



EXHIBIT 26-B

FINAL 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 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.