



EXHIBIT 9-E

Final Minutes

**Ordinance No. 152 Citizen's Oversight Panel of the
Monterey Peninsula Water Management District
January 31, 2023**

*As a precaution to protect public health and safety, and pursuant to provisions of AB 361 (Rivas),
the meeting was conducted via Zoom Video/Teleconference.*

Call to Order David J. Stoldt, General Manager / Chair to the Panel called the meeting to order
at 1:00 p.m.

Roll Call

Panel Members Present:

Susan Schiavone
Alison Kerr
Rebecca Lindor (*Joined at 1:02 p.m.*)
Marli Melton
Melodie Chrislock
Kevan Urquhart
Adam Pinterits
John Tilley
Vacant, Mayoral Appointee

MPWMD Staff Members Present:

David J. Stoldt, General Manager (*Left at 2:00 p.m.*)
Suresh Prasad, Administrative Services Manager/CFO
Joel G. Pablo, Board Clerk

District Counsel Present:

David C. Laredo and Fran Farina with De Lay and
Laredo

Panel Members Absent:

None

Comments from the Public:

Chair Stoldt opened public comment; *No comments were directed to the Panel.*

[Rebecca Lindor (joined at 1:02 p.m.) and introduced herself to the Panel.]

Action Items

1. Consider Adoption of the Panel Meeting Minutes from October 19, 2022

Chair Stoldt introduced the matter and opened public comment. *No comments were directed
to the Panel.*

A motion was offered by Urquhart with a second by Schiavone to approve the panel meeting
minutes from October 19, 2022. The motion passed on a roll-call vote of 7-Ayes (Tilley,
Pinterits, Urquhart, Chrislock, Melton, Lindor and Schiavone), 0-Noes, 1-Abstain (Kerr).

2. Review Draft 2022 Annual Report and Authorize Release to the MPWMD Board of Directors

David J. Stoldt introduced the matter. Melton shared her appreciation that the draft annual report includes both majority and minority opinion. She questioned if the minority stance on sunsetting the Water Supply Charge as found in the draft is accurate and kindly requested for Tilley to elaborate. Tilley responded stating at the time the charge was presented before the Board and enacted he understood the Water Supply Charge should have been discontinued when the User Fee returned. He believes the collection of the charge has reached an expiration date and the funds should have been directed to paying off the debt. Pinterits concurred with Tilley’s comments. Stoldt explained the rationale for the continued collection of the user fee and water supply charge. The Panel discussed the idea of including the number of individuals in support of the majority vs. minority opinion. After much deliberation, the Panel decided not to include the majority / minority ratio into the report.

Stoldt briefly summarized Panel discussion and consensus on the report:

- a. Not Include the Majority / Minority Ratio
- b. Complete blank fields
- c. Attach the Water Supply Charge Availability Analysis and Water Supply Charge Reports

Chair Stoldt opened public comment. *No comments were directed to the Panel.*

A motion was offered by Tilley with a second by Schiavone to approve submittal of the 2022 Annual Report to the Board of Directors. The motion passed on a roll-call vote of 7-Ayes (Tilley, Pinterits, Urquhart, Chrislock, Melton, Lindor and Schiavone), 0-Noes and 1-Abstain (Kerr).

Discussion Items

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

Suresh Prasad, Administrative Services Manager/Chief Financial Officer briefly covered Exhibits 3-A through 3-C, answered Panel questions and provided the following highlights:

Exhibit 3-A: Water Supply Charge (WSC) Receipts (Fiscal Year 2022-23)

- a. The District has budgeted \$3.4 million for the fiscal year.
- b. WSC amounts to be collected from property tax bills in the following months:
 - December 2022: ≈ 60%
 - April 2023: ≈ 35%
 - June 2023: ≈ Remainder

Exhibit 3-B: Water Supply Charge Availability Analysis (FY 2022-23)

- a. Briefly covered the unaudited figures to include revenues and expenditures thru November 30, 2022
- b. Explained that the District purchased water from Pure Water Monterey (Monterey One Water) and sold the water to California-American Water.

- c. Thru November 30th of the current fiscal year, the net revenue over expenses is at a deficit of approximately \$1.2 million.

Exhibit 3-C: Water Supply Charge Report – Water Supply Fund

- a. Displayed chart and explained that the revenues collected through the charge does not cover all of the expenses found in the report.

Chair Stoldt opened Public Comment; *No comments were directed to Panel.*

[Chair Stoldt left the meeting at 2:00 p.m.]

4. Update on Monterey Peninsula Taxpayers Association (MPTA) Lawsuits

David C. Laredo, *District Counsel* provided brief background information on the original MPTA lawsuit filed in 2013 and the decision reached by the 6th District Court of Appeal in favor of the District. Laredo commented on two matters of existing litigation MPTA II v. MPMWD (Case No. 21CV003066) and MPTA III v. MPWMD (Case No. 22CV002113). On MPTA II, a hearing was held on December 2022 and Judge Panetta took the case under submission. He noted that a further Case Management Conference has been set for April 4, 2023 and any decision made by Panetta could be appealed by either party.

Chrislock questioned how much has been spent on the MPTA lawsuits. Laredo and Prasad stated that this information can be presented at the next Panel Meeting. Kerr questioned Laredo regarding active participation of certain panel members whose entity is actively engaged in pending litigation with the District. *In response to Kerr*, Laredo commented and provided that a conflict-of-interest analysis can be conducted to determine conflicts to include: (1) Will the decision have a material financial effect either economic or personal that is different than the public at large; and (2) Lastly, determine if a bias exists. Laredo stated the Panel does not have adjudicatory authority and Panel members have the freedom to express their bias.

Chair Stoldt opened public comment; *No comments were directed to the Panel.*

5. Update on Mechanics Bank Loan Refinancing or Pay-Off

Suresh Prasad, Administrative Services Manager/CFO provided an overview of his staff note and noted that he has been in contact with personnel at Mechanics Bank on pay-off and refinancing options. He hopes at the next Panel meeting he can provide more information and options the Bank has for the District. In response to Kerr, Prasad and Laredo explained that the origination of the loan was taken in part to replenish the internal borrowing the District has undertaken as a result of the user fee not being collected and to fund the Aquifer Storage and Recovery projects of the Districts.

Opened public comment; *No comments were directed to the Panel.*

Other Items

6. Water Supply Project Update

Item Removed.

7. Suggest Items to be Placed on a Future Agenda

Chrislock: Legal Costs to the District on the MPTA Lawsuits

ADJOURNMENT: There being no further business, Suresh Prasad, Administrative Services Manager/CFO adjourned the meeting at 2:18 p.m.

Joel G. Pablo, Board Clerk to the
MPWMD Ordinance No. 152 Citizen’s Oversight Panel

Approved by the MPWMD Ordinance No. 152 Citizen’s Oversight Panel on July 12,
2023 Received by the MPWMD Board of Director’s on July 17, 2023

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