,100	0
Debt Service	230,000	62,231	230,000	219,136
Election Expense	66,000	39,477	-	0
Indirect Labor*	183,066	152,555	189,196	189,196
Indirect Supplies & Services*	244,081	183,591	228,135	220,591
Reserve	1,097,850	0	77,100	0
Total Expenditures	\$19,698,150	\$10,130,622	\$14,552,050	\$9,161,067
Net Revenue Over Expenses**	(\$6,602,500)	\$1,612,657	(\$7,166,350)	(\$1,078,361)
Ending Fund Balance		\$9,119,252		\$7,506,595
Project Expenditures	FY 2020-2021 Revised Budget	FY 2020-2021 Thru 04/30/2021	FY 2019-2020 Revised Budget	FY 2019-2020 Audited Actuals
PWM Project	\$4,212,000	\$68,737	\$3,110,000	\$1,687,304
PWM Project - Expansion	\$0	\$0	\$0	\$731,337
PWM Project - Operating Reserve	\$1,150,000	\$751,683	\$0	\$0
PWM Project - Water Purchase	\$4,800,000	\$4,544,538	\$0	\$0
ASR Phase I	\$3,922,400	\$2,438,824	\$6,108,000	\$2,831,248
Reimbursement Projects	\$954,700	\$392,642	\$754,700	\$296,513
Cal-Am Desalination Project	\$50,000	\$0	\$50,000	\$32,416
ASR Expansion	\$80,000	\$0	\$0	\$350
Other Water Supply Projects - IFIM/GSFlow	\$0	\$7,433	\$32,300	\$23,048
Local Water Projects	\$307,000	\$0	\$200,000	\$0
Measure J/Feasibility Study	\$192,000	\$148,029	\$384,000	\$274,507
Drought Contingency Plan	\$0	\$0	\$0	\$0
Los Padres Long Term Plan	\$390,000	\$0	\$328,000	\$82,720
PB Reclamation Project	\$0	\$0	\$1,000,000	\$1,000,000
Other Project Expenditures	\$114,000	\$44,499	\$191,250	\$36,442
Total Project Expenses	\$16,172,100	\$8,396,385	\$12,158,250	\$6,995,885

*: Indirect costs as percent of Water Supply Charge 12.9% 10.0% 12.3% 12.2%

Recent Activities:

- ASR Chemical Building
- Measure J/Feasibility Study
- PB Reclamation Project Financing
- PWM Reserve Water
- PWM Water Purchase

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

ORDINANCE NO. 152 OVERSIGHT PANEL

3. REVIEW ADOPTED BUDGET AND CAPITAL IMPROVEMENT PLAN FOR FISCAL YEAR 2021-2022

Meeting Date: July 8, 2021

From: Suresh Prasad
Administrative Services Manager/
Chief Financial Officer

Prepared By: Sara Reyes

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

SUMMARY: Please refer to **Exhibit 3-A** that will be discussed at the July 8, 2021 committee meeting.

EXHIBIT

3-A MPWMD Water Supply Fund Budget

EXHIBIT 3-A

Monterey Peninsula Water Management District

Water Supply Fund Budget

	FY 2021-2022 Adopted Budget	FY 2020-2021 Revised Budget
Water Supply Charge	\$3,400,000	\$3,300,000
Capacity Fee	400,000	400,000
PWM Water Sales	9,828,000	4,800,000
Project Reimbursement	1,379,100	1,645,700
Property Taxes	1,751,800	1,850,000
User Fees	749,300	994,950
Interest	70,000	100,000
Other	5,000	5,000
Capital Equipment Reserve Fund	20,400	22,000
Carry Over Projects from Prior Fiscal Year	2,031,700	6,053,800
Fund Balance Use	1,385,900	526,700
Total Revenues	\$21,021,200	\$19,698,150
Direct Personnel*	1,264,804	1,272,604
Direct Supplies & Services*	141,471	120,219
Legal	220,000	220,000
Project Expenditures [see below]	16,623,100	15,217,400
Project Expenditures-Reimbursements [see below]	859,100	954,700
Fixed Asset Purchases	75,800	63,000
Contingencies	23,800	23,100
Debt Service	230,000	230,000
Capital Equipment Reserve	38,700	31,850
Pension Reserve	34,000	33,000
OPEB Reserve	34,000	33,000
Mechanics Bank Reserve	500,000	500,000
General Reserve (PB Reclamation)	500,000	500,000
Election Expense	-	66,000
Indirect Labor*	189,196	189,196
Indirect Supplies & Services*	287,229	244,081
Total Expenditures	\$21,021,200	19,698,150
Net Revenue Over Expenses**	\$0	\$0
	FY 2021-2022	FY 2020-2021
<u>Project Expenditures</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>
PWM Project	\$1,865,000	\$4,212,000
PWM Project - Expansion	\$1,200,000	\$0
PWM Project - Operating Reserve	\$1,385,000	\$1,150,000
PWM Project - Water Purchase	\$9,695,000	\$4,800,000
ASR Phase I	\$1,853,700	\$3,922,400
Reimbursement Projects	\$859,100	\$954,700
Cal-Am Desalination Project	\$50,000	\$50,000
Los Padres Dam Long Term Plan	\$304,300	\$390,000
ASR Expansion	\$0	\$80,000
Local Water Projects	\$157,000	\$307,000
Measure J/Feasibility Study	\$48,000	\$192,000
Other Project Expenditures	\$65,100	\$114,000
	\$17,482,200	\$16,172,100

ORDINANCE NO. 152 OVERSIGHT PANEL

DISCUSSION ITEM

4. DISCUSS PERFORMANCE OF DISTRICT USER FEE TO DATE

Meeting Date: July 8, 2021

From: Suresh Prasad
Administrative Services Manager/
Chief Financial Officer

Prepared By: Sara Reyes

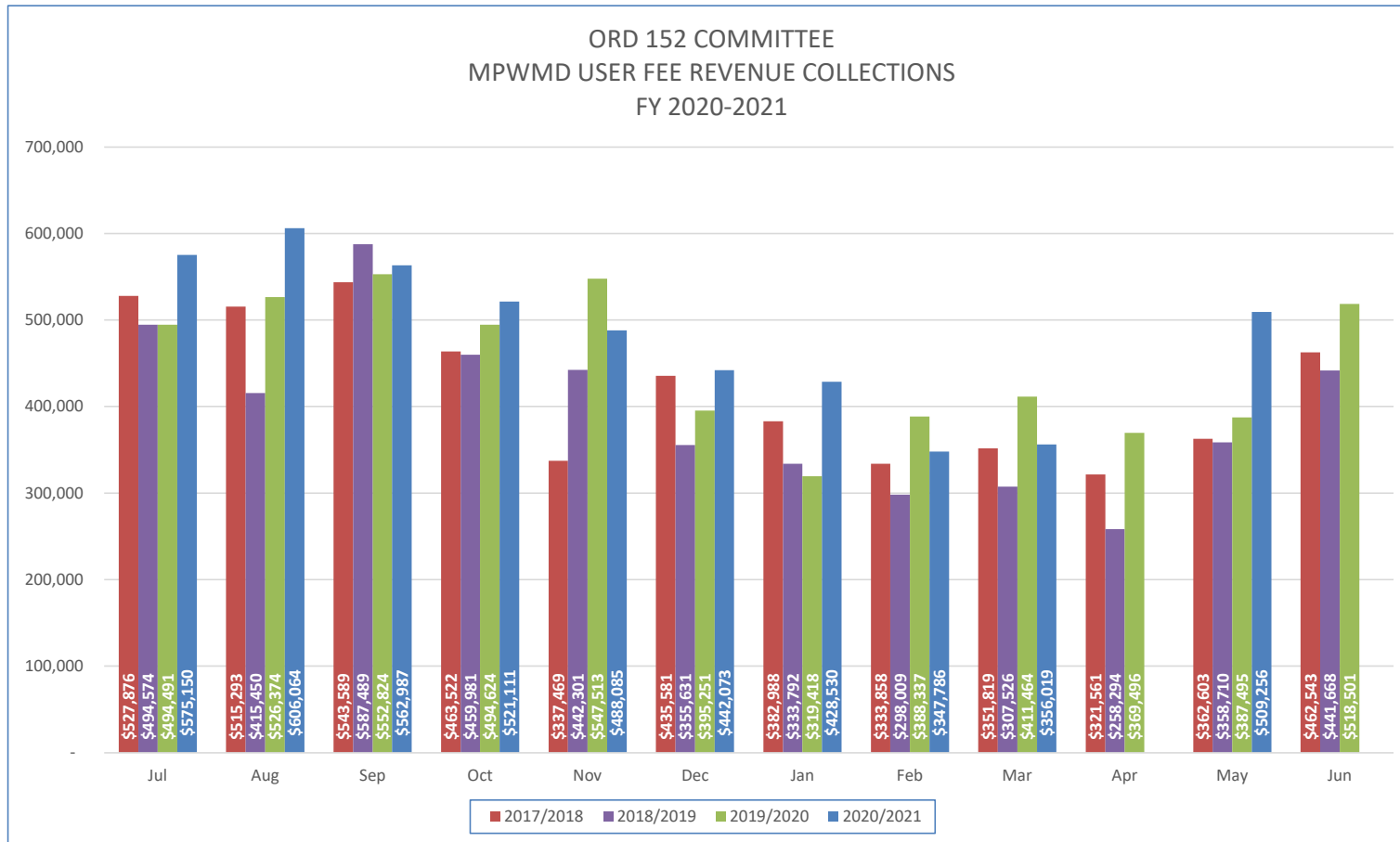
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378

SUMMARY: Attached for your review in advance of the July 8, 2021 committee meeting is Exhibit 4-A.

EXHIBIT

4-A MPWMD User Fee Revenue Collections FY 2020-2021

EXHIBIT 4-A



User Fee Collections:

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
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
2018/2019	494,574	415,450	587,489	459,981	442,301	355,631	333,792	298,009	307,526	258,294	358,710	441,668	\$ 4,753,426
2019/2020	494,491	526,374	552,824	494,624	547,513	395,251	319,418	388,337	411,464	369,496	387,495	518,501	\$ 5,405,787
2020/2021	575,150	606,064	562,987	521,111	488,085	442,073	428,530	347,786	356,019		509,256		\$ 4,837,059
Var (%)	16.31%	15.14%	1.84%	5.35%	-10.85%	11.85%	34.16%	-10.44%	-13.48%	-100.00%	31.42%	-100.00%	-10.52%