

EXHIBIT 4-B

MPWMD User Fee and Water Supply Charge 8 Year Forecast Scenario: No attempt to reduce shortfalls

3/30/2016

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| GENERAL USER FEE PROGRAMS | | | | | | | | |
| Sources | | | | | | | | |
| Estimated Cal-Am Revenue (Note 1) | 57,000,000 | 58,710,000 | 60,471,300 | 103,285,439 | 106,384,002 | 109,575,522 | 112,862,788 | 116,248,672 |
| Less Undercollection at 11% | 50,730,000 | 52,251,900 | 53,819,457 | 91,924,041 | 94,681,762 | 97,522,215 | 100,447,881 | 103,461,318 |
| Potential General (7.125%) User Fee | 3,614,513 | 3,722,948 | 3,834,636 | 6,549,588 | 6,746,076 | 6,948,458 | 7,156,912 | 7,371,619 |
| Uses | | | | | | | | |
| Mitigation Program (Note 2) | 2,580,129 | 2,631,732 | 2,684,366 | 2,738,054 | 2,792,815 | 2,848,671 | 2,905,644 | 2,963,757 |
| Conservation Surcharge Program (Note 2) | 300,000 | 306,000 | 312,120 | 318,362 | 324,730 | 331,224 | 337,849 | 344,606 |
| Water Demand Database Replacement | 600,000 | | | | | | | |
| Drought Contingency Plan Grant | 125,000 | 100,000 | | | | | | |
| Sleepy Hollow Intake Project | - | 200,000 | - | - | - | - | - | - |
| Total Uses | 3,605,129 | 3,237,732 | 2,996,486 | 3,056,416 | 3,117,544 | 3,179,895 | 3,243,493 | 3,308,363 |
| Excess/(Shortfall) | 9,383 | 485,216 | 838,150 | 3,493,172 | 3,628,531 | 3,768,563 | 3,913,418 | 4,063,256 |
| ASR USER FEE PROGRAMS | | | | | | | | |
| Sources | | | | | | | | |
| Potential ASR (1.20%) User Fee | 608,760 | 627,023 | 645,833 | 1,103,088 | 1,136,181 | 1,170,267 | 1,205,375 | 1,241,536 |
| Uses | | | | | | | | |
| ASR - Phase 1 (Note 3) | 505,000 | 22,000 | 11,680 | 11,914 | 12,152 | 12,395 | 12,643 | 12,896 |
| ASR - Future Phases (Note 4) | 50,000 | 50,000 | | 260,000 | 260,000 | 520,000 | 520,000 | 520,000 |
| Rabobank Loan Debt Service | 230,000 | 230,000 | 230,000 | 230,000 | 230,000 | 230,000 | 230,000 | |
| Rabobank Loan Sinking Fund (Note 5) | | | 504,738 | 504,738 | 504,738 | 504,738 | 504,738 | 504,738 |
| Total Uses | <u>785,000</u> | <u>302,000</u> | <u>746,418</u> | <u>1,006,652</u> | <u>1,006,890</u> | <u>1,267,133</u> | <u>1,267,381</u> | <u>1,037,634</u> |
| Excess/(Shortfall) | (176,240) | 325,023 | (100,585) | 96,437 | 129,291 | (96,866) | (62,006) | 203,902 |
| WATER SUPPLY PROGRAMS | | | | | | | | |
| Sources | | | | | | | | |
| Water Supply Charge | 3,400,000 | 3,400,000 | 3,400,000 | 3,400,000 | 3,400,000 | 3,400,000 | 3,400,000 | 3,400,000 |
| Uses | | | | | | | | |
| Repay Reserves used for GWR | 335,000 | 335,000 | 335,000 | | | | | |
| Groundwater Replenishment Project | 1,200,000 | 400,000 | | | | | | |
| GWR Operating Reserve (Note 6) | | | 894,000 | 223,500 | 223,500 | 223,500 | | |
| GWR Drought Reserve (Note 7) | | | | 217,242 | 217,242 | 217,242 | 217,242 | 217,242 |
| Cal-Am Desalination | 510,000 | 400,000 | | | | | | |
| Local Water Projects | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Carmel River/Los Padres (Note 8) | 400,000 | 500,000 | 350,000 | 100,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Water Allocation Process | | 900,000 | 400,000 | | | | | |
| Water Supply Staff | 1,152,000 | 1,175,040 | 1,198,541 | 1,222,512 | 1,246,962 | 1,271,901 | 1,297,339 | 1,323,286 |
| Services and Supplies | 477,600 | 487,152 | 496,895 | 506,833 | 516,970 | 527,309 | 537,855 | 548,612 |
| Total Uses | 4,274,600 | 4,397,192 | 3,874,436 | 2,470,087 | 2,454,673 | 2,489,952 | 2,302,436 | 2,339,140 |
| Excess/(Shortfall) | (874,600) | (997,192) | (474,436) | 929,913 | 945,327 | 910,048 | 1,097,564 | 1,060,860 |
| SUMMARY | | | | | | | | |
| Total Revenues Available | 7,623,273 | 7,749,971 | 7,880,470 | 11,052,676 | 11,282,257 | 11,518,724 | 11,762,286 | 12,013,155 |
| Total Uses | 8,664,729 | 7,936,924 | 7,617,340 | 6,533,154 | 6,579,108 | 6,936,980 | 6,813,310 | 6,685,137 |
| Excess/(Shortfall) | (1,041,457) | (186,953) | 263,130 | 4,519,522 | 4,703,149 | 4,581,744 | 4,948,976 | 5,328,018 |

NOTES:

- (1) Assumes 3.0% annual growth and \$41 million addition in 2020
- (2) Assumes 2.0% annual growth
- (3) Current draft of Seaside lease agreement
- (4) 2 well pairs; 1 in 2019, 1 in 2021; Does not include Carmel Valley well capacity
- (5) \$3,105,159 due in 2023
- (6) \$894 per AF @1000 AF in year 1; @250 AF per year three years after
- (7) \$894 per AF @243 AF/yr for 5 years
- (8) IFIM and GSFlow; Insurance; No capital included