



## **EXHIBIT 18-C**

### **FINAL MINUTES**

### **Ordinance No. 152 Oversight Panel of the Monterey Peninsula Water Management District October 27, 2020**

**Call to Order**            The virtual meeting was called to order at 1:37 pm via WebEx.

**Committee members present:**

John Bottomley (joined at 2:10 pm)  
Paul Bruno  
Jason Campbell  
Birt Johnson, Jr. (left at 2:07 pm)  
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:**

Patie McCracken  
Scott Dick

**Comments from the Public:**

No comments were directed to the committee.

**Action Items**

**1. Consider Adoption of July 28, 2020 Committee Meeting Minutes**

Mr. Prasad noted that his title was listed in the minutes as Water Demand Manager/CFO and should be corrected to Administrative Services Manager/CFO. On a motion by Paull and seconded by Campbell, the minutes were approved with the correction on a vote of 6 – 0 by Campbell, Bruno, Johnson, Paull, Schiavone and Tilley. Bottomley, Dick and McCracken were absent.

**Discussion Items**

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

Prasad reviewed Exhibits 2-A, Water Supply Charge Receipts and 2-B, Water Supply Charge Availability Analysis that were provided in the staff report, and he responded to questions. In response to a request from the committee, Prasad stated that he would expand Exhibit 2-B to include a column that would show when the projects listed were expected to be completed and would, therefore, no longer require funding.

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

Prasad reviewed Exhibit 3-A, MPWMD User Fee Revenue Collections FY 2020-2021, and he responded to questions. He noted that September User Fee revenues had not been incorporated into the chart, but he expected the total should be approximately \$550,000. He stated that if there were significant changes between budgeted and actual user fee receipts, the budget could

be adjusted at mid-year.

Birt Johnson left the meeting at 2:07 pm.  
John Bottomley joined the meeting at 2:10 pm.

**4. Discuss Action Taken by MPWMD Board at the October 19, 2020 Meeting**

Stoldt reported that at the October 19, 2020 meeting the Board of Directors adopted a policy that if User Fee collections in a fiscal year exceeded the budgeted amount, then the excess would be applied in the following fiscal year budget in the following priority: First, prepayment of the Mechanics Bank Loan; Second, to repay reserves used for water supply project costs; and Third, to build a fund that could be used to offset and sunset the Water Supply Charge. Stoldt explained that when the User Fee is shown to provide a stable surplus, which could take 2 to 3 years, the Board could consider reducing the Water Supply Charge by a similar amount.

**5. Discuss Elements of the February 2021 Annual Report to the Board of Directors**

The committee members suggested the following items for inclusion in the report. (a) There was no agreement on whether to support or oppose funding Measure J expenditures from the Water Supply Charge. The committee members held differing opinions on that issue. (b) The District should investigate the percentage of delinquencies in payment of local Cal-Am water bills and how that would affect User Fee receipts. Stoldt mentioned that Cal-Am has told District staff that delinquency information could not be divulged by the publicly traded company. However, District staff believes the information would be available from other sources. (c) The committee supports the policy adopted by the Board regarding goals for use of the User Fee and the eventual sunset of the Water Supply Charge. Stoldt advised the committee that the draft report would be presented for review at the January 26, 2021 committee meeting, and then submitted to the Board of Directors in February 2021.

**Other Items**

**6. Water Supply Project Update**

No report.

**Adjourn:** The meeting was adjourned at 2:30 pm.