



EXHIBIT 14-E

**FINAL MINUTES
Ordinance No. 152 Oversight Panel of the
Monterey Peninsula Water Management District
January 21, 2020**

Call to Order The meeting was called to order at 1:30 pm in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:

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

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:

Bill Bluhm

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Consider Adoption of October 10, 2019 Committee Meeting Minutes

On a motion by Johnson and second of Campbell the minutes were adopted on a unanimous vote of 8 – 0 by Bottomley, Bruno, Campbell, Johnson, McCracken, Paull, Tilley and Schiavone. Bluhm was absent.

2. Review Draft 2019 Annual Report and Authorize Release to the Board of Directors

Bruno offered a motion that was seconded by Tilley to: (1) remove from section 1 the third sentence; “The Panel voted 4 – 1 to endorse this position.”; (2) revise the fourth sentence to read, “The Panel was provided with the outside legal opinion that the Water Supply Charge may be used for such Measure J costs.”; and (3) section 4 should be revised to clarify how reserve policies are established and if there would be any impact on sunset of the Water Supply Charge. In addition, the text should state that PERS and OPEB liabilities, litigation/insurance, and general fund reserves should also be considered, but would most likely be funded from the District’s User Fee. The motion was approved unanimously on a vote of 8 – 0 by Bottomley, Bruno, Campbell,

Johnson, McCracken, Paull, Tilley and Schiavone. Bluhm was absent. The revised draft report will be distributed to the panel members for review prior to submission to the Board of Directors in February.

Discussion Items

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

Prasad reviewed Exhibit 3-A, Water Supply Charge Receipts and Exhibit 3-B, Water Supply Charge Availability Analysis and responded to questions.

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

Stoldt distributed a revised version of Exhibit 4-A User Fee Revenue Collections FY 2019-2020 that reflected the addition of User Fees recently received. He noted that the chart reflected total User Fee collections before distribution to the Conservation, Water Supply and Mitigation funds. He stated that due to anticipated increases in California-American Water (Cal-Am) rates, User Fee receipts will increase. The Board of Directors could approve a decrease in the User Fee in the future. Stoldt responded to questions from the committee.

Other Items

5. Water Supply Project Update

Stoldt provided an update on the status of Cal-Am's application to the California Coastal Commission for a Coastal Development permit related to the desalination project and stated that the hearing could be deferred to March 2020. He also reported that the draft EIR on the Deepwater Desal project had not been completed, and that progress was impeded by the need for investment in the project.

Public comment: Mark Kelly, resident of Monterey, stated that Ordinance No. 152 established the Water Supply Charge due to the loss of User Fee funding. Mr. Kelly maintained that according to Section Ten: C: a, b and c, if either of conditions a, b or c applied, the Water Supply Charge could not be collected. He opined that since the User Fee had again been implemented on the Cal-Am bill, the Water Supply Charge must be rescinded. *Stoldt responded that the District interpreted the language in condition b "to the extent alternative funds are available" to mean that when alternative funds are available to meet funding needs the Water Supply Charge could be sunset. The District takes into consideration funding priorities, User Fees and other income sources to determine if "alternative funds" meet funding requirements.*

Adjourn: The meeting was adjourned at 2:55 pm.