

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month, except in January, February. The meetings begin at 6:00 PM.



AGENDA
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District

Monday, December 16, 2019

5:00 pm – Closed Session

6:00 pm – Regular Meeting

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.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/>
by 5 PM on Thursday, December 12, 2019

**View a live webcast of the meeting at <https://accessmediaproductions.org/>
scroll down to the bottom of the page and select the Peninsula Channel**

View web and television broadcast schedule on page 3.

Closed Session – 5 pm

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. Public Comment - Members of the public may address the Board on the item or items listed on the Closed Session agenda.
2. Adjourn to Closed Session
3. Public Employee Performance Evaluation (Gov. Code 54957) – General Manager
4. Adjourn to 6 pm Session

Regular Meeting – 6 pm

CALL TO ORDER/ROLL CALL
PLEDGE OF ALLEGIANCE

Board of Directors

Molly Evans, Chair – Division 3
Alvin Edwards, Vice Chair – Division 1
George Riley – Division 2
Jeanne Byrne – Division 4
Gary D. Hoffmann, P.E. – Division 5
Mary Adams, Monterey County Board of
Supervisors Representative
David Potter – Mayoral Representative

General Manager

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Friday, December 13, 2019. Staff reports regarding these agenda items will be available for public review on Friday, December 13, 2019 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 www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/. Documents distributed at the meeting will be made available in the same manner. The next meeting of the Board of Directors is scheduled for January 23, 2020, at 6 pm.

ADDITIONS AND CORRECTIONS TO AGENDA - The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

ORAL COMMUNICATIONS - Anyone wishing to address the Board on Consent Calendar, Information Items, Closed Session 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. Unless noted with double asterisks “**”, Consent Calendar items do not constitute a project as defined by CEQA Guidelines section 15378.

1. Consider Adoption of Minutes of the November 12, 2019 Special Meeting/Board Workshop and November 18, 2019 Regular Board Meeting
2. Adopt Board Meeting Schedule for 2020
3. Review Annual Disclosure Statement of Employee/Board Reimbursement For FY 2018-2019
4. Authorize Expenditure for Software Maintenance Agreement with Kisters North America Inc.
5. Consider Adoption of Treasurer's Report for October 2019

GENERAL MANAGER'S REPORT

6. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision
7. Report on Legislative Outreach for Calendar Year 2019

ATTORNEY'S REPORT

8. Report on 5:00 pm Closed Session of the Board

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

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

PUBLIC HEARINGS – No public hearing items were presented for Board consideration.

10. Consider Adoption of January through March 2020 Quarterly Water Supply Strategy and Budget (Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1))

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 2020. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water systems.

11. Receive Fiscal Year 2018-2019 Comprehensive Annual Financial Report
Action: The Board will review and consider acceptance of the Audit Report for Fiscal Year 2018-2019.

ACTION ITEMS – Public comment will be received. Please limit your comment to three (3) minutes per item.

12. Consider Authorization of Additional Consulting and Legal Work in Advance of a Resolution of Necessity

Action: The Board will consider authorization of funds to enter into contracts for additional services to position the Board to vote on a Resolution of Necessity in support of public ownership of the California American Water system in 2020.

13. Consider Modification to MPWMD Meeting Rule 6: Spokesperson
Action: The Board will consider amending MPWMD Meeting Rule 6 that specifies when a Director may speak on behalf of the Board of Directors.
14. Conduct Election of Board Officers for 2020
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.

15. Report on Activity/Progress on Contracts Over \$25,000
16. Status Report on Measure J/Rule 19.8 Spending
17. Letters Received Supplemental Letter Packet
18. Committee Reports
19. Monthly Allocation Report
20. Water Conservation Program Report
21. Carmel River Fishery Report for November 2019
22. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Board Meeting Broadcast Schedule View Live Webcast at https://accessmediaproductions.org/ scroll to the bottom of the page and select the Peninsula Channel	
Television Broadcast	
Comcast Ch. 25, Mondays view live broadcast on meeting dates, and replays on Mondays, 4 pm - midnight	City of Monterey
Comcast Ch. 28, Mondays, replays 7 pm and Saturdays 9 am	Throughout the Monterey County Government Television viewing area.
For Xfinity subscribers, go to https://www.xfinity.com/support/local-channel-lineup/ or https://www.xfinity.com/stream/listings - enter your address for the listings and channels specific to your city.	Carmel, Carmel Valley, Del Rey Oaks, Pacific Grove, Pebble Beach, Sand City, Seaside, Monterey
Internet Broadcast	
Replays – Mondays, 4 pm to midnight at https://accessmediaproductions.org/	
Replays – Mondays, 7 pm and Saturdays, 9 am www.mgtvonline.com	
On demand – three days following meeting date https://videoplayer.telvue.com/player/m_3HX6961GRMsvkqSCdwmGeJ8rwpRZrR/playlists/6023/media/514239?sequenceNumber=1&autostart=true&showtabssearch=true	
YouTube – available five days following meeting date - https://www.youtube.com/channel/UCg-2VgzLBmgV8AaSK67BBRg	

Board Meeting Schedule			
Thursday, January 23, 2020	Regular Board Meeting	6:00 pm	District conference room
Wednesday, February 19, 2020	Regular Board Meeting	6:00 pm	District conference room
Monday, March 16, 2020	Regular Board Meeting	6:00 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 noon on Friday, December 13, 2019. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey CA, 39342. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600. You may also email to arlene@mpwmd.net.

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ITEM: CONSENT CALENDAR

**1. CONSIDER ADOPTION OF MINUTES OF THE NOVEMBER 12, 2019
SPECIAL MEETING/BOARD WORKSHOP AND NOVEMBER 18, 2019,
REGULAR BOARD MEETING**

Meeting Date: December 16, 2019

Budgeted: N/A

From: David J. Stoldt,
 General Manager

Program/ N/A
Line Item No.:

Prepared By: Arlene Tavani

Cost Estimate: N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: This action does not constitute a project as defined by the California
Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached as **Exhibits 1-A and 1-B**, respectively, are draft minutes of the November 12, 2019 Special Meeting/Board Workshop and November 18, 2019 Regular meeting of the Board.

RECOMMENDATION: District staff recommends approval of the minutes with adoption of the Consent Calendar.

EXHIBIT

1-A Draft Minutes of the November 12, 2019 Special Meeting/Board Workshop

1-B Draft Minutes of the November 18, 2019 Regular Board Meeting



EXHIBIT 1-A

DRAFT MINUTES

November 12, 2019

Special Meeting/Workshop

Board of Directors Monterey Peninsula Water Management District

CALL TO ORDER/ROLL CALL

The meeting was called to order at 6:10 pm by Board Chair, Molly Evans in the Laguna Grande room at the Embassy Suites, Seaside, CA.

Directors Present:

Molly Evans – Chair, Division 3

Alvin Edwards, Vice Chair, Division 1

George Riley, Division 2

Jeanne Byrne – Division 4

Gary D. Hoffmann, P.E. – Division 5

Mary Adams – Monterey County Board of Supervisors Rep.

David Potter – Mayoral Representative

General Manager present: David J. Stoldt

District Counsel present: David Laredo

Representative from Raftelis: John Mastracchio

PLEDGE OF ALLEGIANCE

The assembly recited the Pledge of Allegiance

ORAL COMMUNICATIONS

Chair Evans announced that listening devices for hearing impaired members of the audience were available. She introduced Spanish language translators Joseph Harvin and Lupita Jaime and stated that listening devices for Spanish translation were also available. The following persons addressed the Board of Directors during Oral Communications. **(1) Jeff Davi**, a Monterey Peninsula resident, expressed concern that without MPWMD Board approval there has been a concerted effort to convince the California Coastal Commission (CCC) that a desalination project is not needed. He stated that it was important for the Board to stop this effort internally and to stop similar efforts by Monterey One Water. **(2) Michael Baer** stated that high water rates are a hardship for residents. He had not heard business or commercial interests express concerns about the hardship that residential rate payers face. **(3) Peter Kaiser** expressed opposition to the Pure Water Monterey Project and to use of eminent domain to take control of legitimate corporations. He stated that the electorate should vote on any proposal that would result in a rate increase. **(4) Melodie Chrislock**, Public Water Now, was disappointed that the expansion of Pure Water Monterey had become a politicized issue. She noted that Monterey One Water had attempted to prevent information on the project from being available to the CCC.

(5) **Eric Tynan**, Castroville Community Services District, stated that some members of the Monterey One Water Board of Directors were advocating for the North County area. He stated that Pure Water Monterey would not provide water to the overdrafted Salinas Valley aquifer and Castroville/North County areas; and that when wells in the deep aquifer are no longer useable – there will be trouble. (6) **John Narigi**, Coalition of Peninsula Businesses, stated that in resolutions considered by the Monterey One Water Board of Directors, the Pure Water Monterey Expansion project was identified not as an alternative to desalination, but the direction was to complete the EIR so the project could be a back-up in the event that desalination could not move forward. It was not to be a replacement for desalination. (7) **Paul Bruno**, resident of Monterey, member of the Ordinance No 152 Oversight Panel, and Chair of the Seaside Groundwater Basin Watermaster. He reminded the Board of its unfunded pension liabilities and retirement benefits and asked the Board to be aware of them as it moved forward on the decision-making process. (8) **Carlos Ramos** disagreed with the assertion that the Latino community and minorities had been left out of the process. He noted that the Latino Water Use Coalition, the Latino Seaside Merchants and the Comunidad Unidad parents group supported two proposals for dam construction that were voted down. Also, a campaign of manipulation on the internet and in the media has been waged to “bamboozle” minority communities. In addition, there has been outreach to African American and Filipino communities to help them understand the issues. He took great offense at anyone who would say that minorities had been forgotten and only one side had spoken up for them. (8) **Dan Turner** – He expressed support for a regional desalination project to be developed sometime in the future. He stated that the cost for the CAW desalination project over thirty years would be \$2.1 billion, compared to the cost of Pure Water Monterey Expansion at approximately \$200 million over 30 years. He alleged that the California Public Utilities Commission (CPUC) would threaten the CCC with loss of their jobs if the permit for a desalination project were to be denied.

PRESENTATIONS

1. **Overview of Feasibility Study Process – David Stoldt, General Manager MPWMD**
A summary of the General Manager’s presentation is on file at the District office and can be viewed on the agency’s website.
2. **Findings as to the Valuation and Impact of the Cost of Service for Public Ownership of the Cal-Am Water System – Raftelis**
A summary of John Mastracchio’s presentation is on file at the District office and can be viewed on the agency’s website.

General Manager Stoldt provided another presentation, outlining the next steps in the process. The presentation is on file at the District office and can be viewed on the agency’s website.

RECEIVE PUBLIC COMMENT

The following comments were received during the public comment portion of the meeting. (1) **Ron Weitzman**, representing the Water Ratepayers Association of the Monterey Peninsula, stated that he endorsed the September 16, 2019 Estimate of Supply and Demand report developed by David Stoldt and believed that it would be a very difficult document for CAW to refute. He offered to support and endorse the report publicly, if needed. He was also impressed with the reports presented that evening. (2) **Alyssa Albert**, student at California State University Monterey Bay (CSUMB) expressed concern about allocation of financial resources should CAW

be sold to the MPWMD. She hoped that funds would continue to be allocated to programs such as protection of the steelhead fish and the environment. **(3) Michael Ipsen** asked the following questions. (a) Is there a risk of regulatory penalties if the sale process causes a delay in completion of a new water system; and (b) if CAW has not maintained their facilities and equipment and the sale proceeds, what recourse would the District have to adjust the price or recover the costs that were not mentioned in the feasibility study. **(4) Mara McEntee**, fifth-year environmental studies student at CSUMB, asked to what extent it would be financially feasible for MPWMD to buy-out CAW based on their proposed severance package, if there were a severance package, and what would that amount be. **(5) Kevin Tilden**, Vice President of California American Water, stated the company was not for sale; the buy-out attempt could be the costliest lawsuit in California History, and the District would not prevail in court. Attorneys' fees alone could reach \$20 million. CAW expects the final sale price to be \$1 billion to \$1.5 billion and its water rights to be valued at \$250,000. He stated that the public needed to know what cost would render the process infeasible. **(6) Doug Catey**, resident of Pebble Beach, noted that under public ownership the income and property tax not paid would be a loss of revenue to local governments that would result in a reduction in services. He asserted that it was financially beneficial for a private company to charge system improvements as operation and maintenance costs; which discourages the company from making significant capital improvements as they are taxed. **(7) Joshua Norden**, senior year student at CSUMB, stated that this proposal could affect the less-affluent members of the community by increasing costs and making it more difficult for young people to maintain a lifestyle in this region. **(8) Brian Jung**, senior year student at CSUMB, asked what the source of funding would be to pay off the debt incurred for the purchase of CAW. **(9) Rilynn Misa**, student at CSUMB and a resident of Marina, asked if CAW was not interested in being purchased for the price proposed, what would you pay. **(10) Adam Scow**, Public Water Now, urged the Board to be careful about valuation of the CAW system. He opined that the ratepayers in Felton should not have settled on a value, they should have gone to court. He asked the Board to ensure that the CPUC protects the public interest. **(11) Brianna Arroyo**, student at CSUMB, asked if CAW was purchased by the District, would the low-income rate payer program be rolled-over or adapted. **(12) Alexandre Bouzigues**, environmental studies student at CSUMB, expressed support for public ownership of the water system which would result in lower administrative costs, lower taxes for residents and the elimination of rate regulatory expenses. **(13) Brian Clark** stated that an extreme conflict of interest existed due to MPWMD publication of the September 16, 2019 Supplies and Demand for Water report stating that a desalination project was not needed, and at the same time studying the purchase of CAW with the option of hiring CAW employees to run the system. **(14) John Tilley**, Co-Chairperson of the Coalition of Peninsula Businesses, stated that the District's overarching goal is development of a sustainable water system. He discouraged the Board from supplanting that goal with the idea of public ownership. He opined that removal of the desalination project as a water supply in order to make the purchase of the CAW system affordable, would not advance the goal of a sustainable water supply. **(15) Brian LeNeve** asked what the cost would be to purchase the CAW system if the desalination project were approved and the entire cost of the plant must be absorbed, and the cost if CAW delayed or if the eminent domain lawsuit failed – what would be the cost for a failed attempt. **(16) Michael DeLapa**, Landwatch Monterey County, expressed support for public ownership of the CAW system because it would serve the public interest. He stated that CAW supported the desalination project because it would provide a high rate of return for investors and that it could cost five to 10 times more than Pure Water Monterey Expansion. He said that the voters have already

answered the question of whether the public or shareholders should own the water system. **(17) Robert Harding**, a student at CSUMB and resident of Seaside, expressed support for public ownership of the CAW water system. He supported the concept of government control without hiring a contractor to run the system. He opined that although the risk was high – public ownership should be pursued. **(18) Shannon Skidmore**, enrolled in the Water Resource Management Class at CSUMB, urged the Board to consider the financial benefits of publicly owned water presented in the Raftelis report and also the Measure J mandate. **(19) Melodie Chrislock**, Public Water Now, stated that the voters and Public Water Now were gratified at the results of the Raftelis report, that indicate public ownership of the water system would lower water costs. She noted that the cost of the desalination project over 30 years could reach \$1.2 billion, and Pure Water Monterey Expansion could cost \$190 million. She asked what community would choose the most expensive project when both could meet our water needs. **(20) Ashlee Smith**, CSUMB, noted that the cost for sustainable water management practices was not figured in the study, and that maintenance of sustainable water practices may be the most important factor in keeping water in the future. **(21) Paul Bruno**, resident of Monterey, disagreed with the estimated 8.9% savings that could be achieved through public ownership. In addition, the amount not paid in taxes is not savings, as local governments would be without that revenue for public services such as schools and fire protection. He opined that the risk of exposure to \$13 to \$20 million in legal costs would bankrupt the District. He alleged malpractice by the preparers of the report for not including an estimate of severance damages. **(22) David Chardavoyne**, who has a residence in Monterey and also spent 22 years negotiating acquisitions and divestitures of water systems in the United States. He requested that the Board determine the number of Class A utility takeovers in California that have resulted in lower rates to customers. He asserted that there are none anywhere, except for Nassau where property taxes were 55%. He stated that ratepayers should not accept Section 6, paragraph 6 that assumes a revenue requirement decrease of 12%. **(23) Peter Munteer**, Pacific Grove Chamber of Commerce, urged the Board to proceed with extreme caution towards public ownership of the Water System. There was great risk in assuming the cost would be \$500 million, as there was no formal appraisal and the final cost could be much higher. He stated that the District's unfunded liability for PERS benefits would increase under public ownership and would be incorporated into future water rates. **(24) Scott Dick**, representing 1,300 members of the Monterey County Association of Realtors, urged the Board to be cautious about committing to public ownership as the cost could be much higher than estimated. He stated that in 2005 in Santa Cruz, the initial price for the CAW system was presented to the County Board of Supervisors as \$3.3 million but sold for \$13.4 million without invoking eminent domain. **(25) Jamie Skillen**, fourth year environmental studies student at CSUMB, expressed support for the Pure Water Monterey Expansion project as it would benefit the ratepayers and the environment. She stated that the desalination project would flood the groundwater basin with seawater and move the community further away from a sustainable water system. **(26) Michael Baer** thanked the Board for the excellent report. He asked what the obstacles were to obtaining the severance numbers and who would pay for legal fees. He proposed that the ratepayers were already paying legal fees on their monthly bills. He stated that the ratepayers had already paid to build the water system, and he asked how much the shareholders paid to build those systems. He urged the Board to be aggressive in their dealings with CAW and ask for a credit for legal fees already paid. In addition, a campaign to push back on misinformation should be waged. **(27) Peter Kaiser** stated that based on the \$1.2 billion cost for desalination, divided by 40,000 rate payers is \$28,000 per ratepayer household. He suggested that the presentation to the public should include that information. He opined that Measure J

should have included a requirement that ratepayers could vote on the buyout of CAW. The Board should also include the cost per ratepayer household based on the purchase of CAW with the desalination project which would be approximately \$62,000. **(28) Dan Presser** stated that after 30 years the ratepayers could own CAW. At that time, there would be no fees other than running the water system, which would benefit all ratepayers. **(29) Anna Thompson** expressed support for public ownership of the CAW water distribution system. She stated that CAW had supported construction of the desalination plant because it would yield the highest profits, compared to Pure Water Monterey Expansion. **(30) Monica Kim**, a child of refugees, stated that when her family arrived in Marina they did not starve because of the beaches. She said that CAWs proposed desalination plant would destroy 7 acres of Marina's beaches and would also block public access to the beach. Entire sources of water would be corrupted and destroyed in Marina and Fort Ord in order to provide water to a more affluent community. She stated that as a representative of refugees and the ethnic community, Marina residents should support Pure Water Monterey expansion in order to protect the groundwater supply. **(31) Tammy Jennings** thanked the Board for making the presentation understandable for the layperson. She stated that water should not be controlled by a for-profit entity. The 7.61 percent rate of return the CPUC allowed CAW to receive was unfair to persons on fixed incomes like Social Security. She recounted that her water bill had tripled since 2011 and she could not afford life-sustaining water even as a participant in CAW's low-income ratepayer program. **(33) Kevin Dayton**, Monterey Peninsula Chamber of Commerce, cautioned the Board to be careful. He stated that some members of the community saw this effort as an opportunity for continued population contraction on the Monterey Peninsula, and a way to hinder economic growth, reduce tourism, and shutdown military bases. He said that the business community will ask how public ownership would affect the economy in the future. **(34) Jessica Skaggs**, student at CSUMB, asked if the District acquired CAW, would CAW's efforts to promote water conservation continue. Also, if desalination did not go forward, what would be done to promote sustainable water supply practices and to address the diminishing water supply. **(35) Suzie Gabri**, resident of Pacific Grove, stated if 85% of the nation had public water, why shouldn't Monterey Peninsula ratepayers. She expressed opposition to the desalination project because it would utilize experimental slant well technology; the environmental impacts; and high energy use. She asked how the brine would be disposed of. **(36) George Paul**, Blue Valley Group, asked Mr. Mastracchio if the estimates of cost to operate the CAW water system included labor costs and benefits. Mr. Mastracchio responded that those costs were included in the estimate. **(37) Eleanor Markarian**, member of the Water Resource Management class at CSUMB, expressed concern about the environmental effects of the proposed desalination project. She urged the Board to place the desalination project EIR at a higher priority when considering the future of the desalination plant. **(38) Kevin Weaver**, senior at CSUMB and member of the Water Resource Management class, expressed concern about the financial feasibility of water access for low-income families with construction of the desalination project. **(39) Phil Wellman**, Public Water Now, stated that skyrocketing water rates that must be paid in this community over the last 20 years could not be disputed. The road to public ownership would not be easy but he was sure the community could achieve it.

ADJOURNMENT

The meeting was adjourned at 8:00 pm.

Arlene M. Tavani, Deputy Clerk to the Board



EXHIBIT 1-B

DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
November 18, 2019

Board Chair Evans called the meeting to order at 6:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Molly Evans – Chair, Division 3
 Alvin Edwards, Vice Chair, Division 1
 George Riley, Division 2
 Jeanne Byrne – Division 4
 Gary D. Hoffmann, P.E. – Division 5
 Mary Adams – Monterey County Board of Supervisors Rep.
 David Potter – 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 action.

ADDITIONS AND CORRECTIONS TO AGENDA

The following comments were directed to the Board during Oral Communications. **(1) Ron Weitzman**, President of Water Ratepayers Association and a retired professor focused on statistical modeling and estimation. Expressed strong support for the report titled Supply and Demand for Water on the Monterey Peninsula (Supply and Demand report) prepared by General Manager Stoldt. He urged the Board to formally endorse the report. **(2) Beverly Bean** stated that she attended the November 14, 2019 California Coastal Commission (CCC) hearing and was disturbed by the verbal attacks against Mr. Stoldt. She hoped the Board would support Mr. Stoldt and the Supply and Demand report. **(3) Margaret Ann Coppernoll** congratulated Mr. Stoldt for his courageous leadership and work on the Pure Water Monterey Expansion project and preparation of the Preliminary Valuation and Cost of Service Analysis Report (feasibility study). She stated that his work advanced the search for water solutions beyond expectations. **(4) Rene Boskoff**, Monterey County Hospitality Association, urged the Board to delay the decision-making process on feasibility until the public and

ORAL COMMUNICATIONS

Board had more information in order to make an informed decision. **(5) Anna Thompson**, resident of Carmel, lodged opposition to Cal-Am's proposed desalination project, and stated that the Pure Water Monterey Expansion project was superior at all levels. **(6) Patricia Fay Magera**, resident of Seaside, expressed appreciation and support for members of the District that developed the Supply and Demand report. She described the report as readable and credible. **(7) Kevin Dayton**, Government Affairs Liaison for the Monterey Peninsula Chamber of Commerce, disagreed with the assumption presented in the feasibility study that cost savings would be achieved because the public agency would not be taxed. He asked if the assumptions comparing costs under Cal-Am and public ownership were valid. He asked that an analysis using the same assumptions be conducted on another economic activity on the Monterey Peninsula in order to compare the results. **(8) Paul Bruno** cited costs of previous efforts to purchase a private water utility that indicated the final cost was twice what had been originally anticipated. He stated that those cost estimates had been prepared by Raftelis. He illustrated his comments with a chart that is on file at the District office and can be viewed on the agency website. He urged the District to determine at what price public ownership would be considered infeasible. **(9) Jeff Davi** stated that the Board should determine the worst-case scenario regarding the cost for the public buyout of Cal-Am, and then determine if it would be feasible. He urged the Board to conduct a 2/3 vote to determine if funds should be expended to prepare for and move the process to bench trial. **(10) Dan Turner** alleged that the California Public Utilities Commission (CPUC) would pressure staff of the CCC to determine that the CAW desalination project would be preferred. However, he would be surprised if the CCC granted a permit for construction of the desalination project. **(11) Michael Baer** suggested that the cost analysis for purchase of the Cal-Am system should be extended from 20 to 30 years. He also proposed that CCC staff hire a consultant to conduct a confidential and independent analysis of the demand estimates submitted by David Stoldt. **(12) Judi Lehman** advised the Board to not be disheartened by the negative comments that may be directed towards the agency. **(13) Susan Schiavone**, resident of Seaside, thanked the Board, staff and consultants for the feasibility study, and thanked Mr. Stoldt for the Supply and Demand report. She also expressed appreciation to the Board for cooperation on moving the Pure Water Monterey Expansion project forward. **(14) Melodie Chrislock**, thanked the Board for preparation of the feasibility study. She noted that often, the final purchase price for a water utility is lower than the utility estimated. She requested that the Board endorse the Supply and Demand report. **(15) Bill Wellman**, Public Water Now, thanked Mr. Stoldt for being an unbiased voice throughout this process. **(16) Marlee Melton** thanked the Board and staff for professional, well researched and fair-minded reports. She expressed hope that the Board would support employees against Cal-Am's allegations of bias.

(17) **Heidi Biala**, Citizens for Just Water, stated that Cal-Am was attempting to malign the professional integrity of Paul Sciuto, Keith Van Der Maaten and David Stoldt and threaten their jobs. She urged the Board to not waiver in their support of Mr. Stoldt. (18) **Amy Anderson**, Public Water Now, expressed disagreement with persons who criticized the Supply and Demand report because it was not reviewed by Cal-Am prior to distribution. She spoke against efforts to slander Mr. Stoldt. She asked that the Board continue to work on the very important task of supplying water to the Monterey Peninsula. (19) **Urlene Fisher**, Public Water Now, described as “out of order” a statement made at the November 14, 2019, CCC hearing criticizing Mr. Stoldt for including information from another study into his report to the CCC. She described it as a bogus accusation meant to cloud the veracity of Mr. Stoldt’s conclusion that water needs could be met with recycled water. (20) **Susan Segal**, owner of hotels in the cities of Carmel and Monterey, a supporter of Monterey Now and a resident of Monterey addressed the Board. She stated that the public did not know if a public takeover of Cal-Am would be affordable, but the public knew that historically Cal-Am completed projects late and over budget. (21) **John Tilley** requested that future documents released by the District be accurate and not biased towards a particular outcome. (22) **Dr. Lisa Berkley**, City of Marina Councilmember, thanked Mr. Stoldt for his leadership and preparation of the Supply and Demand study that supported the City’s position regarding Cal-Am’s desalination project. (23) **Margaret Serna Bonetti**, President of LULAC, stated that the Board should support the Supply and Demand report prepared by Mr. Stoldt. *David Stoldt stated that written responses to the questions raised during oral communications and at the November 12, 2019 Board workshop would be posted to the District’s website. He also mentioned that at the November 14, 2019 CCC hearing, Gary Cursio mistakenly identified himself as an MPWMD Director, but there was no attempt at misrepresentation. Mr. Stoldt noted that he provided John Tilley with an updated copy of his memo to the CCC that identified sources of information.*

On a motion by Potter and second of Riley, the Consent Calendar was approved unanimously on a vote of 7 – 0, except for item 3 that was pulled for separate consideration. The motion was approved by Potter, Riley, Adams, Byrne, Edwards, Evans and Hoffmann.

Adopted

Adopted.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the October 21, 2019 Regular Board Meeting**
2. **Consider Adoption of Electronic Communications Management Policy**

Byrne offered a motion that was seconded by Adams to authorize an expenditure of \$134,500. The motion was approved on a vote of 7 – 0 by Byrne, Adams, Edwards, Evans, Hoffmann, Riley and Potter.

Approved expenditure of \$15,000.

Received.

Approved.

Adopted.

A summary of the General Manager's report is on file at the District office and can be viewed on the agency website. He noted that for Water Year 2020, water production was 41 acre-feet above production over the same period in Water Year 2019. The increase was likely related to outdoor irrigation, as no measurable rainfall was received during that time period. He reported that the ASR recovery period is December through May. Jon Lear, Water Resources Manager, reported that ASR wells 2, 3 and 4 would be utilized for recovery, but ASR well 1 would undergo rehabilitation and be operational by June 2020.

Mr. Stoldt reported that CCC hearings on a Coastal Development permit for Cal-Am's desalination project would likely be conducted in March 2020. He also reported that by the beginning of 2020, water from the Pure Water Monterey project should be delivered to injection sites.

District Counsel Laredo reported that the Board met to discuss performance evaluations for the periods of July 1, 2018 through June 30, 2019; and July 1, 2019 to the present. No reportable action was taken.

3. **Consider Authorization of Additional Contingency Funds for Construction and Related Services for the Sleepy Hollow Steelhead Rearing Facility Raw Water Intake and Water Supply System Upgrade Project**
4. **Consider Approval of Budgeted Funds to Replace HVAC Unit at the MPWMD Harris Court Administrative Building**
5. **Receive and File First Quarter Financial Activity Report for Fiscal Year 2019-2020**
6. **Consider Approval of First Quarter Fiscal Year 2019-2020 Investment Report**
7. **Consider Adoption of Treasurer's Report for September 2019**

GENERAL MANAGER'S REPORT

8. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision**
9. **Update on Development of Water Supply Projects**

ATTORNEY'S REPORT

10. **Report on 4:00 pm Closed Session of the Board**
3. **Public Employee Performance Evaluation (Gov. Code 54957) – General Manager**

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

Edwards apologized to the Board of Directors and the City of Seaside for speaking as their representative at the November 14, 2019, CCC meeting. He noted that although he identified himself at the hearing as the MPWMD Director from Division 1, he had not spoken on behalf of the MPWMD Board. He advised that MPWMD Meeting Rule 6 states that a Director could make public statements as an individual; however, going forward he would like to speak for his division. He requested that an item be added to a future Board meeting agenda that would propose a change to Meeting Rule 6 so that Directors could speak on behalf of their divisions.

No public hearing items were presented for Board consideration.

A summary of Mr. Stoldt's presentation is on file at the District office and can be viewed on the agency website. During the discussion the directors requested the following. (a) Meet LAFCO deadline. (b) Illustrate how the buyout could be funded without property taxes. (c) Investigate how rates could be adjusted for low-income customers.

The following comments were directed to the Board during the public comment period on this item. **(1) Judi Lehman** asked what kind of conflict of interest and ex-parte communications the District's contractors would be required to report. **(2) Paul Bruno**, resident of Monterey, asked the Board to determine at what level of cost the buyout effort would be stopped, considering that the cost could be more than \$500 million. **(3) Jeff Davi** urged the Board to set a 2/3 vote on the December 16, 2019 decision as to authorizing funds for additional scope and budget. **(4) Susan Schiavone**, resident of Seaside, urged the Board to take the time needed to complete additional studies. She hoped the Board would have a super-majority vote at the appropriate time. She asked if the District receives grants from Cal-Am that must be considered in seeking eminent domain. **(5) Margaret Serna Bonetti** stated that it was not necessary to seek a super-majority vote prior to the decision on acquisition and a resolution of necessity.

Byrne offered a motion that was seconded by Potter to set no limit on the number of Directors that could participate in the ACWA DC conference. The motion was approved on a unanimous vote of 7 – 0 by Byrne, Potter, Adams, Edwards, Evans, Hoffmann and Riley.

During the public comment period on the item, Judi Lehman urged the Directors to travel as economically as possible.

Byrne offered a motion that the General Manager's employment agreement dated June 20, 2016 be approved without amendment. The motion was seconded by Adams

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

PUBLIC HEARINGS

DISCUSSION ITEMS

12. Discuss Additional Services Related to Rule 19.8

ACTION ITEMS

13. Consider Policy re Directors' Attendance at ACWA DC Conference

14. Consider Approval of Amendment to Agreement for Employment of General Manager

and approved on a unanimous vote of 7 – 0 by Byrne, Adams, Edwards, Evans, Hoffmann, Riley and Potter. No public comment was directed to the Board on this item.

There was no discussion of these items.

**INFORMATIONAL ITEMS/STAFF
REPORTS**

- 15. Report on Activity/Progress on Contracts Over \$25,000**
- 16. Status on Measure J/Rule 19.8 Spending**
- 17. Letters Received**
- 18. Committee Reports**
- 19. Monthly Allocation Report**
- 20. Water Conservation Program Report**
- 21. Carmel River Fishery Report for October 2019**
- 22. Monthly Water Supply and California American Water Production Report**

The meeting was adjourned at approximately 8 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

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ITEM: CONSENT CALENDAR**2. ADOPT BOARD MEETING SCHEDULE FOR 2020**

Meeting Date:	December 16, 2019	Budgeted:	N/A
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From:	David J. Stoldt	Program/	N/A
	General Manager	Line Item No.:	

Prepared By:	Arlene Tavani	Cost Estimate:	N/A
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General Counsel Review: N/A**Committee Recommendation: N/A**

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached as **Exhibit 2-A** is a proposed Board meeting schedule for the months of January 2020 through February 2021. Dates that are not set for the third Monday of each month are January and February 2020 and 2021 due to conflicts with the Martin Luther King Jr. Birthday and Presidents' Day holidays.

The Board meetings will be conducted in the District's conference room unless there is a need to meet in another location. Changes to a meeting time or location will be noticed on the meeting agenda and the Water Management District website.

RECOMMENDATION: Review and adopt the 2020 MPWMD Board meeting schedule.

EXHIBIT**2-A Proposed Board Meeting Schedule for 2020**



EXHIBIT 2-A

Draft **MPWMD Board Meeting Schedule** **January 2020 through February 2021**

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

	Day of Week	Date	Time	Type of Meeting
2020	Thursday	January 23	6 PM	Regular
	Wednesday	February 19	6 PM	Regular
	Monday	March 16	6 PM	Regular
	Monday	April 20	6 PM	Regular
	Monday	May 18	6 PM	Regular
	Monday	June 15	6 PM	Regular
	Monday	July 20	6 PM	Regular
	Monday	August 17	6 PM	Regular
	Monday	September 21	6 PM	Regular
	Monday	October 19	6 PM	Regular
	Monday	November 16	6 PM	Regular
	Monday	December 14	6 PM	Regular
2021	Thursday	January 21	6 PM	Regular
	Thursday	February 18	6 PM	Regular

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ITEM: CONSENT CALENDAR

3. REVIEW ANNUAL DISCLOSURE STATEMENT OF EMPLOYEE/BOARD REIMBURSEMENTS FOR FY 2018-2019

Meeting Date: December 16, 2019 **Budgeted:** N/A

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

Prepared By: Suresh Prasad **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: California Government Code Section 53065.5 states: Each Special District, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. “Individual charge” includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the District. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.

The Annual Disclosure Statement – Employee/Board Reimbursement for FY 2018-19 is attached to this document for your review and consideration.

Including the Annual Disclosure Statement – Employee/Board Reimbursement in the agenda packet and having the document available for the public to view on our website meets the Government Code requirements.

EXHIBIT

3-A Annual Disclosure Statement – Employee/Board Reimbursements

EXHIBIT 3-A

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MPWMD Annual Disclosure Statement - Employee/Board Reimbursement
Fiscal Year 2018-2019

Vendor Name	Payable Description	Payable Number	Payment Number	Payment Date	Amount
Kevan Urquhart	Exp Reimbursement-PSMFC Steelhead Conf	07102018	32566	07/12/2018	\$ 814.57
Kevan Urquhart	Mileage Reimbursement-PSMFC Steelhead Conf	07102018-1	32566	07/12/2018	\$ 85.02
Kevan Urquhart	Expense Reimbursement-Dues	07112018	32589	07/20/2018	\$ 241.85
Maureen Hamilton	Training Classes-Civil&Wtr Rsrcs	06082018	32594	07/20/2018	\$ 350.00
Stephanie L Locke	Expense Reimbursement-CSDA Conf airfare	07232018	32638	07/27/2018	\$ 379.60
Stephanie L Locke	Mileage Reimbursement	08022018	32670	08/03/2018	\$ 429.46
Dave Stoldt	CSDA Conference Hotel Accommodation	10022018	33112	10/12/2018	\$ 604.78
Dave Stoldt	Stoldt: Expense Reimbursement	10052018	33112	10/12/2018	\$ 1,754.12
Stephanie L Locke	Expense Reimbursement - Locke CSDA Conf	10012018	33133	10/12/2018	\$ 745.16
Andy Bell	11/2018 Medical Premium Reimbursement	11012018	33146	10/19/2018	\$ 195.72
Stephanie L Locke	Engraved Glass for Director Brower Recognition	10152018	33168	10/19/2018	\$ 203.37
Cory Hamilton	reimbersment for ALP pop survey supplies	09172018	33205	11/01/2018	\$ 313.23
Corryn Bennett	Reimbursement for Incode Training FID	10292018	33319	11/09/2018	\$ 33.55
Corryn Bennett	Mileage Reimb Incode Training FID	10292018-1	33319	11/09/2018	\$ 174.13
Suresh Prasad	Tyler Incode User Training Mileage Reimb	11072018	33350	11/09/2018	\$ 161.32
Suresh Prasad	Tyler Incode User Training Expense Reimb	11072018-1	33350	11/09/2018	\$ 9.60
Kyle Smith	Expenses From Water Smart	11192018	33556	11/21/2018	\$ 502.45
Larry Hampson	Expense Reimbursement - PE Renewal/Mileage Reimb	11192018	33557	11/21/2018	\$ 250.17
Cortina Whitmore	Mileage Reimb Smart Water Conference 2018	11082018	33591	11/30/2018	\$ 71.94
Cortina Whitmore	Water Smart Conference 2018	11142018	33591	11/30/2018	\$ 244.82
Arlene Tavani	A. Tavani - 2018 ARMA International Conference	11202018	33616	12/07/2018	\$ 567.73
Dave Stoldt	Stoldt: Expense Reimbursement	12032018	33626	12/07/2018	\$ 1,614.06
Henrietta Stern	01/2019 Medical Premium Reimbursement	01012019	33696	12/14/2018	\$ 390.07
Arlene Tavani	Reimbursement - Board 12/17/2018 Closed Session	12212018	33706	12/21/2018	\$ 118.20
Stephanie Kister	Irrigation Show and Education	12102018	33893	12/27/2018	\$ 1,039.53
Christopher Timmer	Irrigation Assoc Conf Reimbursement	12122018	33900	01/04/2019	\$ 834.65
Kyle Smith	Mileage Reimbursement Irrigation Show	01032019	33905	01/04/2019	\$ 71.29
Kyle Smith	Irrigation Assoc Show Reimbursement K Smith	12122018	33905	01/04/2019	\$ 118.45
Maureen Hamilton	Structural Engineering Reference Books	01312019	34142	02/01/2019	\$ 203.00
Suresh Prasad	Expense Reimbursement CSMFO Trip - Suresh	01312019	34156	02/01/2019	\$ 121.21
Stephanie Kister	CIIA Conference Hotel and Meals S. Kister	02062019	34198	02/19/2019	\$ 537.94
Jordan C. Besson	Mileage for 2nd NOAA/NMFS Contract	02132019	34221	02/22/2019	\$ 153.12
Stephanie Kister	Mileage Reimbursement - Kister	02052019	34234	02/22/2019	\$ 233.16
Jordan C. Besson	Mileage for FBA on NOAA Contraxt	02262019	34309	03/01/2019	\$ 162.40
Larry Hampson	Coastal Estuary Conference Parking & Mileage	12122018	34569	03/29/2019	\$ 380.15
Jordan C. Besson	Mileage for LPR Screw Trapping	031920109	34605	04/05/2019	\$ 162.40
Kevan Urquhart	Trailer Security & Boat Transport Parts	04032019	34607	04/05/2019	\$ 115.77
Kevan Urquhart	Boat Trailer Towing Parts for Unit 9	04032019-2	34607	04/05/2019	\$ 78.62
Dave Stoldt	Stoldt - Expense Reimbursement	04242019	34736	04/26/2019	\$ 1,082.37
Gary Hoffmann	Reimbursement for Mileage Expenses in April 2019	04162019	34737	04/26/2019	\$ 1,244.95
Jordan C. Besson	Mileage for NMFS LPD Screw Trapping Crew	04122019	34740	04/26/2019	\$ 129.92
Jordan C. Besson	Mileage for LPD Screw Trapping	04222019	34740	04/26/2019	\$ 194.88
Kevan Urquhart	Chest Waders for Screw Trap Crew	04032019-3	34741	04/26/2019	\$ 152.92
Kevan Urquhart	Professoinal Dues FY18-19	04242019	34741	04/26/2019	\$ 159.87
Timothy Paulson	Mileage Reimbursement	04172019	34753	04/26/2019	\$ 160.08
Jonathan Lear	Expense Reimbursement - Lear	05102019	34889	05/17/2019	\$ 770.40
Larry Hampson	LHampson-Misc Expense Reimbursements	04262019	34890	05/17/2019	\$ 195.76
Thomas Christensen	Professional Geologist License Renewal	05092019	34898	05/17/2019	\$ 270.00
Tom Lindberg	TLindberg-RCAC Training	05102019	34899	05/17/2019	\$ 130.79
Cory Hamilton	Hotel and meals for SRF conference	04302019	34917	05/24/2019	\$ 379.07
Mark Dudley	Employee reimbursement - Dudley	05232019	34932	05/24/2019	\$ 10.00
Arlene Tavani	Miscellaneous expenses	05242019	34958	05/31/2019	\$ 54.12
Maureen Hamilton	Classes Survey and Seismic	05142019	34969	05/31/2019	\$ 900.00
Maureen Hamilton	Professional License Exam Fees	05142019-1	34969	05/31/2019	\$ 425.18
Beverly Chaney	Mileage Reimb 4/15/19-5/17/19 Training Class	05162019	34979	06/07/2019	\$ 269.70
Beverly Chaney	Meals & Toll Bridge Reimb 4/15/19-4/17/19	05302019	34979	06/07/2019	\$ 74.19
Jordan C. Besson	Mileage for LPD Screw Trapping	05192019	34989	06/07/2019	\$ 129.92
Timothy Paulson	Mileage Reimbursement 4/19/19 - 5/17/19	05202019	35007	06/07/2019	\$ 320.16
Timothy Paulson	Mileage Reimbursement 5/20/19 - 5/31/19	06022019	35007	06/07/2019	\$ 240.12
Total					\$ 21,761.01

ITEM: CONSENT CALENDAR**4. AUTHORIZE EXPENDITURE FOR SOFTWARE MAINTENANCE
AGREEMENT WITH KISTERS NORTH AMERICA INC.**

Meeting Date: **December 16, 2019** **Budgeted:** **Yes**

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

Prepared By: **Jonathan Lear** **Cost Estimate:** **\$5,131**

Administrative Services Division Manager/Chief Financial Officer Review: **Yes**

Committee Recommendation: **N/A.**

CEQA Compliance: **This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: Staff seeks authorization to continue with our software maintenance agreement with KISTERS North America INC. This software is utilized to support the surface water monitoring and reporting network.

RECOMMENDATION: Staff recommends that the Board approve the expenditure not-to-exceed \$5,131 to purchase the item listed in the table below:

Product	Price
KISTERS North America Inc.	5,131

IMPACT TO STAFF/RESOURCES: The FY 2019-20 Hydrology program budget includes \$5,131 in the District budget for this line item purchase.

BACKGROUND: The KISTERS platform serves many purposes for MPWMD data analysis needs that include: stream flow and rainfall data processing, storage, and reporting. All of these functions require the examination, management, and dissemination of these data throughout the District. The effectiveness of the KISTERS Platform to better serve the MPWMD staff and the public is dependent on the ability of staff to operate the Aquifer Storage and Recovery Project. MPWMD staff will include this annual license fee with the other license fees in future financial years.

EXHIBIT

4-A Quote from KISTERS North America, Inc.



Kisters North America
1520 Eureka Road, Suite 102
Roseville, CA 95661
Tel 916-723-1441 Fax 916-774-1520

Quote

Date	Quote No.
8/13/2019	3818

Monterey Peninsula Water MD
5 Harris Court, Building G
P.O. Box 85
Monterey, CA 93942

Ship To:

Monterey Peninsula Water MD
5 Harris Court, Building G
P.O. Box 85
Monterey, CA 93942
USA

Client Contact

Joseph Suwada

Line No.	Description	Qty	Rate	Total
1	Annual Support and Maintenance - Hydstra Time Series Software License Seat 1	1	2,154.00	2,154.00
2	Annual Support and Maintenance - Hydstra Seat 2	1	2,977.00	2,977.00
	Annual Support period January 1, 2020 to December 31, 2020			
	All Support and Maintenance includes a 1.6% CPI increase			
	This quote is being sent several months in advance of the due date of your annual support and maintenance fees so that you may plan ahead. An invoice (terms net 30) will be sent one month before the expiration of your support and maintenance."			
	Out-of-state sale or exempt from sales tax		0.00%	0.00
Quotes are good for 90 days. All amounts are in US Dollars.			Total	USD 5,131.00

ITEM: CONSENT CALENDAR**5. CONSIDER ADOPTION OF TREASURER'S REPORT FOR OCTOBER 2019**

Meeting Date:	December 16, 2019	Budgeted:	N/A
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From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
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Prepared By:	Suresh Prasad	Cost Estimate:	N/A
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General Counsel Review: N/A**Committee Recommendation: N/A.**

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Exhibit 5-A comprises the Treasurer's Report for October 2019. Exhibit 5-B and Exhibit 5-C are listings of check disbursements for the period October 1-31, 2019. Check Nos. 35677 through 35964, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$1,628,859.21. This amount included \$58,219.78 for conservation rebates. Exhibit 5-D reflects the unaudited version of the financial statements for the month ending October 31, 2019.

RECOMMENDATION: District staff recommends adoption of the October 2019 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

EXHIBITS

- 5-A** Treasurer's Report
- 5-B** Listing of Cash Disbursements-Regular
- 5-C** Listing of Cash Disbursements-Payroll
- 5-D** Financial Statements

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR OCTOBER 2019**

<u>Description</u>	<u>Checking</u>	<u>MPWMD Money Market</u>	<u>L.A.I.F.</u>	<u>Wells Fargo Investments</u>	<u>Multi-Bank Securities</u>	<u>MPWMD Total</u>	<u>PB Reclamation Money Market</u>
Beginning Balance	(\$386,559.36)	\$589,055.69	\$10,229,390.00	\$1,781,944.18	\$2,293,246.09	14,507,076.60	\$702,530.08
Fee Deposits		1,557,488.99				1,557,488.99	1,129,848.36
MoCo Tax & WS Chg Installment Pymt						0.00	
Interest Received			63,015.22	1,087.80	3,594.29	67,697.31	
Transfer - Money Market/LAIF						0.00	
Transfer - Money Market/Checking	1,976,698.49	(1,976,698.49)				0.00	
Transfer - Money Market/Multi-Bank						0.00	
Transfer - Money Market/Wells Fargo						0.00	
Transfer to CAWD						0.00	(780,000.00)
Voided Cks						0.00	
Bank Corrections/Reversals/Errors		(375.00)				(375.00)	
Bank Charges/Other	(1,383.23)	(100.00)				(1,483.23)	0.00
Returned Deposits	-					0.00	
Payroll Tax/Benefit Deposits	(99,781.92)					(99,781.92)	
Payroll Checks/Direct Deposits	(134,768.01)					(134,768.01)	
General Checks	(1,391,502.17)					(1,391,502.17)	
Bank Draft Payments	(1,423.88)					(1,423.88)	
Ending Balance	(\$38,720.08)	\$169,371.19	\$10,292,405.22	\$1,783,031.98	\$2,296,840.38	\$14,502,928.69	\$1,052,378.44

Check Report

By Check Number

Date Range: 10/01/2019 - 10/31/2019



Monterey Peninsula Water Management Dist

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
Payment Type: Regular						
00243	CalPers Long Term Care Program	10/04/2019	Regular	0.00	50.06	35677
00024	Central Coast Exterminator	10/04/2019	Regular	0.00	104.00	35678
00224	City of Monterey	10/04/2019	Regular	0.00	2,776.49	35679
18734	DeVeera Inc.	10/04/2019	Regular	0.00	6,875.51	35680
04717	Inder Osahan	10/04/2019	Regular	0.00	1,365.25	35681
00242	MBAS	10/04/2019	Regular	0.00	1,828.00	35682
00118	Monterey Bay Carpet & Janitorial Svc	10/04/2019	Regular	0.00	1,000.00	35683
16182	Monterey County Weekly Classifieds	10/04/2019	Regular	0.00	1,260.00	35684
00154	Peninsula Messenger Service	10/04/2019	Regular	0.00	1,623.00	35685
09425	The Ferguson Group LLC	10/04/2019	Regular	0.00	8,088.12	35686
17965	The Maynard Group	10/04/2019	Regular	0.00	1,521.13	35687
18737	U.S. Bank Equipment Finance	10/04/2019	Regular	0.00	1,817.22	35688
11622	United States Geologic Survey	10/04/2019	Regular	0.00	1,770.50	35689
00207	Universal Staffing Inc.	10/04/2019	Regular	0.00	1,794.96	35690
00271	UPEC, Local 792	10/04/2019	Regular	0.00	1,045.00	35691
00221	Verizon Wireless	10/04/2019	Regular	0.00	944.13	35692
18163	Wex Bank	10/04/2019	Regular	0.00	1,392.35	35693
00994	Whitson Engineers	10/04/2019	Regular	0.00	874.00	35694
	Void	10/11/2019	Regular	0.00	0.00	35778
	Void	10/11/2019	Regular	0.00	0.00	35779
	Void	10/11/2019	Regular	0.00	0.00	35780
	Void	10/11/2019	Regular	0.00	0.00	35781
	Void	10/11/2019	Regular	0.00	0.00	35782
00983	Beverly Chaney	10/11/2019	Regular	0.00	1,085.52	35783
00252	Cal-Am Water	10/11/2019	Regular	0.00	138.04	35784
00243	CalPers Long Term Care Program	10/11/2019	Regular	0.00	50.06	35785
04043	Campbell Scientific, Inc.	10/11/2019	Regular	0.00	1,542.01	35786
08926	Capitol Enquiry	10/11/2019	Regular	0.00	44.68	35787
04041	Cynthia Schmidlin	10/11/2019	Regular	0.00	691.33	35788
18742	Data Instincts	10/11/2019	Regular	0.00	13,175.00	35789
08109	David Olson, Inc.	10/11/2019	Regular	0.00	920.24	35790
18734	DeVeera Inc.	10/11/2019	Regular	0.00	1,398.53	35791
18225	DUDEK	10/11/2019	Regular	0.00	27,606.25	35792
02660	Forestry Suppliers Inc.	10/11/2019	Regular	0.00	134.74	35793
00235	Green Rubber- Kennedy AG	10/11/2019	Regular	0.00	38.17	35794
00768	ICMA	10/11/2019	Regular	0.00	3,215.09	35795
03965	Irrigation Association	10/11/2019	Regular	0.00	406.00	35796
00094	John Arriaga	10/11/2019	Regular	0.00	2,500.00	35797
06999	KBA Docusys	10/11/2019	Regular	0.00	1,153.33	35798
09982	Kyle Smith	10/11/2019	Regular	0.00	497.72	35799
05830	Larry Hampson	10/11/2019	Regular	0.00	1,018.00	35800
18738	Lehman Design Studio, LLC	10/11/2019	Regular	0.00	225.00	35801
00222	M.J. Murphy	10/11/2019	Regular	0.00	55.72	35802
00259	Marina Coast Water District	10/11/2019	Regular	0.00	86.79	35803
00259	Marina Coast Water District	10/11/2019	Regular	0.00	86.79	35804
00274	Monterey One Water	10/11/2019	Regular	0.00	163.21	35805
13396	Navia Benefit Solutions, Inc.	10/11/2019	Regular	0.00	840.84	35806
00755	Peninsula Welding Supply, Inc.	10/11/2019	Regular	0.00	322.61	35807
00282	PG&E	10/11/2019	Regular	0.00	2,139.65	35808
00262	Pure H2O	10/11/2019	Regular	0.00	65.24	35809
18741	Robert Manos	10/11/2019	Regular	0.00	29.58	35810
03973	Stephanie Kister	10/11/2019	Regular	0.00	413.78	35811
00258	TBC Communications & Media	10/11/2019	Regular	0.00	3,500.00	35812

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Check Report**Date Range: 10/01/2019 - 10/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
09351	Tetra Tech, Inc.	10/11/2019	Regular	0.00	564.52	35813
00207	Universal Staffing Inc.	10/11/2019	Regular	0.00	1,965.20	35814
06827	Waterline Envirotech Ltd	10/11/2019	Regular	0.00	49.74	35815
18163	Wex Bank	10/11/2019	Regular	0.00	1,091.19	35816
00249	A.G. Davi, LTD	10/11/2019	Regular	0.00	395.00	35817
00763	ACWA-JPIA	10/11/2019	Regular	0.00	334.70	35818
00767	AFLAC	10/11/2019	Regular	0.00	1,207.44	35819
01015	American Lock & Key	10/11/2019	Regular	0.00	209.76	35820
14567	Applicant Information	10/11/2019	Regular	0.00	173.30	35821
01188	Alhambra	10/18/2019	Regular	0.00	162.81	35824
18736	Arellano's Tree Service	10/18/2019	Regular	0.00	400.00	35825
00252	Cal-Am Water	10/18/2019	Regular	0.00	34.38	35826
04045	California Society of Municipal Finance Officers	10/18/2019	Regular	0.00	300.00	35827
12601	Carmel Valley Ace Hardware	10/18/2019	Regular	0.00	20.51	35828
04735	Cheryl Halpern	10/18/2019	Regular	0.00	2,376.02	35829
00281	CoreLogic Information Solutions, Inc.	10/18/2019	Regular	0.00	1,065.54	35830
18742	Data Instincts	10/18/2019	Regular	0.00	1,647.50	35831
00046	De Lay & Laredo	10/18/2019	Regular	0.00	84,619.38	35832
18734	DeVeera Inc.	10/18/2019	Regular	0.00	6,808.00	35833
00758	FedEx	10/18/2019	Regular	0.00	29.26	35834
00235	Green Rubber- Kennedy AG	10/18/2019	Regular	0.00	5.47	35835
00083	Hayashi & Wayland Accountancy Corp.	10/18/2019	Regular	0.00	5,000.00	35836
00277	Home Depot Credit Services	10/18/2019	Regular	0.00	32.70	35837
06999	KBA Docusys	10/18/2019	Regular	0.00	12,976.08	35838
13431	Lynx Technologies, Inc	10/18/2019	Regular	0.00	4,350.00	35839
07771	Monterey Bay Urgent Care	10/18/2019	Regular	0.00	60.00	35840
04034	Monterey County Tax Collector	10/18/2019	Regular	0.00	189.44	35841
04034	Monterey County Tax Collector	10/18/2019	Regular	0.00	189.44	35842
00282	PG&E	10/18/2019	Regular	0.00	9.73	35843
13430	Premiere Global Services	10/18/2019	Regular	0.00	359.12	35844
18544	Psomas	10/18/2019	Regular	0.00	1,260.00	35845
07627	Purchase Power	10/18/2019	Regular	0.00	500.00	35846
13394	Regional Government Services	10/18/2019	Regular	0.00	4,264.90	35847
00987	SDRMA - Prop & Liability Pkg	10/18/2019	Regular	0.00	47.50	35848
04709	Sherron Forsgren	10/18/2019	Regular	0.00	736.35	35849
03979	Special Districts Association of Monterey County	10/18/2019	Regular	0.00	64.00	35850
04719	Telit Io T Platforms, LLC	10/18/2019	Regular	0.00	1,092.07	35851
09425	The Ferguson Group LLC	10/18/2019	Regular	0.00	8,076.81	35852
00225	Trowbridge Enterprises Inc.	10/18/2019	Regular	0.00	601.84	35853
00207	Universal Staffing Inc.	10/18/2019	Regular	0.00	2,009.20	35854
13080	West Marine Products	10/18/2019	Regular	0.00	282.84	35855
06009	yourservicesolution.com	10/18/2019	Regular	0.00	2,869.00	35856
00243	CalPers Long Term Care Program	10/25/2019	Regular	0.00	50.06	35857
18828	Carmel Area Wastewater District	10/25/2019	Regular	0.00	1,000,000.00	35858
00024	Central Coast Exterminator	10/25/2019	Regular	0.00	104.00	35859
17804	Christopher Timmer	10/25/2019	Regular	0.00	240.53	35860
00230	Cisco Systems, Inc.	10/25/2019	Regular	0.00	93.80	35861
06268	Comcast	10/25/2019	Regular	0.00	67.20	35862
00046	De Lay & Laredo	10/25/2019	Regular	0.00	32,815.72	35863
00041	Denise Duffy & Assoc. Inc.	10/25/2019	Regular	0.00	12,121.04	35864
00192	Extra Space Storage	10/25/2019	Regular	0.00	885.00	35865
08928	Fastenal Company	10/25/2019	Regular	0.00	67.71	35866
00993	Harris Court Business Park	10/25/2019	Regular	0.00	721.26	35867
00277	Home Depot Credit Services	10/25/2019	Regular	0.00	12.68	35868
00768	ICMA	10/25/2019	Regular	0.00	3,215.09	35869
13396	Navia Benefit Solutions, Inc.	10/25/2019	Regular	0.00	770.84	35870
00036	Parham Living Trust	10/25/2019	Regular	0.00	850.00	35871
00282	PG&E	10/25/2019	Regular	0.00	20.73	35872
00282	PG&E	10/25/2019	Regular	0.00	28.83	35873
00282	PG&E	10/25/2019	Regular	0.00	85.49	35874
00752	Professional Liability Insurance Service	10/25/2019	Regular	0.00	35.95	35875

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Check Report**Date Range: 10/01/2019 - 10/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
18739	Reiff Manufacturing	10/25/2019	Regular	0.00	650.00	35876
17968	Rutan & Tucker, LLP	10/25/2019	Regular	0.00	12,337.50	35877
01020	Sara Reyes - Petty Cash Custodian	10/25/2019	Regular	0.00	215.17	35878
00176	Sentry Alarm Systems	10/25/2019	Regular	0.00	309.25	35879
00258	TBC Communications & Media	10/25/2019	Regular	0.00	9,143.75	35880
00225	Trowbridge Enterprises Inc.	10/25/2019	Regular	0.00	411.06	35881
00269	U.S. Bank	10/25/2019	Regular	0.00	7,077.15	35882
	Void	10/25/2019	Regular	0.00	0.00	35883
	Void	10/25/2019	Regular	0.00	0.00	35884
00207	Universal Staffing Inc.	10/25/2019	Regular	0.00	1,830.40	35885
00221	Verizon Wireless	10/25/2019	Regular	0.00	909.13	35886
13080	West Marine Products	10/25/2019	Regular	0.00	108.67	35887
Total Regular:					1,333,282.39	

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Check Report**Date Range: 10/01/2019 - 10/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
00266	I.R.S.	10/11/2019	Bank Draft	0.00	12,106.26	DFT0001493
00266	I.R.S.	10/11/2019	Bank Draft	0.00	2,720.95	DFT0001494
00267	Employment Development Dept.	10/11/2019	Bank Draft	0.00	4,554.38	DFT0001495
00266	I.R.S.	10/11/2019	Bank Draft	0.00	885.62	DFT0001496
00266	I.R.S.	10/16/2019	Bank Draft	0.00	17.45	DFT0001499
00266	I.R.S.	10/16/2019	Bank Draft	0.00	58.72	DFT0001500
00266	I.R.S.	10/16/2019	Bank Draft	0.00	251.10	DFT0001501
16235	California Department of Tax and Fee Administrat	10/11/2019	Bank Draft	0.00	1,423.88	DFT0001502
00266	I.R.S.	10/25/2019	Bank Draft	0.00	12,590.75	DFT0001504
00266	I.R.S.	10/25/2019	Bank Draft	0.00	2,786.78	DFT0001505
00267	Employment Development Dept.	10/25/2019	Bank Draft	0.00	4,777.36	DFT0001506
00266	I.R.S.	10/25/2019	Bank Draft	0.00	1,093.90	DFT0001507
00769	Laborers Trust Fund of Northern CA	10/15/2019	Bank Draft	0.00	27,830.00	DFT0001508
00256	PERS Retirement	10/31/2019	Bank Draft	0.00	15,085.79	DFT0001514
00256	PERS Retirement	10/30/2019	Bank Draft	0.00	15,022.86	DFT0001515
Total Bank Draft:					101,205.80	

Payment Type	Bank Code APBNK		Summary	
	Payable Count	Payment Count	Discount	Payment
Regular Checks	182	119	0.00	1,333,282.39
Manual Checks	0	0	0.00	0.00
Voided Checks	0	7	0.00	0.00
Bank Drafts	23	15	0.00	101,205.80
EFT's	0	0	0.00	0.00
	205	141	0.00	1,434,488.19

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Check Report**Date Range: 10/01/2019 - 10/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-02-Rebates: Use Only For Rebates						
Payment Type: Regular						
18763	Aaron & Kelly Schneider	10/11/2019	Regular	0.00	125.00	35695
18756	ALEC FRANKS	10/11/2019	Regular	0.00	125.00	35696
18750	Alexander D. Hendersen	10/11/2019	Regular	0.00	150.00	35697
18802	Benjamin McFarland	10/11/2019	Regular	0.00	500.00	35698
18788	Beverly Thompson	10/11/2019	Regular	0.00	500.00	35699
18777	Billie Elaine Pennisi	10/11/2019	Regular	0.00	500.00	35700
18772	Brent Negrete	10/11/2019	Regular	0.00	500.00	35701
18819	Bruce Gaya	10/11/2019	Regular	0.00	25.00	35702
18790	Bruce Lott	10/11/2019	Regular	0.00	500.00	35703
18796	Charles Hills	10/11/2019	Regular	0.00	500.00	35704
18818	Clifford Crusan	10/11/2019	Regular	0.00	3,800.00	35705
18755	COLIN MARK GRIFFIN	10/11/2019	Regular	0.00	125.00	35706
18820	Craig Schisel	10/11/2019	Regular	0.00	75.00	35707
18771	DALE KUSKA	10/11/2019	Regular	0.00	500.00	35708
18774	David Hober	10/11/2019	Regular	0.00	500.00	35709
18783	Deborah Bethancourt	10/11/2019	Regular	0.00	500.00	35710
18817	Eleanor & Kevin Uhlinger	10/11/2019	Regular	0.00	200.00	35711
18780	George Zunich	10/11/2019	Regular	0.00	500.00	35712
18744	HARVEY SULLIVAN	10/11/2019	Regular	0.00	75.00	35713
18822	HENRY REYNOSO	10/11/2019	Regular	0.00	125.00	35714
18789	Ian Williams	10/11/2019	Regular	0.00	500.00	35715
18754	J D Wachs	10/11/2019	Regular	0.00	125.00	35716
18824	Jacob Bryant	10/11/2019	Regular	0.00	500.00	35717
18743	JAMES GOLDBERG	10/11/2019	Regular	0.00	75.00	35718
18803	James Tregoe	10/11/2019	Regular	0.00	500.00	35719
18807	Jeff Krebs	10/11/2019	Regular	0.00	500.00	35720
18782	Jennifer Vanoli	10/11/2019	Regular	0.00	500.00	35721
18775	Jessica Dambrosio	10/11/2019	Regular	0.00	500.00	35722
18749	Jo Anne Boulger	10/11/2019	Regular	0.00	300.00	35723
18761	Joan E. DeMers	10/11/2019	Regular	0.00	125.00	35724
18762	Joe Abluton	10/11/2019	Regular	0.00	125.00	35725
18745	Joseph Carbonaro	10/11/2019	Regular	0.00	75.00	35726
18809	Joseph Cassibba	10/11/2019	Regular	0.00	500.00	35727
18785	Joy Ann Lucido	10/11/2019	Regular	0.00	500.00	35728
18813	Karen Hebl	10/11/2019	Regular	0.00	500.00	35729
18770	Karen Hebl	10/11/2019	Regular	0.00	125.00	35730
18767	Katherine Reneker	10/11/2019	Regular	0.00	125.00	35731
18816	Kimiko Fujii	10/11/2019	Regular	0.00	200.00	35732
18805	Kristine Volmzensky	10/11/2019	Regular	0.00	500.00	35733
18747	Kristine Volmzensky	10/11/2019	Regular	0.00	150.00	35734
18778	Kyung Chee	10/11/2019	Regular	0.00	500.00	35735
18760	Laura Otero	10/11/2019	Regular	0.00	125.00	35736
18781	Leonard Dubbs	10/11/2019	Regular	0.00	500.00	35737
18808	Leonard Hughes	10/11/2019	Regular	0.00	500.00	35738
18804	Liliana Chavez	10/11/2019	Regular	0.00	500.00	35739
18786	Louis Church	10/11/2019	Regular	0.00	500.00	35740
18765	Marc & Caroline Cusenza	10/11/2019	Regular	0.00	125.00	35741
18746	Mary Manuguerra	10/11/2019	Regular	0.00	150.00	35742
18801	Melanie C. Johnson	10/11/2019	Regular	0.00	500.00	35743
18800	Melissa Baskovich	10/11/2019	Regular	0.00	500.00	35744
18773	Michael Vout	10/11/2019	Regular	0.00	500.00	35745
18766	Mike Wiese	10/11/2019	Regular	0.00	125.00	35746
18757	Moe Tavakolian	10/11/2019	Regular	0.00	125.00	35747
18806	Olivia R. Morgan	10/11/2019	Regular	0.00	500.00	35748
18825	Patricia Griffin	10/11/2019	Regular	0.00	500.00	35749
18812	Patrick Stafford	10/11/2019	Regular	0.00	500.00	35750
18769	Patrick Stafford	10/11/2019	Regular	0.00	125.00	35751
18787	Paul Orihuela	10/11/2019	Regular	0.00	500.00	35752
18792	Paula Robichaud	10/11/2019	Regular	0.00	500.00	35753

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Check Report**Date Range: 10/01/2019 - 10/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
18823	Peter Arendt	10/11/2019	Regular	0.00	500.00	35754
18795	Randy Fuller	10/11/2019	Regular	0.00	500.00	35755
18784	Richard & Catherine Storelli	10/11/2019	Regular	0.00	500.00	35756
18814	Robert Andersen	10/11/2019	Regular	0.00	100.00	35757
18794	Robert Brayer	10/11/2019	Regular	0.00	500.00	35758
18753	Sal Genovese	10/11/2019	Regular	0.00	500.00	35759
18779	Sandra Moon	10/11/2019	Regular	0.00	500.00	35760
18799	Scott Franey	10/11/2019	Regular	0.00	500.00	35761
18758	Sharon Osgood	10/11/2019	Regular	0.00	125.00	35762
18798	Shaunna Murray	10/11/2019	Regular	0.00	500.00	35763
18776	Stephanie Thompson	10/11/2019	Regular	0.00	500.00	35764
18748	Sydney L. Tabler	10/11/2019	Regular	0.00	75.00	35765
18764	Tamara McLevis	10/11/2019	Regular	0.00	125.00	35766
18821	Terrence Lee	10/11/2019	Regular	0.00	75.00	35767
18752	Terry Veio	10/11/2019	Regular	0.00	150.00	35768
18768	Terry Veio	10/11/2019	Regular	0.00	125.00	35769
18811	Terry Veio	10/11/2019	Regular	0.00	500.00	35770
18793	Thomas & Emily Leo	10/11/2019	Regular	0.00	500.00	35771
18810	Vedaz Hori	10/11/2019	Regular	0.00	500.00	35772
18815	Vincent Arcaro	10/11/2019	Regular	0.00	189.98	35773
18759	Whitney Hegg	10/11/2019	Regular	0.00	125.00	35774
18791	William & Sandra Solitario	10/11/2019	Regular	0.00	500.00	35775
18751	William Greenstreet	10/11/2019	Regular	0.00	75.00	35776
18797	William Hopkins	10/11/2019	Regular	0.00	500.00	35777
18858	Adrian Georgescu	10/28/2019	Regular	0.00	125.00	35888
18896	Aleksandra Pesic	10/28/2019	Regular	0.00	500.00	35889
18894	Amy Gray	10/28/2019	Regular	0.00	500.00	35890
18847	Anasimoun Yousif	10/28/2019	Regular	0.00	75.00	35891
18888	Belinda Dostal	10/28/2019	Regular	0.00	500.00	35892
18889	Ben & Krista Cooper	10/28/2019	Regular	0.00	500.00	35893
18863	Ben Beckner	10/28/2019	Regular	0.00	500.00	35894
18874	Benjamin Pimentel	10/28/2019	Regular	0.00	493.20	35895
18873	Brenda Motchkavitz	10/28/2019	Regular	0.00	500.00	35896
18839	Brian Jones	10/28/2019	Regular	0.00	75.00	35897
18865	Brian Lee	10/28/2019	Regular	0.00	500.00	35898
18854	Brian Turlington	10/28/2019	Regular	0.00	125.00	35899
18857	Casey Forest	10/28/2019	Regular	0.00	125.00	35900
18891	Charles Glaze	10/28/2019	Regular	0.00	500.00	35901
18849	Craig Chavez	10/28/2019	Regular	0.00	125.00	35902
18902	CUSTOM HOUSE REALTY & PROP MGMT	10/28/2019	Regular	0.00	75.00	35903
18832	CUSTOM HOUSE REALTY & PROPERTY MGMT	10/28/2019	Regular	0.00	75.00	35904
18859	David Berbessou	10/28/2019	Regular	0.00	125.00	35905
18855	David Fuess	10/28/2019	Regular	0.00	125.00	35906
18892	David Galarza	10/28/2019	Regular	0.00	500.00	35907
18887	David M. Soares	10/28/2019	Regular	0.00	500.00	35908
18850	David Rutberg	10/28/2019	Regular	0.00	125.00	35909
18834	Debbie Britz	10/28/2019	Regular	0.00	225.00	35910
18898	Diana Aiello	10/28/2019	Regular	0.00	500.00	35911
18871	Donna Cooper	10/28/2019	Regular	0.00	500.00	35912
18906	Ecology Action	10/28/2019	Regular	0.00	500.00	35913
18883	Forrest Casey	10/28/2019	Regular	0.00	500.00	35914
18842	Glenn Reis	10/28/2019	Regular	0.00	225.00	35915
18868	Heather Higuera	10/28/2019	Regular	0.00	500.00	35916
18831	James Brinkerhoff	10/28/2019	Regular	0.00	150.00	35917
18830	James Goodacre	10/28/2019	Regular	0.00	150.00	35918
18853	Joel Modisette	10/28/2019	Regular	0.00	125.00	35919
18884	John Bruce	10/28/2019	Regular	0.00	500.00	35920
18870	John P Dozier	10/28/2019	Regular	0.00	500.00	35921
18851	John P Dozier	10/28/2019	Regular	0.00	125.00	35922
18856	Joseph Rossi	10/28/2019	Regular	0.00	125.00	35923
18841	Judith Mead	10/28/2019	Regular	0.00	75.00	35924

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Check Report**Date Range: 10/01/2019 - 10/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
18903	Kathleen & Anthony Davi	10/28/2019	Regular	0.00	125.00	35925
18877	Kathryn H. Allan	10/28/2019	Regular	0.00	500.00	35926
18897	Kyung Chee	10/28/2019	Regular	0.00	500.00	35927
18866	Leah Gunderson	10/28/2019	Regular	0.00	500.00	35928
18845	Lorena Hernandez	10/28/2019	Regular	0.00	75.00	35929
18881	Luke Klena	10/28/2019	Regular	0.00	500.00	35930
18846	Margaret Daugherty	10/28/2019	Regular	0.00	75.00	35931
18837	Margaret Miller	10/28/2019	Regular	0.00	150.00	35932
18838	Margaret Miller	10/28/2019	Regular	0.00	29.90	35933
18875	Mary Carl	10/28/2019	Regular	0.00	500.00	35934
18901	Mary Martin	10/28/2019	Regular	0.00	2,184.00	35935
18861	Mathew Hess	10/28/2019	Regular	0.00	125.00	35936
18844	MATTHEW WHITMAN	10/28/2019	Regular	0.00	150.00	35937
18900	Michael & Kayleen Lewis	10/28/2019	Regular	0.00	260.00	35938
18836	Michael Branson	10/28/2019	Regular	0.00	75.00	35939
18876	Mohamed Tabib	10/28/2019	Regular	0.00	500.00	35940
18869	Paul Gutierrez	10/28/2019	Regular	0.00	500.00	35941
18878	Richard and Lorraine Ring	10/28/2019	Regular	0.00	500.00	35942
18867	Richard G. Vince, Jr	10/28/2019	Regular	0.00	500.00	35943
18882	Richard Stebbins	10/28/2019	Regular	0.00	500.00	35944
18904	Rita Sturgeon	10/28/2019	Regular	0.00	500.00	35945
18843	ROBERT RAPP	10/28/2019	Regular	0.00	75.00	35946
18899	Ron Evans	10/28/2019	Regular	0.00	140.00	35947
18848	Roseanna F. Helm	10/28/2019	Regular	0.00	150.00	35948
18840	Roy Larson	10/28/2019	Regular	0.00	75.00	35949
18886	Sahin Gunsell	10/28/2019	Regular	0.00	500.00	35950
18879	Salwa Halabi	10/28/2019	Regular	0.00	497.70	35951
18880	Samantha Morales	10/28/2019	Regular	0.00	500.00	35952
18890	Sara Hall	10/28/2019	Regular	0.00	500.00	35953
18905	Shanay & Anthony Caballero	10/28/2019	Regular	0.00	500.00	35954
18895	Sheron & Robert Long	10/28/2019	Regular	0.00	500.00	35955
18893	Sophia McMillion	10/28/2019	Regular	0.00	500.00	35956
18852	Steve Perkins	10/28/2019	Regular	0.00	125.00	35957
18885	Sunil Sthapit	10/28/2019	Regular	0.00	500.00	35958
18835	Susan Schiavone	10/28/2019	Regular	0.00	75.00	35959
18833	Terry Veio	10/28/2019	Regular	0.00	150.00	35960
18872	Walter Eurich	10/28/2019	Regular	0.00	500.00	35961
18860	Wendy K Swanson	10/28/2019	Regular	0.00	125.00	35962
18862	William Haines	10/28/2019	Regular	0.00	500.00	35963
18864	William Terry	10/28/2019	Regular	0.00	500.00	35964
Total Regular:					58,219.78	

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	160	160	0.00	58,219.78
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	160	160	0.00	58,219.78

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	342	279	0.00	1,391,502.17
Manual Checks	0	0	0.00	0.00
Voided Checks	0	7	0.00	0.00
Bank Drafts	23	15	0.00	101,205.80
EFT's	0	0	0.00	0.00
	365	301	0.00	1,492,707.97

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	10/2019	1,492,707.97
			1,492,707.97



Monterey Peninsula Water Management Dist

Payroll Bank Transaction Report

By Payment Number

Date: 10/1/2019 - 10/31/2019

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
4673	10/11/2019	Regular	1024	Stoldt, David J	0.00	5,647.38	5,647.38
4674	10/11/2019	Regular	1025	Tavani, Arlene M	0.00	2,150.15	2,150.15
4675	10/11/2019	Regular	1044	Bennett, Corryn D	0.00	2,194.78	2,194.78
4676	10/11/2019	Regular	1018	Prasad, Suresh	0.00	3,983.84	3,983.84
4677	10/11/2019	Regular	1019	Reyes, Sara C	0.00	1,831.07	1,831.07
4678	10/11/2019	Regular	1075	Valencia, Mariel C	0.00	1,619.80	1,619.80
4679	10/11/2019	Regular	1042	Hamilton, Maureen C.	0.00	3,365.71	3,365.71
4680	10/11/2019	Regular	6063	Hampson, Larry M	0.00	1,921.80	1,921.80
4681	10/11/2019	Regular	1009	James, Gregory W	0.00	3,177.58	3,177.58
4682	10/11/2019	Regular	1011	Lear, Jonathan P	0.00	3,992.93	3,992.93
4683	10/11/2019	Regular	1012	Lindberg, Thomas L	0.00	2,591.51	2,591.51
4684	10/11/2019	Regular	1043	Suwada, Joseph	0.00	1,875.98	1,875.98
4685	10/11/2019	Regular	1045	Atkins, Daniel N	0.00	2,021.77	2,021.77
4686	10/11/2019	Regular	1004	Chaney, Beverly M	0.00	2,618.61	2,618.61
4687	10/11/2019	Regular	1005	Christensen, Thomas T	0.00	3,497.08	3,497.08
4688	10/11/2019	Regular	1007	Hamilton, Cory R	0.00	2,299.86	2,299.86
4689	10/11/2019	Regular	6067	Karo, Julia	0.00	1,074.61	1,074.61
4690	10/11/2019	Regular	6066	Lesse, Marina I	0.00	1,065.18	1,065.18
4691	10/11/2019	Regular	6064	Li, Trevin	0.00	1,007.40	1,007.40
4692	10/11/2019	Regular	1048	Lumas, Eric M	0.00	1,689.28	1,689.28
4693	10/11/2019	Regular	6065	Manos, Robert L	0.00	827.97	827.97
4694	10/11/2019	Regular	1026	Urquhart, Kevan A	0.00	2,302.10	2,302.10
4695	10/11/2019	Regular	1001	Bravo, Gabriela D	0.00	2,523.70	2,523.70
4696	10/11/2019	Regular	1010	Kister, Stephanie L	0.00	2,775.49	2,775.49
4697	10/11/2019	Regular	1017	Locke, Stephanie L	0.00	3,557.92	3,557.92
4698	10/11/2019	Regular	1040	Smith, Kyle	0.00	2,225.46	2,225.46
4699	10/11/2019	Regular	1047	Timmer, Christopher	0.00	2,129.56	2,129.56
4700	10/16/2019	Regular	7015	Adams, Mary L	0.00	124.67	124.67
4701	10/16/2019	Regular	7014	Evans, Molly F	0.00	490.07	490.07
4702	10/16/2019	Regular	7017	Hoffmann, Gary D	0.00	374.02	374.02
4703	10/16/2019	Regular	7018	Riley, George T	0.00	374.02	374.02
4704	10/25/2019	Regular	1024	Stoldt, David J	0.00	5,635.51	5,635.51
4705	10/25/2019	Regular	1025	Tavani, Arlene M	0.00	2,150.16	2,150.16
4706	10/25/2019	Regular	1044	Bennett, Corryn D	0.00	2,194.78	2,194.78
4707	10/25/2019	Regular	1018	Prasad, Suresh	0.00	3,983.84	3,983.84
4708	10/25/2019	Regular	1019	Reyes, Sara C	0.00	1,831.07	1,831.07
4709	10/25/2019	Regular	1075	Valencia, Mariel C	0.00	1,619.80	1,619.80
4710	10/25/2019	Regular	1042	Hamilton, Maureen C.	0.00	3,365.71	3,365.71
4711	10/25/2019	Regular	6063	Hampson, Larry M	0.00	3,291.89	3,291.89
4712	10/25/2019	Regular	1009	James, Gregory W	0.00	3,177.58	3,177.58
4713	10/25/2019	Regular	1011	Lear, Jonathan P	0.00	3,992.93	3,992.93
4714	10/25/2019	Regular	1012	Lindberg, Thomas L	0.00	2,591.51	2,591.51
4715	10/25/2019	Regular	1043	Suwada, Joseph	0.00	1,875.98	1,875.98
4716	10/25/2019	Regular	1045	Atkins, Daniel N	0.00	1,836.93	1,836.93
4717	10/25/2019	Regular	1004	Chaney, Beverly M	0.00	2,618.62	2,618.62
4718	10/25/2019	Regular	1005	Christensen, Thomas T	0.00	3,497.08	3,497.08
4719	10/25/2019	Regular	1007	Hamilton, Cory R	0.00	2,299.86	2,299.86
4720	10/25/2019	Regular	6067	Karo, Julia	0.00	973.78	973.78
4721	10/25/2019	Regular	6066	Lesse, Marina I	0.00	785.86	785.86
4722	10/25/2019	Regular	6064	Li, Trevin	0.00	875.76	875.76
4723	10/25/2019	Regular	1048	Lumas, Eric M	0.00	1,974.68	1,974.68
4724	10/25/2019	Regular	6065	Manos, Robert L	0.00	859.32	859.32
4725	10/25/2019	Regular	1026	Urquhart, Kevan A	0.00	2,302.09	2,302.09
4726	10/25/2019	Regular	1001	Bravo, Gabriela D	0.00	2,523.70	2,523.70
4727	10/25/2019	Regular	1010	Kister, Stephanie L	0.00	2,775.47	2,775.47
4728	10/25/2019	Regular	1017	Locke, Stephanie L	0.00	3,557.92	3,557.92
4729	10/25/2019	Regular	1040	Smith, Kyle	0.00	2,225.46	2,225.46

EXHIBIT 5-C

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	40 Total Payment
4730	10/25/2019	Regular	1047	Timmer, Christopher	0.00	2,129.56	2,129.56
35822	10/16/2019	Regular	7007	Byrne, Jeannie	124.67	0.00	124.67
35823	10/16/2019	Regular	7009	Edwards, Alvin	365.19	0.00	365.19
Total:					489.86	134,278.15	134,768.01



Monterey Peninsula Water Management Dist

Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2019-2020 Period Ending: 10/31/2019

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Revenue								
R100 - Water Supply Charge	0	283,220	-283,220	0.00 %	-2,376	3,400,000	-3,402,376	-0.07 %
R120 - Property Taxes Revenues	1,000	170,765	-169,765	0.59 %	1,000	2,050,000	-2,049,000	0.05 %
R130 - User Fees	531,114	416,500	114,614	127.52 %	1,039,126	5,000,000	-3,960,874	20.78 %
R140 - Connection Charges	49,150	33,320	15,830	147.51 %	132,139	400,000	-267,861	33.03 %
R150 - Permit Processing Fee	20,146	14,578	5,569	138.20 %	76,610	175,000	-98,390	43.78 %
R180 - River Work Permit Application	50	0	50	0.00 %	50	0	50	0.00 %
R190 - WDS Permits Rule 21	0	4,665	-4,665	0.00 %	0	56,000	-56,000	0.00 %
R200 - Recording Fees	2,970	500	2,470	594.24 %	11,940	6,000	5,940	199.00 %
R210 - Legal Fees	0	1,333	-1,333	0.00 %	150	16,000	-15,850	0.94 %
R220 - Copy Fee	0	0	0	0.00 %	53	0	53	0.00 %
R230 - Miscellaneous - Other	4	1,250	-1,246	0.29 %	285	15,000	-14,715	1.90 %
R240 - Insurance Refunds	0	0	0	0.00 %	5,427	0	5,427	0.00 %
R250 - Interest Income	63,015	14,994	48,021	420.27 %	47,386	180,000	-132,614	26.33 %
R260 - CAW - ASR	0	40,376	-40,376	0.00 %	0	484,700	-484,700	0.00 %
R270 - CAW - Rebates	20,250	58,310	-38,060	34.73 %	98,530	700,000	-601,470	14.08 %
R290 - CAW - Miscellaneous	0	3,749	-3,749	0.00 %	0	45,000	-45,000	0.00 %
R300 - Watermaster	0	2,916	-2,916	0.00 %	0	35,000	-35,000	0.00 %
R308 - Reclamation Project	0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R309 - GWR Project Reimbursements	698,416	0	698,416	0.00 %	698,416	0	698,416	0.00 %
R310 - Other Reimbursements	0	10,521	-10,521	0.00 %	0	126,300	-126,300	0.00 %
R320 - Grants	0	38,984	-38,984	0.00 %	0	468,000	-468,000	0.00 %
R500 - Capital Equipment Reserve	0	2,374	-2,374	0.00 %	0	28,500	-28,500	0.00 %
R510 - Operating Reserve	0	402,660	-402,660	0.00 %	0	4,833,850	-4,833,850	0.00 %
Total Revenue:	1,386,115	1,502,678	-116,563	92.24 %	2,108,736	18,039,350	-15,930,614	11.69 %

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	186,591	229,458	42,867	81.32 %	813,901	2,754,600	1,940,700	29.55 %
1110 - Manager's Auto Allowance	462	500	38	92.34 %	1,847	6,000	4,153	30.78 %
1120 - Manager's Deferred Comp	714	783	69	91.20 %	2,858	9,400	6,542	30.40 %
1130 - Unemployment Compensation	1,734	250	-1,484	693.88 %	2,457	3,000	543	81.90 %
1150 - Temporary Personnel	9,643	4,590	-5,053	210.10 %	43,308	55,100	11,793	78.60 %
1160 - PERS Retirement	16,390	49,439	33,048	33.15 %	420,287	593,500	173,213	70.82 %
1170 - Medical Insurance	25,432	31,346	5,914	81.13 %	102,876	376,300	273,425	27.34 %
1180 - Medical Insurance - Retirees	8,331	6,497	-1,834	128.22 %	35,695	78,000	42,305	45.76 %
1190 - Workers Compensation	3,700	5,939	2,240	62.29 %	16,286	71,300	55,014	22.84 %
1200 - Life Insurance	265	392	127	67.56 %	1,139	4,700	3,562	24.22 %
1210 - Long Term Disability Insurance	1,024	1,266	242	80.87 %	4,167	15,200	11,033	27.41 %
1220 - Short Term Disability Insurance	203	283	80	71.77 %	827	3,400	2,573	24.32 %
1230 - Other Benefits	0	125	125	0.00 %	210	1,500	1,290	14.00 %
1260 - Employee Assistance Program	52	125	73	41.38 %	209	1,500	1,291	13.94 %
1270 - FICA Tax Expense	1,216	683	-533	177.99 %	3,514	8,200	4,686	42.85 %
1280 - Medicare Tax Expense	2,727	3,407	680	80.05 %	13,013	40,900	27,887	31.82 %
1290 - Staff Development & Training	404	1,200	795	33.70 %	1,797	14,400	12,603	12.48 %
1300 - Conference Registration	0	966	966	0.00 %	805	11,600	10,795	6.94 %
1310 - Professional Dues	50	208	158	24.01 %	50	2,500	2,450	2.00 %
1320 - Personnel Recruitment	460	250	-211	184.25 %	505	3,000	2,495	16.85 %
Total Level1: 100 - Personnel Costs:	259,397	337,707	78,309	76.81 %	1,465,749	4,054,100	2,588,351	36.15 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	3,645	2,824	-821	129.08 %	10,530	33,900	23,370	31.06 %
2020 - Board Expenses	32	425	393	7.53 %	995	5,100	4,105	19.51 %
2040 - Rent	2,130	1,933	-197	110.22 %	8,120	23,200	15,080	35.00 %
2060 - Utilities	2,731	2,766	35	98.74 %	10,889	33,200	22,311	32.80 %
2120 - Insurance Expense	5,895	5,423	-472	108.71 %	23,438	65,100	41,662	36.00 %
2130 - Membership Dues	13,278	2,782	-10,496	477.24 %	26,010	33,400	7,390	77.87 %
2140 - Bank Charges	1,764	325	-1,439	543.03 %	5,985	3,900	-2,085	153.47 %
2150 - Office Supplies	1,532	1,449	-83	105.73 %	5,790	17,400	11,610	33.28 %
2160 - Courier Expense	657	508	-149	129.30 %	2,280	6,100	3,820	37.38 %
2170 - Printing/Photocopy	0	42	42	0.00 %	0	500	500	0.00 %
2180 - Postage & Shipping	507	566	59	89.56 %	1,332	6,800	5,468	19.59 %
2190 - IT Supplies/Services	10,557	12,495	1,938	84.49 %	81,174	150,000	68,826	54.12 %
2200 - Professional Fees	26,487	30,038	3,551	88.18 %	101,757	360,600	258,843	28.22 %
2220 - Equipment Repairs & Maintenance	0	583	583	0.00 %	2,119	7,000	4,881	30.28 %
2235 - Equipment Lease	1,259	1,158	-102	108.77 %	5,349	13,900	8,551	38.48 %
2240 - Telephone	3,706	4,223	517	87.75 %	15,666	50,700	35,034	30.90 %
2260 - Facility Maintenance	13,300	3,432	-9,868	387.53 %	23,575	41,200	17,625	57.22 %
2270 - Travel Expenses	4,855	2,591	-2,265	187.41 %	6,107	31,100	24,993	19.64 %

EXHIBIT 5-D

43

Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	1,787	2,916	1,129	61.28 %	10,029	35,000	24,971	28.65 %
2300 - Legal Services	0	33,320	33,320	0.00 %	56,179	400,000	343,821	14.04 %
2380 - Meeting Expenses	159	508	349	31.33 %	907	6,100	5,193	14.86 %
2420 - Legal Notices	0	258	258	0.00 %	0	3,100	3,100	0.00 %
2460 - Public Outreach	376	208	-168	180.75 %	1,288	2,500	1,212	51.52 %
2480 - Miscellaneous	0	250	250	0.00 %	379	3,000	2,621	12.63 %
2500 - Tax Administration Fee	0	1,666	1,666	0.00 %	0	20,000	20,000	0.00 %
2900 - Operating Supplies	964	1,408	443	68.51 %	4,374	16,900	12,526	25.88 %
Total Level1: 200 - Supplies and Services:	95,624	114,096	18,472	83.81 %	404,270	1,369,700	965,430	29.52 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	1,382,628	962,115	-420,513	143.71 %	2,045,208	11,550,000	9,504,792	17.71 %
4000 - Fixed Asset Purchases	7,363	17,818	10,455	41.32 %	7,363	213,900	206,537	3.44 %
5000 - Debt Service	0	19,159	19,159	0.00 %	0	230,000	230,000	0.00 %
6000 - Contingencies	0	5,831	5,831	0.00 %	0	70,000	70,000	0.00 %
6500 - Reserves	0	45,952	45,952	0.00 %	0	551,650	551,650	0.00 %
Total Level1: 300 - Other Expenses:	1,389,991	1,050,875	-339,116	132.27 %	2,052,571	12,615,550	10,562,979	16.27 %
Total Expense:	1,745,012	1,502,678	-242,334	116.13 %	3,922,591	18,039,350	14,116,759	21.74 %
Report Total:	-358,897	0	-358,897		-1,813,854	0	-1,813,854	

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019****Fund Summary**

Fund	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	111,721	0	111,721		-519,837	0	-519,837	
26 - CONSERVATION FUND	-18,304	0	-18,304		-204,262	0	-204,262	
35 - WATER SUPPLY FUND	-452,315	0	-452,315		-1,089,755	0	-1,089,755	
Report Total:	-358,897	0.01	-358,897		-1,813,854	0	-1,813,854	



Monterey Peninsula Water Management Dist

Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2019-2020 Period Ending: 10/31/2019

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 24 - MITIGATION FUND								
Revenue								
R130 - User Fees	328,172	256,564	71,608	127.91 %	644,122	3,080,000	-2,435,878	20.91 %
R180 - River Work Permit Application	50	0	50	0.00 %	50	0	50	0.00 %
R190 - WDS Permits Rule 21	0	4,665	-4,665	0.00 %	0	56,000	-56,000	0.00 %
R220 - Copy Fee	0	0	0	0.00 %	22	0	22	0.00 %
R230 - Miscellaneous - Other	0	417	-417	0.00 %	115	5,000	-4,885	2.31 %
R240 - Insurance Refunds	0	0	0	0.00 %	2,225	0	2,225	0.00 %
R250 - Interest Income	13,068	4,165	8,903	313.76 %	1,231	50,000	-48,769	2.46 %
R290 - CAW - Miscellaneous	0	3,749	-3,749	0.00 %	0	45,000	-45,000	0.00 %
R310 - Other Reimbursements	0	7,522	-7,522	0.00 %	0	90,300	-90,300	0.00 %
R320 - Grants	0	38,984	-38,984	0.00 %	0	468,000	-468,000	0.00 %
R500 - Capital Equipment Reserve	0	950	-950	0.00 %	0	11,400	-11,400	0.00 %
R510 - Operating Reserve	0	55,378	-55,378	0.00 %	0	664,800	-664,800	0.00 %
Total Revenue:	341,291	372,393	-31,102	-91.65 %	647,765	4,470,500	-3,822,735	14.49 %

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	74,676	88,889	14,213	84.01 %	317,580	1,067,100	749,520	29.76 %
1110 - Manager's Auto Allowance	92	75	-17	123.12 %	369	900	531	41.04 %
1120 - Manager's Deferred Comp	143	117	-26	122.47 %	572	1,400	828	40.84 %
1130 - Unemployment Compensation	1,734	100	-1,634	1,734.69 %	2,030	1,200	-830	169.20 %
1150 - Temporary Personnel	1,662	1,883	221	88.29 %	10,166	22,600	12,434	44.98 %
1160 - PERS Retirement	6,481	19,092	12,611	33.95 %	163,292	229,200	65,908	71.24 %
1170 - Medical Insurance	10,670	12,895	2,225	82.75 %	42,795	154,800	112,005	27.65 %
1180 - Medical Insurance - Retirees	3,416	2,666	-750	128.14 %	14,616	32,000	17,384	45.68 %
1190 - Workers Compensation	2,244	3,390	1,146	66.20 %	9,743	40,700	30,957	23.94 %
1200 - Life Insurance	114	158	44	71.97 %	481	1,900	1,419	25.33 %
1210 - Long Term Disability Insurance	424	508	84	83.37 %	1,707	6,100	4,393	27.99 %
1220 - Short Term Disability Insurance	84	108	24	77.66 %	339	1,300	961	26.07 %
1230 - Other Benefits	0	50	50	0.00 %	86	600	514	14.35 %
1260 - Employee Assistance Program	22	42	20	52.32 %	87	500	413	17.48 %
1270 - FICA Tax Expense	844	308	-536	273.76 %	2,284	3,700	1,416	61.73 %
1280 - Medicare Tax Expense	1,198	1,316	118	91.04 %	5,369	15,800	10,431	33.98 %
1290 - Staff Development & Training	46	375	329	12.30 %	635	4,500	3,865	14.11 %
1300 - Conference Registration	0	317	317	0.00 %	239	3,800	3,561	6.29 %
1310 - Professional Dues	0	67	67	0.00 %	0	800	800	0.00 %
1320 - Personnel Recruitment	96	100	4	95.69 %	114	1,200	1,086	9.51 %
Total Level1: 100 - Personnel Costs:	103,946	132,455	28,509	78.48 %	572,507	1,590,100	1,017,593	36.00 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	1,215	1,158	-57	104.93 %	3,511	13,900	10,389	25.26 %
2020 - Board Expenses	13	175	162	7.50 %	408	2,100	1,692	19.42 %
2040 - Rent	985	891	-94	110.55 %	3,741	10,700	6,959	34.97 %
2060 - Utilities	1,125	1,141	17	98.55 %	4,486	13,700	9,214	32.74 %
2120 - Insurance Expense	2,397	2,224	-173	107.79 %	9,590	26,700	17,110	35.92 %
2130 - Membership Dues	5,444	975	-4,469	558.58 %	10,498	11,700	1,202	89.72 %
2140 - Bank Charges	682	133	-549	511.94 %	2,413	1,600	-813	150.81 %
2150 - Office Supplies	623	583	-39	106.77 %	1,536	7,000	5,464	21.94 %
2160 - Courier Expense	269	208	-61	129.35 %	935	2,500	1,565	37.39 %
2170 - Printing/Photocopy	0	17	17	0.00 %	0	200	200	0.00 %
2180 - Postage & Shipping	208	233	25	89.17 %	546	2,800	2,254	19.51 %
2190 - IT Supplies/Services	4,328	5,123	795	84.49 %	33,277	61,500	28,223	54.11 %
2200 - Professional Fees	10,860	12,320	1,460	88.15 %	41,705	147,900	106,195	28.20 %
2220 - Equipment Repairs & Maintenance	0	242	242	0.00 %	848	2,900	2,052	29.23 %
2235 - Equipment Lease	516	475	-42	108.75 %	2,201	5,700	3,499	38.61 %
2240 - Telephone	1,601	1,716	115	93.33 %	7,267	20,600	13,333	35.28 %
2260 - Facility Maintenance	3,448	1,416	-2,032	243.52 %	7,652	17,000	9,348	45.01 %
2270 - Travel Expenses	1,736	783	-953	221.67 %	2,221	9,400	7,179	23.63 %

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	1,122	1,308	186	85.76 %	7,947	15,700	7,753	50.62 %
2300 - Legal Services	0	9,996	9,996	0.00 %	20,037	120,000	99,963	16.70 %
2380 - Meeting Expenses	65	208	143	31.34 %	372	2,500	2,128	14.87 %
2420 - Legal Notices	0	108	108	0.00 %	0	1,300	1,300	0.00 %
2460 - Public Outreach	154	83	-71	185.27 %	520	1,000	480	51.98 %
2480 - Miscellaneous	0	100	100	0.00 %	155	1,200	1,045	12.95 %
2500 - Tax Administration Fee	0	483	483	0.00 %	0	5,800	5,800	0.00 %
2900 - Operating Supplies	23	183	160	12.57 %	303	2,200	1,897	13.79 %
Total Level1: 200 - Supplies and Services:	36,816	42,283	5,467	87.07 %	162,169	507,600	345,431	31.95 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	85,900	155,908	70,009	55.10 %	430,018	1,871,650	1,441,632	22.98 %
4000 - Fixed Asset Purchases	2,908	8,447	5,539	34.42 %	2,908	101,400	98,492	2.87 %
6000 - Contingencies	0	2,391	2,391	0.00 %	0	28,700	28,700	0.00 %
6500 - Reserves	0	30,908	30,908	0.00 %	0	371,050	371,050	0.00 %
Total Level1: 300 - Other Expenses:	88,808	197,654	108,847	44.93 %	432,926	2,372,800	1,939,874	18.25 %
Total Expense:	229,570	372,393	142,823	61.65 %	1,167,601	4,470,500	3,302,899	26.12 %
Total Revenues	341,291	372,393	-31,102	-91.65 %	647,765	4,470,500	-3,822,735	-14.49 %
Total Fund: 24 - MITIGATION FUND:	111,721	0	111,721		-519,837	0	-519,837	

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 26 - CONSERVATION FUND								
Revenue								
R120 - Property Taxes Revenues	0	20,825	-20,825	0.00 %	0	250,000	-250,000	0.00 %
R130 - User Fees	127,068	99,960	27,108	127.12 %	247,853	1,200,000	-952,147	20.65 %
R150 - Permit Processing Fee	20,146	14,578	5,569	138.20 %	76,610	175,000	-98,390	43.78 %
R200 - Recording Fees	2,970	500	2,470	594.24 %	11,940	6,000	5,940	199.00 %
R210 - Legal Fees	0	1,333	-1,333	0.00 %	150	16,000	-15,850	0.94 %
R220 - Copy Fee	0	0	0	0.00 %	14	0	14	0.00 %
R230 - Miscellaneous - Other	4	417	-413	0.87 %	77	5,000	-4,923	1.54 %
R240 - Insurance Refunds	0	0	0	0.00 %	1,411	0	1,411	0.00 %
R250 - Interest Income	13,189	3,332	9,857	395.82 %	7,125	40,000	-32,875	17.81 %
R270 - CAW - Rebates	20,250	58,310	-38,060	34.73 %	98,530	700,000	-601,470	14.08 %
R500 - Capital Equipment Reserve	0	666	-666	0.00 %	0	8,000	-8,000	0.00 %
R510 - Operating Reserve	0	20,992	-20,992	0.00 %	0	252,000	-252,000	0.00 %
Total Revenue:	183,627	220,912	-37,285	-83.12 %	443,710	2,652,000	-2,208,290	16.73 %

EXHIBIT 5-D

49

Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	34,626	57,494	22,868	60.23 %	165,583	690,200	524,617	23.99 %
1110 - Manager's Auto Allowance	92	125	33	73.87 %	369	1,500	1,131	24.62 %
1120 - Manager's Deferred Comp	143	200	57	71.44 %	572	2,400	1,828	23.82 %
1130 - Unemployment Compensation	0	67	67	0.00 %	188	800	612	23.50 %
1150 - Temporary Personnel	6,643	1,191	-5,452	557.69 %	24,959	14,300	-10,659	174.54 %
1160 - PERS Retirement	3,126	11,604	8,477	26.94 %	92,400	139,300	46,900	66.33 %
1170 - Medical Insurance	5,003	8,455	3,452	59.17 %	21,161	101,500	80,339	20.85 %
1180 - Medical Insurance - Retirees	2,166	1,691	-475	128.09 %	9,319	20,300	10,981	45.91 %
1190 - Workers Compensation	135	317	181	42.76 %	644	3,800	3,156	16.95 %
1200 - Life Insurance	43	83	40	52.16 %	204	1,000	796	20.40 %
1210 - Long Term Disability Insurance	198	325	127	60.90 %	836	3,900	3,064	21.44 %
1220 - Short Term Disability Insurance	39	75	36	52.46 %	166	900	734	18.43 %
1230 - Other Benefits	0	33	33	0.00 %	55	400	345	13.65 %
1260 - Employee Assistance Program	10	33	23	30.61 %	43	400	357	10.81 %
1270 - FICA Tax Expense	74	58	-16	127.03 %	214	700	486	30.56 %
1280 - Medicare Tax Expense	512	858	346	59.67 %	2,735	10,300	7,565	26.55 %
1290 - Staff Development & Training	97	458	361	21.16 %	408	5,500	5,092	7.41 %
1300 - Conference Registration	0	392	392	0.00 %	305	4,700	4,395	6.50 %
1310 - Professional Dues	50	75	25	66.69 %	50	900	850	5.56 %
1320 - Personnel Recruitment	288	67	-221	431.86 %	299	800	501	37.44 %
Total Level1: 100 - Personnel Costs:	53,246	83,600	30,353	63.69 %	320,510	1,003,600	683,090	31.94 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	1,195	733	-462	162.99 %	3,451	8,800	5,349	39.21 %
2020 - Board Expenses	8	108	100	7.68 %	259	1,300	1,041	19.90 %
2040 - Rent	230	217	-14	106.24 %	920	2,600	1,680	35.40 %
2060 - Utilities	695	691	-4	100.55 %	2,770	8,300	5,530	33.37 %
2120 - Insurance Expense	1,568	1,408	-160	111.37 %	6,129	16,900	10,771	36.27 %
2130 - Membership Dues	3,452	1,025	-2,428	336.94 %	7,063	12,300	5,237	57.42 %
2140 - Bank Charges	433	83	-349	519.41 %	1,530	1,000	-530	153.02 %
2150 - Office Supplies	409	383	-26	106.68 %	3,019	4,600	1,581	65.63 %
2160 - Courier Expense	171	133	-38	128.17 %	593	1,600	1,007	37.05 %
2170 - Printing/Photocopy	0	8	8	0.00 %	0	100	100	0.00 %
2180 - Postage & Shipping	132	142	10	93.14 %	346	1,700	1,354	20.37 %
2190 - IT Supplies/Services	2,745	3,249	503	84.51 %	21,113	39,000	17,887	54.14 %
2200 - Professional Fees	6,887	7,797	910	88.33 %	26,487	93,600	67,113	28.30 %
2220 - Equipment Repairs & Maintenance	0	150	150	0.00 %	593	1,800	1,207	32.97 %
2235 - Equipment Lease	327	300	-28	109.19 %	1,395	3,600	2,205	38.74 %
2240 - Telephone	983	1,066	83	92.18 %	3,937	12,800	8,863	30.76 %
2260 - Facility Maintenance	5,436	866	-4,570	627.53 %	8,127	10,400	2,273	78.14 %
2270 - Travel Expenses	1,804	1,141	-663	158.10 %	2,112	13,700	11,588	15.42 %

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	230	317	87	72.67 %	961	3,800	2,839	25.29 %
2300 - Legal Services	0	4,998	4,998	0.00 %	13,832	60,000	46,168	23.05 %
2380 - Meeting Expenses	41	125	84	33.12 %	236	1,500	1,264	15.71 %
2420 - Legal Notices	0	50	50	0.00 %	0	600	600	0.00 %
2460 - Public Outreach	98	58	-40	167.84 %	330	700	370	47.09 %
2480 - Miscellaneous	0	67	67	0.00 %	99	800	702	12.31 %
2500 - Tax Administration Fee	0	475	475	0.00 %	0	5,700	5,700	0.00 %
2900 - Operating Supplies	927	1,050	123	88.29 %	4,056	12,600	8,544	32.19 %
Total Level1: 200 - Supplies and Services:	27,772	26,639	-1,132	104.25 %	109,357	319,800	210,443	34.20 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	118,960	96,295	-22,665	123.54 %	216,153	1,156,000	939,847	18.70 %
4000 - Fixed Asset Purchases	1,952	4,240	2,288	46.04 %	1,952	50,900	48,948	3.83 %
6000 - Contingencies	0	1,516	1,516	0.00 %	0	18,200	18,200	0.00 %
6500 - Reserves	0	8,622	8,622	0.00 %	0	103,500	103,500	0.00 %
Total Level1: 300 - Other Expenses:	120,912	110,672	-10,240	109.25 %	218,105	1,328,600	1,110,495	16.42 %
Total Expense:	201,930	220,912	18,981	91.41 %	647,972	2,652,000	2,004,028	24.43 %
Total Revenues	183,627	220,912	-37,285	-83.12 %	443,710	2,652,000	-2,208,290	-16.73 %
Total Fund: 26 - CONSERVATION FUND:	-18,304	0	-18,304		-204,262	0	-204,262	

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 35 - WATER SUPPLY FUND								
Revenue								
R100 - Water Supply Charge	0	283,220	-283,220	0.00 %	-2,376	3,400,000	-3,402,376	-0.07 %
R120 - Property Taxes Revenues	1,000	149,940	-148,940	0.67 %	1,000	1,800,000	-1,799,000	0.06 %
R130 - User Fees	75,874	59,976	15,898	126.51 %	147,152	720,000	-572,848	20.44 %
R140 - Connection Charges	49,150	33,320	15,830	147.51 %	132,139	400,000	-267,861	33.03 %
R220 - Copy Fee	0	0	0	0.00 %	17	0	17	0.00 %
R230 - Miscellaneous - Other	0	417	-417	0.00 %	93	5,000	-4,907	1.86 %
R240 - Insurance Refunds	0	0	0	0.00 %	1,791	0	1,791	0.00 %
R250 - Interest Income	36,758	7,497	29,261	490.31 %	39,030	90,000	-50,970	43.37 %
R260 - CAW - ASR	0	40,376	-40,376	0.00 %	0	484,700	-484,700	0.00 %
R300 - Watermaster	0	2,916	-2,916	0.00 %	0	35,000	-35,000	0.00 %
R308 - Reclamation Project	0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R309 - GWR Project Reimbursements	698,416	0	698,416	0.00 %	698,416	0	698,416	0.00 %
R310 - Other Reimbursements	0	2,999	-2,999	0.00 %	0	36,000	-36,000	0.00 %
R500 - Capital Equipment Reserve	0	758	-758	0.00 %	0	9,100	-9,100	0.00 %
R510 - Operating Reserve	0	326,290	-326,290	0.00 %	0	3,917,050	-3,917,050	0.00 %
Total Revenue:	861,198	909,374	-48,176	-94.70 %	1,017,262	10,916,850	-9,899,588	9.32 %

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	77,289	83,075	5,786	93.03 %	330,737	997,300	666,563	33.16 %
1110 - Manager's Auto Allowance	277	300	23	92.34 %	1,108	3,600	2,492	30.78 %
1120 - Manager's Deferred Comp	429	466	38	91.86 %	1,714	5,600	3,886	30.61 %
1130 - Unemployment Compensation	0	83	83	0.00 %	239	1,000	761	23.86 %
1150 - Temporary Personnel	1,338	1,516	178	88.24 %	8,183	18,200	10,017	44.96 %
1160 - PERS Retirement	6,783	18,743	11,960	36.19 %	164,596	225,000	60,404	73.15 %
1170 - Medical Insurance	9,759	9,996	237	97.62 %	38,919	120,000	81,081	32.43 %
1180 - Medical Insurance - Retirees	2,749	2,141	-608	128.42 %	11,760	25,700	13,940	45.76 %
1190 - Workers Compensation	1,320	2,232	913	59.13 %	5,899	26,800	20,901	22.01 %
1200 - Life Insurance	107	150	43	71.46 %	453	1,800	1,347	25.18 %
1210 - Long Term Disability Insurance	403	433	31	92.92 %	1,623	5,200	3,577	31.21 %
1220 - Short Term Disability Insurance	80	100	20	79.87 %	322	1,200	878	26.85 %
1230 - Other Benefits	0	42	42	0.00 %	69	500	431	13.86 %
1260 - Employee Assistance Program	20	50	30	39.44 %	78	600	522	13.08 %
1270 - FICA Tax Expense	298	317	19	94.11 %	1,016	3,800	2,784	26.73 %
1280 - Medicare Tax Expense	1,017	1,233	216	82.51 %	4,909	14,800	9,891	33.17 %
1290 - Staff Development & Training	261	367	105	71.25 %	754	4,400	3,646	17.15 %
1300 - Conference Registration	0	258	258	0.00 %	261	3,100	2,839	8.41 %
1310 - Professional Dues	0	67	67	0.00 %	0	800	800	0.00 %
1320 - Personnel Recruitment	77	83	6	92.42 %	92	1,000	908	9.18 %
Total Level1: 100 - Personnel Costs:	102,205	121,651	19,446	84.01 %	572,733	1,460,400	887,667	39.22 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	1,235	933	-302	132.40 %	3,568	11,200	7,632	31.86 %
2020 - Board Expenses	11	142	131	7.46 %	328	1,700	1,372	19.31 %
2040 - Rent	915	825	-90	110.90 %	3,458	9,900	6,442	34.93 %
2060 - Utilities	911	933	22	97.62 %	3,633	11,200	7,567	32.44 %
2120 - Insurance Expense	1,930	1,791	-139	107.75 %	7,719	21,500	13,781	35.90 %
2130 - Membership Dues	4,382	783	-3,599	559.59 %	8,449	9,400	951	89.89 %
2140 - Bank Charges	649	108	-541	599.47 %	2,042	1,300	-742	157.09 %
2150 - Office Supplies	501	483	-18	103.71 %	1,236	5,800	4,564	21.31 %
2160 - Courier Expense	217	167	-50	130.14 %	752	2,000	1,248	37.62 %
2170 - Printing/Photocopy	0	17	17	0.00 %	0	200	200	0.00 %
2180 - Postage & Shipping	167	192	24	87.38 %	440	2,300	1,860	19.11 %
2190 - IT Supplies/Services	3,484	4,123	640	84.49 %	26,783	49,500	22,717	54.11 %
2200 - Professional Fees	8,741	9,921	1,180	88.10 %	33,565	119,100	85,535	28.18 %
2220 - Equipment Repairs & Maintenance	0	192	192	0.00 %	678	2,300	1,622	29.49 %
2235 - Equipment Lease	416	383	-32	108.46 %	1,754	4,600	2,846	38.13 %
2240 - Telephone	1,122	1,441	319	77.84 %	4,462	17,300	12,838	25.79 %
2260 - Facility Maintenance	4,415	1,150	-3,266	384.08 %	7,796	13,800	6,004	56.50 %
2270 - Travel Expenses	1,315	666	-649	197.36 %	1,773	8,000	6,227	22.16 %

EXHIBIT 5-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	435	1,291	856	33.69 %	1,121	15,500	14,379	7.23 %
2300 - Legal Services	0	18,326	18,326	0.00 %	22,309	220,000	197,691	10.14 %
2380 - Meeting Expenses	53	175	122	30.03 %	299	2,100	1,801	14.25 %
2420 - Legal Notices	0	100	100	0.00 %	0	1,200	1,200	0.00 %
2460 - Public Outreach	124	67	-58	186.40 %	438	800	362	54.80 %
2480 - Miscellaneous	0	83	83	0.00 %	125	1,000	875	12.50 %
2500 - Tax Administration Fee	0	708	708	0.00 %	0	8,500	8,500	0.00 %
2900 - Operating Supplies	15	175	160	8.43 %	15	2,100	2,085	0.70 %
Total Level1: 200 - Supplies and Services:	31,036	45,174	14,138	68.70 %	132,745	542,300	409,555	24.48 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	1,177,768	709,912	-467,856	165.90 %	1,399,036	8,522,350	7,123,314	16.42 %
4000 - Fixed Asset Purchases	2,503	5,131	2,628	48.79 %	2,503	61,600	59,097	4.06 %
5000 - Debt Service	0	19,159	19,159	0.00 %	0	230,000	230,000	0.00 %
6000 - Contingencies	0	1,924	1,924	0.00 %	0	23,100	23,100	0.00 %
6500 - Reserves	0	6,422	6,422	0.00 %	0	77,100	77,100	0.00 %
Total Level1: 300 - Other Expenses:	1,180,272	742,549	-437,723	158.95 %	1,401,539	8,914,150	7,512,611	15.72 %
Total Expense:	1,313,512	909,374	-404,139	144.44 %	2,107,017	10,916,850	8,809,833	19.30 %
Total Revenues	861,198	909,374	-48,176	-94.70 %	1,017,262	10,916,850	-9,899,588	-9.32 %
Total Fund: 35 - WATER SUPPLY FUND:	-452,315	0	-452,315		-1,089,755	0	-1,089,755	
Report Total:	-358,897	0	-358,897		-1,813,854	0	-1,813,854	

EXHIBIT 5-D

54

Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 10/31/2019****Fund Summary**

Fund	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	111,721	0	111,721		-519,837	0	-519,837	
26 - CONSERVATION FUND	-18,304	0	-18,304		-204,262	0	-204,262	
35 - WATER SUPPLY FUND	-452,315	0	-452,315		-1,089,755	0	-1,089,755	
Report Total:	-358,897	0.01	-358,897		-1,813,854	0	-1,813,854	

ITEM: GENERAL MANAGER'S REPORT**7. REPORT ON LEGISLATIVE OUTREACH FOR CALENDAR YEAR 2019****Meeting Date: December 16, 2019 Budgeted: N/A****From: David J. Stoldt, General Manager Program/Line Item No.: N/A****Prepared By: David J. Stoldt Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: During the course of the 2019 calendar year, the District has undertaken a variety of outreach efforts with the legislature, government agencies, and industry groups consistent with its adopted 2019 Legislative Advocacy Plan. Several of these activities are identified chronologically below.

Federal:

- Hired federal lobbying firm The Ferguson Group in January 2017. Monthly conference calls. Notifications of bills and federal activity. Consultation on other western water recycling lobbying activities. Accompanied MPWMD staff at meetings with US Bureau of Reclamation during ACWA in May and December (see **Exhibit 7-A**)
- Received w/ Monterey One Water USBR Title XVI WaterSMART WIIN grant for Pure Water Monterey (awaiting appropriation).
- Coordinated with Congressman Panetta's office on changes to tax code for water-related rebates
- Submitted USBR Title XVI WaterSMART grant application in July (awaiting notification.).
- District co-signed letters of support for variety of issues (see **Exhibit 7-B**)

State:

- Miscellaneous meetings with JEA Associates to discuss Sacramento strategy.
- Multiple meetings and correspondence regarding state issues (see **Exhibit 7-A**)

- Numerous letters regarding proposed Statewide legislation, several in consultation with ACWA (see **Exhibit 7-B**)
- Attended conferences and maintained visibility for Association of California Water Agencies, California Special Districts Association, California Water Association.

Local:

- Meet regularly with local interest groups (e.g. Coalition of Peninsula Businesses, Hospitality Association, Chambers of Commerce, Carmel Valley Association, LandWatch, Public Water Now, among others) and their representatives as requested.
- Sponsored, exhibited, and attended public events such as the County Fair water wise landscape competition, golf outings for Hospitality Association, and Commercial Property Owners Association.

EXHIBITS

7-A 2019 Meeting Agendas

7-B 2019 Legislative Letters of Support/Opposition

2019 Meeting Agendas

Sacramento Meetings

February 6, 2019

Dave Stoldt, Molly Evans, JEA & Associates

9:30 – 11:00 Joint Assembly Committees on Water Tax

12:30 Assemblymember Robert Rivas

1:30 Senator Anna Caballero

2:00 Assmblymember Mark Stone

Sacramento Meetings

March 27, 2019

Dave Stoldt, JEA & Associates

9:30	Erik Ekdahl, SWRCB staff
1:30	Sean Maguire, SWRCB board member
2:45	Sherly Rosilela, Department of Drinking Water (w/ Mike McCullough)
3:30	Assemblymember Robert Rivas (w/ Mike McCullough)

May 8, 2019

Association of California Water Agencies

Monterey, CA

7:30 Art Hinojosa, DWR's Division of Integrated Regional Water Management,

1:00 Meet w/ US Bureau of Reclamation staff
(w/ Monterey One Water and The Ferguson Group)

Sacramento Meetings

July 10, 2019

Dave Stoldt. JEA & Associates

8:30	Erik Ekdahl & Steven Westhoff, SWRCB staff
10:00	Secretary Wade Crowfoot, Deputy Secretary Tom Gibson
11:30	Joaquin Esquivel, Chair SWRCB, Eileen Sobeck, Executive Director SWRCB, Michael Lauffer, Chief Counsel SWRCB
12:00	Bethany Westfall, Legislative Director for Sen. Monning
2:00	Craig Scholer, Legislative Director for Asm. Stone

December 4, 2019
Association of California Water Agencies
San Diego, CA

1:30 Meet w/ US Bureau of Reclamation staff
(w/ Monterey One Water and The Ferguson Group)

2019 Legislative Letters of Support/Opposition

September 11, 2019 (updated)

To: Members of the California Assembly

Re: SB 1 (Atkins): Environmental, Public Health and Workers Defense Act
OPPOSE (As Amended September 10, 2019)

On behalf of the 88 signatories noted below, we regret to inform you of our continued opposition to SB 1 by Senate President Pro Tempore Toni Atkins. The bill fails to address a key concern identified in previous versions of the bill, therefore, we respectfully request your **NO** vote on the bill.

Although we are grateful for the deletion of the previous Section 6 (Water Code Section 13050) and the positive change to Section 3 [Fish and Game Code Section 2076.7 (c)] to permit application of best available science, retaining Section 2 (Fish and Game Code Section 2057) attempts to apply the California Endangered Species Act to the federal Central Valley Project. This is an unsettled area of law, and will likely lead to protracted and expensive litigation, instead of collaborative adaptive management and resources as contemplated in the Voluntary Agreements.

Inclusion of Section 2057 would do great injury to the efforts by a wide spectrum of water users to develop adaptive management practices for Delta water supply, water quality, and fish species commonly known as the Voluntary Agreements. These important negotiations span the Brown and Newsom Administrations and are the only real chance of avoiding a decade of non-productive litigation and for making real progress on species and habitat restoration in the Sacramento and San Joaquin River watersheds.

For these reasons, we must ask for your NO vote on the bill. If you have questions or wish additional information, please contact Kathy Viatella of The Metropolitan Water District of Southern California at (916) 650-2614.

Sincerely,

Jeff Kightlinger
General Manager
**Metropolitan Water
District of Southern
California**

Nina Jazmadarian
General Manager
**Foothill Municipal Water
District**

Bill Manis
President & CEO
**San Gabriel
Valley Economic
Partnership**

Anthony Duarte
CEO
**Regional Chamber of
Commerce
San Gabriel Valley**

Matthew Litchfield
General Manager
**Three Valleys Municipal
Water District**

Jessica Duboff
Vice President
**Los Angeles Area
Chamber of Commerce**

Theresa Harvey
President & CEO
**North Orange
County Chamber**

Charley Wilson
Executive Director & CEO
**Southern California
Water Coalition**

Alicia Berhow
*Senior Vice President
of Government Affairs*
**Orange County
Business Council**

Craig Miller
General Manager
**Western Municipal
Water District**

Brian A. Dickinson
General Manager
**Water Department
City of Compton**

Bruce Channing
Executive Director
**Association of California
Cities Orange County**

Shivaji Deshmukh
General Manager
**Inland Empire Utilities
Agency**

John Bosler
General Manager
**Cucamonga Valley
Water District**

Ken Rausch
Chief Executive Officer
**El Monte / South El
Monte Chamber of
Commerce**

Leah Skinner
Executive Director
**La Verne Chamber of
Commerce**

Joe Cina
President/CEO
**Glendora Chamber of
Commerce**

Monica Farias
Executive Director
**The Greater
West Covina
Business Association**

David W. Pedersen, P.E.
General Manager
**Las Virgenes Municipal
Water District**

Greg Morrison
*Government
Relations Officer*
**Elsinore Valley
Municipal Water District**

Ken Rausch
Co-Chairman
**The San Gabriel Valley
Legislative Coalition of
Chambers**

Mike Salazar
Executive Director
**Bell Gardens Chamber of
Commerce**

Monique Manzanares
President & CEO
**Pomona Chamber of
Commerce**

Michael W. Lewis
Senior Vice President
**Construction Industry
Coalition on Water
Quality**

Tracy Hernandez
Founding CEO
BizFed

Eileen Hupp
Chair
**South Bay Association
of Chambers of
Commerce**

Donna Duperron
President and CEO
**Torrance Area Chamber
of Commerce**

Marsha Hansen
CEO/President
**El Segundo Chamber of
Commerce**

Dominik Knoll
President/CEO
**Redondo Beach Chamber
of Commerce**

Roxanne Holmes
General Manager
**Crestline-Lake
Arrowhead Water
Agency**

Erik Hitchman
General Manager
**Walnut Valley Water
District**

Casey Hashimoto, P.E.
General Manager
**Turlock Irrigation
District**

Scot Moody, SDA
General Manager
**Stockton East Water
District**

Mauricio E. Guardado, Jr.
General Manager
**United Water
Conservation District**

Steve Knell, P.E.
General Manager
**Oakdale Irrigation
District**

Dave Eggerton
Executive Director
**Association of California
Water Agencies**

Tom Birmingham
General Manager
Westlands Water District

Dennis D. LaMoreaux
General Manager
Palmdale Water District

Ray A Stokes
Executive Director
**Central Coast Water
Authority**

Jim Barrett
General Manager
**Coachella Valley Water
District**

Matthew Stone
General Manager
**Santa Clarita Valley
Water Agency**

Jason Phillips
Chief Executive Officer
Friant Water Authority

Jennifer Pierre
General Manager
**State Water Contractors,
Inc.**

Chris White
Executive Director
**San Joaquin River
Exchange Contractors
Water Authority**

Curtis Creel
General Manager
**Kern County Water
Agency**

Scott Ferguson
General Manager
**Modesto Irrigation
District**

Mark S. Krause
*General Manager/Chief
Engineer*
Desert Water Agency

Robert Reeb
Executive Director
**Valley Ag Water
Coalition**

Dwayne Chisam
General Manager
**Antelope Valley East
Kern Water Agency**

Steve Haugen
Watermaster
**Kings River Water
Association**

Federico Barajas
Executive Director
**San Luis & Delta-
Mendota Water
Authority**

Rick Gilmore
*General
Manager/Secretary*
**Byron Bethany Irrigation
District**

Douglas D. Headrick
General Manager
**San Bernardino Valley
Municipal Water District**

Tom Coleman
General Manager
Rowland Water District

John Kingsbury
Executive Director
**Mountain Counties
Water Association**

Thomas Wong
President
**San Gabriel Valley
Municipal Water District**

Paul Peschel
General Manager
**Kings River
Conservation District**

Norma Camacho
General Manager
**Santa Clara Valley
Water District**

James Peifer
Executive Director
**Regional Water
Authority**

Dale Melville
Manager-Engineer
**Dudley Ridge Water
District**

David J. Guy
President
**Northern California
Water Association**

Thomas D. McCarthy
General Manager
Mojave Water Agency

Paul Jones, II
General Manager
**Eastern Municipal Water
District**

Gail Delihant
*Director of California
Government Affairs*
**Western Growers
Association**

Dan Dunmoyer
President/CEO
**California Building
Industry Association**

Richard Haller
General Manager
**Santa Ana Watershed
Project Authority**

Jeff Davis
General Manager
**San Geronimo Pass Water
Agency**

Noelle G. Cremers
Senior Policy Advocate
**California Farm Bureau
Federation**

Luis Portillo
*Director of
Public Policy*
**Inland Empire Economic
Partnership**

Tricia Geringer
*Vice President of
Government Affairs*
**Agricultural Council of
California**

Michael R. Markus, P.E.,
D.WRE, BCEE, F.ASCE
General Manager
**Orange County Water
District**

David Strecker
President
**San Joaquin County
Farm Bureau Federation**

Michael Miiller
*Director of Government
Relations*
**California Association of
Winegrape Growers**

Jeffrey P. Sutton
General Manager
**Tehama-Colusa Canal
Authority**

Eric Averett
General Manager
**Rosedale-Rio Bravo
Water Storage District**

Ariana Joven
Executive Director
**Kern County
Farm Bureau**

Nicholas Ortiz
President & CEO
**Greater Bakersfield
Chamber of Commerce**

Richard A. Diamond
General Manager
**North Kern Water
Storage District**

Jason Gianquinto
General Manager
**Semitropic Water
Storage District**

Raul Barraza, Jr.
General Manager
**Arvin Community
Services District**

Tony Stafford
General Manager
Camrosa Water District

Sheridan Nicholas
Engineer-Manager
**Wheeler Ridge-Maricopa
Water Storage District**

Paul Helliker
General Manager
San Juan Water District

Phillip M. Miller, PE
District Engineer
**Napa County Flood
Control and Water
Conservation District**

Elaine Trevino
*President/Chief Executive
Officer*
**Almond Alliance of
California**

Bill Mattos
President
**California Poultry
Federation**

David Stoldt
General Manager
**Monterey Peninsula
Water Management
District**

Dillon Gibbons
*Senior Legislative
Representative*
**California Special
Districts Association**

cc: Senate President Pro Tempore Toni Atkins
Senator Anthony Portantino
Senator Henry Stern

Kip Lipper, Consultant, Office of the Senate President Pro Tempore Toni Atkins
Alf Brandt, Assembly Policy Consultant, Office of Assembly Speaker Anthony Rendon
Marie Liu, Assembly Policy Consultant, Office of Assembly Speaker Anthony Rendon

Ann O'Leary, Chief of Staff, Office of Governor Gavin Newsom
Ana J. Matosantos, Cabinet Secretary, Office of Governor Gavin Newsom
Christine Hironaka, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
Anthony Williams, Legislative Secretary, Office of Governor Gavin Newsom
Rachel Wagoner, Deputy Legislative Secretary, Office of Governor Gavin Newsom
Bill Lyons, Policy Advisor, Office of Governor Gavin Newsom

Secretary Wade Crowfoot, California Natural Resources Agency
Secretary Jared Blumenfeld, California Environmental Protection Agency

July 26, 2019

The Honorable Jared Huffman
1527 Longworth House Office Building
Washington, DC 20515

RE: SUPPORT FOR HR 2313

Dear Congressman Huffman:

The Alliance for Water Efficiency and the 72 undersigned water utilities, manufacturers, distributors, consumer groups, and water efficiency advocates strongly support H.R. 2313, the Water Conservation Tax Parity Act, and we applaud your leadership in sponsoring this important legislation.

Your bill would make clear that rebates provided by water utilities for water conservation and water runoff management improvements are not subject to federal income taxation. As the bill's title implies, it would create parity between water conservation rebates, which can be taxed, and energy conservation rebates, which Congress declared nontaxable in 1992.

Water utilities are offering rebates to incentivize the reduction of water use and to ease the strain on public infrastructure. These programs can provide significant water savings, which is a societal benefit, not a personal benefit to the consumer.

As these rebate programs have grown, however, so have the size of rebates and the number of homeowners receiving an Internal Revenue Service (IRS) Form 1099 reporting "income" of \$600 or more. The Treasury Department and the IRS have so far taken the position that these rebates are taxable as income to the recipient. At the same time, the Treasury Department has urged Congress in the past to amend the Internal Revenue Code to make water conservation rebates tax-exempt, just as energy efficiency rebates are.

Your bill would make that change and eliminate a major disincentive for millions of Americans willing to do their part in promoting water conservation efforts.

We stand ready to assist you in the passage of this bill.

Sincerely yours,

**Alliance for Water
Efficiency**
Chicago, IL

American Rivers
Decatur, GA

**Arizona Municipal Water
Users Association**
Phoenix, AZ

**Alameda County Water
District**
Fremont, CA

**Amy Vickers &
Associates, Inc.**
Amherst, MA

**Arizona Nursery
Association**
Tempe, AZ

**Association of
Professional Landscape
Designers - California
Chapter**
Sacramento, California

Aurora Water
Aurora, CO

City of Bend
Bend, OR

**Big Bear Lake Department
of Water**
Big Bear Lake, CA

**Bottom Line Utility
Solutions, Inc.**
Laguna Hills, CA

C + C
Seattle, WA

**California Water
Efficiency Partnership**
Sacramento, CA

**Carpinteria Valley Water
District**
Carpinteria, CA

Town of Cary
Cary, NC

**Cobb County Water
System**
Marietta, GA

**Codes and Standards
International**
Belen, NM

**Contra Costa Water
District**
Concord, CA

City of Durham
Durham, NC

**East Bay Municipal Utility
District**
Oakland, CA

Elevate Energy
Chicago, IL

Exergy Systems, Inc.
Irvine, CA

City of Flagstaff
Flagstaff, AZ

**Golden State Water
Company**
San Dimas, CA

City of Goodyear
Goodyear, AZ

Green Builder Coalition
Glen Carbon, IL

H2O Connected, LLC
Coatesville, PA

**Hawai'i Commission on
Water Resource
Management**
Honolulu, HI

Intellecty, Inc.
San Diego, CA

**International Association
of Plumbing &
Mechanical Officials**
Dayton, NJ

**Jordan Valley Water
Conservancy District**
Jordan, UT

Kat with a K Landscaping
Seattle, WA

**Las Vegas Valley Water
District**
Las Vegas, NV

**LIXIL Corp/American
Standard Brands**
Piscataway, NJ

Madison Water Utility
Madison, WI

**ManageWater
Consulting, Inc.**
Redwood City, CA

City of Mesa
Mesa, AZ

**Metropolitan Water
District of Southern
California**
Los Angeles, CA

**Miami Dade Water &
Sewer Dept.**
Miami, FL

**Monterey Peninsula
Water Management
District**
Monterey, CA

**Municipal Water District
of Orange County**
Fountain Valley, CA

**Myoma Dunes Mutual
Water Company**
Bermuda Dunes, CA

Northern Water
Berthoud, CO

**Northwest EcoBuilding
Guild**
Olympia, WA

Nth Solutions, LLC
Exton, PA

City of Oceanside
Oceanside, CA

**Plumbing Manufacturers
International**
McLean, VA

Purlin, LLC
Sarasota, FL

**Rancho California Water
District**
Temecula, CA

**Regional Water Providers
Consortium**
Portland, OR

City of Round Rock
Round Rock, TX

**Sacramento Suburban
Water District**
Sacramento, CA

**San Bernardino Valley
Municipal Water District**
San Bernardino, CA

**San Diego County Water
Authority**
San Diego, CA

**San Francisco Public
Utilities Commission**
San Francisco, CA

**Santa Margarita Water
District**
Rancho Santa Margarita,
CA

City of Santa Barbara
Santa Barbara, CA

**City of Santa Cruz Water
Department**
Santa Cruz, CA

Scottsdale Water
Scottsdale, AZ

**Southern Nevada Water
Authority**
Las Vegas, NV

Stewardship Partners
Seattle, WA

City of Thornton
Thornton, CO

Tohono O'odham Nation
Sells, AZ

TOTO USA, Inc.
Morrow, GA

**Tualatin Valley Water
District**
Beaverton, OR

Tucson Water
Tucson, AZ

Valley Water
San Jose, CA

WasteWater Education
Traverse City, MI

Water – Use It Wisely
Phoenix, AZ

**Water Demand
Management**
Boulder, CO

**Water Wise Program,
University of Arizona –
Cochise County
Cooperative Extension**
Sierra Vista, AZ

City of Westminster
Westminster, CO

Whirlpool Corporation
Benton Harbor, MI

From: Roger Gwinn
To: Dave Stoldt
Cc: Stephanie Locke; Stephanie Missert
Subject: Re: AWE's letter of support for tax exempt water rebates
Date: Thursday, August 1, 2019 11:35:38 AM
Attachments: [image001.png](#)

Absolutely. Will do.

Sent from my iPhone
Roger Gwinn
The Ferguson Group

On Aug 1, 2019, at 1:57 PM, Dave Stoldt <dstoldt@mpwmd.net> wrote:

Roger,

Would you please ensure that Feinstein and Harris office's are aware of this?

Dave

Begin forwarded message:

From: Dave Stoldt <dstoldt@mpwmd.net>
Subject: Fwd: AWE's letter of support for tax exempt water rebates
Date: August 1, 2019 at 11:05:35 AM PDT
To: Lee Kathleen <Kathleen.Lee@mail.house.gov>

Hi Kathleen,

Please ensure Jimmy is aware of this important issue. Thanks.

Dave

Begin forwarded message:

From: Liam McCarthy <Liam@a4we.org>
Sent: Thursday, August 1, 2019 7:35 AM
To: Liam McCarthy <Liam@a4we.org>
Subject: AWE's letter of support for tax exempt water rebates

Hello,

Thank you again for signing on to our letter of support for

Tax Exempt Water Conservation rebates! See attached for the final letter that we sent to Congressional Representatives.

Stay up to date with all the news related to this issue, and other activities at AWE, here:

<http://www.allianceforwaterefficiency.org/news/default.asp>

X

Best,
Liam and the AWE team

Liam R. McCarthy
Administrative and Outreach Coordinator
Alliance for Water Efficiency
33 N. LaSalle St., Ste. 2275
Chicago, Illinois 60602
773-360-5100

<image001.png>

<V2 2019-07-26 AWE Letter Supporting HR 2313.pdf>

From: Lee, Kathleen
To: Dave Stoldt
Subject: RE: AWE's letter of support for tax exempt water rebates
Date: Thursday, August 1, 2019 11:31:34 AM
Attachments: image001.png

Dave,

Thank you for sharing this letter and I will be sure to share it with Mark Dennin, who is our legislative assistant for Ways and Means and tax issues.

Thank you,
Kathleen Lee

From: Dave Stoldt <dstoldt@mpwmd.net>
Sent: Thursday, August 1, 2019 10:56 AM
To: Lee, Kathleen <Kathleen.Lee@mail.house.gov>
Subject: Fwd: AWE's letter of support for tax exempt water rebates

Hi Kathleen,

Please ensure Jimmy is aware of this important issue. Thanks.

Dave

Begin forwarded message:

From: Liam McCarthy <Liam@a4we.org>
Sent: Thursday, August 1, 2019 7:35 AM
To: Liam McCarthy <Liam@a4we.org>
Subject: AWE's letter of support for tax exempt water rebates

Hello,

Thank you again for signing on to our letter of support for Tax Exempt Water Conservation rebates! See attached for the final letter that we sent to Congressional Representatives.

Stay up to date with all the news related to this issue, and other activities at AWE, here:
<http://www.allianceforwaterefficiency.org/news/default.aspx>

Best,
Liam and the AWE team

Liam R. McCarthy
Administrative and Outreach Coordinator



June 10, 2019

The Honorable Lisa Murkowski
Chairman
Senate Energy and Natural Resources
Committee
304 Dirksen Senate Building
Washington, DC 20510

The Honorable Joe Manchin
Ranking Member
Senate Energy and Natural Resources
Committee
304 Dirksen Senate Building
Washington, DC 20510

Dear Chairman Murkowski and Ranking Member Manchin:

The Monterey Peninsula Water Management District urges your support for the Drought Resiliency and Water Supply Infrastructure Act, which includes a 5-year, \$100 million reauthorization of the Bureau of Reclamation's Title XVI Water Reclamation and Reuse competitive grant program, originally authorized in the 2016 Water Infrastructure Improvements for the Nation (WIIN) Act (Title XVI-WIIN). In addition to the key Title XVI-WIIN Competitive Grant Program, the legislation includes \$60 million for desalination, additional funding for surface and groundwater storage, and a new low-interest loan program for the financing of a range of water infrastructure projects.

We greatly appreciate the bipartisan nature of this bill and hope to see the bill amended to further increase the authorization level for the Title XVI-WIIN program. Title XVI is the only federal program focused on funding water recycling projects in the western states, yet with enactment of the FY 2019 Energy and Water Appropriations bill, the \$50 million authorization for Title XVI-WIIN has been reached. Therefore, it is critical to reauthorize Title XVI-WIIN in support of continued development of water reuse in the West.

The 2016 WIIN Act created a mechanism to continue support for Western water reuse projects by establishing a competitive grant program within Title XVI, enabling new projects to be eligible for federal assistance. There are currently 55 Title XVI-WIIN eligible projects awaiting assistance, with a total of more than \$550 million in eligible federal cost-share, this list will only grow as more projects become eligible. The need is clearly there as demonstrated by the range of communities who have applied for and are awaiting funding to drought-proof their future.

A clean and reliable water supply is the foundation of a community's health, economy, and sustainability. We appreciate the authors for their vision, breadth, and bipartisan efforts in addressing one of our greatest challenges.

Sincerely,

A handwritten signature in dark ink, appearing to read "David J. Stoldt". The signature is fluid and cursive, with the first name "David" and last name "Stoldt" clearly distinguishable.

David J. Stoldt
General Manager



June 4, 2019

The Honorable Hannah-Beth Jackson
Chair, Senate Judiciary Committee
State Capitol
Sacramento, CA 95814

RE: Assembly Bill 1184 (Gloria) – Oppose [As Amended May 16, 2019]

Dear Senator Jackson:

The Monterey Peninsula Water Management District is respectfully opposed to Assembly Bill 1184, which will require all public agencies to maintain all transmitted emails related to agency business for at least two years.


To be very clear, this is not a transparency bill, it is a data storage bill. The public will have no greater or less access to public records under AB 1184. This bill creates no new disclosures or exemptions of records. This bill only mandates that public agencies retain all emails related to agency business for two years and attempts to avoid the constitutionally required mandate subvention process by placing the data retention policy in the California Public Records Act (CPRA).

While this measure appears intended to improve public access to government records, in practice it will merely increase the burdens for both public agencies and CPRA requesters. The vast majority of emails consist of auto-replies, spam, and insignificant routine communications of minimal public interest. As the bulk of these emails increases, the burden to search through them and locate responsive records in the event of a CPRA request rises accordingly. Indiscriminately mandating that emails be retained will thus make CPRA requests more expensive, perversely impeding public access. Moreover, for those costs that cannot be passed on to the requester, the public agency has no source for reimbursement, and must divert funds from other public programs. Compelling public agencies to retain masses of routine emails - which neither the sender nor recipient otherwise thought important enough to save - imposes significant burdens on all concerned for minimal public benefit.

Additionally, Article XIII B, Section 6 states that "whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the state shall provide a subvention of funds to reimburse that local government..." There are a small number of constitutional exceptions to that rule, one of which are costs related to the CPRA. AB 1184 attempts to exploit that exception by placing the email retention requirement in the CPRA. Public agencies have numerous records retention requirements in law, however, those requirements are not contained in the CPRA, and expansion of those requirements would clearly trigger state subvention. AB 1184 purposefully endeavors to create an unfunded mandate on local agencies by placing this major new retention requirement into the CPRA, specifically to avoid reimbursing local agencies for a new program or higher level of service.

For these reasons, MPWMD opposes AB 1184.

Sincerely,


David Stoldt
General Manager



June 4, 2019

The Honorable Mark Stone
California State Assemblymember
State Capitol, Room 3146
Sacramento, CA 95814

Subject: Safe Drinking Water Plan

Dear Assemblymember Stone:

The Monterey Peninsula Water Management District asks you to support the Senate's Safe Drinking Water Plan because it would provide a durable funding solution needed without a water tax. The elements of the plan are:

1. A \$150 million per year continuous appropriation from the General Fund to the Safe and Affordable Drinking Water Fund;
2. SB 200 (Monning), which would create the Safe and Affordable Drinking Water Fund and provide the requirements for this funding program (e.g., the scope of eligible applicants, how the money could be spent, etc.); and
3. SB 414 (Caballero), which is co-sponsored by Eastern Municipal Water District and the California Municipal Utilities Association, would provide for the creation of small system water authorities. This bill would help the situation where small failing public water systems do not have the economies of scale to be sustainable.

These have the makings of a strong foundation to address safe and affordable drinking water throughout California.

On behalf of the jurisdictions within the Monterey Peninsula, we appreciate the attention you personally give to us and your work for the good people of the Monterey Peninsula.

Sincerely yours,

A handwritten signature in black ink that reads "David J. Stoldt".

David J. Stoldt
General Manager



June 4, 2019

The Honorable William Monning
California State Senator
State Capitol, Room 4040
Sacramento, CA 95814

Subject: Safe Drinking Water Plan

Dear Senator Monning:

The Monterey Peninsula Water Management District asks you to support the Senate's Safe Drinking Water Plan because it would provide a durable funding solution needed without a water tax. The elements of the plan are:

1. A \$150 million per year continuous appropriation from the General Fund to the Safe and Affordable Drinking Water Fund;
2. SB 200 (Monning), which would create the Safe and Affordable Drinking Water Fund and provide the requirements for this funding program (e.g., the scope of eligible applicants, how the money could be spent, etc.); and
3. SB 414 (Caballero), which is co-sponsored by Eastern Municipal Water District and the California Municipal Utilities Association, would provide for the creation of small system water authorities. This bill would help the situation where small failing public water systems do not have the economies of scale to be sustainable.

These have the makings of a strong foundation to address safe and affordable drinking water throughout California.

On behalf of the jurisdictions within the Monterey Peninsula, we appreciate the attention you personally give to us and your work for the good people of the Monterey Peninsula.

Sincerely yours,

A handwritten signature in dark ink, reading "David J. Stoldt". The signature is fluid and cursive, with the first name "David" and last name "Stoldt" clearly legible.

David J. Stoldt
General Manager

April 22, 2019

The Honorable Betty McCollum, Chairwoman
House Committee on Appropriations
Subcommittee on Interior, Environment and
Agencies
Washington, DC 20515

The Honorable David Joyce, Ranking Member
House Committee on Appropriations
Subcommittee on Interior, Environment and Related
Related Agencies
Washington, DC 20515

The Honorable Lisa Murkowski, Chairwoman
Senate Committee on Appropriations
Interior, Environment and
Agencies
Washington, DC 20510

The Honorable Tom Udall, Ranking Member
Senate Committee on Appropriations Subcommittee on
Subcommittee on Interior, Environment and Related
Related Agencies
Washington, DC 20510

RE: SUPPORT FOR WATERSENSE® IN FISCAL YEAR 2020

Dear Chairwoman McCollum, Ranking Member Joyce, Chairwoman Murkowski, and Ranking Member Udall:

The 126 undersigned water utilities, manufacturers, distributors, consumer groups, and water efficiency advocates write to express our strong support for the WaterSense program at the Environmental Protection Agency (EPA). Since its inception in 2006, this voluntary public/private partnership has helped Americans save more than 3 trillion gallons of water and more than \$65 billion in water and energy bills. Additionally, the use of WaterSense labeled products has saved more than 400 billion kilowatt-hours of electricity.

Congress recognized the success and importance of WaterSense this past December by authorizing the program as part of America's Water Infrastructure and Improvement Act. That bill, signed into law by President Trump, gave WaterSense statutory status for the first time.

Yet, President Trump's proposed FY 2020 budget proposes elimination of the WaterSense program. We urge you to reject the administration's proposal and approve funding for WaterSense in FY 2020 at the current level of \$3.1 million or higher.

WaterSense works with over 2,000 business and organizational partners, with nearly 28,000 water-efficient products carrying the WaterSense label. Public and private utilities in all 50 states tailor successful water conservation programs around consumer use of WaterSense labeled products. And because of the nexus between water and energy use, the billions of gallons of water saved by WaterSense result in billions of kilowatt hours of energy that are not used to heat, pump and distribute water.

For all of these reasons, we believe that the WaterSense program is deserving of your support.

Thank you for your consideration.

Sincerely,

The following 126 national, regional and local organizations:

Alliance for Water Efficiency
Chicago, IL

Alameda County Water District
Fremont, CA

American Rivers
Decatur, GA

American Water Works Association
Denver, CO

Amy Vickers & Associates, Inc.
Amherst, MA

Apache Junction Water Utilities
Apache Junction, AZ

Arizona Municipal Water Users Association
Phoenix, AZ

Arizona Nursery Association
Tempe, AZ

Athens-Clarke County Public Utilities Department
Athens, GA

City of Austin
Austin, TX

City of Bellingham
Bellingham, WA

City of Bend
Bend, OR

Bernalillo County Public Works
Albuquerque, NM

City of Big Bear Lake Department of Water and Power
Big Bear Lake, CA

Broward County Environmental Planning & Community Resilience Division
Fort Lauderdale, FL

City of Buckeye
Buckeye, AZ

Business for Water Stewardship
Portland, OR

C+C
Seattle, WA

Cahaba River Society
Birmingham, AL

California Water Efficiency Partnership
Sacramento, CA

California Water Services Company
Torrance, CA

Carpinteria Valley Water District
Carpinteria, CA

Cavanaugh
Winston Salem, NC

Center for Water-Energy Efficiency, University of California, Davis
Davis, CA

Center for Water Efficient Landscaping, Utah State University
Logan, UT

Cobb County Water System
Marietta, GA

Codes and Standards International
Belen, NM

Colorado WaterWise
Denver, CO

Connecticut Water
Clinton, CT

Contra Costa Water District
Concord, CA

Cool Choices
Madison, WI

Denver Botanic Gardens
Denver, CO

City of Durham
Durham, NC

East Bay Municipal Utility District
Oakland, CA

Elevate Energy
Chicago, IL

Ewing Irrigation & Landscape Supply
Phoenix, AZ

Exergy Systems, Inc.
San Jose, CA

City of Flagstaff
Flagstaff, AZ

Flo Technologies, Inc.
Culver City, CA

Foothill Municipal Water District
La Cañada Flintridge, CA

Global Water Policy Project
Los Lunas, NM

Global Water Works
Libertyville, IL

Golden State Water Company
San Dimas, CA

City of Goodyear
Goodyear, AZ

Green Builder Coalition
Glen Carbon, IL

Greywater Action
Berkeley, CA

Hawaii Commission on Water Resource Management
Honolulu, HI

Hawaii First Water, LLC
Kailua Kona, HI

City of Hays
Hays, KS

Helix Water District
La Mesa, CA

Huron River Watershed Council

Ann Arbor, MI

Imagine H2O

San Francisco, CA

Intellecty Inc.

San Diego, CA

**International Association of Plumbing
and Mechanical Officials**

Ontario, CA

International Code Council

Washington, DC

Irrigation Association

Fairfax, VA

**Jordan Valley Water Conservancy
District**

West Jordan, UT

Kohler Co.

Kohler, WI

Lane Community College

Eugene, OR

LIXIL Corp/American Standard Brands

Piscataway, NJ

Maddaus Water Management

Sacramento, CA

Madison Water Utility

Madison, WI

ManageWater Consulting, Inc.

Redwood City, CA

Marin MWD

Corte Madera, CA

**Massachusetts Water Works
Association**

Acton, MA

Maureen Erbeznik & Associates

Los Angeles, CA

City of Mesa

Mesa, AZ

**Metropolitan North Georgia Water
Planning District**

Atlanta, GA

**Metropolitan Water District of
Southern California**

Los Angeles, CA

**Miami-Dade Water and Sewer
Department**

Miami, FL

**Monterey Peninsula Water
Management District**

Monterey, CA

**Municipal Water District of Orange
County**

Fountain Valley, CA

Myoma Dunes Water Company

Bermuda Dunes, CA

National Wildlife Federation

Washington, DC

**Northern Arizona Municipal Water
Users Association**

Scottsdale, AZ

**Northern Colorado Water
Conservancy District**

Berthoud, CO

Nth Solutions LLC

Exton, PA

O'Cain Consulting, Inc.

Santa Monica, CA

City of Oceanside

Oceanside, CA

**Olivenhain Municipal Water
District**

Encinitas, CA

City of Peoria

Peoria, AZ

City of Phoenix,

Phoenix, AZ

Plumbing Manufacturers International

Tysons Corner, VA

City of Portsmouth

Portsmouth, NH

Purlin, LLC

Sarasota, FL

Rain Bird Corporation

Tucson, AZ

Ramona's Plumber

Ramona, CA

Rancho California Water District

Temecula, CA

Regional Water Authority

Citrus Heights, CA

Regional Water Providers Consortium

Portland, OR

Rogue Water, LLC

Fort Worth, TX

City of Round Rock

Round Rock, TX

City of Sacramento

Sacramento, CA

Sacramento Suburban Water District

Sacramento, CA

San Antonio Water System

San Antonio, TX

San Lorenzo Valley Water District

Boulder Creek, CA

City of San Marcos

San Marcos, TX

City of Santa Barbara
Santa Barbara, CA

City of Santa Cruz
Santa Cruz, CA

City of Santa Monica
Santa Monica, CA

Scotts Miracle-Gro
Marysville, OH

Scottsdale Water
Scottsdale, AZ

Seelig and Associates
Livermore, CA

**San Francisco Public Utilities
Commission**
San Francisco, CA

Southern Nevada Water Authority
Las Vegas, NV

**Southern Oregon Landscape
Association**
Medford, OR

STEMhero
Albany, OR

Sustainable Waters LLC
Crozet, VA

T&S Brass and Bronze Works, Inc.
Travelers Rest, SC

Tacoma Water
Tacoma, WA

Texas Water Foundation
Austin, TX

**The Meadows Center for Water
and the Environment**
San Marcos, TX

Tohono O'odham Nation
Sells, AZ

TOTO USA, Inc.
Ontario, CA

Tualatin Valley Water District
Beaverton, OR

Tucson Water
Tucson, AZ

**Turfgrass Water Conservation
Alliance**
Albany, OR

U.S. Green Building Council
Washington, DC

**Upper San Gabriel Valley Municipal
Water District**
Monrovia, CA

Wastewater Education
Traverse City, MI

Water Demand Management
Boulder, CO

**Water Supply Citizens Advisory
Committee**
Belchertown, MA

Water – Use it Wisely
Phoenix, AZ

Waterless Co.
Vista, CA

WaterNow Alliance
San Francisco, CA

City of Westminster
Westminster, CO



March 13, 2019

Assemblymember Mark Stone
State Capitol
Room 3146
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Mark,

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA). It will be heard in the Senate Environmental Quality Committee this year.

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

It is not in the public interest to tax a resource that is essential to life, the alternative to the Trust proposed by others. Further, it would be highly inefficient to have over 3,000 local water agencies become tax collectors for the state because the resulting combined local administrative costs would exceed the combined state tax revenue collected from the local water bills. It would make water less affordable.

As proposed by SB 669 and supported by ACWA and CMUA, the Trust's principal would be initially financed with a one-time infusion of General Fund dollars during a budget surplus year. With the record budget surplus for the 2019-20 Fiscal Year, this is the perfect year to create and fund the Trust. Doing so is based largely on a progressive source of revenue and makes sense because taxpayers with higher incomes would contribute more, and taxpayers with lower incomes would contribute less. The human right to safe, clean, affordable water is a social issue best left to a General Fund solution.

Best regards,

A handwritten signature in dark ink, appearing to read "David J. Stoldt".

David J. Stoldt
General Manager

cc: Senator Anna Caballero



March 13, 2019

Senator Benjamin Allen, Chair
Senate Environmental Quality Committee
State Capitol
Room 4076
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Senator Allen

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

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Best regards,


David J. Stoldt
General Manager

cc: Senator Anna Caballero



March 13, 2019

Senator Anna M. Caballero
State Capitol
Room 5052
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Senator Caballero

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

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Best regards,


David J. Stoldt
General Manager



March 13, 2019

Senator Jerry Hill
Senate Environmental Quality Committee
State Capitol
Room 5035
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Senator Hill

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

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Best regards,


David J. Stoldt
General Manager

cc: Senator Anna Caballero



March 13, 2019

Senator Patricia C. Bates, Vice Chair
Senate Environmental Quality Committee
State Capitol
Room 3048
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Senator Bates

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

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Best regards,


David J. Stoldt
General Manager

cc: Senator Anna Caballero



March 13, 2019

Senator Jeff Stone
Senate Environmental Quality Committee
State Capitol
Room 4082
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Senator Stone

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

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Best regards,


David J. Stoldt
General Manager

cc: Senator Anna Caballero



March 13, 2019

Senator Nancy Skinner
Senate Environmental Quality Committee
State Capitol
Room 5094
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Senator Skinner

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

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Best regards,


David J. Stoldt
General Manager

cc: Senator Anna Caballero



March 13, 2019

Senator Bob Wieckowski
Senate Environmental Quality Committee
State Capitol
Room 4085
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Senator Wieckowski

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

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Best regards,


David J. Stoldt
General Manager

cc: Senator Anna Caballero



March 13, 2019

Senator Henry Stern
Senate Environmental Quality Committee
State Capitol
Room 5080
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Senator Stern

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

It is not in the public interest to tax a resource that is essential to life, the alternative to the Trust proposed by others. Further, it would be highly inefficient to have over 3,000 local water agencies become tax collectors for the state because the resulting combined local administrative costs would exceed the combined state tax revenue collected from the local water bills. It would make water less affordable.

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Best regards,


David J. Stoldt
General Manager

cc: Senator Anna Caballero



March 13, 2019

Chief Consultant Gabrielle Meindl
Senate Environmental Quality Committee
State Capitol
Sacramento, CA 95814-4900

Subject: SB 669 (Caballero) Safe Drinking Water Trust - SUPPORT

Dear Gabrielle

The Monterey Peninsula Water Management District supports SB 669 which would establish the Safe Drinking Water Trust, and is supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to fill that gap.

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As proposed by SB 669 and supported by ACWA and CMUA, the Trust's principal would be initially financed with a one-time infusion of General Fund dollars during a budget surplus year. With the record budget surplus for the 2019-20 Fiscal Year, this is the perfect year to create and fund the Trust. Doing so is based largely on a progressive source of revenue and makes sense because taxpayers with higher incomes would contribute more, and taxpayers with lower incomes would contribute less. The human right to safe, clean, affordable water is a social issue best left to a General Fund solution.

Best regards,


David J. Stoldt
General Manager

cc: Senator Anna Caballero



A STATEWIDE WATER TAX IS NOT THE RIGHT APPROACH

Why is the Trust a better approach?

- The vast majority of Californians have access to safe drinking water. However, some disadvantaged communities do not. This is a public health issue that the state must address.
- In 2018, the Legislature approved \$3 million for the preparation of a water systems needs analysis, and the State Water Resources Control Board is now determining how it will perform the analysis.
- Key to resolving the issue is addressing the funding gap for operation and maintenance (O&M) costs for community water systems that treat the water. O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources.
- A financial solution is needed for O&M and consolidation costs that can complement existing funding sources for capital costs.
- The Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA) are sponsoring legislation to create a Safe Drinking Water Trust (Trust).
- The Trust's principal would be initially financed with a one-time infusion of General Fund dollars during a budget surplus year. With the record budget surplus for the 2019-20 Fiscal Year, this is the perfect year to create and fund the Trust.
- Funding this durable Trust via the General Fund, which is based largely on a progressive source of revenue, makes sense because taxpayers with higher incomes would contribute more, and taxpayers with lower incomes would contribute less.
- The Trust's principal would be invested, and the net income would be transferred to a Safe Drinking Water Fund, which the State Water Resources Control Board would administer.

Why is a proposed statewide water tax not the right approach?

- It is not sound policy to tax a resource that is essential to life.
- State law sets forth a policy of a human right to water for human consumption that is safe, clean, affordable and accessible. Adding a regressive statewide water tax on local water bills would work against keeping water affordable for all Californians.
- It would be highly inefficient to have over 3,000 local water agencies become tax collectors for the state because the resulting combined local administrative costs would exceed the combined state tax revenue collected from the local water bills.

For more information contact

Cindy Tuck, ACWA Deputy Executive Director for Government Relations, at cindy@acwa.com
or **Danielle Blacet**, CMUA Director for Water, at dblacet@cmua.org.



February 6, 2019

Senator Anna M. Caballero
State Capitol
Room 5052
Sacramento, CA 95814-4900

Dear Senator Caballero

The Governor recently released his trailer bill language "Safe And Affordable Drinking Water And Exide Cleanup" and on January 31st, Senator Monning introduced SB 200, establishing the "Safe and Affordable Drinking Water Fund." The Monterey Peninsula Water Management District urges caution about establishing a regressive statewide water tax on local water bills. We urge you instead to support the Safe Drinking Water Trust as supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

It is not in the public interest to tax a resource that is essential to life. Further, it would be highly inefficient to have over 3,000 local water agencies become tax collectors for the state because the resulting combined local administrative costs would exceed the combined state tax revenue collected from the local water bills.

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs.

As proposed by ACWA and CMUA, the Trust's principal would be initially financed with a one-time infusion of General Fund dollars during a budget surplus year. With the record budget surplus for the 2019-20 Fiscal Year, this is the perfect year to create and fund the Trust. Doing so is based largely on a progressive source of revenue, and makes sense because taxpayers with higher incomes would contribute more, and taxpayers with lower incomes would contribute less. The human right to safe, clean, affordable water is a social issue best left to a General Fund solution.

Best regards,


David J. Stoldt
General Manager



February 6, 2019

Assembly Member Mark Stone
P.O. Box 942849
Sacramento, CA 94249-0029

Dear Assembly Member Stone,

The Governor recently released his trailer bill language "Safe And Affordable Drinking Water And Exide Cleanup" and on January 31st, Senator Monning introduced SB 200, establishing the "Safe and Affordable Drinking Water Fund." The Monterey Peninsula Water Management District urges caution about establishing a regressive statewide water tax on local water bills. We urge you instead to support the Safe Drinking Water Trust as supported by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA).

It is not in the public interest to tax a resource that is essential to life. Further, it would be highly inefficient to have over 3,000 local water agencies become tax collectors for the state because the resulting combined local administrative costs would exceed the combined state tax revenue collected from the local water bills.

The primary challenge in at-risk water systems is that O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources, hence a financial solution is needed for O&M and consolidation costs that can complement existing available funding sources for capital costs.

As proposed by ACWA and CMUA, the Trust's principal would be initially financed with a one-time infusion of General Fund dollars during a budget surplus year. With the record budget surplus for the 2019-20 Fiscal Year, this is the perfect year to create and fund the Trust. Doing so is based largely on a progressive source of revenue, and makes sense because taxpayers with higher incomes would contribute more, and taxpayers with lower incomes would contribute less. The human right to safe, clean, affordable water is a social issue best left to a General Fund solution.

Best regards,


David J. Stoldt
General Manager



February 6, 2019

Assembly Member Robert Rivas
P.O. Box 942849
Sacramento, CA 94249-0030

Dear Assembly Member Rivas,

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Best regards,


David J. Stoldt
General Manager



February 6, 2019

Assembly Water, Parks & Wildlife Committee
Assembly Environmental Safety & Toxic Materials Committee, and
Assembly Budget Subcommittee No. 3

Dear Committee Members,

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Best regards,


David J. Stoldt
General Manager



1199 North Fairfax St, Suite 900 - Alexandria, VA 22314

October 29, 2018

The Honorable Lisa Murkowski
Chairman
Senate Energy and Natural Resources Committee
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Senate Energy and Natural Resources Committee
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Rob Bishop
Chairman
House Natural Resources Committee
1324 Longworth House Office Building
Washington, DC 20515

The Honorable Raul Grijalva
Ranking Member
House Natural Resources Committee
1329 Longworth House Office Building
Washington, DC 20515

Dear Chairman Murkowski, Ranking Member Cantwell, Chairman Bishop, and Ranking Member Grijalva:

The undersigned organizations and utilities are writing to urge your support for the reauthorization of the Bureau of Reclamation's Title XVI Water Reclamation and Reuse competitive grant program authorized in the 2016 Water Infrastructure Improvements for the Nation (WIIN) Act (Title XVI-WIIN).

Title XVI is the only federal program focused on funding water recycling projects in the western states, and with enactment of the FY 2019 Energy and Water Appropriations bill, the \$50 million authorization for Title-WIIN has been reached. Therefore, it is critical to reauthorize Title XVI-WIIN to support the continued development of water reuse in the West and the development of drought-proof water supplies.

Since Title XVI's inception in 1992, Congress has authorized 53 Title XVI recycling projects producing more than 400,000 acre-feet of drought-resistant water supply. To date, Congress has appropriated approximately \$672 million in federal funding which has been leveraged with non-federal funding to implement more than \$3.3 billion in water reuse improvements – a nearly 5:1 leverage ratio. However, as no new projects had been authorized by Congress since 2009, the 2016 WIIN Act created a mechanism to continue support for Western water reuse projects by establishing a competitive grant program within Title XVI, enabling new projects to be eligible for federal assistance.

There are currently 44 Title XVI-WIIN eligible projects awaiting assistance, with a total of \$528 million in eligible federal cost-share, this list will only grow as more projects become eligible. To address the federal cost-share demand, we urge that Title XVI-WIIN be reauthorized at \$250 million over five years, paid for by deauthorizing "inactive" Title XVI projects following a similar deauthorization process Congress enacted for the U.S. Army Corps of Engineers projects in the 2014 Water Resources Reform and Development Act. Currently, the federal cost-share for projects that have never received funding or have not received funding in the past ten years is approximately \$200 million. Under the proposal, sponsors of projects listed for deauthorization would have a transparent and public process to submit

Title XVI Stakeholder Support Letter
Page 2

information demonstrating the project's active status to the Bureau of Reclamation with a request to revoke the deauthorization.

Clean and reliable water is the backbone of a community's health and economy. Water reuse provides a sustainable and secure water supply for communities, increasingly important in the face of more frequent and severe droughts and changing hydrologic conditions throughout the West.

We are also aware that the WIIN 2016 authorizations for the desalination program (\$30 million), and western water storage funds (\$335 million) have also expired with the enactment of the FY 2019 Energy and Water Appropriations measure. We support the reauthorization of these programs as water storage and desalination projects work in tandem with water recycling projects to ensure that communities across the West have safe, secure, and sustainable water supplies.

Thank you for your consideration of this request. Should you have any questions or would like to discuss further, please do not hesitate to contact Patricia Sinicropi, WaterReuse Association at psinicropi@watereuse.org.

Sincerely,

National Organizations

American Public Works Association (APWA)
 American Water Works Association (AWWA)
 Association of Metropolitan Water Agencies (AMWA)
 National Association of Clean Water Agencies (NACWA)
 National Rural Water Association (NRWA)
 Rural Community Assistance Partnership Inc. (RCAP)
 Water and Wastewater Equipment Manufacturers Association (WWEMA)
 WaterReuse Association
 Water Environment Federation (WEF)
 Western Coalition of Arid States (WESTCAS)
 Western Recycled Water Coalition (WRWC)

State and Regional NGOs

WaterReuse Arizona
 WaterReuse California
 WaterReuse Colorado
 WaterReuse Nevada
 WaterReuse Pacific Northwest (PNW)
 WaterReuse Texas
 California Association of Sanitation Agencies (CASA)

Association of California Water Agencies (ACWA)

Arizona Agencies

Apache Junction Water District
 City of Tucson Water Department - Tucson Water
 Flagstaff Water Services
 Scottsdale Water

California Agencies

Alameda County Flood Control and Water Conservation District Zone 7
 Central Contra Costa Sanitary District
 City of Corona
 City of Escondido, Utilities Department
 City of Modesto
 City of Pasadena
 City of Pismo Beach
 City of Pleasanton
 City of San Diego Public Utilities Department
 Delta Diablo
 Dublin San Ramon Services District
 Eastern Municipal Water District
 El Toro Water District
 Inland Empire Utilities Agency (IEUA)
 Irvine Ranch Water District (IRWD)
 Las Virgenes Municipal Water District

**Title XVI Stakeholder Support Letter
Page 3**

Leucadia Wastewater District
Marina Coast Water District
Mesa Water District
Monterey One Water
Monterey Peninsula Water Management District
Olivenhain Municipal Water District
Orange County Water District
Otay Water District
Padre Dam Municipal Water District
Rincon del Diablo Municipal Water District
San Diego County Water Authority
San Elijo Joint Powers Authority
Sanitation Districts of Los Angeles County
Santa Clara Valley Water District
Santa Margarita Water District
Scotts Valley Water District
Santa Clarita Water (SCV Water)
Town of Marana Water Utilities Association
Upper San Gabriel Valley Municipal Water District
Victor Valley Wastewater Reclamation Authority
(VWWRA)

Colorado Agencies

Arapahoe County Water & Wastewater Authority
(ACWWA)
Denver Water

Nevada Agencies

City of Henderson - Utility Services

City of North Las Vegas Utilities Department
Clark County Water Reclamation District
Truckee Meadows Water Authority (TMWA)

New Mexico Agencies

Albuquerque Bernalillo County Water Utility Authority
City of Rio Rancho

Oklahoma Agencies

City of Norman

Oregon Agencies

Clean Water Services

Texas Agencies

City of San Marcos
City of Wichita Falls
El Paso Water Utilities
Gulf Coast Authority (GCA)
McAllen Public Utility (MPU)
Upper Trinity Regional Water District

Utah Agencies

South Jordan City

Washington Agencies

King County, Wastewater Treatment Division

CC: The Honorable Kevin McCarthy, Majority Leader, U.S. House of Representative
The Honorable Dianne Feinstein, U.S. Senator

ITEM: PUBLIC HEARING**10. CONSIDER ADOPTION OF JANUARY THROUGH MARCH 2020 QUARTERLY WATER SUPPLY STRATEGY AND BUDGET**

Meeting Date:	December 16, 2019	Budgeted:	N/A
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From:	David J. Stoldt	Program/	N/A
	General Manager	Line Item No.:	

Prepared By:	Jonathan Lear	Cost Estimate:	N/A
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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 September 2001 and February 2009 Conservation Agreements between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River and Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016.**

SUMMARY: The Board will accept public comment and take action on the January through March 2020 Quarterly Water Supply Strategy and Budget for California American Water's (CalAm's) Main and Satellite Water Distribution Systems (WDS), which are within the Monterey Peninsula Water Resources System (MPWRS). The proposed budgets, which are included as **Exhibits 10-A and 10-B**, show monthly production by source of supply that is required to meet projected customer demand in CalAm's Main and Laguna Seca Subarea systems, i.e., Ryan Ranch, Bishop, and Hidden Hills, during the January through March 2020 period. The proposed strategy and budget is designed to maximize the long-term production potential and protect the environmental quality of the Seaside Groundwater and Carmel River Basins.

Exhibit 10-A shows the anticipated production by CalAm's Main system for each production source and the actual production values for the water year to date through the end of March 2020. Cal-Am's annual Main system production for Water Year (WY) 2020 will not exceed 10,130 acre-feet (AF). Sources available to meet customer demand are 1,820 AF from the Coastal Subareas of the Seaside Groundwater Basin as set by the Seaside Basin Adjudication Decision and 8,310 AF from the Carmel River as set by WRO 2016-16. Aquifer Storage and Recovery and Table 13 diversions will occur when instream flow thresholds are met. The proposed schedule of production from the Carmel Valley Alluvial Aquifer is consistent with State Water Resources Control Board (SWRCB) Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016. In compliance with WRO 2016-0016, any water diverted under these rights must be used to reduce unlawful diversion from the Carmel River Basin.

Exhibit 10-B shows the anticipated production by CalAm's Laguna Seca Subarea systems for each production source, and the actual production values for WY 2020 to date through the end of November 2019. According to the Seaside Basin Adjudication Decision, CalAm's production has

been reduced to 0 AF. It is recognized that CalAm will need to produce water to serve its customers and this table is produced as a ministerial component of tracking the implementation of the Adjudication Decision. CalAm has filed in the most recent general rate case with the California Public Utility Commission to intertie the main system and satellite systems to solve this issue.

RECOMMENDATION: The Board should receive public input, close the Public Hearing, and discuss the proposed quarterly water supply budget. District staff recommends adoption of the proposed budget. The budget is described in greater detail in **Exhibit 10-C**, Quarterly Water Supply Strategy Report: January – March 2020.

BACKGROUND: The Water Supply Strategy and Budget prescribes production within CalAm's Main and Laguna Seca Subarea systems and is developed on a quarterly schedule. Staff from the District, CalAm, the National Marine Fisheries Services (NMFS), State Water Resources Control Board's Division of Water Rights (SWRCB-DWR), and the California Department of Fish and Wildlife (CDFW) cooperatively develop this strategy to comply with regulatory requirements and maximize the environmental health of the resource system while meeting customer demand. To the greatest extent pumping in the Carmel Valley is minimized in the summer months and the Seaside wells are used to meet demand by recovering native water and banked Carmel River water. Also, it was agreed that CalAm will operate its wells in the Lower Carmel Valley in a downstream to upstream order.

When flows decline below 20 cfs at the District's Don Juan Gage, CalAm will stop production from its Upper Carmel Valley Wells. The permitted diversion season for ASR is between December 1 and May 31. ASR recovery will begin when flows decline to shift production away from the river. This schedule is estimated with wet year streamflow conditions and daily demand for Carmel Valley. There is also a projected goal of producing 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months.

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 as 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

10-A Quarterly Water Supply Strategy and Budget for Cal-Am Main System: January – March 2020

10-B Quarterly Water Supply Strategy and Budget for Cal-Am Subsystems: January – March 2020

10-C Quarterly Water Supply Strategy and Budget Report: January – March 2020

**California American Water Main Distribution System
Quarterly Water Supply Strategy and Budget: January - March 2020**

Proposed Production Targets by Source in Acre-Feet

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jan-20	Feb-20	Mar-20	Oct-19 - Nov-19	% of YTD	% of Annual Budget
<u>Source</u>						
<u>Carmel Valley Aquifer</u>						
Upper Subunits (Service)	100	100	100	0	0%	NA
Lower Subunits (Service)	542	460	574	1,033	142%	64%
ASR Diversion	230	320	345	0		
Table 13 Diversion (Service)	38	52	56	0		
Total	910	932	1,075			
Total to count against CDO	910	932	780			
<u>Seaside Groundwater Basin</u>						
Coastal Subareas	100	100	100	648	100%	59%
Phase 1 and 2 ASR Recovery	0	0	0	0	0%	0%
Sand City Desalination	25	25	25	0	0%	0%
Total	125	125	125	648		
Total for All Sources	1,035	1,057	1,200			
<u>Use</u>						
Customer Service	767	685	799	1,682		
Phase 1 and 2 ASR Storage	230	320	345	0		
Table 13 In Basin use	38	52	56	0		
Total	1,035	1,057	1,200	1,682		

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
2. Total monthly production for "Customer Service" in CAW's main system was calculated by multiplying total annual production (10,130 AF) times the average percentage of annual production for January, February and March (7.9%, 6.8%, and 8.3%, respectively). According to District Rule 160, the annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed 1,820 AF and production from Carmel River sources, without adjustments for water produced from water resources projects, would not exceed 8,310 AF in WY 2020. The average production percentages were based on monthly data for customer service from WY 2012 to 2015.
3. Anticipated production for ASR injection is based on an average diversion rate of approximately 4,500 gallons per minute (gpm) or 19.9 AF per day from CAW's sources in the Carmel River Basin. "Total" monthly CAW "Use" includes water for customer service and water for injection into the Seaside Basin.
4. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the assumption that sufficient flow will occur in the Carmel River at the targeted levels, to support ASR injection. It is planned that Coastal Subarea pumping will not occur, or will be proportionally reduced, if ASR injection does not occur at targeted levels.
5. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation during WY 2020 to be in compliance with SWRCB WRO No. 95-10.
6. It should be noted that monthly totals for Carmel Valley Aquifer sources may be different than those shown in MPWMD Rule 160, Table XV-3. These differences result from monthly target adjustments needed to be consistent with SWRCB WRO 98-04, which describes how Cal-Am Seaside Wellfield is to be used to offset production in Carmel Valley during low-flow periods. Adjustments are also made to the Quarterly Budgets to ensure that compliance is achieved on an annual basis with MPWMD Rule 160 totals.
7. Table 13 values reflect source/use estimates based on SWRCB Permit 21330, which allows diversions from the CVA for "In Basin use" (3.25 AFD) when flows in the River exceed threshold values. In accordance with Water Rights Permits 21330 and CDO2009-0060, water produced and consumed under this right is subtracted from the CVA annual base amount. Actual values will be dependant on the number of days flows exceed minimum daily instream flow requirements.

EXHIBIT 10-B

**California American Water Highway 68 Distribution Systems
Quarterly Water Supply Strategy and Budget: January - March 2020**

Proposed Production Targets by Source and Projected Use in Acre-Feet

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jan-20	Feb-20	Mar-20	Oct-19 - Nov-19	% of YTD	% of Annual Budget
<u>Source</u>						
Seaside Groundwater Basin						
Laguna Seca Subarea	0	0	0		63	
Other	0	0	0		0	
<u>Use</u>						
Customer Service	0	0	0			
Total	0	0	0		63	

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
2. Total monthly production for "Customer Service" in CAW's Highway 68 systems was calculated by multiplying total annual production (0 AF) times the average percentage of annual production for January, February, and March (6.8%, 5.5%, and 7.0%, respectively). The annual production total was based on the assumption that production from the Laguna Seca Subarea of the Seaside Groundwater Basin would not exceed 0 AF. The average production percentages were based on monthly data for customer service from WY 2012 to 2015. The 0 AF annual production limit is based on procedures specified in the Seaside Basin Adjudication Decision.
3. It should be noted that CAW will supply water to the customers of these systems. In this context, the production targets in this table represent the maximum monthly production that should occur so that CAW remains within its Standard Production Allocation for the Laguna Seca Subarea specified in the Seaside Decision. Accordingly, actual production beyond these production targets will be subject to replenishment assessment by the Seaside Basin Watermaster.
4. "Other" production sources refer to supplies transferred to Highway 68 customers from CAW's Carmel River sources, water rights acquired from other producers in the Seaside Basin, or supplies transferred from other systems outside of the Laguna Seca Subarea to produce additional water.
5. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation during WY 2020 to be in compliance with SWRCB WRO No. 95-10.
6. Year to date production numbers are estimated pending finalization of CAW production data.
7. As approved by MPWMD Board on 8/17/2015, an allocation of 3.41 AF production (3.17 AF metered sales) is transferred to CHOMP within the Ryan Ranch Unit of CalAm (in the Laguna Seca Sub-Area) from Cypress Pacific Standard Producer in the Coastal Sub-Area.

EXHIBIT 10-C

Quarterly Water Supply Strategy and Budget Report California American Water Main Water Distribution System: January – March 2020

1. Management Objectives

The Monterey Peninsula Water Management District (District) desires to maximize the long-term production potential and protect the environmental quality of the Carmel River and Seaside Groundwater Basins. In addition, the District desires to maximize the amount of water that can be diverted from the Carmel River Basin and injected into the Seaside Groundwater Basin while complying with the instream flow requirements recommended by the National Marine Fisheries (NMFS) to protect the Carmel River steelhead population. To protect the River, ASR water banked in the winter will be recovered in the summer months. To accomplish these goals, a water supply strategy and budget for production within California American Water's (CalAm's) Main and Laguna Seca Subarea water distribution systems is reviewed quarterly to determine the optimal strategy for operations, given the current hydrologic and system conditions, and legal constraints on the sources and amounts of water to be produced.

The Quarterly Water Budget Group discussed the idea of reducing the target production of 25 AF per month for the Sand City Desalination Plant. The group decided that the goal of the Quarterly Budget is to reduce the reliance on the river to the maximum extent and did not want to set a monthly target less than the maximum capacity of the plant.

2. Quarterly Water Supply Strategy: January – March 2020

On December 5, 2019 staff from the District, CalAm, State Water Resources Control Board's Division of Water Rights (SWRCB-DWR), and the California Department of Fish and Wildlife (CDFW) met and discussed the proposed water supply strategy and related topics for upcoming quarter. National Marine Fisheries Services (NMFS) was unable to attend, but was given to opportunity to provide guidance into the process.

Carmel River Basin CalAm will operate its wells in the Lower Carmel Valley in a downstream to upstream sequence, as needed to meet customer demand. For this quarterly water budget, it was agreed that when flow triggers are met ending the Low Flow Period, CalAm will mobilize to operate the upper valley wells as a source of diversion to ASR and Table 13. Any new sources of water reduce the water available to be pumped from the river on a one to one basis consistent with SBO 2016-0016. If ASR season has not yet started, MPWMD and CalAm will cooperate to begin preparation for ASR season and when instream flow requirements are met, Carmel River water injection will begin.

Seaside Groundwater Basin CalAm will continue to produce water from the Coastal Subareas

of the Seaside Basin during this period, as necessary pressurize the Seaside distribution system when ASR is operating. There is also a goal to produce 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months. It is recognized that, based on recent historical use, CalAm's production from the Laguna Seca Subarea during this period cannot be reduced to zero, as is set by CalAm's allocation specified in the Seaside Basin Adjudication Decision. In this context, the production targets represent the maximum monthly production that should occur so that CalAm remains within its adjudicated allocation for the Laguna Seca Subarea. Under the amended Seaside Basin Decision, CalAm is allowed to use production savings in the Coastal Subareas to offset over-production in the Laguna Seca Subarea. However, the quarterly budget was developed so that CalAm would produce all native groundwater in the Coastal Subareas and Laguna Seca production would be over the Adjudication allotment.

ITEM: PUBLIC HEARING**11. RECEIVE FISCAL YEAR 2018-2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT****Meeting Date:** December 16, 2019 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Suresh Prasad **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** None.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: A draft copy of the District's Comprehensive Annual Financial Report (CAFR) is provided for review. Draft of the Independent Auditors' Report and Board Communication Letter (required communication letter from the Auditors to the Board) for the fiscal year ending June 30, 2019 has been received from the District's auditors, Hayashi & Wayland. The final 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.

This is the fifth year that the District has prepared a CAFR. A CAFR is a set of government financial statements comprising the financial report of a municipality that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). GASB provides standards for the content of a CAFR in its annually updated publication. A CAFR is compiled by the governmental accounting staff and audited by an external certified accounting firm utilizing GASB requirements. A CAFR is composed of three sections:

Introductory section – includes transmittal letter.

Financial section – includes the independent auditor's report and contains management's discussion and analysis, government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, combining financial statements, and schedules.

Statistical section – includes additional financial, economic, and demographic information.

The auditors have issued a clean opinion on the District's CAFR. The audit did not identify any deficiencies in the internal control that the auditors consider to be material weaknesses. Representatives from Hayashi and Wayland will be available at the meeting to review the Board Disclosure Letter.

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.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2018. This was the fourth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we will be submitting it to the GFOA to determine its eligibility for another certificate.

RECOMMENDATION: District staff recommends that the Board review and receive the Comprehensive Annual Financial Report for the year ending June 30, 2019.

EXHIBITS

11-A Comprehensive Annual Financial Report for FY 2018-2019

11-B Board Disclosure Letter

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2019



(Photo: San Carlos Restoration
Project)



5 Harris Court, Bldg G, Monterey CA 93940
(831) 658-5600 • www.mpwmd.net

**MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT**

Monterey, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2019

Prepared by:

Administrative Services Division

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

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INTRODUCTORY SECTION



(Photo: ASR Backflush Basin)



December XX, 2019

Board of Directors
Monterey Peninsula Water Management District
Monterey, California

It is a pleasure to submit the Monterey Peninsula Water Management District's (MPWMD or District) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The CAFR gives an assessment of the District's financial condition, informs readers about District services, gives details of infrastructure replacement projects, discusses current issues, and provides financial and demographic trend information.

The California Government Code requires an annual independent audit of MPWMD's financial statements by a Certified Public Accountant (CPA). The District's financial statements have been audited by Hayashi Wayland, Certified Public Accountants (auditor). The auditor's opinion is included in the financial section of this CAFR.

This CAFR is believed to be accurate in all material respects and is presented in a manner designed to fairly set forth the financial position, the changes in financial position, and cash flows for the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activity have been included. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. While the independent auditors have expressed an unmodified ("clean") opinion that MPWMD's financial statements are presented in conformity with generally accepted accounting principles (GAAP), responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the District.

Profile of the District

The District is a special district created in 1977 by the California Legislature 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.

The District has an authorized staff of 25 full-time employees providing services within its jurisdiction. The District is made up of the following sections consisting of: General Manager's Office, Administrative Services, Planning & Engineering, Water Resources, and Water Demand Division.

Governance

MPWMD is a public agency (special district) governed by a seven-member Board of Directors (Board), five elected from District's voter divisions, one member of the Monterey County Board of Supervisors, and one elected official or chief executive officer appointed by a committee comprised of mayors from jurisdictions within the District boundaries. The elected board members serve staggered four-year terms. Annually, a Chair and Vice Chair are chosen among the Board members. MPWMD operates under a Board-Manager form of government. The Board of Directors appoints the General Manager who is responsible for the administration of the District. The General Manager organizes and directs District activities in accordance with the Board's policies.

The Board meets in a regular session on the third Monday of each month. Regular meetings are held at 6:00 p.m. at the Monterey Peninsula Water Management District, Conference Room, 5 Harris Court, Building G, Monterey, California. Board meetings are open to the public.

Budget Process

Annually, the District prepares and adopts an operating budget and updates its three-year Capital Improvement Program (CIP). Both serve as the District's financial planning and fiscal control. Budgets are adopted on a basis consistent with governmental GAAP. Budgetary controls are set at the department level and are maintained to ensure compliance with the budget approved by the Board of Directors. The District's budget is a detailed operating plan that identifies estimated costs in relation to estimated revenues. The budget includes the projects, services and activities to be carried out during the fiscal year and the estimated revenue available to finance these operating and capital costs. The budget represents a process wherein policy decisions made by the Board of Directors are adopted, implemented and controlled. Budget control is maintained through the use of project codes and account appropriations. Actual expenditures are then compared to these appropriations on a monthly basis. The General Manager or the Administrative Services Manager/CFO has the discretion to transfer appropriations between activities. Board approval is required for any overall increase in appropriations or changes to the Capital Improvement Program. Additionally, a mid-year budget adjustment is prepared and presented to the District's Board for adoption.

Economic Condition and Outlook

In WY 2018, 10,130 AF of water was legally available to serve Cal-Am customers within the District. Similarly, approximately 3,046 AF of water were assumed to be available to serve non-Cal-Am users extracting water from the Carmel Valley Aquifer and the Seaside Basin.

However, because of legal and regulatory constraints, long-term water supplies available to Cal-Am's customers in the future will be reduced to approximately 5,500 acre-feet per year (AFY) assuming that Cal-Am will retain rights to produce 774 AFY from Seaside Groundwater sources (restored to 1,474 in 25 years), 94 AFY from the Sand City Desalination Facility, 1,300 AFY from Aquifer Storage and Recovery, and 3,376 AFY from Carmel River sources.

Non-Cal-Am pumpers outside of the Seaside Basin and Carmel River Basin that depend on percolating groundwater rights pumped 939.3 AF in WY 2018.

California's water supply continues to be a concern caused by drought over several years. This concern together with the legal and regulatory constraints has increased interest in conservation and new water sources. The District has led the area in its conservation efforts and will continue to make strides in this area.

A 6,252 AFY desalination facility is expected by 2021 with the Pure Water Monterey project expected to create 3,500 AFY of new supply in mid-2019. Aquifer Storage and Recovery is expected to be doubled in capacity by 2020, to almost 3,000 AFY in good years. The District continues to develop plans for additional ASR opportunities for future water supply.

Major Initiatives

During the current fiscal year, the District continued, completed, or initiated a number of significant projects, which include the following:

Monterey Peninsula Water Supply Project – The District has made continued progress on the Monterey Peninsula Water Supply Project (MPWSP) working jointly with California American Water (Cal-Am), the Monterey Peninsula Regional Water Authority, and other parties. This past year Cal-Am completed the Monterey Pipeline and the Hilby Pump Station with the District acting as Project Manager for environmental compliance assurance. The proposed MPWSP desalination plant was given approval to proceed by the California Public Utilities Commission in September.

Pure Water Monterey Project – The District provided the majority of preconstruction funding for this innovative water recycling plant, working in partnership with Monterey One Water which will own and operate the system. The project was 85% complete at the end of the year with delivery of water expected during summer of 2019. The District served as project manager for the injection well portion of the project.

Aquifer Storage and Recovery (ASR) – The District operated the ASR facilities in coordination with Cal-Am while diverting 530 acre-feet (AF) of Carmel River Basin water for injection and storage in the Seaside Basin during the 2017 water year (WY). Since inception of the ASR program, a total of 8,561 AF has been diverted from the Carmel River for storage and subsequent recovery through the end of WY 2018. The District expanded its facility percolation pond to accommodate waters from two additional ASR wells to be constructed by Cal-Am. Facilities to treat produced waters are being designed to enable Cal-Am to recover ASR and Pure Water Monterey stored waters.

Water Availability – In cooperation with the United States Geological Survey (USGS), the District completed calibration of an integrated ground water-surface water GSFLOW/MODFLOW model to update water availability for additional water supply from the Carmel River. In addition, the District completed a draft instream flow study and hydraulic model to simulate flow requirements for steelhead in the Carmel River. A final version is due to be completed in early 2019. These models will allow the District to simulate different water supply scenarios and their impacts on the Carmel River environment.

Well Permitting – MPWMD issued 25 Confirmation of Exemptions for private properties that met the criteria established in District Rules and Regulations. Applications were reviewed for potential impacts to the water resource system and other water users.

Proposition 1 Integrated Regional Water Management (IRWM) Program – The District spearheaded an effort that will allow the Monterey Peninsula region to receive \$4.2 million for implementation of water projects. The District represented the Monterey Peninsula Regional Water Management Group (RWMG) submission to the Central Coast funding area application for Proposition 1 Integrated Regional Water Management Disadvantaged Community Involvement Grant funds. In 2018, the Monterey Peninsula was awarded \$465,000 for Disadvantaged Community Involvement projects. The no-match grant funds were applied to a District initiated Disadvantaged Community Needs Assessment project that will provide a basis for future Disadvantaged Community Implementation grants; the City of Monterey Franklin Street Storm Drain project; and the District High Efficiency Applied Retrofit Targets (HEART) pilot program project.

In 2019 the District will take the lead role to coordinate the RWMG application for the next round of Proposition 1 Implementation grant funds.

Legally-Mandated Carmel River Mitigation and Stewardship – The District secured authorizations for an upgrade to the Sleepy Hollow Steelhead Rearing Facility, which includes construction of a new intake and water supply system to protect the facility from changes in river flows due to the removal of San Clemente Dam and to allow the facility to continue to operate during periods of extreme drought or high flows.

Construction began in September 2018 and is expected to be completed in mid-2019. The total project cost is estimated at \$2.5 million, including environmental compliance documents, design, permits and construction. The State Coastal Conservancy has approved up to \$2.25 million for reimbursement of expenses, which will come from funds generated by a Settlement Agreement between Cal-Am and the National Marine Fisheries Service (NMFS).

The District successfully rescued 4,958 fish from the Carmel River, five tributaries, and the spillway at Los Padres Dam. All fish were released near the tributaries confluence with the Carmel River.

Staff also conducted late season Redd (steelhead nests) surveys, counting over approximately 20 miles. Staff also continued to work for the third year with NMFS on field studies to develop a steelhead population life history model for the watershed, based on tagged fish from NMFS' studies and MPWMD fall population surveys. This effort included assisting NMFS with basin-wide population surveys and installing 4 tag detection arrays from the mouth up to the Old San Clemente Dam site.

District crews carried out the Vegetation Management Program in the active channel of the Carmel River at 13 sites to prevent debris dams and erosion. This includes trimming back encroaching vegetation and reducing the hazard of downed trees in preparation for winter flows. Trash was removed from along the river before winter rains washed it into the ocean. District staff also planted native trees on exposed banks to improve habitat value, protect water quality, and reduce bank erosion. In addition, the District removed a large concrete bridge pier and deck that was lying in the Carmel River. This bridge originally collapsed in the 1995 flood.

In October 2018, the District completed construction of the Carmel River Bank Stabilization Project at Rancho San Carlos Road. Work included installation of about 250 lineal feet of bank stabilization to protect both streambanks from further collapse just downstream of the Rancho San Carlos Road bridge. MPWMD employed an environmentally friendly stabilization technique consisting of logs and rocks built into a cribwall at the site, which has high visibility due to traffic over the bridge. Total cost for the project including environmental compliance documents, permit acquisition, and construction was approximately \$650,000. District staff will complete revegetation and irrigation installation in 2019.

Los Padres Dam Improvements – A study of upstream volitional fish passage alternatives continued and a study of alternatives to the dam and management of reservoir sediment was begun. A sediment transport model was completed and reviewed by regulatory agencies. District expenses will be partially reimbursed by Cal-Am under a Public Utilities Commission decision to plan for the long-term future of the dam and associated reservoir.

Salinas and Carmel Rivers Basin Study – The District continued work on a Basin Study to evaluate future water demands and water supplies taking into account the effects of climate change. The area includes all the Salinas River Valley through Monterey and San Luis Obispo Counties, the Monterey Peninsula, and the Carmel River Basin. The US Bureau of Reclamation is providing \$1.8 million in grant funds for the effort. A Study Metrics technical paper and evaluation strategies were outlined in 2018. The study, which began in 2017, is expected to take about four years to complete.

North Monterey County Drought Contingency Plan (DCP) – The District continued development of a plan for North Monterey County areas from Salinas to the Monterey Peninsula to better cope with recurring droughts in the region. The DCP is being partially funded with a federal grant of \$280,000 to prepare the plan, which will be coordinated with the Basin Study.

Conservation – The District approved 1,135 rebate applications in the amount of \$398,658.17 for annual savings of 18.14 acre-feet of water. Staff conducted building-by-building inspections for compliance with the nonresidential water efficiency requirements (Rule 143). More than 208 businesses were inspected. All Peninsula businesses will be verified by 2021. Staff completed an additional 1,037 property inspections to verify compliance with water efficiency standards for changes of ownership or use).

During 2018, the District issued 976 Water Permits and 86 Water Use Permits to Benefited Properties (i.e., properties eligible to receive a portion of a Water Entitlement). Staff conducted 911 inspections to verify compliance with permit water efficiency requirements.

As the regional entity responsible for compliance with State landscaping regulations, the District issued 44 Water Permits for new and refurbished landscapes. An ongoing program to assist schools with water saving practices, a 13,424 square-foot turf conversion project began at Martin Luther King Elementary School in Seaside. Two native plant workshops were held at the site in collaboration with CSUMB's Return of the Natives. The District hosted several rainwater harvesting and water efficient irrigation workshops.

Measure J – In November, voters passed an initiative requiring the District to, if and when feasible, acquire all the water supply and distribution facilities of California American Water. The District has assembled a team of experts to examine feasibility and to report its findings in mid-2019.

The CAWD/PBCSD Reclamation Project – The District is also a participant in the Carmel Area Wastewater District (CAWD)/Pebble Beach Community Services District (PBCSD) Reclamation Project (the Project), which is a cooperative effort that involves the CAWD, the PBCSD and the Pebble Beach Company. The project 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 Project's financial statements were audited by Marcello & Company.

More financial information is available under Management Discussion and Analysis included in the Financial Section.

Internal Control

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurances that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Investment Policy

The Board of Directors annually adopts an Investment Policy that conforms to California State Law, District ordinances and resolutions, prudent money management and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity and yield. District funds are normally invested in the State Treasurer's Local Agency Investment Fund (LAIF), Certificates of Deposits, and Money Market accounts.

District Revenues

District's major funding sources are: Property Taxes, Water Supply Charge, User Fee, Project Reimbursements, Grants, and others. Property tax allocations are collected and remitted by the County of Monterey. Water Supply Charge is levied by the District on property tax bills and are collected and remitted by the County of Monterey. User Fee is paid for by the ratepayers of the California American Water Company. Project reimbursements are mostly collected from the California American Water Company ratepayers.

District Expenses

District's expenditures are classified into the following major categories: Salaries, Employee Benefits and Other Personnel, Project Expenditures, Operating Expenditures, Professional Fees, Capital Outlay, and Debt Service.

Independent Audit

State Law and Bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Hayashi Wayland, CPAs has conducted the audit of the District's financial statements. The audit was conducted in accordance with auditing standards generally accepted in the United States of America. The firm's report has been included in the financial section of this report.

Other References

More information is contained in the District's management discussion and analysis and the notes to the basic financial statements found in the financial section of this report.

Awards

GFOA Award

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Monterey Peninsula Water Management District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the fourth consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the District. We appreciate the dedicated efforts and professionalism that these staff members contribute to the service of the District's customers. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Monterey Peninsula Water Management District's fiscal policies.

Respectfully submitted,

David J. Stoldt
General Manager

Suresh Prasad
Administrative Services manager/
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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Presented to

**Monterey Peninsula Water
Management District, California**

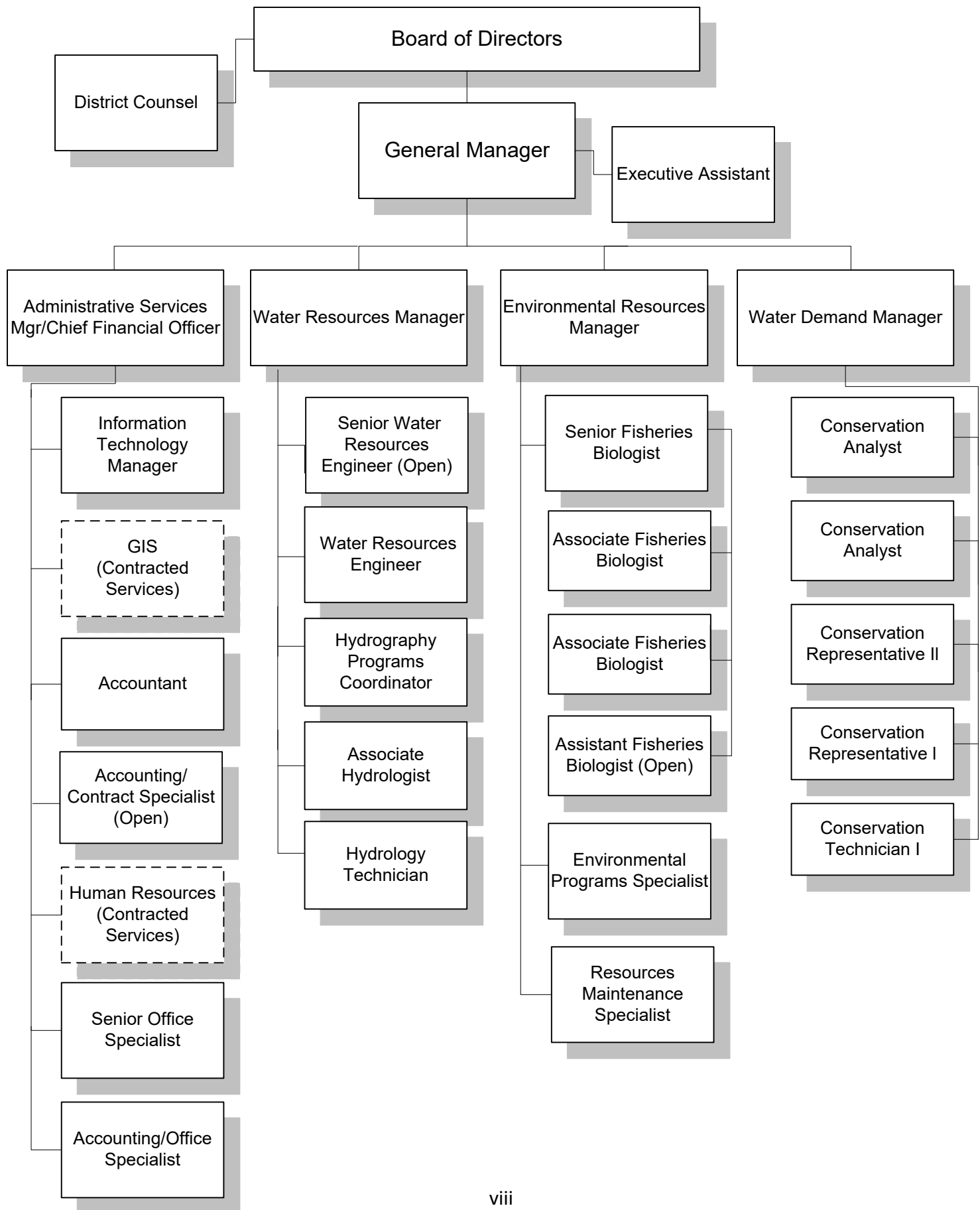
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Monterey Peninsula Water Management District



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

June 30, 2019

Board of Directors

Chair – Division 3	Molly Evans
Vice Chair – Division 1	Alvin Edwards
Director – Division 2	George Riley
Director – Division 4	Jeanne Byrne
Director – Division 5	Gary D. Hoffmann, P.E.
Director – Mayoral Representative	David Potter
Director – Monterey County	
Board of Supervisors Representative	Mary Adams

Executive Staff

General Manager	David J. Stoldt
Administrative Services Manager/CFO	Suresh Prasad
Environmental Resources Manager	Thomas Christensen
Water Resources Manager	Jonathan Lear
Water Demand Manager	Stephanie Locke
Executive Assistant/Clerk of the Board	Arlene Tavani

FINANCIAL SECTION



(Photo: ASR Facility)

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, 2019, 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the CAWD/PBCSD Reclamation Project (the proprietary fund) which statements reflect 64% 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, 2019, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance 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 3 through 11, the Budgetary Comparison Schedules on pages 50 through 53, the Schedule of Changes in the Total/Net OPEB Liability and Related Ratios on page 54, the Schedule of Proportionate Share of the Net Pension Liability on page 55 and the Schedule of Contributions on page 56 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.

Prior-Year Comparative Information

We have previously audited the District's 2018 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund in our report dated December 18, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived. GASB 75 was implemented in fiscal year 2018. Prior year amounts were not restated to reflect the implementation.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the **Monterey Peninsula Water Management District's** basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

_____[date]

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
JUNE 30, 2019

This section of the Monterey Peninsula Water Management District's (the District) comprehensive annual financial report presents a discussion and analysis of the District's performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i - vi of this report and 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 Carmel Area Wastewater District/Pebble Beach Community Services District 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.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the governmental activities of the District exceeded its liabilities and deferred inflows of resources at the close of the year ending June 30, 2019 by \$12.3 million (net position). However, \$5.4 million is net investment in capital assets.
- The assets and deferred outflows of resources of the business-type activities of the District exceeded its liabilities and deferred inflows of resources at the close of the year ending June 30, 2019 by \$29.4 million (net position). However, \$30.6 million is net investment in capital assets.
- The District's total governmental activities net position increased by approximately \$5.0 million for the year ended June 30, 2019. The increase in net position can mostly be attributed to the deferral of project costs to next fiscal year, higher than anticipated User Fee revenues, increase in Connection Charge revenues, and increase in investment earnings. Depreciation expenses for the year were \$406,026.
- The District's total business-type activities net position increased by approximately \$1.7 million for the year ended June 30, 2019. The revenues were higher than the expenses for the current year. Amortization expenses for the year were \$1,663,234.
- Capital outlay and capitalized project expenditures of \$6,163,332 consisted mostly of funds expended for Los Padres long term plan, Sleepy Hollow facility upgrade, Aquifer Storage & Recovery backflush basin, water demand database upgrade, routine computer equipment and software upgrades, transportation equipment and upgrades to the reclamation project.

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.

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 deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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 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 49 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District’s progress in funding its obligation to provide pension and other post employment benefits (OPEB) to its employees. This section also includes budgetary comparison schedules which compare the budgeted amounts for the fiscal year with the activity for the District’s major governmental funds – the Water Supply Fund, Conservation Fund and Mitigation Fund. Required supplementary information can be found on pages 50 to 56 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

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

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	\$ 17,958,780	\$ 14,939,264	\$ 2,828,006	\$ 2,820,467	\$ 20,786,786	\$ 17,759,731
Capital Assets – Net	<u>7,956,699</u>	<u>5,510,419</u>	<u>40,391,335</u>	<u>40,503,597</u>	<u>48,348,034</u>	<u>46,014,016</u>
Total Assets	<u>25,915,479</u>	<u>20,449,683</u>	<u>43,219,341</u>	<u>43,324,064</u>	<u>69,134,820</u>	<u>63,773,747</u>
Deferred outflows of resources	<u>1,511,297</u>	<u>1,527,664</u>	<u>–</u>	<u>–</u>	<u>1,511,297</u>	<u>1,527,664</u>
Liabilities						
Current Liabilities	1,136,799	1,098,056	4,692,778	3,630,872	5,829,577	4,728,928
Long-Term Liabilities	<u>13,552,088</u>	<u>13,303,377</u>	<u>9,156,000</u>	<u>12,008,000</u>	<u>22,708,088</u>	<u>25,311,377</u>
Total Liabilities	<u>14,688,887</u>	<u>14,401,433</u>	<u>13,848,778</u>	<u>15,638,872</u>	<u>28,537,665</u>	<u>30,040,305</u>
Deferred inflows of resources	<u>474,302</u>	<u>333,645</u>	<u>–</u>	<u>–</u>	<u>474,302</u>	<u>333,645</u>
Net Position						
Net Investment in Capital Assets	5,391,484	3,360,667	30,591,335	28,603,598	35,982,819	31,964,265
Restricted	222,098	221,656	1,164	1,144	223,262	222,800
Unrestricted (deficit)	<u>6,650,005</u>	<u>3,659,946</u>	<u>(1,221,936)</u>	<u>(919,550)</u>	<u>5,428,069</u>	<u>2,740,396</u>
Total Net Position	<u>\$ 12,263,587</u>	<u>\$ 7,242,269</u>	<u>\$ 29,370,563</u>	<u>\$ 27,685,192</u>	<u>\$ 41,634,150</u>	<u>\$ 34,927,461</u>

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately \$41.6 million at the end of the current year, which is an increase of approximately 19.2 % since June 30, 2018.

Capital assets increased due to capital additions of \$6,163,332 offset by depreciation/amortization of \$2,069,260 and retirements/transfers of \$1,760,054.

Deferred outflow of resources and deferred inflow of resources changed due to GASB 68 and GASB 75.

Long-term liabilities decreased due to current year payments on long-term debt and a decrease in the net pension liability offset by an increase in the net OPEB liability.

Unrestricted net position increased due to the change in net position, described in the next section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenue:						
Charges for Services	\$ 10,087,223	\$ 15,526,854	\$ 6,299,411	\$ 6,328,302	\$ 16,386,634	\$ 21,855,156
Operating Grants	1,726,815	155,021	—	—	1,726,815	155,021
General Revenues:						
Property Taxes	2,075,081	1,872,468	—	—	2,075,081	1,872,468
Investment Income	327,035	61,336	42,855	(5,236)	369,890	56,100
Miscellaneous	13,019	44,766	—	—	13,019	44,766
Total Revenues	<u>14,229,173</u>	<u>17,660,445</u>	<u>—</u>	<u>6,323,066</u>	<u>20,571,439</u>	<u>23,983,511</u>
Expenses:						
Conservation	2,022,792	2,101,343	—	—	2,022,792	2,101,343
Mitigation	3,374,595	2,584,965	—	—	3,374,595	2,584,965
Water Supply	3,681,507	3,878,083	—	—	3,681,507	3,878,083
Interest	128,961	132,183	—	—	128,961	132,183
Reclamation Project	—	—	4,656,895	4,161,333	4,656,895	4,161,333
Total Expenses	<u>9,207,855</u>	<u>8,696,574</u>	<u>4,656,895</u>	<u>4,161,333</u>	<u>13,864,750</u>	<u>12,857,907</u>
Change in Net Position	5,021,318	8,963,871	1,685,371	2,161,733	6,706,689	11,125,604
Net Position - Beginning of Year	<u>7,242,269</u>	<u>(1,721,602)</u>	<u>27,685,192</u>	<u>25,523,459</u>	<u>34,927,461</u>	<u>23,801,857</u>
Net Position - End of Year	<u>\$ 12,263,587</u>	<u>\$ 7,242,269</u>	<u>\$ 29,370,563</u>	<u>\$ 27,685,192</u>	<u>\$ 41,634,150</u>	<u>\$ 34,927,461</u>

Governmental activities increased the District's net position by approximately \$5.0 million. Key elements resulting in the net increase are as follows:

- Project expenses of about \$3.0 million, consisting mainly of Los Padres Dam Project, additional work for the Aquifer Storage & Recovery Project, Sleepy Hollow Intake Upgrade project, upgrade of the water demand data base and various minor project expenses offset the increase.
- Project reimbursements of about \$973 thousand, consisting mainly of reimbursements for the Aquifer Storage Recover Project, and Conservation rebates, contributed to the increase.
- Depreciation expense of approximately \$406 thousand offset the increase.
- Higher than anticipated collection of User Fee paid by Cal-Am rate payers, investment income, and Grant revenues contributed to the increase.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-type activities increased the District's net position by approximately \$1.7 million. Key elements resulting in the net increase are as follows:

- Operating revenues decreased 0.5% over the prior year due to a decrease in water sales.
- Total amount of water sold was 13.4% lower than the prior year. Last year total water sales included 1,032-acre feet (AF) of reclaimed water. That figure contrasts with 894 AF of reclaimed water for the current year. There was a purchase of 15.37 AF of potable water in October 2018. The operating component of water sales decreased 19.1%. The non-operating or capital component of the rates increased 17.2%.
- Net Non-operating expenses decreased 27.7% over prior year due primarily to a decrease in abandoned well costs of 81.6% and secondarily to a decrease in letter of credit costs of 18.8%. There was a smaller decrease in the user fee of 7.9% over the prior year.
- Long-term obligations include the bonds issued in 1992 that mature in 2022 with current year principal due of \$2.1 million and interest due of \$129,980. The Project has been able to take advantage of lower interest rates over the last several years – although rates have crept up slightly to 1.6% at fiscal year-end compared with 1.4% in 2018.
- Total operating expenses (exclusive of amortization) were 26.5% higher than the prior year as follows:
 - Plant operating expenses were 22.3% higher than in fiscal year 2018 but 7.7% below budget. The increase was primarily due to the following: Addition of a safety officer salary allocation; 102.9% increase in maintenance costs as multiple areas of the Project were addressed; tariffs had an impact on purchasing for both chemicals and equipment; and a 159.3% increase in operating supplies due to replacement of an electrical control panel, obsolete analyzers, inventory purchases and initial work to address sound complaints.
 - Distribution costs were 12.1% below budget and 28.6% higher than the prior year. Pebble Beach Company Community Services District (PBCSD) administrative and engineering salaries were over budget 11.7% while staff salaries were under budget 14.9%. Compared to the prior year, administrative salaries were 24.1% greater and staff salaries were 6.6% lower. Utilities were 18.4% under budget, and O&M expenses 28.3% under budget.
 - Carmel Area Wastewater District (CAWD) administrative salaries and other expenses were 28.9% over budget and 25.9% greater than the prior year. Engineer salaries were 353.7% over budget and sea level rise expenditures were not budgeted for – an agreement was arrived at in April 2019 whereby sea level rise costs were shared between CAWD, PBCSD, and the Project at 20%.
 - CAWD operating expenses were 25.97% greater than the prior year due largely to expenses related to sea level rise negotiations with the California Coastal Commission and engineering salaries. Monterey Peninsula Water Management District (MPWMD) general and administrative costs were 2.5% higher than the prior year.
- The Reclamation Project has incurred a deficit from the inception of the project due primarily to the cost of debt service and carrying costs on the Certificates of Participation (COPs) and construction cost for the Project's expansion. With the implementation of the amended Construction & Operation Agreement the intent is to budget for a break-even position. The budgeted costs of operations, capital, and debt service are all incorporated into the waters sales rate structure.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

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 \$17,015,339. The Water Supply Fund has a fund balance of \$8,584,956, the Conservation Fund has a fund balance of \$3,835,014 and the Mitigation Fund has a fund balance of \$4,595,369.

During the current fiscal year, the fund balance of the District's Water Supply Fund increased \$1,251,381, the Conservation Fund increased \$486,662 and the Mitigation Fund increased \$1,165,231. The increase in the Water Supply Fund is due to deferral of water supply projects and increase in User Fee revenues and Connection Charge revenues. The increase in the Conservation Fund is due to deferral of project costs into next fiscal year. The increase in the Mitigation Fund is due to deferral of project costs into next fiscal year.

The District's uses an enterprise fund to account for the CAWD/PBCSD Wastewater Reclamation Project. At the end of the current fiscal year, the District's enterprise fund reported a net position of \$29,370,563.

During the current fiscal year, the net position of the District's enterprise fund increased \$1,685,371.

BUDGET HIGHLIGHTS/VARIANCES

Original budget compared to final budget – During the year, the District made modifications to its water supply original budget. There was a need for amendments to increase or decrease either the original estimated revenues or original budgeted appropriations. After careful review of six months revenues and appropriations, modifications were made to the revenue line items based on more accurate projections for the remainder of the year. Appropriations were modified in the same manner based on accurate projections for the next six months. Most of the changes occurred in the project reimbursements part of the budget. Generally, the movement of the appropriations between departments was not significant. Total revenues were increased from the original budget by approximately \$465 thousand whereas total appropriations were decreased from the original budget by approximately \$993 thousand.

Final budget compared to actual results – The District's budget projected expenditures for the water supply fund of \$5.6 million. The District finished the budget year with expenditures of \$4.6 million, which was \$1.0 million or 18.0% less than budgeted. The difference was mostly attributable to Aquifer Storage Recovery Project, Monterey Peninsula Desalination Project, local water supply projects, and other reimbursement projects being \$1.0 million under budget due to deferral of projects to next fiscal year.

BUDGET HIGHLIGHTS/VARIANCES (Continued)

The District's budget projected operating revenues for the water supply fund of \$7.2 million. The District finished the budget year with operating revenues of \$7.7 million, which was \$478 thousand or 6.6% more than budgeted. The difference was mostly attributable to property taxes being approximately \$109 thousand over budget, connection charges being approximately \$141 thousand over budget, user fees being approximately \$153 thousand over budget and grants being approximately \$105 thousand over budget.

An annual budget is adopted by the Reclamation Management Committee (RMC) for management purposes. Budget information is reported to the RMC and adjustments to the budget may only be made by resolution of the committee.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation/amortization, at June 30, 2019 totaled \$48.3 million as shown below. This amount represents a net increase, including additions and disposals, net of depreciation/amortization, of approximately \$2.3 million or 5.0% from June 30, 2018.

Significant Capital asset events during the fiscal year included the following:

- Sleepy Hollow facility upgrade construction in progress at a cost of \$1,453,456
- Aquifer storage and recovery project additions at a cost of \$973,579.
- Various computer and software upgrades at a cost of \$365,797.
- Wastewater treatment plant phase I additions at a cost of \$1,675,884.
- Programmable Logic Controller updating equipment at a cost of \$84,170.

Additional information on the District's capital assets is provided in Note 5 on pages 34-35 of this report.

Capital Assets (Net of Depreciation/Amortization)		
	<u>2019</u>	<u>2018</u>
Governmental Activities:		
Office Equipment	\$ 1,127	\$ 1,652
Computer Equipment	782,163	544,805
Transportation Equipment	97,671	141,530
Telephone Equipment	33,972	-
Building and Improvements	1,005,596	1,034,973
ASR Facilities	4,577,017	3,778,790
Fish Rearing Facility	-	-
Leasehold improvements	5,697	8,669
Construction in progress	<u>1,453,456</u>	<u>-</u>
	<u>7,956,699</u>	<u>5,510,419</u>
Business-type Activities:		
Water resale rights	38,946,365	38,789,024
Construction in progress	<u>1,444,970</u>	<u>1,714,573</u>
	<u>40,391,335</u>	<u>40,503,597</u>
Total	<u>\$ 48,348,034</u>	<u>\$ 46,014,016</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

The District has an installment purchase agreement with a balance of \$3,466,841 at June 30, 2019. Retirements were made in the amount of \$90,175.

The District has variable rate demand certificates of participation with a balance of \$9,800,000 at June 30, 2019. Retirements were made in the amount of \$2,100,000.

The District has a payable to Pebble Beach Company for bond carrying costs with a balance of \$2,208,000 at June 30, 2019. Retirements were made in the amount of \$552,000.

The balance of the District's debt relates to liabilities for compensated absences, other post employment benefits and pension expenses.

Additional information on the District's long-term debt is provided in Note 7 on pages 36-38 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In developing the fiscal year 2019–2020 budget, the staff and management had to consider a number of factors that would impact the District's economy and finances. The 2019–2020 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 2019–2020 budget assumes continued collection of Water Supply Charge revenue and property tax revenue derived from individual property owners. The budget also includes the User Fees collected from Cal-Am rate payers.

On November 6, 2018, the public voted on Measure J to instruct the District to undertake a feasibility study on the public takeover of California American Water's Monterey Water System. The measure passed with the electorate voting 55.81% to 44.19% in favor of the measure.

The cost of the initial feasibility study is estimated to cost \$650,000. Part of this cost was paid from FY 2019-2020 budget. The result of the feasibility study was released publicly to the MPWMD Board on November 12, 2019. Costs related to additional feasibility work are not known at this time which could potentially have an impact on the FY 2019-2020 budget.

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, 2019
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2018)

	Governmental Activities	Business-type Activities	2019 Total	2018 Total
ASSETS:				
Cash and cash equivalents	\$ 1,190,061	\$ 834,459	\$ 2,024,520	\$ 2,781,678
Investments	14,248,011	688,637	14,936,648	10,617,015
Receivables, net	2,298,610	1,303,746	3,602,356	4,138,238
Restricted reserves	222,098	1,164	223,262	222,800
Capital assets, net:				
Water rights	–	38,946,365	38,946,365	38,789,024
Nondepreciable	1,453,456	1,444,970	2,898,426	1,714,573
Depreciable	<u>6,503,243</u>	<u>–</u>	<u>6,503,243</u>	<u>5,510,419</u>
Total assets	<u>25,915,479</u>	<u>43,219,341</u>	<u>69,134,820</u>	<u>63,773,747</u>
DEFERRED OUTFLOWS OF RESOURCES:				
PERS contributions	458,759	–	458,759	386,341
Deferred pension adjustments	842,793	–	842,793	1,141,323
Deferred OPEB adjustments	<u>209,745</u>	<u>–</u>	<u>209,745</u>	<u>–</u>
Total deferred outflows of resources	<u>1,511,297</u>	<u>–</u>	<u>1,511,297</u>	<u>1,527,664</u>
LIABILITIES:				
Accounts payable	720,704	1,840,778	2,561,482	1,591,623
Accrued liabilities	88,587	–	88,587	93,891
Long-term debt:				
Due within one year	327,508	2,852,000	3,179,508	3,043,414
Due in more than one year	<u>13,552,088</u>	<u>9,156,000</u>	<u>22,708,088</u>	<u>25,311,377</u>
Total liabilities	<u>14,688,887</u>	<u>13,848,778</u>	<u>28,537,665</u>	<u>30,040,305</u>
DEFERRED INFLOWS OF RESOURCES –				
Deferred pension adjustments	<u>474,302</u>	<u>–</u>	<u>474,302</u>	<u>333,645</u>
NET POSITION:				
Net investment in capital assets	5,391,484	30,591,335	35,982,819	31,964,265
Restricted for debt service	222,098	1,164	223,262	222,800
Unrestricted (deficit)	<u>6,650,005</u>	<u>(1,221,936)</u>	<u>5,428,069</u>	<u>2,740,396</u>
Total net position	<u>\$ 12,263,587</u>	<u>\$ 29,370,563</u>	<u>\$ 41,634,150</u>	<u>\$ 34,927,461</u>

See Notes to Basic Financial Statements.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2018)

	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>2019 Total</u>	<u>2018 Total</u>
FUNCTIONS/PROGRAMS:							
Governmental activities:							
Conservation	\$ 2,022,792	\$ 1,790,416	\$ 70,075	\$ (162,301)	\$ —	\$ (162,301)	\$ 55,162
Mitigation	3,374,595	2,977,719	1,456,740	1,059,864	—	1,059,864	563,066
Water supply	3,681,507	5,319,088	200,000	1,837,581	—	1,837,581	6,499,256
Interest	128,961	—	—	(128,961)	—	(128,961)	(132,183)
Total governmental activities	9,207,855	10,087,223	1,726,815	2,606,183	—	2,606,183	6,985,301
Business-type activities – Reclamation Project	4,656,895	6,299,411	—	—	1,642,516	1,642,516	2,166,969
Total business-type activities	4,656,895	6,299,411	—	—	1,642,516	1,642,516	2,166,969
Total	<u>\$ 13,864,750</u>	<u>\$ 16,386,634</u>	<u>\$ 1,726,815</u>	<u>2,606,183</u>	<u>1,642,516</u>	<u>4,248,699</u>	<u>9,152,270</u>
GENERAL REVENUES:							
Property taxes				2,075,081	—	2,075,081	1,872,468
Investment earnings				327,035	42,855	369,890	56,100
Miscellaneous				13,019	—	13,019	44,766
Total general revenues				2,415,135	42,855	2,457,990	1,973,334
CHANGE IN NET POSITION				5,021,318	1,685,371	6,760,689	11,125,604
NET POSITION – BEGINNING OF YEAR, AS RESTATED				7,242,269	27,685,192	34,927,461	23,801,857
NET POSITION – END OF YEAR				<u>\$ 12,263,587</u>	<u>\$ 29,370,563</u>	<u>\$ 41,634,150</u>	<u>\$ 34,927,461</u>

See Notes to Basic Financial Statements.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2019
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2018)

	Water Supply	Conservation	Mitigation	2019 Total	2018 Total
ASSETS:					
Cash and cash equivalents	\$ 815,947	\$ 174,124	\$ 199,990	\$ 1,190,061	\$ 2,253,085
Investments	7,205,542	3,401,127	3,641,342	14,248,011	9,808,038
Receivables, net	928,055	398,304	972,251	2,298,610	2,656,485
Restricted reserves	<u>222,098</u>	<u>–</u>	<u>–</u>	<u>222,098</u>	<u>221,656</u>
Total assets	<u>9,171,642</u>	<u>3,973,555</u>	<u>4,813,583</u>	<u>17,958,780</u>	<u>14,939,264</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts payable	456,644	105,367	158,693	720,704	612,751
Accrued liabilities	<u>28,646</u>	<u>22,256</u>	<u>37,685</u>	<u>88,587</u>	<u>93,891</u>
Total liabilities	<u>485,290</u>	<u>127,623</u>	<u>196,378</u>	<u>809,291</u>	<u>706,642</u>
Deferred Inflows of resources –					
Deferred revenue	<u>101,396</u>	<u>10,918</u>	<u>21,836</u>	<u>134,150</u>	<u>120,557</u>
Total deferred inflows of resources	<u>101,396</u>	<u>10,918</u>	<u>21,836</u>	<u>134,150</u>	<u>120,557</u>
Fund balances:					
Restricted	222,098	–	–	222,098	221,656
Committed	541,223	182,888	638,306	1,362,417	939,786
Assigned:					
Insurance/litigation	171,354	11,906	66,740	250,000	250,000
Capital equipment	61,666	100,333	370,001	532,000	332,000
Flood/drought emergencies	–	–	328,944	328,944	328,944
Pension/OPEB	64,000	56,000	80,000	200,000	–
Project expenditures	<u>7,524,615</u>	<u>3,483,887</u>	<u>3,111,378</u>	<u>14,119,880</u>	<u>12,039,679</u>
Total fund balances	<u>8,584,956</u>	<u>3,835,014</u>	<u>4,595,369</u>	<u>17,015,339</u>	<u>14,112,065</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,171,642</u>	<u>\$ 3,973,555</u>	<u>\$ 4,813,583</u>		
Amounts reported in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds				7,956,699	5,510,419
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds				134,150	120,557
Deferred outflows and inflows of resources related to pension and OPEB are applicable to future periods, and therefore, are not reported in the funds:					
Deferred inflows of resources				1,511,297	1,527,664
Deferred outflows of resources				(474,302)	(333,645)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds				<u>(13,879,596)</u>	<u>(13,694,791)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES				<u>\$12,263,587</u>	<u>\$ 7,242,269</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, 2019
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2018)

	Water Supply	Conservation	Mitigation	2019 Total	2018 Total
REVENUES:					
Property taxes	\$ 2,059,154	\$ –	\$ –	\$ 2,059,154	\$ 1,924,320
Water supply charge	3,410,398	–	–	3,410,398	3,405,008
User fees	792,917	1,153,406	2,916,031	4,862,354	5,158,825
Connection charges, net of refunds	591,240	–	–	591,240	522,167
Permit fees	–	235,975	15,875	251,850	317,312
Project reimbursements	526,867	401,035	45,813	973,715	6,065,203
Investment income	145,850	86,512	94,673	327,035	61,336
Legal fee reimbursements	–	3,600	–	3,600	5,370
Recording fees	–	7,530	–	7,530	17,887
Miscellaneous	545	851	493	1,889	21,509
Grants	200,000	70,075	1,456,740	1,726,815	155,021
Total revenues	<u>7,726,971</u>	<u>1,958,984</u>	<u>4,529,625</u>	<u>14,215,580</u>	<u>17,653,958</u>
EXPENDITURES:					
Personnel:					
Salaries	1,025,894	584,028	1,038,417	2,648,339	2,517,080
Employee benefits and other personnel	415,047	265,546	466,023	1,146,616	1,100,173
Services and supplies:					
Project expenditures	2,284,777	617,523	2,534,844	5,437,144	3,030,949
Operating expenditures	240,055	241,660	326,314	808,029	510,175
Professional fees	313,446	130,803	183,522	627,771	648,681
Capital outlay	76,477	266,348	82,446	425,271	372,106
Debt service:					
Principal	90,175	–	–	90,175	86,953
Interest and other charges	128,961	–	–	128,961	132,183
Total expenditures	<u>4,574,832</u>	<u>2,105,908</u>	<u>4,631,566</u>	<u>11,312,306</u>	<u>8,398,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,152,139</u>	<u>(146,924)</u>	<u>(101,941)</u>	<u>2,903,274</u>	<u>9,255,658</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	–	633,586	1,267,172	1,900,758	1,924,320
Transfers out	(1,900,758)	–	–	(1,900,758)	(1,924,320)
Total other financing sources (uses)	<u>(1,900,758)</u>	<u>633,586</u>	<u>1,267,172</u>	<u>–</u>	<u>–</u>
NET CHANGE IN FUND BALANCES	1,251,381	486,662	1,165,231	2,903,274	9,255,658
FUND BALANCES – BEGINNING OF YEAR	<u>7,333,575</u>	<u>3,348,352</u>	<u>3,430,138</u>	<u>14,112,065</u>	<u>4,856,407</u>
FUND BALANCES – END OF YEAR	<u>\$ 8,584,956</u>	<u>\$ 3,835,014</u>	<u>\$ 4,595,369</u>	<u>\$17,015,339</u>	<u>\$14,112,065</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, 2019

NET CHANGE IN FUND BALANCES	\$	2,903,274
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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:

Capitalized project expenditures	\$	2,427,035	
Capital outlay		425,271	
Depreciation expense		<u>(406,026)</u>	
	\$	2,446,280	2,446,280

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		13,593
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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:

Principal payments on long-term debt	\$	90,175	90,175
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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:

Compensated absences	\$	74,073	
OPEB costs		(227,474)	
Current year pension cost difference		<u>(278,603)</u>	
	\$	(432,004)	<u>(432,004)</u>

CHANGE IN NET POSITION	\$	<u>5,021,318</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, 2019
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS:		
Current assets:		
Cash and investments	\$ 1,523,096	\$ 1,337,570
Cash restricted for debt service	1,164	1,144
Accounts receivable – water sales	1,289,095	1,470,587
Accounts receivable – other	<u>14,651</u>	<u>11,166</u>
Total current assets	<u>2,828,006</u>	<u>2,820,467</u>
Noncurrent assets:		
Capital assets, net:		
Water resale rights	38,946,365	38,789,024
Construction-in-progress	<u>1,444,970</u>	<u>1,714,573</u>
Total noncurrent assets	<u>40,391,335</u>	<u>40,503,597</u>
Total assets	<u>43,219,341</u>	<u>43,324,064</u>
LIABILITIES:		
Current liabilities:		
Accounts payable – trade	133,693	32,505
Accounts payable – affiliates	1,707,085	946,367
Certificates of participation – current portion	2,300,000	2,100,000
Due to Pebble Beach Company – current portion	<u>552,000</u>	<u>552,000</u>
Total current liabilities	<u>4,692,778</u>	<u>3,630,872</u>
Noncurrent liabilities:		
Certificates of participation	7,500,000	9,800,000
Due to Pebble Beach Company	<u>1,656,000</u>	<u>2,208,000</u>
Total noncurrent liabilities	<u>9,156,000</u>	<u>12,008,000</u>
Total liabilities	<u>13,848,778</u>	<u>15,638,872</u>
NET POSITION:		
Net investment in capital assets	30,591,335	28,603,598
Restricted for debt service	1,164	1,144
Unrestricted (deficit)	<u>(1,221,936)</u>	<u>(919,550)</u>
Total net position	<u>\$ 29,370,563</u>	<u>\$ 27,685,192</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, 2019
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES:		
Water sales	\$ 2,487,590	\$ 3,075,040
Fixed cost charge	<u>3,811,821</u>	<u>3,253,262</u>
Total operating revenues	<u>6,299,411</u>	<u>6,328,302</u>
OPERATING EXPENSES:		
Plant operating costs	1,856,255	1,517,859
Distribution costs	439,277	341,498
General and administration	198,948	175,614
Potable water purchases	89,754	6,594
Amortization	<u>1,663,234</u>	<u>1,617,720</u>
Total operating expenses	<u>4,247,468</u>	<u>3,659,285</u>
Operating income (loss)	<u>2,051,943</u>	<u>2,669,017</u>
NON-OPERATING REVENUES (EXPENSES):		
Bond and LC carrying costs	(121,132)	(149,290)
Interest expense – COP	(62,895)	(129,309)
Interest expense – PBCo.	(129,980)	(56,567)
Investment earnings (loss)	42,855	(5,236)
MPWMD user fee	(77,176)	(83,816)
Abandoned well costs	(15,593)	(84,764)
Other revenue (expenses)	<u>(2,651)</u>	<u>1,698</u>
Total non-operating revenue (expenses)	<u>(366,572)</u>	<u>(507,284)</u>
CHANGE IN NET POSITION	1,685,371	2,161,733
NET POSITION – BEGINNING OF YEAR	<u>27,685,192</u>	<u>25,523,459</u>
NET POSITION – END OF YEAR	<u>\$ 29,370,563</u>	<u>\$ 27,685,192</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, 2019
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 6,477,418	\$ 5,890,890
Cash payments for operating expenses	(1,722,328)	(2,420,537)
Other cash receipts (expenses)	<u>(2,651)</u>	<u>1,698</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,752,439</u>	<u>3,472,051</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal payments on certificates of participation	(2,100,000)	(2,000,000)
Principal paid on PBCo debt	(552,000)	(552,000)
Interest expense	(192,875)	(185,876)
Bond carrying and interest expenses	(121,132)	(149,290)
Water resale rights – capital additions	(1,550,972)	(654,569)
Abandoned well costs	(15,593)	(84,764)
MPWMD user fee	<u>(77,176)</u>	<u>(83,816)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(4,609,748)</u>	<u>(3,710,315)</u>
CASH FLOWS FROM INVESTING ACTIVITIES –		
Investment earnings (loss)	<u>42,855</u>	<u>(5,236)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>42,855</u>	<u>(5,236)</u>
INCREASE (DECREASE) IN CASH AND INVESTMENTS	185,546	(243,500)
CASH AND INVESTMENTS, BEGINNING OF YEAR	<u>1,338,714</u>	<u>1,582,214</u>
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,524,260</u>	<u>\$ 1,338,714</u>

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
(CAWD/PBCSD WASTEWATER RECLAMATION PROJECT)
FOR THE YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2018)
(Continued)

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION:		
Cash and investments	\$ 1,523,096	\$ 1,337,570
Cash restricted for debt service	<u>1,164</u>	<u>1,144</u>
Total	<u>\$ 1,524,260</u>	<u>\$ 1,338,714</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ 2,051,943	\$ 2,669,017
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:		
Amortization	1,663,234	1,617,720
Other revenue (expenses)	(2,651)	1,698
(Increase) decrease in –		
Receivables	178,007	(437,412)
Increase (decrease) in –		
Accounts payable	<u>861,906</u>	<u>(378,972)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 4,752,439</u>	<u>\$ 3,472,051</u>

See Notes to Basic Financial Statements.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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 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. For the most part, the effect of interfund activity has been removed from these statements.

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 identifiable activity. The District allocates indirect expenses to functions in the statement of activities. 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 identifiable activity, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or identifiable 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. For this purpose, the District considers revenue to be available if they are collected within sixty days of the end of the current fiscal year.

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, 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, and claims and judgments 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 reclaimed 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. The Water Demand Division provides information and programs to achieve efficient water use and maximize available supplies. This is achieved through community education and outreach, development of incentives and training programs, and by implementing and enforcing permitting and conservation regulations, thereby reducing the community's need for potable water.
- 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 Reclamation Project.

Fair Value – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are level one.

Cash Equivalents – The District considers all highly liquid assets which have an original term of less than ninety days to maturity when purchased 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 (bonds). 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 sixty 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, 2019, 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 capital assets are recorded at acquisition 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)

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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.

Interfund Activity – 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District’s California Public Employees’ Retirement System (CalPERS) plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s Retiree Benefits plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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

- *Net Investment in capital assets* 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.
- *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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expressed 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.

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.

Property Taxes – The County of Monterey 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. 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, 2018, 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.

Effects of New Pronouncements – In November 2016, GASB issues Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement were effective for reporting periods beginning after June 15, 2018. The implementation of this statement had no impact on the accompanying financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement were effective for reporting periods beginning after June 15, 2018. The implementation of this statement had no impact on the accompanying financial statements.

NOTE 2. THE CAWD/PBCSD 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 the Pebble Beach community, 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 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.

The Project's assets are owned principally by CAWD and PBCSD, and consist primarily of the following:

- Assets owned by CAWD: (1) a tertiary treatment plant, (2) secondary process improvements, (3) 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, and (4) a potable water pump station.

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, with reimbursement as cash flow permits.

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

The activities of the Project are overseen by a six member management committee containing two representatives from the CAWD board, two from the PBCSD board, one from the PBCo and one from the Independent Reclaimed Water Users Group (IRWUG). Since the Project does not own the wastewater reclamation capital assets, the value earned for the capital expenditures incurred is reflected on the books of the Project as water resale rights, an intangible amortizable capital asset.

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 it 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 treatment 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% RO water and 20% MF water. The cost of the MF/RO construction project was approximately \$20 million. The cost of the phase II 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 year end, approximately \$29 million had been raised through these entitlement sales and investment earnings. 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 project costs in excess of those raised through the sale of water entitlements are now paid by all participants in the Project.

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.

NOTE 3. CASH AND INVESTMENTS (Continued)

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 fair 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 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, 2019 consisted of the following:

Governmental activities:	
Local Agency Investment Fund	\$ 10,169,973
Money market accounts	61,175
Certificates of deposit	<u>4,016,863</u>
Subtotal Governmental activities	<u>12,248,011</u>
Business-type activities:	
Monterey County Investment Pool	1,679
Certificates of deposit	672,588
Municipal obligations	<u>15,534</u>
Less restricted reserves	<u>1,164</u>
Subtotal Business-type activities	<u>688,637</u>
Total Investments	<u>\$ 14,936,648</u>

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair value of the District’s investments to market interest rate fluctuations is provided by the following table that shows the maturity date and yield of each investment.

NOTE 3. CASH AND INVESTMENTS (Continued)

Local Agency Investment Fund	on demand, 2.27% yield
Money market fund	on demand, 0.25% yield
Certificates of deposit (governmental activities)	20 months average maturity, 4.04% yield
Monterey County Investment Pool	on demand, 2.40% yield
Certificates of deposit (business-type activities)	51 months average maturity, 2.06% yield
Municipal obligations	39 months average maturity, 3.00% yield

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, 2019, \$1,607,766 of the District’s bank balances of \$3,412,792 were exposed to custodial credit risk as uninsured but are 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.

NOTE 4. RECEIVABLES

Receivables consist of the following at June 30, 2019:

	<u>Conservation</u>	<u>Mitigation</u>	<u>Water Supply</u>	<u>Total</u>
Governmental activities:				
Reimbursements	\$ –	\$ –	\$ 586,739	\$ 586,739
User Fees	264,239	685,957	173,366	1,123,562
Other	34,691	244,681	31,530	310,902
Water supply charge	–	–	98,667	98,667
Interest	17,427	19,777	35,024	72,228
Property taxes	10,918	21,836	2,729	35,483
Total Governmental activities	<u>\$ 327,275</u>	<u>\$ 972,251</u>	<u>\$ 928,055</u>	<u>2,227,581</u>
Business-type activities:				
Water sales				643,475
Affiliates (Reclamation)				645,620
Other				14,651
Total Business-type activities				<u>1,303,746</u>
TOTAL				<u>\$ 3,531,327</u>

NOTE 5. CAPITAL ASSETS

Capital assets experienced the following changes for the year ended June 30, 2019:

	Balance Beginning of Year	Current Additions	Deletions/ Transfers	Balance End of Year
Governmental activities:				
Nondepreciable assets:				
Construction in progress	—	1,453,456	—	1,453,456
Depreciable assets:				
Equipment:				
Office	\$ 147,360	\$ —	\$ —	\$ 147,360
Computer	1,455,202	365,797	—	1,820,999
Operating	21,415	—	—	21,415
Transportation	449,180	—	—	449,180
Project	262,699	—	—	262,669
Phone	43,851	34,850	—	78,701
Total equipment	2,379,677	400,647	—	2,780,324
Building and improvements	2,038,114	24,624	—	2,062,738
Monitoring stations	45,214	—	—	45,214
ASR facilities	5,177,345	973,579	—	6,150,924
Fish rearing facility	925,632	—	—	925,632
Leasehold improvements	17,698	—	—	17,698
Total depreciable assets	10,583,680	1,398,850	—	11,982,530
Less accumulated depreciation for:				
Equipment:				
Office	145,708	525	—	146,233
Computer	910,397	128,439	—	1,038,836
Operating	21,415	—	—	21,415
Transportation	307,650	43,859	—	351,509
Project	262,669	—	—	262,669
Phone	43,851	878	—	44,729
Total equipment	1,691,690	173,701	—	1,865,891
Building and improvements	1,003,141	54,001	—	1,057,142
Monitoring stations	45,214	—	—	45,214
ASR Facilities	1,398,555	173,352	—	1,573,907
Fish rearing facility	925,632	—	—	925,632
Leasehold improvements	9,029	2,972	—	12,001
Total accumulated depreciation	5,073,261	406,026	—	5,479,287
Total depreciable assets, net	5,510,419	992,824	—	6,503,243
Total governmental activities capital assets, net	5,510,419	2,446,280	—	7,956,699

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	<u>1,714,573</u>	<u>1,490,451</u>	<u>1,760,054</u>	<u>1,444,970</u>
Water resale rights	64,708,702	1,820,575	—	66,529,277
Less accumulated amortization for:				
Water resale rights	<u>25,919,678</u>	<u>1,663,234</u>	<u>—</u>	<u>27,582,912</u>
Total water resale rights, net	<u>38,789,024</u>	<u>157,341</u>	<u>—</u>	<u>38,946,365</u>
Total business type activities				
Capital assets, net	<u>40,503,597</u>	<u>1,647,792</u>	<u>1,760,054</u>	<u>40,391,335</u>
Total capital assets, net	<u>\$ 46,014,016</u>	<u>\$ 4,094,072</u>	<u>\$ 1,760,054</u>	<u>\$ 48,348,034</u>

The District has reevaluated the estimated useful lives of capital asset classes that have been fully depreciated and since the assets are still in use, the assets remain on the books of the District.

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

Conservation	\$ 62,271
Mitigation	106,131
Water supply	<u>237,624</u>
Total depreciation expense	<u>\$ 406,026</u>

NOTE 6. TRANSACTIONS WITH AFFILIATES

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

At June 30, 2019, accounts receivable from these affiliates were as follows:

Receivable from PBCo. and affiliated golf courses –	
Water sales	<u>\$ 1,470,587</u>
Total	<u>\$ 1,470,587</u>

At June 30, 2019, accounts payable to these affiliates were as follows:

Payable to CAWD for operations and maintenance	\$ 210,452
Payable to PBCSD for operations and maintenance	645,904
Payable to MPWMD for salaries, software, and fee	109,028
Payable to PBCo. for debt service reimbursements	<u>741,701</u>
Total	<u>\$ 1,707,085</u>

NOTE 7. 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.

Designated Reserves – A Renewal and Replacement Reserve was established by the Board of Directors to pay for future major repairs and capital replacements and is held in a segregated account for its intended purposes. At June 30, 2019, the balance in this account was \$874,685.

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 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 repayment of the COPs.

Repayment Schedule – Interest is paid to the holders of the COPs monthly at a variable rate as described above. Pre-determined principal 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.

For the last week in June of 2019, the interest rate was 1.6% per annum. Interest expense for the year was \$129,980 as compared to the estimated 1992 issuance annual interest expense of \$273,750 for the fiscal year 2018-19. Consequently, the interest payments column below is revised using a more realistic fixed annual rate of 2% which is presented for information purposes only.

Future principal and estimated interest payments are as follows:

<u>Year Ending June 30</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,300,000	\$ 196,000	\$ 2,496,000
2021	2,400,000	150,000	2,550,000
2022	2,500,000	102,000	2,602,000
2023	<u>2,600,000</u>	<u>52,000</u>	<u>2,652,000</u>
Total	<u>\$ 9,800,000</u>	<u>\$ 500,000</u>	<u>\$ 10,300,000</u>

NOTE 7. LONG-TERM DEBT (Continued)

Due Pebble Beach Company – Repayment of \$5,520,000 bond carrying costs incurred and advanced 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.

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, 2019, the balance in this account was \$222,098.

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:

Year Ending June 30	<u>Installment Purchase Agreement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 95,601	\$ 123,535	\$ 219,136
2021	99,073	120,063	219,136
2022	102,672	116,464	219,136
2023	<u>3,169,495</u>	<u>1,321,993</u>	<u>4,491,488</u>
Total	<u>\$ 3,466,841</u>	<u>\$ 1,682,055</u>	<u>\$ 5,148,896</u>

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

NOTE 7. LONG-TERM DEBT (Continued)

Long-term debt activity for the year ended June 30, 2019 is as follows:

	<u>2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>2019</u>	<u>Due Within One Year</u>
Governmental activities:					
Installment Purchase Agreement	\$ 3,557,016	\$ —	\$ 90,175	\$ 3,466,841	\$ 95,601
Compensated Absences	829,964	313,302	387,375	755,891	231,907
OPEB	4,104,989	535,761	98,542	4,542,208	—
Net pension liability	<u>5,202,822</u>	<u>298,175</u>	<u>386,341</u>	<u>5,114,656</u>	<u>—</u>
Total Governmental activities	<u>13,694,791</u>	<u>1,147,238</u>	<u>962,433</u>	<u>13,879,596</u>	<u>327,508</u>
Business-type activities:					
COPs	11,900,000	—	2,100,000	9,800,000	2,300,000
Due Pebble Beach Company	<u>2,760,000</u>	<u>—</u>	<u>552,000</u>	<u>2,208,000</u>	<u>552,000</u>
Total Business-type activities	<u>14,660,000</u>	<u>—</u>	<u>2,652,000</u>	<u>12,008,000</u>	<u>2,852,000</u>
Total	<u>\$ 28,354,791</u>	<u>\$ 1,147,238</u>	<u>\$ 3,614,433</u>	<u>\$ 25,887,596</u>	<u>\$ 3,179,508</u>

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

NOTE 8. 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 4, 2020.

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:

2020	\$ 11,081
2021	11,081
2022	11,081
2023	11,081
2024	11,081
Thereafter	<u>251</u>
Total	<u>\$ 55,656</u>

Rent expense for the year ended June 30, 2019 was \$12,907.

NOTE 9. RISK MANAGEMENT

The District is insured against various risks of loss related to torts, thefts of, damage to 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.

NOTE 9. RISK MANAGEMENT (Continued)

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, 2019, 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 10. 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 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plans Description – The District administers agent multiple-employer defined-benefit post-employment healthcare plans (the "Retiree Health Plans"). Dependents are eligible to enroll, and benefits continue to surviving spouses for one year following the member's death. 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

NOTE 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

coverage for the Management Staff Bargaining Unit members and the Confidential Staff Bargaining Unit members are 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.

Benefits Provided – Retirees are eligible for medical benefits if they retire at Age 50+. A retiree who was hired before 7/1/2013 and retires with 15+ years of service is eligible to receive a payment of \$1,219 per month for fiscal-year end June 30, 2019. The amount of this payment increases 3% annually. All other retirees are eligible to receive \$540 per month with no service requirements. There are no disability benefits.

Employees Covered by Benefit Terms – At June 30, 2018 (the census date), the benefit terms covered the following employees:

Active employees	24
Inactive employees, spouses or beneficiaries currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	<u>0</u>
Total	<u>34</u>

Contributions –The contribution requirements of the District are based on a pay-as-you-go basis. For the fiscal year ended June 30, 2019, the District paid \$98,542 for retiree health benefits. The District currently contributes enough money to the plans to satisfy current obligations on a pay-as-you-go basis.

Net OPEB Liability – The District's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation: 2.50%

Salary increases: 2.750%. Additional merit-based increases based on CalPERS merit salary increase tables.

Healthcare cost trend rates: 6.00% in the first year, trending down to 3.84% over 56 years.

Mortality rates were based on CalPERS tables.

NOTE 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability is 3.13%. The District's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

Changes in the Net OPEB Liability – The changes in the net OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 4,104,989	\$ –	\$ 4,104,989
<i>Changes recognized for measurement period:</i>			
Service cost	131,173	–	131,173
Interest	155,268	–	155,268
Changes of benefit terms	–	–	–
Difference between expected and actual experience	–	–	–
Changes of assumptions	249,320	–	249,320
Contributions - employer	–	98,542	(98,542)
Net investment income	–	–	–
Benefit payments	(98,542)	(98,542)	–
Administrative expense	–	–	–
Net Changes	<u>\$ 437,219</u>	<u>\$ –</u>	<u>\$ 437,219</u>
Balance at June 30, 2019	<u>\$ 4,542,208</u>	<u>\$ –</u>	<u>\$ 4,542,208</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate, for measurement period ended June 30, 2019:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Net OPEB Liability	\$ 5,330,803	\$ 4,542,208	\$ 3,903,931

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates – The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease (5.00% decreasing to 2.84%)	Current Healthcare Cost Trend Rate (6.00% decreasing to 3.84%)	1% Increase (7.00% decreasing to 4.84%)
Net OPEB Liability	\$ 3,865,885	\$ 4,542,208	\$ 5,393,305

NOTE 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$326,016. As of fiscal year ended June 30, 2019, the District reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes of assumptions	\$ 209,745	\$ –
Total	<u>\$ 209,745</u>	<u>\$ –</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) Of Resources</u>
2020	\$ 39,575
2021	\$ 39,575
2022	\$ 39,575
2023	\$ 39,575
2024	\$ 39,575
Remaining	\$ 11,870

NOTE 12. PENSION PLAN

General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

NOTE 12. PENSION PLAN (Continued)

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

<u>Hire date</u>	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 – 55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates	9.409%	6.842%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the

costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Miscellaneous</u>
Contributions	\$ 458,759

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the net pension liability of the Miscellaneous Plan as \$5,114,656.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.13198%
Proportion - June 30, 2019	0.13571%
Change - Increase (Decrease)	0.00373%

NOTE 12. PENSION PLAN (Continued)

For the year ended June 30, 2019, the District recognized pension expense of \$737,362. Pension expense is allocated to the functions based on full time equivalents. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 196,240	\$ 66,779
Changes in assumptions	583,086	142,903
Differences between projected and actual investment earnings	25,286	—
Differences between employer's contributions and proportionate share of contributions	—	223,280
Change in employer's proportion	38,181	41,340
Pension contributions made subsequent to measurement date	<u>458,759</u>	<u>—</u>
Total	<u>\$ 1,301,552</u>	<u>\$ 474,302</u>

Deferred outflows of resources in the amount of \$458,759 were reported related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as of June 30 as follows:

<u>Year Ended June 30</u>	
2020	\$ 407,862
2021	\$ 207,290
2022	\$ (200,658)
2023	\$ (46,003)

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous/Safety</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.50% Until Purchasing Power Protection Allowance Floor On Purchasing Power applies 2.50% thereafter

NOTE 12. PENSION PLAN (Continued)

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report located on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study can be found on the CalPERS' website under Forms and Publications.

Change of Assumptions – In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS performed crossover testing of the plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employer will make their required contributions on time and as scheduled in all future years. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

NOTE 12. PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

- (a) An expected inflation of 2.00% used for this period.
(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease Net Pension Liability	6.15% \$ 7,790,714
Current Discount Rate Net Pension Liability	7.15% \$ 5,114,656
1% Increase Net Pension Liability	8.15% \$ 2,905,613

Pension Plan Fiduciary Net Position – Detailed information about the plan fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 13. 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 14. COMMITMENTS AND OTHER CONTINGENCIES

As of June 30, 2019, the District has several ongoing projects with outstanding contracts as follows:

<u>Vendor/Contractor</u>	<u>Project</u>	<u>Original Contract Date</u>	<u>Total Contract Amount</u>	<u>Amount Outstanding at 6/30/19</u>
AECOM Technical Services	Los Padres Dam Alternative Study	01/2017	\$ 559,700	\$ 194,934
De Lay & Laredo	Measure J Valuation Services	01/2019	321,495	196,090
De Lay & Laredo	Measure J Investor Owned Utilities Consultant	01/2019	88,462	52,487
De Lay & Laredo	Measure J Investment Banker	01/2019	27,000	27,000
Denise Duffy & Associates	IRWM Consulting Services	04/2019	55,000	29,344
DUDEK	Prop 1 Grant Proposal Consulting	04/2019	95,600	80,749
Ecology Action of Santa Cruz	HEART Grant Conservation Equipment	10/2018	152,600	66,238
HDR Engineering	Los Padres Dam Fish Passage Study	04/2016	282,034	27,968
Mercer-Fraser Company	Sleepy Hollow Facility Upgrade	07/2018	1,802,835	411,563
Normandeau Associates	IFIM Study	12/2017	35,000	11,957
Pueblo Water Resources	ASR Backflush Basin Expansion CM Services	10/2018	96,034	27,115
Pueblo Water Resources	ASR Design/Bid Services for Water Treatment	03/2019	293,785	84,955
Rural Community Assistance	IRWM DAC Needs Assessment	10/2018	100,000	38,294
Rutan & Tucker, LLC	Measure J Eminent Domain Advice Service	01/2019	162,000	74,372
USGS	Modeling Work/Los Padres Dam Study	04/2019	<u>75,000</u>	<u>39,350</u>
Total			<u>\$ 4,146,545</u>	<u>\$ 1,362,416</u>

NOTE 15. INTERFUND TRANSFERS

During the year, transfers are used to move general property tax revenues to provide a subsidy to the Conservation & Mitigation funds.

NOTE 16. AUTHORITATIVE PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

The Governmental Accounting Standards Board (GASB) has released the following new standards which are not yet effective.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements in this Statement are effective for fiscal years beginning after June 30, 2019. 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 No. 84 will have on the accompanying financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 30, 2020. 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 No. 87 will have on the accompanying financial statements.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement established accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared

NOTE 16. AUTHORITATIVE PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District has no plans for early implementation of this Statement. At this time the District is not certain of the effect of the adoption of Statement No. 89 will have on the accompanying financial statements.

In August 2018, GASB issued Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement established that ownership of majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The District has no plans for early implementation of this Statement. At this time the District is not certain of the effect of the adoption of Statement No. 90 will have on the accompanying financial statements.

In May 2019, GASB issued Statement No. 91 *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier implementation is encouraged. The District has no plan for early implementation of this Statement. At this time the District is not certain of the effect of the adoption of Statement No. 91 will have on the accompanying financial statements.

NOTE 17. SUBSEQUENT EVENT

On November 6, 2018, the public voted on Measure J to instruct the District to undertake a feasibility study on the public takeover of California American Water's Monterey Water System. The measure passed with the electorate voting 55.81% to 44.19% in favor of the measure.

The cost of the initial feasibility study is estimated to cost \$650,00. Part of this cost was paid from FY 2019-2020 budget. The result of the feasibility study was released publicly to the MPWMD Board on November 12, 2019. Costs related to additional feasibility work are not known at this time which could potentially have an impact on the FY 2019-2020 budget.

**REQUIRED
SUPPLEMENTARY INFORMATON**

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
REVENUES:				
Property taxes	\$ 1,800,000	\$ 1,950,000	\$ 2,059,154	\$ 109,154
Water supply charge	3,400,000	3,400,000	3,410,398	10,398
User fees	600,000	640,000	792,917	152,917
Connection charges, net of refunds	250,000	450,000	591,2540	141,240
Project reimbursements	619,200	619,200	526,867	(92,333)
Investment income	15,000	90,000	145,850	55,850
Grants	95,000	95,000	200,000	105,000
Miscellaneous	5,000	5,000	545	(4,455)
Total revenues	<u>6,784,200</u>	<u>7,249,200</u>	<u>7,726,971</u>	<u>477,771</u>
EXPENDITURES:				
Personnel:				
Salaries	937,000	931,700	1,025,894	(94,194)
Employee benefits and other personnel	397,300	409,500	415,047	(5,547)
Services and supplies:				
Project expenditures	4,308,700	3,306,200	2,284,777	1,021,423
Operating expenditures	257,400	260,400	240,055	20,345
Professional fees	314,600	314,600	313,446	1,154
Capital outlay	124,000	124,000	76,477	47,523
Debt service:				
Principal	—	—	90,175	(90,175)
Interest and other charges	<u>230,000</u>	<u>230,000</u>	<u>128,961</u>	<u>101,039</u>
Total expenditures	<u>6,569,000</u>	<u>5,576,400</u>	<u>4,574,832</u>	<u>1,001,568</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>215,200</u>	<u>1,672,800</u>	<u>3,152,139</u>	<u>1,479,339</u>
OTHER FINANCING SOURCES (USES) –				
Transfers out	<u>(1,670,000)</u>	<u>(1,800,000)</u>	<u>(1,900,758)</u>	<u>(100,758)</u>
Total other financing sources (uses)	<u>(1,670,000)</u>	<u>(1,800,000)</u>	<u>(1,670,000)</u>	<u>(100,758)</u>
NET CHANGE IN FUND BALANCE	(1,454,800)	(127,200)	1,251,381	1,378,581
FUND BALANCE – BEGINNING OF YEAR	<u>6,028,747</u>	<u>7,333,575</u>	<u>7,333,575</u>	—
FUND BALANCE – END OF YEAR	<u>\$ 4,573,947</u>	<u>\$ 7,206,375</u>	<u>\$ 8,584,956</u>	<u>\$ 1,378,581</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Amounts</u>
REVENUES:				
User fees	\$ 1,000,000	\$ 1,080,000	\$ 1,153,406	\$ 73,406
Permit fees	175,000	175,000	235,975	60,975
Project reimbursements	970,000	970,000	401,035	(568,965)
Investment income	10,000	40,000	86,512	46,512
Legal fee reimbursements	16,000	16,000	3,600	(12,400)
Recording fees	40,000	20,000	7,530	(12,470)
Grants	152,600	152,600	70,075	(82,525)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>851</u>	<u>(4,149)</u>
Total revenues	<u>2,368,600</u>	<u>2,458,600</u>	<u>1,958,984</u>	<u>(499,616)</u>
EXPENDITURES:				
Personnel:				
Salaries	680,500	675,200	584,028	91,172
Employee benefits and other personnel	290,000	300,600	265,546	35,054
Services and supplies:				
Project expenditures	1,473,100	1,549,100	617,523	931,577
Operating expenditures	239,400	242,300	241,660	640
Professional fees	160,200	160,200	130,803	29,397
Capital outlay	<u>308,900</u>	<u>308,900</u>	<u>266,348</u>	<u>42,252</u>
Total expenditures	<u>3,152,100</u>	<u>3,236,300</u>	<u>2,105,908</u>	<u>1,130,392</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(783,500)</u>	<u>(777,700)</u>	<u>(146,924)</u>	<u>630,776</u>
OTHER FINANCING SOURCES (USES) –				
Transfers in	<u>570,000</u>	<u>600,000</u>	<u>633,586</u>	<u>33,586</u>
Total other financing sources (uses)	<u>570,000</u>	<u>600,000</u>	<u>633,586</u>	<u>33,586</u>
NET CHANGE IN FUND BALANCE	(213,500)	(177,700)	486,662	664,362
FUND BALANCE – BEGINNING OF YEAR	<u>2,231,766</u>	<u>3,348,352</u>	<u>3,348,352</u>	<u>–</u>
FUND BALANCE – END OF YEAR	<u>\$ 2,018,266</u>	<u>\$ 3,170,652</u>	<u>\$ 3,835,014</u>	<u>\$ 664,362</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Amounts</u>
REVENUES:				
User fees	\$ 2,650,000	\$ 2,780,000	\$ 2,916,031	\$ 136,031
Permit fees	56,000	56,000	15,875	(40,125)
Project reimbursement	72,000	160,700	45,813	(114,887)
Investment income	10,000	50,000	94,673	44,673
Grants	1,900,000	1,900,000	1,456,740	(443,260)
Miscellaneous	5,000	5,000	493	(4,507)
Total revenues	<u>4,693,000</u>	<u>4,951,700</u>	<u>4,529,625</u>	<u>(422,075)</u>
EXPENDITURES:				
Personnel:				
Salaries	1,067,100	1,061,700	1,038,417	23,283
Employee benefits and other personnel	482,600	497,800	466,023	31,777
Services and supplies:				
Project expenditures	3,606,100	3,729,800	2,534,844	1,194,956
Operating expenditures	310,300	314,200	326,314	(12,114)
Professional fees	283,200	283,200	183,522	99,678
Capital outlay	<u>166,600</u>	<u>141,600</u>	<u>82,446</u>	<u>59,154</u>
Total expenditures	<u>5,915,900</u>	<u>6,028,300</u>	<u>4,631,566</u>	<u>1,396,734</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,222,900)</u>	<u>(1,076,600)</u>	<u>(101,941)</u>	<u>974,659</u>
OTHER FINANCING SOURCES (USES) –				
Transfers in	<u>1,100,000</u>	<u>1,200,000</u>	<u>1,267,172</u>	<u>67,172</u>
Total other financing sources (uses)	<u>1,100,000</u>	<u>1,200,000</u>	<u>1,267,172</u>	<u>67,172</u>
NET CHANGE IN FUND BALANCE	(122,900)	123,400	1,165,231	1,041,831
FUND BALANCE – BEGINNING OF YEAR	<u>2,447,094</u>	<u>3,430,138</u>	<u>3,430,138</u>	<u>–</u>
FUND BALANCE – END OF YEAR	<u>\$ 2,324,194</u>	<u>\$ 3,553,538</u>	<u>\$ 4,595,369</u>	<u>\$ 1,041,831</u>

See Notes to Required Supplementary Information.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

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.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL/NET OPEB LIABILITY AND RELATED RATIOS
For the Measurement Periods Ended June 30

Measurement Period	<u>2019</u>	<u>2018</u>
Total/Net OPEB Liability:		
Service cost	\$ 131,173	\$ 127,662
Interest	155,268	140,378
Changes of assumptions	249,320	
Benefit payments	<u>(98,542)</u>	<u>(92,380)</u>
Net change in total OPEB liability	437,219	175,660
Total/Net OPEB liability – beginning of year	<u>4,104,989</u>	<u>3,929,329</u>
Total/Net OPEB liability – end of year	<u>4,542,208</u>	<u>4,104,989</u>
 Covered-employee payroll	 \$ 2,508,173	 \$ 2,441,044
Net OPEB liability as a percentage of covered-employee payroll	181.1%	168.2%

Notes to Schedule:

The District adopted GASB 75 for the fiscal year ending June 30, 2018. Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years*
FOR THE YEAR ENDED JUNE 30, 2019

Measurement Period	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as percentage of covered payroll	Plan's fiduciary net position	Plan fiduciary net position as a percentage of the total pension liability
<u>2014</u>						
Miscellaneous Plan	0.05481%	\$ 3,287,027	\$ 2,282,220	144.03%	\$10,639,461,174	81.15%
<u>2015</u>						
Miscellaneous Plan	0.12936%	\$ 3,548,843	\$ 2,325,836	152.58%	\$10,896,036,068	79.89%
<u>2016</u>						
Miscellaneous Plan	0.12945%	\$ 4,496,774	\$ 2,419,068	185.89%	\$10,923,476,287	75.87%
<u>2017</u>						
Miscellaneous Plan	0.13198%	\$ 5,202,822	\$ 2,407,013	216.15%	\$12,074,499,781	75.39%
<u>2018</u>						
Miscellaneous Plan	0.13571%	\$ 5,114,656	\$ 2,531,145	202.07%	\$13,122,440,092	77.69%

Notes to Schedule:

Benefit changes.

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions.

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

In 2016, the discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

In 2017, the discount rate was changed from 7.65 percent to 7.15 percent.

In 2018, demographic assumptions and the inflation rate were changed in accordance with CalPERS Experience Study and review of Actuarial Assumptions December 2017.

* Fiscal year 2015 was the 1st year of implementation, therefore, only five years are shown.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
SCHEDULE OF CONTRIBUTIONS –PENSION
Last 10 Years*
FOR THE YEAR ENDED JUNE 30, 2019

<u>Fiscal Year</u>	<u>Contractually required contribution (actuarially determined)</u>	<u>Contributions in relation to the actuarially determined contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
<u>2015</u>					
Miscellaneous Plan	\$ 369,874	\$ 369,874	\$ –	\$ 2,325,836	15.90%
<u>2016</u>					
Miscellaneous Plan	\$ 370,709	\$ 370,709	\$ –	\$ 2,419,068	15.32%
<u>2017</u>					
Miscellaneous Plan	\$ 361,981	\$ 361,981	\$ –	\$ 2,407,013	15.04%
<u>2018</u>					
Miscellaneous Plan	\$ 386,341	\$ 386,341	\$ –	\$ 2,531,145	15.26%
<u>2019</u>					
Miscellaneous Plan	\$ 458,759	\$ 458,759	\$ –	\$ 2,735,113	16.77%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for each fiscal year are as follows:

FYE 2014–2015	June 30, 2013	Funding valuation report
FYE 2015–2016	June 30, 2014	Funding valuation report
FYE 2016–2017	June 30, 2015	Funding valuation report
FYE 2017–2018	June 30, 2016	Funding valuation report
FYE 2018–2019	June 30, 2017	Funding valuation report

Actuarial cost method	Entry age normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.15
Retirement age	The probabilities of retirement are based on results of an actuarial experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on CalPERS specific data. The table includes 15 years mortality improvement using Society of Actuaries 90% scale MP 2016.

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

STATISTICAL SECTION



(Photo: Sleepy Hollow Colling Tower & Tank)

STATISTICAL SECTION

The information in this section is not covered by the Independent Auditor's Report but is presented as supplemental data for the benefit of the readers of the comprehensive financial report. This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. (Pages 57-61)

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources. (Pages 62-64)

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. (Pages 65-66)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. (Pages 67-69)

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. (Pages 70-71)

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**Net Position by Component****Last Ten Fiscal Years****(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 5,391,484	\$ 3,360,667	\$ 3,279,341	\$ 3,454,077	\$ 3,765,812	\$ 3,703,618	\$ 3,825,773	\$ 7,626,567	\$ 6,238,660	\$ 5,280,114
Restricted for debt service	222,098	221,656	221,214	220,772	220,330	219,136	219,136	-	-	-
Unrestricted (deficit)	6,650,005	3,659,946	(2,942,603)	(3,985,497)	(2,940,609)	1,316,853	2,697,295	(1,117,760)	635,049	1,152,363
Total governmental activities net position	\$ 12,263,587	\$ 7,242,269	\$ 557,952	\$ (310,648)	\$ 1,045,533	\$ 5,239,607	\$ 6,742,204	\$ 6,508,807	\$ 6,873,709	\$ 6,432,477
Business-type activities										
Net investment in capital assets	\$ 30,591,335	\$ 28,603,598	\$ 27,566,748	\$ 26,194,280	\$ 25,157,565	\$ 24,719,129	\$ 18,794,502	\$ 24,212,463	\$ 24,130,341	\$ 24,178,621
Restricted for construction project	-	-	-	-	-	-	15,276	-	-	-
Restricted for debt service	1,164	1,144	1,136	1,136	1,136	1,137	1,137	1,136	1,136	1,136
Restricted for capital replacement	-	-	1,121,549	1,118,503	1,273,355	873,273	848,080	-	-	-
Restricted for expanded project	-	-	-	-	-	-	-	889,475	891,700	978,528
Unrestricted (deficit)	(1,221,936)	(919,550)	(3,165,974)	(3,430,576)	(3,772,838)	(4,393,080)	-	250,873	245,551	422,876
Total business-type activities net position	\$ 29,370,563	\$ 27,685,192	\$ 25,523,459	\$ 23,883,343	\$ 22,659,218	\$ 21,200,459	\$ 19,658,995	\$ 25,353,947	\$ 25,268,728	\$ 25,581,161
Primary government										
Net investment in capital assets	\$ 35,982,819	\$ 31,964,265	\$ 30,846,089	\$ 29,648,357	\$ 28,923,377	\$ 28,422,747	\$ 22,620,275	\$ 31,839,030	\$ 30,369,001	\$ 29,458,735
Restricted for construction project	-	-	-	-	-	-	15,276	-	-	-
Restricted for debt service	223,262	222,800	222,350	221,908	221,466	220,273	220,273	1,136	1,136	1,136
Restricted for capital replacement	-	-	1,121,549	1,118,503	1,273,355	873,273	848,080	-	-	-
Restricted for expanded project	-	-	-	-	-	-	-	889,475	891,700	978,528
Unrestricted (deficit)	5,428,069	2,740,396	(6,108,577)	(7,416,073)	(6,746,108)	(3,076,227)	2,697,295	(866,887)	880,600	1,575,239
Total primary government net position	\$ 41,634,150	\$ 34,927,461	\$ 26,081,411	\$ 23,572,695	\$ 23,672,090	\$ 26,440,066	\$ 26,401,199	\$ 31,862,754	\$ 32,142,437	\$ 32,013,638

Notes:

Accounting standards require that net assets be reported in three components in the financial statements: Net investment in capital assets; restricted; and unrestricted. Net assets are considered restricted when 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses (by function)

Governmental activities:

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Conservation	\$ 2,022,792	\$ 2,101,343	\$ 1,881,138	\$ 1,928,518	\$ 2,538,647	\$ 2,269,696	\$ 1,459,231	\$ 1,112,961	\$ 1,066,511	\$ 912,893
Mitigation	3,374,595	2,584,965	2,343,392	2,261,058	2,348,049	2,463,838	2,284,450	3,131,325	4,777,577	3,977,038
Water supply	3,681,507	3,878,083	5,321,950	7,057,927	5,149,757	7,931,458	4,054,342	1,200,978	1,291,349	1,404,760
Interest	128,961	132,183	137,086	138,627	141,077	143,921	137,086	-	-	-
Total Governmental Activities expenses	9,207,855	8,696,574	9,683,566	11,386,130	10,177,530	12,808,913	7,935,109	5,445,264	7,135,437	6,294,691

Business-type activities:

Reclamation Project	4,656,895	4,161,333	4,024,568	4,347,080	3,945,772	3,889,685	3,434,236	3,793,748	3,664,890	3,691,170
Total business-type activities expenses	4,656,895	4,161,333	4,024,568	4,347,080	3,945,772	3,889,685	3,434,236	3,793,748	3,664,890	3,691,170

Total Primary Government Expenses

	13,864,750	12,857,907	13,708,134	15,733,210	14,123,302	16,698,598	11,369,345	9,239,012	10,800,327	9,985,861
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Program Revenues (by function)

Governmental activities:

Charges for service:

Conservation	1,790,416	2,136,505	996,234	1,005,237	1,584,188	1,374,724	761,990	439,798	717,546	1,286,516
Mitigation	2,977,719	3,013,010	3,052,020	2,542,519	2,236,455	1,940,728	1,873,902	2,709,894	4,950,900	3,091,862
Water supply	5,319,088	10,377,339	4,543,983	4,313,762	4,223,966	5,728,874	5,523,491	305,849	420,552	603,777
Operating grants and contributions	1,726,815	155,021	89,276	334,864	169,214	602,499	391,797	165,528	-	-
Total governmental activities program revenues	11,814,038	15,681,875	8,681,513	8,196,382	8,213,823	9,646,825	8,551,180	3,621,069	6,088,998	4,982,155

Business-type activities:

Charges for services -

Water sales	6,299,411	6,328,302	5,661,358	5,513,758	5,379,027	5,420,240	4,175,379	2,344,688	1,840,264	1,807,929
Total Business-type activities revenue	6,299,411	6,328,302	5,661,358	5,513,758	5,379,027	5,420,240	4,175,379	2,344,688	1,840,264	1,807,929

Total Primary Government Program Revenues

	18,113,449	22,010,177	14,342,871	13,710,140	13,592,850	15,067,065	12,726,559	5,965,757	7,929,262	6,790,084
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Net (Expenses)/Revenue

Governmental activities	2,606,183	6,985,301	(1,002,053)	(3,189,748)	(1,963,707)	(3,162,088)	616,071	(1,824,195)	(1,046,439)	(1,312,536)
Business-type activities	1,642,516	2,166,969	1,636,790	1,166,678	1,433,255	1,530,555	741,143	(1,449,060)	(1,824,626)	(1,883,241)
Total Primary Net (Expenses)/Revenue	\$ 4,248,699	\$ 9,152,270	\$ 634,737	\$ (2,023,070)	\$ (530,452)	\$ (1,631,533)	\$ 1,357,214	\$ (3,273,255)	\$ (2,871,065)	\$ (3,195,777)

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30, 2019									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes	\$ 2,075,081	\$ 1,872,468	\$ 1,811,861	\$ 1,788,896	\$ 1,689,619	\$ 1,582,796	\$ 1,690,645	\$ 1,388,301	\$ 1,402,646	\$ 1,339,138
Investment earnings	327,035	61,336	35,837	48,125	26,092	20,042	11,524	2,080	4,772	11,485
Miscellaneous	13,019	44,766	22,955	29,207	39,507	56,653	62,211	69,200	80,253	71,285
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	(288)	-	-
Special items -										
Transfer of capital assets	-	-	-	-	-	-	(2,147,054)	-	-	-
Total governmental activities	2,415,135	1,978,570	1,870,653	1,866,228	1,755,218	1,659,491	(382,674)	1,459,293	1,487,671	1,421,908
Business-type activities:										
Investment earnings	42,855	(5,236)	3,326	56,685	25,504	26,185	1,909	36,196	19,518	64,771
Miscellaneous	-	-	-	762	-	-	-	3,004	1,436	3,580
Special items:										
Subsidy, Pebble Beach Company	-	-	-	-	-	-	1,600,006	1,732,903	1,667,322	1,444,976
Capital contributions (withdrawals)	-	-	-	-	-	-	-	-	(176,083)	(995,219)
Withdrawal, Pebble Beach Company	-	-	-	-	-	-	(1,641,213)	-	-	-
Water entitlement sales	-	-	-	-	-	-	253,203	293,176	-	687,570
Water entitlement (withdrawals)	-	-	-	-	-	(15,276)	(1,130,000)	(531,000)	-	-
Total business-type activities	42,855	(5,236)	3,326	57,447	25,504	10,909	(916,095)	1,534,279	1,512,193	1,205,678
Total Primary Government	2,457,990	1,973,334	1,873,979	1,923,675	1,780,722	1,670,400	(1,298,769)	2,993,572	2,999,864	2,627,586
Change in Net Position										
Governmental activities	5,021,318	8,963,871	868,600	(1,323,520)	(208,489)	(1,502,597)	233,397	(364,902)	441,232	109,372
Business-type activities	1,685,371	2,161,733	1,640,116	1,224,125	1,458,759	1,541,464	(174,952)	85,219	(312,433)	(677,563)
Total Primary Government	6,706,689	11,125,604	2,508,716	(99,395)	1,250,270	38,867	58,445	(279,683)	128,799	(568,191)
Net position - beginning of year	34,927,461	23,801,857	23,572,695	23,672,090	22,454,481	26,401,199	26,342,754	32,142,437	32,013,638	32,581,829
Net position - end of year	\$ 41,634,150	\$ 34,927,461	\$ 26,081,411	\$ 23,572,695	\$ 23,704,751	\$ 26,440,066	\$ 26,401,199	\$ 31,862,754	\$ 32,142,437	\$ 32,013,638

Notes:

- Net position - beginning of the year for the fiscal year ended June 30, 2013 has been restated for a prior period adjustment related to a liability to PBCo. For reimbursement of bond carrying costs.
- Net position - beginning of the year for the fiscal year ended June 30, 2015 has been restated for implementation of GASB 68.
- Net position - beginning of the year for the fiscal year ended June 30, 2016 has been restated for implementation of GASB 82.
- Net position - beginning of the year for the fiscal year ended June 30, 2018 has been restated for implementation of GASB 75.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Funds:										
Reserved for prepaid expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,220
Unreserved, designated:										
Insurance/litigation	-	-	-	-	-	-	-	-	-	250,000
Capital equipment	-	-	-	-	-	-	-	-	-	286,600
Flood/drought emergencies	-	-	-	-	-	-	-	-	-	443,944
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	937,688
Nonspendable - prepaid expenses	-	-	-	-	-	-	36,025	39,869	44,743	-
Restricted	222,098	221,656	221,214	220,772	220,330	219,136	219,136	-	-	-
Committed	1,362,417	939,786	833,920	739,717	485,060	644,294	1,590,590	707,984	822,901	-
Assigned:										
Insurance/litigation	250,000	250,000	78,646	250,000	250,000	250,000	250,000	183,260	250,000	-
Capital equipment	532,000	332,000	140,334	144,000	232,000	244,900	304,100	99,599	304,100	-
Flood/drought emergencies	328,944	328,944	328,944	328,944	254,891	443,944	443,944	-	443,944	-
Pension/OPEB	200,000	-	-	-	-	-	-	-	-	-
Project expenditures	14,119,880	12,039,679	3,396,036	2,067,332	3,674,618	3,508,509	3,929,262	150,891	379,217	-
Unassigned (deficit)	-	-	(142,687)	(119,214)	-	-	-	(1,212,372)	(726,414)	-
Total governmental fund balances	<u>\$ 17,015,339</u>	<u>\$ 14,112,065</u>	<u>\$ 4,856,407</u>	<u>\$ 3,631,551</u>	<u>\$ 5,116,899</u>	<u>\$ 5,310,783</u>	<u>\$ 6,773,057</u>	<u>\$ (30,769)</u>	<u>\$ 1,518,491</u>	<u>\$ 1,956,452</u>

Notes: The District implemented GASB 54 during fiscal year 2010/11.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Property Taxes	\$ 2,059,154	\$ 1,924,320	\$ 1,817,206	\$ 1,744,833	\$ 1,689,619	\$ 1,582,796	\$ 1,690,645	\$ 1,388,301	\$ 1,402,646	\$ 1,339,138
Water supply charge	3,410,398	3,405,008	3,391,354	3,382,389	3,327,701	3,412,207	3,400,873	-	-	-
User fees	4,862,354	5,158,825	1,156,364	79,018	95,321	93,931	1,815,986	1,620,375	3,048,993	2,879,934
Connection charges, net of refunds	591,240	522,167	370,255	502,298	159,250	223,625	115,972	194,510	319,728	466,297
Permit fees	251,850	317,312	243,787	225,374	193,609	240,079	277,956	225,616	296,735	278,610
Project reimbursements	973,715	6,065,203	1,390,565	1,259,886	2,151,906	3,283,666	2,562,195	1,423,967	2,426,480	1,247,946
Investment income	327,035	61,336	35,837	48,125	26,092	20,042	11,524	2,080	4,772	11,485
Legal fee reimbursements	3,600	5,370	2,914	2,728	2,637	18,441	32,756	27,136	23,638	22,210
Recording fees	7,530	17,887	12,039	12,047	11,340	15,061	13,785	11,797	11,987	11,735
Mitigation revenue	-	-	2,039,912	2,412,553	2,127,410	1,801,800	-	-	-	-
Miscellaneous	1,889	21,509	8,002	14,432	25,530	23,151	15,670	30,267	44,628	37,340
Grants	1,726,815	155,021	89,276	334,864	169,214	602,499	391,797	165,528	-	-
Total revenues	14,215,580	17,653,958	10,557,511	10,018,547	9,979,629	11,317,298	10,329,159	5,089,577	7,579,607	6,294,695
Expenditures:										
Current:										
Water Supply	4,279,219	3,647,937	5,114,480	7,053,419	5,088,746	8,004,072	3,853,524	990,160	1,128,816	1,290,119
Conservation	1,839,560	1,881,374	1,733,055	1,889,096	2,493,467	2,083,341	1,343,770	1,041,833	1,005,320	1,540,229
Mitigation	4,549,120	2,277,747	2,149,332	2,211,423	2,248,870	2,365,683	2,194,725	4,540,619	5,787,207	3,749,822
Capital outlay	425,271	372,106	114,821	130,822	117,221	107,340	53,145	42,892	73,136	45,108
Debt Service:										
Principal	90,175	86,953	83,881	80,508	78,059	75,215	38,368	-	-	-
Interest and other charges	128,961	132,183	137,086	138,627	147,150	143,921	41,801	23,333	23,089	-
Total expenditures	11,312,306	8,398,300	9,332,655	11,503,895	10,173,513	12,779,572	7,525,333	6,638,837	8,017,568	6,625,278
Excess (deficiency) of revenues over (under) expenditures	2,903,274	9,255,658	1,224,856	(1,485,348)	(193,884)	(1,462,274)	2,803,826	(1,549,260)	(437,961)	(330,583)
Other Financing Sources (Uses):										
Transfers in	1,900,758	1,924,320	1,137,571	1,271,950	948,721	-	-	-	-	-
Transfers out	(1,900,758)	(1,924,320)	(1,137,571)	(1,271,950)	(948,721)	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	4,000,000	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	4,000,000	-	-	-
Net change in fund balances	2,903,274	9,255,658	1,224,856	(1,485,348)	(193,884)	(1,462,274)	6,803,826	(1,549,260)	(437,961)	(330,583)
Fund balances, beginning of year	14,112,065	4,856,407	3,631,551	5,116,899	5,310,783	6,773,057	(30,769)	1,518,491	1,956,452	2,287,035
Fund balances, end of year	\$ 17,015,339	\$ 14,112,065	\$ 4,856,407	\$ 3,631,551	\$ 5,116,899	\$ 5,310,783	\$ 6,773,057	\$ (30,769)	\$ 1,518,491	\$ 1,956,452
Debt service as a percentage of noncapital expenditures	2.05%	2.87%	2.48%	2.00%	2.34%	1.80%	1.09%	0.47%	0.34%	0.00%

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Assessed Value and Actual Value of Taxable Property - Monterey County
 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year Ended June 30	Secured Roll	Unsecured Roll	Exemptions	Net Assessed Valuations	* MPWMD Property Tax Allocations	Percentage Over Net Assessed Value
2009	\$ 52,454,129	\$ 2,234,086	\$ (1,608,033)	\$ 53,080,182	\$ 1,436,800	2.7%
2010	50,655,874	2,254,022	(1,679,121)	51,230,775	1,339,138	2.6%
2011	48,774,186	2,116,423	(1,770,929)	49,119,680	1,402,646	2.9%
2012	48,980,011	2,103,408	(1,856,776)	49,226,643	1,388,301	2.8%
2013	49,595,091	2,122,678	(1,914,519)	49,803,250	1,690,645	3.4%
2014	51,396,835	2,159,991	(2,009,761)	51,547,065	1,582,796	3.1%
2015	54,354,520	2,231,717	(2,119,791)	54,466,446	1,689,619	3.1%
2016	57,571,743	2,333,413	(2,196,512)	57,708,644	1,744,833	3.0%
2017	60,242,461	2,370,771	(2,324,855)	60,288,377	1,817,206	3.0%
2018	\$ 63,625,023	\$ 2,475,907	\$ (2,455,639)	\$ 63,645,291	\$ 1,924,320	3.0%

Source: Monterey County CAFR Report (Fiscal Year Ended June 30, 2018)

* Source: Monterey Peninsula Water Management District, Audited Financial Statements

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Principal Property Taxpayers - Monterey County
For the Year Ended June 30, 2018 and June 30, 2009

Tax Payer	Type of Business	2018			2009		
		Taxable Assessed Value (\$'000)	Rank	Percentage of Total County Assessed Value	Taxable Assessed Value (\$'000)	Rank	Percentage of Total County Assessed Value
Pebble Beach Company	Tourism	\$ 784,404	1	1.23%	\$ 628,703	2	1.18%
Pacific Gas & Electric Company	Utility	645,250	2	1.01%	345,052	3	0.65%
Chevron USA Inc	Petroleum	297,351	3	0.47%	-		
Dynergy Moss Landing LLC	Utility	230,400	4	0.36%	742,400	1	1.40%
Aera Energy LLC	Utility	215,125	5	0.34%	118,690	5	0.22%
D'Arrigo Bros Co	Agriculture	158,444	6	0.25%	82,140	10	0.15%
Northridge Owner LP	Retail	128,013	7	0.20%	85,143	9	0.16%
AAT Del Monte LLC	Real Estate	115,027	8	0.18%	-		
California-American Water Company	Utility	107,154	9	0.17%	89,904	8	0.17%
Scheid Vineyards California Inc	Agriculture	104,922	10	0.16%	-		
Texaco Inc	Utility	-			282,906	4	0.53%
Pacific Bell Telephone Company	Utility	-			109,008	6	0.21%
Pacific Oceanside Holdings	Real Estate	-			92,378	7	0.17%
Pacific Wine Partners LLC	Agriculture	-			-		
Ten Largest Taxpayers' Total		2,786,090		4.37%	2,576,324		4.84%
All Other Taxpayers' Total		60,859,202		95.62%	50,503,857		95.16%
Total		<u>\$ 63,645,292</u>		<u>100%</u>	<u>\$ 53,080,181</u>		<u>100%</u>

Source: Monterey County CAFR Report (Fiscal Year Ended June 30, 2018)
2019 data not available at time of print

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Major Revenue Sources
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Property Taxes	\$ 2,075,081	\$ 1,872,468	\$ 1,811,861	\$ 1,788,896	\$ 1,689,619	\$ 1,582,796	\$ 1,690,645	\$ 1,388,301	\$ 1,402,646	\$ 1,339,138
Water supply charge	3,408,064	3,463,347	3,391,354	3,382,389	3,327,701	3,412,207	3,400,873	-	-	-
User fees	4,862,354	5,158,825	1,156,364	79,018	95,321	93,931	1,815,986	1,620,375	3,048,993	2,879,934
Mitigation revenue	-	-	2,039,912	2,412,553	2,127,410	1,801,800	-	-	-	-
Business-type activities										
Water sales	6,299,411	6,328,302	5,661,358	5,513,758	5,379,027	5,359,496	4,175,379	2,344,688	1,840,254	1,807,929

Source: Monterey Peninsula Water Management District, Audited Financial Statements

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,

Fiscal Year	Installment Purchase Agreement	Line of Credit	Due Pebble Beach Company	Certificates of Participation	Debt	Personal Income (1)	As a percent of Personal Income
2019	\$ 3,466,841	\$ -	\$ 2,208,000	\$ 9,800,000	\$ 15,474,841	**	**
2018	3,357,016	-	2,760,000	11,900,000	18,017,016	**	**
2017	3,643,969	-	3,312,000	13,900,000	20,855,969	23,819,797	0.09%
2016	3,727,850	-	3,864,000	15,800,000	23,391,850	22,827,059	0.10%
2015	3,808,358	-	4,416,000	17,600,000	25,824,358	21,623,627	0.12%
2014	3,886,417	-	4,968,000	19,300,000	28,154,417	19,889,054	0.14%
2013	3,961,632	-	5,520,000	21,000,000	30,481,632	19,233,171	0.16%
2012	-	1,275,478	-	22,600,000	23,875,478	18,365,298	0.13%
2011	-	1,069,163	-	24,100,000	25,169,163	17,355,940	0.15%
2010	-	-	-	25,500,000	25,500,000	17,574,000	0.15%

(1) Monterey County CAFR Report (Fiscal Year Ended June 30, 2018)

** Data not available for 2018 or 2019

Source: Monterey Peninsula Water Management District, Audited Financial Statements

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Debt Service Coverage
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30, 6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010
Governmental activities *										
Debt service coverage										
Water supply charges	\$ 3,410,398	\$ 3,405,008	\$ 3,391,354	\$ 3,382,389	\$ 3,327,701	\$ 3,412,207	\$ 3,400,873	N/A	N/A	N/A
Operating expenses (1)	(2,005,667)	(1,855,440)	(1,525,501)	(1,847,397)	(1,828,234)	(1,674,940)	(1,519,457)	N/A	N/A	N/A
Reserve funds available	519,118	418,976	396,234	395,792	439,350	442,456	396,234	N/A	N/A	N/A
Net available revenues	\$ 1,923,849	\$ 1,968,544	\$ 2,262,087	\$ 1,930,784	\$ 1,938,817	\$ 2,179,723	\$ 1,881,416	\$ -	\$ -	\$ -
Debt Service:										
Principal	\$ 90,175	\$ 86,953	\$ 83,881	\$ 80,508	\$ 78,059	\$ 75,215	\$ 38,368	\$ -	\$ -	\$ -
Interest	128,961	132,183	137,086	138,627	147,150	143,921	41,801	23,333	23,089	-
	\$ 219,136	\$ 219,136	\$ 220,967	\$ 219,135	\$ 225,209	\$ 219,136	\$ 80,169	\$ 23,333	\$ 23,089	\$ -
Debt service coverage ratio	8.78	8.98	10.24	8.81	8.61	9.95	23.47	N/A	N/A	N/A
Minimum coverage ratio (4)	1.25	1.25	1.25	1.25	1.25	1.25	1.25	N/A	N/A	N/A
Business-type activities										
Debt service coverage										
Gross revenues (2)	\$ 6,342,266	\$ 6,324,764	\$ 5,664,684	\$ 5,571,205	\$ 5,404,531	\$ 5,446,425	\$ 6,030,497	\$ 4,409,967	\$ 4,283,370	\$ 4,009,006
Operating expenses (3)	(2,584,234)	(2,041,565)	(2,053,626)	(2,588,706)	(2,035,882)	(1,960,727)	(1,770,313)	(1,907,355)	(1,716,344)	(1,870,725)
Net available revenues	\$ 3,758,032	\$ 4,283,199	\$ 3,611,058	\$ 2,982,499	\$ 3,368,649	\$ 3,485,698	\$ 4,260,184	\$ 2,502,612	\$ 2,567,026	\$ 2,138,281
Debt Service:										
Principal:										
PBCo.	\$ 552,000	\$ 552,000	\$ 552,000	\$ 552,000	\$ 552,000	\$ 552,000	\$ -	\$ -	\$ -	\$ -
COPs	2,100,000	2,000,000	1,900,000	1,800,000	1,700,000	1,700,000	1,600,000	1,500,000	1,400,000	1,300,000
Interest	192,875	185,876	141,828	59,049	40,339	47,688	35,308	307,246	374,014	248,742
	\$ 2,844,875	\$ 2,737,876	\$ 2,593,828	\$ 2,411,049	\$ 2,292,339	\$ 2,299,688	\$ 1,635,308	\$ 1,807,246	\$ 1,774,014	\$ 1,548,742
Debt service coverage ratio	1.32	1.56	1.39	1.24	1.47	1.52	2.61	1.38	1.45	1.38
Minimum coverage ratio (3)	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

* The service coverage ratio only applies to the Water Supply Fund. The amounts included in the calculation relate only to that fund.

(1) Operating expenses exclude depreciation, interest expense, capital outlay and project expenditures except for ASR operating expenses.

(2) Gross revenues includes operating revenue, other non-operating revenue, and investment earnings.

(3) Operating expenses exclude depreciation and amortization.

(4) Minimum coverage ratio requirement per debt covenants.

N/A represents years where debt service coverage was not required.

Source: Monterey Peninsula Water Management District, Audited Financial Statements

MONTEREY PENINSULA WATER MANAGEMENT DISTRICTDemographic and Economic Statistics - Monterey County
Last Ten Calendar Years

Calendar Year	Population	Per Capita Income	Total Personal Income	Median Age	School Enrollment	Unemployment Rate
2008	405,660	\$ 42,144	\$ 17,205,000	32	69,828	8.4%
2009	410,370	42,356	17,381,644	32	70,523	11.8%
2010	415,057	42,176	17,574,000	33	70,949	12.8%
2011	421,898	41,138	17,355,940	33	72,666	12.4%
2012	426,762	43,034	18,365,298	33	73,460	11.4%
2013	428,826	44,851	19,233,171	33	74,684	10.1%
2014	431,344	46,109	19,889,054	34	75,997	9.1%
2015	433,898	49,836	21,623,627	34	76,768	8.1%
2016	435,232	52,448	22,827,059	34	77,517	7.6%
2017	437,907	\$ 54,395	\$ 23,819,797	34	77,954	7.2%

Source: Monterey County CAFR Report (Fiscal Year Ended June 30, 2018)

2018 data not available at time of print

MONTEREY PENINSULA WATER MANAGEMENT DISTRICTPrincipal Employment by Industry - Monterey County
For the Year Ended June 30, 2018 and June 30, 2008

Industry	2018		Industry	2008	
	Number of Employed	Percent of Total		Number of Employed	Percent of Total
Agriculture	55,700	27.99%	Agriculture	43,300	24.87%
Natural Resources, Mining and Construction	6,700	3.37%	Natural Resources, Mining and Construction	6,300	3.62%
Manufacturing	5,400	2.71%	Manufacturing	6,100	3.50%
Wholesale Trade	5,900	2.96%	Wholesale Trade	5,100	2.93%
Retail Trade	16,800	8.44%	Retail Trade	16,700	9.59%
Transportation, Warehousing and Utilities	4,000	2.01%	Transportation, Warehousing and Utilities	3,600	2.07%
Information	1,000	0.50%	Information	2,000	1.15%
Financial Activities	4,500	2.26%	Financial Activities	5,500	3.16%
Professional and Business Services	13,900	6.98%	Professional and Business Services	11,600	6.66%
Educational and Health Services	20,100	10.10%	Educational and Health Services	15,700	9.02%
Leisure and Hospitality	25,400	12.76%	Leisure and Hospitality	21,400	12.29%
Other Services	5,100	2.56%	Other Services	4,600	2.64%
Government	34,500	17.34%	Government	32,200	18.50%

Source: State of California Employment Development Department, Industry Employment-Official Monthly Estimates (CES)

MONTEREY PENINSULA WATER MANAGEMENT DISTRICTFull-time Equivalent Employees by Department
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Department:										
General Manager's Office	2	2	2	2	2	2	2	3	3	4
Administrative Services Division	5	5	5	7	7	7	7	7	7	5
Planning & Engineering Division	5	5	5	5	5	5	5	5	6	6
Water Resources Division	6	7	7	7	7	7	7	7	7	7
Water Demand Division	6	6	6	6	5	5	5	5	5	5
Total	<u>24</u>	<u>25</u>	<u>25</u>	<u>27</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>27</u>

Source: Monterey Peninsula Water Management District

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Water Consumption by Type (in Acre-Feet)
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Use Type:										
Residential	4,067	4,242	4,384	4,560	4,936	5,302	5,552	5,513	5,602	6,156
Multi-Residential	1,293	1,367	1,410	1,418	1,637	1,529	1,523	1,323	1,348	1,280
Commercial	2,157	2,194	2,214	2,224	2,414	2,637	2,673	2,750	2,763	2,789
Industrial	-	-	-	-	9	4	53	54	6	70
Golf Course	108	169	168	185	201	20	202	201	15	223
Public Authority	589	585	617	560	630	536	503	418	571	934
Other	41	18	39	40	14	2	60	102	11	30
Non Revenue Metered	2	1	2	1	1	-	11	25	10	36
Total	<u>8,257</u>	<u>8,576</u>	<u>8,834</u>	<u>8,988</u>	<u>9,842</u>	<u>10,030</u>	<u>10,577</u>	<u>10,386</u>	<u>10,326</u>	<u>11,518</u>

Source: California American Water - Customers and Consumption by Political Jurisdiction for Water Year

MONTEREY PENINSULA WATER MANAGEMENT DISTRICTConnections by Type
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Use Type:										
Residential	32,371	32,332	32,355	31,801	32,532	32,633	38,294	**	**	**
Multi-Residential	1,734	1,732	1,696	1,706	1,720	1,427	1,577	**	**	**
Commercial	3,928	3,918	3,932	3,890	3,655	3,077	3,537	**	**	**
Industrial	-	-	-	-	4	-	6	**	**	**
Golf Course	4	4	4	4	4	5	5	**	**	**
Public Authority	543	544	545	537	555	543	548	**	**	**
Other	71	66	64	51	274	897	364	**	**	**
Non-Revenue Metered	6	6	6	6	10	12	14	**	**	**
Total	38,657	38,602	38,602	37,995	38,754	38,594	44,345	-	-	-

Source: California American Water - Customers and Consumption by Political Jurisdiction for Water Year in Acre-Feet

** Data not available for 2009, 2010, & 2011 at the time of publishing

December xx, 2019

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) as of and for the year ended June 30, 2019. 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. Also included is a summary of recently issued accounting standards that may affect future financial reporting by the District.

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 August 20, 2019. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

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

We have issued a separate communication dated August 20, 2019 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.

Board of Directors
Monterey Peninsula Water Management District
December xx, 2019
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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

The GASB has issued the following statements not yet implemented by the District. The District's management has not yet determined the effect these Statements will have on the District's financial statements. However, the District plans to implement the standards by the required dates:

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements in this Statement are effective for fiscal years beginning after June 30, 2019.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 30, 2020.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement established accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In August 2018, GASB issued Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a

Board of Directors
Monterey Peninsula Water Management District
December xx, 2019
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majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement established that ownership of majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In May 2019, GASB issued Statement No. 91 *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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.

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 determine and record these accounting estimates. The significant accounting estimates reflected in the District's June 30, 2019 basic financial statements include useful lives of depreciable assets, the cost of other post employment benefits and the pension cost and net pension liability.

Audit Adjustments

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

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Board of Directors
Monterey Peninsula Water Management District
December xx, 2019
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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, 2019 a letter was not required.

Significant Written Communications between Management and Our Firm

We have requested certain representations from management that are included in the management representation letter dated December xx, 2019.

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,

Hayashi Wayland

Attachments: Adjusting Journal Entries
GASB Journal Entries

Monterey Peninsula Water Management District

AJE

Year End: June 30, 2019

Adjusting Journal Entries

Date: 7/1/2018 To 6/30/2019

Account No: AJE-01 To AJE-99

Number	Date	Name	Account No	Debit	Credit	Amount Chg	Net Income (Loss)
Net Income (Loss) Before Adjustments						4,268,098.00	
AJE-01	6/30/2019	Unapportioned/Uncollected Taxes Re	24-10-150100 SRF01	16,249.00			
AJE-01	6/30/2019	Deferred Revenue	24-10-370000 SRF01		16,249.00		
AJE-01	6/30/2019	Unapportioned/Uncollected Taxes Re	26-10-150100 SRF02		3,051.00		
AJE-01	6/30/2019	Deferred Revenue	26-10-370000 SRF02	3,051.00			
AJE-01	6/30/2019	Unapportioned/Uncollected Taxes Re	35-10-150100 CPF01	395.00			
AJE-01	6/30/2019	Deferred Revenue	35-10-370000 CPF01		395.00		
To adjust uncollected taxes and water supply charge per confirm.				19,695.00	19,695.00	0.00	4,268,098.00
AJE-02	6/30/2019	A/R Cal-Am	26-10-141600 SRF02		180,196.00		
AJE-02	6/30/2019	CAW-Rebates	26-10-580006 SRF02	180,196.00			
To reverse accrual of Cal-Am Rebate A/R 6/30/2018.				180,196.00	180,196.00	(180,196.00)	4,087,902.00
AJE-03	6/30/2019	Accounts Receivable-Other	24-10-140000 SRF01	16,288.00			
AJE-03	6/30/2019	DAC Grant (Regional Water Mgmt)	24-10-660015 SRF01		16,288.00		
AJE-03	6/30/2019	Accounts Receivable-Other	26-10-140000 SRF02	34,691.00			
AJE-03	6/30/2019	DAC Grant (Regional Water Mgmt)	26-10-660015 SRF02		34,691.00		
To accrue DAC Grant Conservation Eq Install and Comunity Assessment.				50,979.00	50,979.00	50,979.00	4,138,881.00
AJE-04	6/30/2019	Market Value of Assets	24-10-102490 SRF01	16,995.00			
AJE-04	6/30/2019	Market Value of Assets	24-10-102490 SRF01	698.00			
AJE-04	6/30/2019	Unrealized Gain/Loss on Investments	24-10-692590 SRF01		16,995.00		
AJE-04	6/30/2019	Unrealized Gain/Loss on Investments	24-10-692590 SRF01		698.00		
AJE-04	6/30/2019	Market Value of Assets	26-10-102490 SRF02	9,172.00			
AJE-04	6/30/2019	Market Value of Assets	26-10-102490 SRF02	1,822.00			
AJE-04	6/30/2019	Unrealized Gain/Loss on Investments	26-10-692590 SRF02		9,172.00		
AJE-04	6/30/2019	Unrealized Gain/Loss on Investments	26-10-692590 SRF02		1,822.00		
AJE-04	6/30/2019	Market Value of Assets	35-10-102490 CPF01	4,138.00			
AJE-04	6/30/2019	Market Value of Assets	35-10-102490 CPF01	1,037.00			
AJE-04	6/30/2019	Unrealized Gain/Loss on Investments	35-10-692590 CPF01		4,138.00		
AJE-04	6/30/2019	Unrealized Gain/Loss on Investments	35-10-692590 CPF01		1,037.00		
To record market value of MBS and WF Investments at 6/30/2019.				33,862.00	33,862.00	33,862.00	4,172,743.00
AJE-05	6/30/2019	CIP-SH Facility Upgrade	41-10-256200 41	1,453,456.00			
AJE-05	6/30/2019	Investment in fixed assets	41-10-490000 41		1,453,456.00		
To capitalize CIP for Sleepy Hollow facility upgrade.				1,453,456.00	1,453,456.00	0.00	4,172,743.00

Monterey Peninsula Water Management District

AJE-1

Year End: June 30, 2019

Adjusting Journal Entries

Date: 7/1/2018 To 6/30/2019

Account No: AJE-01 To AJE-99

Number	Date	Name	Account No	Debit	Credit	Amount Chg	Net Income (Loss)
				1,738,188.00	1,738,188.00	(95,355.00)	4,172,743.00

Monterey Peninsula Water Management District**GASB**

Year End: June 30, 2019

GASB Journal Entries

Date: 7/1/2018 To 6/30/2019

Account No: GASB-00 To GASB-99

Number	Date	Name	Account No	Debit	Credit	Amount Chg Net Income (Loss)	
Net Income (Loss) Before Adjustments						4,678,820.00	
GASB-01	6/30/2019	Pension expense - GASB 68	24-02-719200 G34G	111,441.00			
GASB-01	6/30/2019	Pension expense - GASB 68	26-02-719200 G34G	78,009.00			
GASB-01	6/30/2019	Pension expense - GASB 68	35-02-719200 G34G	89,153.00			
GASB-01	6/30/2019	Deferred Outflows - PERS Contributic	51-10-171000 51	72,418.00			
GASB-01	6/30/2019	Deferred Outflows - Actuarial	51-10-171500 51		298,530.00		
GASB-01	6/30/2019	Deferred Inflows - Actuarial	51-10-371500 51		140,657.00		
GASB-01	6/30/2019	Net Pension Liability	51-10-383000 51	88,166.00			
To record adjustment to deferred outflow/inflow of resources and net pension liability.				439,187.00	439,187.00	(278,603.00)	4,400,217.00
GASB-02	6/30/2019	Current Year OPEB Cost	24-10-716000 G34G	90,989.00			
GASB-02	6/30/2019	Current Year OPEB Cost	26-10-716000 G34G	63,693.00			
GASB-02	6/30/2019	Current Year OPEB Cost	35-10-716000 G34G	72,792.00			
GASB-02	6/30/2019	Deferred Outflows - OPEB	51-10-172000 51	209,745.00			
GASB-02	6/30/2019	Net OPEB Obligation	51-10-382000 51		437,219.00		
To record changes in NET OPEB liability and actuarial deferred outflows (inflows).				437,219.00	437,219.00	(227,474.00)	4,172,743.00
GASB-03	6/30/2019	Deferred Outflows - PERS Contributic	51-10-171000 51		425,558.00		
GASB-03	6/30/2019	Deferred Outflows - Actuarial	51-10-171500 51	425,558.00			
To reclass deferred items to agree to opening balances from prior year.				425,558.00	425,558.00	0.00	4,172,743.00
				1,301,964.00	1,301,964.00	(506,077.00)	4,172,743.00

ITEM: ACTION ITEM**12. CONSIDER AUTHORIZATION OF ADDITIONAL CONSULTING AND LEGAL WORK IN ADVANCE OF A RESOLUTION OF NECESSITY**

Meeting Date:	December 16, 2019	Budgeted:	No
From:	David J. Stoldt, General Manager	Program/ Line Item:	N/A
Prepared By:	David J. Stoldt	Cost Estimate:	\$1,241,000

General Counsel Review: N/A**Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: The November 12, 2019 public workshop related to Rule 19.8/Measure J concluded that an acquisition of Cal-Am's water system assets is economically feasible. Seven different consultants or law firms worked on that phase of the analysis. After requesting final invoices, it appears the work was completed under the \$650,000 budget.

At the November 18, 2019 Board meeting five additional areas of consulting work were identified that would help best position the Board to vote on a Resolution of Public Necessity sometime next summer. The scope of services has a preliminary budget totaling \$1,241,000. The types of services are described under "DISCUSSION" below.

RECOMMENDATION: The General Manager recommends the Board approve entering into new agreements with Rutan & Tucker, Raftelis, Close and Associates; sole-source professional service agreements with Jacobs Engineering, and an MAI appraiser to be determined; and issue a competitive Request for Qualifications for CEQA work, all as described below, and authorize a total budget of \$1,241,000.

DISCUSSION: The five additional areas of services, and their respective budgets are discussed below.

Formal Appraisal and Rate Study

In discussing with Rutan & Tucker and District Counsel, we believe that it would be best to have Raftelis further develop its analysis to make a formal appraisal/offer sometime next summer. We would find an MAI appraiser to look at land value. We have agreed to not do any additional analysis of water rights at this time. We will collectively have to discuss what regulatory assets and/or other add-ons would go into the final bona fide offer to purchase. A more comprehensive scope of work is attached as **Exhibit 12-A**

We would also request Raftelis to do a high-level evaluation of two aspects regarding rates: (i) Looking at what Prop 218 might allow, what would rates need to look like upon acquisition? How

does that compare to Cal-Am's structure if they leave their steep tiers in place or if by then they have a more traditional block rate structure? and (ii) Look at the District's proposal for a low-income rate subsidy, check the math and Prop 218 assumptions.

The attorneys have suggested some additional rate study tasks as part of the findings which Raftelis has not included in their budget. In addition, if the Operations Plan work (see below) results in significant impacts to the cost of service work done in the feasibility phase recently completed, then there may be additional work required to update that information. These unbudgeted potential costs are covered in the contingency in the summary table below.

Raftelis budget: \$200,000 and \$35,000 (estimate) for MAI appraiser.

Findings and Other Legal Work

We would have Rutan & Tucker work directly with District Counsel to develop findings to support the resolution of public necessity. This will involve reading testimony from recent General Rate Cases, CPUC decisions in those GRCs and other applications of Cal-Am, and other research to support findings that an acquisition is in the public interest. It would be the intention to put into the record of the Resolution of Necessity hearing all of the evidence needed to fend off any challenges Cal-Am is likely to make on the "more necessary public use" issue during the "right-to-take" phase of the eminent domain case to follow (assuming, of course, the District Board adopts the resolution). This entails evidence on 3 basic issues: (1) relative cost of service (District vs. Cal Am); (2) relative quality and reliability of service (District vs. Cal Am); and (3) governance issues (District vs. Cal Am). The purpose for performing these tasks during this phase of the acquisition effort and not waiting until after the eminent domain case is actually filed is to provide a solid basis for the District Board to justify the decision to condemn and to provide the public with the confidence that the decision has been well thought through and is supported.

The attorneys will also weigh in on our CEQA work and the formal appraisal/offer analysis prepared by others. They will also prepare proper notices and filings (e.g. Notice of intent to appraise, Writ to gain entry if needed, etc) and other duties as necessary. Rutan & Tucker has provided a budget of \$150,000 to \$200,000, excluding litigation if it were to be filed, and an additional \$50,000 if a writ to gain access is to be filed. We will use a budget of \$225,000.

Operations Plan

Integrated Operations – Water System

One of the needs is to develop an operating plan for the system. It will be time to actually write up a business and operational plan of a standard that could be taken to the Right-to-Take trial, and address how the District will operate the water system if the Cal-Am employees join the District, as well as how to coordinate District administration with 1 or 2 third party contract operators, if Cal-Am employees are unavailable to join the District. A detailed scope of service is attached as **Exhibit 12-B**.

Incorporating the level of service goals previously identified in the feasibility phase, but assuming

existing Cal-Am operating levels are maintained and current employees are integrated into District operations:

- Prepare a list of Policies, Procedures, Practices, and Plans that will be developed and implemented under the District's operation
- Define the Maintenance Programs that the District will implement associated with detailing the program requirements and frequency
- Prepare a detailed Workplan for the Operations (Production & Distribution), Maintenance, Customer Service, Engineering & Planning, Construction Inspection, and Emergency Response core functions for routine daily, weekly, monthly, quarterly, and annual work tasks and activities. The objective of the workplan is to describe the typical work tasks, the hours to perform the tasks (including transit time), the quantity of the work tasks, and the frequency of how often the tasks are required to be performed. From this analysis a forecast of the needed Full-Time Employees (FTEs) for the various job positions will be determined.
- Prepare a proposed Operational Structure and chart including job classifications

Work with District staff to plan transitional steps for billing software, meter reading software, accounting software, asset management tools, and other software (including, but not limited to IT software, data, and other platforms such as the SCADA system, GIS database, and water quality data and health department reporting software.) Close & Associates budget: \$145,000

Contract Operations – Water System

Develop a third-party contract operations operating plan for the treatment, transmission, and distribution system. We would want to know how it would be staffed, training and certification, risk allocation, basic terms and conditions, how the team would interact with the District's administrative team, how it would interact with the District's other 3rd party contract operator of the proposed desalination facility, and so forth. Working with our staff and some of the other consultants we would collectively determine the extent of operations handled by the District versus its operator (e.g. water quality testing, among others). We would look at an initial term of 10 years, with a desire to transition to internal employees thereafter – but would be open-minded to a contract renewal. This plan would be sole-sourced to Jacobs Engineering, an operator of water and wastewater systems world-wide (see **Exhibit 12-C**, attached.) Jacobs budget: \$87,000.

CEQA Work

Need to perform CEQA for two aspects:

- LAFCO – We will need to annex into the District two small portions of the Cal-Am Main System representing approximately 33-34 service connections, a portion near Yankee Point and a portion off Laureles Grade in Hidden Hills. A CEQA expert consulted on this topic believes the boundary change does not meet the definition of a “project” under CEQA. CEQA. Guidelines Section 15378, Project, states “Project means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or

a reasonably foreseeable indirect physical change in the environment...” Therefore, if there is no physical change, it does not meet the definition of a project. However, if District Counsel or the Board feels it meets the definition of a “project” under CEQA, but has no physical impact on the environment, then the filing of an exemption is appropriate. If the District determines it is a “project” under CEQA, we should seek to process this action with a General Rule Exemption or some other type of Statutory or Categorical Exemption (e.g. Categorical exemption, Section 15301, Existing Facilities). We could precede the filing of the exemption with an environmental initial study to document the file that there are no physical impacts on the environment by this boundary change (although this is not necessary or recommended) and the Board could make appropriate findings (which the consultant could prepare) with the action to adopt the CEQA Exemption and direct District Staff to apply to LAFCO for the reorganization. This is likely beyond what is needed for this action, as it probably does not even qualify as a “project” under CEQA, however, it just depends on how cautious the District Staff and Board want to be.

- The Acquisition – Because the Cal-Am assets are not all within MPWMD’s boundaries, this may be a partial taking which could result in duplicate vehicles, miles travelled, etc. A look at impacts to energy, air, GHG, traffic, etc might need to be analyzed. A potential reduction in the cost of operations (hence rates) might result in increased demand – as an option, we may request that this impact be evaluated.

It may be in the District’s interest to put all CEQA work expected for the next year or two – Measure J, water credit transfers, allocation of new water supply, etc – into a single package and issue an RFQ for the comprehensive needs.

For just the Measure J work above, one potential CEQA consultant has suggested that an EIR for the acquisition analysis would range from \$275,000-\$475,000, however we believe by carefully defining the scope of work this can be reduced. For the LAFCO process, an exemption with an environmental initial study, Board findings, attendance at one Board meeting, and preparing and filing the LAFCO application for the Reorganization/Boundary change (includes two meetings with LAFCO Staff and one LAFCO Board meeting: \$40,000-\$52,000.

Staff suggests the District use a preliminary budget of \$450,000 and see what the RFQ process yields.

Other

Additional costs will be incurred for DeLay & Laredo performing contract management, meeting expenses, document preparation, research, and potential small third-party contracts as needed. \$40,000 is allocated for this category.

A budget summary is shown on the next page.

Budget Summary

Item	Consultant	Budget
Appraisal & Rate Study	Raftelis	\$200,000
	MAI Appraiser	\$35,000
Findings & Other Legal	Rutan & Tucker	\$225,000
Operations Plan	Close & Associates	\$145,000
	Jacobs Engineering	\$87,000
CEQA Work	To Be Determined	\$450,000
Other	To Be Determined	\$40,000
Contingency (5%)		\$59,000
TOTAL		\$1,241,000

EXHIBITS

12-A Formal Appraisal and Rate Study Scope of Services

12-B Operations Plan Scope of Services

12-C Contract Operations Scope of Services

December 11, 2019

David C. Laredo
District Council
Monterey Peninsula Water Management District
606 Forest Avenue
Pacific Grove, CA 93950

Subject:

Scope of Services and Budget for Formal Valuation and Rate Study

Dear Mr. Laredo:

Raftelis is pleased to submit this Scope of Services and Budget to the Monterey Peninsula Water Management District (District) for completing a formal appraisal of the Monterey Water System, currently owned and operated by California-American Water Company (CAW), and a water rate study for this system. Our proposed scope of services and cost estimate for this effort are provided below.

Task 1 - Formal Valuation

This task consists of further developing and formalizing the preliminary valuation analysis that was completed for the District as part of the Preliminary Valuation and Cost of Service Report. Specifically, this task will entail the following:

- a. *Information Gathering and Review.* Raftelis will gather, review, and evaluate relevant additional information associated with the Monterey Water System that is made available by CAW or the California Public Utilities Commission (CPUC), or through other publicly available sources. As part of information gathering and review effort, we will prepare formal information requests, as appropriate, and work with the District to obtain access to the Monterey Water System facilities in order to complete a visual system inspection.
- b. *Valuation Assessment Update.* Based on the additional information gathered and reviewed, Raftelis will update the preliminary valuation analysis that was recently completed by Raftelis for the District. The analysis will include completing refinements to the preliminary valuation analysis, further analyzing the value of the system, and completing a more detailed evaluation of asset value additions, as warranted. We have assumed that the District will separately hire a real estate appraiser to assess the value of real estate associated with the Monterey Water System. We will incorporate the real estate appraiser's valuation results into our analysis.

- c. *Appraisal Report.* Raftelis will prepare an appraisal report consistent with the Uniform Standards of Professional Appraisal Practice (USPAP) and other industry guidelines.
- a. *Meetings.* Raftelis will participate in meetings with the District and the District's deal team. We have assumed participating in two meetings in Monterey, one associated with the system facilities inspection, and another to discuss the appraisal report and the bona fide offer. We have assumed other meetings will be held via teleconference on an as-needed basis.
- d. *Bona Fide Offer Assistance.* Raftelis will assist the District in preparing a bona fide offer for the Monterey Water System, including consideration of which regulatory assets and asset additions should be included in the offer.

Task 2 – Water Rate Study

This task consists of completing a water rate study to (1) identify and evaluate water rate alternatives that would be allowed under California Proposition 218, and (2) forecast water rates under the alternatives for comparison with CAW's existing water rates. Specifically, this task will entail the following:

- b. *Information Gathering and Review:* Raftelis will prepare a data request to gather additional water consumption and cost data that may be available from the CPUC as part of the ongoing rate case. Upon receipt of this additional information, we will review, analyze and incorporate it into the water rate projections, as described below.
- c. *Financial Plan:* Raftelis will validate the preliminary cost of service work that was recently completed for the District, reconfirm the inputs and assumptions based on any additional information that is made available, and then identify the yearly revenue needs to cover O&M, capital, reserves and debt service payments for the Monterey Water System that will be used in the rate calculations.
- d. *Cost of Service Analysis:* We will complete a preliminary customer class level cost of service analysis, which will provide the cost-rate nexus needed to meet Proposition 218 requirements, especially with tiered rates. Given the limited data availability, we may need to use typical industry customer peaking factors to complete a conceptual-level customer class cost of service analysis. The results of this analysis will be incorporated into a rate study report, as described below.
- e. *Rate Design:* We will prepare water rate structure alternatives that meet Proposition 218 requirements for District review. Based on input from the District and data availability, we will complete a rate analysis for approximately two rate structure alternatives. Note, the factors that differentiate tiered rates are normally water supply costs, peaking costs, and potentially conservation costs. The redesign of tiered rates will require estimation of customer class peaking factors. We will use monthly consumption data by account and customer class, if available. If we cannot obtain monthly data, our ability to precisely differentiate rates between tiers may be limited. In the case of limited customer

Mr. David C. Laredo
Monterey Peninsula Water Management District

December 11, 2019
Page 3

consumption data, we will rely upon typical industry customer peaking factors for completing the preliminary rate design.

- f. Residential Water Bill Comparisons. We will compare the proposed water rate structure options to current water rates under CAW ownership if CAW leaves the steep tiers in place, or if CAW implements the proposed tiered rate structure. We will also prepare a rate comparison of the current CAW rates and proposed District rates with the rates of nearby water agencies.
- g. Low Income Customer Assistance. We will review the District's proposal for low-income rate assistance and validate the District's calculation of potential non-rate revenue sources eligible for low income assistance.
- h. Rate Study Report. We will prepare a draft and final rate study report that summarizes rate study results.
- i. Meetings. We have assumed two meeting under this task. Once we have all or most of the data and have reviewed it, we will schedule a meeting with the District to discuss the financial plan assumptions, potential rate structures, and data gaps. This meeting will be held in parallel with a system facility inspection. The second meeting will be held to discuss the draft rate study results held with the District once the financial plan and rate structure is substantially complete. The purpose of this meeting is to review the financial plan and draft rates with the District. We have assumed other meetings will be held via teleconference on an as-needed basis.

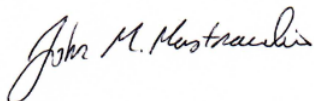
Budget and Schedule

Raftelis proposes to complete this scope of services on a time-and-expense basis for a not-to-exceed amount of \$200,000 in accordance with our standard 2020 billing rates. We anticipate completing this scope of services on or above June 30, 2020.

Thank you for the opportunity to continue to provide support to the District regarding this important effort. If you have any questions or need any additional information, please do not hesitate to contact me at (518) 391-8944 or jmastracchio@raftelis.com.

Very truly yours,

RAFTELIS FINANCIAL CONSULTANTS, INC.



John M. Mastracchio, CFA
Vice President

Statement of Qualifications
Investor- Owned Utility Consultant Services

December 10, 2019

David C. Laredo
District Counsel
606 Forest Avenue
Pacific Grove, CA 93950

Subject: MPWMD Investor-Owned Utility Consultant Services Contract
Amendment No. 1 – Resolution of Necessity Technical Support
Confidential - Attorney Client Work Product

Dear Mr. Laredo:

Close & Associates, LLC is requesting approval of Amendment No.1 to Agreement dated February 28, 2019 for additional scope and fees to support the next phase of the Monterey Peninsula Water System acquisition effort. Amendment No. 1 outlines the following tasks and scope to provide professional services assisting the Monterey Peninsula Management District (District) in preparation of a Resolution of Necessity to the District Board later in 2020.

Task 1 – Project Management

The Phase 2 Project schedule is anticipated to start in January 2020 with completion July 30, 2020. Project management activities include budget, billing, and document management as well as coordination with the District Management Staff.

Task 2 – Meetings

During the 7-month project duration it is anticipated to have monthly conference calls and 3 project meetings in Monterey to support Phase 2 of the project.

Task 3 – Document Review & Asset Inventory

Additional documents will be obtained to support the Phase 2 effort and will be reviewed and technical comments provided. Some asset data for Cal-Am's Monterey water system was obtained as part of the Phase 1 Feasibility Assessment effort, however additional documents and development of water system assets will be necessary to develop and refine the Operations Workplan and Program Maintenance activities to properly operate the Monterey Peninsula Water System.

Task 8 – Monterey Peninsula Water System Operations Framework

A draft operations framework was developed for District as part of the Phase feasibility effort to provide an assessment of the level of effort, operational activities and costs to improve water service to the Monterey Peninsula community, and administrative and management issues associated with operating the water system in support of the Cost of Service analysis that was

Statement of Qualifications Investor- Owned Utility Consultant Services

completed. It is recommended that additional development of the Operations Framework be completed prior to the preparation of a draft Business and Operations Plan. Input from the various existing District Departments is suggested refining the framework and workplan. One workshop/meeting in Monterey is assumed to support this task.

Task 9 – Draft Operations Plan

It was assumed that Close & Associates, LLC will assist the District staff in preparing Draft Operations Plan for inclusion in the Right-to-Take Trial. Included in Appendix A is a draft Table of Contents for an Operations Plan that is recommended to be prepared to demonstrate the District's ability to operate the water system. The level of effort for C&A LLC is dependent on the areas the District requests assistance in preparing chapters of the plan. The following are the subjects that C&A LLC has anticipated leading the development of the plan.

Task 9.1 – Transition Plan

Upon the District obtaining a favorable court decision from the Right-to-Take trial, there are a number of transition activities that are recommended to be conducted prior to the Valuation Trial as well as before taking ownership and operational responsibility for the water system. This chapter of the Operations Plan details the tasks and activities anticipated to be performed during this initial timeframe.

Task 9.2 – Strategic Goals and Level of Service Standards

Strategic goals for operating the water system and the level of service that the District wants to provide the Monterey Peninsula residents is essential for the development of the operations and maintenance programs and workplan. The detailed workplan that will establish the number of Full-Time Employees (FTEs) that will be needed to operate the water system. This will be particularly critical for defining the scope of work and allocation of risk for retaining an outside contract operation firm to operate the water system.

Task 9.3 – Operations and Maintenance Plan

This chapter will identify the District's standard operations and maintenance procedures and practices and develop the framework for the preparing the O&M Procedures Manual to be created during the first year of operation. The O&M Plan will include the description and level of effort of the daily, weekly, monthly, quarterly, and annual operational activities that comply with the strategic goals and LOS standards.

The chapter will also include the description of the preventive maintenance programs to comply with the strategic goals and LOS standards and to prolong the life of the water assets. Based on the operations and maintenance programs work tasks identified, a detailed workplan will be compiled to summary all of the activities and estimate the number of full-time employees (FTEs) need to perform each of the work tasks.

Statement of Qualifications Investor- Owned Utility Consultant Services

Task 9.4 – Operational Structure and Job Classifications/Descriptions

The O&M workplan developed in Task 9.3 will be the basis for preparing a proposed District Organizational Structure for both a District staffed water operations department or with a Contract Operations Firm providing only the field O&M work tasks and services.

Task 10 – Contract Operations and Risk Allocation

It is recommended to prepare a draft scope of work and the associated allocation of operational and liability risks to be proposed by the District as part of a Contract Operations Agreement. The draft Strategic Goals, LOS standards, Preventive Maintenance Programs, Operational Work plan, and estimated 5-year capital plan need to be developed and preliminarily adopted to identify and detail the operational and liability risks associated with operating and maintaining the water system and constructing capital improvement projects. C&A LLC will identify the anticipated operational and liability risks, provide recommendations, and assist District staff and obtain Board approval if required.

The requested additional fee for the professional services listed above is \$145,000. Approval of Amendment No. 1 will increase the total contract to \$233,500 and extend the agreement through July 30, 2019.

Close & Associates, LLC appreciates the opportunity to continue to assist the Monterey Peninsula Water District with this important project. Please feel free to contact Craig Close at (619) 495-0859 if you have any questions.

Respectfully submitted,

Close & Associates, LLC



Craig A. Close
Executive Director

Statement of Qualifications
Investor- Owned Utility Consultant Services

APPENDIX A
MPWMD DRAFT OPERATIONS PLAN
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MPWMD WATER SYSTEM

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www.jacobs.com

December 10, 2019

Attention: David Stoldt
General Manager
Monterey Peninsula Water Management District
5 Harris Court – Bldg G
Monterey, CA 93940

Project Name: MPWMD Operations Plan

Subject: Scope of Services

Dear David,

Jacobs is pleased to provide this proposal to support the Monterey Peninsula Water Management District in developing an Operations Plan for the potential ownership, management and contracted operation of the water utility currently owned and operated by California American Water.

As one of the largest contract operators in the United States, and the only one with the experience and bench strength of a Fortune 500 engineering firm behind it, we can provide MPWMD with an analysis that is based on our own day to day experience with water utilities, plus best practices observed from our many consulting clients around the world. This will provide you with practical advice in the form of an Operations Plan, which can serve as a framework for building the program.

We have assembled a team of subject matter experts in water quality and treatment, utility asset management, and contract administration, all supported by our local Jacobs office.

- Howard Brewen will serve as the local project manager for this effort. Howard is located in Paso Robles, CA and is already very familiar with MPWMD. He is a top certified operator, having served in both consulting engineering and daily plant management for utilities, with over 18 years of industry experience.
- Chris Catlin, PE is a water quality expert and top certified water operator (treatment and distribution), having served in both consulting engineering and daily plant management roles for large utilities, with over 30 years of industry experience.

December 10, 2019

Subject: Scope of Services

- Matt Crowley is an engineer and asset/maintenance management expert, who leads a team of experts in asset condition assessments, CMMS implementation and due diligence for Jacobs and our clients and has over 20 years of experience.
- John Rickermann, PE will be the internal quality control on this project, having conducted numerous O&M consulting studies like this for clients across the country. He is a vice president over the Jacobs O&M division and will supervise the technical and reporting aspects of this project.

The attached scope outlines the approach we recommend, based on our understanding of your needs, but we are of course open to adjusting the scope as appropriate. This team is prepared to get started upon your approval of this proposal.

Thank you for this opportunity to serve the MPWMD. If you should have any questions, please do not hesitate to contact me directly at 805-286-2687.

Sincerely,

[Howard Brewen](#) | [Jacobs](#) | O & M Market Growth Leader – West Region | +1.805.286.2687 cell | howard.brewen@jacobs.com |

Monterey Peninsula Water Management District Operations Plan Scope of Services

The following provides a detailed description of the scope of Jacobs to support the Monterey Peninsula Water Management District (MPWMD) in developing an Operations Plan for the potential ownership, management and contracted operation of the water utility currently owned and operated by California American Water.

Project Objectives

This project seeks to evaluate and outline an Operating Plan for management of the water utility infrastructure, which includes reservoirs and dams, groundwater wellfields, raw water transmission and booster stations, groundwater treatment plants, desalination treatment plant(s), finished water storage, pressure zone pump stations, hydrants, valves, meters, and distribution system.

For the purposes of this project, it is assumed that only current utility assets within the existing service boundary of MPWMD will be evaluated – the project excludes future desalination or Pure Water facilities and excludes satellite communities outside the MPWDM service area that are currently operated and owned by California American Water.

Jacobs will deploy a team of O&M subject matter experts to evaluate the facilities. We will utilize many of the tools that we use to effectively operate and maintain our own facilities and that we also apply for O&M consulting services for facilities like those to be evaluated under this Scope of Services.

The evaluation will be broken into the following components for each of the major assets and facilities in the service area, as described further herein:

- Management/Staffing Levels
- Operating Practices and Permit Compliance
- Maintenance and Asset Management Practices
- Safety
- Contract Operations Management and Coordination

The project will be executed in a series of tasks designed to capture information, analyse and synthesize options, and present Jacobs' findings and recommendations.

Task 1 Data Collection

Jacobs will evaluate the available data related to the service area facilities and conduct an on-site evaluation to understand O&M practices and duties specific to this utility. Ideally, Jacobs will conduct informal interviews with staff of the facilities to gather insight into operating procedures and potential risks, but we are prepared to conduct this study without that input if necessary.

Task 1.1—Data Acquisition and Analysis

Prior to commencing with our evaluation, we will request the data we determine necessary to understand the current operation of the water facilities. The following information is of primary importance and other information may be requested to supplement this list based on findings in the field.

We recognize that much of this information may be difficult to obtain in short order, so we are prepared to accommodate gaps with assumptions from our own O&M benchmarks and other industry best practices, although this tends to degrade the quality of our findings somewhat:

- Three years of regulatory reports (water quality, annual and monthly reports, etc)
- All current state or federal regulatory compliance orders, including staffing orders
- Relevant and current engineering studies related to all water utility assets
- Process control reports/models
- Three years of laboratory reports
- Three years of operations logs
- Energy records (electricity, natural gas)/invoices
- Chemical use records/ invoices
- Residuals hauling records/invoices
- O&M manuals (but not equipment O&M manuals) or existing operating plans
- Flow schematics (P&IDs)
- Sizes and types of each individual unit processes
- Complete equipment list (asset registry) for each facility
- Models or inspection data of the transmission and distribution system and related assets
- Maintenance history for all associated equipment
- Customer billing information (three years of revenue and expense reports for the service area)
- Utility agreements (water, fuel, power, etc)
- Line break and customer callouts records (past 3 years), including taste and odor issues, etc.
- Current staffing plans or information if available

Upon receiving the information identified in this Task 1.1, our team will immediately begin the review process and disseminate the information to the team members. It is assumed that this information will be available within the first two weeks of the notice to proceed and will be of maximum value prior to site visits.

Task 1.2—On-site Evaluation

The Jacobs review team will conduct 3-4 days of site tours at the facilities, and conduct interviews if possible, with field staff in order to supplement the data collected previously. These interviews will also question the staff about certain aspects of the information received. Subjects discussed may include, but are not limited to:

- Regulatory compliance issues
 - Current control philosophy
 - Operating strategies
 - Decision making process
 - Emergency and failure response plans/procedures
 - Asset management approach
-

It is important to understand how the utility is currently operating. During the site evaluation, the project team will gather information on current operational practices, the mode of operation of the system, and any problems/issues operators and mechanics may face. We may also work to develop preliminary estimates of capital needs based on flows, loads, condition, and future expansion if that scope option is desired.

Each subject matter expert will compose trip reports and summarize their analysis for eventual coordination into a unified approach and report. The team will align recommendations and balance often conflicting priorities to make the action plans as realistic as possible to execute. Water quality regulatory compliance and safety actions typically govern, however.

Task 2 – Operations Plan

Task 2.1—O&M Strategy

Data gathered as part of the Onsite Evaluation (Task 1.2) will be used by experienced Operations Specialists to develop O&M strategies using the same approach used when we evaluate sites for full contract operations and management of the utility by MPWMD. For the purposes of this study, the focus will be on:

- Level of service to meet MPWMD objectives
- Safety and regulatory compliance standards
- Asset management goals (repair and replacement strategy)

High quality water that meets or exceeds regulatory standards is the goal of any water utility team. Therefore, a review of how the team is meeting this goal is vital to determine how functional it is and where the gaps may be. Knowledge of the regulatory requirements and documented procedures is a key indicator along with a brief review of process data, lab bench sheets and standards, and staff interviews. A cursory review of the operator log book is often instructive along with a look at past reported non-compliance and monthly regulatory reports.

The safety program currently in place will be reviewed along with obvious safety hazards, but an in-depth safety audit will not be performed for the purposes of this evaluation. The objective will be to assess the general risk level and potential impact on plant staff in conducting their day-to-day duties. We will employ similar evaluation tools that we use for our own contract operations sites to suggest areas for improvement.

Our project team will also collect process data for review and will look for operational problems and their relationship to the process control strategy and communication among plant staff, as well as skill set gaps given the level of sophistication of the water system, available capacity and degree of automation. For this project, only a rudimentary process analysis will be conducted to uncover these issues using basic modelling techniques to be checked against our benchmarking database.

As with process and operations issues, maintenance practices play a key role in the functionality of the utility. The complexity and quantity of equipment maintenance needs, and current performance indicators (PM/CM ratio, backlog, etc.) will be reviewed to determine an appropriate staffing level and proficiency needs. The CMMS system will be reviewed to obtain much of this information, and the

extent to which it is utilized is often instructive regarding the overall efficiency of maintenance practices. Visual field inspections, coupled with staff interviews, will be enough to provide a high-level picture of the current level of service and gaps if any.

Task 2.2—Staffing Plan

Following the onsite assessments and interviews, we will benchmark the staffing levels and structure against the hundreds of other facilities we operate or have consulted with. This step in the analysis will utilize our benchmarking resources (WERF, AWWA, NACWA, internal databases, etc.) to show the relative placement of this utility with other agencies in this regard for staffing levels.

We will also provide observations on organizational alignments. There is usually more than one good way to set up a utility organization, but there are some poor approaches to be avoided. Of particular interest for this study will be coordination between MPWMD and contract operators.

Finally, based on what we observe and learn from the data review, we will make suggestions on training and certification requirements to meet the desired level of service. This may include more than just operator and lab technician certification and extend to recommended training and credentials for maintenance staff, field crews, and management.

Task 2.3—Contract Administration

Jacobs will offer recommendations for successful contract management approaches and coordination with the MPWMD. As a general rule, we promote partnership arrangements with trusted contractors that share the values of the owning utility where both parties have a stake and shared risk in the performance of the water system. To that end, we will recommend ways to allocate risk to the entity most prepared to manage it the most efficiently while supporting your level of service goals. These principles could serve as the basis for any future contract terms and conditions, assuming the MPWMD contract operates the utility. This part of the study will be supported with our Jacobs O&M contracts attorney, as well as the field evaluation team.

Task 3. Recommendations and Reporting

Jacobs will prepare a summary report of findings and recommendations. Our recommendations will be based on our review of the information provided, on-site evaluations, and the results obtained in our evaluation of the facilities.

Deliverables

- Draft and Final Reports with the following chapters:
 - Executive Summary
 - Level of Service
 - Regulatory Review/Laboratory
 - Safety
 - Process Control
 - Maintenance

- Staffing Plan
- Contract Management

Project Management

Jacobs will provide on-going project management of the budget, schedule, quality, and staffing coordination for the expected duration of the work. Our local office will support management of the project, including progress reports and monthly invoicing. We have assumed a brief kickoff meeting at the start of the project to discuss projects, needs, objectives and other business.

Schedule and Fee

The project duration will be approximately four months for the draft report from the notice to proceed, and assuming timely delivery of adequate system data as requested in this scope. Our team is available to conduct this study immediately. Key resumes are attached.

Jacobs will perform the services as described herein for a lump sum of \$87,000 for the base scope items, and up to an additional \$12,700 for optional scope items. The optional scope items would add approximately 3 weeks to the delivery schedule for the draft report.

Base Scope		
1	Project Management, Data Request, Site Visits	\$ 38,810
2	O&M Strategy (level of service, safety & compliance standards, R&R, responsibilities assigned)	\$ 22,338
3	Staffing Plan (organization, head counts, training, certification)	\$ 6,012
4	Contract Operations Administration	\$ 10,149
5	Reporting	\$ 9,675
Total Labor Cost (Base Scope)		\$ 87,000
Optional Study Add-Ons		
O1	New MPWSP desal plant O&M Plan	\$ 4,224
O2	New PureWater recycling O&M Plan	\$ 4,224
O3	Future capital needs to achieve long term cost optimization	\$ 4,224
Total Labor Cost (Add-Ons)		\$ 12,700

ITEM: ACTION ITEM**13. CONSIDER MODIFICATION TO MPWMD MEETING RULE 6: SPOKESPERSON**

Meeting Date:	December 16, 2019	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item:	N/A
Prepared By:	David J. Stoldt	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: At its November Board meeting, the Board heard a request from Director Edwards to amend or clarify District meeting rules regarding speaking on behalf of a Director's division from which he or she is elected versus on behalf of the District as a whole.

RECOMMENDATION: Consider amending MPWMD Meeting Rules as follows:

RULE 6: SPOKESPERSON

Only the Chair, another Board member designated by the Chair, or the General Manager shall be the spokesperson for the District when expressing District policy and position. Public statements by Board Members in the name of the District shall be first reviewed and approved by the Board. **However, a Board member may speak on behalf of the District within the division from which the Board member is elected when reporting on District activities to constituents or organizations within the division.** Board Members shall clarify that they are speaking **on behalf of their division, or** as an individual, and not on behalf of the Board **as a whole** when they make oral or written statements regarding water matters. *(previous sentence relocated from end of paragraph)* ~~Except for this circumstance, only the Chair, the General Manager, and employees designated by the General Manager shall sign correspondence on District stationery.~~

Bold: Proposed new text

~~Strike through:~~ Proposed deletion

Italics: Editor's notation

EXHIBIT

None

ITEM: ACTION ITEM**14. CONDUCT ELECTION OF BOARD OFFICERS FOR 2020**

Meeting Date: December 16, 2019 **Budgeted:** N/A

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

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

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

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. Rule 2.5 specifies the rotation of Directors into the position of Chair and Vice-Chair. 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.

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.

RECOMMENDATION: The Board confirm the rotation of Directors into the positions of Board Chair and Vice Chair according to Meeting Rules 2 and 2.5 (**Exhibit 14-A**); Jeanne Byrne would take the position of Vice Chair and Alvin Edwards would move into the position of Chair. In addition, staff recommends that General Manager, David Stoldt be elected to serve as Secretary and that ASD Manager, Suresh Prasad be elected to the position of Treasurer for 2020.

EXHIBIT**14-A MPWMD Meeting Rules 2 and 2.5**

EXHIBIT 14-A**RULES 2 AND 2.5 FROM MPWMD MEETING RULES****RULE 2: ELECTION OF BOARD OFFICERS**

At the first meeting in the month of December of each year, the Board of Directors shall elect a Chair, Vice-Chair, a Treasurer, and a Secretary. The agenda for the December meeting will list the election of Board officers as the last item for consideration that evening. The newly elected officers will assume their positions immediately following adjournment of the meeting at which they were elected. At the first meeting after a vacancy occurs in any office, an election shall be conducted to fill that vacancy. If both the Chair and Vice-Chair are absent, the directors in attendance shall select a presiding officer to conduct that meeting.

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 2016, the following rotation shall be used to select the next Vice-Chair.

Division 2 Director
Mayoral Representative
Division 3 Director
Division 1 Director
Division 4 Director
Monterey County Board of Supervisors Representative
Division 5 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: INFORMATIONAL ITEM/STAFF REPORT**15. REPORT ON ACTIVITY/PROGRESS ON CONTRACTS OVER \$25,000**

Meeting Date: December 16, 2019 **Budgeted:** N/A

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

Prepared By: Suresh Prasad **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review is **Exhibit 15-A**, monthly status report on contracts over \$25,000 for the period October 2019. This status report is provided for information only, no action is required.

EXHIBIT

15-A Status on District Open Contracts (over \$25k)

**Monterey Peninsula Water Management District
Status on District Open Contracts (over \$25K)
For The Period October 2019**

			Prior Period			Total				
Contract	Description	Date Authorized	Contract Amount	Expended To Date	Current Period Spending	Expended To Date	Expected Completion	Current Period Activity	P.O. Number	
1	Pueblo Water Resources, Inc.	ASR SMWTF Engineering Services During Construction	10/21/2019	\$ 148,100.00	\$ -		\$ -			PO02163
2	Specialty Construction, Inc.	ASR SMWTF Construction	10/21/2019	\$ 4,649,400.00	\$ -		\$ -			PO02162
3	Psomas	ASR Construction Management Services	8/19/2019	\$ 190,280.00	\$ -		\$ -			PO02160
4	Carmel Area Wastewater District	PB Reclamation Storage Tank Rehab Project	5/20/2019	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	\$ 1,000,000.00	11/30/2019	Payment to Reclamation Project for tank rehab work	PO02128
5	U.S. Bank Equipment Finance	Copier machine leasing - 60 months	7/15/2019	\$ 52,300.00	\$ 1,817.22	\$ 867.83	\$ 2,685.05	6/30/2024	Current period and prior month billing for photocopy machine lease	PO02108
6	Monterey One Water	Supplemental EIR Costs for PWM Expansion Project	3/18/2019	\$ 750,000.00	\$ -		\$ -			PO02095
7	Monterey One Water	Pre-Construction Costs for PWM Expansion Project	11/13/2017	\$ 360,000.00	\$ 312,617.94		\$ 312,617.94			PO02094
8	Deveera Inc.	IT Managed Services	9/16/2019	\$ 46,120.00	\$ 4,612.00	\$ 4,612.00	\$ 9,224.00	6/30/2020	Current period billing for IT managed services	PO02091
9	Hayashi Wayland Accountancy Group	Audit services	6/19/2017	\$ 64,500.00	\$ 6,000.00	\$ 5,000.00	\$ 11,000.00	6/30/2020	Current period billing for auditing services	PO02075
10	Lynx Technologies, Inc	Geographic Information Systems contractual services	6/17/2019	\$ 35,000.00	\$ 6,075.00	\$ 4,350.00	\$ 10,425.00		Current period gis services	PO02065
11	Regional Government Services	Human Resouces contractual services	6/17/2019	\$ 70,000.00	\$ 18,731.55	\$ 3,137.40	\$ 21,868.95		Current period hr services	PO02064
12	Pueblo Water Resources, Inc.	ASR operations support	7/15/2019	\$ 70,000.00	\$ 2,470.39		\$ 2,470.39			PO02063
13	MBAS	ASR Water Quality	7/15/2019	\$ 60,000.00	\$ 10,133.00		\$ 10,133.00			PO02062
14	TBC Communications & Media	Public Outreach services retainer	6/17/2019	\$ 42,000.00	\$ 10,500.00	\$ 3,500.00	\$ 14,000.00		Current period retainer	PO02055
15	The Ferguson Group LLC	2019-20 - Legislative and Administrative Services	6/17/2019	\$ 100,000.00	\$ 24,262.64	\$ 8,000.00	\$ 32,262.64		Current period retainer	PO02028
16	John Arriaga	Contract for Legislative and Administrative Services - FY 19-20	6/17/2019	\$ 35,000.00	\$ 7,500.00	\$ 2,500.00	\$ 10,000.00		Current period retainer	PO02026
17	DUDEK	Consulting Services for Prop 1 grant proposal	4/15/2019	\$ 95,600.00	\$ 62,922.85	\$ 11,474.70	\$ 74,397.55		Current period billing related to Prop 1 grant proposal	PO01986
18	Denise Duffy & Associates	Consulting Services IRWM plan update	12/17/2018	\$ 55,000.00	\$ 53,322.32		\$ 53,322.32			PO01985
19	United States Geologic Survey	Carmel River Basin Hydrologic Model	3/18/2019	\$ 75,000.00	\$ 51,240.00		\$ 51,240.00			PO01973
20	De Lay & Laredo	Rule 19.8 Investment Banking Services	1/21/2019	\$ 27,000.00	\$ -		\$ -	12/31/2019		PO01930
21	De Lay & Laredo	Rule 19.8 Investor Owned Utility Consultant	1/21/2019	\$ 88,462.00	\$ 73,694.46	\$ 10,527.23	\$ 84,221.69	12/31/2019	Current period billing related to feasibility study	PO01929
22	De Lay & Laredo	Rule 19.8 Valuation & Cost of Service Consultant	1/21/2019	\$ 321,495.00	\$ 163,071.25	\$ 84,619.38	\$ 247,690.63	12/31/2019	Current period valuation services related to feasibility study	PO01928
23	Eminent Domain Legal Services	Rule 19.8 Eminent Domain Legal Services	12/17/2018	\$ 150,000.00	\$ 99,964.90	\$ 48,837.01	\$ 148,801.91	12/31/2019	Current period eminent domain legal services related to feasibility study	PO01920
24	Pueblo Water Resources, Inc.	Design water treatment facilities ASR Santa Margarita	2/21/2019	\$ 293,785.00	\$ 210,195.32	\$ 76,923.87	\$ 287,119.19		Current period billing related to ASR design services	PO01912
25	Colantuono, Highsmith, & Whatley, PC	Legal Services for MCWD vs PUC Matter for FY 2018-2019	7/1/2018	\$ 60,000.00	\$ 54,161.30		\$ 54,161.30	6/30/2020		PO01874

**Monterey Peninsula Water Management District
Status on District Open Contracts (over \$25K)
For The Period October 2019**

	Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending	Total Expended To Date	Expected Completion	Current Period Activity	P.O. Number
26	Ecology Action of Santa Cruz	IRWM HEART Grant	4/16/2018	\$ 152,600.00	\$ 86,362.33		\$ 86,362.33			PO01824
27	McC Campbell Analytical, Inc.	ASR Water Quality	11/19/2018	\$ 40,000.00	\$ 11,166.50		\$ 11,166.50	6/30/2019		PO01806
28	Monterey Peninsula Engineering	ASR Backflush Basin Expansion	9/17/2018	\$ 444,765.00	\$ 440,765.00		\$ 440,765.00			PO01779
29	Pueblo Water Resources, Inc.	ASR Backflush Basin Expansion, CM services	7/16/2018	\$ 96,034.00	\$ 68,919.39		\$ 68,919.39			PO01778
30	Rural Community Assistance Corporation	IRWM DAC Needs Assessment	4/16/2018	\$ 100,000.00	\$ 61,705.57		\$ 61,705.57			PO01777
31	Mercer-Fraser Company	Sleepy Hollow Intake upgrade project	7/16/2018	\$ 1,802,835.00	\$ 1,578,593.37		\$ 1,578,593.37			PO01726
32	MBAS	ASR Water Quality	7/16/2018	\$ 60,000.00	\$ 22,453.75		\$ 22,453.75	6/30/2019		PO01716
33	Fort Ord Reuse Authority	ASR Backflush basin expansion project UXO support	7/16/2018	\$ 55,215.00	\$ 5,005.64		\$ 5,005.64			PO01686
34	Pueblo Water Resources, Inc.	ASR operations support	1/24/2018	\$ 70,000.00	\$ 68,652.56		\$ 68,652.56			PO01645
35	Pueblo Water Resources, Inc.	Seaside Groundwater Basin Geochemical Study	1/24/2018	\$ 68,679.00	\$ 24,537.50		\$ 24,537.50			PO01628
36	Big Sur Land Trust	Update of the IRWMP Plan	4/16/2018	\$ 34,000.00	\$ 12,305.67		\$ 12,305.67			PO01620
37	Pueblo Water Resources, Inc.	SSAP Water Quality Study	8/21/2017	\$ 94,437.70	\$ 44,318.11		\$ 44,318.11			PO01510
38	Normandeau Associates, Inc.	Assistance with IFIM Study	11/13/2017	\$ 35,000.00	\$ 24,050.00		\$ 24,050.00			PO01509
39	Accela Inc.	Acquisition of Water Demand Database System	11/13/2017	\$ 676,377.00	\$ 668,316.08	\$ 911.73	\$ 669,227.81	6/30/2019	Current period billing related to Accela database work	PO01471
40	Balance Hydrologics, Inc	Design Work for San Carlos Restoration Project	6/19/2017	\$ 51,360.00	\$ 50,894.32		\$ 50,894.32			PO01321
41	AECOM Technical Services, Inc.	Los Padres Dam Alternatives Study	1/25/2017	\$ 700,700.00	\$ 505,766.50		\$ 505,766.50			PO01268
42	Denise Duffy & Assoc. Inc.	MMRP Services for Monterey Pipeline	1/25/2017	\$ 80,000.00	\$ 73,144.06		\$ 73,144.06			PO01202
43	Goodin, MacBride, Squeri, Day, Lamprey	User Fee PUC Proceedings Legal Fee	7/1/2016	\$ 50,000.00	\$ 33,411.85		\$ 33,411.85	6/30/2019		PO01100
44	Whitson Engineers	Carmel River Thawleg Survey	9/19/2018	\$ 52,727.43	\$ 49,715.00		\$ 49,715.00			PO01076
45	HDR Engineering, Inc.	Los Padres Dam Fish Passage Study	4/18/2016	\$ 310,000.00	\$ 282,032.00		\$ 282,032.00			PO01072
46	Sidley Austin LLP	Cal-Am Desal Structuring & Financing Order	4/20/2015	\$ 460,000.00	\$ 152,896.87		\$ 152,896.87			PO00594
47	WaterWise Consulting, Inc.	Landscape audits	1/29/2014	\$ 75,000.00	\$ 31,660.00		\$ 31,660.00			PO00256
48	HydroPoint Data Systems, Inc.	Flow Meters and related for MPUSD	3/17/2014	\$ 77,000.00	\$ 30,760.19		\$ 30,760.19			PO00219
49	Charles N. Atkins	Professional Fees for Contribution of Public Funds - CAW Desal Project	2/12/2014	\$ 75,000.00	\$ 15,000.00		\$ 15,000.00			PO00170
50	Michael Hutnak	GS Flow Modeling for Water Resources Planning	8/19/2013	\$ 56,800.00	\$ 52,780.00	\$ 3,160.00	\$ 55,940.00		Current period billing related to Carmel River modeling work	PO00123
51	Justin Huntington	GS Flow Modeling for Water Resources Planning	8/19/2013	\$ 59,480.00	\$ 53,918.98		\$ 53,918.98			PO00122

ITEM: INFORMATIONAL ITEM/STAFF REPORT**16. STATUS REPORT ON MEASURE J/RULE 19.8 SPENDING**

Meeting Date: December 16, 2019 **Budgeted:** N/A

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

Prepared By: Suresh Prasad **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review is **Exhibit 16-A**, monthly status report on Measure J/Rule 19.8 spending for the period October 2019. This status report is provided for information only, no action is required.

EXHIBIT**16-A** Status on Measure J/Rule 19.8 Spending

EXHIBIT 16-A

**Monterey Peninsula Water Management District
Status on Measure J/Rule 19.8 Spending
For the Period October 2019**

	Contract	Date Authorized	Contract Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	12/17/2018	\$ 100,000.00	\$ 99,965.20	\$ 48,837.01	\$ 148,802.21	\$ (48,802.21)	PA00002-01
2	Investment Banking Services	2/21/2019	\$ 30,000.00	\$ -		\$ -	\$ 30,000.00	PA00002-02
3	Valuation & Cost of Service Study Consulta	2/21/2019	\$ 355,000.00	\$ 163,071.25	\$ 84,619.38	\$ 247,690.63	\$ 107,309.37	PA00002-03
4	Investor Owned Utility Consultant	2/21/2019	\$ 100,000.00	\$ 73,694.46	\$ 10,527.23	\$ 84,221.69	\$ 15,778.31	PA00002-04
5	District Legal Counsel		\$ 35,000.00	\$ 33,763.61		\$ 33,763.61	\$ 1,236.39	PA00002-05
6	Contingency/Miscellaneous		\$ 30,000.00	\$ 9,600.63	\$ 331.20	\$ 9,931.83	\$ 20,068.17	PA00002-10
	Total		\$ 650,000.00	\$ 380,095.15	\$ 144,314.82	\$ 524,409.97	\$ 125,590.03	

ITEM: INFORMATIONAL ITEM/STAFF REPORT**17. LETTERS RECEIVED****Meeting Date: December 16, 2019** **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: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

A list of letters submitted to the Board of Directors or General Manager and received between November 13, 2019 and December 9, 2019 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.

Author	Addressee	Date	Topic
Jeff Davi and John Tilley	MPWMD Board	12/9/19	Supply and Demand for Water on the Monterey Peninsula
Michael Baer	Gary Hoffmann	12/8/2019	Stoldt Demand Report
Peter Le	MPWMD Board	12/2/2019	Draft Supplemental EIR for the Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project
Jeff Davi and John Tilley	MPWMD Board	11/18/19	Three Issues of Concern
Janine Chicourrat, Brian Hein, Bonnie Adams	David Stoldt	10/31/19	Letter of Thanks

ITEM: INFORMATIONAL ITEM/STAFF REPORT**18. COMMITTEE REPORTS**

Meeting Date: December 16, 2019 **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: This action does not constitute a project as defined by the California
Environmental Quality Act Guidelines Section 15378.

There are no final committee meeting minutes to present this month.

ITEM: INFORMATIONAL ITEM/STAFF REPORT**19. MONTHLY ALLOCATION REPORT**

Meeting Date: December 16, 2019 **Budgeted:** N/A

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

Prepared By: Gabriela Bravo **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: As of November 30, 2019, a total of **18.495** acre-feet (**5.4%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.923** acre-feet is available to the Jurisdictions, and **28.849** acre-feet is available as public water credits.

Exhibit 19-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in November 2019 (“changes”), and the quantities remaining. The Paralta Allocation had one debit in November 2019.

Exhibit 19-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 19-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 and the Malpas 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 19-C**.

EXHIBITS

19-A Monthly Allocation Report

19-B Monthly Entitlement Report

19-C District’s Water Allocation Program Ordinances

EXHIBIT 19-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of November 2019

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.410	0.000	1.398	1.081	0.000	1.081	0.910	0.000	0.182	2.661
Del Rey Oaks	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.320	0.000	0.235	50.659	0.000	0.030	38.121	0.000	2.300	2.565
Monterey County	87.710	0.000	10.717	13.080	0.000	0.352	7.827	0.000	1.775	12.844
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.022	15.874	0.010	0.065	0.087
Sand City	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.450	0.000	0.948	34.438	0.000	34.438	2.693	0.000	1.144	36.530
TOTALS	342.720	0.000	18.495	101.946	0.000	35.923	90.142	0.010	28.839	83.257

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.320	0.680
Water West	12.760	0.000	9.350	3.410

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

EXHIBIT 19-B
MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of November 2019

Recycled Water Project Entitlements

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
Pebble Beach Co. ¹	221.800	0.000	30.418	191.382
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	143.200	0.381	55.653	87.547
Macomber Estates	10.000	0.000	10.000	0.000
Griffin Trust	5.000	0.000	4.829	0.171
CAWD/PBCSD Project Totals	380.000	0.381	100.900	279.100

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	206.000	0.000	5.053	200.947
Malpaso Water Company	80.000	0.755	15.846	64.154
D.B.O. Development No. 30	13.950	0.051	1.184	12.766
City of Pacific Grove	35.990	0.205	0.496	35.494
Cypress Pacific	3.170	0.000	3.170	0.000

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

EXHIBIT 19-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.

Ordinance No. 165 was adopted on August 17, 2015, established a Water Entitlement for Malpas Water Company and amended the rules to reflect the process for issuing Water Use Permits.

Ordinance No. 166 was adopted on December 15, 2015, established a Water Entitlement for D.B.O. Development No. 30.

Ordinance No. 168 was adopted on January 27, 2016, established a Water Entitlement for the City of Pacific Grove.

ITEM: INFORMATIONAL ITEM/STAFF REPORTS**20. WATER CONSERVATION PROGRAM REPORT**

Meeting Date: December 16, 2019 **Budgeted:** N/A

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

Prepared By: Kyle Smith **Cost Estimate:** N/A

Committee Recommendation: N/A

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

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, 1.2 gpm Washbasin faucets, 1.8 gpm Kitchen, Utility and Bar Sink faucets, 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 compared against the properties that have submitted WCCs. Details on **92** property transfers that occurred between November 1, 2019, and November 30, 2019, were added to the database.

B. Certification

The District received **70** WCCs between November 1, 2019, and November 30, 2019. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

From November 1, 2019, to November 30, 2019, **70** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **70** verifications, **46** properties verified compliance by submitting certification forms and/or receipts. District staff completed **30** Site inspections. Of the **30** properties inspected, **24 (80%)** passed inspection. **None** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards.

Savings Estimate

Water savings from HET retrofits triggered by Rule 144 verified from November 1, 2019, to November 30, 2019, are estimated at **0.520** Acre-Foot annually (AFA). Water savings from retrofits that exceeded the requirement (i.e., HETs to Ultra High Efficiency Toilets)

is estimated at **0.240** AFA (12 toilets). Year-to-date estimated savings from toilet retrofits is **8.080** AFA.

D. CII Compliance with Water Efficiency Standards

Effective January 1, 2014, all Non-Residential properties were required to meet Rule 143, Water Efficiency Standards for Existing Non-Residential Uses. To verify compliance with these requirements, property owners and businesses are being sent notification of the requirements and a date that inspectors will be on Site to check the property. In November, District inspectors performed **seven** inspections. Of the **seven** inspections certified, **five** were in compliance. **Two** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards; the remainder complied without a reinspection.

MPWMD is forwarding its CII inspection findings to California American Water (Cal-Am) for their verification with the Rate Best Management Practices (Rate BMPs) that are used to determine the appropriate Non-Residential rate division. Compliance with MPWMD's Rule 143 achieves Rate BMPs for indoor water uses, however, properties with landscaping must also comply with Cal-Am's outdoor Rate BMPs to avoid Division 4 (Non-Rate BMP Compliant) rates. In addition to sharing information about indoor Rate BMP compliance, MPWMD notifies Cal-Am of properties with landscaping. Cal-Am then conducts an outdoor audit to verify compliance with the Rate BMPs. During November 2019, MPWMD referred **two** properties to Cal-Am for verification of outdoor Rate BMPs.

E. 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 or www.montereywaterinfo.org. There were **no** Water Waste responses during the past month. There were **no** repeated incidents that resulted in a fine.

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 **67** Water Permits from November 1, 2019 to November 30, 2019. **Eighteen** Water Permits were issued using Water Entitlements (Pebble Beach Company, Malpasos Water, etc.). **One** Water Permit involved a debit to a Public Water Credit Account.

All Water Permits have a disclaimer informing applicants of the Cease and Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water. All Water Permit recipients with property supplied by a California American Water Distribution System will continue to be provided with the disclaimer.

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 **67** Water Permits issued from November 1, 2019 to November 30, 2019, **two** were issued under this provision.

B. Permit Compliance

District staff completed **45** Water Permit final inspections during November 2019. **Four** of the final inspections failed due to unpermitted fixtures. Of the **33** passing properties, **17** passed inspection on the first visit. In addition, **four** 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. District staff provided Notary services for **76** Water Permits with deed restrictions.

D. Rebates

The following table summarizes Rebate activity for this month:

REBATE PROGRAM SUMMARY		November-2019			2019 YTD		1997 - Present	
I. <u>Application Summary</u>								
A.	Applications Received	103			253		26,459	
B.	Applications Approved	75			195		20,629	
C.	Single Family Applications	71			166		23,867	
D.	Multi-Family Applications	4			29		1,380	
E.	Non-Residential Applications	0			0		354	
		Number of devices	Rebate Paid	Estimated AF	Gallons Saved	Year to Date Number	Year to Date Paid	Year to Date Estimated AF
II. <u>Type of Devices Rebated</u>								
A.	High Efficiency Toilet (HET)	25	\$1,875.00	0.125000	40,731	72	\$5,400.00	0.360000
B.	Ultra HET	4	\$500.00	0.040000	13,034	8	\$1,000.00	0.080000
C.	Toilet Flapper	0	\$0.00	0.000000	0	1	\$6.99	0.000000
D.	High Efficiency Dishwasher	18	\$2,250.00	0.054000	17,596	39	\$5,125.00	0.117000
E.	High Efficiency Clothes Washer - Res	33	\$16,500.00	0.531300	173,125	92	\$45,946.20	1.481200
F.	High Efficiency Clothes Washer - Com	0	\$0.00	0.000000	0	5	\$5,000.00	0.450000
G.	Instant-Access Hot Water System	0	\$0.00	0.000000	0	1	\$200.00	0.005000
H.	Zero Use Urinals	0	\$0.00	0.000000	0	0	\$0.00	0.000000
I.	Pint Urinals	0	\$0.00	0.000000	0	0	\$0.00	0.000000
J.	Cisterns	0	\$0.00	0.000000	0	1	\$450.00	0.000000
K.	Smart Controllers	2	\$279.00	0.000000	0	2	\$279.00	0.000000
L.	Rotating Sprinkler Nozzles	22	\$88.00	0.000000	0	22	\$88.00	0.000000
M.	Moisture Sensors	0	\$0.00	0.000000	0	0	\$0.00	0.000000
N.	Lawn Removal & Replacement	0	\$0.00	0.000000	0	1	\$2,000.00	0.000000
O.	Graywater	0	\$0.00	0.000000	0	0	\$0.00	0.000000
R.	Other	0	\$0.00	0.000000	0	0	\$0.00	0.000000
III. <u>TOTALS</u>		104	\$21,492.00	0.750300	244,486	244	\$65,495.19	2.49320
IV. <u>TOTALS Since 1997</u>		Paid Since 1997: \$ 6,591,357						585.1 Acre-Feet Saved Since 1997 (from quantifiable retrofits)

ITEM: INFORMATIONAL ITEM/STAFF REPORT**21. CARMEL RIVER FISHERY REPORT FOR NOVEMBER 2019****Meeting Date: December 16, 2019 Budgeted: N/A****From: David J. Stoldt, General Manager Program/ Line Item No.: N/A****Prepared By: Beverly Chaney Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

AQUATIC HABITAT AND FLOW CONDITIONS: Carmel River flows dropped slightly in November as the unseasonably dry, warm weather continued for most of the month. Steelhead rearing conditions remained good to fair for all life-stages throughout much of the watershed.

Continued dry conditions prompted another 1.5 cfs discharge reduction from Los Padres Reservoir in early November. Reservoir storage dropped to ~600 acre-feet by the end of the month as the water elevation fell to 1,011 feet (~30 feet below the spillway). (Note: a large storm the last few days of November started to fill the reservoir, but there's no Cal-Am data for the last three days of the month).

November's mean daily streamflow at the Sleepy Hollow Weir ranged from 11 to 18 cubic-feet-per-second (cfs) (monthly mean 12.5 cfs) resulting in 744 acre-feet (AF) of runoff. Mean daily streamflow at the Highway 1 gage ranged from 3 to 9 cfs (monthly mean 4 cfs) resulting in 240 acre-feet (AF) of runoff.

There were 1.97 inches of rainfall in November (primarily from Nov. 26-30) as recorded at the San Clemente gauge. The rainfall total for WY 2020 (which started on October 1, 2019) is 1.97 inches, or 69% of the long-term year-to-date average of 2.87 inches.

CARMEL RIVER LAGOON: In November, the water surface elevation (WSE) increased to ~11.8 feet due to river inflow (North American Vertical Datum of 1988; NAVD 88) (See graph below).

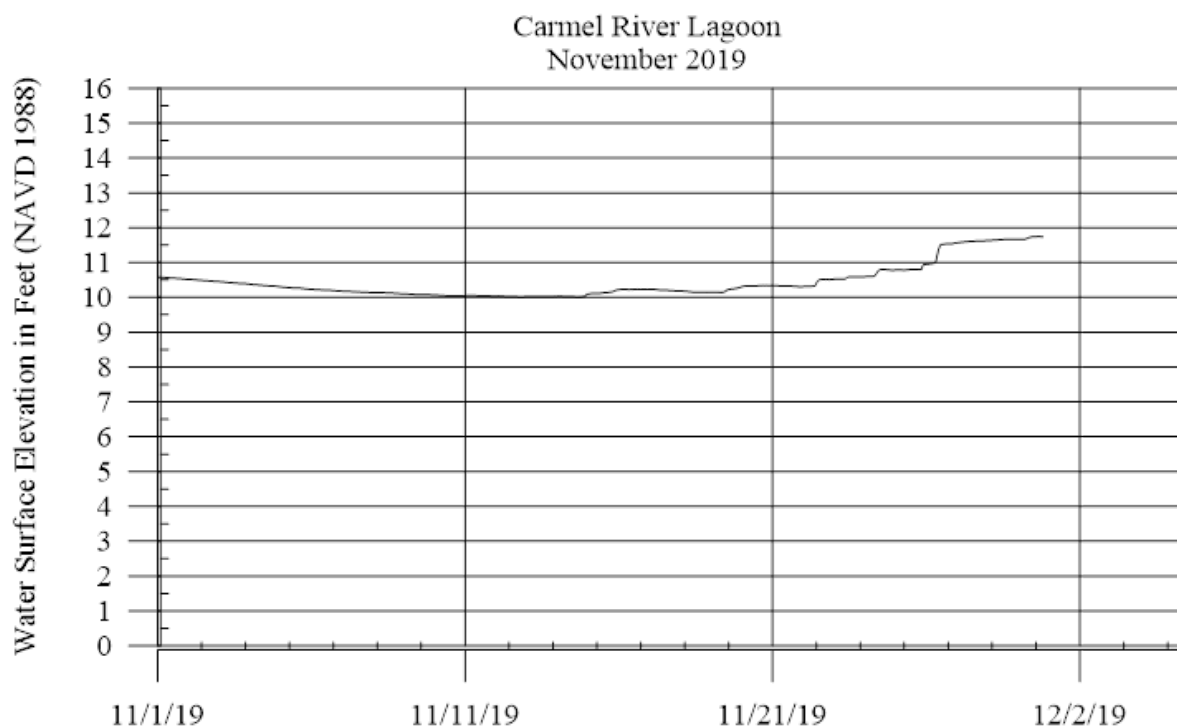
Water quality depth-profiles were conducted at five sites on November 25, 2019 while the lagoon mouth was closed, the water surface elevation was ~10.5 feet, and river inflow was 3.9 cfs. Steelhead rearing conditions were generally "good" throughout the lagoon: salinity increased with depth from the wave over wash at 2 - 20 ppt, dissolved oxygen (DO) levels ranged from 4 - 10 mg/l, and water temperatures were between 52 - 58 degrees F.

JUVENILE STEELHEAD POPULATION SURVEYS: Every fall, District fisheries staff survey the Carmel River juvenile steelhead population at 11 long-term (1990-2019) monitoring

sites between Los Padres Dam and mid-Carmel Valley (Red Rock). In very wet years (2019) extra sites are added lower in the river to gather additional data. Fish population density is frequently reported as number of fish-per-lineal-foot of river (fish/ft). A fully stocked, healthy stream typically has about 1.0 fish/ft.

The 2019 preliminary survey results are in and its very good news. This year's overall average Carmel River fish/ft is 0.92 fish/ft (4,882 fish/mile) - nearly two and a half times more juvenile steelhead than last year; the greatest number since 2008; and the third highest number since 2003. Several interesting facts stand out – the two lowest valley sites, Valley Greens and Red Rock, both had healthy steelhead populations. Valley Greens is normally dry in the fall but had 0.46 fish/ft this year (there was only 0.01 fish/foot in 2017) and Red Rock had 1.26 fish/ft this year, its highest density since 2003. The steelhead population at the Sleepy Hollow site (just downstream of the former San Clemente Dam) also rebounded significantly this year with 1.12 fish/ft, up 400% from the 0.28 fish/ft in 2018.

Carmel River Lagoon Plot:



ITEM: INFORMATIONAL ITEM/STAFF REPORT**22. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT**

Meeting Date: December 16, 2019 **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: Exempt from environmental review per SWRCB Order Nos. 95-10 and 2016-0016, and the Seaside Basin Groundwater Basin adjudication decision, as amended and Section 15268 of the California Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources.

Exhibit 22-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **December 1, 2019**. 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 22-A** is for Water Year (WY) 2020 and focuses on four factors: rainfall, runoff, and storage. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at Sleepy Hollow Weir.

Water Supply Status: Rainfall through **November** 2019 totaled **1.97 inches** and brings the cumulative rainfall total for WY 2020 to **1.97 inches**, which is **69%** of the long-term average through **November**. Estimated unimpaired runoff through **November** totaled **675 acre-feet (AF)** and brings the cumulative runoff total for WY 2020 to **1,202 AF**, which is **66%** of the long-term average through **November**. Usable storage for the MRWPRS was **27,480 acre-feet**, which is **99%** of average through **November**, and equates to **73%** percent of system capacity

Production Compliance: Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2016-0016 (CDO), California American Water (Cal-Am) is allowed to produce no more than 8,310 AF of water from the Carmel River in WY 2020. Through **November**, using the CDO accounting method, Cal-Am has produced **1,035 AF** from the Carmel River (including ASR capped at 600 AF, Table 13, and Mal Paso.) In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 1,820 AF of water from the Coastal Subareas and 0 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2020. Through **November**, Cal-Am has produced **711 AF** from the Seaside Groundwater Basin. Through **November**, **0 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, and **0 AF** have been diverted under Table 13 water rights. Cal-Am has produced **1,747 AF** for customer use from all sources through **November**. **Exhibit 22-C** shows production by source. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data. The 12 month moving average of production for customer service is **9,797 AF**, which is below the rationing trigger of **10,130 AF** for WY 2020.

EXHIBITS

22-A Water Supply Status: **November 1, 2019**

22-B Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: WY 2020

22-C Monthly Cal-Am production by source: WY 2020

EXHIBIT 22-A

**Monterey Peninsula Water Management District
Water Supply Status
December 1, 2019**

Factor	Oct - Nov 2019	Average To Date	Percent of Average	Oct - Nov2018
Rainfall (Inches)	1.97	2.87	69%	3.82
Runoff (Acre-Feet)	1,202	1,813	66%	1,212
Storage ⁵ (Acre-Feet)	27,480	27,760	99%	26,460

Notes:

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at Sleepy Hollow Weir average 21.1 inches and 67,246 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 Sleepy Hollow Weir site are based on records for the 1922-2019 and 1902-2019 periods respectively.
2. The rainfall and runoff totals are based on measurements through the dates referenced in the table.
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 1989-2019 period. The storage estimates are end-of-month values for the dates referenced in the table.
4. The maximum storage capacity for the MPWRS is currently 37,639 acre-feet.

Production vs. CDO and Adjudication to Date: WY 2020

(All values in Acre-Feet)

Year-to-Date Values	MPWRS					Water Projects and Rights			
	Carmel River Basin ^{2, 6}	Seaside Groundwater Basin		MPWRS Total				Water Projects and Rights Total	
		Laguna Coastal	Ajudication Seca Compliance		ASR Recovery	Table 13 ⁷	Sand City ³		
Target	930	700	0	700	1,630	0	0	50	50
Actual ⁴	1,035	648	63	711	1,747	0	0	0	0
Difference	-105	52	-63	-11	-117	0	0	50	50
WY 2019 Actual	964	620	53	369	1,333	0	0	37	37

1. This table is current through the date of this report.
2. For CDO compliance, ASR, Mal Paso, and Table 13 diversions are included in River production per State Board.
3. Sand City Desal, Table 13, and ASR recovery are also tracked as water resources projects.
4. To date, 0 AF and 0 AF have been produced from the River for ASR and Table 13 respectively.
5. All values are rounded to the nearest Acre-Foot.
6. For CDO Tracking Purposes, ASR production for injection is capped at 600 AFY.
7. Table 13 diversions are reported under water rights but counted as production from the River for CDO tracking.

Monthly Production from all Sources for Customer Service: WY 2020

(All values in Acre-Feet)

	Carmel River Basin	Seaside Basin	ASR Recovery	Table 13	Sand City	Mal Paso	Total
Oct-19	505	412	0	0	0	4	921
Nov-19	524	299	0	0	0	2	825
Dec-19							
Jan-20							
Feb-20							
Mar-20							
Apr-20							
May-20							
Jun-20							
Jul-20							
Aug-20							
Sep-20							
Total	1,030	711	0	0	0	6	1,747
WY 2019	948	673	0	0	37	16	1,674

1. This table is produced as a proxy for customer demand.
2. Numbers are provisional and are subject to correction.

Rationing Trigger: WY 2020

12 Month Moving Average ¹	9,797	10,130	Rule 160 Production Limit
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1. Average includes production from Carmel River, Seaside Basin, Sand City Desal, and ASR recovery produced for Customer Service.

California American Water Production by Source: Water Year 2020

	Carmel Valley Wells ¹						Seaside Wells ²						Total Wells			Sand City Desal		
	Actual		Anticipated ³		Compaired to Target		Actual		Anticipated		Compaired to Target		Actual	Anticipated	Acre-Feet Compaired to Target	Actual	Anticipated	Compaired to 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	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-19	0	505	0	550	0	45	378	35	350	0	-28	-35	918	900	-18	0	25	25
Nov-19	0	524	0	380	0	-144	271	28	350	0	79	-28	823	730	-93	0	25	25
Dec-19																		
Jan-20																		
Feb-20																		
Mar-20																		
Apr-20																		
May-20																		
Jun-20																		
Jul-20																		
Aug-20																		
Sep-20																		
To Date	0	1,030	0	930	0	-100	648	63	700	0	52	-63	1,741	1,630	-111	0	50	50

Total Production: Water Year 2020

	Actual	Anticipated	Acre-Feet Compaired to Target
Oct-19	918	925	7
Nov-19	823	755	-68
Dec-19			
Jan-20			
Feb-20			
Mar-20			
Apr-20			
May-20			
Jun-20			
Jul-20			
Aug-20			
Sep-20			
To Date	1,741	1,680	-61

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 Adjudication 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. Negative values for Acre-Feet under target indicates production over targeted value.



Supplement to 12/16/2019 MPWMD Board Packet

Attached are copies of letters received between November 13, 2019 and December 9, 2019. These letters are listed in the December 16, 2019 Board packet under Letters Received.

Author	Addressee	Date	Topic
Jeff Davi and John Tilley	MPWMD Board	12/9/19	Supply and Demand for Water on the Monterey Peninsula
Michael Baer	Gary Hoffmann	12/8/2019	Stoldt Demand Report
Peter Le	MPWMD Board	12/2/2019	Draft Supplemental EIR for the Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project
Jeff Davi and John Tilley	MPWMD Board	11/18/19	Three Issues of Concern
Janine Chicourrat, Brian Hein, Bonnie Adams	David Stoldt	10/31/19	Letter of Thanks

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RECEIVED

DEC 12 2019

MPWMD

Coalition of Peninsula Businesses
A coalition to resolve the Peninsula water challenge to
comply with the CDO at a reasonable cost

*Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners' Association,
Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce,
Monterey County Association of Realtors, Associated General Contractors-Monterey Division,
Pebble Beach Co., Community Hospital of the Monterey Peninsula*

December 9, 2019

The Honorable Molly Evans, Chair, and Board
Monterey Peninsula Water Management District
P. O. Box 85
Monterey, California 93942

Transmitted by fax to 831-644-9560

Dear Chair Evans and Board:

The Coalition of Peninsula Businesses thanks you for your November 25th response to our November 18th letter raising three concerns.

We have learned that in our letter of November 18th the way we portrayed the position of the District and/or statements of General Manager Dave Stoldt were misconstrued as to whether the desal plant is not now needed. The Coalition may have been overzealous in its statement that your General Manager David Stoldt has stated publicly that based on his report *Supply and Demand for Water* that the Monterey Peninsula Water Supply Project (MPWSP) desal plant is not now needed.

It is, however, inescapably true that the conclusion - that the MPWSP desal plant is not now needed - is widely believed by members of the public and by the staff of the Coastal Commission. You had a number of members of the public testify at your September 16th Board meeting to that effect (see the YouTube video of the presentation of the *Supply and Demand* report at <https://www.youtube.com/watch?v=0gYoDljVldA>). The Coastal Commission staff recommended denial of a desal feeder wells Coastal Development Permit based

largely on that report. Among the principle conclusions of the report are these: "Either supply option can meet the long-term needs of the Monterey Peninsula" and "Either supply option is sufficient to lift the CDO."

In addition to those, there have been several media reports coming to the same conclusion. For instance, a KSBW editorial on November 1, 2019 says: "The Monterey Peninsula Water Management District says Pure Water Monterey's water recycling project will supply more than enough water to quench the Peninsula's needs." <https://www.ksbw.com/article/editorial-desal-no-sale/29670665>. An article in the Carmel Pine Cone of December 6, 2019 says: Stoldt has repeatedly said that the sewage reclamation project, which is euphemistically called Pure Water Monterey, would be sufficient to supply water to the Monterey Peninsula for at least two decades." <http://pineconearchive.fileburstdn.com/191206PCA.pdf>

The Coalition arrives at the conclusion that it is also inescapably true that Mr. Stoldt manipulated Pure Water Monterey Expansion (PWME) draft EIR data in a submission to Coastal Commission staff in support of his implied contention that the expansion combined with Aquifer Storage Recovery (ASR) is more than sufficient to supply the Peninsula's water supply needs for at least two decades. Please refer to the November 11th letter to you from Latham Watkins and Monterey One Water (M1W) at https://drive.google.com/file/d/1CbqpE7_coUze4jCI06I2IM2pKk-ZFEMd/view?usp=sharing and Counsel Rob Wellington's November 7th memo to the M1W Board at <https://drive.google.com/file/d/10h531iTEHAgQx00qHJgxcVA9bDNTHIz/view?usp=sharing>

As to our concern that Directors Edwards and Riley created the impression that they represented the District in support of Coastal Commission staff recommendation of denial in violation of District's adopted policy of support for the MPWSP, including its desal plant, please refer to your Strategic Goals adopted May 20, 2019 and your District Rule 6. Mr. Edwards' apology at your recent Board meeting is directly on point. Why was it necessary for either Director to identify themselves as MPWMD Directors?

As you should be well aware, the goal of the Coalition is, and has always been, to see that the Monterey Peninsula Water Supply Project – all three components: the desal plant, Pure Water Monterey, and Aquifer Storage and Recovery – are constructed so that the Peninsula can have a sufficient, secure, stable and sustainable water supply, the CDO lifted, and debilitating water use restrictions and limits are a thing of the past. We are very concerned that some of these issues, such as manipulating documents or pointless debates about wording of a clear and very publicly known

position provided by your agency simply distract us all from the important work at hand. It is incumbent on the District to correct situations where Directors speak out of turn or staff manipulates data to advance a point and to assure that such things do not happen again.

Your response to us avoided answering several questions, so we pose them again and ask that you respond to them now. Our questions are:

- Did you, as MPWMD Chair, or did the MPWMD Board, ask Mr. Stoldt to prepare the report *Supply and Demand for Water*?
- Is the report *Supply and Demand for Water* a publication or report of MPWMD?
- Did the MPWMD Board, or any member of the Board, authorize or direct Mr. Stoldt to furnish the report *Supply and Demand for Water* to Coastal Commission staff?
- Did the MPWMD Board, or any member of the Board, authorize or direct Mr. Stoldt to furnish Coastal Commission staff with information from the PWME draft EIR in support of his implied contention that expansion plus ASR is sufficient to supply the Peninsula's water needs for the next two decades?

Sincerely,



Jeff Davi, Co-chair



John Tilley, Co-chair

Arlene Tavani

From: Michael Baer <mgbisme@yahoo.com>
Sent: Sunday, December 8, 2019 1:12 PM
To: Gary Hoffmann
Cc: Arlene Tavani
Subject: Re: Baer to Hoffman re Stoldt demand report

Gary,

Thanks for your response. I respect your answer and your sense of duty to the interests of the District.

Cal Am is notorious for slap suits and legal intimidation. Kathy Biala had a 50 page dossier produced on her as a member of Marina Planning Department a few months ago trying to intimidate her by alleging a conflict of interest because she led the fight for Citizens for Just Water. She chose to recuse herself only because they had the needed votes without her and she didn't want to engage a long legal process, for her or the city.

George Riley also had a few nonsense slap suits directed at him when he headed Public Water Now during the two election campaigns.

Perhaps you can talk to either or both of them. I encourage you to converse with either or both about their experience. Here are their emails.

George georgetriley@gmail.com
 Katherine Biala kybiala@icloud.com

If the District gives into Cal Am on this one, you will only encourage them to ramp up their game with more frivolity. I still ask you to re-consider your opinion.

Cal Am's biggest fear is the use of discovery if it makes it all the way to the jury trial. They will settle before facing that. There is quite a lot of evidence in the historical record with private utility buyouts about that.

Thanks, and I expect to be at the District meeting on the 16th.

Michael Baer

cc: Arlene (for the packet)

On Friday, December 6, 2019, 07:00:49 PM PST, Gary Hoffmann <gqhwd1000@gmail.com> wrote:

Hi Michael

My sole motivation is to protect the integrity and credibility of the District.

In my opinion, We will have no chance with a judge ruling in our favor on "public necessity" with these allegations hanging over the District.

My hope is that the investigation shows everything was done appropriately by the District and the process of determining the viability of public ownership can move forward without this cloud hanging over the integrity and credibility of the District.

Thanks

Gary

On Fri, Dec 6, 2019, 4:24 PM Michael Baer <mgbisme@yahoo.com> wrote:

Dear Gary,

I am very concerned by the position you have taken as explained in today's Pine Cone article.

Much better to invest the money on an independent third-party econometrician or statistician, expert in demand prediction, to verify/disprove the 14K afy demand that the CPUC has accepted as necessary for Peninsular needs. I have suggested the same to the Coastal Commission. If desal overproduces demand by a large factor, the economic consequences will be devastating.

Keep your eye on that ball, rather than chase this other rabbit hole.

I don't know if you care (or if you indeed are), but this move certainly makes you look like a CalAm shill to a wide sector of the Peninsula. This is not wise stewardship of resources and appears to create a faux distraction. If you are considering re-election, I urge you to reconsider your position.

Regards and Seasons Greetings,

Michael Baer

cc: Molly, Alvin, Jeanne, George, Mary, and Dave

----- Forwarded Message -----

From: MWChrislock <mwchrislock@redshift.com>

To: PWNaction <pwnaction@lists.riseup.net>

Sent: Friday, December 6, 2019, 09:22:18 AM PST

Subject: [pwnaction] Pine Cone/Hoffman Still After Stoldt

CARMEL PINE CONE • December 6, 2019

Water board member calls for investigation

By KELLY NIX

A BOARD member for the Monterey Peninsula Water Management District is calling for an independent investigation into allegations that general manager Dave Stoldt "manipulated" information to bolster his claims that a sewage reclamation project

would be sufficient to supply water to the Peninsula for at least two decades without the desalination plant proposed by California American Water.

District 5 director Gary Hoffmann requested that the water board's chair, Molly Evans, and vice chair Alvin Edwards include an item on the Dec. 16 agenda asking directors to hire an independent investigator to look at the allegations made by Cal Am and any potential violations of the water district's policies or state laws.

"The credibility of the MPWMD is called into question, and it is our responsibility, as the board of directors, to get all the facts," Hoffmann told The Pine Cone.

Hoffmann's request comes after Cal Am on Nov. 11 accused Stoldt of cutting and pasting portions of a technical memo to create a misleading three-page document he sent to the California Coastal Commission.

"A comparison of Mr. Stoldt's excerpt from the original memorandum shows he intentionally manipulated the excerpt" to make it appear that the desal plant wouldn't be needed, Cal Am attorney Duncan Moore wrote to the water district directors. "The memorandum's authors did not make such a conclusion."

Stoldt also added a sentence to say enough water from the reclamation project could be stored underground to "meet a four-year drought, and likely longer," Moore said.

After Stoldt sent his document to the California Coastal Commission, its staff relied on it to back its recommendation that the commission deny Cal Am a permit to build the desal plant.

Stoldt has denied manipulating the document, saying he only added the "water district's conclusion" at the end.

He acknowledges that the addition should have been correctly attributed.

Meanwhile, in a Nov. 25 letter from Evans to Cal Am's attorney, she said the district performed its own "review" of the allegations made by Cal Am and found that Stoldt had not released any unauthorized information, which the water utility had also accused him of doing.

However, Evans found that Stoldt's "work product did not fully assert his role as author and did not fully annotate passages he excerpted" from the memo, and it included "a concluding sentence that could be misinterpreted as a conclusion from the technical memorandum."

"Mr. Stoldt has since revised his work product to better attribute information it contained," Evans said.

‘Not satisfied’

Evans wouldn't tell The Pine Cone whether she planned to bring Hoffmann's request for an investigation to the board for a vote. Hoffmann, however, said she told him she would "prevent or block" the request.

Meanwhile, Hoffmann criticized Evans' review of Stoldt's work, calling its conclusions "hers, not the board's."

"I am not satisfied that the situation was thoroughly reviewed, and I continue my efforts to have the board consider hiring a third-party, independent, qualified firm to conduct a thorough review," Hoffman said.

Stoldt has repeatedly said that the sewage reclamation project, which is euphemistically called Pure Water Monterey, would be sufficient to supply water to the Monterey Peninsula for at least two decades — even to allow for more growth "than the Peninsula could absorb."

On Thursday, Stoldt confirmed to The Pine Cone he believes that "both projects are individually sufficient to meet the needs of the Peninsula for quite some time."

As for Hoffmann's calls for an investigation, Stoldt said Monterey One Water attorney Rob Wellington interviewed him, and the district's counsel conducted a third-party review.

"Their conclusions have been made public," he said. "Additional third-party review would be redundant."

To unsubscribe: <<mailto:pwnaction-unsubscribe@lists.riseup.net>>
List help: <<https://riseup.net/lists>>

Arlene Tavani

From: PETER LE <peter381@sbcglobal.net>
Sent: Monday, December 2, 2019 2:56 PM
To: Arlene Tavani
Subject: Submit a Letter to MPWMD Board of Directors

December 2, 2019

Dear Ms. Tavani:

I would like to submit this email shown below to your Board of Directors. Please provide my letter to all Directors. Thank you.

Peter Le

Comments on Draft Supplemental Environmental Impact Report for the Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project (Draft Supplemental EIR)

I have reviewed the Draft Supplemental EIR (DSEIR) for the above PWM/GWR project and have the following comments: 1. In Chapter 2, Project Description, of the DSEIR, it describes the new Cal Am Conveyance System as part of this expanded project as follows: " the addition of potable and raw water pipelines along General Jim Moore Boulevard and at the Seaside Middle School site (referred to as CalAm Conveyance Pipelines)".

The above description is not clear in that it does not describe where the additional potable pipeline begins and ends, where the additional raw water pipeline begins and ends, what the sizes of these pipes are, and where exactly on General Jim Moore Blvd they will be constructed (under the existing pavement, under the sidewalk, or adjacent to the sidewalk). Additionally, the DSEIR does not describe whether one of these new pipes will connect to the Cal Am desalinated pipeline that is part of the MPWS project.

Additionally, this Chapter 2 referred to a shared pipeline on General Jim Moore Blvd. But it did not described this pipe is shared between what agencies or organizations or who owns this pipeline.

It is very difficult, in fact not possible, to provide comments where the description of this project portion is very vague and not specific as described above. I request M1W revises the Section 2 to provide additional information as described above.

2. While it is understood that Monterey One Water (M1W) owned 100 percent of the new advanced water purification plant, the DSEIR failed to acknowledge or indicate that Marina Coast Water District (MCWD) owned 100 percent of the existing transmission or conveyance pipeline and the existing Black Horse Reservoir that, currently being used for the current PWM/GWR, Phase 1, will also be used for this expanded PWM/GWR

project.

Previous agreements between M1W and MCWD allows MCWD to receive 600 AFY of purified water from the new M1W plant and also allows M1W to convey only 3,500 AF through MCWD's owned pipeline and used only a portion of the Black Horse Reservoir.

3. Additionally, the DSEIR did not show any analysis whether the MCWD's owned pipeline can carry an additional 2,250 AF of this expanded project or, if feasible, what are the impacts of the conveyance of the additional 2,250 AF to the MCWD's transmission and distribution systems. I request that M1W performs these impact analyses to the existing transmission or conveyance pipeline from the conveyance of additional 2,250 AF and propose appropriate mitigation, if any. The analyses must include the full use or 100 % of MCWD's recycled water rights in the future and not just 600 AFY.

4. Similarly, the DSEIR did not show any analysis of the impacts of this expanded project to the existing MCWD's owned Black Horse Reservoir. The installation of new wells as part of this project definitely impacts the operation of the existing Black Horse Reservoir in addition to the conveyance of the additional 2,250 AF. I request that M1W performs the analyses of the impacts to the existing Black Horse Reservoir and propose appropriate mitigation.

5. The DSEIR shows a new pipeline running along the existing dirt road and connects to the existing Black Horse Reservoir. But there was no discussion whether it is feasible to do so, the impacts to the operation of this reservoir, any required permit from the State Drinking Division for this new connection to the tank, or the alternative of connecting to the existing pipes instead of connecting to the existing tank. I request that M1W addresses these issues in the Final SEIR.

6. Section 2.7, Permits and Approvals, failed to indicate that M1W needs to obtain approval from MCWD Board of Directors before it can convey an additional 2,250 AF on the MCWD's 100% owned pipeline and use the MCWD's 100% owned Black Horse Reservoir capacity for this expanded project. I request that M1W revises Section 2.7 to indicate approvals are required from MCWD.

7. Additionally, Section 2.7. Permits and Approvals, did not indicate whether Cal Am will need to obtain approval from California Public Utilities Commission (CPUC) for its new facilities for this expanded project and for new and/or additional components or its approved MPSWP desal project. I request that M1W and/or Cal Am clarifies which components of this project will require approval from CPUC.

8. Section 7.1, List of Preparers and Persons Consulted, did not indicate any consultation was made with Marina Coast Water District or its staff. If there was any

consultation, please list in this Section 7.1.

9. Since MCWD owns 100 percent of the existing transmission or conveyance pipeline and 100% of the existing Black Horse Reservoir and MCWD only allows M1W to carry only 3,500 AF, and assuming that there is no adverse impacts to MCWD's transmission and distribution systems, M1W

will need to pay MCWD additional capital costs, and operation and maintenance costs to convey an additional 2,250 AF as part of this expanded project.

The above comments are my own comments and they do not represent comments from any other individuals or from any private or public organizations.

Let me know if you have any questions. Please also notify me when M1W issues the Final Supplemental EIR for this expanded PWM/GWR project.

Please also acknowledge that you receive this letter. Thank you.

Sincerely,

Peter Le P.E.

cc: Monterey One Water Board of Directors

Monterey Peninsula Water Management District Board of Directors

Marina Coast Water District Board of Directors

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NOV 18 2019

MPWMD

Coalition of Peninsula Businesses

A coalition to resolve the Peninsula water challenge to
comply with the CDO at a reasonable cost

*Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners' Association,
Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce,
Monterey County Association of Realtors, Associated General Contractors-Monterey Division,
Pebble Beach Co., Community Hospital of the Monterey Peninsula*

November 18, 2019

The Honorable Molly Evans, Chair, and Board
Monterey Peninsula Water Management District
P. O. Box 85
Monterey, California 93942

Transmitted by fax to 831-644-9560

Dear Chair Evans and Board:

The Coalition of Peninsula Businesses brings three things of concern to your attention and respectfully requests your prompt response to these concerns.

As part of your agenda packet for your November 18th meeting is Item 14 which includes a summary of three General Manager performance appraisal meetings and says, in pertinent part, "Specific highlights included advancement of the Monterey Peninsula Water Supply Project..."

This item surprised us since your General Manager has taken it upon himself to destroy over seven years of hard work to secure approvals for the Monterey Peninsula Water Supply Project which, as you are aware, includes a specific desal plant which your General Manager says – frequently and unequivocally – is not now needed. Please site for us specific examples from the latest fifteen months of your General Manager's support for the Monterey Peninsula Water Supply Project.

In conjunction with that, you have been made aware that the 'Demand and Supply of Water...' report prepared, ostensibly, at your request, but never accepted or adopted by you or the district board, was given to Coastal Commission staff along with an excerpt, doctored by your General Manager yet not authorized for release by the authors, from

an exhibit from the draft EIR for Pure Water Monterey expansion. The District's report promoting the expansion was not approved nor authorized for distribution to the Coastal Commission by the M1 Board, which your General Manager knew. Please tell us on what authority or at whose direction those actions, which were extremely damaging to the case for the Coastal Commission to approve a Coastal Development Permit for the Monterey Peninsula Water Supply Project, were taken. Also please explain to us what consequences there are, or will be, for this blatant disregard of the District's adopted policy.

At the recent Coastal Commission hearing, Directors Edwards and Riley both identified themselves as MPWMD Directors and testified in support of the Coastal Commission staff recommendation for denial of the Monterey Peninsula Water Supply Project permit in stark contrast to your District's official position in support of the project. Please explain to us what the consequences to your Directors are, or will be, for this blatant contradiction of your adopted policy.

Sincerely,



Jeff Davi, Co-chair



John Tilley, Co-chair



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NOV 12 2019

MPVMD

October 31, 2019

Mr. Dave Stoldt
Monterey Peninsula Water Mgmt. District
5 Harris Court
Monterey, CA 93940

Dear Mr. Stoldt:

Dave

On behalf of the Monterey County Hospitality Association Board of Directors and Golf Committee, we want to thank you for your participation as a valued Sponsor for the 29th Annual Nick Lombardo Memorial Golf Tournament at Quail Lodge & Golf Club on October 1st.

The purpose of MCHA is to act as the advocate for its members and the Monterey County hospitality industry in general. We foster, protect and educate our members on matters affecting the viability of the industry. MCHA represents the hospitality industry throughout Monterey County which is the second largest industry generating more than \$2.7 billion in direct visitor spending while employing more than 25,000 people.

Because of your generous support, we are able to fund programs such as the valuable work of our government affairs committee that has been working diligently on your behalf on water issues, traffic, FORA, important issues within each city and the county, among many other concerns. MCHA is also a member of the Coalition of Peninsula Businesses which is working towards a viable water solution at a reasonable cost. We also offer quality educational seminars as well as employee recognition programs that are key to employee development.

The Nick Lombardo Memorial Golf Tournament is one of two fundraisers for MCHA. Support from industry leaders is a key element in the success of this event and the ongoing activities of our association. Thank you for helping us to surpass our goals.

We appreciate your support and look forward to a great year!

Best Regards,

Janine Chicourrat
Janine Chicourrat
Golf Co-Chair

Best Regards,

Brian Hein
Brian Hein
Golf Co-Chair

Best Regards,

Bonnie Adams
Bonnie Adams
Executive Director