

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month. The meetings begin at 7:00 PM.



AGENDA  
**Regular Meeting**  
**Board of Directors**  
**Monterey Peninsula Water Management District**  
\*\*\*\*\*

**Monday, December 15, 2014, 7:00 pm**  
**Conference Room, Monterey Peninsula Water Management District**  
**5 Harris Court, Building G, Monterey, CA**

Staff notes will be available on the District web site at  
<http://www.mpwmd.dst.ca.us/asd/board/boardpacket/2014/2014.htm>  
by 5 PM on Friday, December 12, 2014.

Brenda Lewis will participate by telephone from 1758 Broadway Avenue, Seaside, CA 93955  
The 7 PM Meeting will be televised on Comcast Channels 25 & 28. Refer to broadcast schedule on page 3.

**CALL TO ORDER/ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**ORAL COMMUNICATIONS:** Anyone wishing to address the Board on Closed Session, Consent Calendar, Information Items or matters not listed on the agenda may do so only during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on all other items at the time they are presented to the Board.

**CONSENT CALENDAR:** The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes.

1. Consider Adoption of Minutes of the November 17, 2014 Regular Board Meeting
2. Adopt Board Meeting Schedule for 2015
3. Consider Approval of Amendment to General Manager's Contract
4. Consider Approval of Pay Differential for Employees Caused by Increase in Tax for PERS Contributions
5. Consider Expenditure of Funds to Contract for a Limited-Term Senior Fisheries Biologist
6. Consider Adoption of Resolution No. 2014-19 -- Updating Rule 24, Table 3: Capacity Fee History

**Board of Directors**

David Potter, Chair – Monterey County  
Board of Supervisors  
Kristi Markey, Vice Chair – Division 3  
Brenda Lewis – Division 1  
Andrew Clarke - Division 2  
Jeanne Byrne – Division 4  
Robert S. Brower, Sr. – Division 5  
David Pendergrass, Mayoral Representative

**General Manager**

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Wednesday, December 10, 2014. Staff reports regarding these agenda items will be available for public review on Thursday, December 11 at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District office during normal business hours, and posted on the District website at <http://www.mpwmd.dst.ca.us/asd/board/boardpacket/2014/2014.htm>. Documents distributed at the meeting will be made available in the same manner. The next regular meeting of the Board of Directors is scheduled for January 28, 2015 at 7 pm.

7. Receive Alternative Measurement Method Report for Determining Annual Costs for Post-Employment Benefits
8. Review and Accept Independent Audit Report for Fiscal Year 2013-2014
9. Consider Adoption of Treasurer's Report for October 2014

#### **GENERAL MANAGER'S REPORT**

10. Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision
11. Update on Development of Water Supply Projects
12. Report on Drought Response

#### **ATTORNEY'S REPORT**

13. Report on November 17, 2014 Closed Session of the Board

#### **DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)**

14. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations

#### **PRESENTATIONS**

15. California American Water – How to Read Your Water Meter and Your Monthly Water Bill
16. Presentation re 2014 Groundwater Management Legislation

**PUBLIC HEARINGS** – Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

17. **Consider Adoption of January through March 2015 Quarterly Water Supply Strategy and Budget**

*Action: The Board will consider approval of a proposed production strategy for the California American Water Distribution Systems for the three-month period of January through March 2015. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water systems.*

**ACTION ITEMS** – Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

18. **Consider Adoption of Policy on Outdoor Restaurant Seating**

*Action: The Board will direct staff on clarification of the District's outdoor seating policy.*

19. **Select Schedule for Rotation of Directors into the Positions of Board Chair and Vice Chair**

*Action: The Board will review options for rotation of Directors into the positions of Board Chair and Vice Chair and determine the preferred rotation for 2015.*

20. **Conduct Election of Officers for 2015**

*Action: The Board will conduct an election for the positions of Board Chair, Vice Chair, Secretary, and Treasurer.*

**INFORMATIONAL ITEMS/STAFF REPORTS** The public may address the Board on Information Items and Staff Reports during the Oral Communications portion of the meeting. Please limit your comments to three minutes.

21. Letters Received [Click here for Supplement Letter Packet](#)
22. Committee Reports
23. Monthly Allocation Report
24. Water Conservation Program Report
25. Carmel River Fishery Report for November 2014
26. Monthly Water Supply and California American Water Production Report
27. Semi-Annual Groundwater Quality Monitoring Report

**ADJOURN TO CLOSED SESSION**

As permitted by Government Code Section 54956 et seq., the Board may adjourn to closed or executive session to consider specific matters dealing with pending or threatened litigation, certain personnel matters, or certain property acquisition matters.

1. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**  
MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO (6th District Appellate Case #H039566)

**ADJOURN**

<b>Board Meeting Broadcast Schedule – Comcast Channels 25 &amp; 28</b>	
<b>View Live Webcast at <a href="http://Ampmedia.org">Ampmedia.org</a></b>	
Ch. 25, Sundays, 7 PM	Monterey
Ch. 25, Mondays, 7 PM	Monterey, Del Rey Oaks, Pacific Grove, Sand City, Seaside
Ch. 28, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Fridays, 9 AM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside

<b>Upcoming Board Meetings</b>			
Wed. January 28, 2014	Regular Board Meeting	7:00 pm	District conference room
Wed. February 25, 2014	Regular Board Meeting	7:00 pm	District conference room

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by 5:00 PM on Thursday, December 11, 2014. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.





**EXHIBIT 1-A**

**DRAFT MINUTES  
Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
November 17, 2014**

The meeting was called to order at 7:00 p.m. in the Water Management District conference room.

**CALL TO ORDER/ROLL CALL**

*Directors Present:*

David Potter – Chair, Monterey County Board of Supervisors Representative  
Kristi Markey – Vice Chair, Division 3  
Brenda Lewis – Division 1  
Andrew Clarke – Division 2  
Jeanne Byrne – Division 4  
Robert S. Brower, Sr. – Division 5  
David Pendergrass – Mayoral Representative

*Directors Absent:* None

*General Manager present:* David J. Stoldt

*District Counsel present:* David Laredo

The assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

No comments were directed to the Board.

**ORAL COMMUNICATIONS**

On a motion of Brower and second of Byrne, the Consent Calendar was approved on a vote of 7 – 0 by Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter.

**CONSENT CALENDAR**

Approved.

1. Consider Adoption of Minutes of the October 8, 2014 Special Board Meeting and the October 20, 2014 Regular Board Meeting

Approved expenditure of \$10,000.

2. Consider Expenditure for Purchase of Surface Water Computation Software

Approved expenditure of \$41,700.

3. Consider Expenditure of Budgeted Funds for IT Hardware Replacement

Approved.

4. Consider Adoption of Resolution of Congratulations to David J. Stoldt

Approved.

5. Consider Appointment of Director Clarke to Board Committees

Approved.

Approved.

A summary of Mr. Stoldt's presentation is on file at the District office and can be viewed on the Water Management District's website.

Stoldt reported the following. (A) The California Coastal Commission considered California American Water Company's appeal of a decision by the Marina City Council to deny a permit for installation of test slant wells. The Coastal Commission upheld the appeal, and Cal-Am may now begin work on the slant wells. (B) Representatives of plaintiff parties related to the Cease and Desist Order (CDO) lawsuit will meet with State Water Resources Control Board staff next week on deferral of the CDO. (C) The project description has been completed for the EIR on the Pure Water Monterey project. The draft EIR should be completed in March 2015. (D) Staff from the Monterey Regional Water Pollution Control Agency and the Water Management District met with Deputy Director of the Division of Water Rights and the Executive Director of the State Water Resources Control Board on distribution of Proposition 1 funds. (E) The EIR on the Odello water project was recently released. The Board of Directors may consider an ordinance related to the project in March or April 2015.

A summary of Ms. Locke's comments can be reviewed on the Water Management District's website.

No report. The Board of Directors did not meet in closed session at 5:30 pm on November 17, 2014.

No reports submitted to the Board of Directors.

Chair Potter presented Stoldt with a framed resolution signed by the seven directors. Each director expressed appreciation to Stoldt for his accomplishments. Stoldt thanked the Board of Directors for their support.

6. Consider Approval of First Quarter Fiscal Year 2014-15 Investment Report

7. Consider Adoption of Treasurer's Report for September 2014

#### GENERAL MANAGER'S REPORT

8. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**

9. **Update on Development of Water Supply Projects**

10. **Report on Drought Response**

#### ATTORNEY'S REPORT

11. Report on 5:30 pm Closed Session of the Board

#### DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

12. **Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations**

#### PRESENTATIONS

13. **Present Resolution of Congratulations to David J. Stoldt – Named General Manager of the Year by the California Special Districts Association**

California State University Monterey Bay students Jordan Duffner, Jeff Toyoshima, Miguel Padilla and Mary Ann Hernandez gave a presentation to the Board that described their proposal for establishment of a fund to implement water saving technologies for agricultural interests that utilize recycled wastewater for irrigation. The reduction in agricultural use could result in additional recycled water for groundwater recharge and urban use. The entire text of the presentation is on file at the District office and can be viewed on the MPWMD website.

No public hearing items were submitted for Board consideration.

On a motion by Markey and second of Byrne, this item was continued to the December 17, 2014 Board meeting. The motion was approved on a vote of 7 – 0 by Markey, Byrne, Brower, Clarke, Lewis, Pendergrass and Potter.

Public comment. Todd Bennett, Planner for the City of Monterey and Vice Chair of the Technical Advisory Committee, requested that the item be continued to the December Board meeting. He stated that the City of Monterey supports rules that reduce water use; however, no data has been presented to prove that outdoor restaurant seating increases water use.

There was no discussion of the Informational Items/Staff Reports.

The meeting was adjourned to closed session at 7:40 pm.

**14. Funding Farms to Save Cities: An Idea for Water Recycling from CSUMB Students**

**PUBLIC HEARINGS**

**ACTION ITEMS**

**15. Consider Adoption of Policy on Outdoor Restaurant Seating**

**INFORMATIONAL ITEMS/STAFF REPORTS**

- 16. Letters Received**
- 17. Committee Report**
- 18. Carmel River Fishery Report**
- 19. Monthly Allocation Report**
- 20. Water Conservation Program Report**
- 21. Monthly Water Supply and California American Water Production Report**
- 22. Receive and File First quarter Financial Activity Report for Fiscal year 2014-15**
- 23. Minutes of Monterey Peninsula Water Supply Project Governance Committee**

**ADJOURN TO CLOSED SESSION**

- 1. Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
  - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO (6th District Appellate Case #H039566
  - B. Water Plus v. MPWMD, Case No. M125274
  - C. Monterey Peninsula Taxpayers Association v. MPWMD; Case No. M123512

- D. Thum v. MPWMD; Monterey Case No. M113598; 6th District Appellate Case #H039566)
- 2. **Conference with Real Property Negotiators**  
Address: 1910 General Jim Moore Boulevard, Seaside, CA 93955  
Agency Negotiator: David J. Stoldt, General Manager
- 3. **Public Employee Annual Performance Evaluation (Gov. Code 54957) – General Manager**

The meeting was adjourned at approximately 8:15 pm.

**ADJOURNMENT**

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Arlene M. Tavani, Deputy District Secretary







**EXHIBIT 2-A**

**DRAFT**  
**MPWMD Board Meeting Schedule**  
**January 2015 through February 2016**

*Meetings begin at 7 PM in the District Conference Room unless noted otherwise.*

	<b>Day of Week</b>	<b>Date</b>	<b>Time</b>	<b>Type of Meeting</b>
<b>2015</b>	Wednesday	January 28	7 PM	Regular
	Wednesday	February 25	7 PM	Regular
	Monday	March 16	7 PM	Regular
	Wednesday	March 25	7 PM	Special Meeting/Workshop*
	Monday	April 20	7 PM	Regular
	Monday	May 18	7 PM	Regular
	Wednesday	May 27	7 PM	Workshop – FY 2015/2016 Budget
	Monday	June 15	7 PM	Regular
	Monday	July 20	7 PM	Regular
	Monday	August 17	7 PM	Regular
	Wednesday	August 26	7 PM	Special Meeting/Workshop*
	Monday	September 21	7 PM	Regular
	Monday	October 19	7 PM	Regular
	Wednesday	October 28	7 PM	Special Meeting/Workshop*
	Monday	November 16	7 PM	Regular
	Monday	December 14	7 PM	Regular
<b>2016</b>	Wednesday	January 27	7 PM	Regular
	Wednesday	February 24	7 PM	Regular

\*Tentative meeting date. Please check with Water Management District office to determine if the meeting will be conducted.

**ITEM        CONSENT CALENDAR**

**3.        CONSIDER APPROVAL OF AMENDMENT TO GENERAL MANAGER CONTRACT**

<b>Meeting Date:</b>	<b>December 15, 2014</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>David J. Stoldt</b>	<b>Cost Estimate:</b>	<b>None</b>

**General Counsel Review: N/A**

**Committee Recommendation: The Administrative Committee reviewed this item on December 8, 2014 and recommended approval.**

**CEQA Compliance: N/A**

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**SUMMARY:** On November 17, 2014 the Board met and discussed the General Manager’s annual performance appraisal. The Board was very satisfied with the General Manager’s performance and noted that the General Manager was awarded “General Manager of the Year” statewide in 2014 by the California Special Districts Association, advanced the Pure Water Monterey groundwater replenishment project by taking a leadership role in the negotiation of source water agreements, drafted and carried through the legislature SB 936 which will provide significant savings on the Cal-Am desal plant, navigated the “Measure O” campaign, improving the District’s stature in the process, and has continued to improve the District’s public perception among community groups, businesses, elected officials, and individuals. As a result, the Board recommended a revision in the General Manager’s annual compensation to \$195,000 and a revision of his monthly vehicle reimbursement to \$500.

**RECOMMENDATION:** Amend section III.A and III.D of the “Agreement for Employment of General Manager” to reflect the revised annual compensation, effective September 1, 2014.

**EXHIBIT**

None

**ITEM: CONSENT CALENDAR**

**4. CONSIDER APPROVAL OF PAY DIFFERENTIAL FOR EMPLOYEES CAUSED BY INCREASE IN TAX FOR PERS CONTRIBUTIONS**

**Meeting Date: December 15, 2014**

**Budgeted: No**

**From: David J. Stoldt,  
General Manager**

**Program/ Personnel  
Line Item No.: Salaries & Benefits**

**Prepared By: Suresh Prasad**

**Cost Estimate: \$24,000**

**General Counsel Review: N/A**

**Committee Recommendation: The Administrative Committee reviewed this item on December 8, 2014 and recommended approval.**

**CEQA Compliance: N/A**

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**SUMMARY:** In September 2013, the District negotiated a 3-year Memorandum of Understanding with the General Staff Unit, Management Unit, and the Confidential Unit. As part of the negotiation, staff salaries for the 3 bargaining units were increased by 6%, but the units were also asked to contribute 6% towards PERS contribution. The intent of this action was that employee take-home pay would not be affected. This has not been the case since the employee contribution towards the employer portion of the PERS contribution cannot be pre-tax, impacting the employee take-home pay. The impact in net pay to an employee varies based on their individual tax bracket.

The total impact to the employees has been around \$24,000 over two years. Staff is seeking approval to reimburse employees based on their individual impact in net pay in two annual payments. The difference in net pay impact for 2014 will be paid in December 2014, and the second payment will be made in 2015. The total impact of this reimbursement will not exceed \$24,000. Notification was provided to the Union

**RECOMMENDATION:** Staff recommends approving the pay differential for employees caused by increase in tax for PERS Contribution of not to exceed \$24,000. The Administrative Committee reviewed this item on December 8, 2014 and recommended approval.

**EXHIBIT**

None

**ITEM: CONSENT CALENDAR**

**5. CONSIDER EXPENDITURE OF FUNDS TO CONTRACT FOR A LIMITED-TERM SENIOR FISHERIES BIOLOGIST**

<b>Meeting Date:</b>	<b>December 15, 2014</b>	<b>Budgeted:</b>	<b>Included in FY 2014-2015 Budget</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/</b>	<b>Aquatic Resources Fisheries</b>
		<b>Line Item No.:</b>	<b>2-3-1 J</b>
<b>Prepared By:</b>	<b>Cynthia Schmidlin</b>	<b>Cost Estimate:</b>	<b>Up to \$3,000</b>

**General Counsel Approval:** N/A

**Committee Recommendation:** The Administrative Committee reviewed this item on December 8, 2014 and recommended approval.

**CEQA Compliance:** N/A

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**SUMMARY:** In 2005 District staff built and installed a series of 15 wooden weirs between the rearing channel bays at the Sleepy Hollow Fish Rearing Facility. These weirs allowed staff to separate fish, brought to the Facility from fish rescues in the lower Carmel River, by different size and age classes. The weirs are critical to the operation of the rearing channel, but have deteriorated over time and need to be replaced. Each weir is unique in size and structure and must be custom built. The original design and build of the weirs was done by Mr. Dave Dettman, Senior Fisheries Biologist at the District at the time. Since Mr. Dettman is familiar with the Sleepy Hollow weirs and has considered several upgraded features, he would be the best person to build the set of replacements. His work would entail taking measurements at the Facility, purchasing the necessary materials, construction of the weirs, and the final fitting and placement of the completed weirs into the rearing channel.

**RECOMMENDATION:** Authorize the expenditure of funds to hire one limited-term Senior Fisheries Biologist at a rate of \$45.00 per hour.

**IMPACTS TO STAFF/RESOURCES:** The total cost of the limited-term contract described above would not exceed \$3,000. Additionally, the District would pay for the required building materials. The FY 2014-2015 budget includes \$15,000 for rearing channel screen replacement. It is listed in the Project Expenditures section, under the Aquatic Resources Fisheries Program.

**EXHIBIT**

None





**EXHIBIT 6-A**

**RESOLUTION NO. 2014-19**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
UPDATING RULE 24, TABLE 3: CAPACITY FEE HISTORY**

**WHEREAS**, Capacity Fee charges of the Monterey Peninsula Water Management District (MPWMD) are set forth in the MPWMD Rules and Regulations; and

**WHEREAS**, Rule 24 (C) of the District stipulates that the Capacity Fee History Table shall be updated annually by Resolution of the Board to reflect the current year's Capacity Fee;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of Monterey Peninsula Water Management District hereby shall update the Capacity Fee Table as set forth in **Attachment 1** to this Resolution; and that these changes shall become effective immediately.

On motion of Director \_\_\_\_\_, and second by Director \_\_\_\_\_, the foregoing resolution is duly adopted this 15th day of December 2014, by the following votes:

AYES:

NAYES:

ABSENT:

I, David J. Stoldt, Secretary of the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted on the 15<sup>th</sup> day of December 2014.

Witness my hand and seal of the Board of Directors, this \_\_\_\_ day of December, 2014.

\_\_\_\_\_  
David J. Stoldt, Secretary to the Board

**EXHIBIT 6-B**

**TABLE 3: CAPACITY FEE HISTORY**

YEAR	CAPACITY FEE
1985	\$10,623.20
1985-86	\$11,133.00
1986-87	\$11,433.59
1987-88	\$11,890.93
1988-89	\$12,295.22
1989-90	\$12,983.75
1990-91	\$13,529.07
1991-92	\$14,056.70
1992-93	\$14,661.00
1993-94	\$15,202.00
1994-95	\$15,325.00
1995-96	\$15,692.00
1996-97	\$15,960.00
1997-98	\$16,551.00
1998-99	\$17,048.00
1999-2000	\$17,832.00
2000-01	\$18,492.00
2001-02	\$19,565.00
2002-03	\$19,976.00
2003-04	\$20,415.00
2004-05	\$20,517.00
2005-06	\$20,948.00
2006-07	\$21,618.00
2007-08	\$22,331.00
2008-09	\$22,979.00
2009-10	\$23,163.00
2010-11	\$23,567.00
<b>2011-12</b>	<b>\$24,227.00</b>
<b>2012-13</b>	<b>\$24,735.00</b>
<b>2013-14</b>	<b>\$25,328.00</b>
<b>2014-15</b>	<b>\$26,037.00</b>





**BACKGROUND:** In July 2004, GASB issued Statement Nos. 43 & 45, establishing financial reporting requirements for post-employment benefits other than pensions. The District provides health insurance as a post-employment benefit and is required to comply with GASB 43 & 45 and include the required information in its audited financial statements beginning in FY 2009-10. The main thrust of GASB 43 & 45 is to require that public-sector employees recognize the cost of other post-employment benefits over the service life of their employees rather than on a pay-as-you-go basis. While the liability amount must be included in each entities annual audited financial statements, the GASB statements do not require that the amount actually be funded. Government entities can either partially fund, fully fund or continue to fund the costs on a pay-as-you-go basis. Entities with less than 100 employees are allowed to use a simplified approach to GASB 43 & 45 calculations called the alternative measurement method rather than having a full actuarial evaluation. This method allows small entities such as the District to comply with GASB 43 & 45 at a fraction of the cost of a full actuarial evaluation by using an on-line computer program to calculate the liability. At its June 23, 2014 Board meeting, the Board adopted FY 2014-2015 budget which included expenditure of funds to contract with the actuarial firm Milliman to prepare the data using the alternative measurement report.

## **EXHIBIT**

### **7-A** GASBhelp Financial Report

EXHIBIT 7-A



80 Lambertson Rd.  
Windsor, CT 06095  
USA

Main +1 860 687 0148  
Fax +1 860 687 2111



November 12, 2014

Suresh Prasad  
Administrative Services Manager/CFO  
Monterey Peninsula Water Management District  
PO Box 85  
Monterey, CA 93942

**GASBhelp Financial Report**

Dear Suresh,

Thank you for using GASBhelp. This report contains information that must be included in your Comprehensive Annual Financial Report (CAFR).

The information in this report relies on the valuation that was previously completed using GASBhelp. Your auditor or financial advisor may use the results from this report for your benefit. This report must be updated annually as stipulated by GASB. Please contact 860.687.0148 or email us at [GASBhelp@milliman.com](mailto:GASBhelp@milliman.com) if you have any question about this report or the results contained herein.



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*This report was prepared solely to provide assistance to (the) Monterey Peninsula Water Management District in Monterey, CA in determining values to be reported under GASB 45 and GASB 43. It may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this report.  
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**SECTION 1**  
**FINANCIAL REPORTING CALCULATIONS**

The information in the exhibit below must be reported in the Comprehensive Annual Financial Report (CAFR).

**Exhibit 1. Calculation of Net OPEB Obligation**

Description	Calculated Amount
Annual Required Contribution (ARC)	\$250,635
Interest on Net OPEB Obligation (NOO)	\$40,789
Adjustment to Annual Required Contribution (ARC)	(\$40,745)
Annual OPEB Cost (Expense)	\$250,679
Age Adjusted Contributions Made	(\$63,724)
Change in Net OPEB Obligation (NOO)	\$186,955
Net OPEB Obligation (NOO) - Beginning of Year	\$815,777
Net OPEB Obligation (NOO) - End of Year	\$1,002,732

**Annual Required Contribution (ARC):** The ARC is the employer's periodic required contribution to a defined benefit OPEB plan. The ARC is the sum of two parts: (1) the Normal cost, which is the cost for OPEB benefits attributable to the current year of service, and (2) an Amortization payment, which is a catch-up payment for past service costs to fund the Unfunded Actuarial Accrued Liability (UAAL) over the amortization period. Under GASB 45, it is not required that entities actually pay the ARC each year, but it does need to be calculated and disclosed in the public employer's annual financial statements.

**Interest on Net OPEB Obligation (NOO):** An adjustment to the prior year financial statement's Net OPEB Obligation (NOO) to reflect interest on the obligation over the past year. It is calculated as (Prior Year NOO) x (Discount Rate). This is one of two adjustments made to the prior year NOO when deriving the current year's NOO. The other calculation is the Adjustment to the Annual Required Contribution.

**Adjustment to Annual Required Contribution (ARC):** An adjustment to the prior year financial statement's Net OPEB Obligation (NOO) to approximate the amount included in the ARC for amortization of past contributions in excess of, or less than, the ARC. It is removed from the ARC via this adjustment, so that the current ARC will not be over- or understated due to past overcontributions or contribution deficiencies. This is one of two adjustments made to the prior year NOO when deriving the current year's NOO. The other calculation is the Interest on Net OPEB Obligation.

**Annual OPEB Cost (Expense):** A measure of the annual cost of an OPEB plan, under accrual accounting guidelines. It is calculated as the ARC plus the interest on the NOO plus the adjustment to the ARC.

**Age Adjusted Contributions Made:** Contributions made for OPEB in relation to the employer's Annual Required Contribution (ARC) , adjusted to include the effect of any implicit subsidy inherent in the retiree premiums. This age adjusted contribution may differ from the actual contribution made, because, if premiums for retiree OPEB are not representative of the true cost of their benefits, GASB 45 methodology requires that the premiums be adjusted to better reflect those true cost levels.

**Change in Net OPEB Obligation (NOO):** The change in the value of the NOO from the beginning of the reporting period to the end of the reporting period. It is calculated as the difference between the OPEB Cost, which is the accrual-based cost of the OPEB plan for the current period, and the age adjusted contribution toward OPEB made during the same period. It serves as a measure of how much the NOO will move up or down during the current period; contributions in excess of cost will reduce the NOO, whereas contributions less than cost will increase the NOO.

**Net OPEB Obligation (NOO) - Beginning of Year:** The NOO is the cumulative difference between the annual OPEB cost and the actual contributions made by the employer. At an entity's transition to GASB 45 accounting, the NOO may be set to zero. For any reporting period, the Beginning NOO is the NOO from the prior period's financial statements.

**Net OPEB Obligation (NOO) - End of Year:** The Ending NOO is derived by adjusting the beginning NOO by the calculated Change in NOO. See above definition for Change in NOO.

**Actual Contribution, or Contribution:** Contributions made for OPEB in relation to the employer's Annual Required Contribution (ARC) include: (1) payments of benefits directly to or on behalf of a retiree or beneficiary, (2) premium payments to an insurer, or (3) irrevocably transferred assets to a trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer or plan administrator. Revocable assets that are set aside for future benefits do not qualify as OPEB assets according to GASB 45.

Revocable assets that are set aside for future benefits do not qualify as OPEB assets according to GASB 45.



## **SECTION 2** **IMPLICIT SUBSIDY CALCULATIONS**

The information in Section 2 is for information purposes only and does not need to be reported in the Comprehensive Annual Financial Report (CAFR).

Some employers may think that they do not have an OPEB liability because, although they offer post-employment benefits, the retirees pay the full cost of those benefits. If a retiree pays the full cost of benefits (100% of the premium), it might seem at first glance that there is no liability for the employer; but there may still be a liability because of an implicit rate subsidy.

The implicit subsidy inherent in your OPEB contributions is your age adjusted contribution (a calculated value in the valuation process) minus the actual contribution you made. GASB 45 generally requires that you calculate your OPEB liability using age adjusted premiums to better reflect the true higher cost of retirees' benefits. Consequently, in your financial statements, where costs related to active employee benefits are recorded, you should decrease your employer contributions by this same amount to reflect the fact that a portion of the active contribution actually subsidizes retiree costs.

### **Exhibit 2. Estimate of Implicit Subsidy Inherent in Your OPEB Contribution**

Description	Calculated Amount
Actual Contribution (a)	\$63,724
Age Adjusted Contribution (b)	\$63,724
Implicit Subsidy = (b) - (a)	\$0

The employer contributions listed in the annual financial statements for active employee benefits should be reduced by the implicit subsidy amount listed in the above exhibit. Thus, the age adjusted contribution for the retiree benefits and the adjusted contributions for active employee benefits should add up to the actual annual contributions made by the employer for retirees and actives combined.

**Implicit Subsidy, or Implicit Rate Subsidy:** The implicit rate is an inherent subsidy of retiree healthcare costs by active employee healthcare costs when healthcare premiums paid by retirees and actives are the same.

The true healthcare costs for retirees are, on average, greater than active employees' healthcare costs. Thus, if both subgroups pay the same per-capita premium for their benefits, retirees are paying less than they would if their premiums were calculated solely based on retiree-only expected healthcare costs. With an implicit rate subsidy, the active employee premiums are subsidizing the retiree premiums, and that subsidization creates a liability that needs to be recognized.



**SECTION 3**  
**REQUIRED SUPPLEMENTARY EXHIBITS**

A schedule of funding progress, a history of the Net OPEB obligation and the schedule of employer contributions are required supplementary exhibits to the Comprehensive Annual Financial Report (CAFR) of many employers. Below is the content needed for those exhibits.

**Exhibit 3. Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>6/30/2014</b>	<b>\$0</b>	<b>\$2,666,140</b>	<b>\$2,666,140</b>	<b>0.00%</b>	<b>\$2,251,992</b>	<b>118.39%</b>

**Exhibit 4. History of Net OPEB Obligation**

Fiscal Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
<b>6/30/2014</b>	<b>\$250,679</b>	<b>\$63,724</b>	<b>25.4%</b>	<b>\$1,002,732</b>

**Exhibit 5. Schedule of Employer Contributions\***

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
<b>6/30/2014</b>	<b>\$250,635</b>	<b>25.4%</b>

\* Exhibit 5 is not a required supplementary exhibit to the Comprehensive Annual Financial Report (CAFR).

GASB 45 requires that you report the history of Net OPEB obligation and the schedule of employer contributions for the three most recent reporting periods. These exhibits reflect the employer's contribution toward OPEB funding. This report contains the current period's information, but the history of your Net OPEB obligation and the schedule of employer contributions are also required for the previous two years. Prior period information should be available in your prior periods' financial reports. If you began reporting under GASB 45 within the last three periods, you may include only the historical periods that apply.



**SECTION 4**  
**SUMMARY OF INPUTS USED IN CALCULATIONS**

The information in the exhibit below must be reported in the Comprehensive Annual Financial Report (CAFR).

**Exhibit 6. Summary of Inputs**

Description	Value
Actual Contribution	\$63,724
Total OPEB Retiree Premium	n/a
Age Adjustment Factor	1
Annual Required Contribution (ARC)	\$250,635
Payroll Growth Rate	2.90%
Discount Rate	5.00%
Net OPEB Obligation (NOO)	\$815,777
Actuarial Value of Assets	\$0
Amortization Period	26 years
Actuarial Accrued Liability (AAL)	\$2,666,140
Fiscal Year End Date	6/30/2014
Valuation Date	6/30/2014
Amortization Method	Level Percent of Payroll Amortization

**Actual Contribution:** see definition from Section 1 above.

**Age Adjusted Contribution:** see definition in Section 1 above.

**Age Adjustment Factor:** The factor applied to premiums during the valuation process to better approximate the actual cost associated with retiree benefits in situations where blended premiums are charged to actives and retirees. This factor is used in the financial reporting process to similarly adjust the contribution made toward OPEB.

**Annual Required Contribution (ARC):** See definition from Section 1 above.

**Payroll Growth Rate:** The expected future annual salary change for a typical employee (e.g., 5% increase).

**Discount Rate:** The discount rate is used to adjust for the time value of money when the future value of an investment is assumed and the present value is being calculated. Actuarial assumptions

regarding discount rates are used in estimating the present value of the cost of future benefits payable.

**Net OPEB Obligation (NOO):** See definition from Section 1 above.

**Actuarial Value of Assets:** The AVA is the value of cash, investments, other assets and property belonging to an OPEB trust, pension fund, or similar entity, as used by the actuary for the purpose of actuarial valuation. Smoothing of investment gains and losses often make the actuarial value of assets different from the market value of assets.

**Amortization Period:** The Amortization Period is the number of years over which the unfunded actuarial accrued liability is spread. Per GASB 45, the maximum amortization period allowable is 30 years.

**Actuarial Accrued Liability (AAL):** The AAL is the present value of projected benefits (other than pension benefits, or OPEB) for retirees plus a portion of expected OPEB for active members that have been earned but are not going to be paid in the current year. The AAL is calculated using one of six Actuarial cost methods acceptable under GASB 45. The retiree portion of the AAL consists of the current year OPEB and the present value of future OPEB payments. The active member portion of the AAL consists of the present value of expected future benefit payments attributable to prior service, excluding payment of active member benefits for the current year. The AAL does not include future benefit payments for future services.

**Fiscal Year End Date:** The Fiscal Year End Date is the last day of the fiscal year for which you are preparing financial statements. For example, if you're reporting on the year 7/1/2008 - 6/30/2009, the fiscal year end date would be 6/30/2009.

**Valuation Date:** For the purposes of the GASBhelp, the valuation date is the last day of the fiscal year for which an entity performing the valuation. For example, if you are performing a valuation for the fiscal year from 1/1/2008 to 12/31/2008, enter the valuation date of 12/31/2008.

**Amortization Method:** Under GASB 45, there are two acceptable accounting methods for amortizing the present value of future benefit costs over a period of time. The methods are: (1) Level Dollar, which amortizes the cost into equal dollar amounts to be paid over a given number of years, and (2) Level Percentage of Payroll, which calculates amortization payments as a constant percentage of projected payroll over a given number of years. Level Dollar amortization generally results in decreasing inflation-adjusted payments over time, whereas Level Percentage of Payroll amortization generally results in level inflation-adjusted payments over time.

## **SECTION 5** **CAVEATS AND LIMITATIONS**

This report is based on the data, methods, assumptions and plan provisions specified by the user of the website. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. If any data or other information is inaccurate or incomplete, the calculations may need to be revised.

Furthermore, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions which are summarized in this report.

Actuarial computations under GASB 43 and GASB 45 are for purposes of fulfilling financial accounting requirements for public employers and trusts. The calculations in the enclosed exhibits have been made on a basis consistent with the Alternative Measurement Method under GASB 43 and GASB 45. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in these exhibits. Accordingly, additional determinations may be needed for other purposes.

This work product was prepared solely to provide assistance to the client or system in determining values to be reported under GASB 45 and GASB 43. It may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. The assumptions and results should be reviewed by the user's accountant. Any third party recipient of this work product who desires professional guidance should not rely upon this work product, but should engage qualified professionals for advice appropriate to its own specific needs.

The results contained in this report do not reflect potential changes in future health costs due to the passage of the Patient Protection and Affordable Care Act (P.L.111-148) signed on March. 23, 2010, as amended by the Health Care and Education Reconciliation Act (H.R.4872) signed on March 30, 2010. The impact on future health costs due to this legislation will depend on a number of factors, including future regulations that are not yet known. An analysis of the impact of health care reform on future plan costs was beyond the scope of this report.

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Sincerely,



William J. Thompson, FSA, MAAA  
Principal and Consulting Actuary



Stephen J. Kaczmarek, FSA, MAAA  
Principal and Consulting Actuary

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**ITEM: CONSENT CALENDAR**

**8. REVIEW AND ACCEPT INDEPENDENT AUDIT REPORT FOR FISCAL YEAR 2013-2014**

<b>Meeting Date:</b>	<b>December 15, 2014</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Suresh Prasad</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review:** N/A

**Committee Recommendation:** The Administrative Committee reviewed this item on December 8, 2014 and recommended approval.

**CEQA Compliance:** N/A

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**SUMMARY:** Drafts of the Financial Statements and Independent Auditors' Report (Report and Board Communication Letter (required communication letter from the Auditors to the Board) for the fiscal year ending June 30, 2014 have been received from the District's auditors, Hayashi & Wayland. The audit documents will also be posted on the District's website after it has been accepted by the Board. Hayashi & Wayland has been the District auditors since 1989.

The auditors have issued a clean opinion on the District's financial statements. The audit did not identify any deficiencies in the internal control that the auditors consider to be material weaknesses. The Administrative Committee met with representatives from Hayashi and Wayland and reviewed the Auditors' Report and the Board Communication Letter at its December 8, 2014 meeting.

A Management Letter may be issued in conjunction with the Report to offer constructive suggestions for improvements on matters that came to the auditors' attention in connection with the audit, however, such letter was not deemed necessary by Hayashi & Wayland in connection with the audit for this fiscal year.

**RECOMMENDATION:** District staff recommends that the Board review and accept the Financial Statements and Independent Auditors' Report for the year ending June 30, 2014. The Administrative Committee reviewed draft report on December 8, 2014 and voted 3 to 0 to recommend approval of the staff recommendation.

**EXHIBITS**

**8-A** Financial Statement for FY 2013-2014 and Independent Auditors' Report

**8-B** Board Communication Letter

**EXHIBIT 8-A**

HAYASHI WAYLAND - PRELIMINARY DRAFT FOR REVIEW & DISCUSSION - SUBJECT TO CHANGE - 12/10/2014

**MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
JUNE 30, 2014

AND INDEPENDENT AUDITORS' REPORT



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

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**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

Board of Directors

June 30, 2014

<u>Member</u>	<u>Office</u>	<u>Representative</u>
David Potter	Chair	Monterey County Board of Supervisors
David Pendergrass	Director	Mayoral Representative
Brenda Lewis	Director	Division 1
Bill Thayer	Vice-Chair	Division 2
Kristi Markey	Director	Division 3
Jeanne Byrne	Director	Division 4
Robert S. Brower	Director	Division 5



## **INDEPENDENT AUDITORS' REPORT**

**Board of Directors  
Monterey Peninsula Water Management District  
Monterey, California**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the **Monterey Peninsula Water Management District** as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express our opinions on these financial statements based on our audit. We did not audit the financial statements of the CAWD/PBCSD Wastewater Reclamation Project (the proprietary fund) which statements reflect 78% of the total assets (See Note 2). Those statements were audited by Marcello & Company whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the proprietary fund, is based solely on the report of Marcello & Company. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities and each major fund of the ***Monterey Peninsula Water Management District*** as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, the Schedule of Funding Progress of Other Post Employee Benefits on page 43 and the Budgetary Comparison Schedules on pages 44–47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

\_\_\_\_\_ [date]

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2014**

This section of the Monterey Peninsula Water Management District's (the District) annual financial report presents a discussion and analysis of the District's performance during the fiscal year ended June 30, 2014. Please read it in conjunction with the District's financial statements, which follow this section.

The District was created by the California Legislature in 1977 and ratified by local voters in 1978. The District has four primary responsibilities. The first is to augment and manage development of potable water supplies and the delivery of this water to users in the Monterey Peninsula area. The second is to promote water conservation. The third is to promote water reuse and reclamation of storm and waste water. The fourth is to protect the environmental quality of the Monterey Peninsula area's water resources, including the protection of instream fish and wildlife resources.

The District is also a participant in the CAWD/PBCSD Wastewater Reclamation Project (the Project), which is a cooperative effort that also involves the Carmel Area Wastewater District, the Pebble Beach Community Services District and the Pebble Beach Company. The cooperative effort did not create a new or separate legal entity. Therefore, the Project is included as a Proprietary (Enterprise) Fund of the District, the issuer of the Certificates of Participation which financed the project. The Management's Discussion and Analysis for this Proprietary Fund is included in separate financial statements of the Project audited by Marcello & Company and, therefore, there is no further discussion of that fund in this report.

**FINANCIAL HIGHLIGHTS**

- The assets of the governmental activities of the District exceeded its liabilities at the close of the year ending June 30, 2014 by \$5.2 million (net position). However, \$3.7 million is invested in capital assets-net of related debt.
- The District's total governmental activities net position decreased by approximately \$1.5 million for the year ended June 30, 2014. The decrease in net position can mostly be attributed to the groundwater replenishment project, capital outlay and capitalized project expenditures. Depreciation expenses for the year were \$279,774.
- Capital outlay and capitalized project expenditures of \$398,614 consisted mostly of funds expended to construct an additional injection well for the District's Aquifer Storage & Recovery Project, alternate desalination project, local water projects, vehicle purchase, building carpet installation, and routine computer equipment upgrades.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the basic financial statements, and required supplementary information.

The financial statements provide both long-term and short-term information about the District's financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by required supplementary information that further explains and supports the information in the financial statements.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The District's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Activities. All assets and liabilities associated with the operation of the District are included in the Statement of Net Position.

**Government-wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements include all the governmental activities of the District. The governmental activities of the District include conservation, mitigation and water supply. The business-type activity includes the water reclamation project.

The government-wide financial statements can be found on pages 12 and 13 of this report.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detail information about the most significant funds, not the District as a whole. The District, like other special districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are segregated into two categories: governmental funds and proprietary funds. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Governmental Funds** – The District’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s projects. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide financial statements. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and government-wide statements.

The District maintains three individual governmental funds. Information is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Water Supply Fund, Conservation Fund, and the Mitigation Fund, all of which are considered to be major funds.

**Proprietary Fund** – The District maintains one type of proprietary fund, the enterprise fund. Proprietary funds are reported using the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activity in the government-wide financial statements but provide more detail and additional information. The District uses an enterprise fund to account for the CAWD/PBCSD Wastewater Reclamation Project.

The fund financial statements can be found on pages 14 through 20 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 42 of this report.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS****Net Position**

This Statement of Net Position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Net position is reported in three categories: Invested in capital assets, net of related debt, Restricted and Unrestricted. Unrestricted assets are funds available for future operational and capital expenditures.

	<b><u>Summary of Net Position</u></b> <b><u>Governmental Activities</u></b>	
	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>		
Current Assets	\$ 7,861,865	\$ 8,130,277
Prepaid Expenses and Deposits	-	36,025
Capital Assets – Net	<u>5,424,002</u>	<u>5,305,162</u>
Total Assets	<u>13,285,867</u>	<u>13,471,464</u>
<b><u>Liabilities</u></b>		
Current Liabilities	2,465,142	1,296,323
Long-Term Liabilities	<u>5,581,118</u>	<u>5,432,937</u>
Total Liabilities	<u>8,046,260</u>	<u>6,729,260</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Related Debt	3,703,618	3,825,773
Restricted	219,136	219,136
Unrestricted	<u>1,316,853</u>	<u>2,697,295</u>
Total Net Position	<u>\$ 5,239,607</u>	<u>\$ 6,742,204</u>

The District's assets exceeded its liabilities by approximately \$5.2 million at the end of the current year, which is a decrease of approximately 22.3% since June 30, 2013.

The activities decreased the District's net position by approximately \$1.5 million during the current year, due primarily to increased payables as follows:

- Groundwater replenishment project
- Local water supply project
- Various other payables

In FY 2012-2013, the District replaced the lost User Fee revenue with Water Supply Charge revenue derived from individual property owners and Mitigation Program revenue derived from Cal-Am ratepayers.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)****Change in Net Position**

	<b><u>Change in Net Position</u></b> <b><u>Governmental Activities</u></b>	
	<u>2014</u>	<u>2013</u>
<b><u>Revenues:</u></b>		
Program Revenue:		
Charges for Services	\$ 9,044,326	\$ 8,159,383
Operating Grants	602,499	391,797
General Revenues:		
Property Taxes	1,582,796	1,690,645
Investment Income	20,042	11,524
Miscellaneous	<u>56,653</u>	<u>62,211</u>
Total Revenues	<u>11,306,316</u>	<u>10,315,560</u>
<b><u>Expenses:</u></b>		
Conservation	2,269,696	1,459,231
Mitigation	2,463,838	2,284,450
Water Supply	8,075,379	4,191,428
Transfer of Capital Assets	<u>—</u>	<u>2,147,054</u>
Total Expenses	<u>12,808,913</u>	<u>10,082,163</u>
Change in Net Position	(1,502,597)	233,397
Net Position - Beginning of Year	<u>6,742,204</u>	<u>6,508,807</u>
Net Position - End of Year	<u>\$ 5,239,607</u>	<u>\$ 6,742,204</u>

In fiscal year 2012-2013, the District replaced part of the lost User Fee revenue with Mitigation Program revenue derived from Cal-Am ratepayers. The remainder of the lost revenue was replaced with Water Supply Charge in FY 2012-2013. Governmental activities decreased the District's net assets by approximately \$1.5 million. Key elements resulting in the net increase are as follows:

- Project expenditures of about \$8.2 million, consisting mainly of constructing an additional well for the Aquifer Storage & Recovery Project, groundwater replenishment project, alternate desalination project, local water supply project, and various minor project expenditures contributed to the increase.
- Capital outlay of approximately \$107,000, mostly for a vehicle purchase, building carpet installation, and routine computer equipment upgrades, added to the increase.
- Depreciation expense of approximately \$280,000 offset a portion of the increase.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District’s capital assets, net of accumulated depreciation, at June 30, 2014 totaled \$5,424,002 as shown below. This amount represents a net increase, including additions and disposals, net of depreciation, of approximately \$118,000 or 2.2% from June 30, 2013.

**Capital Assets  
(Net of Depreciation)**

	2014	2013
Office Equipment	\$ 3,613	\$ 5,621
Computer Equipment	361,070	384,666
Transportation Equipment	32,218	16,260
Project Equipment	6,833	7,667
Building and Improvements	1,238,868	1,254,989
ASR Facilities	3,773,036	3,623,950
Fish Rearing Facility	8,364	12,009
Total	\$ 5,424,002	\$ 5,305,162

**Debt Administration**

The District has an installment purchase agreement with a balance of \$3,886,417 at June 30, 2014. Retirements were made in the amount of \$75,215.

The balance of the District’s debt, other than the liabilities for compensated absences and other post employment benefits is related to the CAWD/PBCSD Wastewater Reclamation Project. As mentioned earlier, the Management’s Discussion and Analysis for this Proprietary Fund is included in separate financial statements of the Project audited by Marcello & Company and, therefore, there is no further discussion of that fund in this report.





## **FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

The Water Supply Fund is the chief operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund accounts for financial resources to be used for the acquisition of or construction of major capital facilities (other than those financed by Proprietary Funds and Special Assessments).

The Special Revenue Funds are used to account for specific revenue sources for which expenditures are restricted by law or regulation to finance particular activities of the District. The Conservation Fund accounts for financial resources used to fund water conservation activities mandated by District legislation including permit issuance and enforcement, jurisdictional water allocations, and public water conservation education. This includes the Toilet Replacement Refund Program, which decreases water demand on the Carmel River. The Mitigation Fund accounts for financial resources used to finance work along the Carmel River carried out pursuant to the Mitigation Program designed to ameliorate impacts identified in the District's Allocation Program Environmental Impact Report.

At the end of the current fiscal year, the District's governmental funds reported a total fund balance of \$5,310,783. The Water Supply Fund has a fund balance of \$3,892,112, the Conservation Fund has a fund balance of \$1,086,698 and the Mitigation Fund has a fund balance of \$331,973.

During the current fiscal year, the fund balance of the District's Water Supply Fund decreased \$2,168,206, the Conservation Fund increased \$404,928 and the Mitigation Fund increased \$301,004. The increases in the Conservation Fund and the Mitigation Fund are due to revenues and other financing sources exceeding expenditures primarily due to deferment of some expenditures to next fiscal year. In FY 2012-2013, the District replaced the lost User Fee revenue with Water Supply Charge revenue derived from individual property owners and Mitigation Program revenue derived from Cal-Am ratepayers.

## **BUDGET HIGHLIGHTS/VARIANCES**

The District's original budget of \$15.3 million for expenditures was modified to \$16.1 during the mid-year budget process. The increase was attributable to project expenditures, mostly related to groundwater replenishment project. Most of the increase in project expenditures was covered from previously accumulated fund balances.

The District's budget projected operating revenues of \$12.7 million. The District finished the budget year with operating revenues of \$11.3 million, which was \$1.3 million or 10.6% less than budgeted. The difference was mostly attributable to project reimbursements being approximately \$1.4 million under budget.

Actual operating expenditures totaled \$12.8 million compared to the budget amount of \$16.1 million, or 20.4% less than budgeted. The difference is primarily due to project expenditures being approximately \$3 million less than the budgeted amount.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

In developing the fiscal year 2014-2015 budget, the staff and management had to consider a number of factors that would impact the District's economy and finances. The 2014-2015 budget was developed and balanced using previously accumulated fund balance. This was accomplished by sustaining most expenditure levels and structuring permit and other processing fees collected by the District to fully recover service costs. The fiscal year 2014-2015 budget assumes continued collection of Water Supply Charge revenue derived from individual property owners and Mitigation Program revenue derived from Cal-Am ratepayers.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Suresh Prasad, Administrative Services Manager/Chief Financial Officer, Monterey Peninsula Water Management District, 5 Harris Ct., Bldg. G, Monterey, California 93940.

**BASIC FINANCIAL STATEMENTS**



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2013)**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>2014 Total</u>	<u>2013 Total</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 1,032,749	\$ 649,266	\$ 1,682,015	\$ 780,548
Investments	4,696,986	-	4,696,986	5,982,639
Receivables, net	1,912,994	591,230	2,504,224	3,108,041
Prepaid expenses and deposits	-	-	-	36,025
Restricted reserves	219,136	874,410	1,093,546	1,083,629
Capital assets, net:				
Water rights	-	43,910,643	43,910,643	45,306,398
Nondepreciable	-	108,486	108,486	8,104
Depreciable	<u>5,424,002</u>	<u>-</u>	<u>5,424,002</u>	<u>5,305,162</u>
Total assets	<u>13,285,867</u>	<u>46,134,035</u>	<u>59,419,902</u>	<u>61,610,546</u>
<b>LIABILITIES:</b>				
Accounts payable	2,412,850	665,576	3,078,426	3,169,609
Accrued liabilities	52,292	-	52,292	86,801
Long-term debt:				
Due within one year	327,296	2,252,000	2,579,296	2,545,786
Due in more than one year	<u>5,253,822</u>	<u>22,016,000</u>	<u>27,269,822</u>	<u>29,407,151</u>
Total liabilities	<u>8,046,260</u>	<u>24,933,576</u>	<u>32,979,836</u>	<u>35,209,347</u>
<b>NET POSITION:</b>				
Invested in capital assets, net of related debt	3,703,618	24,719,129	28,422,747	22,620,275
Restricted for construction project	-	-	-	15,276
Restricted for debt service	219,136	1,137	220,273	220,273
Restricted for capital replacement	-	873,273	873,273	848,080
Unrestricted (deficit)	<u>1,316,853</u>	<u>(4,393,080)</u>	<u>(3,076,227)</u>	<u>2,697,295</u>
Total net position	<u>\$ 5,239,607</u>	<u>\$ 21,200,459</u>	<u>\$ 26,440,066</u>	<u>\$ 26,401,199</u>

See Notes to Basic Financial Statements.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2013)**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		2014 Total	2013 Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities		
<b>FUNCTIONS/PROGRAMS:</b>							
Governmental activities:							
Conservation	\$ 2,269,696	\$ 1,374,724	\$ –	\$ (894,972)	\$ –	\$ (894,972)	\$ (697,241)
Mitigation	2,463,838	1,940,728	602,499	79,389	–	79,389	(57,093)
Water supply	<u>8,075,379</u>	<u>5,728,874</u>	<u>–</u>	<u>(2,346,505)</u>	<u>–</u>	<u>(2,346,505)</u>	<u>1,370,405</u>
Total governmental activities	<u>12,808,913</u>	<u>9,044,326</u>	<u>602,499</u>	<u>(3,162,088)</u>	<u>–</u>	<u>(3,162,088)</u>	<u>616,071</u>
Business-type activities – water sales	<u>3,828,941</u>	<u>5,359,496</u>	<u>–</u>	<u>–</u>	<u>1,530,555</u>	<u>1,530,555</u>	<u>741,143</u>
Total business-type activities	<u>3,828,941</u>	<u>5,359,496</u>	<u>–</u>	<u>–</u>	<u>1,530,555</u>	<u>1,530,555</u>	<u>741,143</u>
Total	<u>\$ 16,637,854</u>	<u>\$ 14,403,822</u>	<u>\$ 602,499</u>	<u>(3,162,088)</u>	<u>1,530,555</u>	<u>(1,631,533)</u>	<u>1,357,214</u>
<b>GENERAL REVENUES:</b>							
Taxes				1,582,796	–	1,582,796	1,690,645
Investment earnings				20,042	26,185	46,227	13,433
Miscellaneous				56,653	–	56,653	62,211
Gain (loss) on sale of capital assets				–	–	–	(2,147,054)
Special items:							
Subsidy, Pebble Beach Company				–	–	–	1,600,006
Withdrawal, Pebble Beach Company				–	–	–	(1,641,213)
Water entitlement sales				–	–	–	253,203
Water entitlement (withdrawals)				–	(15,276)	(15,276)	(1,130,000)
Total general revenues				<u>1,659,491</u>	<u>10,909</u>	<u>1,670,400</u>	<u>(1,298,769)</u>
CHANGE IN NET POSITION				<u>(1,502,597)</u>	<u>1,541,464</u>	<u>38,867</u>	<u>58,455</u>
NET POSITION – BEGINNING OF YEAR				6,742,204	19,658,995	26,401,199	31,862,754
Prior period adjustment – prior bond carrying costs reimbursements				–	–	–	(5,520,000)
NET POSITION – BEGINNING OF YEAR (AS RESTATED)				<u>6,742,204</u>	<u>19,658,995</u>	<u>26,401,199</u>	<u>26,342,754</u>
NET POSITION – END OF YEAR				<u>\$ 5,239,607</u>	<u>\$ 21,200,459</u>	<u>\$ 26,440,066</u>	<u>\$ 26,401,199</u>

See Notes to Basic Financial Statements.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2013)**

	Water Supply	Conservation	Mitigation	2014 Total	2013 Total
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 222,493	\$ 334,138	\$ 476,118	\$ 1,032,749	\$ 354,747
Investments	2,702,568	961,480	1,032,938	4,696,986	5,982,639
Receivables, net	618,298	266,804	1,027,892	1,912,994	1,573,755
Prepaid expenses and deposits	-	-	-	-	36,025
Due from other funds	2,201,211	-	-	2,201,211	2,201,210
Restricted reserves	219,136	-	-	219,136	219,136
Total assets	<u>5,963,706</u>	<u>1,562,422</u>	<u>2,536,948</u>	<u>10,063,076</u>	<u>10,367,512</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	2,054,704	113,368	244,778	2,412,850	1,209,522
Accrued liabilities	8,861	12,199	31,232	52,292	86,801
Due to other funds	-	285,802	1,915,409	2,201,211	2,201,210
Total liabilities	<u>2,063,565</u>	<u>411,369</u>	<u>2,191,419</u>	<u>4,666,353</u>	<u>3,497,533</u>
<b>Deferred Inflows –</b>					
Deferred tax revenue	8,029	64,355	13,556	85,940	96,922
Total deferred inflows	<u>8,029</u>	<u>64,355</u>	<u>13,556</u>	<u>85,940</u>	<u>96,922</u>
<b>Fund balances:</b>					
Nonspendable – prepaid expenses	-	-	-	-	36,025
<b>Assigned:</b>					
Insurance/litigation	171,354	11,906	66,740	250,000	250,000
Capital equipment	51,966	47,633	145,301	244,900	304,100
Flood/drought emergencies	-	-	443,944	443,944	443,944
Unassigned	3,668,792	1,027,159	(324,012)	4,371,939	5,738,988
Total fund balances	<u>3,892,112</u>	<u>1,086,698</u>	<u>331,973</u>	<u>5,310,783</u>	<u>6,773,057</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 5,963,706</u>	<u>\$ 1,562,422</u>	<u>\$ 2,536,948</u>		
<b>Amounts reported in the statement of net position are different because:</b>					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds				5,424,002	5,305,162
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds				85,940	96,922
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds				(5,581,118)	(5,432,937)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>				<u>\$ 5,239,607</u>	<u>\$ 6,742,204</u>

See Notes to Basic Financial Statements.



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2013)**

	Water Supply	Conservation	Mitigation	2014 Total	2013 Total
<b>REVENUES:</b>					
Property taxes	\$ 333,267	\$ 1,100,905	\$ 148,624	\$ 1,582,796	\$ 1,690,645
Water supply charge	3,412,207	–	–	3,412,207	3,400,873
User fees	–	6,867	87,064	93,931	178,002
Connection charges, net of refunds	223,625	–	–	223,625	115,972
Permit fees	–	175,023	65,056	240,079	277,956
Project reimbursements	2,093,013	1,190,653	–	3,283,666	2,562,195
Investment income	12,799	3,713	3,530	20,042	11,524
Legal fee reimbursements	–	18,441	–	18,441	32,756
Recording fees	–	15,061	–	15,061	13,785
Mitigation revenue	–	–	1,801,800	1,801,800	1,637,984
Miscellaneous	16,010	–	7,141	23,151	15,670
Grants	–	–	602,499	602,499	391,797
Total revenues	<u>6,090,921</u>	<u>2,510,663</u>	<u>2,715,714</u>	<u>11,317,298</u>	<u>10,329,159</u>
<b>EXPENDITURES:</b>					
Personnel:					
Salaries	768,299	449,925	1,033,767	2,251,991	2,169,046
Employee benefits and other personnel	321,168	240,948	463,526	1,025,642	1,067,786
Services and supplies:					
Project expenditures	6,465,907	1,182,125	556,364	8,204,396	3,243,178
Operating expenditures	143,720	147,578	230,029	521,327	377,214
Professional fees	304,978	62,765	81,997	449,740	508,795
Capital outlay	35,919	22,394	49,027	107,340	53,145
Debt service:					
Principal	75,215	–	–	75,215	38,368
Interest and other charges	<u>143,921</u>	<u>–</u>	<u>–</u>	<u>143,921</u>	<u>67,801</u>
Total expenditures	<u>8,259,127</u>	<u>2,105,735</u>	<u>2,414,710</u>	<u>12,779,572</u>	<u>7,525,333</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,168,206)</u>	<u>404,928</u>	<u>301,004</u>	<u>(1,462,274)</u>	<u>2,803,826</u>
<b>OTHER FINANCING SOURCES (USES) –</b>					
Loan proceeds	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,000,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,168,206)	404,928	301,004	(1,462,274)	6,803,826
<b>FUND BALANCES – BEGINNING OF YEAR</b>	<u>6,060,318</u>	<u>681,770</u>	<u>30,969</u>	<u>6,773,057</u>	<u>(30,769)</u>
<b>FUND BALANCES – END OF YEAR</b>	<u>\$ 3,892,112</u>	<u>\$ 1,086,698</u>	<u>\$ 331,973</u>	<u>\$ 5,310,783</u>	<u>\$ 6,733,057</u>

See Notes to Basic Financial Statements.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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NET CHANGE IN FUND BALANCES	\$ (1,462,274)
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Amounts reported in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:

	118,840
--	---------

Capitalized project expenditures	\$	291,274
Capital outlay	\$	107,340
Depreciation expense	\$	(279,774)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.

	(10,982)
--	----------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. In the current period these amounts are:

	75,215
--	--------

Principal payments on long-term debt	\$	75,215
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

	(223,396)
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Compensated absences	\$	(36,441)
OPEB costs	\$	(186,955)

CHANGE IN NET POSITION	\$ <u>(1,502,597)</u>
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See Notes to Basic Financial Statements.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF NET POSITION – PROPRIETARY FUND**  
**(CAWD/PBCSD WASTEWATER RECLAMATION PROJECT)**  
**JUNE 30, 2014**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2013)**

	<u>2014</u>	<u>2013</u>
<b>ASSETS:</b>		
Cash and investments	\$ 649,266	\$ 425,801
Accounts receivable:		
Water sales	577,074	1,518,948
Other	14,156	15,338
Cash restricted for:		
Construction project	–	15,276
Debt service	1,137	1,137
Capital replacements	873,273	848,080
Capital assets, net:		
Water resale rights	43,910,643	45,306,398
Construction-in-progress	<u>108,486</u>	<u>8,104</u>
Total assets	<u>46,134,035</u>	<u>48,139,082</u>
<b>LIABILITIES:</b>		
Accounts payable:		
Pebble Beach Company	–	1,641,213
Trade	40,109	15,758
Affiliates	625,467	303,116
Due to Pebble Beach Company:		
Due within one year	552,000	552,000
Due in more than one year	4,416,000	4,968,000
Certificates of participation:		
Due within one year	1,700,000	1,700,000
Due in more than one year	<u>17,600,000</u>	<u>19,300,000</u>
Total liabilities	<u>24,933,576</u>	<u>28,480,087</u>
<b>NET POSITION:</b>		
Invested in capital assets, net of related debt	24,719,129	24,314,502
Restricted for debt service	1,137	1,137
Restricted for construction project	–	15,276
Restricted for capital replacements	873,273	848,080
Unrestricted	<u>(4,393,080)</u>	<u>(5,520,000)</u>
Total net position	<u>\$ 21,200,459</u>	<u>\$ 19,658,995</u>

See Notes to Basic Financial Statements.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION – PROPRIETARY FUND**  
**(CAWD/PBCSD WASTEWATER RECLAMATION PROJECT)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2013)**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES –		
Water sales	\$ <u>5,359,496</u>	\$ <u>4,175,379</u>
OPERATING EXPENSES:		
Plant costs	1,552,973	1,335,664
Distribution costs	253,426	335,440
General and administration	150,140	94,950
Potable water	4,188	4,259
Amortization	<u>1,585,572</u>	<u>1,580,827</u>
Total operating expenses	<u>3,546,299</u>	<u>3,351,140</u>
Operating income (loss)	<u>1,813,197</u>	<u>824,239</u>
NON-OPERATING REVENUES (EXPENSES):		
PBCo subsidy	–	1,600,006
PBCo (withdrawal)	–	(1,641,213)
Water entitlement sales	–	253,203
Water entitlement (withdrawals)	(15,276)	(1,130,000)
Investment earnings	26,185	1,909
Bank charges	(325)	(333)
Bond carrying costs	(234,629)	(47,455)
Interest expense – COP	<u>(47,688)</u>	<u>(35,308)</u>
Total non-operating revenue (expenses)	<u>(271,733)</u>	<u>(999,191)</u>
CHANGE IN NET POSITION	<u>1,541,464</u>	<u>(174,952)</u>
NET POSITION – BEGINNING OF YEAR	19,658,995	25,353,947
Prior Period Adjustment – prior bond carrying costs liability	<u>–</u>	<u>(5,520,000)</u>
NET POSITION – BEGINNING AS RESTATED	<u>19,658,995</u>	<u>19,833,947</u>
NET POSITION – END OF YEAR	<u>\$ 21,200,459</u>	<u>\$ 19,658,995</u>

See Notes to Basic Financial Statements.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUND**  
**(CAWD/PBCSD WASTEWATER RECLAMATION PROJECT)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2013)**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 6,302,552	\$ 3,152,557
Cash payments for operating expenses	<u>(1,614,025)</u>	<u>(2,143,453)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>4,688,527</u>	<u>1,009,104</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Cash received from operating subsidy	–	1,600,006
Cash received from water entitlement sales	–	253,203
Cash paid out – water entitlement (withdrawals)	(15,276)	(1,130,000)
Payment to PBCo-advance reimbursements	(1,641,213)	–
Water resale rights – capital additions	(290,199)	(82,866)
Bond carrying and interest expenses	(282,642)	(82,763)
Principal paid on PBCo debt	(552,000)	–
Principal payments on certificates of participation	<u>(1,700,000)</u>	<u>(1,600,000)</u>
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(4,481,330)</u>	<u>(1,042,420)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES –</b>		
Investment earnings	<u>26,185</u>	<u>1,576</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>26,185</u>	<u>1,576</u>
<b>INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	233,382	(31,740)
<b>CASH AND INVESTMENTS, BEGINNING OF YEAR</b>	<u>1,290,294</u>	<u>1,322,034</u>
<b>CASH AND INVESTMENTS, END OF YEAR</b>	<u>\$ 1,523,676</u>	<u>\$ 1,290,294</u>

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUND**  
**(CAWD/PBCSD WASTEWATER RECLAMATION PROJECT)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2012)**  
 (Continued)

	<u>2014</u>	<u>2013</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income	\$ 1,813,197	\$ 824,239
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Amortization	1,585,572	1,580,827
(Increase) decrease in:		
Receivables	943,056	(1,022,822)
Prepaid expenses	–	21,061
Increase (decrease) in – Accounts payable	<u>346,702</u>	<u>(394,201)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 4,688,527</u>	<u>\$ 1,009,104</u>
RECONCILIATION OF CASH AND CASH INVESTMENTS TO THE STATEMENT OF NET POSITION:		
Cash and investments	\$ 649,266	\$ 425,801
Restricted cash	<u>874,410</u>	<u>864,493</u>
Total	<u>\$ 1,523,676</u>	<u>\$ 1,290,294</u>

See Notes to Basic Financial Statements.



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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**NOTE 1.      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Abbreviations Used:**

CAW	California–American Water Company
CAWD	Carmel Area Wastewater District
COP	Certificates of participation
O&M	Operations and maintenance
PBCo.	Pebble Beach Company
PBCSD	Pebble Beach Community Services District
Project	CAWD/PBCSD Wastewater Reclamation Project

**Description of the Reporting Entity:**

The Monterey Peninsula Water Management District was created by Chapter 527, Statutes of 1977 (Assembly Bill No. 1329) of the California Legislature, on September 2, 1977. The District was created to provide integrated management of ground and surface water supplies, and to exercise regulatory control over the collection, storage, distribution, and delivery of water and wastewater within its jurisdiction including, but not limited to, such functions as management and regulation of the use, reuse, reclamation and conservation of water, and bond financing of public works projects. Water service is principally supplied by other entities, but the District has the power to acquire public or private water systems. The District also has the power to levy and collect real estate taxes. Operations were commenced during the fiscal year beginning July 1, 1978.

The District has a seven-member board of directors. Five directors are elected every four years on a staggered basis. Of the other two directors, one must be a member of the Monterey County Board of Supervisors and the other must be a chief executive officer, mayor, or member of the governing body of a city member unit. The Board of Directors has continuing oversight responsibility for the District.

The geographic jurisdiction of the District approximates the Monterey Peninsula and the Carmel River watershed including all of the cities (except Marina) and the unincorporated communities therein.

The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies used by the District:



**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation and Accounting:**

*Government-Wide and Fund Financial Statements* – The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Conservation, Mitigation or Water Supply) or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function) is normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds. The District has one proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the water supply, conservation, and mitigation fund. The District has no non-major funds.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

*Measurement Focus and Basis of Accounting* – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property taxes that have been levied and are due on or before year-end are recognized as revenue if they have been collected within sixty days after year-end. Water supply charges due for the current year are considered available and are, therefore, recognized as revenues even though a portion of the user fees may be collected in the subsequent year. Connection charges and permit fees are considered to be measurable when they have been collected and are recognized as revenue at that time. Investment earnings are recorded as earned since they are measurable and available.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Proprietary fund level financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from producing and delivering water. Operating expenses include the cost of sales, general and administrative expenses, and amortization of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Operating revenue comes from sales of reclaimed water. Other revenue comes primarily from the subsidy by PBCo. and from sales of water entitlements.

The following major funds are used by the District:

*Governmental Funds:*

The following is a description of the Governmental Funds of the District:

- a. *Conservation Fund*, accounts for financial resources used to fund water conservation activities mandated by District legislation including permit issuance and enforcement, jurisdictional water allocations, and public water conservation education. This includes the Toilet Replacement Refund Program which decreases water demand on the Carmel River.
- b. *Mitigation Fund*, accounts for financial resources used to finance work along the Carmel River carried out pursuant to the Mitigation Program designed to ameliorate impacts identified in the District's Allocation Program Environmental Impact Report.
- c. *Water Supply Fund*, accounts for financial resources used to fund for acquisition or construction of major capital facilities (other than those financed by Proprietary Funds, and Special Assessments), support for staff relative to water supply, and other water supply related activities.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Proprietary Fund:*

The following is a description of the Proprietary Fund of the District:

*Enterprise Fund*, accounts for the activity of the CAWD/PBCSD Wastewater Reclamation Project.

**Cash Equivalents** – The District considers all highly liquid assets which have a term of less than ninety days to maturity as cash equivalents.

**Restricted Assets** – Certain cash and investments of the Reclamation Project are classified as restricted because their uses are limited by commitments made by the Project to the purchasers of the Certificates of Participation. Construction project cash is in an escrowed account for receipt of water entitlement sales by PBCo., who is entitled to reimbursements for its cash advances for phase II construction costs. Certain cash and investments of the District are classified as restricted because their uses are limited by commitments made by the District to the purchaser of the Aquifer Storage and Recovery Project.

**Pooled Cash** – Cash accounts (Reclamation) which essentially operate as demand deposit accounts are maintained by the Monterey County Treasurer’s Office. Available cash balances are controlled and invested by the County Treasurer in pooled investment funds in order to provide safety, liquidity and high investment returns for all funds. Interest earnings from these funds are generally credited to the District’s account on a quarterly basis.

The Monterey County Treasurer’s Investment policy is in compliance with Section 53635 of the Government Code of the State of California which permits investments in certain securities and participation in certain investment trading techniques or strategies.

**Investments** – Resolution 83-17, adopted September 12, 1983, authorized investment of the District’s monies with the State Treasurer for deposit in the Local Agency Investment Fund (LAIF). Money in the fund is invested by the State Treasurer to realize the maximum return consistent with prudent treasury management. All earnings of the fund, less a reimbursement of management costs incurred not to exceed one quarter of one percent of earnings, are distributed to the contributing agencies in their relative shares each quarter. The balances of funds in LAIF are stated at market value.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The types of investments the District may purchase are not limited by legal or contractual provisions, but the Board has established policies on investments and has so directed their investment managers.

The Project does not have a specific investment policy but generally follows the guidelines of the County of Monterey’s Investment Policy. All funds invested are managed to meet the guidelines stated in both California Code Section 53600, et. seq. and the County’s investment policy.

**Receivables and Deferred Inflows of Resources** – Receivables are amounts due representing revenues earned or accrued in the current period. Receivables which have not been remitted within 60 days subsequent to year end are offset by deferred inflows of resources, and accordingly have not been recorded as revenue in the governmental fund. When the revenue becomes available, the revenue is recognized in the governmental fund. Deferred inflows are detailed on the Balance Sheet.

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The allowance is based on an assessment of the current status of individual accounts. At June 30, 2014, the allowance was estimated to be zero.

**Prepaid Expenses** – Prepaid expenses are capitalized and amortized ratably over the period of benefit.

**Capital Assets** – Property, facilities, and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Capital assets are defined by the District as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$1,000 for equipment and \$5,000 for land, facilities, and improvements.

Property, facilities, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Equipment	3 to 20 Years
Building and improvements	5 to 39 Years
Monitoring stations	5 to 10 Years
ASR facilities	30 to 40 Years
Fish rearing facility	5 to 40 Years
Leasehold improvements	10 to 40 Years

**Water Resale Rights** – Proceeds from the issuance of the Certificates of Participation were used to construct facilities for wastewater reclamation and distribution. The District does not own these facilities, but instead owns the rights to the reclaimed water for resale. The Project capitalizes the costs incurred in order to obtain these water rights in accordance with generally accepted accounting principles for intangible assets. As a result, capital outlay and construction period interest incurred have been capitalized into this account. These rights are presented net of accumulated amortization.

**Amortization** – The water resale rights are amortized using the straight-line method over the expected useful life of the reclamation plant which is forty years.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences** – The District accrues vested liabilities for vacation and sick pay. Permanent employees are vested after one year of full-time employment.

Tier 1 – Employees hired before July 2013.

Vacation accrues at the rate of 10 days per year for the first year of employment, 15 days per year for two to five years of employment, 20 days per year for six to fifteen years of employment, and 22 days per year after fifteen years. Total accruals are limited to 60 days vacation per employee. Sick leave accrues at the rate of 12 days each year. After an employee leaves District employment, they are paid up to 75 days of accrued sick leave.

Tier 2 – Employees hired after July 2013.

Vacation accrues at the rate of 10 days per year for the first to three years of employment, 15 days per year for four to eight years of employment, and 20 days per year after eight years of employment. Total accruals are limited to 45 days vacation per employee. Sick leave accrues at the rate of 12 days each year. After an employee leaves District employment, they are paid up to 30 days of accrued sick leave.

Paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Due To/From Other Funds** – During the course of operations, transactions occur between individual funds that result in amounts owed between funds, which are classified as “due to/from other funds.” Eliminations have been made on the government-wide statements for amounts due to/from within the governmental funds.

**Long-Term Obligations** – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Debt payable are reported net of the applicable debt premium or discount. Debt issuance costs are recognized in the current period.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Long-term liabilities of all Proprietary Funds, including any general obligation bonds to be repaid by those funds, are accounted for in the respective funds.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position** – The Statement of Net Position presents the Districts assets and liabilities with the difference reported as net position. Net position is reported in three categories.

- *Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* results when constraints placed on net positions use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. At the present time there are no such restrictions.
- *Unrestricted* consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

**Fund Balances** – Fund balance classifications are based primarily on the extent to which the District is bound to honor constraints on the use of resources reported in each governmental fund.

The District reports the following classifications:

- *Nonspendable* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid expenses and long term receivables or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
- *Restricted* – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Board. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking some type of action (passage of a resolution). Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Board. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions or enabling legislation.
- *Assigned* – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purpose, but are neither restricted nor committed. Intent is express by (a) the General Manager or (b) the Board. The Board has the authority to remove or change the assignment of the funds with a simple majority vote.
- *Unassigned* – This fund balance is the residual classification. It is also used to report negative fund balances in other governmental funds.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When restricted and other fund balance resources are available for use, it is the District's policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

The Board has not yet established a formal policy for defining funds as committed or assigned. Until a formal policy is adopted, funds which were previously presented as unreserved, designated are being presented as assigned. All other funds which do not meet the definition of non-spendable or restricted are presented as unassigned.

**Property Taxes** – The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions, including the District. Secured property taxes for each year ended June 30 are payable in equal installments, November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year. Property taxes are accounted for as collected and remitted by the County in the Governmental Funds. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid on August 31.

The term "Unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property tax revenues are recorded in governmental funds as receivables and deferred revenues at the time the tax levy is billed. Current year revenues are those collected within the current period or soon enough thereafter to pay current liabilities, generally within sixty days of year-end. No allowance is provided for delinquent taxes as the lien is considered an enforceable legal obligation.

Under the provisions of Proposition 1A and as part of the 2009–10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state was required to repay their borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the District was \$110,521.

This borrowing by the State of California was recognized as a receivable in the accompanying financial statements. Under the modified accrual basis of accounting, the borrowed tax revenues were not permitted to be recognized as revenue in the governmental fund financial statements, until the tax revenues were received from the State of California (received in fiscal year 2012–13). In the government-wide financial statements, the tax revenues were recognized in the fiscal year for which they were levied (fiscal year 2009–10).

**Permit Fees** – Permit fee revenue is recorded as permits are issued. The District is required to refund permit fees if the permit is not used or to grant an extension of time upon a reasonable request. If a refund is issued, the refunded party also relinquishes any water rights associated with the permit. It is the District's policy to record such refunds as they become payable.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes** – Monterey Peninsula Water Management District is a California local governmental unit and is exempt from both Federal and State income taxes.

**Use of Estimates** – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

**Reclassifications** – Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation.

**Comparative Financial Information** – The financial statements include certain prior-year summarized comparative information in total but not by activities or fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

**Subsequent Events** – Subsequent events have been evaluated through \_\_\_\_\_[date], which is the date the financial statements were available to be issued.

**NOTE 2. THE CAWD/PBCSD WASTEWATER RECLAMATION PROJECT**

The CAWD/PBCSD Reclamation Project (the Project) is a cooperative effort involving the District, the Carmel Area Wastewater District (CAWD), the Pebble Beach Community Services District (PBCSD), and the Pebble Beach Company (PBCo.). This cooperative effort did not create a new or separate legal entity. Therefore, the Project is a proprietary (enterprise) fund of the District, the issuer of the Certificates of Participation which financed the Project's first construction project.

The statements of the Project were audited by Marcello & Company whose report has been furnished to us.

The Project provides treated wastewater to irrigate golf courses and open space areas in Pebble Beach, which freed up potable water previously used for irrigation. The original Project involved the construction of a new tertiary treatment plant and laboratory facilities located on the site of the existing CAWD secondary wastewater treatment plant, the construction of a new reclaimed distribution system, including a 2.5 million gallon storage tank and irrigation system improvements. Construction of the original Project began in January 1993 and was completed in October 1994. The Project assets are owned principally by CAWD and PBCSD, and consist primarily of the following: Assets owned by CAWD: (1) a new tertiary treatment plant, (2) secondary process improvements, (3) new laboratory facilities, (4) a reclaimed water pump station, (5) related computer equipment and, (6) a small portion of the reclaimed water pipeline. Assets owned by PBCSD: (1) approximately seven miles of reclaimed water distribution system pipeline, (2) the Forest Lake Reservoir, (3) a 2.5 million gallon storage tank, (4) a potable water pump station, and (5) a reclaimed water booster pump station. The tertiary treatment plant produces water which meets Title 22 standards specified by the California Department of Health Services, which is a quality acceptable for human contact.



**NOTE 2. THE CAWD/PBCSD WASTEWATER RECLAMATION PROJECT (Continued)**

The original Project was financed by Certificates of Participation (COP) which were executed and delivered at the direction of the District in December 1992 in the amount of \$33,900,000. The District provided the funds necessary to construct and operate the Project and then obtained ownership of the reclaimed water for the purpose of resale. PBCo. guaranteed payment of construction costs of the Project as well as any operating deficiencies. The debt obligations incurred by the District to finance the project constitute limited obligations of the District, payable solely from the net operating revenues generated by the sale of reclaimed water produced by the Project and, if such reclaimed water revenues are insufficient, from payments on a Bond Letter of Credit provided by Wells Fargo Bank (the credit bank) through a reimbursement agreement between PBCo. and the credit bank. PBCo. pays the letter of credit fees, as well as principal and interest payments on debt obligations as needed, as a subsidy to the Project.

As the Project does not own the capital assets, the value earned for the capital expenditures incurred is reflected on the books of the Project as water resale rights, an intangible asset.

The activities of the Project are overseen by a five member management committee containing two representatives from the CAWD board, two from the PBCSD board and one from PBCo.

Subsequent to the completion of the original facilities, the Project has been expanded to increase the quantity and quality of reclaimed water. The expanded project utilizes Forest Lake Reservoir located in Pebble Beach which provides 115 million gallons of storage capacity. The Reservoir is filled with reclaimed water during winter months when there is excess production at the treatment plant. The stored water is used during summer months when the daily irrigation demand exceeds treatment plant production capacity. PBCSD purchased the Reservoir from California-American Water Company in 1998 and rehabilitated to meet State Water Resources Division of Safety of Dams requirements. The rehabilitated construction of the Reservoir was completed in March 2006. The construction costs of approximately \$13 million were financed by the sale of Pebble Beach Company water entitlements.

The Microfiltration/Reverse Osmosis (MF/RO) phase of the project (phase II), located at the CAWD plant site, began design in 2006 and construction was completed in 2009. The intent of the MF/RO phase is to reduce the sodium content of the tertiary reclaimed water from 150 mg/l to less than 55 mg/l to reduce the stress on the golf greens and eliminate the need for flushing the courses with potable water. The design capacity for the MF/RO is 1.5 million gallons with an expected blend of 80% MF/RO water and 20% MF water. The cost of the MF/RO phase was approximately \$20 million.

The cost of the Expanded Project was financed through the sale of water entitlements owned by PBCo. to residential property owners within the Pebble Beach community, currently at \$250,000 per acre foot, which is subject to change. At June 30, 2014, approximately \$27 million had been raised through these sales and interest. The funds from the sales were deposited in a restricted escrow account where they were invested in short-term federal government securities before being spent for the Expanded Project. All projects costs in excess of those raised through the sale of Water Entitlements are paid for by PBCo.

**NOTE 3. CASH AND INVESTMENTS**

**Cash and Cash Equivalents** – Balances in cash and cash equivalents consist of bank accounts insured by the Federal Depository Insurance Corporation (FDIC) or Securities Investment Protection Corporation (SIPC) or collateralized by the pledging institution under the California Government Code.

**Restricted Reserves** – The District has established a reserve fund as required by the installment agreement. The remaining proceeds of the \$33,900,000 in Certificates of Participation issued for the Project were deposited in various restricted trust and reserve accounts as required by the terms of the issuance.

**Custodial Credit Risk-Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy that complies with the California Government Code commencing at Section 53630 (Public Deposits). As of June 30, 2014, \$884,334 of the District's bank balances of \$1,201,469 were exposed to custodial credit risk as uninsured and collateralized by the pledging bank's trust department not in the District's name.

The difference between bank balances and the carrying amounts (book value) represents outstanding checks and deposits in transit.

**Custodial Credit Risk – Investments** – Custodial credit risk is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

**Concentration of Credit Risk** – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

**Investments** – The District's investments consist of obligations of the United States government and its agencies and instrumentalities, municipal obligations, corporate obligations, certificates of deposit, money market accounts, and the State Treasurer's Local Agency Investment Fund. All investments are recorded at fair market value. The California Government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The investment of state pooled funds is governed by state law, by policies adopted by the Pooled Money Investment Board (PMIB) and by accepted norms for prudent fiduciary management of investments. PMIB funds may be invested in a wide range of interest bearing securities, such as Treasury notes, prime commercial paper, certain California municipal and agency obligations, highly rated corporate bonds, obligations of such agencies as

**NOTE 3. CASH AND INVESTMENTS (Continued)**

FannieMae, and negotiable certificates of deposit. Also allowed are time deposits in California banks, savings and loans, and credit unions that have not less than a “satisfactory” CRA rating. The value of each participating dollar equals the fair value divided by the amortized cost. The District’s fair value of the position in the pool is the same as the value of the pool shares.

Investments at June 30, 2014 consisted of the following:

Governmental activities:		
Local Agency Investment Fund		\$ 2,190,392
Wells Fargo – fixed income fund		2,250,000
Wells Fargo – money market		<u>256,594</u>
Subtotal Governmental activities		<u>4,696,986</u>
Business-type activities:		
Money market accounts		41,375
Certificates of deposit		740,572
Corporate obligations		10,102
Municipal obligations		<u>82,361</u>
		874,410
Less restricted reserves		<u>874,410</u>
Subtotal Business-type activities		<u>–</u>
Total Investments		<u>\$ 4,696,986</u>

**NOTE 4. RECEIVABLES**

Receivables consist of the following at June 30, 2014:

	<u>Conservation</u>	<u>Mitigation</u>	<u>Water Supply</u>	<u>Total</u>
Governmental activities:				
Property taxes	\$ 64,355	\$ 13,555	\$ 8,030	\$ 85,940
User fees	–	43,118	17,626	60,744
Reimbursements	201,656	969,926	588,377	1,759,959
Interest	<u>793</u>	<u>1,293</u>	<u>4,265</u>	<u>6,351</u>
Total Governmental activities	<u>\$ 266,804</u>	<u>\$ 1,027,892</u>	<u>\$ 618,298</u>	<u>1,912,994</u>
Business-type activities:				
Water sales				292,932
Affiliates (Reclamation)				284,142
Other				<u>14,156</u>
Total Business-type activities				<u>591,230</u>
TOTAL				<u>\$ 2,504,224</u>

**NOTE 5. CAPITAL ASSETS**

Capital assets experienced the following changes for the year ended June 30, 2014:

	Balance Beginning of Year	Current Additions	Deletions/ Transfers	Balance End of Year
Depreciable assets:				
Equipment:				
Office	\$ 146,117	\$ -	\$ -	\$ 146,117
Computer	895,649	48,950	-	944,599
Operating	21,415	-	-	21,415
Transportation	331,158	23,122	-	354,280
Project	261,365	1,304	-	262,669
Phone	<u>43,851</u>	<u>-</u>	<u>-</u>	<u>43,851</u>
Total equipment	1,699,555	73,376	-	1,772,931
Building and improvements	1,994,244	33,964	-	2,028,208
Monitoring stations	45,214	-	-	45,214
ASR facilities	4,239,256	291,274	-	4,530,530
Fish rearing facility	949,833	-	-	949,833
Leasehold improvements	<u>2,837</u>	<u>-</u>	<u>-</u>	<u>2,837</u>
Total depreciable assets	<u>8,930,939</u>	<u>398,614</u>	<u>-</u>	<u>9,329,553</u>
Less accumulated depreciation for:				
Equipment:				
Office	140,496	2,008	-	142,504
Computer	510,983	72,546	-	583,529
Operating	21,415	-	-	21,415
Transportation	314,898	7,164	-	322,062
Project	253,698	2,138	-	255,836
Phone	<u>43,851</u>	<u>-</u>	<u>-</u>	<u>43,851</u>
Total equipment	1,285,341	83,856	-	1,369,197
Building and improvements	739,255	50,085	-	789,340
Monitoring stations	45,214	-	-	45,214
ASR Facilities	615,306	142,188	-	757,494
Fish rearing facility	937,824	3,645	-	941,469
Leasehold improvements	<u>2,837</u>	<u>-</u>	<u>-</u>	<u>2,837</u>
Total accumulated depreciation	<u>3,625,777</u>	<u>279,774</u>	<u>-</u>	<u>3,905,551</u>
Total depreciable assets, net	<u>5,305,162</u>	<u>118,840</u>	<u>-</u>	<u>5,424,002</u>
Total governmental activities capital assets, net	<u>5,305,162</u>	<u>118,840</u>	<u>-</u>	<u>5,424,002</u>

**NOTE 5. CAPITAL ASSETS (Continued)**

	Balance Beginning of Year	Current Additions	Deletions/ Transfers	Balance End of Year
Business-type activities:				
Nondepreciable assets:				
Construction in progress	8,104	108,486	(8,104)	108,486
Water resale rights	63,232,989	189,817	-	63,422,806
Less accumulated amortization for:				
Water resale rights	17,926,591	1,585,572	-	19,512,163
Total water resale rights, net	45,306,398	(1,395,755)	-	43,910,643
Total business type activities				
Capital assets, net	45,314,502	(1,287,270)	(8,104)	44,019,129
Total capital assets, net	\$ 50,619,664	\$ (1,168,430)	\$ (8,104)	\$ 49,443,131

Depreciation expense was charged to functions/programs of the District as follows:

Conservation	\$ 41,546
Mitigation	53,425
Water supply	184,803
<b>Total depreciation expense</b>	<b>\$ 279,774</b>

**NOTE 6. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2014, interfund receivables and payables consist of:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Water supply	\$ 2,201,211	\$ -
Conservation	-	285,802
Mitigation	-	1,915,409
	<u>\$ 2,201,211</u>	<u>\$ 2,201,211</u>

Interfund payables and receivables arise primarily from the Water Supply Fund cash accounts receiving all revenue and paying all expenditures. The Proprietary Fund also collects user fees which are remitted to the other funds periodically. Any fund transfers made between accounts are reflected in the above balances as well as in the respective fund balances.

Long-term loans between funds accrue interest at a predetermined rate which then becomes payable to the lender fund. There were no such loans outstanding at June 30, 2014.

**NOTE 7. TRANSACTIONS WITH AFFILIATES**

Through its participation in the CAWD/PBCSD Wastewater Reclamation Project, the District is affiliated with the other organizations involved in the Project.

At June 30, 2014, accounts receivable from these affiliates were as follows:

Receivable from PBCo and affiliated golf courses – Water sales	\$ 577,074
Total	<u>\$ 577,074</u>

At June 30, 2014, accounts payable to these affiliates were as follows:

Payable to CAWD for operations and maintenance	\$ 80,959
Payable to PBCSD for operations and maintenance	43,731
Payable to MPWMD for salaries and legal	<u>83,967</u>
Total	<u>\$ 208,657</u>

At June 30, 2014, accounts payable to PBCo. were as follows –

Payable to PBCo. for working capital advance reimbursements	\$ 416,810
Total	<u>\$ 416,810</u>

**NOTE 8. LONG-TERM DEBT**

**The Variable Rate Demand Certificates of Participation** – Wastewater Reclamation Project Series 1992 (COPs) were issued in December 1992 in the amount of \$33,900,000 by the District, and will mature on July 1, 2022. The COPs are in the minimum denomination of \$100,000 or any integral multiple thereof or, during any reset period or on or after the conversion date, in the minimum denomination of \$5,000 or any integral multiple thereof. The COPs bear interest at a variable rate unless the interest rate is converted to a reset rate for a reset period or to a fixed rate to the maturity of the COPs. The variable rate is the rate necessary to produce a par bid if the COPs were sold on the day the rate is computed. The COPs accrued interest at an initial rate of 2.30% per annum at issuance and, thereafter, accrue at a variable rate determined as provided in the Official Statement of the COPs issuance.

**Restricted Reserves** – A Renewal and Replacement Reserve was established to pay for future major repairs and capital replacements, and is held in a segregated account restricted for its intended purposes. At June 30, 2014, the balance in this account was \$873,273.

**Security for Repayment** – The Project assets have not been pledged to secure payment of the COPs, nor have any other assets of the District. However, pursuant to the Water Purchase Agreement, all net operating revenues from the operations of the Project are irrevocably pledged by the District to the payment of COPs. This pledge constitutes a first lien on the net

**NOTE 8. LONG-TERM DEBT (Continued)**

operating revenues and, subject to application of amounts on deposit therein as permitted in the Water Purchase Agreement, for the payment of the COPs in accordance with the terms of the Water Purchase Agreement and of the Trust Agreement. Notwithstanding the foregoing, the District may at any time issue obligations or execute contracts which are secured by a lien subordinate to the pledge of net operating revenues created under the Water Purchase Agreement. A Bond Letter of Credit also guarantees the COPs.

**Repayment Schedule** – Interest is paid to the holders of the COPs monthly at a variable rate as described above. Pre-determined principal and interest payments per the 1992 COP issue are shown below. Due to the nature of variable rate bonds, interest rates fluctuate weekly as a result of economic market conditions.

At June 30, 2014, the interest rate had dropped to a rate of 0.08% per annum. Interest expense for the year was \$47,688 as compared to the original scheduled interest expense of \$642,400. Consequently, the pre-determined scheduled interest payments column below is presented for information purposes only, based upon the original 1992 COP offering.

Future principal and interest payments are as follows:

<u>Year</u> <u>Ending June 30</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,700,000	\$ 642,400	\$ 2,342,400
2016	1,800,000	576,700	2,376,700
2017	1,900,000	507,350	2,407,350
2018	2,000,000	434,350	2,434,350
2019	2,100,000	357,700	2,457,700
2020-2023	<u>9,800,000</u>	<u>554,800</u>	<u>10,354,800</u>
Total	<u>\$ 19,300,000</u>	<u>\$ 3,073,300</u>	<u>\$ 22,373,300</u>

**Due Pebble Beach Company** – Repayment of \$5,520,000 bond carrying costs incurred by PBCo prior to July 1, 2013, to be reimbursed over the next ten years at \$552,000 per year.

**The 2013 Installment Purchase Agreement** – The District entered into an Installment Purchase Agreement dated April 25, 2013 along with a sale and transfer agreement and an assignment agreement for the first phase of the Aquifer Storage and Recovery Project (ASR Project). The funds received from this agreement were used to retire the Bank of America line of credit, fund district reserves used to pay for ASR, finance and refinance certain capital improvements, fund a debt service reserve, and pay certain costs of execution and delivery of the Installment Purchase Agreement and related documents. The aggregate principal amount of the installment payments under the installment purchase agreement is \$4,000,000 and will mature on June 30, 2023. Principal and interest payments of \$109,568 are made bi-annually on December 31st and June 30th, beginning June 30, 2013 and continuing until December 31, 2023. The interest rate with respect to the installment payments is 3.6% fixed for 10 years.

**NOTE 8. LONG-TERM DEBT (Continued)**

**Restricted Reserves** – A reserve fund was established to ensure adequate funding of the debt service, and is held in a segregated account restricted for its intended purposes. The reserve fund is required to maintain a balance of \$219,136. At June 30, 2014, the balance in this account was \$219,136.

**Security for Repayment** – The assets of the ASR Project have not been pledged to secure payment of the installment purchase agreement. District Water Supply Charge revenues have been irrevocably pledged for the payment of the installment payments. This pledge constitutes a first and exclusive lien on and security interest in the revenues for the payment of the installment payments and payments of all specified obligations in accordance with the terms of the Installment Purchase Agreement.

**Repayment Schedule** – Annual debt service requirements to maturity are as follows:

<u>Year</u> <u>Ending June 30</u>	<u>Installment Purchase Agreement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 79,980	\$ 139,156	\$ 219,136
2016	82,885	136,251	219,136
2017	85,896	133,240	219,136
2018	89,016	130,120	219,136
2019	92,249	126,887	219,136
2020-2023	<u>3,456,391</u>	<u>1,694,467</u>	<u>5,150,858</u>
Total	<u>\$ 3,886,417</u>	<u>\$ 2,360,121</u>	<u>\$ 6,246,538</u>

Borrowings under the installment purchase agreement are subject to certain financial covenants.

Long-term debt activity for the year ended June 30, 2014 is as follows:

	<u>2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>2014</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Installment Purchase Agreement	\$ 3,961,632	\$ –	\$ 75,215	\$ 3,886,417	\$ 79,980
Compensated Absences	655,528	36,441	–	691,969	247,316
OPEB	<u>815,777</u>	<u>186,955</u>	<u>–</u>	<u>1,002,732</u>	<u>–</u>
Total Governmental activities	<u>5,432,937</u>	<u>223,396</u>	<u>75,215</u>	<u>5,581,118</u>	<u>327,296</u>
Business-type activities:					
Due Pebble Beach Company	5,520,000	–	552,000	4,968,000	552,000
COPs	<u>21,000,000</u>	<u>–</u>	<u>1,700,000</u>	<u>19,300,000</u>	<u>1,700,000</u>
Total Business-type activities	<u>26,520,000</u>	<u>–</u>	<u>2,252,000</u>	<u>24,268,000</u>	<u>2,252,000</u>
Total	<u>\$ 31,952,937</u>	<u>\$ 223,396</u>	<u>\$ 2,327,215</u>	<u>\$ 29,849,118</u>	<u>\$ 2,579,296</u>

In prior years, the water supply, conservation, mitigation and water supply funds have been used to liquidate compensated absences.



**NOTE 9. LEASE COMMITMENTS**

The District is committed to a license agreement for the land on which the Sleepy Hollow Fishery was constructed. The license agreement calls for a payment of \$1 per year for five years through December 5, 2015.

The District leases various equipment under non-cancelable operating leases. Minimum future lease payments under non-cancelable operating leases for the years ended June 30, are as follows:

2015	\$	11,880
2016		11,880
2017		11,880
2018		11,880
2019		<u>11,761</u>
Total	<u>\$</u>	<u>59,281</u>

Rent expense for the year ended June 30, 2014 was \$521.

**NOTE 10. RISK MANAGEMENT**

The District is insured against various risks of loss related to torts, thefts of, damage or destruction of assets; errors and omissions; work-related injuries to employees and natural disasters through participation in a joint venture under a joint powers agreement (JPA) with the Special District Risk Management Authority (SDRMA). The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes. The insurance carried by the District includes policies for workers' compensation, general liability, errors and omissions, and vehicular liability.

There have not been any significant reductions in insurance coverage as compared to the previous year. Settled claims from these risks have not exceeded commercial coverage.

SDRMA was formed under a joint powers agreement pursuant to California Government Code Section 6500 et seq. effective August 1, 1986 to provide general liability, comprehensive/collision liability and property damage, and errors and omissions risk financing for the member districts. SDRMA is administered by a Board of Directors, consisting of one member appointed by the California Special Districts Association and five members elected by the districts participating. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

The SDRMA did not have long-term debt outstanding at June 30, 2014, other than claims liabilities and capital lease obligations. The District's share of year-end assets, liabilities and risk margin has not been calculated by the SDRMA.

**NOTE 11. DEFERRED COMPENSATION PLAN**

The District has a deferred compensation plan for its eligible employees wherein amounts earned by the employees are paid at a future date. This plan meets the requirements of Internal Revenue Code Section 457. All full-time, regular employees are permitted to participate in the plan beginning on the day of hire.

The employee may elect to make tax deferred contributions up to the limits established by the Internal Revenue Service for this type of plan. The employee is 100% vested in their contributions from the first date of participation. The plan does not provide for District contributions. The participant has a choice of investment options.

The plan is administered by ICMA Retirement Corporation (International City Management Association). The assets of the plan are held in trust, with the District serving as trustee. The plan assets held in the ICMA Retirement Trust are held for the exclusive benefit of the plan participants and their beneficiaries. The assets shall not be diverted to any other purpose. The plan does not permit loans.

The District believes, and the auditors concur, that, since it does not provide investment advice or administer the plan, it does not maintain a fiduciary relationship with the plan. Therefore, the District does not report the plan assets in its financial statements.

**NOTE 12. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**Plans Description** – The District provides two defined benefit healthcare plans (the “Retiree Health Plans”). The Retiree Health Plans provide healthcare insurance for eligible retirees and dependants or survivors. Coverage to members of the General Staff Bargaining Unit is provided through the Association of California Water Agencies Health Benefit Authority Anthem Classic Plan, and coverage for the Management Staff Bargaining Unit members and the Confidential

Staff Bargaining Unit members is provided through the Laborer’s Trust Funds for Northern California Special Plan III. The Plans provide for continuation of medical insurance benefits for certain retirees and their dependents or survivors who meet the eligibility criteria established by the District and/or medical care providers. The Plans can be amended by action of the Board of Directors during negotiation of periodic Memorandums of Understanding with the different bargaining units. The Plans do not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plans.

**Funding Policy** – The contribution requirements of the District are based on a pay-as-you go basis. For the fiscal year ended June 30, 2014, the District paid approximately \$63,724 for retiree health benefits. As of June 30, 2014, the District had eight retirees receiving benefits and 26 active employees eligible to receive benefits in the future. The District currently contributes enough money to the plans to satisfy current obligations on a pay-as-you-go basis.

**NOTE 12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Annual OPEB Cost and Net OPEB Obligation** – The District’s annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost of the year, the amount actually contributed to the plans, and changes in the District’s net OPEB obligation.

Annual required contribution (ARC)	\$ 250,635
Interest on net OPEB obligation	40,789
Adjustment to ARC	<u>(40,745)</u>
Annual OPEB cost (expense)	250,679
Contributions made	<u>(63,724)</u>
Increase in net OPEB obligation	186,955
Net OPEB obligation, beginning of year	<u>815,777</u>
Net OPEB obligation, end of year	<u><u>\$ 1,002,732</u></u>

**Trend Information** – The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation were as follows:

Fiscal Year Ending	Annual OPEB Cost	Actual Contribution Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 283,768	\$ 71,681	25.3%	\$ 587,987
2013	\$ 294,448	\$ 66,658	22.6%	\$ 815,777
2014	\$ 250,679	\$ 63,724	25.4%	\$ 1,002,732

**Funding Status and Funding Progress** – As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,666,140, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plans) for the year ended June 30, 2014 was \$2,251,992, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 118.39%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plans’ assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**NOTE 12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Actuarial Methods and Assumptions** – Projections of benefits for financial reporting purposes are based on the substantive plans (the plans as understood by the employer and the plans' members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plans' members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5.0% investment rate of return (discount rate) and an annual health care cost trend rate of actual premiums initially (2014), reduced by decrements to an ultimate rate of 4.7% after ten years. The unfunded actuarial liability is being amortized over a closed thirty year period using the level percentage of payroll method. The remaining amortization period at June 30, 2014, was twenty-six years.

**NOTE 13. PENSION PLAN**

**Plan Description** – The District contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. CalPERS issues a publicly available annual financial report that includes financial statements and required supplementary information. Copies of CalPERS' annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, California 95814.

**Funding Policy** – Participants are required to contribute 7% of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account. The District is required to contribute at an actuarially determined rate to fund the benefits for its members. For the fiscal year ended June 30, 2014 the employer contribution rate was 13.532% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by CalPERS.

**Annual Pension Cost** – The District's contributions to CalPERS of \$435,114, \$448,761 and \$440,306 for the years ending June 30, 2014, 2013 and 2012, respectively, were equal to the District's required contributions for each year.

**NOTE 14. CONTINGENT LIABILITIES**

Due to the various activities of the District involving the Carmel River, several pending and threatened claims against the District are outstanding. No estimate of the amount of any potential liability to the District can reasonably be made at this time.

**NOTE 15. COMMITMENTS AND OTHER CONTINGENCIES**

**Aquifer Storage and Recovery** – As of June 30, 2014 and 2013, the District continued with contracts relating to development of the Water Project Phase I and II ASR facilities. As of June 30, 2014, the District has one outstanding contract with Pueblo Water Resources for a total of \$608,138.

Other contract commitments related to miscellaneous projects and consulting services that are outstanding as of June 30, 2014 total \$36,156.

**NOTE 16. BUILDING ACQUISITION**

In March 2000, the District purchased a building at 5 Harris Court in Ryan Ranch Office Park for approximately \$1.6 million. The total costs to purchase the land, building, tenant improvements, interior design fee, furnishings and equipment were approximately \$1.9 million. The District purchased the building from monies available in the Mitigation and Water Supply Funds. The District plans to repay the funds over a term of fifteen years, with interest at 5.35%.

**NOTE 17. AUTHORITATIVE PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED**

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. Note disclosures and required supplementary information requirements about pensions are also addressed.

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense.

This Statement is effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged. The District has no plan for early implementation of this Statement. At this time the District is not certain of the effect the adoption of Statement 68 will have on the accompanying financial statements.

GASB Statement No. 71, Pension Transitions for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 was issued to address an issue regarding application of the transition provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement amends GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This Statement will be effective for the year ending June 30, 2015.

**NOTE 18. SUBSEQUENT EVENT**

After June 30, 2014 the District entered into one additional contract relating to the repair of the Phase I Santa Margarita site with Zim Industries, Inc. for a total of \$112,431.

**REQUIRED  
SUPPLEMENTARY INFORMATION**



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS OF OTHER POST EMPLOYMENT BENEFITS  
 FOR THE YEAR ENDED JUNE 30, 2014

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2012	6/30/2012	\$ -	\$ 2,876,883	\$ 2,876,883	0%	\$ 2,083,463	138.08%
2013	6/30/2012	\$ -	\$ 2,876,883	\$ 2,876,883	0%	\$ 2,159,456	133.22%
2014	6/30/2014	\$ -	\$ 2,666,140	\$ 2,666,140	0%	\$ 2,251,992	118.39%



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE, BUDGET AND ACTUAL – WATER SUPPLY**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Amounts</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property taxes	\$ 131,098	\$ 317,848	\$ 333,267	\$ 15,419
Water supply charge	3,400,000	3,400,000	3,412,207	12,207
Connection charges, net of refunds	175,000	175,000	223,625	48,625
Project reimbursements	2,466,012	2,420,762	2,093,013	(327,749)
Investment income	3,000	3,000	12,799	9,799
Miscellaneous	<u>–</u>	<u>–</u>	<u>16,010</u>	<u>16,010</u>
Total revenues	<u>6,175,110</u>	<u>6,316,610</u>	<u>6,090,921</u>	<u>(225,689)</u>
<b>EXPENDITURES:</b>				
<b>Personnel:</b>				
Salaries	644,900	668,700	768,299	(99,599)
Employee benefits and other personnel	329,900	300,900	321,168	(20,268)
<b>Services and supplies:</b>				
Project expenditures	7,388,179	7,969,940	6,465,907	1,504,033
Operating expenditures	210,850	210,950	143,720	67,230
Professional fees	249,200	249,200	304,978	(55,778)
Capital outlay	31,400	34,300	35,919	(1,619)
<b>Debt service:</b>				
Principal	–	–	75,215	(75,215)
Interest and other charges	<u>230,000</u>	<u>230,000</u>	<u>143,921</u>	<u>86,079</u>
Total expenditures	<u>9,084,429</u>	<u>9,663,990</u>	<u>8,259,127</u>	<u>1,404,863</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,909,319)</u>	<u>(3,347,380)</u>	<u>(2,168,206)</u>	<u>1,179,174</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,909,319)	(3,347,380)	(2,168,206)	1,179,174
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<u>304,543</u>	<u>6,150,886</u>	<u>6,060,318</u>	<u>(90,658)</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$(2,604,776)</u>	<u>\$ 2,803,506</u>	<u>\$ 3,892,112</u>	<u>\$ 1,088,606</u>

See Notes to Required Supplementary Information.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE, BUDGET AND ACTUAL – CONSERVATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Amounts</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property taxes	\$ 1,050,600	\$ 1,042,400	\$ 1,100,905	\$ 58,505
User fees	–	–	6,867	6,867
Permit fees	175,000	175,000	175,023	23
Project reimbursements	1,479,700	2,224,700	1,190,653	(1,034,047)
Investment income	2,700	2,700	3,713	1,013
Legal fee reimbursements	–	–	18,441	18,441
Recording fees	–	–	15,061	15,061
	<u>2,708,000</u>	<u>3,444,800</u>	<u>2,510,663</u>	<u>(934,137)</u>
<b>EXPENDITURES:</b>				
Personnel:				
Salaries	580,400	601,800	449,925	151,875
Employee benefits and other personnel	296,900	270,800	240,948	29,852
Services and supplies:				
Project expenditures	1,492,600	2,231,600	1,182,125	1,049,475
Operating expenditures	212,600	212,600	147,578	65,022
Professional fees	97,300	97,300	62,765	34,535
Capital outlay	28,200	30,700	22,394	8,306
	<u>2,708,000</u>	<u>3,444,800</u>	<u>2,105,735</u>	<u>1,339,065</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>–</u>	<u>–</u>	<u>404,928</u>	<u>404,928</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>–</u>	<u>–</u>	<u>404,928</u>	<u>404,928</u>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<u>367,896</u>	<u>681,770</u>	<u>681,770</u>	<u>–</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 367,896</u>	<u>\$ 681,770</u>	<u>\$ 1,086,698</u>	<u>\$ 404,928</u>

See Notes to Required Supplementary Information.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE, BUDGET AND ACTUAL – MITIGATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Amounts</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property taxes	\$ 221,302	\$ 139,752	\$ 148,624	\$ 8,872
User fees	100,000	100,000	87,064	(12,936)
Permit fees	56,000	56,000	65,056	9,056
Project reimbursement	31,750	32,850	-	(32,850)
Investment income	4,300	4,300	3,530	(770)
Recording fees	6,000	6,000	-	(6,000)
Mitigation revenue	1,801,800	1,801,800	1,801,800	-
Grants	1,291,133	741,133	602,499	(138,634)
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>7,141</u>	<u>(7,859)</u>
Total revenues	<u>3,527,285</u>	<u>2,896,835</u>	<u>2,715,714</u>	<u>(181,121)</u>
<b>EXPENDITURES:</b>				
Personnel:				
Salaries	924,400	958,500	1,033,767	(75,267)
Employee benefits and other personnel	472,650	431,300	463,526	(32,226)
Services and supplies:				
Project expenditures	1,647,183	1,077,683	556,364	521,319
Operating expenditures	319,415	319,815	230,029	89,786
Professional fees	117,550	117,550	81,997	35,553
Capital outlay	<u>44,900</u>	<u>50,000</u>	<u>49,027</u>	<u>973</u>
Total expenditures	<u>3,526,098</u>	<u>2,954,848</u>	<u>2,414,710</u>	<u>540,138</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,187</u>	<u>(58,013)</u>	<u>301,004</u>	<u>359,017</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,187	(58,013)	301,004	359,017
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<u>787,054</u>	<u>30,969</u>	<u>30,969</u>	<u>-</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 788,241</u>	<u>\$ (27,044)</u>	<u>\$ 331,973</u>	<u>\$ 359,017</u>

See Notes to Required Supplementary Information.

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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**NOTE 1.      BUDGETARY DATA**

The District adopts an annual legal budget, which covers the Water Supply Fund (which acts as the District's general fund), Conservation Fund, and Mitigation Fund. All appropriations lapse at fiscal year end and then are rebudgeted for the coming fiscal year. Encumbrance accounting is not used. The budgets are prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

A mid-year budget review is performed and the budget is amended and adopted by the board of directors. The District must approve additional appropriations or interfund transfers not included in the amended budget resolution.

## EXHIBIT 8-B

[DATE]

To the Board of Directors  
Monterey Peninsula Water Management District  
Monterey, California

We are pleased to present this report related to our audit of the basic financial statements of **Monterey Peninsula Water Management District** (the District) for the year ended June 30, 2014. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are, significant and relevant to your responsibility to oversee the financial reporting process.

### **Our Responsibilities with regard to the Financial Statement Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts have been described to you in our arrangement letter dated July 31, 2014.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

### **Accounting Policies and Practices**

#### **Preferability of Accounting Policies and Practices**

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

#### **Adoption of, or Change in, Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

### **Recently Issued Accounting Standards**

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. Note disclosures and required supplementary information requirements about pensions are also addressed.

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense.

This Statement is effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged. The District has no plan for early implementation of this Statement. At this time the District is not certain of the effect the adoption of Statement 68 will have on the financial statements.

GASB Statement No. 71, *Pension Transitions for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68 was issued to address an issue regarding application of the transition provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement amends GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This Statement will be effective for the year ending June 30, 2015.

### **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### **Alternative Treatments Discussed with Management**

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.

### **Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The significant accounting estimates reflected in the District's June 30, 2014 basic financial statements include useful lives of depreciable assets and the cost of other post employment benefits.

### **Audit Adjustments**

Audit adjustments proposed by us and recorded by the District are shown on the attached "Adjusting Journal Entries," "Reclassification Journal Entries," and "Prepared by Client Journal Entries."

### **Uncorrected Misstatements**

There were no uncorrected misstatements.

### **Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

### **Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### **Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed with or were the subject of correspondence with management.

### **Significant Difficulties Encountered in Performing the Audit**

We did not encounter any significant difficulties in dealing with management during the audit.

### **Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting**

When significant deficiencies and material weaknesses are identified during our audit of the financial statements, we are required to communicate them to you in writing. For the year ended June 30, 2014 a letter was not required.

### **Other Audit Findings or Issues**

#### **Bank Reconciliations**

We noted that many old outstanding checks, some over one year old, are being carried on monthly cash reconciliations. This causes additional time to be spent by the Accountant to reconcile the bank accounts each month.

We recommend that checks that are over one year old be investigated and removed from the bank reconciliation and that the original transaction be reversed in the current year. Research should be done periodically to eliminate large numbers of old items being carried from month to month.

#### **Accounting Policies**

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, issued February 2009, was in effect for the District's fiscal year ending June 30, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Board has not yet adopted a resolution approving a fund balance policy.

Monterey Peninsula Water Management District  
[DATE]  
Page 4 of 4

We recommend the District adopt a resolution approving a fund balance policy that provides for formal definitions for the various fund balance categories.

**Certain Written Communications between Management and Our Firm**

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_ [REPORT DATE].

This report is intended solely for the information and use of the Board of Directors the Administrative Committee and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Monterey Peninsula Water Management District.

Sincerely,

Michael T. Briley, CPA  
Partner  
Hayashi Wayland

Attachments: Adjusting Journal Entries  
Reclassification Journal Entries  
Prepared by Client Journal Entries



**Monterey Peninsula Water Management District**

**AJE**

Year End: June 30, 2014

Adjusting Journal Entries

Date: 7/1/2013 To 6/30/2014

Account No: AJE-01 To AJE-99

Number	Date	Name	Account No	Debit	Credit	Amount Chg Net Income (Loss)	
Net Income (Loss) Before Adjustments						154,363.00	
AJE-01	6/30/2014	Current Year OPEB Cost	24-10-716000 G34G	80,391.00			
AJE-01	6/30/2014	Current Year OPEB Cost	26-10-716000 G34G	50,478.00			
AJE-01	6/30/2014	Current Year OPEB Cost	35-10-716000 G34G	56,086.00			
AJE-01	6/30/2014	Net OPEB Obligation	51-10-382000 51		186,955.00		
To record adjustment to OPEB liability.				186,955.00	186,955.00	(186,955.00)	(32,592.00)
AJE-02	6/30/2014	Receivable-bldg repayment (MEMO)	24-10-150500 SRF01		71,843.00		
AJE-02	6/30/2014	Payable-bldg repayment (MEMO)	24-10-380000 SRF01	71,843.00			
AJE-02	6/30/2014	Receivable-Bldg Repayment (MEMO)	35-10-150500 CPF01		71,843.00		
AJE-02	6/30/2014	Payable-Bldg Repayment (MEMO)	35-10-380000 CPF01	71,843.00			
To record Harris Court activity.				143,686.00	143,686.00	0.00	(32,592.00)
AJE-03	6/30/2014	Unapportioned/Uncollected Taxes Re	24-10-150100 SRF01		13,192.00		
AJE-03	6/30/2014	Allowance for Uncollectible Taxes	24-10-150200 SRF01				
AJE-03	6/30/2014	Deferred Revenue	24-10-370000 SRF01	13,192.00			
AJE-03	6/30/2014	Unapportioned/Uncollected Taxes Re	26-10-150100 SRF02	2,181.00			
AJE-03	6/30/2014	Allowance for Uncollectible Taxes	26-10-150200 SRF02				
AJE-03	6/30/2014	Deferred Revenue	26-10-370000 SRF02		2,181.00		
AJE-03	6/30/2014	Unapportioned/Uncollected Taxes Re	35-10-150100 CPF01	29.00			
AJE-03	6/30/2014	Allowance for Uncollectible Taxes	35-10-150200 CPF01				
AJE-03	6/30/2014	Deferred Revenue	35-10-370000 CPF01		29.00		
To record uncollected taxes.				15,402.00	15,402.00	0.00	(32,592.00)
AJE-04	6/30/2014	Computer equipment & programs	24-02-916000 SRF01		4.00		
AJE-04	6/30/2014	Gas	24-04-791000 SRF01	3.00			
AJE-04	6/30/2014	Transportation equipment	24-04-914000 SRF01	1.00			
AJE-04	6/30/2014	Computer equipment & programs	26-02-916000 SRF02		3.00		
AJE-04	6/30/2014	Gas	26-05-791000 SRF02	3.00			
AJE-04	6/30/2014	Miscellaneous	35-02-850000 CPF01	3.00			
AJE-04	6/30/2014	Computer equipment & programs	35-02-916000 CPF01		3.00		
To adjust Capital Outlay and tie to Fixed Asset additions				10.00	10.00	0.00	(32,592.00)
				<b>346,053.00</b>	<b>346,053.00</b>	<b>(186,955.00)</b>	<b>(32,592.00)</b>

**Monterey Peninsula Water Management District**

**RJE**

Year End: June 30, 2014

Reclassification Journal Entries

Date: 7/1/2013 To 6/30/2014

Number	Date	Name	Account No	Debit	Credit	Amount Chg Net Income (Loss)	
Net Income (Loss) Before Adjustments						(32,592.00)	
RJE-01	6/30/2014	Property Tax Revenue	24-10-611000 SRF01		2,830.00		
RJE-01	6/30/2014	Interest-Monterey County Taxes	24-10-691500 SRF01		180.00		
RJE-01	6/30/2014	Tax Administration fee	24-80-750000 SRF01	3,010.00			
RJE-01	6/30/2014	Property Tax Revenue	26-10-611000 SRF02		13,438.00		
RJE-01	6/30/2014	Interest-Monterey County Taxes	26-10-691500 SRF02		853.00		
RJE-01	6/30/2014	TAX ADMINISTRATION FEE	26-80-750000 SRF02	14,291.00			
RJE-01	6/30/2014	Property Tax Revenue	35-10-611000 CPF01		1,677.00		
RJE-01	6/30/2014	Interest-Monterey County Taxes	35-10-691500 CPF01		106.00		
RJE-01	6/30/2014	Tax Administration Fee	35-80-750000 CPF01	1,783.00			
		To allocate tax and admin fee out of property tax revenue.		19,084.00	19,084.00	0.00	(32,592.00)
RJE-02	6/30/2014	Reserve for Prepaid Expense	24-10-406000 SRF01	2,117.00			
RJE-02	6/30/2014	Fund Balance	24-10-410000 SRF01		2,117.00		
RJE-02	6/30/2014	Reserve for Prepaid Expense	26-10-406000 SRF02	729.00			
RJE-02	6/30/2014	Fund Balance	26-10-410000 SRF02		729.00		
RJE-02	6/30/2014	Reserve for Prepaid Expense	35-10-406000 CPF01	33,178.00			
RJE-02	6/30/2014	Fund Balance	35-10-410000 CPF01		33,178.00		
		To reclassify nonspendable fund balances for prepaids - no prepaids at year-end.		36,024.00	36,024.00	0.00	(32,592.00)
RJE-03	6/30/2014	Capital Equipment Reserve	24-10-406500 SRF01	59,200.00			
RJE-03	6/30/2014	Fund Balance	24-10-410000 SRF01		59,200.00		
		To reclassify 13-14 used of reserves.		59,200.00	59,200.00	0.00	(32,592.00)
RJE-04	6/30/2014	User Fees	26-10-520000 SRF02	1,239.00			
RJE-04	6/30/2014	Recording Fees	26-10-530000 SRF02	22.00			
RJE-04	6/30/2014	Less: Refund Connection Fee	26-10-555000 SRF02		1,239.00		
RJE-04	6/30/2014	Miscellaneous-Other	26-10-591000 SRF02		22.00		
		To reclassify debit balances in revenue accounts for f/s presentation. Amounts immaterial.		1,261.00	1,261.00	0.00	(32,592.00)
				<b>115,569.00</b>	<b>115,569.00</b>	<b>0.00</b>	<b>(32,592.00)</b>

**Monterey Peninsula Water Management District**

**PBC**

Year End: June 30, 2014

Prepared by Client Journal Entries

Date: 7/1/2013 To 6/30/2014

Account No: PBC-01 To PBC-99

Number	Date	Name	Account No	Debit	Credit	Amount Chg Net Income (Loss)	
Net Income (Loss) Before Adjustments						(582,530.00)	
PBC-01	6/30/2014	Ground Water Replenishment Proj.	35-04-786010 CPF01	37,778.00			
PBC-01	6/30/2014	Accounts Payable	35-10-310000 CPF01		37,778.00		
To record GWR reimbursement							
				37,778.00	37,778.00	(37,778.00)	(620,308.00)
PBC-02	6/30/2014	Project Reimbursements Receivable	24-10-130000 SRF01	128,978.00			
PBC-02	6/30/2014	IRWMP Grant Reimbursements	24-10-660003 SRF01		128,978.00		
JN00644- PBC 10/23/14. To accrue for the IRWMP grant receivable for invoice #8.							
				128,978.00	128,978.00	128,978.00	(491,330.00)
PBC-03	6/30/2014	Project Reimbursements Receivable	24-10-130000 SRF01	35,270.00			
PBC-03	6/30/2014	IRWMP Grant Reimbursements	24-10-660003 SRF01		35,270.00		
JN00645- PBC 10/23/14. Accrue County IRWMP grant reimbursement receivable.							
				35,270.00	35,270.00	35,270.00	(456,060.00)
PBC-04	6/30/2014	Project Reimbursements Receivable	24-10-130000 SRF01	150,629.00			
PBC-04	6/30/2014	IRWMP Grant Reimbursements	24-10-660003 SRF01		150,629.00		
JN00646- PBC 10/23/14. Accrue IRWMP grant receivable invoice #9.							
				150,629.00	150,629.00	150,629.00	(305,431.00)
PBC-05	6/30/2014	Project Reimbursements Receivable	24-10-130000 SRF01	183,149.00			
PBC-05	6/30/2014	IRWMP Grant Reimbursements	24-10-660003 SRF01		183,149.00		
JN00647- PBC 10/23/14. Accrue IRWMP grant receivable invoice #10.							
				183,149.00	183,149.00	183,149.00	(122,282.00)
PBC-06	6/30/2014	Vacation/sick leave liability	51-10-281000 51	36,441.00			
PBC-06	6/30/2014	Compensated absences: L/T	51-10-381000 51		36,441.00		
JN00648- PBC 10-23-14 To accrue PTO liability for year end.							
				36,441.00	36,441.00	0.00	(122,282.00)
PBC-07	6/30/2014	Project Reimbursements Receivable	24-10-130000 SRF01		128,568.00		
PBC-07	6/30/2014	IRWMP Grant Reimbursements	24-10-660003 SRF01	128,568.00			
JN00628- PBC 10/23/14 Reverse AJE-12 to accrue for receivable							
				128,568.00	128,568.00	(128,568.00)	(250,850.00)
PBC-08	6/30/2014	Project Reimbursements Receivable	35-10-130000 CPF01	16,602.00			
PBC-08	6/30/2014	GWR Project Reimbursements	35-10-580015 CPF01		16,602.00		
JN00642- PBC 10/23/14. Accrue MRWPCA GWR Reimbursement Revenue							
				16,602.00	16,602.00	16,602.00	(234,248.00)

**Monterey Peninsula Water Management District**

**PBC-1**

Year End: June 30, 2014

Prepared by Client Journal Entries

Date: 7/1/2013 To 6/30/2014

Account No: PBC-01 To PBC-99

Number	Date	Name	Account No	Debit	Credit	Amount Chg	Net Income (Loss)
PBC-09	6/30/2014	A/R Cal-Am	26-10-141600 SRF02	201,656.00			
PBC-09	6/30/2014	CAW-Conservation	26-10-580007 SRF02		201,656.00		
		JN00643- PBC 10/23/14 Accrue Cal-Am conservation reimbursement		201,656.00	201,656.00	201,656.00	(32,592.00)
				<b>919,071.00</b>	<b>919,071.00</b>	<b>549,938.00</b>	<b>(32,592.00)</b>

**ITEM: CONSENT CALENDAR**

**9. CONSIDER ADOPTION OF TREASURER'S REPORT FOR OCTOBER 2014**

<b>Meeting Date:</b>	<b>December 15, 2014</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Suresh Prasad</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review:** N/A

**Committee Recommendation:** The Administrative Committee considered this item on December 8, 2014 and recommended approval.

**CEQA Compliance:** N/A

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**SUMMARY:** Exhibit 9-A comprises the Treasurer's Report for October 2014. Exhibit 9-B, Exhibit 9-C and Exhibit 9-D are listings of check disbursements for the period October 1-31, 2014. Check Nos. 19299 through 19728, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$1,858,687.43. That amount included \$89,126.62 for conservation rebates. Exhibit 9-E reflects the financial statements for the month ending October 31, 2014.

**RECOMMENDATION:** District staff recommends adoption of the October 2014 Treasurer's Report and financial statements, and ratification of the disbursements made during the month. The Administrative Committee reviewed this item at its December 8, 2014 meeting and voted 3 to 0 to recommend approval.

**EXHIBITS**

- 9-A** Treasurer's Report
- 9-B** Listing of Cash Disbursements-Regular
- 9-C** Listing of Cash Disbursements-Payroll
- 9-D** Listing of Other Bank Items
- 9-E** Financial Statements

**EXHIBIT 9-A**

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
TREASURER'S REPORT FOR OCTOBER 2014**

<u>Description</u>	<u>Checking</u>	<u>MPWMD Money Market</u>	<u>L.A.I.F.</u>	<u>Wells Fargo Investments</u>	<u>MPWMD Total</u>	<u>PB Reclamation Money Market</u>
Beginning Balance	(\$34,157.27)	\$566,630.65	\$1,391,679.87	\$2,513,854.04	4,438,007.29	\$580,301.82
Transfer to/from LAIF		700,000.00	(700,000.00)		0.00	
Fee Deposits		566,962.94			566,962.94	524,775.59
Interest		8.47	1,056.22	2,526.44	3,591.13	8.85
Transfer-Money Market to Checking	1,600,000.00	(1,600,000.00)			0.00	
Transfer-Money Market to W/Fargo		265,315.07		(265,315.07)	0.00	
W/Fargo-Investment Purchase					0.00	
Transfer Ckg to MPWMD M/Mrkt					0.00	
MoCo Tax & WS Chg Installment Pymt					0.00	
Transfer to CAWD					0.00	(570,000.00)
Voided Cks					0.00	
Bank Corrections/Reversals/Errors		(9.00)			(9.00)	(25.00)
Bank Charges/Rtn'd Deposits/Other	(271.45)	(15.00)			(286.45)	
Payroll Tax Deposits	(40,676.08)				(40,676.08)	
Payroll Checks/Direct Deposits	(195,910.58)				(195,910.58)	
General Checks	(1,621,829.32)				(1,621,829.32)	
Prepaid Exp-Automatic Bank Pymt					0.00	
<b>Ending Balance</b>	<b>(\$292,844.70)</b>	<b>\$498,893.13</b>	<b>\$692,736.09</b>	<b>\$2,251,065.41</b>	<b>\$3,149,849.93</b>	<b>\$535,061.26</b>

# Bank Transaction Report

## Transaction Detail

Issued Date Range: -

### EXHIBIT 9-B



Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
<b>Bank Account: 111 - Bank of America Checking</b>							
10/22/2014	10/31/2014	<u>17531</u>	David & Pamela Lewis Reversal	Accounts Payable	Outstanding	Check Reversal	1,239.20
10/10/2014	10/31/2014	<u>19263</u>	MoCo Recorder Reversal	Accounts Payable	Cleared	Check Reversal	56.00
10/01/2014	10/31/2014	<u>19299</u>	Arriaga, John	Accounts Payable	Cleared	Check	-2,500.00
10/01/2014	10/31/2014	<u>19300</u>	AT & T	Accounts Payable	Cleared	Check	-386.61
10/01/2014	10/31/2014	<u>19301</u>	AT & T	Accounts Payable	Cleared	Check	-50.92
10/01/2014	10/31/2014	<u>19302</u>	AT & T	Accounts Payable	Cleared	Check	-69.76
10/01/2014	10/31/2014	<u>19303</u>	AT & T	Accounts Payable	Cleared	Check	-202.01
10/01/2014	10/31/2014	<u>19304</u>	AT & T	Accounts Payable	Cleared	Check	-1,279.39
10/01/2014	10/31/2014	<u>19305</u>	AT & T	Accounts Payable	Cleared	Check	-336.64
10/01/2014	10/31/2014	<u>19306</u>	Central Coast Exterminator	Accounts Payable	Cleared	Check	-104.00
10/01/2014	10/31/2014	<u>19307</u>	Fed-Ex	Accounts Payable	Cleared	Check	-99.13
10/01/2014	10/31/2014	<u>19308</u>	Goodin, MacBride, Squeri, Day, Lamprey	Accounts Payable	Cleared	Check	-735.00
10/01/2014	10/31/2014	<u>19309</u>	Green Rubber- Kennedy AG	Accounts Payable	Cleared	Check	-42.95
10/01/2014	10/31/2014	<u>19310</u>	Harris Court Business Park	Accounts Payable	Cleared	Check	-721.26
10/01/2014	10/31/2014	<u>19311</u>	Martin B. Feeney, PG, CHG	Accounts Payable	Cleared	Check	-14,361.08
10/01/2014	10/31/2014	<u>19312</u>	Palace Office Supply	Accounts Payable	Cleared	Check	-498.99
10/01/2014	10/31/2014	<u>19313</u>	Peninsula Welding Supply, Inc.	Accounts Payable	Cleared	Check	-65.38
10/01/2014	10/31/2014	<u>19314</u>	PG & E 3127875782-3	Accounts Payable	Cleared	Check	-435.38
10/01/2014	10/31/2014	<u>19315</u>	PG&E	Accounts Payable	Cleared	Check	-2,011.51
10/01/2014	10/31/2014	<u>19316</u>	PG&E	Accounts Payable	Cleared	Check	-1,096.16
10/01/2014	10/31/2014	<u>19317</u>	PG&E	Accounts Payable	Cleared	Check	-752.81
10/01/2014	10/31/2014	<u>19318</u>	Professional Liability Insurance Service	Accounts Payable	Cleared	Check	-43.99
10/01/2014	10/31/2014	<u>19319</u>	Tavani, Arlene	Accounts Payable	Cleared	Check	-94.77
10/01/2014	10/31/2014	<u>19320</u>	Universal Staffing Inc.	Accounts Payable	Cleared	Check	-811.20
10/02/2014	10/31/2014	<u>19321</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-32.00
10/02/2014	10/31/2014	<u>19322</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/02/2014	10/31/2014	<u>19323</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-32.00
10/02/2014	10/31/2014	<u>19324</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/02/2014	10/31/2014	<u>19325</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/02/2014	10/31/2014	<u>19326</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-14.00
10/03/2014	10/31/2014	<u>19327</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-55.00
10/03/2014	10/31/2014	<u>19334</u>	Sandoval, Eric	Accounts Payable	Cleared	Check	-677.00
10/03/2014	10/31/2014	<u>19335</u>	Tavani, Arlene	Accounts Payable	Cleared	Check	-248.22
10/08/2014	10/31/2014	<u>19336</u>	U.S. Postal Service	Accounts Payable	Cleared	Check	-600.00
10/08/2014	10/31/2014	<u>19337</u>	A.G. Davi, LTD	Accounts Payable	Cleared	Check	-395.00
10/08/2014	10/31/2014	<u>19338</u>	AT & T	Accounts Payable	Cleared	Check	-279.49

**Bank Transaction Report**

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/08/2014	10/31/2014	<a href="#">19339</a>	AT & T	Accounts Payable	Cleared	Check	-106.91
10/08/2014	10/31/2014	<a href="#">19340</a>	AT&T Long Distance	Accounts Payable	Cleared	Check	-1,222.78
10/08/2014	10/31/2014	<a href="#">19341</a>	CalPers Long Term Care Program	Accounts Payable	Cleared	Check	-107.92
10/08/2014	10/31/2014	<a href="#">19342</a>	Chevron	Accounts Payable	Cleared	Check	-428.02
10/08/2014	10/31/2014	<a href="#">19343</a>	Cim Air, Inc.	Accounts Payable	Cleared	Check	-345.00
10/08/2014	10/31/2014	<a href="#">19344</a>	Cooper, David	Accounts Payable	Cleared	Check	-1,261.00
10/08/2014	10/31/2014	<a href="#">19345</a>	Dave Stoldt	Accounts Payable	Cleared	Check	-1,429.80
10/08/2014	10/31/2014	<a href="#">19346</a>	Dickhaut, Rick	Accounts Payable	Cleared	Check	-965.00
10/08/2014	10/31/2014	<a href="#">19347</a>	Employment Development Dept.	Accounts Payable	Cleared	Check	-3,853.78
10/08/2014	10/31/2014	<a href="#">19348</a>	ICMA	Accounts Payable	Cleared	Check	-5,708.41
10/08/2014	10/31/2014	<a href="#">19349</a>	Marina Coast Water District - 013447	Accounts Payable	Cleared	Check	-50.24
10/08/2014	10/31/2014	<a href="#">19350</a>	Marina Coast Water District -011635 000	Accounts Payable	Cleared	Check	-403.36
10/08/2014	10/31/2014	<a href="#">19351</a>	MBAS	Accounts Payable	Cleared	Check	-161.00
10/08/2014	10/31/2014	<a href="#">19352</a>	MoCo Recorder	Accounts Payable	Outstanding	Check	-59.00
10/08/2014	10/31/2014	<a href="#">19353</a>	Monterey County Clerk	Accounts Payable	Cleared	Check	-50.00
10/08/2014	10/31/2014	<a href="#">19354</a>	PERS Retirement	Accounts Payable	Cleared	Check	-19,244.70
10/08/2014	10/31/2014	<a href="#">19355</a>	Pueblo Water Resources, Inc.	Accounts Payable	Cleared	Check	-10,670.38
10/08/2014	10/31/2014	<a href="#">19356</a>	Pure H2O	Accounts Payable	Cleared	Check	-64.49
10/08/2014	10/31/2014	<a href="#">19357</a>	Sherron Forsgren	Accounts Payable	Cleared	Check	-591.49
10/08/2014	10/31/2014	<a href="#">19358</a>	Universal Staffing Inc.	Accounts Payable	Cleared	Check	-811.20
10/08/2014	10/31/2014	<a href="#">19359</a>	Verizon Wireless	Accounts Payable	Cleared	Check	-440.62
10/09/2014	10/31/2014	<a href="#">19360</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/09/2014	10/31/2014	<a href="#">19361</a>	MoCo Recorder	Accounts Payable	Outstanding	Check	-55.00
10/09/2014	10/31/2014	<a href="#">19362</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19363</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19364</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19365</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19366</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19367</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/09/2014	10/31/2014	<a href="#">19368</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19369</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19370</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-26.00
10/09/2014	10/31/2014	<a href="#">19371</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-14.00
10/09/2014	10/31/2014	<a href="#">19372</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19373</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/09/2014	10/31/2014	<a href="#">19374</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19375</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-32.00
10/09/2014	10/31/2014	<a href="#">19376</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/09/2014	10/31/2014	<a href="#">19377</a>	AM Conservation Group, Inc.	Accounts Payable	Cleared	Check	-27,344.31
10/09/2014	10/31/2014	<a href="#">19378</a>	Assured Aggregates Co., Inc.	Accounts Payable	Cleared	Check	-41,417.52
10/09/2014	10/31/2014	<a href="#">19379</a>	Daniel K. Finklea	Accounts Payable	Cleared	Check	-497.69
10/09/2014	10/31/2014	<a href="#">19379</a>	Daniel K. Finklea Reversal	Accounts Payable	Cleared	Check Reversal	497.69
10/09/2014	10/31/2014	<a href="#">19380</a>	Forestry Suppliers Inc.	Accounts Payable	Cleared	Check	-82.67



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Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/09/2014	10/31/2014	<a href="#">19381</a>	Inca Landscape Management	Accounts Payable	Cleared	Check	-433.51
10/09/2014	10/31/2014	<a href="#">19382</a>	KBA DocuSys - Lease Payments	Accounts Payable	Cleared	Check	-106.50
10/09/2014	10/31/2014	<a href="#">19383</a>	MRWPCA	Accounts Payable	Cleared	Check	-1,040,350.88
10/09/2014	10/31/2014	<a href="#">19384</a>	TDC Group	Accounts Payable	Cleared	Check	-1,500.00
10/09/2014	10/31/2014	<a href="#">19385</a>	Thomas Brand Consulting, LLC	Accounts Payable	Cleared	Check	-4,600.00
10/09/2014	10/31/2014	<a href="#">19386</a>	Daniel K. Finklea	Accounts Payable	Outstanding	Check	-497.69
10/09/2014	10/31/2014	<a href="#">19387</a>	A & D Property Management	Accounts Payable	Cleared	Check	-296.00
10/09/2014	10/31/2014	<a href="#">19388</a>	Alison Burleigh	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19389</a>	Andrew Bradley	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19390</a>	ANTHONY AUGUST	Accounts Payable	Cleared	Check	-200.00
10/09/2014	10/31/2014	<a href="#">19391</a>	ARTHUR WYATT	Accounts Payable	Cleared	Check	-400.00
10/09/2014	10/31/2014	<a href="#">19392</a>	BARBARA ORR	Accounts Payable	Cleared	Check	-300.00
10/09/2014	10/31/2014	<a href="#">19393</a>	BRETT SEFICK	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19394</a>	BUENA VISTA LAND CO	Accounts Payable	Outstanding	Check	-50.00
10/09/2014	10/31/2014	<a href="#">19395</a>	CHRIS PARSONS	Accounts Payable	Cleared	Check	-125.00
10/09/2014	10/31/2014	<a href="#">19396</a>	CLAIRE DAVISON	Accounts Payable	Cleared	Check	-169.00
10/09/2014	10/31/2014	<a href="#">19397</a>	DAVID FORTUNE SR	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19398</a>	DAVID TERRY	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19399</a>	HARMON W & ELIZABETH S BROWN	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19400</a>	HOFASAS HOUSE INC	Accounts Payable	Cleared	Check	-392.50
10/09/2014	10/31/2014	<a href="#">19401</a>	JOSEPH RYAN	Accounts Payable	Cleared	Check	-50.00
10/09/2014	10/31/2014	<a href="#">19402</a>	JUANA MALDONADO	Accounts Payable	Outstanding	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19403</a>	KERRY LUGO	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19404</a>	KRISTEN THOMPSON	Accounts Payable	Cleared	Check	-50.00
10/09/2014	10/31/2014	<a href="#">19405</a>	LADD STRNAD	Accounts Payable	Outstanding	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19406</a>	Lania Lampert Bryant & Donald Lamar	Accounts Payable	Cleared	Check	-499.99
10/09/2014	10/31/2014	<a href="#">19407</a>	Mario Bertolucci	Accounts Payable	Cleared	Check	-125.00
10/09/2014	10/31/2014	<a href="#">19408</a>	Melanie Craig	Accounts Payable	Cleared	Check	-497.00
10/09/2014	10/31/2014	<a href="#">19409</a>	METDA CHUBBS	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19410</a>	MICHAEL & ELIZABETH LYNBERG	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19411</a>	NARCISO PINEDA YANEZ	Accounts Payable	Outstanding	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19412</a>	PAMELA GILLOOLY	Accounts Payable	Cleared	Check	-199.00
10/09/2014	10/31/2014	<a href="#">19413</a>	Ray & Lena Ferrucci	Accounts Payable	Cleared	Check	-500.00
10/09/2014	10/31/2014	<a href="#">19414</a>	ROBERT & KRISTINA SIMONE	Accounts Payable	Cleared	Check	-150.00
10/09/2014	10/31/2014	<a href="#">19415</a>	SAM MOLINARO	Accounts Payable	Cleared	Check	-50.00
10/09/2014	10/31/2014	<a href="#">19416</a>	TOM FREEL & LINDA MICHAELS	Accounts Payable	Cleared	Check	-125.00
10/09/2014	10/31/2014	<a href="#">19417</a>	VICKI PROL	Accounts Payable	Cleared	Check	-176.00
10/09/2014	10/31/2014	<a href="#">19418</a>	Vivian Osorio	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19419</a>	Alan Jankowski	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19420</a>	ANDRE FORRESTER	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19421</a>	ANTHONY AUGUST	Accounts Payable	Cleared	Check	-200.00
10/10/2014	10/31/2014	<a href="#">19422</a>	BARBARA E ZABROWSKI	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19423</a>	Bernabe Espinola	Accounts Payable	Cleared	Check	-500.00

Bank Transaction Report

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/10/2014	10/31/2014	<a href="#">19424</a>	BRIAN GEORGE	Accounts Payable	Cleared	Check	-200.00
10/10/2014	10/31/2014	<a href="#">19425</a>	BRIAN MCGARY	Accounts Payable	Cleared	Check	-335.00
10/10/2014	10/31/2014	<a href="#">19426</a>	CHRIS MACK	Accounts Payable	Cleared	Check	-50.00
10/10/2014	10/31/2014	<a href="#">19427</a>	DAN ZELLER	Accounts Payable	Outstanding	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19428</a>	David & Dusty Anderson	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19429</a>	DAVID C LAREDO	Accounts Payable	Cleared	Check	-100.00
10/10/2014	10/31/2014	<a href="#">19430</a>	DON & IRMA N. SHIRKEY	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19431</a>	Douglas H Post	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19432</a>	Dwight Shimoda	Accounts Payable	Cleared	Check	-100.00
10/10/2014	10/31/2014	<a href="#">19433</a>	DWIGHT SHIMODA	Accounts Payable	Outstanding	Check	-100.00
10/10/2014	10/31/2014	<a href="#">19434</a>	FREDERICK J SIEGEL	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19435</a>	GARY & DIANE WILLIAMS	Accounts Payable	Cleared	Check	-775.00
10/10/2014	10/31/2014	<a href="#">19436</a>	Helena Romans	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19437</a>	JAMES M & LINDA G PAGNELLA TRS	Accounts Payable	Cleared	Check	-200.00
10/10/2014	10/31/2014	<a href="#">19438</a>	JOHN R EDEEN	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19439</a>	JONATHAN MAYES	Accounts Payable	Cleared	Check	-100.00
10/10/2014	10/31/2014	<a href="#">19440</a>	Karen & Gordon Landale	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19441</a>	KATHERINE A ROTHROCK	Accounts Payable	Outstanding	Check	-127.50
10/10/2014	10/31/2014	<a href="#">19442</a>	Lawrence Kuck	Accounts Payable	Outstanding	Check	-125.00
10/10/2014	10/31/2014	<a href="#">19443</a>	MARLENE PHILBRICK	Accounts Payable	Cleared	Check	-498.00
10/10/2014	10/31/2014	<a href="#">19444</a>	MELISSA BROADSTON	Accounts Payable	Cleared	Check	-125.00
10/10/2014	10/31/2014	<a href="#">19445</a>	MICHAEL & LINDA MILLER	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19446</a>	Michael Harris	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19447</a>	Michelle Ruiz	Accounts Payable	Cleared	Check	-125.00
10/10/2014	10/31/2014	<a href="#">19448</a>	MYRICK JAMES EDWARD	Accounts Payable	Outstanding	Check	-657.80
10/10/2014	10/31/2014	<a href="#">19449</a>	NORMA DAVIS	Accounts Payable	Cleared	Check	-400.00
10/10/2014	10/31/2014	<a href="#">19450</a>	NUJAMES HARRIS	Accounts Payable	Outstanding	Check	-119.00
10/10/2014	10/31/2014	<a href="#">19451</a>	PATRICIA A BAKER	Accounts Payable	Cleared	Check	-100.00
10/10/2014	10/31/2014	<a href="#">19452</a>	PETER SPEAKMAN	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19453</a>	PHILIP LADD	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19454</a>	RENEE FRANKEN & BARBARA MOORE	Accounts Payable	Cleared	Check	-50.00
10/10/2014	10/31/2014	<a href="#">19455</a>	RICHARD & MARILYN BLOOM	Accounts Payable	Cleared	Check	-1,537.50
10/10/2014	10/31/2014	<a href="#">19456</a>	ROGER CASE	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19457</a>	RONALD & SANDRA MC CORMACK	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19458</a>	Scott Giles	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19459</a>	THOMAS NOTO	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19460</a>	Todd Krempany	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19461</a>	VINCE LAUTER	Accounts Payable	Cleared	Check	-500.00
10/10/2014	10/31/2014	<a href="#">19462</a>	WILLIAM & MARILYN EVANS	Accounts Payable	Cleared	Check	-500.00
10/15/2014	10/31/2014	<a href="#">19463</a>	Access Monterey Peninsula	Accounts Payable	Cleared	Check	-6,375.00
10/15/2014	10/31/2014	<a href="#">19464</a>	Advanced Blind & Shade	Accounts Payable	Outstanding	Check	-150.00
10/15/2014	10/31/2014	<a href="#">19465</a>	American Lock & Key	Accounts Payable	Cleared	Check	-107.55
10/15/2014	10/31/2014	<a href="#">19466</a>	Bill Parham	Accounts Payable	Cleared	Check	-650.00

**Bank Transaction Report**

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/15/2014	10/31/2014	<a href="#">19467</a>	Boles, Michael	Accounts Payable	Cleared	Check	-481.23
10/15/2014	10/31/2014	<a href="#">19468</a>	Cal-Am Water	Accounts Payable	Cleared	Check	-96.51
10/15/2014	10/31/2014	<a href="#">19469</a>	Cal-Am Water	Accounts Payable	Cleared	Check	-536.45
10/15/2014	10/31/2014	<a href="#">19470</a>	Cal-Am Water	Accounts Payable	Cleared	Check	-101.26
10/15/2014	10/31/2014	<a href="#">19471</a>	Cisco WebEx, LLC	Accounts Payable	Cleared	Check	-49.00
10/15/2014	10/31/2014	<a href="#">19472</a>	EWING	Accounts Payable	Cleared	Check	-785.31
10/15/2014	10/31/2014	<a href="#">19473</a>	Graniterock	Accounts Payable	Cleared	Check	-34.30
10/15/2014	10/31/2014	<a href="#">19474</a>	M.J. Murphy	Accounts Payable	Cleared	Check	-272.31
10/15/2014	10/31/2014	<a href="#">19475</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-59.00
10/15/2014	10/31/2014	<a href="#">19476</a>	Monterey Bay Carpet & Janitorial Svc	Accounts Payable	Cleared	Check	-1,000.00
10/15/2014	10/31/2014	<a href="#">19477</a>	Monterey County Herald	Accounts Payable	Cleared	Check	-230.61
10/15/2014	10/31/2014	<a href="#">19478</a>	MRW/PCA	Accounts Payable	Cleared	Check	-142.79
10/15/2014	10/31/2014	<a href="#">19479</a>	Peninsula Messenger Service	Accounts Payable	Cleared	Check	-776.00
10/15/2014	10/31/2014	<a href="#">19480</a>	Peninsula Welding Supply, Inc.	Accounts Payable	Cleared	Check	-56.00
10/15/2014	10/31/2014	<a href="#">19481</a>	PG & E 9024846025-6	Accounts Payable	Cleared	Check	-52.69
10/15/2014	10/31/2014	<a href="#">19482</a>	Pitney Bowes Global Financial Svc, LLC	Accounts Payable	Cleared	Check	-383.78
10/15/2014	10/31/2014	<a href="#">19483</a>	Purchase Power	Accounts Payable	Cleared	Check	-539.99
10/15/2014	10/31/2014	<a href="#">19484</a>	Red Shift Internet Services	Accounts Payable	Cleared	Check	-604.95
10/15/2014	10/31/2014	<a href="#">19485</a>	Ryan Ranch Printers	Accounts Payable	Cleared	Check	-1,680.94
10/15/2014	10/31/2014	<a href="#">19486</a>	Special Districts Association of Monterey County	Accounts Payable	Cleared	Check	-60.00
10/15/2014	10/31/2014	<a href="#">19487</a>	Universal Staffing Inc.	Accounts Payable	Cleared	Check	-811.20
10/15/2014	10/31/2014	<a href="#">19488</a>	UPEC, Local 792	Accounts Payable	Cleared	Check	-907.80
10/15/2014	10/31/2014	<a href="#">19489</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/15/2014	10/31/2014	<a href="#">19490</a>	MoCo Recorder	Accounts Payable	Outstanding	Check	-55.00
10/15/2014	10/31/2014	<a href="#">19491</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/15/2014	10/31/2014	<a href="#">19492</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/15/2014	10/31/2014	<a href="#">19493</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/15/2014	10/31/2014	<a href="#">19494</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/15/2014	10/31/2014	<a href="#">19495</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-32.00
10/15/2014	10/31/2014	<a href="#">19496</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-85.00
10/15/2014	10/31/2014	<a href="#">19497</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/15/2014	10/31/2014	<a href="#">19498</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/15/2014	10/31/2014	<a href="#">19499</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-32.00
10/15/2014	10/31/2014	<a href="#">19500</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/15/2014	10/31/2014	<a href="#">19501</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/16/2014	10/31/2014	<a href="#">19502</a>	SHIRLEY CHANG	Accounts Payable	Cleared	Check	-414.00
10/16/2014	10/31/2014	<a href="#">19503</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-55.00
10/20/2014	10/31/2014	<a href="#">19504</a>	Court-Ordered Debt Collections	Accounts Payable	Cleared	Check	-153.09
10/20/2014	10/31/2014	<a href="#">19505</a>	Employment Development Dept.	Accounts Payable	Cleared	Check	-4,394.12
10/20/2014	10/31/2014	<a href="#">19506</a>	PERS Retirement	Accounts Payable	Cleared	Check	-18,890.06
10/21/2014	10/31/2014	<a href="#">19507</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-55.00
10/23/2014	10/31/2014	<a href="#">19508</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<a href="#">19509</a>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00

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Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/23/2014	10/31/2014	<u>19510</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<u>19511</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<u>19512</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/23/2014	10/31/2014	<u>19513</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<u>19514</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/23/2014	10/31/2014	<u>19515</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-26.00
10/23/2014	10/31/2014	<u>19516</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-61.00
10/23/2014	10/31/2014	<u>19517</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<u>19518</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-32.00
10/23/2014	10/31/2014	<u>19519</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<u>19520</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<u>19521</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-32.00
10/23/2014	10/31/2014	<u>19522</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<u>19523</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-29.00
10/23/2014	10/31/2014	<u>19524</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-59.00
10/24/2014		<u>19525</u>	AFLAC	Accounts Payable	Outstanding	Check	-1,435.10
10/24/2014		<u>19526</u>	Alhambra	Accounts Payable	Outstanding	Check	-178.96
10/24/2014		<u>19527</u>	Calliper	Accounts Payable	Outstanding	Check	-590.00
10/24/2014		<u>19528</u>	City of Monterey	Accounts Payable	Outstanding	Check	-697.75
10/24/2014		<u>19529</u>	Cofer, Delores	Accounts Payable	Outstanding	Check	-354.00
10/24/2014		<u>19530</u>	Colantuono, Highsmith, & Whatley, PC	Accounts Payable	Outstanding	Check	-36,327.56
10/24/2014		<u>19531</u>	CoreLogic Information Solutions, Inc.	Accounts Payable	Outstanding	Check	-423.50
10/24/2014		<u>19532</u>	Delay & Laredo	Accounts Payable	Outstanding	Check	-21,945.00
10/24/2014		<u>19533</u>	Dudley, Mark	Accounts Payable	Outstanding	Check	-118.20
10/24/2014		<u>19534</u>	Extra Space Storage	Accounts Payable	Outstanding	Check	-644.00
10/24/2014		<u>19535</u>	Fuerst, Andrea	Accounts Payable	Outstanding	Check	-2,166.12
10/24/2014		<u>19536</u>	Home Depot Credit Services	Accounts Payable	Outstanding	Check	-165.83
10/24/2014	10/31/2014	<u>19537</u>	Martin, Debra	Accounts Payable	Cleared	Check	-225.22
10/24/2014		<u>19538</u>	Martin's Irrigation Supply	Accounts Payable	Outstanding	Check	-200.95
10/24/2014		<u>19539</u>	Monterey County Tax Collector	Accounts Payable	Outstanding	Check	-191.02
10/24/2014		<u>19540</u>	Monterey County Tax Collector	Accounts Payable	Outstanding	Check	-191.02
10/24/2014		<u>19541</u>	PG&E	Accounts Payable	Outstanding	Check	-19.21
10/24/2014		<u>19542</u>	PG&E	Accounts Payable	Outstanding	Check	-136.51
10/24/2014		<u>19543</u>	PG&E	Accounts Payable	Outstanding	Check	-358.49
10/24/2014		<u>19544</u>	PG&E	Accounts Payable	Outstanding	Check	-14.45
10/24/2014		<u>19545</u>	SDRMA - Prop & Liability Pkg	Accounts Payable	Outstanding	Check	-1,032.52
10/24/2014		<u>19546</u>	SHELL	Accounts Payable	Outstanding	Check	-835.68
10/24/2014	10/31/2014	<u>19547</u>	Tavani, Arlene	Accounts Payable	Cleared	Check	-173.38
10/27/2014	10/31/2014	<u>19548</u>	MoCo Recorder	Accounts Payable	Cleared	Check	-26.00
10/27/2014		<u>19549</u>	ADDISON CHURCH	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19550</u>	ANDREI BELOROUSSOU	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19551</u>	ANTHONY COLLIER	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19552</u>	ANTONETTE RAPPA	Accounts Payable	Outstanding	Check	-200.00

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Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/27/2014		<a href="#">19553</a>	Arvino Panchal	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<a href="#">19554</a>	BRIAN JONES	Accounts Payable	Outstanding	Check	-98.00
10/27/2014		<a href="#">19555</a>	CAROL ANDREWS	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19556</a>	Carolyn & Tim Rawson	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19557</a>	CHERYL BLOCK	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<a href="#">19558</a>	Christine Spiering	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19559</a>	CLAUDIA TITUS	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<a href="#">19560</a>	CURTIS D QUINONES	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19561</a>	DAVID C & VIRGINIA I LAREDO	Accounts Payable	Outstanding	Check	-854.00
10/27/2014		<a href="#">19562</a>	DIANE GOMEZ	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<a href="#">19563</a>	Don Wilcoxon & Karen O'Callaghan	Accounts Payable	Outstanding	Check	-307.69
10/27/2014		<a href="#">19564</a>	DOUGLAS M PEASE	Accounts Payable	Outstanding	Check	-1,375.00
10/27/2014		<a href="#">19565</a>	ELEANOR MALLORY	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19566</a>	ELLISSA COSDEN	Accounts Payable	Outstanding	Check	-100.00
10/27/2014		<a href="#">19567</a>	Eric Marsh	Accounts Payable	Outstanding	Check	-200.00
10/27/2014		<a href="#">19568</a>	HYE-YEON LIM	Accounts Payable	Outstanding	Check	-100.00
10/27/2014		<a href="#">19569</a>	INGRID RUTHERFORD	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<a href="#">19570</a>	JACKIE FITZGERALD	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19571</a>	JOHN & REBECCA TENANES	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19572</a>	JOHN HAGE	Accounts Payable	Outstanding	Check	-1,675.00
10/27/2014		<a href="#">19573</a>	JOHN HOUGHTON	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19574</a>	JOHN MORRICE	Accounts Payable	Outstanding	Check	-200.00
10/27/2014		<a href="#">19575</a>	KENNETH J & NORA P JENSEN	Accounts Payable	Outstanding	Check	-804.00
10/27/2014		<a href="#">19576</a>	Kevin Grobman	Accounts Payable	Outstanding	Check	-448.20
10/27/2014		<a href="#">19577</a>	Krista Ventura	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19578</a>	LARRY WESLEY	Accounts Payable	Outstanding	Check	-754.00
10/27/2014		<a href="#">19579</a>	LAWRENCE W CARLSEN	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<a href="#">19580</a>	LEONARD WALTERS	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19581</a>	Louis Sanna	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19582</a>	MANUELA PACHECO	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<a href="#">19583</a>	MARGARET WENZEL	Accounts Payable	Outstanding	Check	-200.00
10/27/2014		<a href="#">19584</a>	MARK GUSTAFSON	Accounts Payable	Outstanding	Check	-1,500.00
10/27/2014		<a href="#">19585</a>	MARK TAMAGNI	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19586</a>	Nicole Russo Thayer	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19587</a>	PATRICIA BRIMIE	Accounts Payable	Outstanding	Check	-498.00
10/27/2014		<a href="#">19588</a>	PATRICIA WRIGHT	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19589</a>	Paul P. Aliotti	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19590</a>	Paul Wilkin	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19591</a>	RACHEL HUNTER	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<a href="#">19592</a>	RICHARD V & CAROLYN C TREAKLE	Accounts Payable	Outstanding	Check	-1,261.00
10/27/2014		<a href="#">19593</a>	ROBERT W RICE	Accounts Payable	Outstanding	Check	-200.00
10/27/2014		<a href="#">19594</a>	RONALD COMPTON	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<a href="#">19595</a>	STEPHEN BROOKS	Accounts Payable	Outstanding	Check	-50.00

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Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/27/2014		<u>19596</u>	TAMMY JENNINGS	Accounts Payable	Outstanding	Check	-449.99
10/27/2014		<u>19597</u>	TERRY MACKNESS	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19598</u>	VAUGHAN R & MARGOT K PRATT	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19599</u>	VICTORIA PALMINTERI	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19600</u>	WAYNE ROSS	Accounts Payable	Outstanding	Check	-200.00
10/27/2014		<u>19601</u>	WILLIAM W & CONNIE J PRINGLE CO-TRS	Accounts Payable	Outstanding	Check	-1,300.00
10/27/2014		<u>19602</u>	Zachary Moody & Megan Roberson	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19603</u>	Andrew Dausman	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19604</u>	Benjamin Ottmar	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19605</u>	BERNARD FERRARA	Accounts Payable	Outstanding	Check	-494.99
10/27/2014		<u>19606</u>	BEVERLY JARVIS	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19607</u>	BILL LEONE	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19608</u>	BONNIE TRIGG	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<u>19609</u>	BRIAN F SOURS	Accounts Payable	Outstanding	Check	-625.00
10/27/2014		<u>19610</u>	CARLOS J QUINTANA	Accounts Payable	Outstanding	Check	-3,625.00
10/27/2014		<u>19611</u>	CAROL J HOPKINS	Accounts Payable	Outstanding	Check	-137.92
10/27/2014		<u>19612</u>	CHARLES MARTIN	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19613</u>	CHELSEA G WARNER	Accounts Payable	Outstanding	Check	-446.40
10/27/2014		<u>19614</u>	CHERYL FIFE	Accounts Payable	Outstanding	Check	-489.99
10/27/2014		<u>19615</u>	Christopher Cook	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<u>19616</u>	Cosima Smith	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19617</u>	CRAIG NOKE	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19618</u>	DIANE COLON-HARDCASTLE	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19619</u>	DIANE M COTTON	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19620</u>	Donald Stoker	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<u>19621</u>	Eileen S Landauer	Accounts Payable	Outstanding	Check	-775.00
10/27/2014		<u>19622</u>	Elizabeth Gaunt	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19623</u>	Fernando Quirino	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19624</u>	FRANK MURPHY	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<u>19625</u>	FREDERICK L MORRIS	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19626</u>	GILAN READ	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<u>19627</u>	HARISH PANCHAL	Accounts Payable	Outstanding	Check	-536.40
10/27/2014		<u>19628</u>	HARLAN HAMILTON	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19629</u>	HOPE GRADIS	Accounts Payable	Outstanding	Check	-200.00
10/27/2014		<u>19630</u>	HOWARD RAPHAEL	Accounts Payable	Outstanding	Check	-322.55
10/27/2014		<u>19631</u>	JAMES ROETHE	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19632</u>	JANET SELZER	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19633</u>	JEANNIE MCDERMOTT	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19634</u>	JESSIE MULLEN	Accounts Payable	Outstanding	Check	-135.90
10/27/2014		<u>19635</u>	JOANNE PLATTER	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19636</u>	JOHN KRISHER	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<u>19637</u>	JONATHAN D & LEANNE M RYAN	Accounts Payable	Outstanding	Check	-1,375.00
10/27/2014		<u>19638</u>	JOSE LUIS CABRERA	Accounts Payable	Outstanding	Check	-500.00

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Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/27/2014		<u>19639</u>	KAREN HEWITT	Accounts Payable	Outstanding	Check	-625.00
10/27/2014		<u>19640</u>	KATHERINE HARPER-BECKETT	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19641</u>	KATHLEEN NICHOLS	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19642</u>	KATHLEEN PINNEY	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<u>19643</u>	KENNETH ROSE	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19644</u>	KERT HULTGREN	Accounts Payable	Outstanding	Check	-496.00
10/27/2014		<u>19645</u>	Kimberly Ventimiglia	Accounts Payable	Outstanding	Check	-448.20
10/27/2014		<u>19646</u>	KIMIE VICARI	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19647</u>	LAUREN VIRSHUP	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19648</u>	LEE GUTIERREZ	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19649</u>	LINDA LACHMUNG SMITH	Accounts Payable	Outstanding	Check	-148.00
10/27/2014		<u>19650</u>	LISA CONNALLY	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19651</u>	MARGARET CAMARA	Accounts Payable	Outstanding	Check	-88.00
10/27/2014		<u>19652</u>	Marla Benner	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19653</u>	MARY ANNE SHULA	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19654</u>	MICHEL NASR	Accounts Payable	Outstanding	Check	-400.00
10/27/2014		<u>19655</u>	MIKE CARGILE	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19656</u>	Panchal Arvind	Accounts Payable	Outstanding	Check	-125.00
10/27/2014		<u>19657</u>	Perry Mesquite	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19658</u>	Peyton Price	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19659</u>	RALPH E LAMAR	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19660</u>	ROBERT & CASEY. LUCIUS	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19661</u>	ROBIN WHITE	Accounts Payable	Outstanding	Check	-200.00
10/27/2014		<u>19662</u>	ROGER TOWSON	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19663</u>	STEVE DARMAWAN	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19664</u>	THOMAS MANCINI	Accounts Payable	Outstanding	Check	-116.10
10/27/2014		<u>19665</u>	TIM CASS	Accounts Payable	Outstanding	Check	-500.00
10/27/2014		<u>19666</u>	TOM RUSSO	Accounts Payable	Outstanding	Check	-50.00
10/27/2014		<u>19667</u>	WILLIAM & CAROL SURMAN	Accounts Payable	Outstanding	Check	-198.00
10/29/2014		<u>19668</u>	ACWA-JPIA	Accounts Payable	Outstanding	Check	-461.87
10/29/2014		<u>19669</u>	ACWA-JPIA	Accounts Payable	Outstanding	Check	-65.78
10/29/2014		<u>19670</u>	Arriaga, John	Accounts Payable	Outstanding	Check	-2,500.00
10/29/2014		<u>19671</u>	AT & T	Accounts Payable	Outstanding	Check	-674.40
10/29/2014		<u>19672</u>	AT & T	Accounts Payable	Outstanding	Check	-63.85
10/29/2014		<u>19673</u>	AT & T	Accounts Payable	Outstanding	Check	-70.00
10/29/2014		<u>19674</u>	AT & T	Accounts Payable	Outstanding	Check	-387.80
10/29/2014		<u>19675</u>	AT & T	Accounts Payable	Outstanding	Check	-125.89
10/29/2014		<u>19676</u>	AT & T	Accounts Payable	Outstanding	Check	-202.69
10/29/2014		<u>19677</u>	AT & T	Accounts Payable	Outstanding	Check	-1,308.36
10/29/2014		<u>19678</u>	Bell, Andy	Accounts Payable	Outstanding	Check	-682.00
10/29/2014		<u>19679</u>	Cim Air, Inc.	Accounts Payable	Outstanding	Check	-300.00
10/29/2014		<u>19680</u>	City of Monterey	Accounts Payable	Outstanding	Check	-99.00
10/29/2014		<u>19681</u>	Comcast	Accounts Payable	Outstanding	Check	-184.66

**Bank Transaction Report**

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/29/2014		<u>19682</u>	Dickhaut, Rick	Accounts Payable	Outstanding	Check	-965.00
10/29/2014		<u>19683</u>	Fed-Ex	Accounts Payable	Outstanding	Check	-36.84
10/29/2014		<u>19684</u>	Goodin, MacBride, Squeri, Day, Lamprey	Accounts Payable	Outstanding	Check	-220.00
10/29/2014		<u>19685</u>	Harris Court Business Park	Accounts Payable	Outstanding	Check	-721.26
10/29/2014		<u>19686</u>	Jonathan Lear	Accounts Payable	Outstanding	Check	-41.63
10/29/2014		<u>19687</u>	Laborers Trust Fund of Northern CA	Accounts Payable	Outstanding	Check	-25,536.00
10/29/2014		<u>19688</u>	MBAS	Accounts Payable	Outstanding	Check	-1,320.00
10/29/2014		<u>19689</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-59.00
10/29/2014	10/31/2014	<u>19690</u>	Osahan, Inder	Accounts Payable	Cleared	Check	-1,083.00
10/29/2014		<u>19691</u>	Peninsula Welding Supply, Inc.	Accounts Payable	Outstanding	Check	-52.72
10/29/2014		<u>19692</u>	PG & E 3127875782-3	Accounts Payable	Outstanding	Check	-436.91
10/29/2014		<u>19693</u>	Soto, Paula	Accounts Payable	Outstanding	Check	-267.59
10/29/2014		<u>19694</u>	Standard Insurance Company	Accounts Payable	Outstanding	Check	-955.83
10/29/2014		<u>19695</u>	Standard Insurance Company	Accounts Payable	Outstanding	Check	-352.15
10/29/2014		<u>19696</u>	Telit Wireless Solutions	Accounts Payable	Outstanding	Check	-118.66
10/29/2014		<u>19697</u>	Universal Staffing Inc.	Accounts Payable	Outstanding	Check	-1,622.40
10/29/2014		<u>19698</u>	JENNIFER ROBERTS	Accounts Payable	Outstanding	Check	-500.00
10/29/2014		<u>19699</u>	JOAN HOPKINS	Accounts Payable	Outstanding	Check	-500.00
10/29/2014		<u>19700</u>	JOHN EATON	Accounts Payable	Outstanding	Check	-500.00
10/29/2014		<u>19701</u>	Laura Murphy	Accounts Payable	Outstanding	Check	-500.00
10/30/2014		<u>19703</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-64.00
10/30/2014		<u>19704</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-61.00
10/30/2014		<u>19705</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-29.00
10/30/2014		<u>19706</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-32.00
10/30/2014		<u>19707</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-29.00
10/30/2014		<u>19708</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-29.00
10/30/2014		<u>19709</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-61.00
10/30/2014		<u>19710</u>	MoCo Recorder	Accounts Payable	Outstanding	Check	-61.00
10/30/2014		<u>19711</u>	AM Conservation Group, Inc.	Accounts Payable	Outstanding	Check	-2,869.37
10/30/2014		<u>19712</u>	Aquasoleil, Inc.	Accounts Payable	Outstanding	Check	-300.00
10/30/2014		<u>19713</u>	Assured Aggregates Co., Inc.	Accounts Payable	Outstanding	Check	-90,292.65
10/30/2014		<u>19714</u>	CDW Government	Accounts Payable	Outstanding	Check	-2,011.36
10/30/2014		<u>19715</u>	Daniel K. Finklea	Accounts Payable	Outstanding	Check	-300.00
10/30/2014		<u>19716</u>	ESRI, Inc.	Accounts Payable	Outstanding	Check	-9,298.53
10/30/2014		<u>19717</u>	Hayashi & Wayland Accountancy Corp.	Accounts Payable	Outstanding	Check	-6,500.00
10/30/2014		<u>19718</u>	KBA DocuSYS	Accounts Payable	Outstanding	Check	-787.24
10/30/2014		<u>19719</u>	KBA DocuSYS - Lease Payments	Accounts Payable	Outstanding	Check	-1,069.66
10/30/2014		<u>19720</u>	Martin's Irrigation Supply	Accounts Payable	Outstanding	Check	-1,910.72
10/30/2014		<u>19721</u>	McMaster-Carr	Accounts Payable	Outstanding	Check	-316.04
10/30/2014		<u>19722</u>	Monterey Peninsula Chamber of Commerce	Accounts Payable	Outstanding	Check	-325.00
10/30/2014		<u>19723</u>	MRWPCA	Accounts Payable	Outstanding	Check	-37,777.50
10/30/2014		<u>19724</u>	SDRMA - Workers Comp. Insurance	Accounts Payable	Outstanding	Check	-3,011.27
10/30/2014		<u>19725</u>	The Don Chapin Company, Inc.	Accounts Payable	Outstanding	Check	-34,525.00



**Bank Transaction Report**

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
10/30/2014		19726	U.S. Bank	Accounts Payable	Outstanding	Check	-3,277.70
10/31/2014		19728	Locke, Stephanie L.	Accounts Payable	Outstanding	Check	-112.91
<b>Bank Account 111 Total: (425)</b>							<b>-1,621,829.32</b>
<b>Report Total: (425)</b>							<b>-1,621,829.32</b>

# Summary

Bank Account  
111 Bank of America Checking

Count	Amount
425	-1,621,829.32
<b>Report Total:</b>	<b>-1,621,829.32</b>

Cash Account  
99 99-10-100100 Pool Cash Account

Count	Amount
425	-1,621,829.32
<b>Report Total:</b>	<b>-1,621,829.32</b>

Transaction Type	Count	Amount
Check	422	-1,623,622.21
Check Reversal	3	1,792.89
<b>Report Total:</b>	<b>425</b>	<b>-1,621,829.32</b>

## Payroll Bank Transaction Report



Monterey Peninsula Water Mgmt District

By Payment Number

Date: 10/1/2014 - 10/31/2014

Payroll Set: 01 - Monterey Peninsula Water Management District

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
1031	10/03/2014	Regular	1024	Stoldt, David J	0	5306.55	5306.55
1032	10/03/2014	Regular	1025	Tavani, Arlene M	0	1896.26	1896.26
1033	10/03/2014	Regular	1006	Dudley, Mark A	0	2890.35	2890.35
1034	10/03/2014	Regular	1015	Munoz, Yolanda	0	1585.04	1585.04
1035	10/03/2014	Regular	1018	Prasad, Suresh	0	3485.18	3485.18
1036	10/03/2014	Regular	1019	Reyes, Sara C	0	1834.12	1834.12
1037	10/03/2014	Regular	1020	Sandoval, Eric J	0	1935.33	1935.33
1038	10/03/2014	Regular	1021	Schmidlin, Cynthia L	0	1789.23	1789.23
1039	10/03/2014	Regular	1022	Soto, Paula	0	1420.44	1420.44
1040	10/03/2014	Regular	1002	Bekker, Mark	0	1626.32	1626.32
1041	10/03/2014	Regular	1005	Christensen, Thomas T	0	2559.71	2559.71
1042	10/03/2014	Regular	1008	Hampson, Larry M	0	3081.91	3081.91
1043	10/03/2014	Regular	1013	Lyons, Matthew J	0	1645.39	1645.39
1044	10/03/2014	Regular	6029	Snyder, Alexander G.	0	729.91	729.91
1045	10/03/2014	Regular	1023	Stern, Henrietta L	0	2164.39	2164.39
1046	10/03/2014	Regular	1004	Chaney, Beverly M	0	2363.26	2363.26
1047	10/03/2014	Regular	6012	Hamblin, David R	0	115.79	115.79
1048	10/03/2014	Regular	1007	Hamilton, Cory R	0	2037.3	2037.3
1049	10/03/2014	Regular	1009	James, Gregory W	0	2937.55	2937.55
1050	10/03/2014	Regular	1011	Lear, Jonathan P	0	2737.48	2737.48
1051	10/03/2014	Regular	1012	Lindberg, Thomas L	0	2168.62	2168.62
1052	10/03/2014	Regular	1016	Oliver, Joseph W	0	2655.93	2655.93
1053	10/03/2014	Regular	1026	Urquhart, Kevan A	0	2150.09	2150.09
1054	10/03/2014	Regular	1001	Ayala, Gabriela D	0	1665.97	1665.97
1055	10/03/2014	Regular	1003	Boles, Michael T	0	1775.06	1775.06
1056	10/03/2014	Regular	1010	Kister, Stephanie L	0	1970.75	1970.75
1057	10/03/2014	Regular	1017	Locke, Stephanie L	0	2733.86	2733.86
1058	10/03/2014	Regular	1014	Martin, Debra S	0	1949.13	1949.13
1059	10/17/2014	Regular	1024	Stoldt, David J	0	5310.49	5310.49
1060	10/17/2014	Regular	1025	Tavani, Arlene M	0	2153.02	2153.02
1061	10/17/2014	Regular	1006	Dudley, Mark A	0	2997.84	2997.84
1062	10/17/2014	Regular	1015	Munoz, Yolanda	0	2052.83	2052.83
1063	10/17/2014	Regular	1018	Prasad, Suresh	0	3561.55	3561.55
1064	10/17/2014	Regular	1019	Reyes, Sara C	0	1985.51	1985.51
1065	10/17/2014	Regular	1020	Sandoval, Eric J	0	2380	2380
1066	10/17/2014	Regular	1021	Schmidlin, Cynthia L	0	2093.2	2093.2
1067	10/17/2014	Regular	1022	Soto, Paula	0	1311.07	1311.07
1068	10/17/2014	Regular	1002	Bekker, Mark	0	1883.72	1883.72
1069	10/17/2014	Regular	1005	Christensen, Thomas T	0	2756.25	2756.25
1070	10/17/2014	Regular	1008	Hampson, Larry M	0	3468.91	3468.91
1071	10/17/2014	Regular	1013	Lyons, Matthew J	0	1783.4	1783.4
1072	10/17/2014	Regular	6029	Snyder, Alexander G.	0	534.99	534.99
1073	10/17/2014	Regular	1023	Stern, Henrietta L	0	1468.56	1468.56
1074	10/17/2014	Regular	6028	Atkins, Daniel N.	0	358.19	358.19
1075	10/17/2014	Regular	1004	Chaney, Beverly M	0	2459.66	2459.66
1076	10/17/2014	Regular	6012	Hamblin, David R	0	706.83	706.83
1077	10/17/2014	Regular	1007	Hamilton, Cory R	0	2207.97	2207.97
1078	10/17/2014	Regular	1009	James, Gregory W	0	2982.71	2982.71
1079	10/17/2014	Regular	1011	Lear, Jonathan P	0	3156.73	3156.73
1080	10/17/2014	Regular	1012	Lindberg, Thomas L	0	2417.87	2417.87
1081	10/17/2014	Regular	1016	Oliver, Joseph W	0	3360.08	3360.08
1082	10/17/2014	Regular	1026	Urquhart, Kevan A	0	2637.59	2637.59
1083	10/17/2014	Regular	1001	Ayala, Gabriela D	0	2044.93	2044.93
1084	10/17/2014	Regular	1003	Boles, Michael T	0	1833.1	1833.1
1085	10/17/2014	Regular	1010	Kister, Stephanie L	0	1854.31	1854.31
1086	10/17/2014	Regular	1017	Locke, Stephanie L	0	2898.54	2898.54
1087	10/17/2014	Regular	1014	Martin, Debra S	0	1993.14	1993.14

Payment		Employee		Direct Deposit		Total Payment	
Number	Payment Date	Payment Type	Number	Employee Name	Check Amount	Amount	Total Payment
1088	10/31/2014	Regular	1024	Stoldt, David J	0	5306.55	5306.55
1089	10/31/2014	Regular	1025	Tavani, Arlene M	0	1896.27	1896.27
1090	10/31/2014	Regular	1006	Dudley, Mark A	0	2890.35	2890.35
1091	10/31/2014	Regular	1015	Munoz, Yolanda	0	1585.04	1585.04
1092	10/31/2014	Regular	1018	Prasad, Suresh	0	3485.18	3485.18
1093	10/31/2014	Regular	1019	Reyes, Sara C	0	1834.12	1834.12
1094	10/31/2014	Regular	1020	Sandoval, Eric J	0	1935.33	1935.33
1095	10/31/2014	Regular	1021	Schmidlin, Cynthia L	0	1789.2	1789.2
1096	10/31/2014	Regular	1022	Soto, Paula	0	1266.98	1266.98
1097	10/31/2014	Regular	1002	Bekker, Mark	0	1626.32	1626.32
1098	10/31/2014	Regular	1005	Christensen, Thomas T	0	2559.71	2559.71
1099	10/31/2014	Regular	1008	Hampson, Larry M	0	3081.91	3081.91
1100	10/31/2014	Regular	1013	Lyons, Matthew J	0	1645.39	1645.39
1101	10/31/2014	Regular	6029	Snyder, Alexander G.	0	534.99	534.99
1102	10/31/2014	Regular	1023	Stern, Henrietta L	0	2164.4	2164.4
1103	10/31/2014	Regular	6028	Atkins, Daniel N.	0	387.02	387.02
1104	10/31/2014	Regular	1004	Chaney, Beverly M	0	2363.26	2363.26
1105	10/31/2014	Regular	6010	Gonnerman, Maryan C	0	266.78	266.78
1106	10/31/2014	Regular	6012	Hamblin, David R	0	557.48	557.48
1107	10/31/2014	Regular	1007	Hamilton, Cory R	0	2037.31	2037.31
1108	10/31/2014	Regular	1009	James, Gregory W	0	2937.56	2937.56
1109	10/31/2014	Regular	1011	Lear, Jonathan P	0	2737.49	2737.49
1110	10/31/2014	Regular	1012	Lindberg, Thomas L	0	2168.62	2168.62
1111	10/31/2014	Regular	1016	Oliver, Joseph W	0	2655.93	2655.93
1112	10/31/2014	Regular	1026	Urquhart, Kevan A	0	2150.1	2150.1
1113	10/31/2014	Regular	1001	Ayala, Gabriela D	0	1665.98	1665.98
1114	10/31/2014	Regular	1003	Boles, Michael T	0	1775.06	1775.06
1115	10/31/2014	Regular	1010	Kister, Stephanie L	0	1806.22	1806.22
1116	10/31/2014	Regular	1017	Locke, Stephanie L	0	2733.86	2733.86
1117	10/31/2014	Regular	1014	Martin, Debra S	0	1949.13	1949.13
19328	10/03/2014	Regular	7006	Brower, Sr., Robert S	203.17	0	203.17
19329	10/03/2014	Regular	7007	Byrne, Jeannie	406.34	0	406.34
19330	10/03/2014	Regular	7003	Lewis, Brenda	386.19	0	386.19
19331	10/03/2014	Regular	7005	Markey, Kristina A	203.17	0	203.17
19332	10/03/2014	Regular	7001	Pendergrass, David K	406.34	0	406.34
19333	10/03/2014	Regular	7004	Potter, David L	203.17	0	203.17
19702	10/31/2014	Regular	1039	Flores, Elizabeth	1032.29	0	1032.29
19727	10/31/2014	Regular	1015	Munoz, Yolanda	3412.46	0	3412.46
					<b>Total</b>	<b>\$</b>	<b>195,910.58</b>

# Bank Transaction Report

## Transaction Detail

Issued Date Range: -

EXHIBIT 9-D

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
<b>Bank Account: 111 - Bank of America Checking</b>							
10/03/2014	10/31/2014	<a href="#">DFT0000490</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-10,177.71
10/03/2014	10/31/2014	<a href="#">DFT0000491</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,107.60
10/03/2014	10/31/2014	<a href="#">DFT0000492</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-120.90
10/03/2014	10/31/2014	<a href="#">DFT0000493</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-20.15
10/03/2014	10/31/2014	<a href="#">DFT0000494</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-57.42
10/03/2014	10/31/2014	<a href="#">DFT0000495</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-245.52
10/15/2014	10/31/2014	<a href="#">SVC0000040</a>	Oct 2014 Service fee	General Ledger	Cleared	Service Charge	-271.45
10/17/2014	10/31/2014	<a href="#">DFT0000497</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-11,636.89
10/17/2014	10/31/2014	<a href="#">DFT0000498</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,173.06
10/17/2014	10/31/2014	<a href="#">DFT0000499</a>	I.R.S.	Accounts Payable	Cleared	Bank Draft	-231.10
10/31/2014		<a href="#">DFT0000501</a>	I.R.S.	Accounts Payable	Outstanding	Bank Draft	-10,247.41
10/31/2014		<a href="#">DFT0000502</a>	I.R.S.	Accounts Payable	Outstanding	Bank Draft	-2,166.20
10/31/2014		<a href="#">DFT0000503</a>	I.R.S.	Accounts Payable	Outstanding	Bank Draft	-247.34
10/31/2014		<a href="#">DFT0000504</a>	I.R.S.	Accounts Payable	Outstanding	Bank Draft	-731.42
10/31/2014		<a href="#">DFT0000505</a>	I.R.S.	Accounts Payable	Outstanding	Bank Draft	-513.36
<b>Bank Account 111 Total: (15)</b>							<b>-40,947.53</b>
<b>Report Total: (15)</b>							<b>-40,947.53</b>

# Summary

<b>Bank Account</b>		<b>Count</b>	<b>Amount</b>
<u>111 Bank of America Checking</u>		15	-40,947.53
<b>Report Total:</b>		<b>15</b>	<b>-40,947.53</b>
<b>Cash Account</b>		<b>Count</b>	<b>Amount</b>
<u>99 99-10-100100 Pool Cash Account</u>		15	-40,947.53
<b>Report Total:</b>		<b>15</b>	<b>-40,947.53</b>

<b>Transaction Type</b>	<b>Count</b>	<b>Amount</b>
Bank Draft	14	-40,676.08
Service Charge	1	-271.45
<b>Report Total:</b>	<b>15</b>	<b>-40,947.53</b>



Monterey Peninsula Water Mgmt District

Statement of Revenue Over Expense  
Group Summary

For Fiscal: 2014-2015 Period Ending: 10/31/2014

EXHIBIT 9-E

Level2 Revenue	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
R100 - Water Supply Charge	0.01	283,220.00	-283,219.99	0.00 %	0.01	3,400,000.00	-3,399,999.99	0.00 %
R110 - Mitigation Revenue	157,300.00	165,100.60	-7,800.60	-95.28 %	157,300.00	1,982,000.00	-1,824,700.00	-7.94 %
R120 - Property Taxes Revenues	0.00	124,949.99	-124,949.99	0.00 %	0.00	1,500,000.00	-1,500,000.00	0.00 %
R130 - User Fees	4,279.65	6,247.50	-1,967.85	-68.50 %	19,236.18	75,000.00	-55,763.82	-25.65 %
R140 - Connection Charges	35,757.22	14,577.50	21,179.72	-245.29 %	62,929.82	175,000.00	-112,070.18	-35.96 %
R150 - Permit Processing Fee	18,599.00	14,577.50	4,021.50	-127.59 %	55,214.00	175,000.00	-119,786.00	-31.55 %
R160 - Well Registration Fee	0.00	0.00	0.00	0.00 %	1,500.00	0.00	1,500.00	0.00 %
R190 - WDS Permits Rule 21	1,141.00	4,664.80	-3,523.80	-24.46 %	10,455.00	56,000.00	-45,545.00	-18.67 %
R200 - Recording Fees	1,135.00	666.40	468.60	-170.32 %	4,171.00	8,000.00	-3,829.00	-52.14 %
R210 - Legal Fees	171.00	1,249.50	-1,078.50	-13.69 %	471.00	15,000.00	-14,529.00	-3.14 %
R220 - Copy Fee	17.80	0.00	17.80	0.00 %	62.05	0.00	62.05	0.00 %
R230 - Miscellaneous - Other	300.00	1,249.50	-949.50	-24.01 %	642.17	15,000.00	-14,357.83	-4.28 %
R240 - Insurance Refunds	0.00	0.00	0.00	0.00 %	6,328.74	0.00	6,328.74	0.00 %
R250 - Interest Income	3,591.13	1,249.49	2,341.64	-287.41 %	5,800.93	15,000.00	-9,199.07	-38.67 %
R260 - CAW - ASR	0.00	39,392.57	-39,392.57	0.00 %	0.00	472,900.00	-472,900.00	0.00 %
R270 - CAW - Rebates	51,270.83	58,310.00	-7,039.17	-87.93 %	236,730.63	700,000.00	-463,269.37	-33.82 %
R280 - CAW - Conservation	0.00	29,421.56	-29,421.56	0.00 %	0.00	353,200.00	-353,200.00	0.00 %
R290 - CAW - Miscellaneous	0.00	583.10	-583.10	0.00 %	0.00	7,000.00	-7,000.00	0.00 %
R300 - Watermaster	0.00	5,747.70	-5,747.70	0.00 %	0.00	69,000.00	-69,000.00	0.00 %
R310 - Other Reimbursements	0.00	2,832.20	-2,832.20	0.00 %	0.00	34,000.00	-34,000.00	0.00 %
R320 - Grants	2,703.00	51,479.40	-48,776.40	-5.25 %	2,703.00	618,000.00	-615,297.00	-0.44 %
R500 - Capital Equipment Reserve	0.00	7,322.07	-7,322.07	0.00 %	0.00	87,900.00	-87,900.00	0.00 %
R520 - Flood/Drought Reserve	0.00	3,332.00	-3,332.00	0.00 %	0.00	40,000.00	-40,000.00	0.00 %
R600 - Water Supply Charge Carry Forward	0.00	94,795.40	-94,795.40	0.00 %	0.00	1,138,000.00	-1,138,000.00	0.00 %
<b>Total Revenue:</b>	<b>276,265.64</b>	<b>910,968.78</b>	<b>-634,703.14</b>	<b>-30.33 %</b>	<b>563,544.53</b>	<b>10,936,000.00</b>	<b>-10,372,455.47</b>	<b>-5.15 %</b>

Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2 Expense	October Activity	October Budget	Variance		YTD Activity	Total Budget	Variance		Percent Used
			Favorable (Unfavorable)	Percent Used			Favorable (Unfavorable)	Percent Used	
<b>Level1: 100 - Personnel Costs</b>									
1100 - Salaries & Wages	275,902.47	188,374.62	-87,527.85	146.46 %	741,231.15	2,261,400.00	1,520,168.85	32.78 %	
1110 - Manager's Auto Allowance	553.86	399.83	-154.03	138.52 %	1,661.58	4,800.00	3,138.42	34.62 %	
1120 - Manager's Deferred Comp	807.69	583.10	-224.59	138.52 %	2,423.07	7,000.00	4,576.93	34.62 %	
1130 - Unemployment Compensation	0.00	249.90	249.90	0.00 %	0.00	3,000.00	3,000.00	0.00 %	
1140 - Insurance Opt-Out Supplemental	1,812.45	0.00	-1,812.45	0.00 %	5,437.35	0.00	-5,437.35	0.00 %	
1150 - Temporary Personnel	3,244.80	3,398.63	153.83	95.47 %	13,440.96	40,800.00	27,359.04	32.94 %	
1160 - PERS Retirement	47,423.01	32,936.82	-14,486.19	143.98 %	145,228.85	395,400.00	250,171.15	36.73 %	
1170 - Medical Insurance	24,379.40	32,553.64	8,174.24	74.89 %	97,517.60	390,800.00	293,282.40	24.95 %	
1180 - Medical Insurance - Retirees	6,975.94	0.00	-6,975.94	0.00 %	21,590.25	0.00	-21,590.25	0.00 %	
1190 - Workers Compensation	4,609.25	3,273.69	-1,335.56	140.80 %	14,421.39	39,300.00	24,878.61	36.70 %	
1220 - Short Term Disability Insurance	175.53	0.00	-175.53	0.00 %	696.70	0.00	-696.70	0.00 %	
1230 - Other Benefits	154.32	0.00	-154.32	0.00 %	617.28	0.00	-617.28	0.00 %	
1260 - Employee Assistance Program	67.05	0.00	-67.05	0.00 %	264.39	0.00	-264.39	0.00 %	
1270 - FICA Tax Expense	422.43	0.00	-422.43	0.00 %	1,547.89	0.00	-1,547.89	0.00 %	
1280 - Medicare Tax Expense	3,508.82	2,299.08	-1,209.74	152.62 %	9,974.06	27,600.00	17,625.94	36.14 %	
1290 - Staff Development & Training	381.86	2,557.31	2,175.45	14.93 %	1,840.46	30,700.00	28,859.54	5.99 %	
1300 - Conference Registration	0.00	0.00	0.00	0.00 %	1,595.00	0.00	-1,595.00	0.00 %	
1310 - Professional Dues	0.00	0.00	0.00	0.00 %	200.00	0.00	-200.00	0.00 %	
1320 - Personnel Recruitment	96.25	149.94	53.69	64.19 %	1,733.25	1,800.00	66.75	96.29 %	
<b>Total Level1: 100 - Personnel Costs:</b>	<b>370,515.13</b>	<b>266,776.56</b>	<b>-103,738.57</b>	<b>138.89 %</b>	<b>1,061,421.23</b>	<b>3,202,600.00</b>	<b>2,141,178.77</b>	<b>33.14 %</b>	
<b>Level1: 200 - Supplies and Services</b>									
2100 - Board Member Compensation	1,980.00	3,082.10	1,102.10	64.24 %	9,570.00	37,000.00	27,430.00	25.86 %	
2110 - Board Expenses	30.00	374.85	344.85	8.00 %	60.00	4,500.00	4,440.00	1.33 %	
2120 - Insurance Expense	4,477.87	3,748.50	-729.37	119.46 %	14,846.86	45,000.00	30,153.14	32.99 %	
2130 - Membership Dues	0.00	2,499.00	2,499.00	0.00 %	1,410.00	30,000.00	28,590.00	4.70 %	
2135 - Public Outreach	1,200.00	0.00	-1,200.00	0.00 %	1,200.00	0.00	-1,200.00	0.00 %	
2140 - Bank Charges	295.45	291.55	-3.90	101.34 %	1,191.19	3,500.00	2,308.81	34.03 %	
2150 - Office Supplies	3,404.93	2,640.59	-764.34	128.95 %	12,492.16	31,700.00	19,207.84	39.41 %	
2160 - Meeting Expenses	323.27	674.71	351.44	47.91 %	1,064.24	8,100.00	7,035.76	13.14 %	
2170 - Printing/Photocopy	92.21	1,982.54	1,890.33	4.65 %	175.62	23,800.00	23,624.38	0.74 %	
2180 - Miscellaneous Expenses	191.02	624.75	433.73	30.58 %	2,600.35	7,500.00	4,899.65	34.67 %	
2190 - IT Supplies/Services	13,690.36	7,205.45	-6,484.91	190.00 %	35,149.04	86,500.00	51,350.96	40.63 %	
2200 - Professional Fees	13,600.00	9,979.34	-3,620.66	136.28 %	41,500.00	119,800.00	78,300.00	34.64 %	
2210 - Legal	105,800.66	33,320.00	-72,480.66	317.53 %	115,352.73	400,000.00	284,647.27	28.84 %	
2220 - Legal Notices	0.00	358.19	358.19	0.00 %	230.61	4,300.00	4,069.39	5.36 %	
2230 - Rent	1,689.00	1,740.97	51.97	97.01 %	6,756.00	20,900.00	14,144.00	32.33 %	
2235 - Equipment Lease	1,453.44	1,416.10	-37.34	102.64 %	4,806.37	17,000.00	12,193.63	28.27 %	
2240 - Telephone	4,476.43	2,782.22	-1,694.21	160.89 %	14,928.76	33,400.00	18,471.24	44.70 %	
2250 - Utilities	3,639.18	2,940.49	-698.69	123.76 %	17,407.90	35,300.00	17,892.10	49.31 %	
2260 - Facility Maintenance	2,783.01	2,873.84	90.83	96.84 %	9,734.08	34,500.00	24,765.92	28.21 %	



Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2	October Activity	October Budget	Variance		YTD Activity	Total Budget	Variance		Percent Used
			(Unfavorable)	Favorable			(Unfavorable)	Favorable	
2270 - Travel Expenses	2,268.20	1,915.90	-352.30		7,404.26	23,000.00	15,595.74	32.19 %	
2280 - Transportation	1,144.24	2,582.30	1,438.06		8,850.43	31,000.00	22,149.57	28.55 %	
2900 - Operating Supplies	759.87	1,799.28	1,039.41		8,303.89	21,600.00	13,296.11	38.44 %	
<b>Total Level1: 200 - Supplies and Services:</b>	<b>163,299.14</b>	<b>84,832.67</b>	<b>-78,466.47</b>		<b>315,034.49</b>	<b>1,018,400.00</b>	<b>703,365.51</b>	<b>30.93 %</b>	
<b>Level1: 300 - Other Expenses</b>									
3000 - Project Expenses	289,709.70	517,376.30	227,666.60		797,869.45	6,211,000.00	5,413,130.55	12.85 %	
4000 - Fixed Asset Purchases	1,306.64	16,576.69	15,270.05		2,153.52	199,000.00	196,846.48	1.08 %	
5000 - Debt Service	0.00	19,159.00	19,159.00		0.00	230,000.00	230,000.00	0.00 %	
6000 - Contingencies	0.00	6,247.49	6,247.49		0.00	75,000.00	75,000.00	0.00 %	
<b>Total Level1: 300 - Other Expenses:</b>	<b>291,016.34</b>	<b>559,359.48</b>	<b>268,343.14</b>		<b>800,022.97</b>	<b>6,715,000.00</b>	<b>5,914,977.03</b>	<b>11.91 %</b>	
<b>Total Expense:</b>	<b>824,830.61</b>	<b>910,968.71</b>	<b>86,138.10</b>		<b>2,176,478.69</b>	<b>10,936,000.00</b>	<b>8,759,521.31</b>	<b>19.90 %</b>	
<b>Report Total:</b>	<b>-548,564.97</b>	<b>0.07</b>	<b>-548,565.04</b>		<b>-1,612,934.16</b>	<b>0.00</b>	<b>-1,612,934.16</b>		

## Fund Summary

Fund	October Activity	October Budget	Variance		YTD Activity	Total Budget	Variance	
			Favorable (Unfavorable)	Percent Used			Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	-179,240.18	0.04	-179,240.22		-585,333.61	0.00	-585,333.61	
26 - CONSERVATION FUND	-152,316.48	0.00	-152,316.48		-451,654.97	0.00	-451,654.97	
35 - WATER SUPPLY FUND	-217,008.31	0.03	-217,008.34		-575,945.58	0.00	-575,945.58	
<b>Report Total:</b>	<b>-548,564.97</b>	<b>0.07</b>	<b>-548,565.04</b>		<b>-1,612,934.16</b>	<b>0.00</b>	<b>-1,612,934.16</b>	



Monterey Peninsula Water Mgmt District

# Statement of Revenue Over Expense Group Summary

For Fiscal: 2014-2015 Period Ending: 10/31/2014

**Level2  
Fund: 24 - MITIGATION FUND**

Revenue	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
R110 - Mitigation Revenue	157,300.00	165,100.60	-7,800.60	-95.28 %	157,300.00	1,982,000.00	-1,824,700.00	-7.94 %
R120 - Property Taxes Revenues	0.00	4,760.59	-4,760.59	0.00 %	0.00	57,150.00	-57,150.00	0.00 %
R130 - User Fees	3,612.93	6,247.50	-2,634.57	-57.83 %	16,239.39	75,000.00	-58,760.61	-21.65 %
R160 - Well Registration Fee	0.00	0.00	0.00	0.00 %	1,500.00	0.00	1,500.00	0.00 %
R190 - WDS Permits Rule 21	1,141.00	4,664.80	-3,523.80	-24.46 %	10,455.00	56,000.00	-45,545.00	-18.67 %
R230 - Miscellaneous - Other	0.00	1,249.50	-1,249.50	0.00 %	0.00	15,000.00	-15,000.00	0.00 %
R250 - Interest Income	745.19	537.28	207.91	-138.70 %	921.88	6,450.00	-5,528.12	-14.29 %
R290 - CAW - Miscellaneous	0.00	583.10	-583.10	0.00 %	0.00	7,000.00	-7,000.00	0.00 %
R310 - Other Reimbursements	0.00	1,707.65	-1,707.65	0.00 %	0.00	20,500.00	-20,500.00	0.00 %
R320 - Grants	783.00	51,479.40	-50,696.40	-1.52 %	783.00	618,000.00	-617,217.00	-0.13 %
R500 - Capital Equipment Reserve	0.00	3,581.90	-3,581.90	0.00 %	0.00	43,000.00	-43,000.00	0.00 %
<b>Total Revenue:</b>	<b>163,582.12</b>	<b>239,912.32</b>	<b>-76,330.20</b>	<b>-68.18 %</b>	<b>187,199.27</b>	<b>2,880,100.00</b>	<b>-2,692,900.73</b>	<b>-6.50 %</b>

Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2 Expense	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
<b>Level1: 100 - Personnel Costs</b>								
1100 - Salaries & Wages	113,373.54	79,951.34	-33,422.20	141.80 %	310,345.64	959,800.00	649,454.36	32.33 %
1110 - Manager's Auto Allowance	110.76	79.13	-31.63	139.97 %	332.28	950.00	617.72	34.98 %
1120 - Manager's Deferred Comp	161.55	116.62	-44.93	138.53 %	484.65	1,400.00	915.35	34.62 %
1130 - Unemployment Compensation	0.00	99.96	99.96	0.00 %	0.00	1,200.00	1,200.00	0.00 %
1140 - Insurance Opt-Out Supplemental	454.47	0.00	-454.47	0.00 %	1,363.41	0.00	-1,363.41	0.00 %
1150 - Temporary Personnel	0.00	37.48	37.48	0.00 %	0.00	450.00	450.00	0.00 %
1160 - PERS Retirement	19,813.61	14,027.72	-5,785.89	141.25 %	61,025.79	168,400.00	107,374.21	36.24 %
1170 - Medical Insurance	10,565.14	14,119.35	3,554.21	74.83 %	42,260.50	169,500.00	127,239.50	24.93 %
1180 - Medical Insurance - Retirees	3,604.48	0.00	-3,604.48	0.00 %	11,301.94	0.00	-11,301.94	0.00 %
1190 - Workers Compensation	2,836.17	1,957.55	-878.62	144.88 %	8,922.41	23,500.00	14,577.59	37.97 %
1220 - Short Term Disability Insurance	75.43	0.00	-75.43	0.00 %	301.74	0.00	-301.74	0.00 %
1230 - Other Benefits	50.96	0.00	-50.96	0.00 %	203.72	0.00	-203.72	0.00 %
1260 - Employee Assistance Program	27.84	0.00	-27.84	0.00 %	111.30	0.00	-111.30	0.00 %
1270 - FICA Tax Expense	352.47	0.00	-352.47	0.00 %	1,209.75	0.00	-1,209.75	0.00 %
1280 - Medicare Tax Expense	1,517.24	1,007.93	-509.31	150.53 %	4,391.09	12,100.00	7,708.91	36.29 %
1290 - Staff Development & Training	279.26	1,099.56	820.30	25.40 %	1,037.33	13,200.00	12,162.67	7.86 %
1300 - Conference Registration	0.00	0.00	0.00	0.00 %	556.85	0.00	-556.85	0.00 %
1310 - Professional Dues	0.00	0.00	0.00	0.00 %	64.50	0.00	-64.50	0.00 %
1320 - Personnel Recruitment	41.39	58.31	16.92	70.98 %	745.30	700.00	-45.30	106.47 %
<b>Total Level1: 100 - Personnel Costs:</b>	<b>153,264.31</b>	<b>112,554.95</b>	<b>-40,709.36</b>	<b>136.17 %</b>	<b>444,658.20</b>	<b>1,351,200.00</b>	<b>906,541.80</b>	<b>32.91 %</b>
<b>Level1: 200 - Supplies and Services</b>								
2100 - Board Member Compensation	851.40	1,324.47	473.07	64.28 %	4,115.10	15,900.00	11,784.90	25.88 %
2110 - Board Expenses	12.90	158.27	145.37	8.15 %	25.80	1,900.00	1,874.20	1.36 %
2120 - Insurance Expense	2,514.02	1,607.69	-906.33	156.37 %	6,972.69	19,300.00	12,327.31	36.13 %
2130 - Membership Dues	0.00	1,074.57	1,074.57	0.00 %	0.00	12,900.00	12,900.00	0.00 %
2135 - Public Outreach	516.00	0.00	-516.00	0.00 %	516.00	0.00	-516.00	0.00 %
2140 - Bank Charges	133.22	124.95	-8.27	106.62 %	462.68	1,500.00	1,037.32	30.85 %
2150 - Office Supplies	1,472.46	1,141.20	-331.26	129.03 %	5,598.46	13,700.00	8,101.54	40.86 %
2160 - Meeting Expenses	139.00	291.54	152.54	47.68 %	457.59	3,500.00	3,042.41	13.07 %
2170 - Printing/Photocopy	39.65	849.66	810.01	4.67 %	75.52	10,200.00	10,124.48	0.74 %
2180 - Miscellaneous Expenses	82.14	266.56	184.42	30.81 %	1,118.15	3,200.00	2,081.85	34.94 %
2190 - IT Supplies/Services	5,886.84	3,098.76	-2,788.08	189.97 %	15,103.14	37,200.00	22,096.86	40.60 %
2200 - Professional Fees	5,848.00	4,289.95	-1,558.05	136.32 %	17,845.00	51,500.00	33,655.00	34.65 %
2210 - Legal	18,305.21	7,497.00	-10,808.21	244.17 %	18,305.21	90,000.00	71,694.79	20.34 %
2220 - Legal Notices	0.00	158.27	158.27	0.00 %	99.16	1,900.00	1,800.84	5.22 %
2230 - Rent	799.42	749.70	-49.72	106.63 %	3,197.68	9,000.00	5,802.32	35.53 %
2235 - Equipment Lease	624.98	608.09	-16.89	102.78 %	2,066.75	7,300.00	5,233.25	28.31 %
2240 - Telephone	2,013.12	1,199.52	-813.60	167.83 %	6,758.94	14,400.00	7,641.06	46.94 %
2250 - Utilities	1,567.86	1,266.16	-301.70	123.83 %	7,530.68	15,200.00	7,669.32	49.54 %
2260 - Facility Maintenance	1,226.69	1,232.83	6.14	99.50 %	4,309.43	14,800.00	10,490.57	29.12 %

Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2	October Activity	October Budget	Variance		YTD Activity	Total Budget	Variance	
			Favorable (Unfavorable)	Percent Used			Favorable (Unfavorable)	Percent Used
2270 - Travel Expenses	658.76	824.67	165.91	79.88 %	2,223.57	9,900.00	7,676.43	22.46 %
2280 - Transportation	337.07	1,116.22	779.15	30.20 %	5,220.46	13,400.00	8,179.54	38.96 %
2900 - Operating Supplies	40.88	774.69	733.81	5.28 %	394.81	9,300.00	8,905.19	4.25 %
<b>Total Level1: 200 - Supplies and Services:</b>	<b>43,069.62</b>	<b>29,654.77</b>	<b>-13,414.85</b>	<b>145.24 %</b>	<b>102,396.82</b>	<b>356,000.00</b>	<b>253,603.18</b>	<b>28.76 %</b>
<b>Level1: 300 - Other Expenses</b>								
3000 - Project Expenses	146,488.37	87,506.65	-58,981.72	167.40 %	224,630.98	1,050,500.00	825,869.02	21.38 %
4000 - Fixed Asset Purchases	0.00	7,476.17	7,476.17	0.00 %	846.88	89,750.00	88,903.12	0.94 %
6000 - Contingencies	0.00	2,719.74	2,719.74	0.00 %	0.00	32,650.00	32,650.00	0.00 %
<b>Total Level1: 300 - Other Expenses:</b>	<b>146,488.37</b>	<b>97,702.56</b>	<b>-48,785.81</b>	<b>149.93 %</b>	<b>225,477.86</b>	<b>1,172,900.00</b>	<b>947,422.14</b>	<b>19.22 %</b>
<b>Total Expense:</b>	<b>342,822.30</b>	<b>239,912.28</b>	<b>-102,910.02</b>	<b>142.89 %</b>	<b>772,532.88</b>	<b>2,880,100.00</b>	<b>2,107,567.12</b>	<b>26.82 %</b>
<b>Total Revenues</b>	<b>163,582.12</b>	<b>239,912.32</b>	<b>-76,330.20</b>	<b>-68.18 %</b>	<b>187,199.27</b>	<b>2,880,100.00</b>	<b>-2,692,900.73</b>	<b>-6.50 %</b>
<b>Total Fund: 24 - MITIGATION FUND:</b>	<b>-179,240.18</b>	<b>0.04</b>	<b>-179,240.22</b>		<b>-585,333.61</b>	<b>0.00</b>	<b>-585,333.61</b>	

Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2  
Fund: 26 - CONSERVATION FUND

Revenue	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
R120 - Property Taxes Revenues	0.00	72,421.02	-72,421.02	0.00 %	0.00	869,400.00	-869,400.00	0.00 %
R130 - User Fees	666.72	0.00	666.72	0.00 %	2,996.79	0.00	2,996.79	0.00 %
R140 - Connection Charges	1,239.20	0.00	1,239.20	0.00 %	1,239.20	0.00	1,239.20	0.00 %
R150 - Permit Processing Fee	18,599.00	14,577.50	4,021.50	-127.59 %	55,214.00	175,000.00	-119,786.00	-31.55 %
R200 - Recording Fees	1,135.00	666.40	468.60	-170.32 %	4,171.00	8,000.00	-3,829.00	-52.14 %
R210 - Legal Fees	171.00	1,249.50	-1,078.50	-13.69 %	471.00	15,000.00	-14,529.00	-3.14 %
R230 - Miscellaneous - Other	300.00	0.00	300.00	0.00 %	300.00	0.00	300.00	0.00 %
R250 - Interest Income	426.67	337.36	89.31	-126.47 %	796.07	4,050.00	-3,253.93	-19.66 %
R270 - CAW - Rebates	51,270.83	58,310.00	-7,039.17	-87.93 %	236,730.63	700,000.00	-463,269.37	-33.82 %
R280 - CAW - Conservation	0.00	29,421.56	-29,421.56	0.00 %	0.00	353,200.00	-353,200.00	0.00 %
R310 - Other Reimbursements	0.00	1,124.55	-1,124.55	0.00 %	0.00	13,500.00	-13,500.00	0.00 %
R320 - Grants	1,920.00	0.00	1,920.00	0.00 %	1,920.00	0.00	1,920.00	0.00 %
R500 - Capital Equipment Reserve	0.00	258.23	-258.23	0.00 %	0.00	3,100.00	-3,100.00	0.00 %
R520 - Flood/Drought Reserve	0.00	3,332.00	-3,332.00	0.00 %	0.00	40,000.00	-40,000.00	0.00 %
<b>Total Revenue:</b>	<b>75,728.42</b>	<b>181,698.12</b>	<b>-105,969.70</b>	<b>-41.68 %</b>	<b>303,838.69</b>	<b>2,181,250.00</b>	<b>-1,877,411.31</b>	<b>-13.93 %</b>

Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2 Expense	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
<b>Level1: 100 - Personnel Costs</b>								
1100 - Salaries & Wages	70,567.05	41,733.30	-28,833.75	169.09 %	187,983.04	501,000.00	313,016.96	37.52 %
1110 - Manager's Auto Allowance	110.76	79.13	-31.63	139.97 %	332.28	950.00	617.72	34.98 %
1120 - Manager's Deferred Comp	161.55	116.62	-44.93	138.53 %	484.65	1,400.00	915.35	34.62 %
1130 - Unemployment Compensation	0.00	66.64	66.64	0.00 %	0.00	800.00	800.00	0.00 %
1140 - Insurance Opt-Out Supplemental	454.47	0.00	-454.47	0.00 %	1,363.41	0.00	-1,363.41	0.00 %
1150 - Temporary Personnel	3,244.80	3,332.00	87.20	97.38 %	13,440.96	40,000.00	26,559.04	33.60 %
1160 - PERS Retirement	11,766.65	7,205.45	-4,561.20	163.30 %	35,643.88	86,500.00	50,856.12	41.21 %
1170 - Medical Insurance	6,804.90	7,871.85	1,066.95	86.45 %	27,219.64	94,500.00	67,280.36	28.80 %
1180 - Medical Insurance - Retirees	1,069.40	0.00	-1,069.40	0.00 %	3,416.54	0.00	-3,416.54	0.00 %
1190 - Workers Compensation	245.76	174.93	-70.83	140.49 %	729.93	2,100.00	1,370.07	34.76 %
1220 - Short Term Disability Insurance	45.41	0.00	-45.41	0.00 %	176.63	0.00	-176.63	0.00 %
1230 - Other Benefits	50.96	0.00	-50.96	0.00 %	203.72	0.00	-203.72	0.00 %
1260 - Employee Assistance Program	19.64	0.00	-19.64	0.00 %	74.52	0.00	-74.52	0.00 %
1270 - FICA Tax Expense	29.46	0.00	-29.46	0.00 %	152.18	0.00	-152.18	0.00 %
1280 - Medicare Tax Expense	998.67	583.10	-415.57	171.27 %	2,778.07	7,000.00	4,221.93	39.69 %
1290 - Staff Development & Training	43.20	616.42	573.22	7.01 %	700.90	7,400.00	6,699.10	9.47 %
1300 - Conference Registration	0.00	0.00	0.00	0.00 %	310.80	0.00	-310.80	0.00 %
1310 - Professional Dues	0.00	0.00	0.00	0.00 %	86.00	0.00	-86.00	0.00 %
1320 - Personnel Recruitment	23.10	41.65	18.55	55.46 %	465.48	500.00	34.52	93.10 %
<b>Total Level1: 100 - Personnel Costs:</b>	<b>95,635.78</b>	<b>61,821.09</b>	<b>-33,814.69</b>	<b>154.70 %</b>	<b>275,562.63</b>	<b>742,150.00</b>	<b>466,587.37</b>	<b>37.13 %</b>
<b>Level1: 200 - Supplies and Services</b>								
2100 - Board Member Compensation	475.20	741.37	266.17	64.10 %	2,455.20	8,900.00	6,444.80	27.59 %
2110 - Board Expenses	7.20	91.63	84.43	7.86 %	14.40	1,100.00	1,085.60	1.31 %
2120 - Insurance Expense	826.88	899.64	72.76	91.91 %	3,315.48	10,800.00	7,484.52	30.70 %
2130 - Membership Dues	0.00	599.76	599.76	0.00 %	1,410.00	7,200.00	5,790.00	19.58 %
2135 - Public Outreach	288.00	0.00	-288.00	0.00 %	288.00	0.00	-288.00	0.00 %
2140 - Bank Charges	72.64	66.64	-6.00	109.00 %	264.02	800.00	535.98	33.00 %
2150 - Office Supplies	815.90	633.08	-182.82	128.88 %	2,897.28	7,600.00	4,702.72	38.12 %
2160 - Meeting Expenses	77.58	158.27	80.69	49.02 %	264.43	1,900.00	1,635.57	13.92 %
2170 - Printing/Photocopy	22.14	474.81	452.67	4.66 %	42.16	5,700.00	5,657.84	0.74 %
2180 - Miscellaneous Expenses	45.84	149.94	104.10	30.57 %	624.08	1,800.00	1,175.92	34.67 %
2190 - IT Supplies/Services	3,204.73	1,732.64	-1,472.09	184.96 %	8,411.87	20,800.00	12,388.13	40.44 %
2200 - Professional Fees	3,264.00	2,399.04	-864.96	136.05 %	10,035.00	28,800.00	18,765.00	34.84 %
2210 - Legal	9,979.79	6,664.00	-3,315.79	149.76 %	9,979.79	80,000.00	70,020.21	12.47 %
2220 - Legal Notices	0.00	83.30	83.30	0.00 %	55.35	1,000.00	944.65	5.54 %
2230 - Rent	154.56	416.50	261.94	37.11 %	637.56	5,000.00	4,362.44	12.75 %
2235 - Equipment Lease	360.34	341.53	-18.81	105.51 %	1,176.56	4,100.00	2,923.44	28.70 %
2240 - Telephone	960.95	666.40	-294.55	144.20 %	3,288.32	8,000.00	4,711.68	41.10 %
2250 - Utilities	865.84	708.05	-157.79	122.29 %	4,269.25	8,500.00	4,230.75	50.23 %
2260 - Facility Maintenance	667.93	691.39	23.46	96.61 %	2,391.23	8,300.00	5,908.77	28.81 %

Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2	October Activity	October Budget	Variance		YTD Activity	Total Budget	Variance	
			Favorable (Unfavorable)	Percent Used			Favorable (Unfavorable)	Percent Used
2270 - Travel Expenses	1,086.13	458.15	-627.98	237.07 %	3,232.17	5,500.00	2,267.83	58.77 %
2280 - Transportation	718.01	616.42	-101.59	116.48 %	2,928.51	7,400.00	4,471.49	39.57 %
2900 - Operating Supplies	573.69	433.16	-140.53	132.44 %	7,495.69	5,200.00	-2,295.69	144.15 %
<b>Total Level1: 200 - Supplies and Services:</b>	<b>24,467.35</b>	<b>19,025.72</b>	<b>-5,441.63</b>	<b>128.60 %</b>	<b>65,476.35</b>	<b>228,400.00</b>	<b>162,923.65</b>	<b>28.67 %</b>
<b>Level1: 300 - Other Expenses</b>								
3000 - Project Expenses	106,635.13	95,586.75	-11,048.38	111.56 %	413,148.04	1,147,500.00	734,351.96	36.00 %
4000 - Fixed Asset Purchases	1,306.64	2,590.63	1,283.99	50.44 %	1,306.64	31,100.00	29,793.36	4.20 %
6000 - Contingencies	0.00	2,673.93	2,673.93	0.00 %	0.00	32,100.00	32,100.00	0.00 %
<b>Total Level1: 300 - Other Expenses:</b>	<b>107,941.77</b>	<b>100,851.31</b>	<b>-7,090.46</b>	<b>107.03 %</b>	<b>414,454.68</b>	<b>1,210,700.00</b>	<b>796,245.32</b>	<b>34.23 %</b>
<b>Total Expense:</b>	<b>228,044.90</b>	<b>181,698.12</b>	<b>-46,346.78</b>	<b>125.51 %</b>	<b>755,493.66</b>	<b>2,181,250.00</b>	<b>1,425,756.34</b>	<b>34.64 %</b>
<b>Total Revenues</b>	<b>75,728.42</b>	<b>181,698.12</b>	<b>-105,969.70</b>	<b>-41.68 %</b>	<b>303,838.69</b>	<b>2,181,250.00</b>	<b>-1,877,411.31</b>	<b>-13.93 %</b>
<b>Total Fund: 26 - CONSERVATION FUND:</b>	<b>-152,316.48</b>	<b>0.00</b>	<b>-152,316.48</b>		<b>-451,654.97</b>	<b>0.00</b>	<b>-451,654.97</b>	



Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2  
Fund: 35 - WATER SUPPLY FUND

Revenue	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
R100 - Water Supply Charge	0.01	283,220.00	-283,219.99	0.00 %	0.01	3,400,000.00	-3,399,999.99	0.00 %
R120 - Property Taxes Revenues	0.00	47,768.38	-47,768.38	0.00 %	0.00	573,450.00	-573,450.00	0.00 %
R140 - Connection Charges	34,518.02	14,577.50	19,940.52	-236.79 %	61,690.62	175,000.00	-113,309.38	-35.25 %
R220 - Copy Fee	17.80	0.00	17.80	0.00 %	62.05	0.00	62.05	0.00 %
R230 - Miscellaneous - Other	0.00	0.00	0.00	0.00 %	342.17	0.00	342.17	0.00 %
R240 - Insurance Refunds	0.00	0.00	0.00	0.00 %	6,328.74	0.00	6,328.74	0.00 %
R250 - Interest Income	2,419.27	374.85	2,044.42	-645.40 %	4,082.98	4,500.00	-417.02	-90.73 %
R260 - CAW - ASR	0.00	39,392.57	-39,392.57	0.00 %	0.00	472,900.00	-472,900.00	0.00 %
R300 - Watermaster	0.00	5,747.70	-5,747.70	0.00 %	0.00	69,000.00	-69,000.00	0.00 %
R500 - Capital Equipment Reserve	0.00	3,481.94	-3,481.94	0.00 %	0.00	41,800.00	-41,800.00	0.00 %
R600 - Water Supply Charge Carry Forward	0.00	94,795.40	-94,795.40	0.00 %	0.00	1,138,000.00	-1,138,000.00	0.00 %
<b>Total Revenue:</b>	<b>36,955.10</b>	<b>489,358.34</b>	<b>-452,403.24</b>	<b>-7.55 %</b>	<b>72,506.57</b>	<b>5,874,650.00</b>	<b>-5,802,143.43</b>	<b>-1.23 %</b>

Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2 Expense	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
<b>Level1: 100 - Personnel Costs</b>								
1100 - Salaries & Wages	91,961.88	66,689.98	-25,271.90	137.89 %	242,902.47	800,600.00	557,697.53	30.34 %
1110 - Manager's Auto Allowance	332.34	241.57	-90.77	137.58 %	997.02	2,900.00	1,902.98	34.38 %
1120 - Manager's Deferred Comp	484.59	349.86	-134.73	138.51 %	1,453.77	4,200.00	2,746.23	34.61 %
1130 - Unemployment Compensation	0.00	83.30	83.30	0.00 %	0.00	1,000.00	1,000.00	0.00 %
1140 - Insurance Opt-Out Supplemental	903.51	0.00	-903.51	0.00 %	2,710.53	0.00	-2,710.53	0.00 %
1150 - Temporary Personnel	0.00	29.15	29.15	0.00 %	0.00	350.00	350.00	0.00 %
1160 - PERS Retirement	15,842.75	11,703.65	-4,139.10	135.37 %	48,559.18	140,500.00	91,940.82	34.56 %
1170 - Medical Insurance	7,009.36	10,562.44	3,553.08	66.36 %	28,037.46	126,800.00	98,762.54	22.11 %
1180 - Medical Insurance - Retirees	2,302.06	0.00	-2,302.06	0.00 %	6,871.77	0.00	-6,871.77	0.00 %
1190 - Workers Compensation	1,527.32	1,141.21	-386.11	133.83 %	4,769.05	13,700.00	8,930.95	34.81 %
1220 - Short Term Disability Insurance	54.69	0.00	-54.69	0.00 %	218.33	0.00	-218.33	0.00 %
1230 - Other Benefits	52.40	0.00	-52.40	0.00 %	209.84	0.00	-209.84	0.00 %
1260 - Employee Assistance Program	19.57	0.00	-19.57	0.00 %	78.57	0.00	-78.57	0.00 %
1270 - FICA Tax Expense	40.50	0.00	-40.50	0.00 %	185.96	0.00	-185.96	0.00 %
1280 - Medicare Tax Expense	992.91	708.05	-284.86	140.23 %	2,804.90	8,500.00	5,695.10	33.00 %
1290 - Staff Development & Training	59.40	841.33	781.93	7.06 %	102.23	10,100.00	9,997.77	1.01 %
1300 - Conference Registration	0.00	0.00	0.00	0.00 %	727.35	0.00	-727.35	0.00 %
1310 - Professional Dues	0.00	0.00	0.00	0.00 %	49.50	0.00	-49.50	0.00 %
1320 - Personnel Recruitment	31.76	49.98	18.22	63.55 %	522.47	600.00	77.53	87.08 %
<b>Total Level1: 100 - Personnel Costs:</b>	<b>121,615.04</b>	<b>92,400.52</b>	<b>-29,214.52</b>	<b>131.62 %</b>	<b>341,200.40</b>	<b>1,109,250.00</b>	<b>768,049.60</b>	<b>30.76 %</b>
<b>Level1: 200 - Supplies and Services</b>								
2100 - Board Member Compensation	653.40	1,016.26	362.86	64.29 %	2,999.70	12,200.00	9,200.30	24.59 %
2110 - Board Expenses	9.90	124.95	115.05	7.92 %	19.80	1,500.00	1,480.20	1.32 %
2120 - Insurance Expense	1,136.97	1,241.17	104.20	91.60 %	4,558.69	14,900.00	10,341.31	30.60 %
2130 - Membership Dues	0.00	824.67	824.67	0.00 %	0.00	9,900.00	9,900.00	0.00 %
2135 - Public Outreach	396.00	0.00	-396.00	0.00 %	396.00	0.00	-396.00	0.00 %
2140 - Bank Charges	89.59	99.96	10.37	89.63 %	464.49	1,200.00	735.51	38.71 %
2150 - Office Supplies	1,116.57	866.31	-250.26	128.89 %	3,996.42	10,400.00	6,403.58	38.43 %
2160 - Meeting Expenses	106.69	224.90	118.21	47.44 %	342.22	2,700.00	2,357.78	12.67 %
2170 - Printing/Photocopy	30.42	658.07	627.65	4.62 %	57.94	7,900.00	7,842.06	0.73 %
2180 - Miscellaneous Expenses	63.04	208.25	145.21	30.27 %	858.12	2,500.00	1,641.88	34.32 %
2190 - IT Supplies/Services	4,598.79	2,374.05	-2,224.74	193.71 %	11,634.03	28,500.00	16,865.97	40.82 %
2200 - Professional Fees	4,488.00	3,290.35	-1,197.65	136.40 %	13,620.00	39,500.00	25,880.00	34.48 %
2210 - Legal	77,515.66	19,159.00	-58,356.66	404.59 %	87,067.73	230,000.00	142,932.27	37.86 %
2220 - Legal Notices	0.00	116.62	116.62	0.00 %	76.10	1,400.00	1,323.90	5.44 %
2230 - Rent	735.02	574.77	-160.25	127.88 %	2,920.76	6,900.00	3,979.24	42.33 %
2235 - Equipment Lease	468.12	466.48	-1.64	100.35 %	1,563.06	5,600.00	4,036.94	27.91 %
2240 - Telephone	1,502.36	916.30	-586.06	163.96 %	4,881.50	11,000.00	6,118.50	44.38 %
2250 - Utilities	1,205.48	966.28	-239.20	124.75 %	5,607.97	11,600.00	5,992.03	48.34 %
2260 - Facility Maintenance	888.39	949.62	61.23	93.55 %	3,033.42	11,400.00	8,366.58	26.61 %

Statement of Revenue Over Expense

For Fiscal: 2014-2015 Period Ending: 10/31/2014

Level2	October Activity	October Budget	Variance Favorable (Unfavorable)		YTD Activity	Total Budget	Variance Favorable (Unfavorable)		Percent Used
			October Activity	October Budget			YTD Activity	Total Budget	
2270 - Travel Expenses	523.31	633.08	109.77	82.66 %	1,948.52	7,600.00	5,651.48	25.64 %	
2280 - Transportation	89.16	849.66	760.50	10.49 %	701.46	10,200.00	9,498.54	6.88 %	
2900 - Operating Supplies	145.30	591.43	446.13	24.57 %	413.39	7,100.00	6,686.61	5.82 %	
<b>Total Level1: 200 - Supplies and Services:</b>	<b>95,762.17</b>	<b>36,152.18</b>	<b>-59,609.99</b>	<b>264.89 %</b>	<b>147,161.32</b>	<b>434,000.00</b>	<b>286,838.68</b>	<b>33.91 %</b>	
<b>Level1: 300 - Other Expenses</b>									
3000 - Project Expenses	36,586.20	334,282.90	297,696.70	10.94 %	160,090.43	4,013,000.00	3,852,909.57	3.99 %	
4000 - Fixed Asset Purchases	0.00	6,509.89	6,509.89	0.00 %	0.00	78,150.00	78,150.00	0.00 %	
5000 - Debt Service	0.00	19,159.00	19,159.00	0.00 %	0.00	230,000.00	230,000.00	0.00 %	
6000 - Contingencies	0.00	853.82	853.82	0.00 %	0.00	10,250.00	10,250.00	0.00 %	
<b>Total Level1: 300 - Other Expenses:</b>	<b>36,586.20</b>	<b>360,805.61</b>	<b>324,219.41</b>	<b>10.14 %</b>	<b>160,090.43</b>	<b>4,331,400.00</b>	<b>4,171,309.57</b>	<b>3.70 %</b>	
<b>Total Expense:</b>	<b>253,963.41</b>	<b>489,358.31</b>	<b>235,394.90</b>	<b>51.90 %</b>	<b>648,452.15</b>	<b>5,874,650.00</b>	<b>5,226,197.85</b>	<b>11.04 %</b>	
<b>Total Revenues</b>	<b>36,955.10</b>	<b>489,358.34</b>	<b>-452,403.24</b>	<b>-7.55 %</b>	<b>72,506.57</b>	<b>5,874,650.00</b>	<b>-5,802,143.43</b>	<b>-1.23 %</b>	
<b>Total Fund: 35 - WATER SUPPLY FUND:</b>	<b>-217,008.31</b>	<b>0.03</b>	<b>-217,008.34</b>		<b>-575,945.58</b>	<b>0.00</b>	<b>-575,945.58</b>		
<b>Report Total:</b>	<b>-548,564.97</b>	<b>0.07</b>	<b>-548,565.04</b>		<b>-1,612,934.16</b>	<b>0.00</b>	<b>-1,612,934.16</b>		

## Fund Summary

Fund	October Activity	October Budget	Variance		YTD Activity	Total Budget	Variance	
			Favorable (Unfavorable)	Percent Used			Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	-179,240.18	0.04	-179,240.22		-585,333.61	0.00	-585,333.61	
26 - CONSERVATION FUND	-152,316.48	0.00	-152,316.48		-451,654.97	0.00	-451,654.97	
35 - WATER SUPPLY FUND	-217,008.31	0.03	-217,008.34		-575,945.58	0.00	-575,945.58	
<b>Report Total:</b>	<b>-548,564.97</b>	<b>0.07</b>	<b>-548,565.04</b>		<b>-1,612,934.16</b>	<b>0.00</b>	<b>-1,612,934.16</b>	

**ITEM: PUBLIC HEARING**

**17. CONSIDER ADOPTION OF JANUARY THROUGH MARCH 2015  
QUARTERLY WATER SUPPLY STRATEGY AND BUDGET**

<b>Meeting Date:</b>	<b>December 15, 2014</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Kevan Urquhart &amp; Jonathan Lear</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1)

**ESA Compliance:** Consistent with the 2001 Conservation Agreement, 2009 Settlement Agreement between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River, and SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2009-0060.

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**SUMMARY:** The Board will accept public comment and take action on the January through March 2015 Quarterly Water Supply Strategy and Budget for the California American Water (Cal-Am) Main and Laguna Seca Subarea Water Distribution Systems (WDS). The proposed budget tables will be included as **Exhibit 17-A and 17-B**, and will be submitted at the December 15, 2014 Board Meeting. The Exhibits will show monthly production by source of supply that is required to meet projected customer demand in Cal-Am's Main system and Laguna Seca Subarea systems (i.e., Ryan Ranch, Bishop, and Hidden Hills) during the January through March 2015 period. The proposed strategy and budgets will be designed to maximize the long-term production potential and protect the environmental quality of the Seaside Groundwater and Carmel River Basins.

**Exhibit 17-A and 17-B** will not be available for inclusion in the Monterey Peninsula Water Management District (MPWMD or District) Board packet due to the timing of the December 9, 2014 interagency meeting to agree on the targets prior to the Board meeting, but these exhibits will be available for distribution on the date of the Board meeting.

**RECOMMENDATION:** The Board should receive public input, close the Public Hearing, and discuss the proposed quarterly water supply budget. District staff will recommend adoption of the proposed budget. The budget tables will be described in greater detail in **Exhibit 17-C**, Quarterly Water Supply Strategy Report: January - March 2015, to be distributed on the date of the Board meeting.

**BACKGROUND:** The Quarterly Water Supply Strategy and Budget pertains to production within Cal-Am's Main and Laguna Seca Subarea systems for the three-month period of January, February, and March 2015. Staff from the District and Cal-Am are scheduled to meet to

cooperatively review, refine and approve this strategy on December 9, 2014. Staff from the California Department of Fish and Wildlife (CDFW), United States Fish and Wildlife Service (USFWS), National Marine Fisheries Service (NMFS), and State Water Resources Control Board's, Division of Water Rights (SWRCB-DWR) are expected to attend.

Rule 101, Section B of the District Rules and Regulations requires that a Public Hearing be held at the time of determination of the District water supply management strategy. Adoption of the quarterly water supply strategy and budget is categorically exempt from the California Environmental Quality Act (CEQA) requirements per Article 19, Section 15301 (Class 1). A Notice of Exemption will be filed with the Monterey County Clerk's office, pending Board action on this item.

**EXHIBITS** (will be distributed at the December 15, 2014 Board Meeting)

- 17-A** Quarterly Water Supply Strategy and Budget for CAW Main System: January - March 2015
- 17-B** Quarterly Water Supply Strategy and Budget for CAW Laguna Seca Subarea: January - March 2015
- 17-C** Quarterly Water Supply Strategy and Budget Report: January - March 2015

**ITEM: ACTION ITEM**

**18. CONSIDER ADOPTION OF POLICY ON OUTDOOR RESTAURANT SEATING**

<b>Meeting Date:</b>	<b>December 15, 2014</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Stephanie Locke</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review:** N/A  
**Committee Recommendation:** N/A  
**CEQA Compliance:** N/A

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**SUMMARY:** Drought and the Cease and Desist Order (CDO) against California American Water (Cal-Am) necessitate careful management of our water supply. Recent press coverage regarding downtown revitalization programs in the cities of Monterey and Pacific Grove have focused attention on the growing popularity of al fresco dining as a means to attract more patrons to restaurants and bars (hereafter referred to only as restaurants). Historically, MPWMD has not required a Water Permit for outdoor seating, but the obvious increase in this type of use warrants examination by the MPWMD Board to determine whether existing policy should change.

The Water Demand Committee considered this item on December 5, 2014. As part of the discussion, representatives from the Coalition of Peninsula Businesses submitted examples of restaurant seating capacity as it relates to actual water consumption. The documents (**Exhibit 18-A** and **Exhibit 18-B**) support the Coalition’s position that outdoor seating does not increase water use above the Water Use Capacity calculated by using the indoor seat count as shown on a Water Permit issued by the District. The Committee concluded that the District’s policy on outdoor seating should be clarified and offered the following recommendation to the Board.

**RECOMMENDATION:** The Water Demand Committee recommends that the Board direct staff to prepare a conceptual ordinance that would: (a) allow future expansions of outdoor seating at 50 percent of the number of indoor seats identified in a Water Permit or otherwise documented at the Site, with no increase in cost of the District’s Capacity Fee, with a finding that a limited number of seats at a Site do not affect the Water Use Capacity of the business; (b) no water credit would be associated with removal of outdoor seats (unless permitted using a water Allocation or Water Credit); (c) the ordinance would apply prospectively to projects as of a specific date; (d) staff should work with the Technical Advisory Committee to develop definitions of “outdoor” and “dining enclosure” to clarify the difference between indoor and outdoor seating; and (e) staff should investigate methods to ascertain seating counts at existing establishments where a Water Permit has not been issued. The conceptual ordinance should be submitted to the Water Demand Committee for additional consideration before it is brought back to the Board for first reading.

**DISCUSSION:** Board action in the appeal of Rappa’s Restaurant in November 1990 supported the position that outdoor seating had insignificant or no water demand impact. In the Rappa’s appeal, staff denied a Water Credit for outdoor seats when the proprietor proposed to enclose the seating area, stating that outdoor dining was “seasonal and temporal – lunching or dining al fresco in Monterey is a limited activity at best.” Further discussion during the hearing noted that outdoor dining was “limited by season and time of day.” The Board upheld the recommendation to deny credit for outdoor seating. As a result of that Board action, staff continued to take the position that outdoor seating had no Water Use Capacity when issuing Water Permits.

Al fresco dining in 2014 has significantly changed from the 1990’s. Today’s technology provides for sturdy coverings (awnings, canopies, etc.) above and beside the diners. Patio heaters and other heating technologies provide warmth on all but the chilliest of days. Restaurants that invest in this equipment are able to utilize their outdoor areas nearly year-round. Other restaurants that offer basic outdoor seating continue to be affected by weather and do not have the same ability to service customers.

Overall water consumption on the Monterey Peninsula as a result of outdoor seating is not likely impacted by al fresco dining. Consumers tend to dine locally and outdoor seating is not the primary reason additional visitors come to the Monterey Peninsula. Given that, the overall demand for dining within the District is not significantly affected by outdoor seating, rather al fresco dining creates competition between restaurants for a customer’s demand.

The Board needs to consider the future of Water Permits and outdoor seating. First, the Board must examine two fundamental questions: (a) If overall water use in the District is not increased, should the practice be further regulated? (b) If permitting is desired on a Site-by-Site basis, does outdoor seating affect water consumption at that site and require additional regulation? Several potential actions have been identified for discussion and policy consideration:

**Option 1:** Require new outdoor seating capacity to obtain a Water Permit.

- “Grandfather” existing outdoor seating. Staff proposes that existing restaurants should be surveyed to obtain the existing seat counts for indoor and outdoor seating. Based on this response, a Water Permit would be issued for every restaurant identifying the number of each type of seat (indoor and outdoor). Restaurants would be required to obtain a Water Permit prior to the date of implementation of the new policy or the business would be required to go through the normal permit process after that date. Water Permits issued during the interim would be processed without charge.

The effort to identify, contact, survey and permit existing outdoor seating would have an impact on staffing. However, obtaining this information would be important for enforcing future Water Permit requirements, if the current practice changes. Surveys could be mailed using Cal-Am’s restaurant customer information, health department and/or business license records. The survey would also be a means of conveying the new permitting requirements. Staff would visit each restaurant to verify compliance with current water efficiency requirements before issuing a Water Permit.

- Consider allowing a percentage of the interior seat count or a specific number of outdoor seats to be added at restaurants that do not have outdoor seating as of the date a change in



policy is implemented. This assumes there is no increase in capacity when a minimal number of seats are available for outdoor dining.

- Determine whether outdoor seating has the same Water Use Capacity (and Water Use Factor) as an indoor seat. Depending on the level of investment in outdoor dining equipment, the answer to this question varies. Should the District use its current factor for all outdoor seating or only for outdoor seating that has the potential for year-round use?
- Determine if designated dining areas (i.e., fenced, decked, delineated dining space) should be viewed differently than casual sidewalk seating. This question goes to the concept that more permanent overhangs, umbrellas and canopies, coupled with outdoor heaters make the area usable during most of the year. If so, and if there is a difference in one type of seat versus another and what are the defining factors?
- Consider a future implementation date, such as July 1, 2014, to allow time to communicate the requirements and complete permitting, if necessary.
- Projects in progress (as of a specific date) need to be addressed. There are several projects that have been moving through the approval process with the Jurisdictions that have not yet obtained a Water Permit. These include the Shake's new *Scales* restaurant, an expansion to *A Taste of Monterey*, outdoor seating at *Cibo Ristorante Italiano*, an extensive make-over to the former *Latitudes* restaurant in Pacific Grove, and probably several others. Significant investment has been made in these projects based on the past practice that MPWMD does not require a Water Permit for outdoor seating.
- Discuss a concept to offset additional outdoor seating when all Best Management Practices (BMPs) for water use efficiency have been implemented at a restaurant. The BMPs would be in addition to the District's water efficiency requirements for Non-Residential Users. For example, a restaurant who installs BMPs such as efficient dishwashers, hot water systems, disposals, steam ovens and stoves, dipper wells, employee training programs, etc. could be considered extremely efficient and allowed to add outdoor seating without requiring water from a Jurisdiction's Allocation or other offsets.

**Option 2:** Require all unpermitted outdoor dining seats to obtain a Water Permit or remove seats.

This option responds to the concept that "a seat is a seat" and that the District requires a Water Permit for all restaurant seats. To implement this option, restaurants that installed outdoor seating between 1985 and today would have to obtain either an Allocation from the Jurisdiction or would have to establish sufficient Water Credit to offset the seating and obtain a Water Permit.

- The Water Demand Committee discussed a potential option that if a restaurant could demonstrate actual current water use within the estimated Water Use Capacity shown on the Water Permit, it would be entitled to a permit for existing outdoor seating. Unfortunately, the District does not have Water Permits or seat counts for many restaurants, making this a difficult option to implement. The billing allotments that Cal-

Am used for ratemaking purposes between 2001 and 2012 were confidential and self-reported records. Cal-Am has since changed its billing system and no longer maintains seat count information. Another challenge would be customer access to Cal-Am water records, as they are proprietary and only available to the current account holder. That account holder could be a landlord or a previous tenant. The current occupant may not have access to this information.

- Requiring all unpermitted outdoor dining seats to obtain a Water Permit or remove seats is problematic for a number of reasons:
  - The District does not have adequate records to determine the number of outdoor restaurant seats that have been added through the years.
  - The Jurisdictions do not have water available to permit all outdoor seating that has been added in the past three decades.
  - In some cases, the proprietors could have obtained a Water Permit for outdoor seating, but District staff would not have issued a permit (due to the Rappa's appeal decision).
  - Many restaurants have invested significant dollars in outdoor comfort equipment and seating and would not have done so if there was a requirement to obtain a Water Permit first.
  - Staff has not issued Water Credit for outdoor seating removed during this time.

**Option 3:** Maintain but clarify the current practice. The current practice allows outdoor seating as an associated use of the interior seat count (Water Use Capacity) and that there is no Intensification in Use as a result of outdoor seating. This option recognizes that most restaurants do not operate at capacity, and there is sufficient Water Use Capacity in the interior seat count to accommodate outdoor dining.

## **EXHIBITS**

**18-A** Zimmerman Submission

**18-B** Narigi Submission

**18-C** Background Related to Outdoor Seating

EXHIBIT 18-A

Submitted at 12/5/14  
Water Demand  
Committee by  
Mike Zimmerman  
Item 2

**Example #1**

Serves Breakfast and Dinner only (no lunch)  
No separate meter

**# of seats**

Indoor	75	69%
Outdoor	34	31%
Total seats	109	100%

**Dinner Covers**

	<u>Average</u>	<u>High</u>	<u>Low</u>
Jan	52	101	14
Feb	62	157	14
Mar	68	158	26
Apr	75	152	19
May	67	112	30
Jun	68	127	26
Jul	72	110	34
Aug	81	145	40
Sep	63	111	39
Oct	55	105	35

**Conclusion**

On average the number of indoor seats available is more than adequate to cover the demand over the 10 month period.

On even the highest days which occurred in Feb, Mar and Apr when the outdoor seats would not be available due to weather the indoor seats satisfied the highest level of demand

The availability of outdoor seats merely accommodate guest preferences

## Example #2

Serves lunch and dinner along with evening bar business  
Has separate meter for restaurant

### # of seats

Indoor	146	65%
Outdoor	80	35%
Total seats	226	100%

### Water usage (per Cal Am water bills)

10/15 - 11/14	43,234
11/15 - 12/13	33,435
12/14 - 1/15	45,328
1/16 - 2/13	32,089
2/14 - 3/14	39,120
3/15 - 4/14	43,234
4/15 - 5/14	35,156
5/15 - 6/13	37,474
9/14 - 7/15	49,442
7/16 - 8/14	45,852
8/15 - 9/15	43,384
9/16 - 10/14	38,896

486,644 equates 1.49 acre feet

### Water Management Allocation

Indoor seats	146
Per seat	0.02

Total allocation 2.92 acre feet

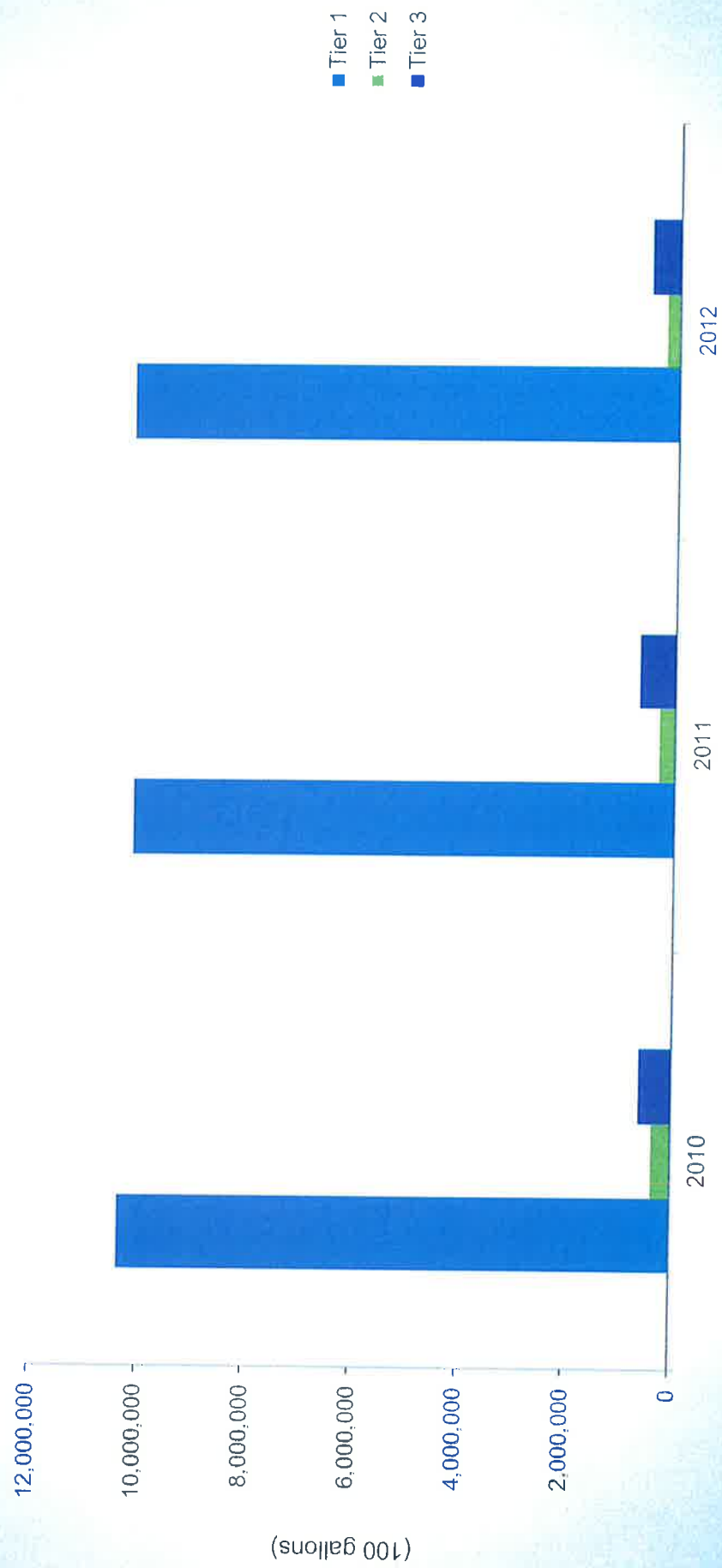
% of allocation used with total seats (226 seats) 51.03%

### Conclusion

Even with a significant percentage of outdoor seats the usage remains well under the water allocation

# Commercial Usage

By tier



*Submitted at 12/5/14  
Water Demand Committee  
by John Marigi  
Item 2*

**RESTAURANT & BAR  
TOTAL ACTUAL COVERS 2014  
1/1/14 - 11/30/14**

	<b>Restaurant Actual</b>	<b>Resaurant Available Per Month</b>	<b>Bar Actual</b>	<b>Bar Available Per Month</b>	<b>Total Covers</b>	<b>Total Available Per Month</b>
Jan-14	4,357	8,928	5,068	10,230	9,425	19,158
Feb-14	3,863	8,064	4,719	9,240	8,582	17,304
Mar-14	5,926	8,928	6,832	10,230	12,758	19,158
Apr-14	5,969	8,640	7,524	9,900	13,493	18,540
May-14	5,657	8,928	7,527	10,230	13,184	19,158
Jun-14	6,270	8,640	7,245	9,900	13,515	18,540
Jul-14	6,892	8,928	9,294	10,230	16,186	19,158
Aug-14	7,408	8,928	9,577	10,230	16,985	19,158
Sep-14	5,695	8,640	7,525	9,900	13,220	18,540
Oct-14	4,507	8,928	6,809	10,230	11,316	19,158
Nov-14	5,178	8,640	5,950	9,900	11,128	18,540
Dec-14					-	-
<b>Total</b>	<b>61,722</b>	<b>96,192</b>	<b>78,070</b>	<b>110,220</b>	<b>139,792</b>	<b>206,412</b>

		<b>Meals per day</b>	<b>Available Covers Per Day</b>
Restaurant Total Seats:	96	3	288
Bar Total Seats Inside:	50	3	150
Bar Total Seats Outside:	60	3	180
Total # of Seats:	206	3	618

**Conclusion:**

- \* Water allocation basis not clear, but would assume based on a three meal a day restaurant and permitted seats.
- \* Restaurant open breakfast and dinner, seven days per week.
- \* Bar, which includes 60 outside seats, open lunch and dinner 11:00am-12 midnight, seven days per week.
- \* Based on seating potential for restaurant for all 11 months of 2014, seating was utilized 64% of available capacity, bar was at 71%. A spread of 29%-36% below allowed capacity. usage.
- \* Even during peak months of July - October, neither outlet exceeded the allowed seating capacity.

## EXHIBIT 18-C

### **Background Information for Outdoor Seating Staff Report**

**BACKGROUND:** As early as 2001, staff noticed an increase in outdoor seating and questioned whether Board policy should be changed. The situation was brought to the attention of the Water Demand Committee, the Technical Advisory Committee (TAC), and the combined TAC/Policy Advisory Committee (PAC). These committees reviewed this topic in 2001 and took no action. It was discussed again in 2003, 2012, and 2013. Each time, there was no change to the existing practice to permit restaurant seating based on indoor seating capacity and that outdoor seating neither resulted in a debit nor a credit.

#### Restaurant Factor

The factor for restaurant seats is 0.02 acre-foot per seat. This factor is based on a regional average for full service restaurants and was last updated in 1991. The factor was originally used to assess the Water Use Capacity to determine the appropriate Capacity Fee for new or expanding restaurants. Since 1990, the factor has also been used to determine the appropriate amount of water to deduct from a Jurisdiction's Allocation when a Water Permit is issued. The samples used to establish the factor included restaurants that mostly offered two meals per day, and at least two had outdoor seating at that time, although it is unclear whether the seat count reported in the study included the outdoor seating. The information used to assess the factor did not consider the level of business or the number of days the restaurant was open. A review of the factor by A&N Technical Services in 2011 suggested that current restaurant use is within 0.02 af/seat, but further review would be necessary to substantiate a change to the factor.

#### Jurisdiction as Gatekeeper

The District's Water Permit process largely relies on the Jurisdiction as "gatekeeper" of its water Allocation. The Jurisdiction, typically through its building department, sends projects that require Water Permits to the District to obtain a permit prior to issuance of a building permit. In the case of outdoor dining, Jurisdictional involvement varies by city from having significant oversight (in the case of dining along Alvarado Street and other areas that require encroachment permits), to having no oversight or requirement for review. In the latter case, there is no trigger that would notify a restaurateur to contact the District. Tenant improvement plans may or may not provide outdoor seating schematics. Communication with the Jurisdictions will be crucial to implementing a successful outdoor dining permitting policy in the future. Even then, there is a high likelihood of added seating without a permit, and enforcement will be difficult.

#### Previous Committee Review

Summaries of past discussion are shown below.

##### May 11, 2001 – Staff requests direction from GM/Counsel

Staff requested direction on charging for outdoor restaurant seats as a result of a request for a credit analysis at the Barnyard. It was noted that historically, the District has not charged for outdoor seating because it was not used year-round or at night when it was cold. New outdoor heaters prompted the request for direction. Staff recommended enforcing permit requirement for outdoor seating that was in an enclosed area (private area not accessible to general public).

### June 6, 2001 – TAC/PAC

Staff noted that outdoor seating had increased. Staff asked for guidance from the committee on the following items: (1) should a water permit be required for the addition of outdoor seating; and (2) should permits be issued only for outside seating in enclosed areas. No formal motion was made. During the discussion it was clear that each jurisdiction had its own method of permitting outdoor restaurant seating. The following comments were made by committee members: (1) The increase in restaurant seating is driven by smoking regulations (1995 & 1998). If water use increases significantly in a restaurant as a result of outdoor restaurant seating, the District should investigate. (2) This is a case of micro-management of the resource. Unless there is evidence of a real problem, this should not be pursued. (3) Outdoor restaurant seating is similar to installation of water fountains. No water credit should be given for outdoor restaurant seating, only for enclosed seating.

### May 14, 2003 – Water Demand Committee

Chair Erickson stated that this item could be brought forward to a future meeting at the request of any committee member.

### October 30, 2012 – Water Demand Committee

The committee discussed the merits and drawbacks of requiring any restaurant that has installed outdoor seating to obtain a Water Permit for the increased capacity for water use. The committee requested that District staff review this issue with local chambers of commerce before taking further action.

### January 17, 2013 -- TAC

Staff gave a presentation that offered suggestions for permitting outdoor restaurant seating. A summary of her presentation is on file at the District office and can be viewed on the MPWMD website. The committee provided the following comments. (a) Outdoor seating will be utilized on a seasonal basis, so a factor of .01 could be assigned for each seat. (b) The amount of water used for outdoor seating is minimal, and the water credit offered for removal of those seats would be minimal so adding a new rule will have little effect. (c) Water utilized for outdoor restaurant seating may not be minimal and could affect the community's ability to remain within water production limits. (d) Cleanliness is an issue, storm water regulations prohibit hosing off sidewalk areas. (e) Opposed to creation of new regulations. The permitting process for commercial projects is rigorous without considering outdoor seating. (f) If rationing were implemented, this would be a moot point because restaurants would be required to keep water use at a specific level. (g) The additional workload and enforcement required for such a small benefit is not warranted when there are more important issues to be addressed. (h) Enforcement would be accomplished on evenings and weekends which would be a significant expense for the MPWMD. (i) The factor for outdoor seating should be significantly less than .01 per seat. (j) Suggest that if seating is increased by 50% or more, then a water permit would be required. (k) The MPWMD should reevaluate its current restaurant seat factor.

### January 17, 2013 – Water Demand Committee

Summary of staff presentation: MPWMD has not enforced Water Permit requirements for outdoor seating. In the past, outdoor seating was minimal due to comfort constraints. Smokers primarily used outdoor seats. Recent technological improvements (outdoor heaters, heated



flooring/seating, fire pits, coverings and overhead protection from the elements) have made outdoor seating more comfortable year-round. The rules differ in each jurisdiction: Carmel requires a Use Permit. Recent outdoor seating additions have been up to 30% of the total seating capacity. The county did not report any permitting requirement. Monterey and Pacific Grove require encroachment permits only if the seats are in the right of way. Projects are reviewed for parking compliance. Seaside does not require permits other than parking review. Staff indicated that significant increases in the number of meals/customers that can be served corresponds to an increase in water use, but that some of the use may be shifted from indoor to outdoor and water consumption for outdoor seats may be less than indoors. Staff also pointed out that permitting and enforcement of outdoor seating is problematic: It's difficult to establish a baseline when there is no jurisdictional permitting requirement; Since permits are rarely required, there is a high likelihood that outdoor seating would be dramatically inflated to establish the baseline count; enforcement would be required, including time to investigate and follow up, often on weekends or after normal business hours; and there was a question about equity between Jurisdictions. Staff recommended three options for consideration: That the District enforce the Water Permit requirement for all outdoor seating in excess of 50% (or some other threshold) of the total allowed interior seating or apply a reduced factor for outdoor seating (restaurant seats are 0.02 af/seat) or maintain the status quo.

The committee discussed the issue of restaurants adding outdoor seating without benefit of a water permit. There was no consensus to enforce or further regulate the addition of outdoor restaurant seating at this time. If the community were subject to water rationing, it might be necessary to take this issue up again.

**ITEM: ACTION ITEM**

**19. SELECT SCHEDULE FOR ROTATION OF DIRECTORS INTO THE POSITIONS OF BOARD CHAIR AND VICE CHAIR**

**Meeting Date:** December 15, 2014      **Budgeted:** N/A  
**From:** David J. Stoldt,      **Program/** N/A  
               General Manager      **Line Item No.:**  
**Prepared By:** David J. Stoldt      **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** The Rules & Regulations Review Committee reviewed this item on 12/10/14 and will present its recommendation at the 12/15/14 Board meeting.

**CEQA Compliance:** N/A

**SUMMARY:** Board leadership rotation is governed by Rule 2.5 of the District's Meeting Rule (Part 1: General Rules). Stated simply, annually the Vice Chair becomes the new Chair and the new Vice Chair is selected by rotation through Directors' Divisions 1-5 and then the two appointed Directors, repeating. Two issues have arisen regarding the rotation as established: (a) because Divisions 1-2 stand for election at the same time and Divisions 3-5 stand for election at the same time, there is a risk that an incoming Chair, Vice Chair, or both could be newly elected and have insufficient experience, and (b) once every rotation there will be a situation where neither the Chair nor Vice Chair are directly elected to the District board.

In 2015, the Division 2 Director cannot serve as the new Chair due to a lack of experience. The next in line, Director Markey, has indicated that she does not desire to serve as Chair or Vice Chair. Hence, a Chair must be elected by a majority and the next in line for Vice Chair, Division 3, would serve as Vice Chair. Due to these circumstances, there may be an opportunity to realign the rotation at this time.

Shown below are three options for rotation that were presented to the Rules and Regulations Review committee for consideration.

<b>If Division 1 is elected Chair:</b>	<b>If Division 4 or 5 is elected Chair:</b>	<b>If Appointed Director is elected Chair:</b>
Div. 1 - Lewis (Chair)	Div. 4 or 5 - (Chair)	Appointee (Chair)
Div. 4 - Byrne (Vice Chair)	Div. 1 or 2 - Committee to	Div. 4 - Byrne (Vice Chair)
Mayor Appointee - Pendergrass	recommend (Vice Chair)	Div. 1 or 2 - Committee to
Div. 5 - Brower	Mayor Appointee - Pendergrass	recommend
Div. 2 - Clarke	Div. 4 or 5 - Other	Appointee - Other
Supervisor Appointee - Potter	Div. 1 or 2 - Other	Div. 5 - Brower
Div. 3 - Markey	Supervisor Appointee - Potter	Div. 1 or 2 - Other
	Div. 3 - Markey	Div. 3 - Markey

Should the outcome of the elected Chair for 2015 result in Director Markey deciding to assume the position of Vice Chair, then none of these rotation alignments shall become effective.

**RECOMMENDATION:** The Board should receive the recommendation from the Rules and Regulations Review Committee and then decide by motion the preferred methodology for selection of the Board Chair and Vice Chair.

**DISCUSSION:** At the start of the 2014 calendar year the rotation was as follows.

- Div. 1 - Lewis (Chair)
- Div. 2 - Thayer (Vice Chair)
- Div. 3 - Markey
- Div. 4 - Byrne
- Div. 5 - Brower
- Supervisor Appointee - Potter
- Mayor Appointee – Pendergrass

Director Lewis chose not to serve as Chair, so pursuant to Rule 2.5 the next in line would be selected to serve, but unfortunately the Division 2 Director did not meet the 12-month experience requirement of the Rule, so the Board elected Director Potter to serve as Chair for the year.

At this time, with Division 2 unable to serve, the rotation would result in the following.

<b>2015</b>	<b>2016</b>
Elected Chair	Div. 3 - Markey (Chair)
Div. 3 - Markey (Vice Chair)	Div. 4 - Byrne (Vice Chair)
Div. 4 - Byrne	Div. 5 - Brower
Div. 5 - Brower	Supervisor Appointee - Potter
Supervisor Appointee - Potter	Mayor Appointee - Pendergrass
Mayor Appointee - Pendergrass	Div. 1 - Lewis
Div. 1 - Lewis	Div. 2 - Clarke

**EXHIBITS**

None

ITEM: ACTION ITEM

Revised 12/11/2014

**19. SELECT SCHEDULE FOR ROTATION OF DIRECTORS INTO THE POSITIONS OF BOARD CHAIR AND VICE CHAIR**

**Meeting Date:** December 15, 2014                      **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager                      **Program/** N/A  
**Line Item No.:**

**Prepared By:** David J. Stoldt                      **Cost Estimate:** N/A

**General Counsel Review:** N/A  
**Committee Recommendation:** N/A  
**CEQA Compliance:** N/A

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**SUMMARY:** Board leadership rotation is governed by Rule 2.5 of the District's Meeting Rules (Part 1: General Rules). Stated simply, annually the Vice Chair becomes the new Chair and the new Vice Chair is selected by rotation through Directors' Divisions 1-5 and then the two appointed Directors, repeating. Two issues have arisen regarding the rotation as established: (a) because Divisions 1-2 stand for election at the same time and Divisions 3-5 stand for election at the same time, there is a risk that an incoming Chair, Vice Chair, or both could be newly elected and have insufficient experience, and (b) once every rotation there will be a situation where neither the Chair nor Vice Chair are directly elected to the District board.

This year there is some confusion on interpreting Rule 2.5. General Counsel points out that the language of the Rule states "the Vice-Chair shall be elected Chair" which, in this case is Director Markey. However, at the October Board meeting Director Markey was appointed Vice-Chair to fill out the remainder of Director Thayer's term for two months on an interim basis. Normally, at this time the rotation for 2015 would have resulted in Division 2 Director Clarke moving into the Chair position. However, the Division 2 Director could not serve as the new Chair due to a lack of experience under Rule 2.5, thus requiring an election of a Chair for the year from among the other Directors.

Additionally, Director Lewis who declined the Chair position due to health concerns last year has expressed interest in serving as Chair for 2015. Existing Rule 2.5 language states that "The declining Director shall have an opportunity to serve once the entire rotation schedule is complete and has returned to the Division that opted-out."

Due to these circumstances, the Board should consider action to be taken for the current year and determine if it desires to realign the rotation at this time.

**RECOMMENDATION:** The Rules and Regulations Committee met on December 9, 2014 and recommends the Board suspend the existing Rule 2.5 and amend the Rule to adopt a rotation to be revised as follows:

**2015**

Div. 1 - Lewis (Chair)  
Div. 4 - Byrne (Vice Chair)  
Mayor Appointee - Pendergrass  
Div. 5 - Brower  
Div. 2 - Clarke  
Supervisor Appointee - Potter  
Div. 3 - Markey

If Rule 2.5 is not suspended and General Counsel's interpretation is followed, Director Markey would be elected Chair. If the Board does so and also determines it desires to keep the existing rotation intact, then the rotation would be as follows:

**2015**

Div. 3 - Markey (Chair)  
Div. 4 - Byrne (Vice Chair)  
Div. 5 - Brower  
Supervisor Appointee - Potter  
Mayor Appointee - Pendergrass  
Div. 1 - Lewis  
Div. 2 - Clarke

The Board should determine whether (a) it will suspend Rule 2.5, adopt an amended rotation and confirm the action under agenda item 20 (b) follow General Counsel's interpretation and proceed to agenda item 20, or (c) some other approach.

**EXHIBIT**

**19-A** MPWMD Meeting Rule 2.5

**EXHIBIT 19-A**

**RULE 2.5: ROTATION OF VICE CHAIR INTO THE POSITION OF CHAIR**

The Board shall rotate its leadership among the seven (7) members. To encourage rotation of the Chair, each December when the annual election of Board officers is conducted, or when a vacancy in the position of Chair occurs, the Vice-Chair shall be elected as Chair. Beginning in December 2013, the following rotation shall be used to select the next Vice-Chair.

Division 2 Director  
Division 3 Director  
Division 4 Director  
Division 5 Director  
Monterey County Board of Supervisors Representative  
Mayoral Representative  
Division 1 Director

Thereafter, the rotation shall return to the top of this list.

Should the current Vice Chair decline to serve as incoming Chair, the Board shall select the Director next in rotation to serve as Chair. Should the Director next in rotation for the position of Vice Chair decline to serve in that capacity, the Board shall select the next Director in rotation to serve as Vice Chair. The declining Director shall have an opportunity to serve once the entire rotation schedule is complete and has returned to the Division that opted-out. If the Chair has served less than 12 months at the time the annual December election of Board officers is conducted, the Board shall, by majority vote, elect a Chair to serve for that year, and thereafter the Chair rotation shall return to where it had left off.

**ITEM: ACTION ITEM**

**20. CONDUCT ELECTION OF BOARD OFFICERS FOR 2015**

**Meeting Date:** December 15, 2014 **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager **Program/  
Line Item No.:** N/A

**Prepared By:** Arlene Tavani **Cost Estimate:** N/A

**General Counsel Review:** N/A  
**Committee Recommendation:** N/A  
**CEQA Compliance:** N/A

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**SUMMARY:** Rule 2 of the MPWMD Board Meeting Rules states that in December of each year, the Board will elect a Chair, Vice-Chair, Treasurer, and Secretary. The rules also specify that election of officers shall be the final item on the December meeting agenda. The officers elected at the meeting will assume their offices immediately following the December Board meeting. The term of office is twelve months. Under agenda item 19, the Board of Directors was asked to select a schedule for rotation of directors into the position of Board Chair and Vice Chair for 2015.

It has been the Board's past practice to elect the General Manager to serve as Secretary and the Administrative Services Division (ASD) Manager to serve as Treasurer. Therefore, staff recommends that the Board elect General Manager David Stoldt to serve as Secretary and Suresh Prasad ASD Manager to serve as Treasurer in 2015.

**RECOMMENDATION:** The Board should elect the Board Chair and Vice Chair according to the procedure agreed to under agenda item 19. In addition, staff recommends that the General Manager be elected to serve as Secretary and the ASD Manager be elected to the position of Treasurer for 2015.

**EXHIBITS**

None

**ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**

**21. LETTERS RECEIVED**

**Meeting Date: December 15, 2014 Budgeted: N/A**

**From: David J. Stoldt, General Manager Program/ Line Item No.: N/A**

**Prepared By: Arlene Tavani Cost Estimate: N/A**

**General Counsel Review: N/A**

**Committee Recommendation: N/A**

**CEQA Compliance: N/A**

A list of letters that were submitted to the Board of Directors or General Manager and received between November 13, 2014 and December 8, 2014 is shown below. The purpose of including a list of these letters in the Board packet is to inform the Board and interested citizens. Copies of the letters are available for public review at the District office. If a member of the public would like to receive a copy of any letter listed, please contact the District office. Reproduction costs will be charged. The letters can also be downloaded from the District's web site at [www.mpwmd.net](http://www.mpwmd.net).

<b>Author</b>	<b>Addressee</b>	<b>Date</b>	<b>Topic</b>
Duffner, Toyoshima, Padilla and Hernandez	MPWMD Board	11/17/14	Funding Farms to Save Cities: An Idea on Water Recycling from CSUMB Students
Carmelita Garcia	MPWMD Board	11/15/14	Item #15, Consider Adoption of Policy on Outdoor Restaurant Seating Continued to December 12, 2014
Mark Brodeur	MPWMD Board	11/12/14	Water Permit Requirements for Outdoor Seating
Chuck Della Sala	MPWMD Board	11/12/14	Outdoor Seating and Water Credits





# Supplement to 12/15/2014 MPWMD Board Packet

Attached are copies of letters received between November 13, 2014 and December 8, 2014. These letters are also listed in the December 15, 2014 Board packet under Letters Received.

Author	Addressee	Date	Topic
Duffner, Toyoshima, Padilla and Hernandez	MPWMD Board	11/17/14	Funding Farms to Save Cities: An Idea on Water Recycling from CSUMB Students
Carmelita Garcia	MPWMD Board	11/15/14	Item #15, Consider Adoption of Policy on Outdoor Restaurant Seating Continued to December 12, 2014
Mark Brodeur	MPWMD Board	11/12/14	Water Permit Requirements for Outdoor Seating
Chuck Della Sala	MPWMD Board	11/12/14	Outdoor Seating and Water Credits

U:\staff\Boardpacket\2014\20141215\LettersRecd\LtrsRecd.docx

## **PRESENTATION TO THE MPWMD Board Meeting**

**November 17, 2014**

**Funding farms to save cities: An idea on water recycling from CSUMB students  
(Jordan Duffner, Jeff Toyoshima, Miguel Padilla, and Mary Ann Hernandez)**

### **Speaker 1**

Chair Potter, members of the Board, my name is Jordan Duffner and I am from Marina. We are a group of CSUMB students concerned about the future of water in our region. We have learned about water issues in our service learning course, Marine Science in the Community. As young people who will be inheriting all of the solutions and their inherent consequences, we are compelled to speak to the benefits of water recycling and offer an idea to help this move forward. As we all know, water resources are becoming more scarce. Arid regions, like California, will get drier and drier while the population will continue to grow. So we feel strongly that we need a diverse portfolio of water solutions. In the near future, we may be forced to use more fossil fuel to meet growing demands for electricity. In communities where seawater desalination is part of the water supply, even more electricity will be needed to generate water. This will raise the cost of living even more. The current drought gives us some insight of what to expect. In the future, we believe there are great cost benefits to cities if we can maximize the development of more energy efficient water technologies now.

### **Speaker 2**

Members of the Board, my name is Jeff Toyoshima and I am from Monterey. Over the last few years, we have witnessed conflicts and fears over economic hardship anticipated by our community over a water crisis. What will happen when there really is no more water?

We have learned that seawater desalination is being considered not only by the Monterey Peninsula, but by the cities of Marina and Salinas, as well. We wonder how our generation will be able to afford water in the future given the current solutions being considered. The highly energy-intensive process of desalination means becoming

almost entirely dependent on fossil fuels for water production. While we realize desalination will be a component of the portfolio, must it become our primary urban supply? And if so, will it leave our generation with a need to find new energy sources to fuel it? Will it create new environmental problems in the ocean to solve later?

It is important to note that desalination technology is progressing rapidly, especially in the realm of fuel efficiency. If we build as quickly as possible without considering these technological advances, we run the risk of being stuck with an expensive and inefficient process.

At the October 20<sup>th</sup> Board meeting, Chair Potter expressed a future vision for water. That the Monterey Peninsula must reach out across the river and develop collaborations with the Salinas Valley in order to create long term regional water solutions. We are motivated by this vision and stand here tonight to say that future water solutions must be affordable, sustainable, and beneficial to both sides of the Salinas River. Therefore, we would like to humbly submit an idea that provides incentive to maximize the use of wastewater and stormwater resources so that the need for costly seawater desalination can be minimized and the many advantages of a diverse water portfolio can be maximized.

### **Speaker 3**

Members of the Board, my name is Miguel Padilla and I am from Salinas. It is known that drip irrigation can provide up to 40% of water savings compared to conventional overhead spray systems and if coupled with a need based irrigation system, even more water can be conserved. Researchers at CSUMB and NASA-Ames are developing technology that use satellite data in combination with information from agricultural weather stations to track crop canopy development and crop water requirements (due to evapotranspiration) at the scale of individual fields (Melton, et al. 2012). The researchers are developing web and mobile interfaces for this data to help growers obtain information on crop water requirements that can be used to assess and improve irrigation management strategies. Yield vs irrigation trials conducted to date for lettuce

and broccoli have shown that these evapotranspiration-based irrigation management tools can reduce total applied irrigation by 22-34% or more relative to standard practice in the Salinas Valley without any significant changes in yields (Johnson et al. 2014; Melton 2013). In addition, preliminary results also suggest that this approach can substantially reduce the amount of nitrate leached below the root zone during irrigation events (Cahn 2012; Cahn et al. 2014; F. Melton, pers comm.). This technology has not yet been tested on Castroville fields irrigated with recycled wastewater through purple pipes. Nonetheless, we believe Castroville farmers may benefit greatly in the future from increased irrigation efficiency, especially if urban areas like Salinas and the Peninsula turn to expensive seawater desalination.

We considered the possibility that once the CalAm desalination plant becomes operational and water bills rise by a projected 45% (Burnett 2014), more people will take steps to reduce household water use. More homes will adopt grey water technology for landscaping and less water will be sent to the Marina wastewater facility. We have already seen a reduction in wastewater flows in our area during the current drought. All of this will negatively impact the Castroville farmers.

*See additional information for this section under ADDENDUM.*

#### **Speaker 4**

Members of the Board, my name is Mary Ann Hernandez and I am from Marina. Currently, farms do not use recycled wastewater or stormwater in winter. As a result, each year a large volume of clean, valuable water is discharged into the ocean. Unused storm and wastewater could be of great beneficial use to communities that are willing to invest in treating it. It would save them money by reducing their need for expensive desalination water and asking the public to help invest in new technology for farms seems like one way they could give something back to the Salinas Valley. We propose that the Board consider creating a fund that invests in these new technologies to help those farmers reliant on recycled wastewater in order to improve crop irrigation efficiency. In exchange, farmers would allow cities to have access to unwanted winter stormwater and possibly wastewater for recycling and aquifer recharge, as the City of

Pacific Grove is proposing. We acknowledge that the various agreements and MOUs in place regarding wastewater recycling come with a very complicated history, are fragile, and took months of negotiations. Nevertheless, we feel compelled to suggest alternatives in the interest of our future.

**Speaker 1, Conculsion**

Members of the Board, it does not matter if you live on the Salinas side or the Peninsula side of the river. We all depend on each other. Each day, residents from the Salinas Valley come to the Monterey Peninsula to work. Each day, meals consumed by Peninsula residents or vacationing tourists include fresh, affordable produce grown on Salinas farms. Neither the Peninsula nor the Valley have enough water to continue our independent ways of life if we allow ourselves to be separated by a simple river.

Our group concludes that maximizing the use of stormwater and wastewater projects now would make water more affordable and sustainable in the long run for cities. In return, funding advanced irrigation technologies to help farmers adapt to a future with less available water is just one way cities can help farms.

What we propose might be similar to the Carmel River mitigation fee charged to CalAm ratepayers. This fee raised over \$11 million dollars and is currently used to fund projects that restore the river for the benefit of fish (MPWMD 2012). In the coming years, CalAm will no longer have an impact on the river once their water projects are built. At that time, the mitigation fee will be removed. In a sense, we are proposing a replacement of that fee with an 'irrigation improvement technology fee' so that farmers can use these new systems to irrigate more efficiently, thus saving water - a new financial incentive that benefits cities and farms in the long run.

We respectfully offer this as a solution to bring cities and farms together for a mutually beneficial collaborative future. We thank you for your attention. We would also like to thank Dr. Carol Reeb of Hopkins Marine Station (Stanford University), Forrest Melton, and Kirk Post of CSUMB – NASA Ames, for their time, help and extensive explanations

into this complex issue, as well as Ximena Waissbluth, our Marine Science in the Community instructor at CSUMB. We are happy to answer any questions.

\*\*\*

*Opinions expressed herein belong to individual speakers and do not necessarily reflect those of CSUMB, its staff, or students.*

## **REFERENCES:**

- Burnett, J. 2014. Water Management: finding consensus in complex problems. Keynote address for the 2014 Water Conference, "Conflicts Over Water and Building Bridges with Water." Monterey Institute for International Studies, November 6-8, 2014. Monterey, CA.
- Cahn, M. 2012. CropManage Overview: a web application for managing water and nitrogenfertilizer in lettuce. *Online at:* CROPMANAGE: Help and User Instruction for Irrigation and N management tool. <http://ucanr.edu/blogs/blogcore/postdetail.cfm?postnum=8501> Accessed November 2014.
- Cahn, M., R. Smith, T. Hartz, B. Farrara, L. Johnson, and F. Melton. *Submitted.* Irrigation and nitrogen management decision support tool for cool season vegetables and berries. *In, Proc. USCID Water Management Conference, 4-7 March, Sacramento.*
- Johnson, L., M. Cahn, F. Martin, F. Melton, S. Benzen, B. Farrara, C. Lund, K. Post. *submitted.* Results from 2012-2013 irrigation trials in cool season vegetables. *In, Proc. USCID Water Management Conference, 4-7 March, Sacramento.*
- Melton, F., L. Johnson, C. Lund, L. Pierce, A. Michaelis, S. Hiatt, A. Guzman, D. Adhikari, A. Purdy, C. Rosevelt, P. Votava, T. Trout, B. Temesgen, K. Frame, E. Sheffner, and R. Nemani, 2012. Satellite Irrigation Management Support with the Terrestrial Observation and Prediction System. *IEEE/JSTARS 5:1709-1721*

Melton, F. 2013. Managing Irrigation from Space: Mapping crop water requirements with satellite observations and CiMIS data. (online slide presentation showing preliminary data in Salinas. See Lettuce Trials, Broccoli Trial).

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MPWMD. 2012. The MPWMD Mitigation Program (April 2012): The Legal Mandate for the Mitigation Program. Monterey Peninsula Water Management District.

Available online at:

[http://www.mpwmd.dst.ca.us/WaterUseFee/MitigationProgramWhitePaper\\_April2012.pdf](http://www.mpwmd.dst.ca.us/WaterUseFee/MitigationProgramWhitePaper_April2012.pdf)

Nemani, R., H. Hashimoto, P. Votava, F. Melton, W. Wang, A. Michaelis, L. Mutch, C. Milesi, S. Hiatt, and M. White, 2009. Monitoring and forecasting ecosystem dynamics using the Terrestrial Observation and Prediction System (TOPS), *Rem. Sens. Environ.* 113:1497-1509.

Addendum (to presented information):

Forrest Melton, a Senior Research Scientist with the NASA Ames Cooperative for Research in Earth Science and Technology (*ARC-CREST*) and affiliated with the Division of Environmental Policy and CSUMB added this supplement to the information presented by Speaker 3. He notes that their project team found a wide range of approaches to irrigation management in the Salinas Valley and that some growers are already using evapotranspiration-based irrigation management strategies with drip irrigation. For those growers, it is possible no significant gains in irrigation efficiency would be expected with the Satellite Irrigation Management Support (SIMS) tools proposed here (<http://ecocast.arc.nasa.gov/dgw/sims/>). His project team is currently conducting additional validation studies and working to complete the prototype web and mobile interfaces for 2015 and plans to make the data and tools freely available in collaboration with the California Department of Water Resources.

He notes that CSUMB is also collaborating with the University of California Cooperative Extension (UCCE), which is developing a closely related tool called CropManage. CropManage works for lettuce and broccoli. This tool is currently

available at no charge (<http://ucanr.edu/blogs/blogcore/postdetail.cfm?postnum=8501>).

Both CropManage and SIMS are being developed as free online tools. However, growers will need to supply accurate data on irrigation applications. This data can be obtained at minimal cost through accurate record keeping and frequent calibration of pressure gauges, or through the purchase of flow meters connected to wireless data loggers. Approximate costs range around \$400 per field per year for the flow meter, logger, and wireless data plan.

For further information on SIMS or CropManage irrigation tools, please contact:

Forrest Melton

Senior Research Scientist

NASA Ames Research Center

Cooperative for Research in Earth Science & Technology (ARC-CREST)

California State University, Monterey Bay



November 15, 2014

Chair Dave Potter and Directors of the Board  
Monterey Peninsula Water Management District  
5 Harris Court, Building D  
Monterey, CA 93940

RECEIVED

NOV 17 2014

MPWMD

**RE: Item #15 Consider Adoption of Policy on Outdoor Restaurant Seating  
Continued to December 12, 2014**

Dear Chair Potter and Directors:

On January 17, 2014, Governor Jerry Brown declared a drought state of emergency. In his proclamation he ordered a statewide water conservation campaign encouraging personal action to reduce water usage, calling for Californians to reduce their water use by 20%. The Governor did not make a distinction between residential and commercial use; it was all inclusive.

In October of this year, the MPWMD launched a new campaign, "Save Water, Go Blue" which also calls on both residents and commercial to reduce their water consumption. An article in the Herald (10/14/2014) stated that district residents average just below 60 gallons per person per day. As a residential water user I am being asked to conserve more and more. There has to be equity for all in this drought state of emergency.

Water permits for restaurants are issued based on a certain number of seats. As stated and I agree with, whatever combination of indoor vs. outdoor seating that an establishment wants to use is up to them; however, the specific number of seats they are permitted should remain the same.

In my hometown of Pacific Grove the city is ripping up 10,000 square feet of turf at our beautiful Lovers Point Park to reduce water use. Electeds on the Peninsula are attempting to get the implementation of the CDO pushed out. The Governor has declared California a drought state of emergency. One of your legislative functions is to promote water conservation.

Therefore, I encourage you to follow rules already in place. It is imperative that we continue to demonstrate consistent efforts with water conservation. Collectively we have done a great job and to ignore your own procedures and allow for additional seating (outdoor) beyond what is permitted at this critical time would compromise what has already been achieved.

Sincerely,

*Carmelita Garcia*

Carmelita Garcia, Resident of Pacific Grove



CITY OF PACIFIC GROVE  
COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT  
300 Forest Avenue □ Pacific Grove, California 93950

November 12, 2014

**RECEIVED**

Honorable Dave Potter, Chair, and Members of the Board  
Monterey Peninsula Water Management District  
5 Harris Court, Building G  
Monterey, California 93942-0085

NOV 13 2014

**MPWMD**

**Re: Water Permit Requirements for Outdoor Seating**

Dear Chair Potter:

On November 13<sup>th</sup> the Monterey Peninsula Water Management District (MPWMD) Technical Advisory Committee and Water Demand Committee will develop and recommend to the Board a policy for outdoor seating. The MPWMD Board is scheduled to review recommendations and adopt a policy on November 17<sup>th</sup>. On behalf of the City of Pacific Grove, I would like to express our concern to the proposed modifications to the Water District's rules and regulations related to outdoor seating.

As your agenda item staff report notes, there are still many questions to be answered regarding issuing Water Permits for outdoor seating. Specifically:

- Does outdoor seating increase occupancy, or is it simply a matter of seat selection based on weather?
- If a patron has made the decision to dine out somewhere on the Peninsula, is the choice of seat selection irrelevant – i.e. is the water usage neutral in the whole, or is it additive?
- Does outdoor seating truly represent a measureable metric when outdoor patronage is largely governed by temperature and weather conditions?

Additionally, staff has the following questions:

- What effects does outdoor seating have on water use and consumption?
- What is the quantitative increase of outdoor dining days considering recent technological improvements?
- How does increased patronage related to outdoor seating differ from increased patronage due to other business practices such as increased hours, 2 for 1 coupons, early bird specials and gift certificates?

These questions cannot be answered through discussion alone. Had this been sufficient, this matter would have been resolved through discussions that have taken place over the last several years. Anecdotally, staff recognizes that there is a potential for increases in the number of patrons with the addition of outdoor dining, and this may correspond to an increase in water use. However, this assumption has so far not been substantiated for the Monterey Peninsula. Studies

November 12, 2014

Page 2

on how outdoor seating has affected patronage, both absolutely and relatively, and water use, will be required to make an informed decision on the issuance of Water Permits. This is the only equitable method to place an additional financial burden on our businesses.

If the MPWMD Board decides to modify the existing rules relating to outdoor seating, the City opposes any policy that would not "grandfather" existing outdoor seating areas or those with a *pending building encroachment permit*. All outdoor seating area improvements are the financial responsibility of the business owner. If a water permit is required for the outdoor seating areas, sites that do not have excess water credits to cover the outdoor seats would have to abandon the outdoor seating area and/or remove interior seats. This would place an undue financial burden on those businesses that have in good faith followed all of the current rules and regulations of the City, the County Health Department and Water District.

The City of Pacific Grove has and will continue to be in support of those rules and regulations that help conserve the limited amount of water resources on the Monterey Peninsula. However, these rules and regulations should be substantiated, and effects that outdoor seating have on water use or water consumption have not been established.

Sincerely,



Mark Brodeur  
Community and Economic Development Director



November 12, 2014

RECEIVED

NOV 13 2014

MPWMD

Mayor:  
CHUCK DELLA SALA

Councilmembers:  
LIBBY DOWNEY  
ALAN HAFFA  
NANCY SELFRIDGE  
FRANK SOLLECITO

City Manager:  
MICHAEL MCCARTHY

Mr. David Potter, Chair  
Monterey Peninsula Water Management District  
P.O. Box 85  
Monterey, CA 93942-0085

Subject: Outdoor Seating & Water Credits

Dear David,

On behalf of the City of Monterey, I would like to request your support in opposing the proposed modifications to the Water District's rules and regulations related to outdoor seating.

As you know, even though we are fortunate to live in a temperate climate, there are only a limited number of days and evenings when it is actually comfortable to sit and socialize outdoors.

Staff has conducted a number of unofficial surveys, and believes that the vast majority of eating and drinking establishments that add outdoor seating areas do not see a significant or even notable increase in their number of customers. Rather, when persons decide to go out to a restaurant or other establishment, it is the weather that determines whether they sit inside or outside. The City does not believe that persons go out simply because a business offers outdoor seating, but it may help them decide between a business with outdoor seating and one without.

It is the City's opinion that outdoor seating does not result in a tangible increase in the number of customers to the eating and/or drinking establishment.

If the MPWMD Board decides to modify the existing rules relating to outdoor seating, the City strongly opposes any process that would not "grandfather" existing outdoor seating areas or those with a pending building encroachment permit. All outdoor seating area improvements are the financial responsibility of the business owner. In the downtown area, the costs associated with the removal of on-street parking spaces, the preparation of engineered drawings and the physical improvements needed to support the seating areas cost the business owner thousands of dollars. If a water permit was required for the outdoor seating areas, because these sites do not have excess water credits to cover the outdoor seats they would have to abandon the outdoor seating area, remove interior seats, or a combination of the two. This would place an undue financial burden on those businesses that have in good faith followed all of the current rules and regulations of the City, the County Health Department and Water District.

It is also important to note that these outdoor seating areas have a positive economic impact on the surrounding businesses and the immediate commercial neighborhood. Bringing more people outdoors adds a new vitality to the outdoor shopping experience. People are more comfortable window shopping and visiting new businesses when there is more outdoor pedestrian activity. While the economy continues to improve incrementally, adopting insurmountable obstacles in the form of new water credit rules for outdoor seating will result in negative economic impacts to the neighbors of those businesses with outdoor seating, as well as those businesses that are interested in adding outdoor seating.

As you are aware, the City's support of outdoor seating areas has been roundly applauded by the public, the business community and the local media for both the City of Monterey and the City of Pacific Grove.

In summary, the City of Monterey has and will continue to be in support of those rules and regulations that help conserve the limited amount of water resources on the Monterey Peninsula. However, the City of Monterey believes that these rules and regulations must be based on facts and evidence, and the perception that outdoor seating for eating and drinking establishments increases water consumption by any measurable factor has not been established. To do otherwise would place an undue and potentially fatal burden on those businesses that have already established outdoor seating areas at great cost.

Sincerely,

A handwritten signature in black ink, appearing to read "Chuck Della Sala". The signature is fluid and cursive, with a large initial "C" and "S".

Mayor Chuck Della Sala  
City of Monterey

**ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**

**22. COMMITTEE REPORTS**

**Meeting Date:** December 15, 2014                      **Budgeted:** N/A

**From:** David J. Stoldt,                      **Program/** N/A  
            General Manager                      **Line Item No.:**

**Prepared By:** Arlene Tavani                      **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** N/A

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Attached for your review as **Exhibits 22-A through 22-D** are final minutes of the committee meetings listed below.

**EXHIBIT**

**22-A** Final Minutes of November 13, 2014 Water Demand Committee Meeting

**22-B** Final Minutes of November 7, 2014 Administrative Committee Meeting

**22-C** Final Minutes of October 30, 2014 Public Outreach Committee Meeting

**22-D** Final Minutes of October 17, 2013 Technical Advisory Committee Meeting



**EXHIBIT 22-A**

**FINAL MINUTES**  
**Water Demand Committee of the**  
**Monterey Peninsula Water Management District**  
*November 13, 2014*

**Call to Order**

The meeting was called to order at 1:34 pm in the MPWMD conference room.

**Committee members present:** Kristi Markey, Chair  
Jeanne Byrne  
Brenda Lewis (participated by telephone)

**Staff members present:** David J. Stoldt, General Manager  
Stephanie Pintar, Water Demand Division Manager  
Arlene Tavani, Executive Assistant

**Comments from the Public:** No comments.

**Action Items**

- 1. Consider Adoption of September 24, 2014 Committee Meeting Minutes**  
On a motion by Byrne and second of Lewis, the committee approved the September 23, 2014 minutes on a vote of 3 – 0 by Byrne, Lewis and Markey.
- 2. Develop Recommendation to the Board on Water Permit Requirements for Outdoor Seating**  
On a motion by Byrne and second of Lewis, the committee recommended that the Board of Directors defer this item to December 2014, and that the staff note accompanying this recommendation include the committee members' remarks. The motion was approved on a vote of 3 – 0 by Byrne, Lewis and Markey.

Public comment: (a) **Mike Zimmerman**, Cannery Row Company, stated that outdoor seating is key to the economic revitalization of Monterey and Pacific Grove. He said that the visitor serving industry could provide evidence that additional outdoor seating does not have an effect on overall water use. (b) **Luke Coletti**, resident of Pacific Grove, stated that if additional seats are added to a restaurant, the capacity for water use has been expanded. It would be responsible for the Water Management District to require that business owners pay a fee for additional demand that is created by outdoor seating. (c) **Carmelita Garcia**, resident of Pacific Grove, stated that outdoor restaurant seating should require a water permit. Restaurants with outdoor seating should be audited to determine if retrofits can be completed to offset the water use from those seats. A use permit is required for the addition of outdoor seating; therefore a permit from the Water Management District should follow.

During the discussion of this item Stoldt advised that the Technical Advisory Committee had recommended that this issue be removed from the November 17, 2014 Board meeting agenda and considered at a later date. The Water Demand Committee members expressed the following opinions: (a) Any restaurant that submits an application for outdoor seating should be inspected to ensure that all water efficiency requirements have been accomplished. (b) A restaurant is permitted for a specific number of seats, whether inside or outside. Those permit conditions must be enforced. A potential compromise would be to require that all Best Management Practices and water efficiency requirements be accomplished. (c) A new rule could be established that requires a permit for outdoor seating as of a specific date, including projects in process. (d) Our current rules require permits for restaurant seating, but we had not enforced that upon outdoor seating. The situation has changed. Restaurant owners should be advised of the requirement to permit all restaurant seats and that they should not exceed the number of seats authorized by their permits. (e) Future water permits should show indoor and outdoor seating.

### Discussion Items

#### 3. **Report on Monterey Institute of International Studies Research Regarding Water Rationing**

A group of graduate students at California State University Monterey Bay are taking up the topic of “allocation of scarce resources” as their year-long project. They will review our rationing program and survey others. We have identified a series of policy questions for them to analyze. They will report back in late January, but the results of the study will not be available until May 2015.

### Other Items

Locke advised the committee about Rebate Program funding. The committee asked staff to report to the Board.

Public comment: (a) **Luke Coletti** noted that the Water Management District’s rebate application should state that rebates will be issued only while funds are available. (b) **Mike Zimmerman** advised that funding should be identified for the rebate applications in process, as denying payment will adversely affect the Water Management District’s credibility in the community.

### Set Next Meeting Date

The next meeting was scheduled for December 5, 2014 at 1:30 pm.

### Adjournment

The meeting was adjourned at 2:25 pm.





FINAL MINUTES  
**Monterey Peninsula Water Management District  
Administrative Committee  
November 7, 2014**

**Call to Order**

The meeting was called to order at 3:30 PM in the District Conference Room.

Committee members present: David Pendergrass  
Brenda Lewis

Committee members absent: Kristi Markey

Staff present: Suresh Prasad, Administrative Services Manager/Chief Financial Officer  
Joe Oliver, Water Resources Manager  
Sara Reyes, Office Services Supervisor

**Oral Communications**

None

**Adopt Minutes of October 13, 2014 Committee Meeting**

On a motion by Pendergrass and second by Lewis, the minutes of the October 13, 2014 meeting were approved on a vote of 2- 0.

**Items on Board Agenda for November 17, 2014**

**Consider Approval of Expenditure for Purchase of Surface Water Computation Software**

On a motion by Pendergrass and second by Lewis, the committee voted 2 to 0 to recommend the Board authorize the General Manager to approve the purchase of Hydstra Time Series Software by KISTERS North America, Inc. at a cost not-to-exceed \$10,000.

**Consider Approval of Budgeted Funds for IT Hardware Replacement**

On a motion by Pendergrass and second by Lewis, the committee voted 2 to 0 to recommend the Board approve expenditures not-to-exceed \$41,700 to purchase: Promise VESS 2600 Network Attached Storage (\$12,900), NetApp Expansion unit (\$19,000), Workstation refresh (7 units/\$7,300) and GIS/GS Flow computer workstations (\$2,500).

**Consider Approval of First Quarter Fiscal Year 2014-2015 Investment Report**

On a motion by Pendergrass and second by Lewis, the committee voted 2 to 0 to recommend the Board approve the First Quarter Fiscal Year 2014-2015 investment report.

**Consider Approval of Treasurer’s Report for September 2014**

On a motion by Pendergrass and second by Lewis, the committee voted 2 to 0 to recommend the Board adopt the September 2014 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month.

**Receive and File First Quarter Financial Activity Report for Fiscal Year 2014-2015**

On a motion by Pendergrass and second by Lewis, the committee voted 2 to 0 to recommend the Board approve receive and file the First Quarter Financial Activity Report for Fiscal Year 2014-2015.

**Other Business**

**Receive First Quarter Legal Services Activity Report for Fiscal Year 2014-2015**

This report was presented as information only. No action was taken by the committee.

**Review Draft Agenda for November 17, 2014 Regular Board Meeting**

Prasad reported an item will be added to the Consent Calendar (add title) and also stated Item 21 under the Informational Items/Staff Reports, will be presented in December. The committee made no changes to the agenda.

**Adjournment**

The meeting was adjourned at 3:50 PM.

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## **EXHIBIT 22-C**

### FINAL MINUTES

### **Monterey Peninsula Water Management District Public Outreach Committee October 30, 2014**

#### **Call to Order**

The meeting was called to order at 1:35 pm in the Water Management District conference room.

Committee members present: Kristi Markey  
Brenda Lewis  
David Pendergrass

Committee members absent: None

District staff members present: David Stoldt, General Manager  
Stephanie Pintar, Water Demand Manager  
Arlene Tavani, Executive Assistant

Others present: Steve Thomas, Thomas Brand Consulting

**Comments from the Public:** No comments presented.

#### **Action Items**

- 1. Consider Adoption of Minutes of September 23, 2014 Committee Meeting**  
On a motion by Markey and second of Lewis, the committee approved the September 23, 2014 committee minutes on a unanimous vote of 3 – 0.

#### **Discussion Items**

- 2. Update on Public Outreach Activities in Progress**  
Steve Thomas reviewed a list of projects the public outreach team was working on.
- 3. Progress Report on Pure Monterey Project**  
Stoldt reported the following. A representative from the Monterey Regional Water Pollution Control Agency and David Stoldt will meet with officials from the State Water Resources Control Board and the Natural Resources Agency next week to discuss grant funding for local projects. They will also brief the officials on the Pure Water Monterey Project. The goal is to bring this project to the attention of high-level officials who can instruct lower-level staff to support the project. The EIR on the Pure Water Monterey project is scheduled for release in March 2015. Public outreach to Salinas Valley interests will begin in January in order to obtain support for the seven agreements that must be signed related to Pure Water Monterey. Steve Thomas and Mark Milan will work on educating industry insiders outside of Monterey County about the Pure Water Monterey project. They will also develop a fact sheet for staff and board members, and update the Pure Water Monterey website. It is anticipated that the Water Management District's mid-year budget adjustment increase for Pure Water Monterey will be \$1.5 million. Staff will request funds to contract for outreach at the federal level in order to obtain federal grants.

**4. Review Communications with Restaurant Owners re Outdoor Seating**

The committee reviewed a draft letter submitted by staff and provided comments. A revised letter will be distributed. On November 13, 2013, the Water Demand and Technical Advisory committees will discuss development of a policy regarding outdoor restaurant seating. The Board of Directors is scheduled to consider the issue on November 17, 2014.

**5. Discuss Development of Small Water Agencies Association**

Stoldt reported that Tom Quinn, Executive Director of the Association of Water Agencies, expressed reservations about formation of this association. Stoldt is concerned that there will be little incentive for small agencies to work cooperatively because they will be in competition for use of Proposition 1 grant funds. Stoldt stated that it would be best, at this time, to focus on legislative opportunities where there are common interests and coordinate with other agencies on those issues. There was consensus that a contact list of small California water agencies should be developed. When another water bond is proposed, that group could be organized to lobby legislators for the establishment of substantial grant funds for small agencies.

**Schedule Next Meeting Date**

The meeting was set for November 25, 2014 at 2 pm.

**Adjournment**

The meeting was adjourned at 2:45 pm.

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**EXHIBIT 22-D**

**FINAL MINUTES**  
**Technical Advisory Committee of the**  
**Monterey Peninsula Water Management District**  
*October 17, 2013*

**Call to Order**

The meeting was called to order at 9:35 am in the MPWMD conference room.

**Committee members present:**

City of Del Rey Oaks	Daniel Dawson
City of Monterey	Todd Bennett, Vice Chair
City of Pacific Grove	Sarah Hardgrave, Chair
City of Sand City	Charles Pooler
City of Seaside	Tim O'Halloran
Monterey Peninsula Airport District	Desmond Johnston (Arrived at 10:10 am)

**Committee members absent:**

City of Carmel-by-Sea	Marc Wiener
County of Monterey	Rob Johnson

**Staff members present:**

David J. Stoldt, General Manager  
Stephanie Pintar, Water Demand Division Manager  
Larry Hampson, Planning & Engineering Division Manager  
Arlene Tavani, Executive Assistant

**District Counsel present:**

David C. Laredo

**Comments from the Public:**

No comments.

**Discussion Items**

**1. Discuss Pipeline Routes for the Monterey Peninsula Water Supply Project**

Rick Svindland, California American Water explained that two pipeline routes have been developed for review in the water supply project EIR. Approximately 70% of the route originally considered for the project is within the Coastal Zone. A modified route has been developed that is outside of the Coastal Zone, which would simplify the permitting process. However, one point along the route is too high at elevation 345, so further modifications are needed. Ian Crooks of Cal-Am provided additional information on the proposed routes. He noted that a third option might also be developed that utilized the original pipeline route through Monterey, and added the modified route along General Jim Moore Blvd. The goal is to lay the pipeline through already disturbed corridors, and minimize impacts on undisturbed areas. Maps of the proposed pipeline routes can be viewed on the MPWMD website. Committee members were asked to provide comments to Cal-Am and Erik Zigas of Environmental Science Associates.

**2. Update on MPWMD Involvement with Joint MPWMD/MRWPCA Groundwater Replenishment Project**

General Manager Stoldt's presentation to the committee can be viewed on the MPWMD website.

**3. Update on Proposed Stormwater Master Study**

Hampson provided a summary of the conceptual plan. The Monterey Regional Water Pollution Control Agency waste treatment plant has a 30 million gallon per day (MGD) capacity, but due to water conservation measures, less than 18 MGD is processed. The cities of Monterey and Pacific Grove have proposed that their stormwater flows be processed at the treatment plant. A study must be done to determine the amount of stormwater available for distribution, and then a plan must be developed to capture, store and deliver the stormwater to the treatment plant. A grant for \$75,000 in matching funds is available from the State Water Resources Control Board that might be used for a stormwater availability study, if the funds are not limited to wastewater treatment projects.

**Action Items**

**4. Consider Adoption of Minutes of the July 23, 2013 Committee Meeting**

On a motion by O'Halloran and second of Bennett, minutes of the July 23, 2013 committee meeting were adopted on a unanimous vote of 6 – 0.

**Dawson departed from the meeting at 10:40 am.**

**5. Consider Recommendation to the Board on First Reading of Ordinance No. 156, Clarifying and Amending Terms and Procedures related to Water Permits, Water Use Credits, Rebates and Landscape Water Audits**

Johnston offered a motion that was seconded by Pooler to recommend that the Board of Directors adopt the first reading Ordinance No. 156. The motion was approved on a unanimous vote of 5 – 0 by Bennett, Hardgrave, Pooler, O'Halloran and Johnston. Dawson was absent for the vote.

**6. Consider Adoption of 2014 Committee Meeting Schedule**

On a motion by Hardgrave and second of O'Halloran, the 2014 meeting schedule was adopted on a vote of 5 – 0 by Bennett, Hardgrave, Pooler, O'Halloran and Johnston. Dawson was absent for the vote.

**Adjournment**

The meeting was adjourned at 10:50 am.

**ITEM: INFORMATIONAL ITEM/STAFF REPORTS**

**23. MONTHLY ALLOCATION REPORT**

**Meeting Date:** December 15, 2014                      **Budgeted:** N/A  
**From:** David J. Stoldt,                                  **Program:** N/A  
                                **General Manager**                                  **Line Item No.:**  
**Prepared By:** Gabriela Ayala                              **Cost Estimate:** N/A

**General Counsel Review:** N/A  
**Committee Recommendation:** N/A  
**CEQA Compliance:** N/A

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**SUMMARY:** As of November 30, 2014, a total of **22.833** acre-feet (**6.7%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.861** acre-feet is available to the Jurisdictions, and **30.984** acre-feet is available as public water credits.

**Exhibit 23-A** shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in November 2014 (“changes”), and the quantities remaining. The Paralta Allocation had no debits in November 2014.

**Exhibit 23-A** also shows additional water available to each of the Jurisdictions and the information regarding the Community Hospital of the Monterey Peninsula (Holman Highway Facility). Additional water from expired or canceled permits that were issued before January 1991 are shown under “PRE-Paralta.” Water credits used from a Jurisdiction’s “public credit” account are also listed. Transfers of Non-Residential Water Use Credits into a Jurisdiction’s Allocation are included as “public credits.” **Exhibit 23-B** shows water available to Pebble Beach Company and Del Monte Forest Benefited Properties, including Macomber Estates, Griffin Trust. Another table in this exhibit shows the status of Sand City Water Entitlement.

**BACKGROUND:** The District’s Water Allocation Program, associated resource system supply limits, and Jurisdictional Allocations have been modified by a number of key ordinances. These key ordinances are listed in **Exhibit 23-C**.

**EXHIBITS**

- 23-A** Monthly Allocation Report
- 23-B** Monthly Entitlement Report
- 23-C** District’s Water Allocation Program Ordinances

**EXHIBIT 23-A**

**MONTHLY ALLOCATION REPORT  
Reported in Acre-Feet  
For the month of November 2014**

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
<b>Airport District</b>	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
<b>Carmel-by-the-Sea</b>	19.410	0.000	1.397	1.081	0.000	1.081	0.910	0.000	0.182	2.660
<b>Del Rey Oaks</b>	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
<b>Monterey</b>	76.320	0.000	0.193	50.659	0.000	0.030	38.121	1.590	3.857	4.080
<b>Monterey County</b>	87.710	0.000	10.345	13.080	0.000	0.000	7.827	0.000	2.200	12.545
<b>Pacific Grove</b>	25.770	0.000	0.000	1.410	0.000	0.312	15.874	0.000	0.228	0.540
<b>Sand City</b>	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
<b>Seaside</b>	65.450	0.000	5.701	34.438	0.000	34.438	2.693	0.000	1.144	41.283
<b>TOTALS</b>	342.720	0.000	22.833	101.946	0.000	35.861	90.142	1.590	30.984	89.678

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
<b>Quail Meadows</b>	33.000	0.000	32.229	0.771
<b>Water West</b>	12.760	0.000	8.422	4.338

\* Does not include 15.280 Acre-Feet from the District Reserve prior to adoption of Ordinance No. 73.



**EXHIBIT 23-B**

**MONTHLY ALLOCATION REPORT  
ENTITLEMENTS  
Reported in Acre-Feet  
For the month of November 2014**

**Recycled Water Project Entitlements**

<b>Entitlement Holder</b>	<b>Entitlement</b>	<b>Changes this Month</b>	<b>Total Demand from Water Permits Issued</b>	<b>Remaining Entitlement/and Water Use Permits Available</b>
<b>Pebble Beach Co. <sup>1</sup></b>	242.850	0.100	11.572	231.278
<b>Del Monte Forest Benefited Properties <sup>2</sup> (Pursuant to Ord No. 109)</b>	122.150	0.050	37.010	85.140
<b>Macomber Estates</b>	10.000	0.000	9.595	0.405
<b>Griffin Trust</b>	5.000	0.000	4.809	0.191
<b>CAWD/PBCSD Project Totals</b>	<b>380.000</b>	<b>0.150</b>	<b>62.986</b>	<b>317.014</b>

<b>Entitlement Holder</b>	<b>Entitlement</b>	<b>Changes this Month</b>	<b>Total Demand from Water Permits Issued</b>	<b>Remaining Entitlement/and Water Use Permits Available</b>
<b>City of Sand City</b>	165.00	0.000	3.319	161.681

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Increases in the Del Monte Forest Benefited Properties Entitlement will result in reductions in the Pebble Beach Co. Entitlement.

## EXHIBIT 23-C

### **District's Water Allocation Program Ordinances**

**Ordinance No. 1** was adopted in September 1980 to establish interim municipal water allocations based on existing water use by the jurisdictions. Resolution 81-7 was adopted in April 1981 to modify the interim allocations and incorporate projected water demands through the year 2000. Under the 1981 allocation, Cal-Am's annual production limit was set at 20,000 acre-feet.

**Ordinance No. 52** was adopted in December 1990 to implement the District's water allocation program, modify the resource system supply limit, and to temporarily limit new uses of water. As a result of Ordinance No. 52, a moratorium on the issuance of most water permits within the District was established. Adoption of Ordinance No. 52 reduced Cal-Am's annual production limit to 16,744 acre-feet.

**Ordinance No. 70** was adopted in June 1993 to modify the resource system supply limit, establish a water allocation for each of the jurisdictions within the District, and end the moratorium on the issuance of water permits. Adoption of Ordinance No. 70 was based on development of the Paralta Well in the Seaside Groundwater Basin and increased Cal-Am's annual production limit to **17,619** acre-feet. More specifically, Ordinance No. 70 allocated 308 acre-feet of water to the jurisdictions and 50 acre-feet to a District Reserve for regional projects with public benefit.

**Ordinance No. 73** was adopted in February 1995 to eliminate the District Reserve and allocate the remaining water equally among the eight jurisdictions. Of the original 50 acre-feet that was allocated to the District Reserve, 34.72 acre-feet remained and was distributed equally (4.34 acre-feet) among the jurisdictions.

**Ordinance No. 74** was adopted in March 1995 to allow the reinvestment of toilet retrofit water savings on single-family residential properties. The reinvested retrofit credits must be repaid by the jurisdiction from the next available water allocation and are limited to a maximum of 10 acre-feet. This ordinance sunset in July 1998.

**Ordinance No. 75** was adopted in March 1995 to allow the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities. Fifteen percent of the savings are set aside to meet the District's long-term water conservation goal and the remainder of the savings are credited to the jurisdictions allocation. This ordinance sunset in July 1998.

**Ordinance No. 83** was adopted in April 1996 and set Cal-Am's annual production limit at **17,621** acre-feet and the non-Cal-Am annual production limit at **3,046** acre-feet. The modifications to the production limit were made based on the agreement by non-Cal-Am water users to permanently reduce annual water production from the Carmel Valley Alluvial Aquifer in exchange for water service from Cal-Am. As part of the agreement, fifteen percent of the historical non-Cal-Am production was set aside to meet the District's long-term water conservation goal.

**Ordinance No. 87** was adopted in February 1997 as an urgency ordinance establishing a community benefit allocation for the planned expansion of the Community Hospital of the Monterey Peninsula (CHOMP). Specifically, a special reserve allocation of 19.60 acre-feet of production was created exclusively for the benefit of CHOMP. With this new allocation, Cal-Am's annual production limit was increased to **17,641** acre-feet and the non-Cal-Am annual production limit remained at **3,046** acre-feet.

**Ordinance No. 90** was adopted in June 1998 to continue the program allowing the reinvestment of toilet retrofit water savings on single-family residential properties for 90-days following the expiration of Ordinance No. 74. This ordinance sunset in September 1998.

**Ordinance No. 91** was adopted in June 1998 to continue the program allowing the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities.

**Ordinance No. 90 and No. 91** were challenged for compliance with CEQA and nullified by the Monterey Superior Court in December 1998.

**Ordinance No. 109** was adopted on May 27, 2004, revised Rule 23.5 and adopted additional provisions to facilitate the financing and expansion of the CAWD/PBCSD Recycled Water Project.

**Ordinance No. 132** was adopted on January 24, 2008, established a Water Entitlement for Sand City and amended the rules to reflect the process for issuing Water Use Permits.

**ITEM: INFORMATIONAL ITEM/STAFF REPORTS**

**24. WATER CONSERVATION PROGRAM REPORT**

**Meeting Date:** December 15, 2014                      **Budgeted:** N/A  
**From:** David J. Stoldt,                                      **Program/** N/A  
   **General Manager**                                      **Line Item No.:**  
**Prepared By:** Michael Boles                              **Cost Estimate:** N/A

**Committee Recommendation:** N/A  
**CEQA Compliance:** N/A

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**I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM**

District Regulation XIV requires the retrofit of water fixtures upon Change of Ownership or Use with High Efficiency Toilets (HET) (1.28 gallons-per-flush), 2.0 gallons-per-minute (gpm) Showerheads, 2.2 gpm faucet aerators, and Rain Sensors on all automatic Irrigation Systems. Property owners must certify the Site meets the District’s water efficiency standards by submitting a Water Conservation Certification Form (WCC), and a Site inspection is often conducted to verify compliance.

A. Changes of Ownership

Information is obtained monthly from *Realquest.com* on properties transferring ownership within the District. The information is entered into the database and compared against the properties that have submitted WCCs. Details on **87** property transfers that occurred in November 2014 were entered into the database.

B. Certification

The District received **55** WCCs between November 1, 2014 and November 30, 2014. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

In November, **54** inspections were performed to verify compliance with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **54** inspections performed, **46 (85%)** were in compliance. **One** of the properties that passed inspection involved more than visit to verify compliance with all water efficiency standards.

District inspectors are tracking toilet replacement with High Efficiency Toilets (HET) in place of ULF toilets. These retrofits are occurring in remodels and new construction, and are the toilet of choice for Rule 144 compliance. State law mandated the sale and installation of HET by January 1, 2014, with a phase-in period that began in 2010. The majority of toilets sold in California are HET.

Savings Estimate

Water savings from HET retrofits triggered by Rule 144 verified in November 2014 are estimated at **0.180** acre-feet annually (AFA). Water savings from retrofits that exceeded

requirements (i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.350** AFA (35 toilets). Year-to-date estimated savings occurring as a result of toilet retrofits is **13.540** AFA.

D. Water Waste Enforcement

In response to the State's drought emergency conservation regulation effective August 1, 2014, the District has increased its Water Waste enforcement. The District has a Water Waste Hotline 831-658-5653 or an online form to report Water Waster occurrences at [www.mpwmd.net](http://www.mpwmd.net) or [www.montereywaterinfo.org](http://www.montereywaterinfo.org). There were **five** Water Waste responses during the past month. Most instances were related to irrigation on incorrect days, over-watering resulting in water running to waste, and use of hoses without positive-action shut off nozzles. Most of the District's responses involved on-site contacts, often providing the water user with a free shut off nozzle. In other cases, the property and the property owner were mailed Courtesy Notices. There were **no** repeated incidences that resulted in fines.

## II. WATER DEMAND MANAGEMENT

A. Permit Processing

District Rule 23 requires a Water Permit application for all properties that propose to expand or modify water use on a Site, including New Construction and Remodels. District staff processed and issued **90** Water Permits in November 2014. **Two** Water Permit were issued using water entitlements (Macomber, Pebble Beach Company, Griffin Estates, etc). **Twenty** Water Permits involved a debit to a Public Water Credit Account.

All Water Permit applicants have received a disclaimer informing them of the Cease and Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water. Disclaimers will continue to be provided to all Water Permit recipients with property supplied by a California American Water Distribution System.

District Rule 24-3-A allows the addition of a second Bathroom in an existing Single-Family Dwelling on a Single-Family Residential Site. Of the **90** Water Permits issued in November, **six** were issued under this provision.

B. Permit Compliance

District staff completed **54** Water Permit final inspections during November 2014. **Thirteen** of the final inspections failed due to unpermitted fixtures. Of the **41** properties that were in compliance, **34** passed on the first visit. In addition, **six** pre-inspections were conducted in response to Water Permit applications received by the District.

C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy regarding the processing of deed restrictions. In the month of November, the District prepared **89** deed restrictions. Of the **90** Water Permits issued in November, **21 (23%)** required deed restrictions. District staff provided Notary services for **49** Water Permits with deed restrictions.

### III. JOINT MPWMD/CAW REBATE PROGRAM

The Water Conservation Rebate Program for customers of California American Water was reinstated as of November 19, 2012, when funding became available. Funding is currently nearly expended for this period. District staff has requested additional funding through California American Water to continue the program through 2014. Without additional funding, the Rebate Program is likely to be suspended for lack of funds before the November 2014 Board meeting.

Participation in the rebate program is detailed in the following chart. The table below indicates the program summary for California American Water Company.

<b>REBATE PROGRAM SUMMARY</b>				November-2014	2014 YTD	1997 - Present
<b>I</b>	<u>Application Summary</u>					
	A.	Applications Received		145	2452	18292
	B.	Applications Approved		127	1975	14309
	C.	Single Family Applications		138	2236	16411
	D.	Multi-Family Applications		4	97	926
	E.	Non-Residential Applications		3	119	200
<b>II</b>	<u>Types of Fixtures Rebated</u>			<b>Quantity</b>	<b>Paid</b>	<b>Estimated Savings</b>
	A.	SFD HET		11	2,174.00	0.459228
	B.	SFD ULF to HET		23	1,150.00	0.230000
	C.	UHET		1845	332,380.00	18.450000
	D.	SFD HE DW		18	2,250.00	0.054000
	E.	SFD HEW 5.0 or less Water Factor		59	29,363.76	0.949900
	F.	Instant Access Hot Water Systems		0	0.00	
	G.	On Demand Hot Water-Point of Source		1	100.00	
	H.	Cisterns		4	5,104.25	
	I.	Smart Controllers		0	0.00	
	J.	Residential Zero Water Using Urinals		0	0.00	
	K.	Residential Soil Sensors		0	0.00	
	L.	Graywater System		0	0.00	
	M.	Lawn Removal & Replacement		2	3,715.00	0.304630
	N.	Rotating Sprinkler Nozzles		0	0.00	
	O.	MFD HET		1	168.00	0.041748
	P.	MFD ULF to HET		0	0.00	0.000000
	Q.	MFD UHET		0	0.00	0.000000
	R.	MFD HE DW		0	0.00	0.000000
	S.	MFD HEW 5.0 or less Water Factor		2	1,000.00	0.032200
	T.	MFD Common Laundry		0	0.00	0.000000
	U.	Non-Residential - HET		0	0.00	0.000000
	V.	Non-Residential - ULF to HET		2	199.00	0.020000
	W.	Non-Residential - UHET		0	0.00	0.000000
	X.	Non-Residential HE Dishwasher		0	0.00	0.000000
	Y.	Non-Residential HEW-Residential Grade 5.0 or less		0	0.00	0.000000
	Z.	Non-Residential HEW-Commercial Grade 5.0 or less		0	0.00	0.000000
	AA.	Non-Residential Zero Water Using Urinals		0	0.00	0.000000
	BB.	Non-Residential High Efficiency Urinals		0	0.00	0.000000
	CC.	Non-Residential Ice Machines		0	0.00	0.000000
<b>III</b>	<u>Rebate Refund</u>					23
<b>IV</b>	<u>Total Dollars Rebated</u>			\$377,604.01	\$1,117,707.83	\$4,268,983.42
<b>V</b>	<u>Estimated Water Savings in Acre-Feet Annually*</u>				20.541706	67.489
						445.671

\* Retrofit savings are estimated at 0.041748 AF/HET; 0.01 AF/UHET; 0.01 AF/ULF to HET; 0.003 AF/dishwasher, 0.0161 AF/residential washer; 0.116618 AF/commercial washer; 0.0082 AF/100 square feet of lawn removal.

**ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**

**25. CARMEL RIVER FISHERY REPORT FOR NOVEMBER 2014**

<b>Meeting Date:</b>	<b>December 15, 2014</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Beverly Chaney</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review:** N/A  
**Committee Recommendation:** N/A  
**CEQA Compliance:** N/A

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**AQUATIC HABITAT AND FLOW CONDITIONS:** During November 2014, Carmel River streamflow at the MPWMD Highway 1 gage (HW 1) was 0 cubic-feet per second (cfs). As of November 30, the wetted river front remained near Robinson Canyon Road Bridge (River Mile, [RM], 8.46). An additional 2.4 miles of stream was dry or intermittent in the reach between West Garzas Well, (RM 12.1) and Rosie’s Bridge (Esquiline Road, RM 14.5).

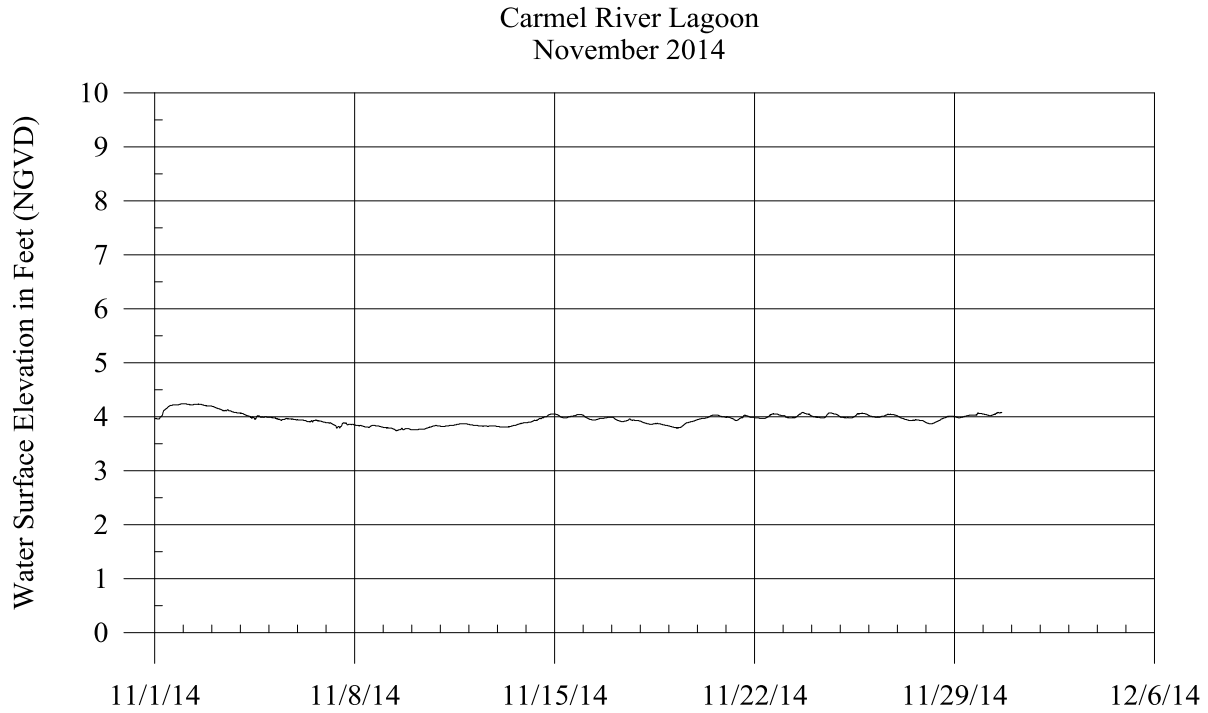
Mean daily streamflow in November at the District’s Carmel River at Sleepy Hollow Weir gaging station ranged from 2.1 to 4.3 cfs, with a mean monthly flow of 2.68 cfs. During November, 1.50 inches of rainfall were recorded at California American Water’s (CAW) San Clemente Dam (SCD). The rainfall total for WY 2015 (which started on October 1, 2014) is 1.57 inches, or 74.4% of the long-term annual average of 2.11 inches.

**CARMEL RIVER LAGOON:** In November 2014, the lagoon’s water-surface elevation (WSE) stayed relatively stable near 4.0 feet above mean sea level (see graph below). Surface inflow to the lagoon ceased on May 24, 2013.

Water quality profiles were conducted in late November at five lagoon sites. Most of the lagoon was murky and stratified at one-meter depth. Water temperatures continued to cool, ranging from 56 - 65 degrees F. Dissolved oxygen (DO) levels ranged from 0.5 – 14 mg/L, while salinity levels rose to 4 - 14 ppt due to wave over wash.

**LOWER RIVER STEELHEAD RESCUES:** Staff began steelhead smolt and juvenile rescues on March 3, 2014, the earliest rescue start since 1991. In November only one resident adult needed to be rescued, bringing the 2014 rescue total to 3,820 fish, including: 883 smolts, 2,341 non-smolted juveniles, 586 young-of-year (YOY), eight adults, and two mortalities. The YOY fish are progeny from non-sea run spawning adults – possibly the large fish released from the Sleepy Hollow Steelhead Rearing Facility last fall. The smolts and early season adults were acclimated to seawater then released into the ocean at Stewart’s Cove, near the Carmel River mouth. The juveniles, YOY, and late season adults were transported farther upstream and released.

**BIOASSESSMENT TRAINING:** The District’s long-term benthic macroinvertebrate (BMI) laboratory director, Tom King of Bioassesment Services, was hired in November for a two-day in-field staff training session on the new state mandated protocol called SWAMP (Surface Water Ambient Monitoring Program). Additional training was done in the Reachwide Benthic (RWB) sampling and habitat assessment procedure. Training and sampling were completed in the Cachagua area as well as above Los Padres Reservoir.





**ITEM: INFORMATIONAL ITEMS/STAFF REPORT**

**26. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT**

**Meeting Date:** December 15, 2014                      **Budgeted:** N/A  
**From:** David J. Stoldt,                                      **Program/** N/A  
                        General Manager                                      **Line Item No.:**  
**Prepared By:** Jonathan Lear                                      **Cost Estimate:** N/A

**General Counsel Review:** N/A  
**Committee Recommendation:** N/A  
**CEQA Compliance:** N/A

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**Exhibit 26-A** shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **December 1, 2014**. This system includes the surface water resources in the Carmel River Basin, the groundwater resources in the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin. **Exhibit 26-A** is for Water Year (WY) 2015 and focuses on four factors: rainfall, runoff, storage, and steelhead. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at San Clemente Dam.

**Water Supply Status:** As shown, rainfall through **November** 2014 totaled **1.57 inches** and brings the cumulative rainfall total for WY 2015 to **2.86 inches**, which is **52%** of the long-term average through **November**. Estimated unimpaired runoff during **November** 2014 totaled **0 acre-feet (AF)** and brings the cumulative runoff total for WY 2015 to **0 AF**, which is **0%** of the long-term average through **November**. Usable storage, which includes surface and groundwater, was **24,660 AF**, or **89%** of the long-term average through **November**. This storage equates to **66%** of system capacity. In addition, **0 adult steelhead** were counted in the fish ladder at San Clemente Dam through **November**.





**Production Compliance:** Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2009-0060, California American Water (Cal-Am) is allowed to produce no more than 9,945 AF of water from the Carmel River in WY 2015. In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 2,259AF of water from the Coastal Subareas and 48 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2015. Altogether, Cal-Am is currently allowed to produce 12,196 AF from Carmel River and Seaside Coastal sources for customers in its main Monterey system and 48 AF from the Laguna Seca Subarea for customers in Ryan Ranch, Hidden Hills, and Bishop Systems (not adjusted for ASR recovery or Sand City Desalination). For WY 2015 through **November**, Cal-Am has produced **1,695 AF** from the Carmel River, Seaside Basin, Sand City Desalination, and ASR recovery, for customer use. This water production is **323 AF** or **16.0 % less** than the target specified for Cal-Am's production from the MPWRS for WY 2015 through **October**. A breakdown of Cal-Am's production for WY 2015 through **November** is included as **Exhibit 26-B**. Cal-Am's production from the Carmel River Basin is reduced for diversions that are made for injection into the Seaside Basin; Cal-Am's "native" Seaside Basin production is reduced for injected water recovery. For WY 2015 through **November**, **0 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use. **Exhibit 26-C** shows production breakdown from all sources for all uses. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data.

**EXHIBITS**

- 26-A** Water Supply Status: **December 1, 2014**
- 26-B** Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: Water Year 2015
- 26-C** Monthly Cal-Am production by source: WY 2015

**EXHIBIT 26-A**

Monterey Peninsula Water Management District  
Water Supply Status  
December 1, 2014

Factor	Water Year 2015 Oct - Nov 14	Average To Date	Percent of Average	Water Year 2014 Oct - Nov 13
 <b>Rainfall</b> (Inches)	1.57	2.86	52%	0.74
 <b>Runoff</b> (Acre-Feet)	0	1,841	0%	265
 <b>Storage</b> (Acre-Feet)	24,660	27,480	89%	25,550
 <b>Steelhead</b> (Adults) (Juveniles)	0	0 ---	0% ---	0 --

**Notes:**

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at San Clemente Dam average 21.3 inches and 68,400 acre-feet, respectively. Annual values are based on the water year that runs from October 1 to September 30 of the following calendar year. The rainfall and runoff averages at the San Clemente Dam site are based on records for the 1922-2014 and 1902-2014 periods, respectively.
2. The rainfall and runoff totals are based on measurements through **November 2014**.
3. Storage estimates refer to usable storage in the Monterey Peninsula Water Resources System (MPWRS) that includes surface water in Los Padres and San Clemente Reservoirs and ground water in the Carmel Valley Alluvial Aquifer and in the Coastal Subareas of the Seaside Groundwater Basin. The storage averages are end-of-month values and are based on records for the 1989-2014 period. The storage estimates are end-of-month values for **November 2014**.
4. The maximum usable storage capacity for the MPWRS at this time, with the flashboards lowered at San Clemente Dam, is 37,639 acre-feet. The flashboards were last lowered on August 27, 1996, and have not been raised since that time.
5. The adult steelhead count refers to the number of sea-run adults (> 15 inches) that have migrated up the fish ladder at San Clemente Dam in Water Year 2015. The juvenile count refers to the number of juveniles that were rescued by District staff from drying reaches of the Carmel River and its tributaries in Water Year 2015. The adult count average is based on records for the 1994-2014 period.

**EXHIBIT 26-B**

**California American Water Production Distributed by Associated Water Rights: Water Year 2015**

(All Values in Acre-Feet)

	Carmel River Water Diverted by Cal-Am for Customer Service Under 95-10 Rights <sup>1</sup>	Seaside Groundwater Diverted by Cal-Am from Coastal Subareas for Customer Service Under Adjudicated Rights <sup>4</sup>	Seaside Groundwater Diverted by Cal-Am from Laguna Seca Subarea for Customer Service Under Adjudicated Rights <sup>4</sup>	Total Seaside Basin Adjudicated Diversions for Customer Service <sup>4</sup>	Total Production Under 95-10 Rights and Seaside Basin Adjudicated Rights <sup>1,3</sup>	Carmel River Water Diverted by Cal-Am for ASR Injection Under 20808A and C Rights <sup>2</sup>	Seaside Groundwater Recovered by Cal-Am for Customer Service Under ASR Rights <sup>4</sup>	Desalinated Water from Sand City Plant
	Limit: <b>9,907</b> acre-feet <sup>2</sup>	Limit: <b>2,251</b> acre-feet	Limit: <b>48</b> acre-feet	Limit: <b>2,299</b> acre-feet	Limit: <b>12,206</b> acre-feet	Limit: <b>5,326</b> acre-feet	Target: <b>0</b> acre-feet	Target: <b>300</b> acre-feet
Oct-14	614	279	33	312	926	0	0	17
Nov-14	559	149	23	172	731	0	0	20
Dec-14								
Jan-15								
Feb-15								
Mar-15								
Apr-15								
May-15								
Jun-15								
Jul-15								
Aug-15								
Sep-15								
<b>Total</b>	<b>1,173</b>	<b>428</b>	<b>56</b>	<b>484</b>	<b>1,657</b>	<b>0</b>	<b>0</b>	<b>38</b>

**California American Water Limit Adjustments to Comply with Associated Water Rights : Water Year 2015**

(All Values in Acre-Feet)

	Carmel River Water Diverted by Cal-Am for Customer Service Under 95-10 Rights <sup>1</sup>	Carmel River Water Diverted by Cal-Am for ASR Injection Under 20808 Rights <sup>3</sup>	Total Water Diverted from Carmel River for Customer Service and Injection	Seaside Groundwater Recovered by Cal-Am for Customer Service Under ASR Rights <sup>5</sup>	Desalinated Water from Sand City Plant <sup>2</sup>	Total Adjustment to 95-10 Water Right	95-10 Water Right Adjusted Monthly	Total Production for Customer Service from MPWRS
	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-14	614	0	614	0	17	17	9,928	943
Nov-14	559	0	559	0	20	20	9,907	751
Dec-14								
Jan-15								
Feb-15								
Mar-15								
Apr-15								
May-15								
Jun-15								
Jul-15								
Aug-15								
Sep-15								
<b>Total</b>	<b>1,173</b>	<b>0</b>	<b>1,173</b>	<b>0</b>	<b>38</b>	<b>38</b>		<b>1,695</b>

**Notes:**

- "95-10 Rights" refer to water rights that were recognized by the State Water Resources Control Board (SWRCB) in Order No. WR 95-10 in July 1995 and assigned to California American Water. The rights total 3,376 acre-feet annually (AFA).
- "20808A Rights" refer to water rights that are held jointly by MPWMD and Cal-Am for the Phase 1 ASR project. "ASR" refers to Aquifer Storage and Recovery. "20808A" refers to Water Right Permit 20808A that was issued by the SWRCB in November 2007, for a maximum annual diversion of 2,426 AF. "20808C" refers to water rights permit 20808C, issued in November 2011 for a maximum annual diversion of 2,900AF.
- "Adjudicated Rights" refer to groundwater rights determined by the Superior Court of Monterey County in March 2006 and amended in February 2007. These limits are subject to change by action of the Seaside Basin Watermaster and were updated by the Watermaster on November 30, 2011.

**EXHIBIT 26-B**

**Quarterly Water Budget Targets vs. Rule 162: Water Year 2015**

(All Values in Acre Feet)

		Quarterly Budget								Rule 162		Production	
		95-10 Monthly Budget	ASR Diversion for Injection	Total Carmel River Diversions for Customer Service and ASR Injection	Seaside Adjudication Monthly Budget (Coastal)	Seaside Adjudication Monthly Budget (Laguna Seca)	Seaside Adjudication Monthly Budget Combined	ASR Recovery Budget	Sand City Desal Budget	Monthly Production for Customer Use Target <sup>5</sup>	End of Month Production Adopted	End of Month Cumulative to date	MPWRS to date
		acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
1st	Oct-14	667	0	667	400	5	405	0	25	1,097	1,097	1,097	943
Qtr	Nov-14 Dec-14	593	0	593	300	3	303	0	25	921	921	2,019 2,831	751
2nd	Jan-15											3,643	
Qtr	Feb-15 Mar-15											4,406 5,273	
3rd	Apr-15											6,206	
Qtr	May-15 Jun-15											7,341 8,521	
4th	Jul-15											9,805	
Qtr	Aug-15 Sep-15											11,069 12,243	

**California American Water Production vs. Water Budget and Water Right Limits: Water Year 2015**

(All Values in Acre Feet)

		Cal-Am Production vs. Quarterly Water Budget Targets										Cal-Am Production vs. EOM Totals	
		95 - 10 Production for Customer Use vs. Monthly Targets		Seaside Coastal		Laguna Seca		Seaside Combined		Sand City Desal		Cal-Am Production vs. Rule 162	
		Monthly Comparison		Monthly Comparison		Monthly Comparison		Monthly Comparison		Monthly Comparison		Year to Date	
		acre-feet under	% Under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under
1st	Oct-14	53	0	121	0	-28	-6	93	0	8	0	154	14.0%
Qtr	Nov-14 Dec-14	34	0	151	1	-20	-7	131	0	5	0	170	18.4%
2nd	Jan-15												
Qtr	Feb-15 Mar-15												
3rd	Apr-15												
Qtr	May-15 Jun-15												
4th	Jul-15												
Qtr	Aug-15 Sep-15												
<b>Annual Statistics</b>		<b>AF Remaining</b> <b>8,734</b>	<b>% Remaining</b> <b>88.2%</b>	<b>AF Remaining</b> <b>1,823</b>	<b>% Remaining</b> <b>81.0%</b>	<b>AF Remaining</b> <b>-8</b>	<b>% Remaining</b> <b>-16.4%</b>	<b>AF Remaining</b> <b>1,815</b>	<b>% Remaining</b> <b>78.9%</b>	<b>AF Remaining</b> <b>262</b>	<b>% Remaining</b> <b>87.4%</b>	<b>323</b>	<b>16.0%</b>

4. "Target" refers to the maximum amount of water that Cal-Am will try to recover each year for customer service as part of the Phase 1 and 2 ASR Project. The actual amount of water that is recovered will depend on the amount injected during a particular water year and previous water years.
5. Monthly Budget Target numbers from Quarterly Budget Meetings.
6. Budget Target vs. Rule 162 used for the purpose of tracking compliance with MPWMD water rationing rules.
7. Water Production vs. Water Budget and Water Rights Limits are tracked for compliance with Order 2009-0060 and Seaside Adjudication.
8. Production from ASR and Sand City Desalination plant reduce 95-10 water right.

**EXHIBIT 26-C**

**California American Water Production by Source: Water Year 2015**

	Carmel Valley Wells <sup>1</sup>						Seaside Wells <sup>2</sup>						Total Wells			Sand City Desal		
	Actual		Anticipated <sup>3</sup>		Under Target		Actual		Anticipated		Under Target		Actual	Anticipated	Acre-Feet Under Target	Actual	Anticipated	Under Target
	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet						
Oct-14	0	614	0	667	0	53	279	33	400	5	121	-28	926	1,072	146	17	25	8
Nov-14	0	559	0	593	0	34	149	23	300	3	151	-20	731	896	165	20	25	5
Dec-14																		
Jan-15																		
Feb-15																		
Mar-15																		
Apr-15																		
May-15																		
Jun-15																		
Jul-15																		
Aug-15																		
Sep-15																		
<b>To Date</b>	<b>0</b>	<b>1173</b>	<b>0</b>	<b>1260</b>	<b>0</b>	<b>87</b>	<b>428</b>	<b>56</b>	<b>700</b>	<b>8</b>	<b>272</b>	<b>-48</b>	<b>1657</b>	<b>1968</b>	<b>311</b>	<b>38</b>	<b>50</b>	<b>12</b>

**Total Production: Water Year 2015**

	Actual	Anticipated	Acre-Feet Under Target
Oct-14	943	1,097	154
Nov-14	751	921	170
Dec-14			
Jan-15			
Feb-15			
Mar-15			
Apr-15			
May-15			
Jun-15			
Jul-15			
Aug-15			
Sep-15			
<b>To Date</b>	<b>1,695</b>	<b>2,018</b>	<b>323</b>

1. Carmel Valley Wells include upper and lower valley wells. Anticipate production from this source includes monthly production volumes associated with SBO 2009-60, 20808A, and 20808C water rights. Under these water rights, water produced from the Carmel Valley wells is delivered to customers or injected into the Seaside Groundwater Basin for storage.

2. Seaside wells anticipated production is associated with pumping native Seaside Groundwater (which is regulated by the Seaside Groundwater Basin Ajudication Decision) and recovery of stored ASR water (which is prescribed in a MOA between MPWMD, Cal-Am, California Department of Fish and Game, National Marine Fisheries Service, and as regulated by 20808C water right).

3. Current "anticipated" water budget reflects "Normal" Carmel River inflow conditions and monthly distribution of production based on long-term averages for the Cal-Am system.

**ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**

**27. SEMI-ANNUAL GROUNDWATER QUALITY MONITORING REPORT**

<b>Meeting Date:</b>	<b>December 15, 2014</b>	<b>Budgeted:</b>	<b>Yes</b>
<b>From:</b>	<b>David Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>2.6 Hydrologic Monitoring 2-6-1</b>
<b>Prepared By:</b>	<b>Thomas Lindberg</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review:** N/A  
**Committee Recommendation:** N/A  
**CEQA Compliance:** N/A

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**SUMMARY:** Water-quality results from the Summer 2014 sampling of the Monterey Peninsula Water Management District's (District's) well network in the Carmel Valley aquifer are presented in **Exhibit 27-A** and briefly summarized below. Results from Spring 2013 are also provided for comparison.

**BACKGROUND:** The District has maintained a groundwater quality monitoring program in the Carmel Valley Aquifer since 1981 and in the Seaside Groundwater Basin since 1990. Currently, the sampling schedule for Carmel Valley is staggered, with upper valley wells (i.e., upgradient of the Narrows) normally sampled in Spring, and lower Carmel Valley wells sampled in Fall, to coincide with the historically higher nitrate concentrations in these respective areas. Collection of samples from the Seaside Basin coastal water-quality monitor wells is conducted once per year in Summer, coinciding with the seasonally low water levels in the basin at that time of the year.

**DISCUSSION/ANALYSIS:** **Carmel Valley Aquifer Monitor Wells** - Results from the Summer 2014 and Spring 2013 samplings are provided in **Exhibit 26-A**. Three shallow monitor wells in the upper Carmel Valley are normally sampled each Spring, per the sampling schedule described above. The wells were not sampled in Spring 2014. Due to other time constraints, they were sampled in early Summer 2014 rather than missing a full year of sample collection. Staff intends to get these wells back on the Spring sampling schedule. The locations of these sampling points are shown on the map in **Exhibit 27-B**. Review of these water-quality results indicates very little significant changes in overall water quality in Summer 2014 compared to samples collected in Spring 2013. The only changes noted are an anomalous spike in total Iron and Manganese concentrations in one well, 16S/2E-33Q1. A similar observation was made in 2011, but concentrations had dropped back to expected levels by Spring 2013, only to spike again in 2014. Dissolved Iron or Manganese were not detected from either well in 2014. Samples were analyzed by Monterey Bay Analytical Services. All constituents that have established Drinking Water Standards are within acceptable limits in Spring 2013.

It should be noted that historical sampling revealed relatively high nitrate concentrations (up to 22 milligrams per liter [mg/L]) in two upper Carmel Valley monitor wells in Spring 1998,

although those observed nitrate concentrations were well below the drinking water standard of 45 mg/L. The Carmel Valley Master Plan established an “action level” of 25 mg/l of nitrate due to concern about the limitations of septic systems in this unsewered portion of Carmel Valley. Those relatively high readings were attributed to the flushing effect of severe storm events in the winter of 1998. Results of more recent samplings from all three shallow wells indicate that nitrate concentrations have returned to more normal levels. In 2014, the nitrate levels in two wells (17S/2E-10B1 and 16S/2E-33Q1) remained below the action level. The nitrate concentration in the third well (17S/2E-03La) remained below the practical quantitation limit (i.e., detection limit).

## **EXHIBITS**

**27-A** Groundwater Quality Monitoring Results for Summer 2014 and Spring 2013

**27-B** Map of Monitor Well Locations in Upper Carmel Valley

**EXHIBIT 27-A**

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
**GROUND WATER QUALITY MONITORING RESULTS**  
 Carmel Valley Aquifer Sample Collection Date: July 2, 2014  
 Units are milligrams per liter unless otherwise noted.

Water Quality Constituent	Specific Conductance (micromhos/cm)	Total Alkalinity (as CaCO3)	pH	Chloride	Sulfate	Ammonia Nitrogen (as NH3)	Nitrate Nitrogen (as NO3)	Total Organic Carbon	Calcium	Sodium	Magnesium	Potassium	Iron	Manganese	Orthophosphate	Total Dissolved Solids	Hardness (as CaCO3)	Boron	Bromide	Fluoride
Drinking Water Standard	900 1600 2200 (2)	NA	NA	250 500 600 (2)	250 500 600 (2)	NA	45	NA	NA	NA	NA	NA	0.3	0.05	NA	NA	NA	NA	NA	NA
<b>Sampling Location</b>																				
<i>Upper Carmel Valley Aquifer</i>																				
16S/2E-33Q1	474	149	6.8	25	56	<0.05	0.6	1.06	51	27	17	5.0	9.463	0.859	<0.1	277	197	<0.05	<0.1	0.3
17S/2E-03La	372	126	7.1	14	39	<0.05	<1	0.88	38	20	12	2.5	<0.010	<0.010	<0.1	208	144	<0.05	<0.1	0.2
17S/2E-10B1	448	143	7.0	20	55	<0.05	2	1.28	44	30	14	2.4	<0.010	<0.010	<0.1	274	168	<0.05	<0.1	0.5
(1) Maximum contaminant levels are from California Domestic Water Quality and Monitoring Regulations, Title 22, 1977. (2) The three values listed for certain constituents refer to the "recommended" level, the "upper" level, and "short-term use" level, respectively.																				

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
**GROUND WATER QUALITY MONITORING RESULTS**  
 Carmel Valley Aquifer Sample Collection Date: March 20, 2013  
 Units are milligrams per liter unless otherwise noted.

Water Quality Constituent	Specific Conductance (micromhos/cm)	Total Alkalinity (as CaCO3)	pH	Chloride	Sulfate	Ammonia Nitrogen (as NH3)	Nitrate Nitrogen (as NO3)	Total Organic Carbon	Calcium	Sodium	Magnesium	Potassium	Iron	Manganese	Orthophosphate	Total Dissolved Solids	Hardness (as CaCO3)	Boron	Bromide	Fluoride
Drinking Water Standard	900 1600 2200 (2)	NA	NA	250 500 600 (2)	250 500 600 (2)	NA	45	NA	NA	NA	NA	NA	0.3	0.05	NA	NA	NA	NA	NA	NA
<b>Sampling Location</b>																				
<i>Upper Carmel Valley Aquifer</i>																				
16S/2E-33Q1	485	141	7.4	27	52	<0.05	0.6	0.92	47	26	13	2.6	0.066	<0.010	<0.1	306	171	<0.05	<0.1	0.2
17S/2E-03La	302	105	7.3	11	23	<0.05	<1	0.75	30	16	10	2.2	<0.010	<0.010	<0.1	189	116	<0.05	<0.1	0.1
17S/2E-10B1	629	167	7.1	36	82	<0.05	4	1.8	61	36	21	3.2	0.014	0.014	<0.1	406	239	0.10	<0.1	0.2
(1) Maximum contaminant levels are from California Domestic Water Quality and Monitoring Regulations, Title 22, 1977. (2) The three values listed for certain constituents refer to the "recommended" level, the "upper" level, and "short-term use" level, respectively.																				



LOCATION OF MPWMD CARMEL VALLEY WATER QUALITY MONITORING WELLS  
(River Mile 11.75 to 15.50)



River Mile (RM)	Well Common Name	State Well Number
12.52	Boronda Rd.	T16S/R2E-33Q1
13.65	Little League #1	T17S/R2E-03La
14.28	De Los Helechos	T17S/R2E-10B1

