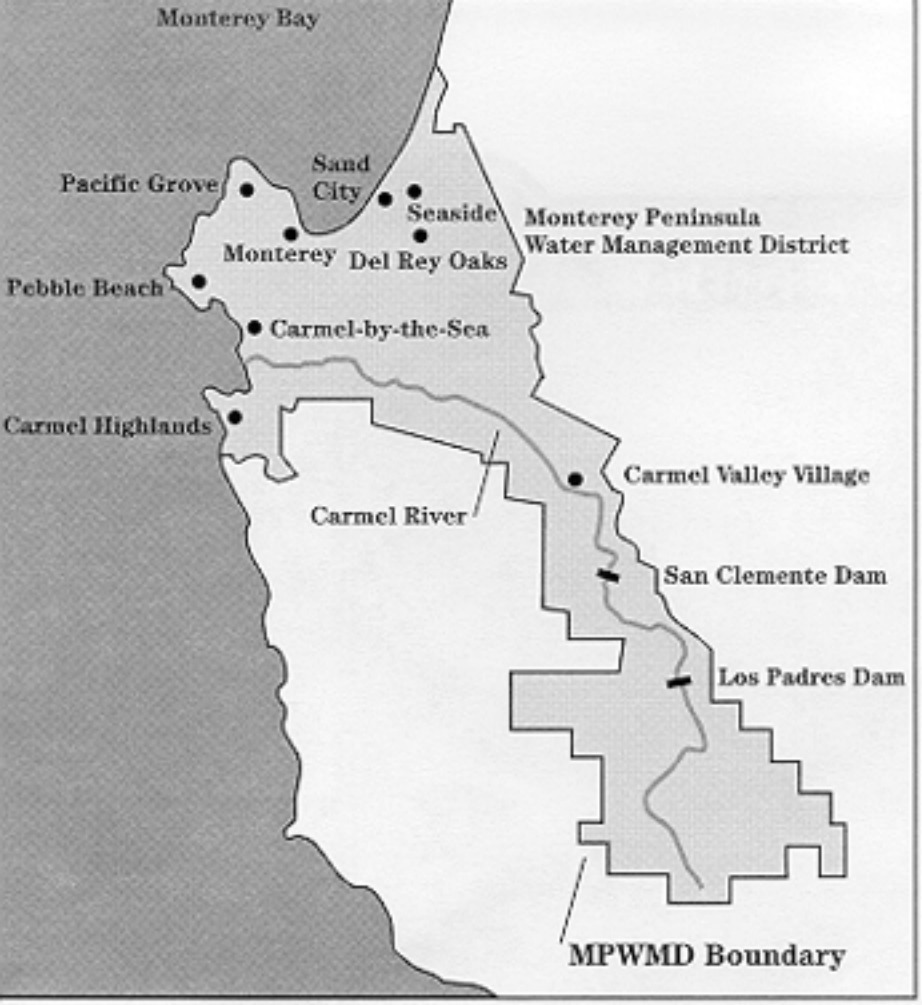
Monterey Peninsula Water Management District

1999 Annual Report



The District boundaries encompass the cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City, Seaside, Monterey Peninsula Airport District and some unincorporated areas of Monterey County.

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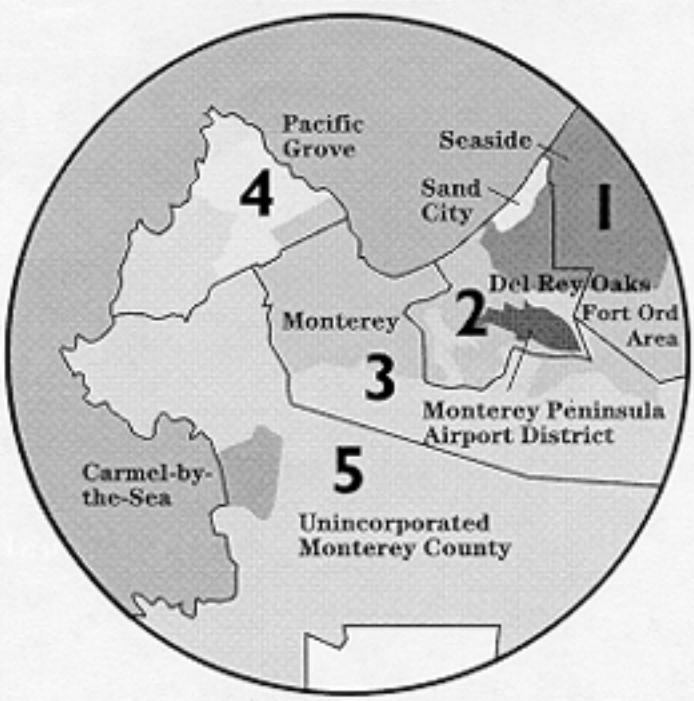
Voter Divisions



1999 Board of Directors

Jim Hughes, Chair – Division 4

Ron Chesshire, Vice Chair – Division 2

Alvin Edwards – Division 1

Robert Ernst – Division 3

Richard Ely – Division 5

David Pendergrass – Mayoral Representative

David Potter – Representing Monterey County Board of Supervisors

Elected November 1999

Molly Erickson – Division 3

Kris Lindstrom – Division 4

Alexander "Zan" Henson – Division 5

Overview

State Limits Water Use

State Board Order Impacts Water Supplies in 1999

1999 was another one of the relatively wet and cool years that made the 1990s one of the wettest decades recorded. As a result, the greatest factor limiting the water supply was not drought, but the State Water Resources Control Board Order 95-10 that requires California-American Water Company (Cal-Am) to cut back its historical water production from the Carmel River by 20 percent in the near term and up to 75 percent in the long term. The cutbacks were ordered because Cal-Am does not hold a valid right to the water and because the excess pumping was harming the Carmel River environment.

Legal Challenge to State Water Limits Heard In Superior Court

Following issuance of Order 95-10, the District requested relief for the community both administratively and through the courts. In December 1999, the Monterey County Superior Court upheld the 20 percent reduction in water use specified in the State Order.

Developed Major New Conservation Plan

Because Cal-Am serves 95 percent of the residents within the District boundaries, the Water Management District focused its efforts on improving water conservation programs to assist the community in meeting the requirements of State Order 95-10. At the same time, the District continues to work on development of water supply augmentation proposals that the community will support.

Environmental Protection

Implemented Comprehensive Mitigation Program

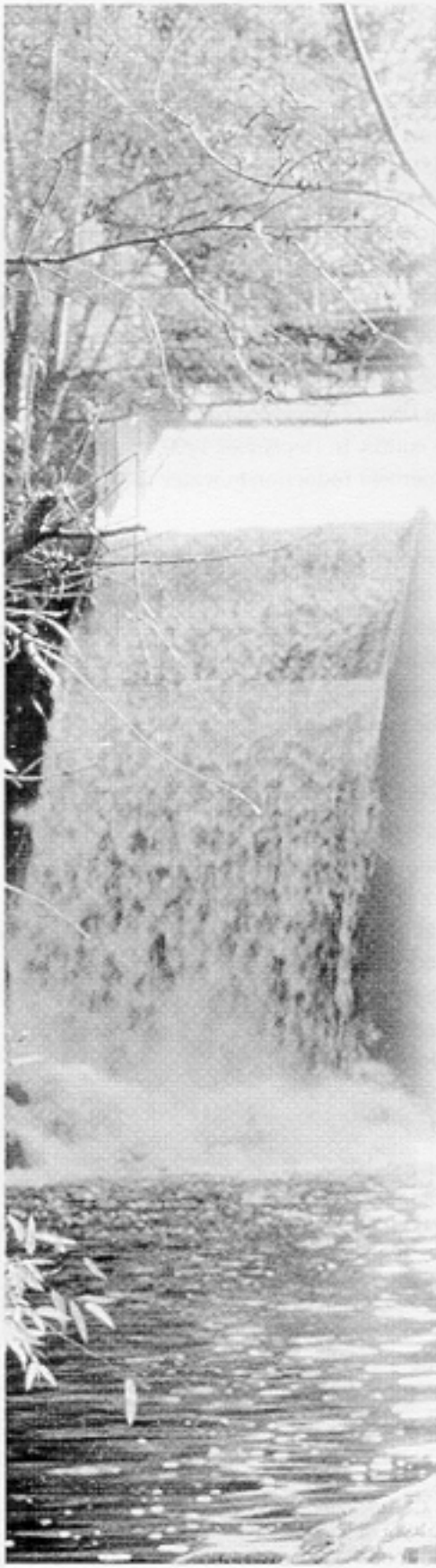
In order to protect Carmel River habitat and threatened species such as the California red-legged frog and steelhead trout, the District monitors streamflow and its effects on fish and wildlife habitat. Groundwater levels in the Seaside and Carmel River basins are also measured regularly. The District performs fish rescues, constructs erosion protection projects and plants vegetation in degraded areas. These activities help preserve and protect the Carmel River environment.

Water Supplies Limited

No New Supplies Currently Available

At the end of 1999, approximately 42 acre-feet of water remained for new construction and remodel projects within the Cal-Am service area. Most of that water had been set aside by the jurisdictions for projects that are awaiting final planning department approval. Presently, no new water source is available to serve Cal-Am customers within the District.

Water Supply Projects



Water Supply Projects

The Water Management District manages the water resources in an area with more than 30 water distribution systems and over 400 private wells. The largest system is operated by the California-American Water Company (Cal-Am) – providing water to 95 percent of the people and producing about 80 percent of the total water supply. Each of the smaller water suppliers has its own water rights and operates under varying rules and conditions.

Under Order 95-10, any new supply developed or distributed by Cal-Am must first be used to make up for the 75 percent regulatory shortfall. Once the shortfall is met, any additional water supplies can be allocated for new uses.

Quantify Future Water Needs

In order to plan for the future water needs of communities, the District has undertaken studies to determine how much water will be needed to meet the water demand associated with remodel projects and new residential and commercial development.

1998 Estimated Future Water Need for Buildable, Legal Lots of Record on Vacant Parcels

A 1998 report estimated that within the Cal-Am service area, 923 acre-feet of water would be needed for new buildings on existing, buildable legal lots of record on vacant parcels as of 1/1/97 and remodels through the year 2006.

1999 Study Will Estimate Needs of Vacant Lots on Improved Parcels

A follow-up study begun in 1999 will estimate the additional water for vacant lots on improved parcels. This report should be completed by Fall 2000.

Local Jurisdictions Estimate Additional Water Needs over Next 20 Years

In 1999, the District asked jurisdictions to develop their own estimates of future water needs through the year 2020. Submissions from all eight jurisdictions totaled 3,480 acre-feet of water. For reference, total water production in 1999 was 17,800 acre-feet. The jurisdictions' estimates are preliminary and will not be used to establish future water allocations.

Expanded the Scope of EIR on Cal-Am Reservoir Proposal

The District is the lead agency for preparation of the Environmental Impact Report (EIR) on a reservoir project proposed by Cal-Am. As defined by Cal-Am, the purposes of the project are to: provide a new source of water that would make up for the shortfall identified by state Order 95-10; provide drought protection for existing customers; and maintain the environmental health of the Carmel River. Cal-Am intends that no water from the project be made available for new construction or remodel projects.

Expand EIR to Include Analysis of Additional Water for Future Needs

In response to public comments received on the 1998 Draft Supplemental EIR on the Carmel River Dam Project, the scope of the report was expanded in 1999 to include an analysis of whether dam and non-dam alternatives could provide additional water to meet future water needs within the Cal-Am service area. The expanded study, known as the DSEIR-2, will also analyze the environmental effects of not building a water supply project, as well as other technical issues.

District staff worked throughout the year to assess how each alternative in DSEIR-2 would affect plants, fish and wildlife on the Carmel River. Plans are being developed to mitigate for any adverse environmental effects of the proposed alternatives.

Significant Progress Toward Preservation of Native American Resources

Representatives from both the Esselen Tribe and Nation met several times during the year with the District, Cal-Am and other agencies to develop an agreement on measures that will avoid, minimize or mitigate for project impacts to cultural resources.

Provided Information to PUC on Plan B Contingency Plan

If the Carmel River Dam and Reservoir Project is not approved or cannot be built, a contingency plan is being developed by the California Public Utilities Commission (PUC) that could be implemented instead of a dam. The contingency plan is known as Plan B.

In 1999, the PUC contracted with a private consulting firm, EDAW, to develop Plan B. District staff provided EDAW and its subcontractors with background information, documents and data from its Carmel Valley simulation computer model as requested.

EDAW proposes that Plan B, which is focused on non-dam alternatives, will provide only enough water to make up for the 10,730 acre-foot shortfall identified in SWRCB Order 95-10. As defined, Plan B will not address development of additional water supply projects required to meet future water needs of communities within the District.

Testing of Seaside Injection/Recovery Project Continues

Between January and May 1999, District staff successfully injected 195 acre-feet of water into the Seaside groundwater basin. This was accomplished during the first full year of testing to determine the feasibility of utilizing the Seaside basin to store excess water from the Carmel River during the winter months. If injection proves successful, 1,700 to 2,080 acre-feet of Carmel River water stored in the Seaside basin could be produced by the Cal-Am system in the summer months.

Prepared for Full-Scale Testing of Groundwater Injection

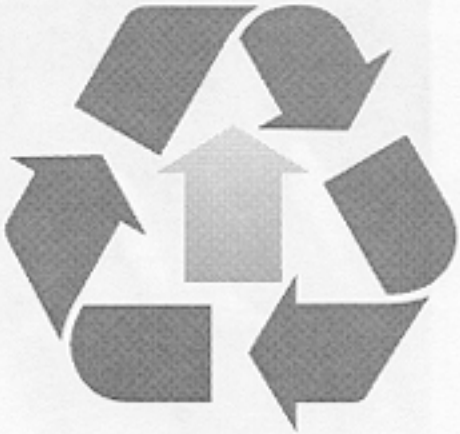
A final report summarizing the findings of the successful injection/recovery test was completed in October 1999. In response the District prepared for full-scale testing to be carried out in the year 2000. A permit was obtained from the SWRCB authorizing the withdrawal of water from the Carmel River for the 2000 test period. The District also applied for a permit from the City of Seaside to construct a new full-scale injection well.

Once the State Order is satisfied, production from a full-scale injection/recovery project could provide additional water for new construction and remodel projects.

Wastewater Recycling To Be Expanded

The largest wastewater reclamation project within the District is planned to be expanded as a result of negotiations held in 1999. The Carmel Area Wastewater District/Pebble Beach Community Services District Wastewater Reclamation Project was designed to provide 800 acre-feet of reclaimed water annually. Improvements could boost the project yield to over 1,000 acre-feet per year.

In 1999, approximately 691 acre-feet of reclaimed wastewater and 270 acre-feet of potable water were applied to golf courses and open spaces within the scope of this project. The District collected approximately $1.2 million from the sale of the reclaimed water, which was used to cover project operating expenses.



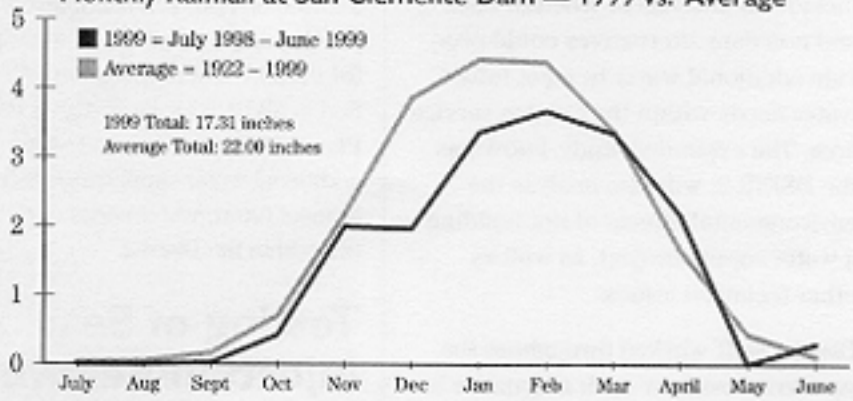
Wastewater Recycling Capacity is planned to be expanded from 800 to 1,000 acre-feet per year in the Del Monte Forest.

Water Production Report

Two Percent Reduction in Total District Water Production

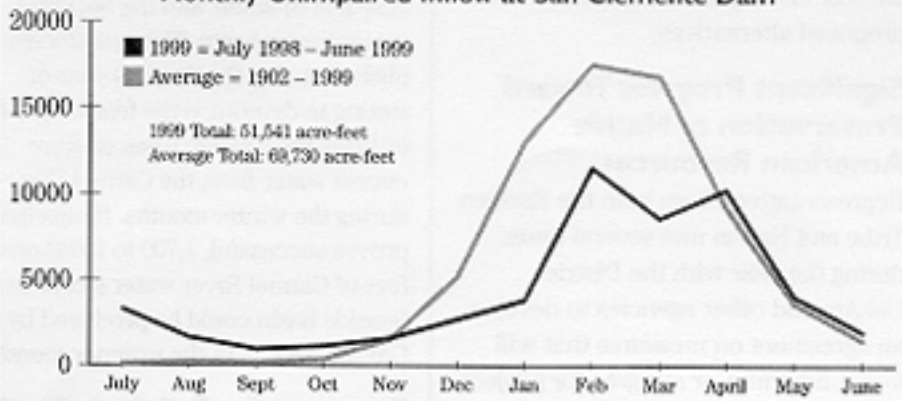
Water Year 1999 was a below average year in terms of rainfall and runoff in the Upper Carmel River Basin. Water production within the District was approximately 17,762 acre-feet during the July 1998 through June 1999 reporting period. This represents a two percent reduction from 1998 production.

Monthly Rainfall at San Clemente Dam — 1999 vs. Average



In 1999, 17.31 inches of rainfall were measured at San Clemente Dam, which is 81% of the average annual rainfall.

Monthly Unimpaired Inflow at San Clemente Dam



In 1999, 51,541 acre-feet of unimpaired inflow was estimated at San Clemente Dam, which is 74% of the average inflow. Unimpaired inflow refers to the flow that would have occurred under natural conditions without any diversion or storage facilities.

Monterey Peninsula Water Resources System

Over 93 percent of the District's water is derived from a network of water sources collectively known as the Monterey Peninsula Water Resources System (MPWRS), which includes the Carmel River and its tributaries, the Carmel Valley Alluvial Aquifer, and the Seaside Coastal Ground Water basin. The District's Water Allocation Program limits MPWRS production to 20,687 acre-feet per year. During the 1998-1999 reporting year, production totaled 16,537 acre-feet. Production from wells and water distribution systems outside of the MPWRS was approximately 1,225 acre-feet of water.

– 1999

California-American Water Company – Largest Local Water Supplier

Cal-Am is the largest of 14 water distribution systems within the MPWRS. The District's allocation program limits production by Cal-Am to 17,641 acre-feet of water per year. During the reporting year, Cal-Am produced 14,164 acre-feet of water within the MPWRS. Production from Cal-Am's facilities outside the MPWRS totaled 331 acre-feet.

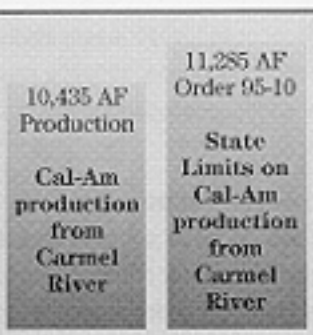
Well Meters Required

Approximately 99 percent of the groundwater produced within the District is metered due to strict regulations that require the installation of water meters on all new wells and existing wells that produce five or more acre-feet of water per year.

1999 District Wide Water Production

1997 Production	1998 Production	1999 Production
21,380 acre-feet	18,081 acre-feet	17,762 acre-feet

Water production has dropped steadily in recent years.

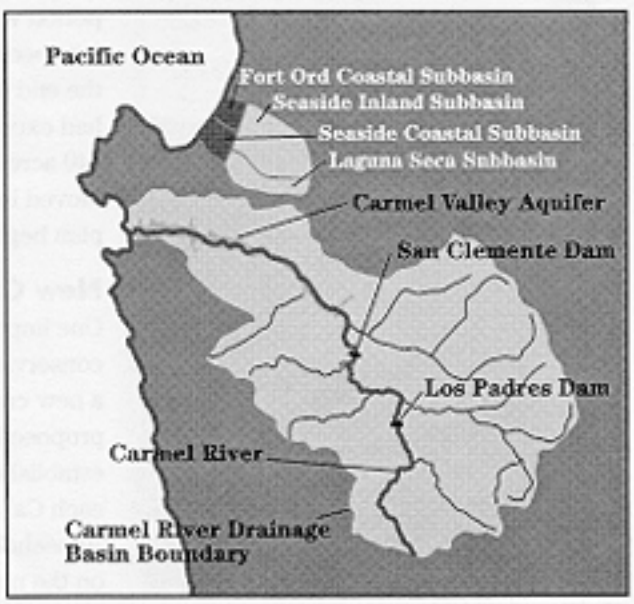


Cal-Am Production Below State Limits

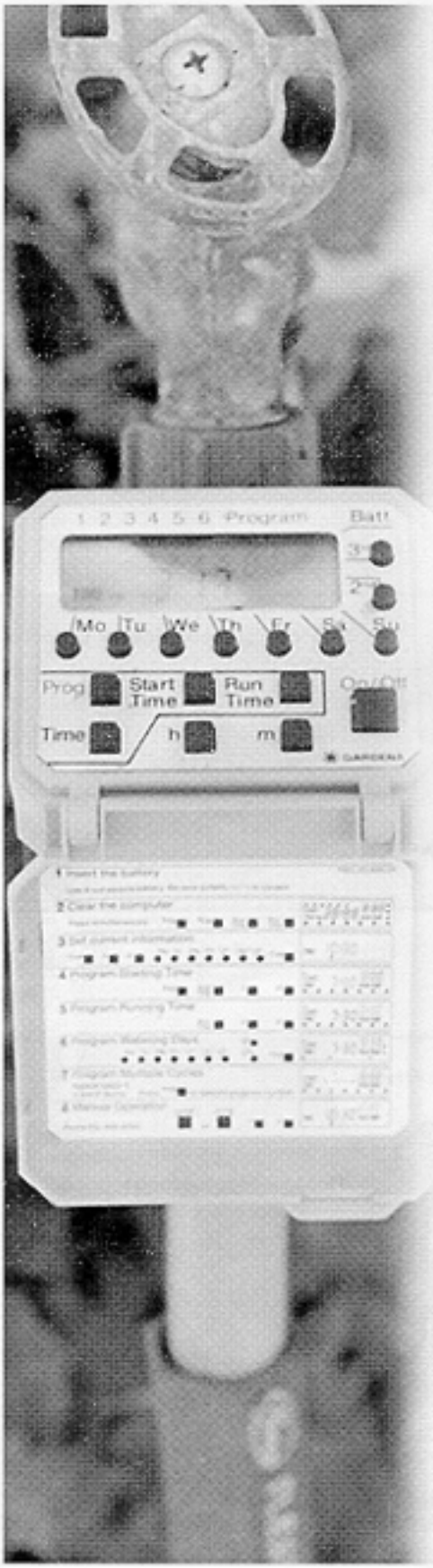
State Order 95-10 limits Cal-Am yearly withdrawals from the Carmel River basin between October 1 and September 30 to 11,285 acre-feet (AF) per year. Between October 1, 1998 and September 30, 1999, Cal-Am production from the Carmel River basin totaled 10,435 acre-feet. This is 850 acre-feet below the limit set by Order 95-10.

The Monterey Peninsula Water Resources System (MPWRS), is the set of interconnected water resources that supply most of the water in the Monterey Peninsula area. The MPWRS is comprised of the Carmel River and its tributaries, the Carmel Valley Alluvial Aquifer, and the Seaside Coastal Ground Water basin.

The Carmel River supplies nearly 70 percent of the water used within the District. The remaining 30 percent is pumped from the Seaside basin and other areas within the District



Water Conservation



While overall water use has been cut by about 30% since 1988, the State Board Order continues to put intense pressure on the community to conserve even more.

Expanded Conservation Plan Initiated

In March 1999, Stage 1 of an innovative water conservation plan was implemented within the District. The Expanded Water Conservation and Standby Rationing Plan is designed to:

(a) keep Cal-Am water production within limits set by State Order 95-10;

(b) establish mandatory water reductions for all water users when a physical water shortage such as a drought occurs; and

(c) mandate procedures to be followed in the event of a water supply emergency caused by a natural disaster or breakdown in the water distribution system.

Community Moves to Stage 2

Total water use by Cal-Am customers in the October through November 1999 period was below the year-to-date target specified in the plan. However, by the end of December, water production had exceeded the year-to-date target by 140 acre-feet. Thus, the community moved into Stage 2 of the conservation plan beginning in January 2000.

New Cal-Am Rates

One important component of the conservation plan is implementation of a new conservation rate schedule proposed by Cal-Am. The rate schedule establishes a base water allowance for each Cal-Am household and business. Household allowances are based on the number of full and part-time residents in a house as well as lot size. During Stage 3 of the plan, if a water customer exceeds its water allowance by 150 percent, water rates increase. Cal-Am applied to the PUC for approval of the per-capita based rate design in February 1999. The PUC should consider the request by December 1999.

Water use exceeded State year-to-date limits in November and December 1999.

Water Permits Issued

All new construction or remodel projects that include the installation of water-using fixtures must obtain a water permit from the District before construction. Water permit fees are based on the potential water use that each new fixture represents. The District maintains a record of the amount of water assigned to new uses and remodels, so that the total remains under the amount of water allocated to the jurisdictions for construction projects.

Reduced Number of Water Permits Issued

In 1999, a total of 879 water permits were issued for projects throughout the District, which was 10 percent less than the number of permits issued in 1998.

42 Acre-Feet Remaining for New Construction or Remodels in Cal-Am Area

Water permits issued for projects within the Cal-Am service area totaled 765, representing 13 acre-feet of projected annual water use. At the end of 1999, approximately 42 acre-feet of water from the 1993 Paralta allocation remained for new construction and remodel projects within the Cal-Am service area. Most of this water has been reserved by the jurisdictions for projects that are awaiting final planning department approval.

No additional water will be allocated to the jurisdictions for water permits until Cal-Am's water production shortfall identified in State Order 95-10 is satisfied.

114 Permits Issued for Projects not Served by Cal-Am

New construction is occurring, especially in the hillsides of Carmel Valley, along Highway 68, and along the coastline in Seaside and Sand City. Water for the construction in these areas comes from sources that are outside of the Cal-Am system. Water companies whose source of water is not derived from the Carmel River are not subject to Order 95-10. A total of 114 water permits were issued for projects in these areas, representing 32 acre-feet of projected annual water use.

Retrofit Programs

Toilet Retrofit Programs Encourage Conservation

The District's three toilet retrofit programs are an integral part of its long-term conservation plan. Water saved by retrofitting toilets is set aside as permanent conservation savings to meet the Board's 1987 goal of achieving a 15 percent reduction in water use by the year 2020.

Refunds Offered for Replacement of Inefficient Toilets

The Toilet Replacement Refund Program jointly funded by the District and Cal-Am, offers up to $100 for each inefficient toilet replaced with an ultra low-flush model in a residential or commercial building. Commercial projects can receive the refund for up to 20 toilets per property. In 1999, refunds were issued for replacement of 834 toilets under this program. The District estimates that these retrofits represent approximately 19 acre-feet of water savings.

Toilets Must be Retrofitted Upon Resale of Property

When a property is sold, staff inspects the building to make sure that inefficient plumbing fixtures have been replaced with ultra low-flush models. In 1999, approximately 2,095 properties transferred title within the District and staff inspected over 1,336 of them for compliance with retrofit rules. The District estimates that approximately 63 acre-feet of water were saved through the replacement of about 2,740 toilets under this program in 1999.

In 1999, 765 water permits were issued for projects within the Cal-Am system, representing approximately 13 acre-feet of projected annual water use.

The requirement to retrofit upon resale resulted in the replacement of about 2,740 toilets, saving about 63 acre-feet of water in 1999.

In 1999 refunds were issued for replacement of 834 toilets saving about 19 acre-feet of water.

Water Conservation

Visitor-Serving Businesses Must Replace Inefficient Toilets

District rules require that all visitor serving facilities such as hotels, restaurants, convention centers and service stations replace inefficient toilets with ultra low-flush models by December 31, 2000.

Study to Determine Actual Savings Achieved by Toilet Retrofits

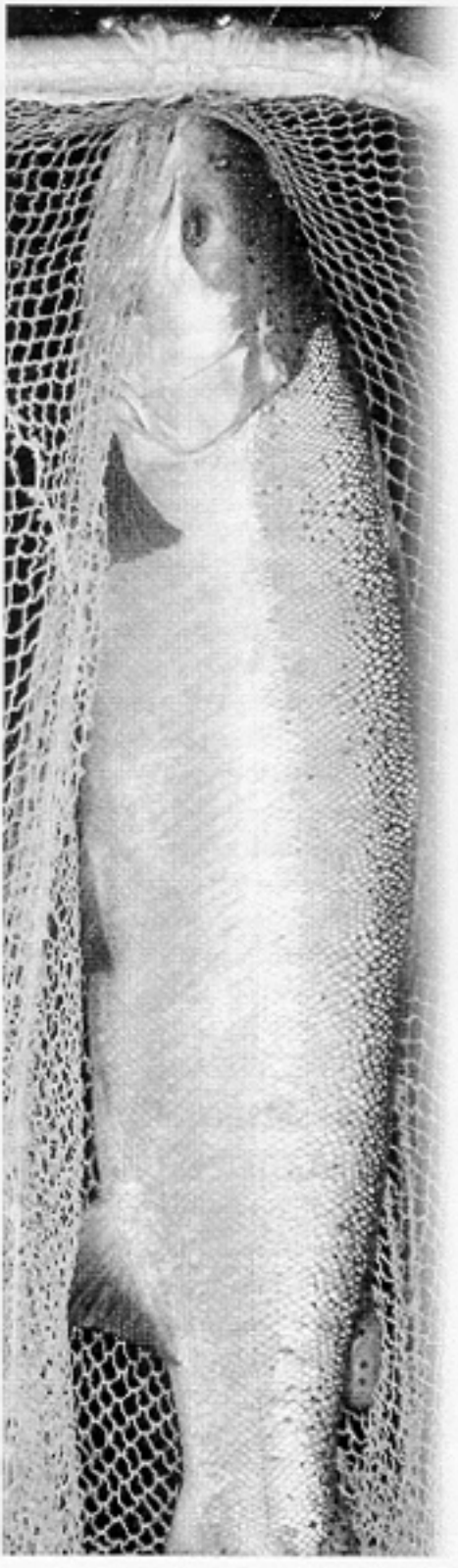
Each toilet replaced by an ultra-low flush model is believed to save about 0.023 acre-feet of water each year. In January 1999, the Board of Directors commissioned a study that will utilize water use records of local Cal-Am customers that have retrofitted to determine if these water savings are actually achieved.

Water Credit Transfers

District rules allow the transfer of water credits from one commercial building site to another. Water credits from a commercial site can also be transferred directly into a jurisdiction's allocation, where it can be applied to any use the jurisdiction deems appropriate. In 1999, the District contracted with a local firm to determine what level of environmental review would be required to assess the effects of a new program that would address reuse of commercial and residential water credits.

The Board deferred action on development of a new water credit transfer program until more specific information on actual water savings and compliance with Order 95-10 is available.

Environmental Protection



Approximately one half of the District's budget is dedicated to: meet federal and state regulations for the protection of threatened species such as the Carmel River steelhead and California red-legged frog; to protect Carmel River banks against erosion; and to monitor ground and surface water levels throughout the District.

Protection of the Carmel River Steelhead

The Carmel River steelhead population has increased over the past 10 years. In spite of progress made on the Carmel River, steelhead are listed as a threatened species under the federal Endangered Species Act in many areas of California, including the Carmel River. District fishery programs focus on maintaining a healthy environment for steelhead spawning and rearing. District staff coordinate with Cal-Am and the California Department of Fish and Game to control the amount of water released from reservoirs and pumped from wells so that adequate river flow is maintained for fish throughout most of the year.

Steelhead Rescue Operations Continue

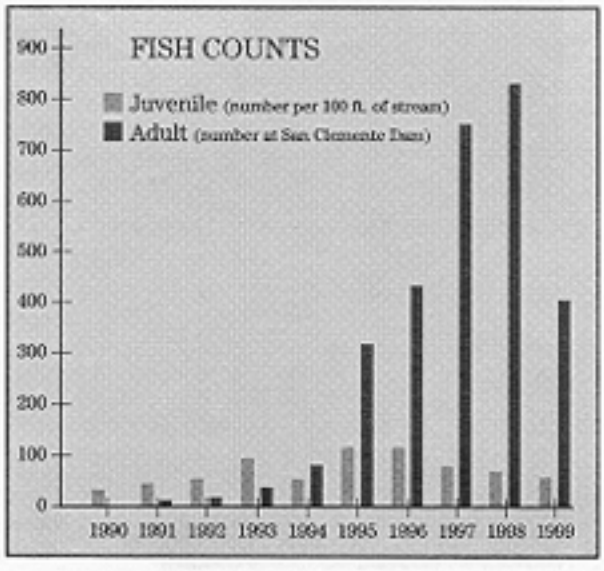
District staff conducted 23 rescue operations, capturing a total of 12,169 steelhead from drying reaches of the lower Carmel River. Staff transported the rescued fish to the Sleepy Hollow Steelhead Rearing Facility, 69 were released into the Carmel River Lagoon, and 57 fish died during transport.

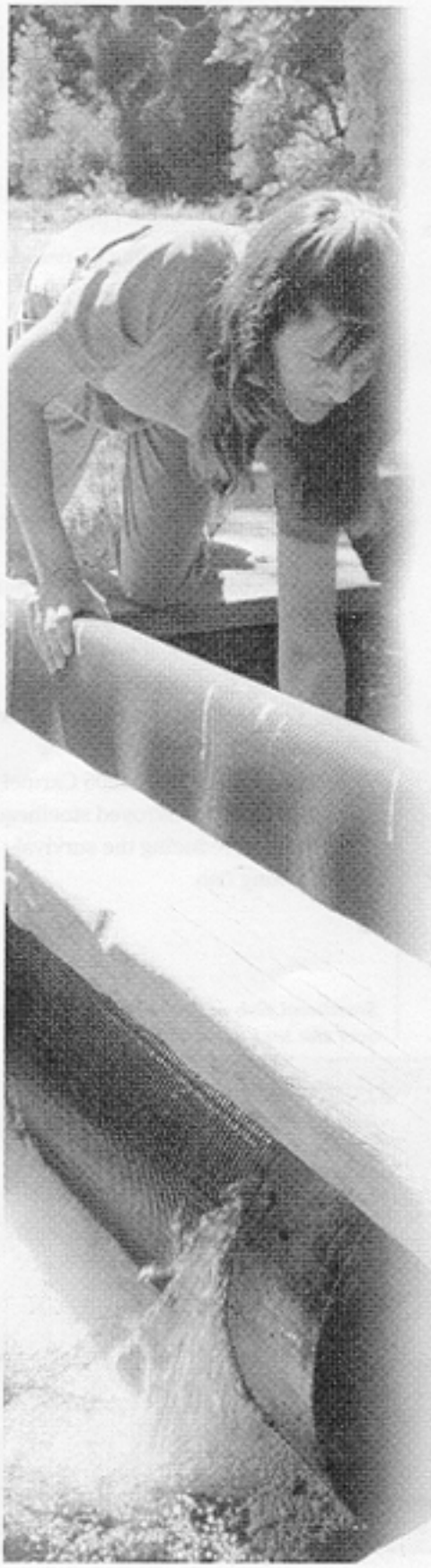
The District applied for a federal permit to continue steelhead rescue operations.

Steelhead Count Lower than in 1998

The District's automatic fish counter, at San Clemente Dam, recorded 405 fish between December 1998 and May 1999. This is the fourth highest count since 1987; however, it is 47 percent lower than the 1998 adult steelhead count. The decline could be attributed to warm ocean waters caused by El Niño, and the March 1995 Carmel River floods that destroyed steelhead nests thereby reducing the survival rate of young fish.

Steelhead fish counts have been rising over the last decade





In October 1999, District staff conducted a survey of juvenile steelhead below Los Padres Dam. In general, the juvenile steelhead population has increased over the past 10 years. However, overall population density in 1999 was lower than levels recorded over the last four years, averaging 70 fish per 100 feet of stream.

Sleepy Hollow Steelhead Rearing Facility Operational

The Sleepy Hollow Steelhead Rearing Facility was fully operational in 1999 and approximately 12,000 fish were held at the facility. It has a capacity of 64,000 juvenile steelhead. Fish rescued from drying reaches of the river can be held at the rearing facility until streamflow conditions improve and they can be released back into the river.

Merganser Ducks Attack Fish

In August 1999, merganser ducks swam underneath wire that covered portions of the rearing channel and were discovered feeding on the steelhead. Staff estimates that approximately 1,500 fish survived the merganser predation. Following this incident a temporary net was placed over the entire channel. Permanent bird net framing will be installed over the channel in early 2000.

In November 1999 when Carmel River flows increased, staff began removing fish from the rearing channel and releasing them back into the river. Eventually, 1,600 fish were released from the facility. A large number of them were measured and weighed prior to release; all were in good to excellent condition.

Clearing debris from a fish screen in the rearing channel at the Sleepy Hollow Steelhead Rearing Facility.

New Cooling Tower to Be Built

Plans have been developed to construct a cooling tower that will reduce water temperatures at the rearing facility during the summer months. Construction of the tower should commence in April 2000, prior to the summer rearing season.

Smolt Survival Experiment Completed

In late February 1999, staff conducted a study to determine whether modifications made to the spillway at Los Padres Dam in 1994 and 1995 did increased the number of fish that passed safely over the dam. The results of this experiment should be available in December 2000.

Spawning Gravel Placed in River

In June 1999, the District renewed its permit from the U.S. Army Corps of Engineers for the placement of gravel in the Carmel River to create spawning habitat for steelhead. Over the past 11 years, the District has improved and increased steelhead spawning habitat through the placement of 1,827 cubic yards of spawning-sized gravel into the river channel.

Protecting the California Red-Legged Frog

Developing Joint Habitat Conservation Plan

In January 1999, the District contacted well owners that pump more than 20 acre-feet of water from the Carmel River basin each year and asked them to co-fund and participate in development of a Habitat Conservation Plan (HCP). The goal is to identify how water production practices are

impacting the red-legged frog and other species, and identify changes that could be made to alleviate or reduce impacts. The District provided $10,000 in seed money to facilitate preparation of the HCP. By May 1999, 13 participants had formed an independent group to fully fund the plan and hire a consultant to prepare the HCP.

Riverbank Restoration and Revegetation Projects

District staff serve as stewards of the Carmel River, working to establish a stable river channel flanked by lush vegetation that will provide protective habitat for wildlife and a barrier against erosion. In 1999, staff focused on working with private property owners to repair streambanks damaged by high flows that occurred in 1998. In addition, improvements were made at District restoration sites.

All Saints Restoration Project Completed

In December 1999, the first phase of the All Saints Restoration Project was completed. This project encompasses 2,000 feet of the Carmel River along 15 privately owned properties and included grading the channel bottom, installing granite rip-rap to guard against erosion and constructing log/rock deflectors at critical bends in the river channel. Staff also began to revegetate the streambanks and floodplain areas with native riparian plants.

Assisted Property Owners with Riverbank Repairs

District staff provided inspection, oversight, and technical assistance at river repair sites. In addition, staff reviewed completed projects for compliance with permit conditions. The District also supplied approximately 1,300 willow pole cuttings to property owners for use in their stream bank revegetation efforts.

The All Saints Restoration Project presented the District with a unique opportunity to involve eighth grade students from All Saints Day School in the plan to revegetate and irrigate a section of the restoration project area that is owned by the school.

Applied for Long-Term U.S. Army Corps Permit

In May 1999, the District applied to the U.S. Army Corps of Engineers for a long-term permit. This permit would authorize the District to undertake riverbank restoration projects and routine maintenance activities for a specified period of time, and allow the District to oversee projects undertaken by private landowners.

Repaired deDampierre South Irrigation Well

The deDampierre South well is used in the summer to irrigate vegetation planted in riverbank restoration sites. The well was damaged by floodwaters in 1998, and repaired in 1999. The District was awarded a $12,000 grant from the Federal Emergency Management Agency to fund the full repair of the irrigation well.

Propagated Plants from Seeds collected in Carmel River Area

In an ongoing effort to improve natural vegetation along the Carmel River, District staff collects seed from native streamside trees and shrubs for propagation by a local nursery. When the seedlings are large enough, they are transplanted at the District's restoration sites. In 1999, approximately 261 native riparian seedlings such as dogwood, currant, sycamore, box elder and elderberry were planted.

Monitored Growth of Streamside Vegetation

The District monitors the long-term effects of groundwater pumping on vegetation in the Carmel River basin. During the dry season, District staff took weekly measurements of leaf moisture stress and soil moisture and conducted annual surveys to document height, growth rate and survival of plants in District restoration projects.

Environmental Protection

Cleared River Channel of Debris

Each year staff identifies areas along the river that should be cleared of debris and excess vegetation during annual channel clearing operations. In 1999, approximately seven miles of the river were surveyed and fallen trees and debris were cut up into pieces and left in the river for fish habitat.

Avian Monitoring Program

In July 1999, the District retained the Ventana Wilderness Society to continue the District's avian monitoring program on the Carmel River. The information collected demonstrates how wildlife is benefiting from the District's restoration projects.

Monitor Water Levels and Water Quality

Maintained Eleven Streamflow Monitoring Sites

District staff maintained three streamflow monitoring stations on the Carmel River and nine stations on the major tributary streams that flow into it.

Monitored Carmel River Lagoon

The District has monitored surface water levels in the Carmel River Lagoon since 1987. In addition, water quality at the Lagoon is assessed twice a month.

Measured Water Storage in Carmel Valley Aquifer

During 1999, monitoring data indicated that storage in the Carmel Valley aquifer remained relatively full for most of the year.

Monitored Wells in Seaside Basin

The District's monitoring well network in the Seaside Basin increased to 30 wells in 1999 with the addition of the Ord Terrace monitor well. These wells provide monthly and quarterly readings of water levels.

Ground Water Quality Monitored in Carmel Valley Aquifer

The District has maintained a Carmel Valley Aquifer water quality monitoring program since 1981. Results from the 1999 samplings indicate that water quality in the aquifer continues to be well within the State drinking water standard for nitrate. No indications of seawater intrusion were found at the coastal monitor well network.

Tested Water Quality in Seaside Ground Water Basin

Since 1990, the District has been collecting water quality samples from monitor wells in the coastal area of the Seaside Ground Water Basin. The 1999 samples indicate that no seawater intrusion has occurred in the two principal aquifer zones within the basin.

Monitor Surface Water Quality in the Carmel River

In 1999, District staff maintained nine water temperature recording stations and measured water quality parameters at three sites along the Carmel River. This information is used for assessing the suitability of habitats for steelhead and other aquatic organisms.

Financial Report
– Fiscal Year 1998-1999

REVENUES – $3,338,618

User Fees $1,484,826

Property Taxes $657,582

Other Fees/Reimbursements $557,007

Investments $363,437

Connection Charges $226,347

Grants $49,419

User Fees – Paid by California-American and Seaside Municipal water system customers. Appears on water bills as "MPWMD Fee." Currently, 7.125% of the water bill.

Connection Charge – A capacity charge paid when a water permit is obtained. About $15,960 per acre-foot of water.

Property Taxes – The District receives 0.023020% of the $1.00 parcel tax assessed to support special districts.

Other Fees/Reimbursements – Includes water and well permit processing charges, fees for staff research and photo-copying, reimbursements for Carmel River Dam Project Supplemental Environmental Impact Report and the Toilet Replacement Refund Program.

Investments – Earnings on assets paid by banks and investment firms.

Grants – Reimbursements to the District for repairs to the Carmel River banks that were damaged by the 1998 floods.

EXPENDITURES – $3,216,820

Carmel River Mitigations $1,456,683

Water Augmentation $1,409,189

Water Conservation $350,948

Carmel River Mitigations – Fishery, vegetative, erosion control, water resources monitoring and other projects to offset damage resulting from water extractions along the Carmel River.

Water Augmentation – Includes research, environmental studies and other activities related to development of water augmentation projects.

Water Conservation – Supports conservation education, toilet retrofit program and water permit compliance activities.

Plans for Future Capital Improvements and for Maintenance and Operation of those Improvements

The District is not a potable water purveyor. Water supplies are provided by public utilities, mutual water companies and privately owned wells. The District began selling reclaimed water in the Fall of 1994 from the CAWD/PBCSD Wastewater Reclamation Project. Negotiations are under way to expand project storage by utilization of Forest Lake Reservoir in Del Monte Forest. This expansion and other possible future reclamation plant improvements could be funded by issuance of public bonds by the District as was done in 1992 to fund initial construction of the reclamation facility, or by a Mello-Roos financial mechanism.

An Operation and Maintenance Reserve Fund exists to help pay for routine as well as extraordinary repairs and replacement. The reserve was $157,091 on June 30 1999. The reclamation project also has a Replacement and Renovation Fund that contained $227,120 on June 30, 1999. The annual accrual in this fund of $5,300 is sized to achieve a fund balance of $1,000,000 in 2022 assuming 6 percent annual interest.

Aside from the wastewater reclamation project, the District continues to plan for a range of capital improvements.

Methods for Financing Capital Improvements

The District continues to evaluate various means of financing water supply projects. At such time as the District Board defines specific projects for the agency to pursue, staff will consider which of the various funding mechanisms permitted in its authorizing legislation (State of California Water Code Section 118 et seq.) is most appropriate.

Financial Analysis of the Water Utility Systems Operated by The District

The District currently does not operate any water utility systems for which a financial analysis could be conducted. The only financial involvement of the District in water utility systems centers on the reclamation project which is operated by the Carmel Area Wastewater District (CAWD). The audited financial statements for the CAWD/PBCSD Wastewater Reclamation Project for the year ending June 30, 1999, are available for inspection at the District office.

Ground Water Zones

In January 1980, the District Board initiated the formation of a District-wide ground-water charge zone by adopting Resolution No 80-2. the District Board found in Resolution No 80-2 that it was not the intent of the District to use the District-wide zone to raise revenues, but as a mechanism to trigger the powers in the District law regarding well registration, metering and reporting.

Mission Statement

The mission of the Monterey Peninsula Water Management District is to manage, augment and protect water resources for the benefit of the community and the environment.

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