

This meeting has been noticed according to the Brown Act rules. This agenda was posted on Friday, November 9, 2018.



**Ordinance No. 152  
Oversight Panel**

**Members:**

*Bill Bluhm  
John Bottomley  
Paul Bruno  
Jason Campbell  
Jody Hanson  
An McDowell  
Ian Oglesby  
Susan Schiavone  
John Tilley*

**MPWMD Contacts:**

*General Manager,  
David J. Stoldt  
  
Administrative Services  
Manager, Suresh Prasad  
  
Executive Assistant,  
Arlene Tavani*

AGENDA

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

\*\*\*\*\*

Thursday, November 15, 2018, 3:00 PM  
District Conference Room, 5 Harris Court, Building G, Monterey, CA

**Call to Order**

**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 July 23, 2018 Committee Meeting Minutes

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

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

4. Water Supply Project Update
5. Measure J Discussion

**Adjourn**

Staff reports regarding these agenda items will be available for public review on Tuesday, November 13, 2018 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](http://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, November 13, 2018. 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.

U:\staff\Board\_Committees\Ord152\2018\20181115\Ord-152-Oversight-Panel-Nov-15-2018.docx

**ORDINANCE NO. 152 OVERSIGHT PANEL**

**ACTION ITEM**

**1. CONSIDER ADOPTION OF JULY 23, 2018 COMMITTEE MEETING MINUTES**

**Meeting Date:** November 15, 2018

**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 July 23, 2018 committee meeting are attached as **Exhibit 1-A**.

**RECOMMENDATION:** Review the minutes and adopt them by motion.

**EXHIBITS**

**1-A** Draft Minutes of July 23, 2018 Committee Meeting



**DRAFT MINUTES**

**Ordinance No. 152 Oversight Panel of the  
Monterey Peninsula Water Management District  
July 23, 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  
Paul Bruno  
Jason Campbell  
An McDowell  
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:**

John Bottomley  
Jody Hanson  
Ian Oglesby

**Comments from the Public:**

No comments were directed to the committee.

**Action Items**

- 1. Consider Adoption of Minutes of April 12, 2018 Committee Meeting**  
On a motion by Tilley and second of Campbell, the minutes were approved on a unanimous vote of 6 – 0 by Bluhm, Bruno, Campbell, McDowell, Schiavone and Tilley. Bottomley, Hanson and Oglesby were absent. No public comment.

**Discussion Items**

- 2. Overview of MPWMD Fiscal Year 2018-2019 Water Supply Budget**  
Suresh Prasad, Administrative Services Manager, reviewed Exhibit 2-A, the 2018-2019 Water Supply Project Proposed Budget and responded to questions. Revenue budgeted for FY 2018-2019 was \$6,677,000; \$4 million less than in FY 2017-2018. Prasad explained that FY 2017-2018 revenues reflect a one-time reimbursement from Monterey One Water. Stoldt advised that in FY 2018-2019, Monterey One Water may release funds from its Proposition 1 revolving fund loan for repayment of pre-construction costs, which would be reflected in the District's mid-year budget adjustment. As for expenses, Prasad noted that Pension Reserve and OPEB Reserve were new line-items for FY 2018-2019, that were added by the Board of Directors in June 2018.

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

Prasad reviewed Exhibit 3-A, Water Supply Charge Receipts. He stated that \$50,000 received in June 2018 was not reflected in the total, so by the end of June, receipts should be close to one hundred percent of the budgeted amount. Prasad reviewed Exhibit 3-B, Water Supply Availability Analysis. Stoldt stated that the ability to consider sunset of the Water Supply Charge depends upon the consistency of User Fee receipts collected over a three-year period. District staff has considered options for sunsetting the Water Supply Charge. In eighteen months, User Fee receipts will be analyzed.

**4. Discuss Performance of Reinstated District User Fee, To Date**

Prasad reviewed Exhibit 4-A, MPWMD User Fee Revenue Collections, that shows User Fee collected by month between May 2017 and April 2018. The User Fee reflects 8.235% of water sales. Prasad stated that 1.2% of the User Fee was set aside for Aquifer Storage and Recovery Project costs. Stoldt noted that as Cal-Am rates increase, User Fee receipts will also increase and the District must decide if a surplus would prompt an end to the Water Supply Charge or should be used for other water supply project expenses.

**5. Discuss Timeline for Consideration of Sunset of Water Supply Charge**

Stoldt reviewed information presented in the staff note. He stated that instead of allowing the Water Supply Charge to sunset, the District could suspend it for a period of time, so that it could be reactivated if needed. He reviewed costs that the Water Supply Charge is committed to cover such as the Rabobank Loan, and repayment of the State Revolving Fund Loan for the Pure Water Monterey Project should water sales revenues be interrupted or insufficient to repay the loan. District Counsel noted that if the Monterey Peninsula Water Supply Project is approved, costs will be associated with preparation of a water allocation EIR. Stoldt stated that within a year, the District can begin to analyze the future of the Water Supply Charge. He advised that if Measure J, the Monterey Peninsula Water System Local Ownership Feasibility Study Initiative, is approved by the voters, the feasibility study could be paid from contingency funds because the District had not budgeted for that expense.

Public Comment: Michael Baer asked Mr. Stoldt to describe the contingency water supply the District must fund. *Response from Mr. Stoldt. Cal-Am will receive the first 3,500 acre-feet of water each year from the Pure Water Monterey Project. That should be provided in months 1 through 8, so that water produced in months 9 through 12 could be placed in a reserve. At the end of the first three-years of operation, 1,700 acre-feet of water must be set aside in reserve in case of an interruption of service. The first 1,000 acre-feet must be stored underground before it can be sold to Cal-Am, and the remaining 700 acre-feet must be produced during the subsequent year. In addition, during the winter months, the goal is to set aside 200 additional acre-feet per month underground for five years for a total of 1,000 acre-feet of drought reserve.*

**Other Items**

**6. Water Supply Project Update**

In response to questions from the panel members, Mr. Stoldt stated the following. (a) If desalinated water is available it will be injected into the Seaside basin. (b) The new Monterey pipeline will facilitate the distribution of water from Carmel Valley and the Seaside basin throughout the District, to allow for efficient use of the different water sources when they are available. (c) Water from the Seaside basin, desalination project and Carmel River will be distributed to Seaside basin residents and other customers seasonally. Water from different sources may mix in the distribution pipes, and underground. (d) The District is conducting a mixing study to determine how the water distribution pipes will be affected by carrying water from different sources. Chemicals of emerging concern are also being studied. Water from all sources injected into the Seaside basin will meet State drinking water standards.

**Adjourn:** The meeting was adjourned at 4:40 pm.

U:\staff\Board\_Committees\Ord152\2018\20181115\01\Item-1-Exh-A.docx

**ORDINANCE NO. 152 OVERSIGHT PANEL**

**DISCUSSION ITEM**

**2. REVIEW OF REVENUE AND EXPENDITURES OF WATER SUPPLY CHARGE RELATED TO WATER SUPPLY ACTIVITIES**

**Meeting Date: November 15, 2018**

**From: David J. Stoldt  
General Manager**

**Prepared By: Suresh Prasad**

**CEQA Review: Action does not constitute a project under the California Environmental Quality Act Guidelines section 15378**

---

**SUMMARY:** Please refer to **Exhibits 2-A and 2-B** that will be discussed at the November 15, 2018 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	\$0
Percentage collected over budget		99.5%		100.0%		100.1%		0.0%



**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 Un-audited Actuals	FY 2018-2019 Adopted Budget	FY 2018-2019 thru 09/30/2018
Beginning Fund Balance		\$1,016,295		\$912,446		\$7,333,575
Water Supply Charge	\$3,400,000	\$3,391,354	\$3,400,000	\$3,404,897	\$3,400,000	\$0
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	164,475
Project Reimbursement	894,200	693,848	5,576,400	5,583,786	619,200	-
Property Taxes	598,400	679,635	-	-	130,000	-
User Fees	-	88,526	577,000	808,039	600,000	158,264
Grants	110,400	-	80,000	-	95,000	-
Interest	14,000	22,126	20,000	31,347	15,000	9,205
Other	10,000	3,189	10,000	2,258	5,000	24
Capital Equipment Reserve Fund	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$7,162,445</b>	<b>\$5,248,933</b>	<b>\$10,712,400</b>	<b>\$10,352,494</b>	<b>\$6,677,000</b>	<b>\$331,968</b>
Direct Personnel	960,450	957,542	1,047,805	1,101,122	1,153,305	365,513
Legal	240,000	148,577	200,000	255,146	200,000	33,325
Project Expenditures [see below]	4,423,145	2,885,920	2,149,900	898,698	3,391,000	150,551
Project Expenditures-Reimbursements [see below]	823,600	709,104	1,445,700	951,601	931,600	201,346
Fixed Asset Purchases	20,300	17,334	177,900	64,405	110,100	22,921
Contingencies	23,200	-	24,000	-	24,000	-
Debt Service	230,000	220,967	230,000	219,136	230,000	-
Election Expense	-	-	2,200	2,196	51,200	-
Indirect Labor*	204,750	204,750	180,995	180,995	180,995	45,249
Indirect Supplies & Services*	223,500	208,588	292,500	258,066	296,800	57,925
Capital Equipment Reserve	-	-	22,300	-	-	-
<b>Total Expenditures</b>	<b>\$7,148,945</b>	<b>\$5,352,782</b>	<b>\$5,773,300</b>	<b>\$3,931,365</b>	<b>\$6,569,000</b>	<b>\$876,830</b>
<b>Net Revenue Over Expenses**</b>	<b>\$13,500</b>	<b>(\$103,849)</b>	<b>\$4,939,100</b>	<b>\$6,421,129</b>	<b>\$108,000</b>	<b>(\$544,862)</b>
Ending Fund Balance		\$912,446		\$7,333,575		\$6,788,713
<b>Project Expenditures</b>	<b>FY 2016-2017 Revised Budget</b>	<b>FY 2016-2017 Audited Actuals</b>	<b>FY 2017-2018 Revised Budget</b>	<b>FY 2017-2018 Un-audited Actuals</b>	<b>FY 2018-2019 Adopted Budget</b>	<b>FY 2018-2019 thru 09/30/2018</b>
Groundwater Replenishment Project	\$3,240,295	\$2,468,940	\$200,000	\$140,561	\$925,000	\$369
ASR Phase I	\$391,700	\$86,304	\$1,045,400	\$237,891	\$1,058,000	\$48,376
Reimbursement Projects	\$823,600	\$709,104	\$1,445,700	\$951,601	\$931,600	\$201,346
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	\$5,135
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	\$79,526
Other Project Expenditures	\$183,350	\$89,786	\$105,900	\$96,865	\$256,000	\$17,145
<b>Total Commitments</b>	<b>\$5,246,745</b>	<b>\$3,595,024</b>	<b>\$3,595,600</b>	<b>\$1,850,299</b>	<b>\$4,322,600</b>	<b>\$351,897</b>
*: Indirect costs as percent of Water Supply Charge	12.6%	12.2%	13.9%	12.9%	14.1%	14.1%

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 ITEMS**

#### **3. DISCUSS PERFORMANCE OF REINSTATED DISTRICT USER FEE, TO DATE**

**Meeting Date: November 15, 2018**

**From: David J. Stoldt  
General Manager**

**Prepared By: Suresh Prasad**

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

---

**SUMMARY:** Attached as **Exhibit 3-A** is a chart titled MPWMD User Fee Revenue Collections that is presented for discussion.

### **EXHIBITS**

**3-A** MPWMD User Fee Revenue Collections FY 2018-19

**ORD 152 COMMITTEE**  
**ITEM #3 - MPWMD USER FEE REVENUE COLLECTIONS**  
**FY 2018-2019**

