



This meeting has been noticed according to the Brown Act rules. This agenda was posted on Thursday, October 22, 2020.

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

*John Bottomley  
Paul Bruno  
Jason Campbell  
Scott Dick  
Birt Johnson, Jr.  
Patie McCracken  
Karen Paull  
Susan Schiavone  
John Tilley*

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

*Administrative Services  
Manager, Suresh Prasad*

*Executive Assistant,  
Arlene Tavani*

*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**

\*\*\*\*\*

Tuesday, October 27, 2020, 1:30 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 WebEx.

Join the meeting at this link:

<https://mpwmd.webex.com/mpwmd/onstage/g.php?MTID=ec21dfc52b4bfa0ed9454405c2a48e183>

Or access the meeting at: [mpwmd.webex.com](https://mpwmd.webex.com).

Meeting number: 126 009 4909

Meeting password: Aquifer

Participate by phone: 877-668-4493

**For detailed instructions on connecting to the WebEx meeting see page 3 of this agenda.**

**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 28, 2020 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 District User Fee, To Date
4. Discuss Action Taken by MPWMD Board at the October 19, 2020 Meeting
5. Discuss Elements of the February 2021 Annual Report to the Board of Directors

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

6. Water Supply Project Update

**Adjourn**

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. Please send a description by noon on Friday, October 23, 2020 to the Board Secretary at [arlene@mpwmd.net](mailto:arlene@mpwmd.net) or 831-658-5652.

U:\staff\Board\_Committees\Ord152\2020\20201027\Ord-152-Oversight-Panel-Oct-27-2020-Agenda.docx

**See next page of agenda for instructions on connecting to WebEx meeting**

## Instructions for Connecting to the WebEx Meeting

Note: If you have not used WebEx 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://mpwmd.webex.com/mpwmd/onstage/g.php?MTID=ec21dfc52b4bfa0ed9454405c2a48e183>

or copy and paste the link into your browser or go to: [mpwmd.webex.com](https://mpwmd.webex.com).

Under “Join a Meeting” enter the meeting number 126 009 4909 , hit the enter key and when prompted enter the meeting password Aquifer, click “Next” and see the dropdown menu at the bottom of the screen “Use computer for audio” and select the method you will use to hear the meeting – see below.

### 1) Audio and video connection from computer with WebEx app – view participants/materials on your screen

Click on the “Use computer for audio” drop down list

Click “Join Meeting”

Once in the meeting, mute your microphone.

Turn your microphone on when it is your turn to speak.

### 2) View material on your computer screen and listen to audio on your phone

From the “Use computer for Audio” drop down list select “Call In”

Click on “Join Meeting” / You will see a toll-free telephone number, access code, and attendee ID # -- enter these numbers on your phone.

Mute the microphone on your computer.

Disable computer speakers using the Settings menu.

**Join by phone only** (no computer) dial 1-877-668-4493 and use the meeting number above.

## Protocol for Meetings Conducted by Teleconference

- 1) The Chair will call the meeting to order.
- 2) Receipt of Public Comment – the Chair will ask for comments from the public on all items. Limit your comment to 3 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, please identify yourself.
  - (c) Phone audio connection only: Press \*3. Wait for the clerk to unmute your phone and then identify yourself and provide your comment. Press \*3 to end the call.

## Submit Oral or 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](mailto: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 9 a.m. on Tuesday, October 27, 2020. Comments submitted 9:00 am will be provided to the committee and compiled as part of the record of the meeting.

**ORDINANCE NO. 152 OVERSIGHT PANEL**

**ACTION ITEM**

**1. CONSIDER ADOPTION OF JULY 28, 2020 COMMITTEE MEETING MINUTES**

**Meeting Date:** October 27, 2020

**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 28, 2020 committee meeting (**Exhibit 1-A**) are attached.

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

**EXHIBIT**

**1-A** Draft Minutes of July 28, 2020 Committee Meeting



**EXHIBIT 1-A**

**DRAFT MINUTES**

**Ordinance No. 152 Oversight Panel of the  
Monterey Peninsula Water Management District  
July 28, 2020**

**Call to Order**            The virtual meeting was called to order at 1:35 pm via WebEx.

**Committee members present:**

John Bottomley (joined at 1:40 pm)  
Paul Bruno  
Jason Campbell (joined at 1:50 pm)  
Scott Dick  
Birt Johnson, Jr.  
Patie McCracken  
Karen Paull  
Susan Schiavone  
John Tilley

**MPWMD Staff members present:**

David J. Stoldt, General Manager  
Suresh Prasad, Water Demand Manager/CFO  
Arlene Tavani, Executive Assistant

**District Counsel Present:**

David Laredo

**Committee members absent:** None

**Comments from the Public:**

No comments were directed to the committee.

**Action Items**

**1. Consider Adoption of January 21, 2020 Committee Meeting Minutes**

On a motion by Bruno and seconded by Dick, the meeting minutes were approved on a vote of 7 – 0 by Bruno, Dick, Johnson, McCracken, Paull, Schiavone and Tilley. Bottomley and Campbell were absent for the vote. No public comment was directed to the committee during the public comment period on this item.

**Discussion Items**

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

Prasad reviewed Exhibit 2-A, Water Supply Charge Receipts; Exhibit 2-B, Water Supply Charge Availability Analysis; and Exhibit 2-C, Water Supply Fund Budget and responded to questions. He explained that incoming Water Supply Charge funds are coded to one GL, and expenditures are split between the three cost centers: Conservation, Water Supply and Mitigation. He stated that 1.2 percent of the 8.325% User Fee is applied to the Water Supply fund. The costs related to Measure J are split across the three cost centers, so 33% of the Measure J costs are shown in the Water Supply fund. In response to a question about the meaning of Section 10 of Ordinance No. 152, Stoldt explained that Section 10 states that if no water project is identified by 2017 the charge shall not be collected, it does not say that the Water Supply Charge can only be spent on projects that were identified prior to 2017. A concern was expressed that the District depends on funding from the User Fee and Water Supply Charge and there is no plan to sunset the Water Supply Charge. Stoldt explained that

the Water Supply Charge funds water supply projects, and those project costs exceed Water Supply Charge receipts. The expectation is that once the water projects are in place, the Water Supply Charge could be reduced or sunset, considering any surplus User Fees collected. There was a request that projects funded from the Water Supply Charge be identified, including those begun before 2017, and that those project expenditures should be shown.

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

Prasad reviewed Exhibit 3-A, MPWMD User Fee Revenue Collections FY 2019-2020 and responded to questions. Stoldt stated that User Fee receipts fluctuate each year. Once the District can determine a consistent level of User Fee receipts, then a decision can be made as to how much the Water Supply Charge could be reduced or sunset.

**4. Discuss Baseline for Water Supply Charge/User Fee Sunset Provisions**

Stoldt explained that the User Fee is assessed on water use only, not other surcharges listed on the Cal-Am bill. When User Fee receipts reach \$3.4 million in excess of conservation and mitigation program expenditures, then that excess could be used to offset expenditures from the Water Supply Charge and the Board could consider a reduction. The Board adopted a policy in 2016, that could not be implemented until 2017, to collect both funding sources for three years, and then begin to sunset either or both funding sources. Stoldt suggested that as an example, if the user fee was budgeted at \$4.25 million, and \$5 million was received, of the \$750,000 excess, two-thirds could be used to fund a down payment on sunsetting the Water Supply Charge in the subsequent year. Prasad noted that only 1.2% of that \$750,000 will be allocated to Water Supply. Stoldt also advised that the Water Supply Charge is a reliable source of funding and if the District needed to fund a project through bonds, they could be guaranteed through the Water Supply Charge.

Patie McCracken left the meeting at 3:05 pm and Birt Johnson departed at 3:08 pm.

It was suggested that the District could identify short term project expenditures and set a goal that the Water Supply Charge be reduced/sunset when those projects are complete. Stoldt responded that the District would likely cut subsidies from other revenue sources first, and then reduce the Water Supply Charge.

**Other Items**

**5. Water Supply Project Update**

Stoldt reported that if the September 2020 CDO milestone was missed, the District would petition the SWRCB to waive the penalty fee. As to the Pure Water Monterey Project, costs were being developed on installation of two additional wells. Deliveries for customer service should begin the first week of September. The ASR chemical building should be completed by the end of 2020.

**Adjourn:** The meeting was adjourned at approximately 3:15 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:** October 27, 2020

**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 October 27, 2020, 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 2017-2018 Adopted Budget	FY 2017-2018 Audited Actuals	FY 2018-2019 Adopted Budget	FY 2018-2019 Audited Actuals	FY 2019-2020 Adopted Budget	FY 2019-2020 Un-audited Actuals	FY 2020-2021 Adopted Budget
Water Supply Charge	\$3,400,000	\$3,405,008	\$3,400,000	\$3,410,398	\$3,400,000	\$3,355,193	\$3,300,000
Percentage collected over budget		100.1%		100.3%		98.4%	



**EXHIBIT 2-B**

**Monterey Peninsula Water Management District**

**Water Supply Charge Availability Analysis**

	FY 2018-2019 Revised Budget	FY 2018-2019 Audited Actuals	FY 2019-2020 Revised Budget	FY 2019-2020 Un-audited Actuals	FY 2020-2021 Adopted Budget
Beginning Fund Balance		\$7,193,014		\$8,444,395	
Water Supply Charge	\$3,400,000	\$3,410,398	\$3,400,000	\$3,355,193	\$3,300,000
Capacity Fee	450,000	591,240	500,000	575,511	400,000
Project Reimbursement	619,200	526,867	845,700	1,220,812	1,610,700
Property Taxes	150,000	158,396	1,800,000	1,940,899	1,325,850
User Fees	640,000	792,917	720,000	789,399	610,000
Grants	95,000	200,000	-	0	0
Interest	90,000	145,850	115,000	188,952	100,000
Other	5,000	545	5,000	2,192	505,000
<b>Total Revenues</b>	<b>\$5,449,200</b>	<b>\$5,826,213</b>	<b>\$7,385,700</b>	<b>\$8,072,958</b>	<b>\$7,851,550</b>
Direct Personnel	1,160,205	1,258,088	1,252,304	1,309,441	1,292,284
Direct Supplies & Services*	98,934	89,505	112,365	108,493	120,978
Legal	200,000	213,023	220,000	99,004	220,000
Project Expenditures [see below]	2,588,500	1,681,564	11,403,550	6,699,372	10,895,400
Project Expenditures-Reimbursements [see below]	731,600	603,211	754,700	296,513	954,700
Fixed Asset Purchases	110,100	76,477	61,600	14,927	63,000
Contingencies	24,000	-	23,100	0	23,100
Debt Service	230,000	219,136	230,000	125,979	230,000
Election Expense	51,200	70,721	-	0	66,000
Indirect Labor*	180,995	180,995	189,196	189,196	189,916
Indirect Supplies & Services*	200,866	182,112	228,135	220,273	245,622
Reserve	-	-	77,100	77,100	1,097,850
<b>Total Expenditures</b>	<b>\$5,576,400</b>	<b>\$4,574,832</b>	<b>\$14,552,050</b>	<b>\$9,140,298</b>	<b>\$15,398,850</b>
<b>Net Revenue Over Expenses**</b>	<b>(\$127,200)</b>	<b>\$1,251,381</b>	<b>(\$7,166,350)</b>	<b>(\$1,067,340)</b>	<b>(\$7,547,300)</b>
Ending Fund Balance		\$8,444,395		\$7,377,055	
<b>Project Expenditures</b>	<b>FY 2018-2019 Revised Budget</b>	<b>FY 2018-2019 Audited Actuals</b>	<b>FY 2019-2020 Revised Budget</b>	<b>FY 2019-2020 Un-audited Actuals</b>	<b>FY 2020-2021 Adopted Budget</b>
PWM Project	\$425,000	\$350,686	\$3,110,000	\$1,687,304	\$5,105,000
PWM Project - Expansion	\$0	\$0	\$0	\$731,337	\$750,000
ASR Phase I	\$1,144,000	\$984,804	\$6,108,000	\$2,831,248	\$3,922,400
Reimbursement Projects	\$731,600	\$603,211	\$754,700	\$296,513	\$954,700
Cal-Am Desalination Project	\$150,000	\$2,336	\$50,000	\$32,416	\$50,000
ASR Expansion	\$0	\$0	\$0	\$350	\$0
Other Water Supply Projects - IFIM/GSFlow	\$20,000	\$23,578	\$32,300	\$23,048	\$0
Local Water Projects	\$292,000	\$0	\$200,000	\$0	\$307,000
Measure J/Feasibility Study	\$144,000	\$89,297	\$384,000	\$274,507	\$192,000
Drought Contingency Plan	\$235,000	\$181,072	\$0	\$0	\$0
Los Padres Long Term Plan	\$0	\$0	\$328,000	\$82,720	\$295,000
PB Reclamation Project	\$0	\$0	\$1,000,000	\$1,000,000	\$0
Other Project Expenditures	\$178,500	\$49,791	\$191,250	\$36,442	\$274,000
<b>Total Project Expenses</b>	<b>\$3,320,100</b>	<b>\$2,284,775</b>	<b>\$12,158,250</b>	<b>\$6,995,885</b>	<b>\$11,850,100</b>

\*: Indirect costs as percent of Water Supply Charge                      11.2%                      10.6%                      12.3%                      12.2%                      13.2%

Recent Activities:

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

\*\* 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:** October 27, 2020

**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 January 27, 2020 committee meeting is **Exhibit 3-A**.

**EXHIBIT**

**3-A** MPWMD User Fee Revenue Collections FY 2020-2021

