

**EXHIBIT 3-A**

**Monterey Peninsula Water Management District**

**Water Supply Charge Availability Analysis**

|  | FY 2012-2013<br>Revised | FY 2012-2013<br>Audited | FY 2013-2014<br>Revised | FY 2013-2014<br>Expected | FY 2014-2015<br>Prelim. Budget | FY 2015-2016<br>Prelim. Budget |
|--|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------------|--------------------------------|
| Water Supply Charge                            | \$3,300,000             | \$3,400,873             | \$3,400,000             | \$3,400,000              | \$3,400,000                    | \$3,400,000                    |
| Carry-Forward Prior Year Water Supply Charge   | 0                       | 0                       | 1,413,218               | 1,812,885                | 1,228,000                      | 0                              |
| Loan Proceeds for ASR                          | 0                       | 0                       | 1,496,101               | 1,496,101                | 0                              | 0                              |
| Connection Charges                             | 175,000                 | 115,972                 | 175,000                 | 175,000                  | 175,000                        | 175,000                        |
| Project Reimbursement                          | 3,736,300               | 2,001,556               | 2,326,762               | 2,326,762                | 360,450                        | -                              |
| Watermaster-Reimbursement                      | 91,000                  | 69,710                  | 94,000                  | 94,000                   | 69,000                         | 70,000                         |
| Property Taxes                                 | 115,800                 | 162,318                 | 317,848                 | 317,848                  | 507,030                        | 300,000                        |
| Interest                                       | 1,000                   | 4,068                   | 3,000                   | 3,000                    | 4,500                          | 5,000                          |
| Other  | 4,300                   | 8,025                   | -                       | -                        | -                              | -                              |
| Capital Equipment Reserve Fund                 | -                       | -                       | -                       | -                        | 41,800                         | -                              |
| Other Sources (loan, interfund borrowing, LOC) | -                       | -                       | 438,061                 | 438,061                  | 186,270                        | -                              |
| <b>Total Revenues</b>                          | <b>\$7,423,400</b>      | <b>\$5,762,522</b>      | <b>\$9,663,990</b>      | <b>\$10,063,657</b>      | <b>\$5,972,050</b>             | <b>\$3,950,000</b>             |
|  |                         |                         |                         |                          |                                |                                |
| Direct Personnel                               | 738,361                 | 784,190                 | 764,549                 | 764,549                  | 907,536                        | 930,224                        |
| Legal  | 130,000                 | 302,954                 | 230,000                 | 230,000                  | 230,000                        | 230,000                        |
| Project Expenditures [see below]               | 2,219,050               | 785,943                 | 5,734,179               | 4,905,846                | 3,716,650                      | 2,500,000                      |
| Project Expenditures-Reimbursements            | 3,756,300               | 1,508,253               | 2,235,762               | 2,235,762                | 398,450                        | -                              |
| Fixed Asset Purchases                          | 20,500                  | 15,944                  | 34,300                  | 34,300                   | 78,150                         | 50,000                         |
| Contingencies                                  | 10,250                  | -                       | 10,250                  | 10,250                   | 10,250                         | 10,250                         |
| Debt Service                                   | 145,600                 | 80,169                  | 230,000                 | 230,000                  | 230,000                        | 230,000                        |
| Election Expense                               | -                       | -                       | 52,500                  | 52,500                   | -                              | 100,000                        |
| Indirect Labor*                                | 242,339                 | 281,816                 | 205,051                 | 205,051                  | 200,314                        | 205,322                        |
| Indirect Supplies & Services*                  | 161,000                 | 190,368                 | 167,399                 | 167,399                  | 200,700                        | 205,718                        |
| <b>Total Expenditures</b>                      | <b>\$7,423,400</b>      | <b>\$3,949,637</b>      | <b>\$9,663,990</b>      | <b>\$8,835,657</b>       | <b>\$5,972,050</b>             | <b>\$4,461,514</b>             |
|  |                         |                         |                         |                          |                                |                                |
| <b>Net Revenue Over Expenses</b>               | <b>\$0</b>              | <b>\$1,812,885</b>      | <b>\$0</b>              | <b>\$1,228,000</b>       | <b>\$0</b>                     | <b>(\$511,514)</b>             |

| <u>Project Expenditures</u>                        | FY 2012-2013<br>Revised | FY 2012-2013<br>Audited | FY 2013-2014<br>Revised | FY 2013-2014<br>Expected | FY 2014-2015<br>Prelim. Budget | FY 2015-2016<br>Prelim. Budget |
|--|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------------|--------------------------------|
| Groundwater Replenishment Project                  | \$736,600               | \$475,751               | \$3,656,351             | \$3,466,351              | \$1,613,000                    | \$250,000                      |
| ASR Phase I  | \$898,700               | \$169,817               | \$1,168,478             | \$461,045                | \$894,150                      | \$300,000                      |
| Reimbursement Projects                             | \$0                     | \$1,508,253             | \$2,235,762             | \$2,235,762              | \$398,450                      | \$0                            |
| Cal-Am Desalination Application                    | \$0                     | \$96,037                | \$50,000                | \$50,000                 | \$115,000                      | \$100,000                      |
| Peninsula Water Supply Projects Operations Studies | \$150,000               | \$0                     | \$0                     | \$0                      | \$0                            | \$0                            |
| ASR Expansion                                      | \$150,000               | \$0                     | \$45,000                | \$45,000                 | \$105,000                      | \$1,500,000                    |
| Other Water Supply Projects - Desal/Water Rights   | \$250,000               | \$2,898                 | \$275,000               | \$275,000                | \$225,000                      | \$250,000                      |
| Local Water Projects                               | \$0                     | \$0                     | \$150,000               | \$200,000                | \$200,000                      | \$100,000                      |
| Alternate Desal Project                            | \$0                     | \$0                     | \$300,000               | \$300,000                | \$400,000                      | \$0                            |
| Cal-Am Buyout Feasible Study                       | \$0                     | \$0                     | \$0                     | \$0                      | \$0                            | \$0                            |
| Other Project Expenditures                         | \$33,750                | \$41,440                | \$89,350                | \$108,450                | \$164,500                      | \$0                            |
| <b>Total Commitments</b>                           | <b>\$2,219,050</b>      | <b>\$2,294,196</b>      | <b>\$7,969,941</b>      | <b>\$7,141,608</b>       | <b>\$4,115,100</b>             | <b>\$2,500,000</b>             |

\*: Indirect costs as percent of Water Supply Charge                      12.2%                      13.9%                      11.0%                      11.0%                      11.8%                      12.1%

Recent Activities:

|  | Date               | Amount     |
|--|--------------------|------------|
| Deep Water Desal cost sharing agreement approved   | August 19, 2013    | \$ 800,000 |
| Cal-Am Desal Project Public Funds Financial Consultant (Total cost \$250,000; Phase I cost \$90,000) | September 16, 2013 | 90,000     |
| GWR bond counsel services  | September 16, 2013 | 90,000     |
| GWR accounting services for debt equivalence   | September 16, 2013 | 10,000     |
| GWR Consultant to assess externalities   | September 16, 2013 | 80,000     |
| GWR evaluation of reclamation ditch (Schaaf & Wheeler)   | October 21, 2013   | 40,000     |

**Monterey Peninsula Water Management District  
Labor Allocation by Operating Funds  
Fiscal Year 2013-2014**

|  | <u>Mitigation</u> | <u>Water<br/>Supply</u> | <u>Conservation</u> | <u>Total</u> |
|--|-------------------|-------------------------|---------------------|--------------|
| <b><u>General Manager's Office</u></b>   |                   |                         |                     |              |
| General Manager                          | 20%               | 60%                     | 20%                 | 100%         |
| Executive Assistant                      | 25%               | 50%                     | 25%                 | 100%         |
| <b><u>Administrative Services</u></b>    |                   |                         |                     |              |
| ASD Mgr/CFO                              | 33%               | 34%                     | 33%                 | 100%         |
| Accountant                               | 33%               | 34%                     | 33%                 | 100%         |
| Human Resources Analyst                  | 33%               | 34%                     | 33%                 | 100%         |
| Office Services Supervisor               | 33%               | 34%                     | 33%                 | 100%         |
| Office Specialist II                     | 33%               | 34%                     | 33%                 | 100%         |
| Information Technology Manager           | 30%               | 37%                     | 33%                 | 100%         |
| GIS Specialist                           | 51%               | 39%                     | 10%                 | 100%         |
| <b><u>Planning &amp; Engineering</u></b> |                   |                         |                     |              |
| P&E Mgr/District Engineer                | 58%               | 42%                     | 0%                  | 100%         |
| Project Manager                          | 75%               | 25%                     | 0%                  | 100%         |
| Riparian Projects Coordinator            | 80%               | 20%                     | 0%                  | 100%         |
| River Maintenance Specialist             | 100%              | 0%                      | 0%                  | 100%         |
| River Maintenance Worker                 | 100%              | 0%                      | 0%                  | 100%         |
| <b><u>Water Demand</u></b>               |                   |                         |                     |              |
| Water Demand Manager                     | 0%                | 20%                     | 80%                 | 100%         |
| Conservation Rep II                      | 0%                | 75%                     | 25%                 | 100%         |
| Conservation Rep II                      | 0%                | 25%                     | 75%                 | 100%         |
| Conservation Rep I                       | 0%                | 0%                      | 100%                | 100%         |
| Conservation Rep I                       | 0%                | 0%                      | 100%                | 100%         |
| <b><u>Water Resources</u></b>            |                   |                         |                     |              |
| Water Resources Manager                  | 29%               | 71%                     | 0%                  | 100%         |
| Senior Hydrogeologist                    | 0%                | 100%                    | 0%                  | 100%         |
| Hydrography Programs Coordinator         | 90%               | 10%                     | 0%                  | 100%         |
| Associate Hydrologist                    | 2%                | 98%                     | 0%                  | 100%         |
| Senior Fisheries Biologist               | 95%               | 5%                      | 0%                  | 100%         |
| Associate Fisheries Biologist            | 100%              | 0%                      | 0%                  | 100%         |
| Associate Fisheries Biologist            | 100%              | 0%                      | 0%                  | 100%         |
| <b>Average Percentage</b>                | <b>43%</b>        | <b>33%</b>              | <b>24%</b>          | <b>100%</b>  |

**Monterey Peninsula Water Management District**  
**Revenues by Operating Fund**  
**Fiscal Year 2014-2015 Budget**

|                                   | <u>Mitigation</u>         | <u>Water<br/>Supply</u>   | <u>Conservation</u>       | <u>Total</u>               |
|-----------------------------------|---------------------------|---------------------------|---------------------------|----------------------------|
| Property Taxes                    | \$41,870                  | \$507,030                 | \$951,100                 | \$1,500,000                |
| Permit Fees - WDD                 | 0                         | 0                         | 175,000                   | 175,000                    |
| Permit Fees - PED                 | 56,000                    | 0                         | 0                         | 56,000                     |
| Connection Charges                | 0                         | 175,000                   | 0                         | 175,000                    |
| User Fees                         | 75,000                    | 0                         | 0                         | 75,000                     |
| Water Supply Charge               | 0                         | 3,400,000                 | 0                         | 3,400,000                  |
| Mitigation Revenue                | 1,981,980                 | 0                         | 0                         | 1,981,980                  |
| Recording Fees                    | 8,000                     | 0                         | 0                         | 8,000                      |
| Interest                          | 6,450                     | 4,500                     | 4,050                     | 15,000                     |
| Other                             | 15,000                    | 0                         | 0                         | 15,000                     |
| Subtotal District Revenues        | <u>2,184,300</u>          | <u>4,086,530</u>          | <u>1,130,150</u>          | <u>7,400,980</u>           |
| Reimbursements - CAW              | 7,000                     | 360,450                   | 975,000                   | \$1,342,450                |
| Reimbursements - Watermaster      | 0                         | 69,000                    | 0                         | 69,000                     |
| Reimbursements - Other            | 20,500                    | 0                         | 13,500                    | 34,000                     |
| Reimbursements - Legal Fees       | 0                         | 0                         | 15,000                    | 15,000                     |
| Grants                            | 485,000                   | 0                         | 0                         | 485,000                    |
| Subtotal Reimbursements           | <u>\$512,500</u>          | <u>\$429,450</u>          | <u>\$1,003,500</u>        | <u>\$1,945,450</u>         |
| Line of Credit Proceeds           | 0                         | 186,270                   | 0                         | \$186,270                  |
| Rabobank Project Fund             | 0                         | 0                         | 0                         | -                          |
| Water Supply Charge Carry Forward | 0                         | 1,228,000                 | 0                         | 1,228,000                  |
| From Capital Equip. Reserve       | 43,000                    | 41,800                    | 3,100                     | 87,900                     |
| From Flood/Drought Reserve        | 0                         | 0                         | 40,000                    | 40,000                     |
| From Litigation Reserve           | 0                         | 0                         | 0                         | -                          |
| From Fund Balance                 | 0                         | 0                         | 0                         | -                          |
| Revenue Totals                    | <u><u>\$2,739,800</u></u> | <u><u>\$5,972,050</u></u> | <u><u>\$2,176,750</u></u> | <u><u>\$10,888,600</u></u> |

**Monterey Peninsula Water Management District  
Expenditures by Operating Fund  
Fiscal Year 2014-2015 Budget**

|                                       | <u>Mitigation</u> | <u>Water<br/>Supply</u> | <u>Conservation</u> | <u>Total</u> |
|---------------------------------------|-------------------|-------------------------|---------------------|--------------|
| <b><u>PERSONNEL</u></b>               |                   |                         |                     |              |
| Salaries                              | \$959,800         | \$800,600               | \$501,000           | \$2,261,400  |
| Retirement                            | 168,400           | 140,500                 | 86,500              | 395,400      |
| Unemployment Compensation             | 1,200             | 1,000                   | 800                 | \$3,000      |
| Auto Allowance                        | 950               | 2,900                   | 950                 | \$4,800      |
| Deferred Compensation                 | 1,400             | 4,200                   | 1,400               | \$7,000      |
| Temporary Personnel                   | 450               | 350                     | 38,200              | \$39,000     |
| Workers Comp. Ins.                    | 20,900            | 12,300                  | 1,900               | \$35,100     |
| Employee Insurance                    | 169,500           | 126,800                 | 94,500              | \$390,800    |
| Medicare & FICA Taxes                 | 12,100            | 8,500                   | 7,000               | \$27,600     |
| Personnel Recruitment                 | 600               | 500                     | 400                 | \$1,500      |
| Pre-Employment Physical               | 100               | 100                     | 100                 | \$300        |
| Moving Expense Reimbursement          | 0                 | 0                       | 0                   | \$0          |
| Staff Development                     | 13,200            | 10,100                  | 7,400               | 30,700       |
| Subtotal                              | \$1,348,600       | \$1,107,850             | \$740,150           | \$3,196,600  |
| <b><u>SERVICES &amp; SUPPLIES</u></b> |                   |                         |                     |              |
| Board Member Comp.                    | \$15,900          | \$12,200                | \$8,900             | \$37,000     |
| Board Expenses                        | 1,900             | 1,500                   | 1,100               | 4,500        |
| Telephone                             | 14,400            | 11,000                  | 8,000               | 33,400       |
| Insurance                             | 19,300            | 14,900                  | 10,800              | 45,000       |
| Facility Maint.                       | 14,800            | 11,400                  | 8,300               | 34,500       |
| Membership Dues                       | 12,900            | 9,900                   | 7,200               | 30,000       |
| Miscellaneous                         | 3,200             | 2,500                   | 1,800               | 7,500        |
| Bank Charges                          | 1,500             | 1,200                   | 800                 | 3,500        |
| Office Supplies                       | 7,000             | 5,300                   | 3,900               | 16,200       |
| Courier Expense                       | 3,500             | 2,600                   | 1,900               | 8,000        |
| Postage & Shipping                    | 1,300             | 1,000                   | 700                 | 3,000        |
| Equipment Repairs & Maint.            | 1,900             | 1,500                   | 1,100               | 4,500        |
| Photocopy Expense                     | 1,400             | 1,100                   | 800                 | 3,300        |
| Meeting Expenses                      | 3,500             | 2,700                   | 1,900               | 8,100        |
| Printing/Duplicating/Binding          | 4,500             | 3,500                   | 2,500               | 10,500       |
| IT Supplies/Services                  | 37,200            | 28,500                  | 20,800              | 86,500       |
| Professional Fees                     | 51,550            | 39,500                  | 28,700              | 119,750      |
| Legal Notices                         | 1,900             | 1,400                   | 1,000               | 4,300        |
| Utilities                             | 15,200            | 11,600                  | 8,500               | 35,300       |
| Rent                                  | 9,000             | 6,900                   | 5,000               | 20,900       |
| Equipment Lease                       | 7,300             | 5,600                   | 4,100               | 17,000       |
| Legal Services                        | 90,000            | 230,000                 | 80,000              | 400,000      |
| Travel                                | 9,900             | 7,600                   | 5,500               | 23,000       |
| Transportation                        | 13,400            | 10,200                  | 7,400               | 31,000       |
| Operating Supplies                    | 9,200             | 7,100                   | 5,200               | 21,500       |
| Subtotal                              | \$351,650         | \$430,700               | \$225,900           | \$1,008,250  |
| FIXED ASSETS                          | 89,750            | 78,150                  | 31,100              | \$199,000    |
| <b><u>PROJECT EXPENDITURES</u></b>    |                   |                         |                     |              |
| Water Supply                          | 0                 | 3,656,150               | 0                   | 3,656,150    |
| Mitigation                            | 404,650           | 65,000                  | 0                   | 469,650      |
| Public Outreach                       | 0                 | 0                       | 0                   | -            |
| Conservation & Rebates                | 0                 | 0                       | 159,000             | 159,000      |
| Reimbursement Projects                | 512,500           | 393,950                 | 988,500             | 1,894,950    |
| DEBT SERVICE                          | 0                 | 230,000                 | 0                   | 230,000      |
| FLOOD/DROUGHT RESERVE                 | 0                 | 0                       | 0                   | 0            |
| LITIGATION/INSURANCE RESERVE          | 0                 | 0                       | 0                   | 0            |
| CAPITAL EQUIP. RESERVE                | 0                 | 0                       | 0                   | 0            |
| GENERAL OPERATING RESERVE             | 0                 | 0                       | 0                   | 0            |
| ELECTION EXPENSE                      | 0                 | 0                       | 0                   | -            |
| CONTINGENCY                           | 32,650            | 10,250                  | 32,100              | 75,000       |
| EXPENDITURE TOTAL                     | \$2,739,800       | \$5,972,050             | \$2,176,750         | \$10,888,600 |

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
LEGAL SERVICES COSTS UPDATE  
REPORT FOR QUARTER ENDED MARCH 31, 2014

| File No.   | Description   | Previous Bal.        | Quarterly Activity  |                     |                     | Total                | FY 2013/14 Budget                 |
|--|---|----------------------|---------------------|---------------------|---------------------|----------------------|-----------------------------------|
|  |   |                      | January 2014        | February 2014       | March 2014          |                      |                                   |
| <b><u>Delay &amp; Laredo</u></b>                               |   |                      |                     |                     |                     |                      |                                   |
| WMD-001  | Retained General Counsel Service                          | 31,500.00            | 5,250.00            | 5,250.00            | 5,250.00            | 47,250.00            |                                   |
| WMD-002  | Non-Retained General Counsel Service                      | -                    | -                   | 4,321.50            | -                   | 4,321.50             |                                   |
| WMD-003-01   | Desal A.12-04-019   | 27,820.30            | 6,125.19            | 2,318.50            | 1,010.50            | 37,274.49            |                                   |
| WMD-003-02   | CPUC A.04-09-019 (CWP/Regional Water Project)             | 64.50                | -                   | -                   | -                   | 64.50                |                                   |
| WMD-003-03   | SCD - A.10-09-019   | 172.00               | -                   | 107.50              | 64.50               | 344.00               |                                   |
| WMD-003-04   | CPUC A.10-07-007 (GRC)                                    | 688.00               | -                   | -                   | -                   | 688.00               |                                   |
| WMD-003-05   | 218 Fee A.10-01-012                                       | 7,009.00             | 301.00              | 387.00              | 666.50              | 8,363.50             |                                   |
| WMD-003-06   | SWRCB Proceedings   | 2,021.95             | 129.00              | -                   | -                   | 2,150.95             |                                   |
| WMD-003-07   | CPUC Proceedings (General)                                | 1,075.00             | 21.50               | 107.50              | 150.50              | 1,354.50             |                                   |
| WMD-003-08   | Thum vs MPWMD   | 16,773.03            | -                   | -                   | -                   | 16,773.03            |                                   |
| WMD-003-09   | Seaside Basin Watermaster                                 | 580.50               | 21.50               | 21.50               | 64.50               | 688.00               |                                   |
| WMD-003-11   | MPWMD vs. SWRCB (CDO)                                     | 3,526.00             | 1,462.00            | 107.50              | 1,333.00            | 6,428.50             |                                   |
| WMD-003-11A  | MPWMD vs. SWRCB (Sierra Club Appeal for Attorney Fees)    | 344.00               | -                   | -                   | -                   | 344.00               |                                   |
| WMD-003-12   | 2013 GRC Conservation Funds                               | 20,803.63            | 2,187.75            | 1,075.00            | 5,035.12            | 29,101.50            |                                   |
| WMD-003-13   | Groundwater Replenishment (GWR) Project                   | 3,784.00             | 215.00              | 64.50               | 322.50              | 4,386.00             |                                   |
| WMD-003-14   | MPTA vs. MPWMD Case No. M123512                           | 4,601.00             | 258.00              | 516.00              | 301.00              | 5,676.00             |                                   |
| WMD-003-15   | Deep Water Desal  | 4,386.00             | 2,601.50            | -                   | -                   | 6,987.50             |                                   |
| WMD-003-16   | Water Plus vs MPWMD                                       | -                    | 1,959.00            | 8,836.50            | 1,956.50            | 12,752.00            |                                   |
| WMD-003-17   | Heuer vs. Registrar of Voters (Measure O matter)          | -                    | -                   | -                   | 3,590.50            | 3,590.50             |                                   |
| WMD-004  | Bond, Audit or Financial Matters - Special Legal Services | -                    | -                   | -                   | 64.50               | 64.50                |                                   |
| WMD-005-01   | Water Demand Permits/Deed Review                          | 9,942.50             | 430.00              | 430.00              | 537.50              | 11,340.00            |                                   |
| WMD-005-02   | Reclamation Matters                                       | 107.50               | -                   | -                   | -                   | 107.50               |                                   |
| WMD-005-03   | WDS Permits and Water Rights Review                       | 10,040.50            | 4,085.00            | 2,042.50            | 709.50              | 16,877.50            |                                   |
| WMD-005-04   | ASR   | 150.50               | 64.50               | -                   | 559.00              | 774.00               |                                   |
|  | Adjustments   | -                    | -                   | -                   | -                   | -                    |                                   |
|  | <b>Sub-total (Delay &amp; Laredo)</b>                     | <b>145,389.91</b>    | <b>25,110.94</b>    | <b>25,585.50</b>    | <b>21,615.62</b>    | <b>217,701.97</b>    |                                   |
| <b><u>Goodin, MacBride, Squeri, Day &amp; Lamprey, LLP</u></b> |   |                      |                     |                     |                     |                      |                                   |
| 3465-001   | PUC Proceeding  | 47,550.02            | 1,207.50            | 1,551.08            | 649.15              | 50,957.75            |                                   |
| <b><u>Colantuono &amp; Levin, PC</u></b>                       |   |                      |                     |                     |                     |                      |                                   |
|  | Prop 218 Advice   | 21,752.35            | 1,205.50            | 578.50              | 508.85              | 24,045.20            |                                   |
| <b><u>JEA &amp; Associates</u></b>                             |   |                      |                     |                     |                     |                      |                                   |
|  | Consultant  | 7,500.00             | 2,500.00            | 2,500.00            | 2,500.00            | 15,000.00            |                                   |
|  | <b>Total</b>  | <b>\$ 222,192.28</b> | <b>\$ 30,023.94</b> | <b>\$ 30,215.08</b> | <b>\$ 25,273.62</b> | <b>\$ 307,704.92</b> | <b>\$430,000.00<sup>[1]</sup></b> |

72%

[1] Budget column includes legal budget of \$400,000 plus \$30,000 for professional services.