

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

Thursday, January 23, 2020

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, January 16, 2020

**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. Public Employee Performance Evaluation (Gov. Code 54957) – Administrative Services Manager/
Chief Financial Officer
5. Adjourn to 6 pm Session

Regular Meeting – 6 pm

CALL TO ORDER/ROLL CALL
PLEDGE OF ALLEGIANCE

Board of Directors

Alvin Edwards, Chair – Division 1
Jeanne Byrne, Vice Chair - Division 4
George Riley – Division 2
Molly Evans – Division 3
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, January 17, 2020. Staff reports regarding these agenda items will be available for public review on Friday, January 17, 2020 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 February 19, 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.

PRESENTATION TO MOLLY EVANS, 2019 BOARD CHAIR

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 December 16, 2019 Regular Board Meeting
2. Ratify Board Committee Assignments for 2020
3. Consider Adoption of Resolution 2020-01 Amending Rule 25.5, Table 4: High Efficiency Appliance Credits, to Allow Rainwater/Graywater Systems in all Residential Applications
4. Consider Approval of Annual Update on Investment Policy
5. Receive Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project
6. Consider Adoption of Treasurer's Report for November 2019
7. Receive Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report
8. Receive Government Accounting Standards Board Statement No. 75 Report for Determining Annual Costs for Post-Employment Medical Benefits

GENERAL MANAGER'S REPORT

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

ATTORNEY'S REPORT

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

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

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

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

13. Consider Request for Variance for Rainwater System in Mixed Use Building at 537 Anthony Street, Monterey, APN 001-712-010, Applicant: Monterey Design Collective, LLC
Action: The Board will consider approval of a variance from MPWMD Rule 24 – Calculation of Water Use Capacity and Capacity Fees and Rule 25 – Cancellation, Expiration, Suspension, Abandonment and Revocation of Water Permits.
14. Consider Request for Variance from Separate Supply Lines Requirement at a New Single Family Dwelling at 26425 Laureles Grade, Carmel Valley, APN: 416-051-005 Applicant: James Ryan McNickle
Action: The Board will consider approval of a variance from MPWMD Rule 23-B-2.C – Construction of a New Structure..

ACTION ITEMS – No Action Items were submitted for Board consideration.

DISCUSSION - Public comment will be received. Please limit your comment to three (3) minutes.

15. Presentation of Updated Water Demand Forecasts Related to Association of Monterey Bay Area Government 2018 Regional Growth Forecast and Regional Housing Needs Allocation Plan: 2014-2023, and Inclusion of 2019 Water Year

Action: This is a discussion item. No action will be taken by the Board.

16. Identify Agenda Items and Timing for Upcoming Board Meetings

Action: This is a discussion item. No action will be taken by the Board.

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.

17. Report on Activity/Progress on Contracts Over \$25,000
18. Status Report on Measure J/Rule 19.8 Spending
19. Monthly Progress Report – Santa Margarita Water Treatment Facility
20. Letters Received Supplemental Letter Packet
21. Committee Reports
22. Monthly Allocation Report
23. Water Conservation Program Report
24. Quarterly Water Use Credit Transfer Status Report
25. Carmel River Fishery Report for December 2019
26. Monthly Water Supply and California American Water Production Report
27. Quarterly Carmel River Riparian Corridor Management Program Report
28. Semi-Annual Groundwater Quality Monitoring 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			
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
Monday, April 20, 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, January 17, 2020. 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 DECEMBER 16, 2019,
REGULAR BOARD MEETING**

Meeting Date: January 23, 2020

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 **Exhibit 1-A** are draft minutes of the December 16, 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 December 16, 2019 Regular Board meeting



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
December 16, 2019**

Board Chair Evans called the meeting to order at 6:05 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

Dan Turner addressed the Board during Oral Communications. He advised the Board to ignore the complaints and accusations raised by California American Water Company (Cal-Am) regarding the Preliminary Valuation and Cost of Services Analysis Report (Feasibility Study), the Board's process in following the mandates of Measure J, and General Manager Stoldt. He urged the Board to focus on its goals.

ORAL COMMUNICATIONS

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

CONSENT CALENDAR

Adopted

- 1. Consider Adoption of Minutes of the November 12, 2019 Special Meeting/Board Workshop and November 18, 2019 Regular Board Meeting**

Adopted.

Adams offered a motion that was seconded by Byrne to approve the Annual Disclosure Statement. The motion was approved unanimously on a vote of 7 – 0 by Adams, Byrne, Edwards, Evans, Hoffmann, Potter and Riley.

Approved expenditure of \$5,131.00.

Adopted.

A summary of General Manager Stoldt's report is on file at the District office and can be viewed on the agency website. He noted that for the period of October 1, 2019 through November 30, 2019 water production within the Monterey Peninsula Water Resources System was 117 acre-feet above the production target. Rainfall received between October 1, 2019 and December 16, 2019 was approximately 8 inches. Between December 1 and December 15, 2019, ASR injection totaled approximately 98 acre-feet.

Stoldt reviewed briefly information provided in the staff report.

District Counsel Laredo reported the Board considered item 3 on the closed session agenda. The Board provided specific direction to a subcommittee of Directors Potter, Riley and Hoffmann. They were asked to refine and return to the full Board deliverables concerning the General Manager's performance objectives and goals. The Board reviewed the evaluation format and criteria to be used which would be brought back for review at a future closed session.

Riley reported that he attended the December 4, 2019 meeting of the Seaside Groundwater Basin Watermaster. At that meeting an agreement was made with the City of Seaside to allow in lieu recharge to protect the basin from overdraft. He also attended a recent joint meeting of the Carmel River Advisory Committee and Carmel River Watershed Conservancy. The groups discussed the possibility of merging into one organization. Edwards

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

3. Public Employee Performance Evaluation (Gov. Code 54957) – General Manager

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

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

attended the December 9, 2019 meeting of the California Public Utilities Commission regarding the proposal for a moratorium in Laguna Seca. He noted that only ten persons were in attendance. He asked the Public Outreach Committee to develop a plan for increasing public awareness of future meetings of that type. Director Edwards also reported that he attended the December 12, 2019 informational meeting regarding the SEIR on the Pure Water Monterey Expansion Project where he learned that the project will be delayed. He advised the public that they could express concerns about the delay at the December 19, 2019 meeting of the Monterey One Water Board of Directors. Director Riley stated that he also attended the December 12, 2019 meeting.

Edwards made a motion that was seconded by Byrne to approve the Quarterly Water Supply Strategy and Budget. The motion was approved on a unanimous vote of 7 – 0 by Edwards, Byrne, Adams, Evans, Hoffmann, Potter and Riley. No public comment was directed to the Board during the public hearing on this item.

Edwards made a motion to receive the Fiscal Year 2018-2019 Comprehensive Annual Financial Report. The motion was seconded by Riley and approved on a unanimous vote of 7 – 0 by Edwards, Riley, Adams, Byrne, Evans, Hoffmann and Potter. No public comment was directed to the Board during the public hearing on this item.

Potter offered a motion that was seconded by Edwards to approve entering into new agreements with Rutan & Tucker, Raftelis, Close and Associates; sole-source professionals 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 in the staff report, and authorize a total not-to-exceed budget of \$1,241,000. The work shall be completed by July 31, 2020. The motion was approved on a unanimous vote of 7 – 0 by Potter, Edwards, Adams, Byrne, Evans, Hoffmann and Riley.

The following comments were directed to the Board during the public comment period on this item. **(1) Anna Thompson**, resident of Carmel, spoke in support of public ownership of the Cal-Am water system because it would benefit the long-term growth and prosperity of the community and establish local control. She encouraged the Board to proceed with the next phase of the process to determine feasibility. **(2) Paul Bruno**, resident of the unincorporated Monterey, proposed that the Board conduct a supermajority vote that evening, and if fewer than five directors voted in favor of the expenditure the process would not move forward. He stated that the \$2 million from financial reserves that would be spent to complete the

PUBLIC HEARINGS

- 10. Consider Adoption of January through March 2020 Quarterly Water Supply Strategy and Budget (Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1))**
- 11. Receive Fiscal Year 2018-2019 Comprehensive Annual Financial Report**

ACTION ITEMS

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

studies, should instead be used to pay down the agency's pension liability. **(3) Rick Heuer**, Monterey Peninsula Taxpayers Association, expressed concern that should the Board authorize funding for these studies and then decide public ownership would not be feasible, \$2 million would have been wasted. If the Board were to challenge Cal-Am in court to obtain ownership and was unsuccessful, much more money would have been wasted. **(4) Melodie Chrislock**, Public Water Now, stated that 24,000 voters approved Measure J, or 56% of the vote, which proved there was support for the Board to approve the expenditure regarding feasibility. **(5) Sam Teal**, resident of Pacific Grove, stated that the demand estimates used in the Feasibility Study were incorrect. Her urged the Board to revise the Feasibility Study with the inclusion of different demand estimates. **(6) Jeff Davi** recommended that the Board conduct a supermajority vote that evening to determine if there was support for authorizing additional expenditures on the Measure J process. **(7) Brenda Lewis**, resident of Seaside, stated that an expenditure of \$1.2 million was small compared to the amount of money Cal-Am overcharges its customers. She urged the Board to stay on course and follow the will of the voters that approved Measure J. **(8) Dan Turner**, resident of Monterey, stated that if the vote to authorize additional funds is approved on a vote of 4 – 3, and the ultimate vote on the Resolution of Necessity is also approved on a vote of 4 – 3, the process will come to a stop. In November 2020 the composition of the Board could change, and the new Board could again consider the Resolution of Necessity. **(9) Marlene Fischer** – resident of Carmel-by-the-Sea, urged the Board to authorize funding for additional studies in order to be prepared to prevail in the legal battle for public ownership. **(10) Gary Cursio**, representing the Monterey Peninsula Hospitality Association, proposed that instead of authorizing an additional \$1.2 million, the Board should complete the robust work in all four areas of feasibility that the District previously promised, then receive public comment. Only then should the Board consider an expenditure of \$1.2 million. **(11) Mark Kelley**, resident of Monterey, requested that the Board make a decision on continuing collection of the Water Supply Charge and User Fee, before considering whether to spend \$1.2 million to complete the studies as proposed. *District Counsel Laredo advised the Board that it could vote as to whether or not it should fund the collection of additional data. However, at this time, it could not take a poll or vote to express support for a resolution of necessity or for acquisition of the utility. To make a premature expression of intent could provide grounds to recuse directors from participating in the final vote on the resolution of necessity. The Board could only take those steps after following the CEQA process and adopting findings of fact and conclusions of law.*

Byrne offered a motion to strike the words “on behalf of their division, or” from line 8 of the proposed rule.

13. Consider Modification to MPWMD Meeting Rule 6: Spokesperson

Hoffmann offered a second to the motion.

Potter offered a substitute motion to send the proposed language back to staff for further refinement and continue the item to a future Board meeting. The motion was seconded by Edwards and approved on a vote of 6 – 1 by Potter, Edwards, Adams, Byrne, Evans and Riley. Hoffmann was opposed.

Judi Lehman addressed the Board during the public comment period on this item. She stated that under the agenda item “Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations” the Directors could report on their community outreach activities.

Adams offered a motion to approve the recommendation: Chair – Alvin Edwards; Vice Chair – Jeanne Byrne; Secretary - David Stoldt; and Treasurer, Suresh Prasad. The motion was seconded by Potter and approved on a unanimous vote of 7 – 0 by Adams, Potter, Byrne, Edwards, Evans, Hoffmann and Riley. No comments were directed to the Board during the public comment period on this item.

There was no discussion of these items.

The meeting was adjourned at approximately 8:25 pm.

14. Conduct Election of Board Officers for 2020

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 November 2019**
- 22. Monthly Water Supply and California American Water Production Report**

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

2. RATIFY BOARD COMMITTEE ASSIGNMENTS FOR CALENDAR YEAR 2020

Cost Estimate: N/A

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

2-A Proposed Committee Assignments for Calendar Year 2020



EXHIBIT 2-A

DRAFT
PROPOSED BOARD COMMITTEE ASSIGNMENTS FOR 2020

BOARD COMMITTEES	
Administrative Committee	Jeanne Byrne – Chair Molly Evans Alvin Edwards <i>George Riley, Alternate</i>
Public Outreach/Communications	Mary Adams – Chair George Riley Alvin Edwards <i>Gary Hoffmann - Alternate</i>
Water Demand	Alvin Edwards – Chair Gary Hoffmann George Riley <i>Molly Evans - Alternate</i>
Legislative Advocacy	Dave Potter – Chair Jeanne Byrne Alvin Edwards <i>Mary Adams, Alternate</i>
Water Supply Planning	George Riley – Chair Molly Evans Mary Adams <i>Alvin Edwards, Alternate</i>
OUTSIDE AGENCIES/LIAISONS	
Seaside Groundwater Basin Watermaster	George Riley, Representative <i>Molly Evans, Alternate</i>
Monterey County Special Districts' Association	Gary Hoffmann, Representative <i>George Riley, Alternate</i>
Policy Advisory Committee	Alvin Edwards, Representative <i>Jeanne Byrne, Alternate</i>
Monterey Peninsula Water Supply Project Governance Committee	Alvin Edwards, Representative <i>Molly Evans, Alternate</i>
Association of California Water Agencies/Joint Powers Insurance Agency	Gary Hoffmann, <i>Representative</i>

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ITEM: CONSENT CALENDAR

3. CONSIDER ADOPTION OF RESOLUTION 2020-01 AMENDING RULE 25.5, TABLE 4: HIGH EFFICIENCY APPLIANCE CREDITS, TO ALLOW RAINWATER/GRAYWATER SYSTEMS IN ALL RESIDENTIAL APPLICATIONS

Meeting Date: January 23, 2020

Budgeted: N/A

From: David J. Stoldt,
General Manager

Program/ N/A
Line Item No.:

Prepared By: Stephanie Kister

Cost Estimate: N/A

General Counsel Review: N/A

Committee Recommendation: The Water Demand Committee reviewed this item on January 16, 2020. A recommendation was not available for the Board's packet.

CEQA Compliance: Exempt per CEQA § 15061-b-3

SUMMARY: On July 15, 2019, the MPWMD Board of Directors adopted Resolution 2019-09, Amending Rule 25.5, Table 4: High Efficiency Appliance Credits for Graywater and Rainwater Reuse Systems. That resolution established a High Efficiency Appliance Credit (Rule 25.5) for the installation of rainwater/Graywater reuse systems for toilet flushing and clothes washing in Multi-Family Dwellings. Resolution 2020-01 (**Exhibit 3-A**) modifies Rule 25.5, Table 4, to allow rainwater/Graywater credit for any Residential application where the applicant can provide evidence that there is sufficient Alternative Water Sources and storage to meet the needs of the project.

BACKGROUND: As of 2013, the California Plumbing Code allows for the reuse of treated rainwater and Graywater for toilet flushing and clothes washing. The Monterey County Health Department requires a backup water supply from a reliable source to augment the rainwater/Graywater system if needed. New construction and remodel projects are best able to incorporate this technology in the building design to reduce water demand. This can be done by installing dual plumbing to the water fixtures or by adding an auto fill valve to the storage tank (the latter is the preferred method for MPWMD and California American Water).

District staff has reviewed the Estimated Annual Water Use Capacity for a Graywater system to flush toilets in a Residential Dwelling Unit. Staff estimates that between 10-15 gallons of treated Graywater (depending on the flush volume of the toilet) would be needed to meet the toilet demand in a Household with an average of 2.3 persons (local average). This demand could be easily offset with Graywater generated from bathing (i.e., one ten-minute shower). Design of the system requires adequate storage to meet annual demand plus three days to ensure that the Potable water backup would not be used. A similar requirement applies to a rainwater system, which would require significantly more storage to have water available to meet demands during the dry months.

Resolution 2019-09, amends Rule 25.5, Table 4: High Efficiency Appliance Credits, to allow credit for Graywater and Rainwater Reuse Systems. The credit is a 75% reduction to the fixture unit count for toilets and/or Clothes Washers supplied by rainwater/Graywater. Requirements to grant the credit include the following:

- The rainwater/Graywater system capacity shall meet 100 percent of projected annual demand plus three days.
- Meters are required on rainwater/Graywater outflow and on the Potable back-up connection to the system, with an annual District reporting requirement.
- *A Notice and Deed Restriction Regarding Limitation on Use of Water on a Property* will be recorded on the property title.

DISCUSSION: Affordable Graywater recycling technology is now available for Single-Family/small scale Residential use. New space-efficient products are entering the market-place, making small scale water recycling easier to do. Rainwater harvesting systems are already readily available for properties of all sizes. Most Single-Family Dwellings have the same capacity to utilize these technologies as Multi-Family Dwellings.

RECOMMENDATION: Staff recommends the Board adopt Resolution 2020-01 amend Rule 25.5, Table 4, to allow credit for Residential rainwater/Graywater reuse systems that utilize these Alternative Water Sources to flush toilets and wash clothes. The resolution will be adopted upon approval of this item in the Consent Calendar.

EXHIBIT

3-A Draft Resolution No. 2020-01



EXHIBIT 3-A

RESOLUTION NO. 2020-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
AMENDING RULE 25.5, TABLE 4:
HIGH EFFICIENCY APPLIANCE CREDITS
FOR GRAYWATER AND RAINWATER
REUSE SYSTEMS**

WHEREAS District Rule 25.5-F-4-b *Water Use Credits and On-Site Water Credits* allows changes to Table 4: High Efficiency Appliances Credits; and

WHEREAS the 2013 California Plumbing Code allows for the reuse of treated Graywater and rainwater for flushing toilets and washing clothes; and

WHEREAS the Monterey County Health Department requires a backup water supply from a reliable source to augment a Graywater/rainwater system. This can be done by adding a Potable automatic fill valve to the storage tank. The Monterey County Health Department will approve and permit these systems; and

WHEREAS to qualify for a reduced toilet and/or clothes washer Water Use Capacity, the Graywater/rainwater system capacity shall meet 100 percent of projected annual demand with adequate storage to meet demand for an additional three days to ensure that the Potable water backup will not be used; and

WHEREAS the Board of Directors of the Monterey Peninsula Water Management District adopted Resolution 2019-09 on July 15, 2019 to amend Rule 25.5-F-4-b, *Water Use Credits and On-Site Water Credits*, Table 4: High Efficiency Appliance Credits, to include a Water Credit for the installation of a rainwater/Graywater system for toilet flushing and clothes washing in Multi-Family Dwellings; and

WHEREAS affordably priced Graywater systems for flushing toilets and washing clothes that area designed for Single-Family Dwellings are available on the market; and

WHEREAS Residential rainwater systems for toilet flushing and clothes washing are available on the market; and

WHEREAS installation and use of a Residential rainwater/Graywater system that complies with MPWMD conditions for approval shall reduce the fixture unit value by seventy-five percent (75%) for Residential applications; and

WHEREAS the District shall require water meters on the non-Potable inflow and outflow of the reuse system and on the Potable back-up connection to the system, along with annual reporting; and

WHEREAS the District will require a *Notice and Deed Restriction Regarding Limitation on Use of Water on a Property* specifying all conditions as a permanent requirement on the property title;

NOW, THEREFORE, the Board of Directors of the Monterey Peninsula Water Management District resolves that District Rule 25.5-F-4-b, *Water Use Credits and On-Site Water Credits*, Table 4: High Efficiency Appliance Credits, shall be amended as shown on Attachment 1 to allow a Water Credit for the installation of a rainwater/Graywater systems that are used for toilet flushing and/or clothes washing in a Residential application.

On motion of Director _____, and second by Director _____, the foregoing resolution is duly adopted this 23rd day of January 2020, by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 23rd day of January 2020.

Witness my hand and seal of the Board of Directors this ____ day of January 2020.

David J. Stoldt, Secretary to the Board of Directors

TABLE 4: HIGH EFFICIENCY APPLIANCE CREDITS

Appliance	Description	Water Use Credit in Fixture Units (FU)
High Efficiency Toilets	A toilet designed to have an average maximum flush of 1.3 gallons.	0.5 FU
Ultra-High Efficiency Toilet	A toilet designed and manufactured to flush with a maximum of 0.8 gallon of water and that is labeled by the U.S. Environmental Protection Agency's WaterSense program.	1 FU
Instant-Access Hot Water System	A recirculating hot water system or other device(s) that results in hot water contact at every point of access throughout the Dwelling Unit within ten (10) seconds. Instant-Access Hot Water Systems shall be installed in each auxiliary building plumbed with hot water on a Single Family Residential Site. There shall be no Water Use Credit for installation of Instant-Access Hot Water Systems for New Structures.	0.5 FU
High Efficiency Dishwasher	A dishwasher designed to use a maximum of 5.8 gallons per cycle. A High Efficiency Dishwasher shall have Energy Star certification.	0.5 FU
High Efficiency Clothes Washer	A Clothes Washer with a Water Factor of 5.0 or less.	1 FU
Rainwater/Graywater Toilet Flushing System for Multi-Family Dwellings	A rainwater or Graywater recycling storage system used to flush toilet(s). System capacity shall meet 100% projected annual demand, plus three days.	75% of FU
Rainwater/Graywater Clothes Washing System for Multi-Family Dwellings	A rainwater or Graywater recycling storage system used to wash clothes. System capacity shall meet 100% projected annual demand, plus three days.	75% of FU

Table 4 amended by Resolution 2008-03 (2/28/2008); Resolution 2009-10 (7/20/2009); Ordinance No. 140 (11/16/2009); Resolution 2009-14 (12/14/2009); Ordinance No. 151 (11/19/2012); Ordinance No. 156 (11/18/2013); Resolution 2019-09 (7/15/2019)

ITEM: CONSENT CALENDAR

4. CONSIDER APPROVAL OF ANNUAL UPDATE ON INVESTMENT POLICY

Meeting Date:	January 23, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee reviewed this item on January 15, 2020 and recommended the Board receive the report.

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

SUMMARY: The State of California Government Code requires the District Board to annually review and approve the District Investment Policy. The District's current investment policy, included as **Exhibit 4-A**, was adopted by the Board on September 20, 1997 and has been reviewed and approved annually by the Board. The policy provides guidance for the District Treasurer, who acts on behalf of the Board in all investment matters. The policy was last reviewed and approved by the Board on January 23, 2019. District staff has again reviewed the investment policy and determined that it complies with the current Government Code; and that it is adequate for protecting safety and providing liquidity while yielding a reasonable rate of return given current market conditions.

RECOMMENDATION: District staff recommends that the Board review and approve the District's Investment Policy. This item will be approved if adopted along with the Consent Calendar.

BACKGROUND: The State of California Government Code requires the District Board to annually review and approve the District Investment Policy. The District's current policy was adopted on September 20, 1997 and has been reviewed and approved annually by the Board since that time. Additionally, State law, as well as District policy, requires that each quarter the Board receive and approve a report of investments held by the District. This requirement has been met as the Board has received quarterly reports on the contents and performance of the investment portfolio since adoption of the investment policy.

EXHIBIT

4-A Monterey Peninsula Water Management District Investment Policy

EXHIBIT 4-A

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
INVESTMENT POLICY**

| Approved by the MPWMD Board on January 24~~3~~³, 2018~~9~~²⁰



EXHIBIT 4-A

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EXHIBIT 4-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

INVESTMENT POLICY

1 Introduction

This policy governs the investment of District funds. The purpose of the policy is to provide guidance to the District Treasurer to invest funds in a manner that provides for the protection of principal (safety), meets the cash flow (liquidity) demands of the District and earns a reasonable yield. It shall be the policy of the District to invest all funds in strict conformance with all state statutes governing the investment of public monies. Moreover, it shall be the policy to manage investments under the prudent investor rule. This rule affords the District a broad spectrum of investment opportunities so long as the investment is deemed prudent and is allowable under State of California Government Code section 53600 et. seq., the investment policy of Monterey County and Section 118-507 (West's Annotated Government Code) of the District's enabling legislation.

2 Prudence

The District Treasurer is a trustee and therefore a fiduciary subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the treasurer shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of investments of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the District. Within the limitation of this policy and considering individual investments as part of an overall investment strategy, a trustee is authorized to acquire investments as authorized by law.

3 Investment and Risk

The objectives of the District's investment program in order of priority are:

- 1) Safety of invested funds – The Treasurer shall ensure the safety of the District's invested funds by limiting, as much as possible, credit and interest rate risk. Credit risk is the risk of loss due to failure of the security issuer or backer. Interest rate risk is the risk that the market value of investments will fall due to an increase in the general level of interest rates.
- 2) Maintenance of sufficient liquidity to meet cash flow requirements – Attainment of a market average rate of return during budgetary and economic cycles, taking into account the District's investment risk constraints and cash requirements. The Treasurer, acting in accordance with District procedures and this policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

EXHIBIT 4-A

4 Types of Investments

District funds may be placed in any instrument or medium approved by the State of California as enumerated in Government Code Section 53651, and not otherwise limited by the Monterey County Investment Policy. A listing of currently eligible securities shall be maintained. The Treasurer shall submit any proposed changes to the list of eligible investments to the Administrative Committee and Board of Directors. The Administrative Committee shall approve investment in a class of securities included on the list, but in which the District has not previously invested. The Board of Directors shall approve changes to the list of eligible securities. The currently approved list of securities is incorporated as Attachment I.

5 Prohibited Investments

The District shall not be authorized to invest in any security that has the possibility of returning a zero or negative yield if held to maturity except that investment in U. S. Treasury Certificates of indebtedness ("SLUGS") issued by the U. S. Bureau of Public debt is authorized. Prohibited investments shall include inverse floaters, range notes and interests only strips derived from a pool of mortgages.

6 Access to Funds

The premise underlying the District's investment policy is to ensure that money is available when needed. To this end, the District will maintain funds on deposit in a local bank or other federal or state regulated depository sufficient to meet expenditure requirements for the following six months as represented in the most recent budget adopted by the Board of Directors.

7 Authority

The Treasurer of the Board of Directors of the Monterey Peninsula Water Management District is responsible for the custody and management of District investments. Management activity will adhere to applicable state law, provisions of the District's enabling legislation and this policy. The Treasurer may delegate ministerial duties related to the investment program to other District staff, but shall retain responsibility for all transactions undertaken and shall establish a system of internal control to regulate activity of subordinate personnel.

8 Reports

Pursuant to Government Code Section 53646 the Treasurer shall provide quarterly investment reports to the Board of Directors. Each report shall include a listing of all securities held in the portfolio. It shall list investments by type, issuer, maturity, par value, market value, and dollar amount invested. The report shall contain a citation of compliance with this policy, an explanation for any non-compliance and a statement as to the ability or inability to meet expenditure requirements for the following six months. District monies over which the Treasurer does not exercise control or safekeeping e.g., does not determine how the funds are to be invested or banked, need not be included in the report. Agency contributions to the Public Employees Retirement

EXHIBIT 4-A

System need not be included. Deferred compensation funds (Section 457) held by third-party administrators and invested at the direction of program participants need not be included pursuant to PL 104-188.

9 Audits

The District's portfolio, quarterly reports, policy, internal control procedures and investment practices shall be the subject of scrutiny in the course of annual audits performed by external independent auditors selected by the Board of Directors.

10 Policy Review

The Board of Directors shall review this policy at least annually.

[Z:\Investments\Investment Policy 2020.docx](#)[U:\suresh\Investments\Investment Policy 2019.docx](#)[U:\suresh\Investments\Investment Policy 2017.docx](#)

EXHIBIT 4-A

11 Attachment I

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE AS OF JANUARY 1, ~~2019~~2020

INVESTMENT TYPE	MAXIMUM SECURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS	GOVERNMENT CODE SECTION
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations – CA and Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper – Pooled Funds	270 days	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)
Commercial Paper – Non-Pooled Funds	270 days	25% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)
Negotiable Certificates of Deposits	5 years	30%	None	53601(i)
Non-negotiable Certificates of Deposits	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	30%	None	53601.8 and 53635.8
Placement Service Certificates of Deposits	5 years	30%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(i)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds A and Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through Securities	5 years	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years	30%	"AA" rating category or its equivalent or better	53601(q)

ITEM: CONSENT CALENDAR

5. RECEIVE SEMI-ANNUAL REPORT ON THE CAWD/PBCSD WASTEWATER RECLAMATION PROJECT

Meeting Date: **January 23, 2020** **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: The Administrative Committee reviewed this item on January 15, 2020 and recommended approval.

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

This report relates to the original CAWD/PBCSD Wastewater Reclamation Project (Phase I) only and does not contain any information related to the CAWD/PBCSD Recycled Water Expansion Project (Phase II). On December 10, 1992, the Monterey Peninsula Water Management District (MPWMD or District) sold \$33,900,000 worth of variable rate certificates of participation to finance the wastewater reclamation project in Pebble Beach. The tables below summarize the investment information on funds held for future use, disbursements, and interest rate trends on the outstanding certificates for the period July 1, 2019 through December 31, 2019. During the first reporting period in 2006, the Wastewater Reclamation Project's (Project) Operations and Maintenance Reserve and Renewal and Replacement Reserve accounts were transferred to the Carmel Area Wastewater District in accordance with the Project's Amended Construction and Operations Agreement dated December 15, 2004. The Project's Operations and Maintenance account (Bank of America) and Certificate of Participation accounts (U.S. Bank) remain under the control of the District and will continue to be reported on this report and future reports.

Par of 1992 Certificates \$33,900,000

Investments as of December 31, 2019:

<u>Description</u>	<u>Institution</u>	<u>Market Value</u>	<u>Rate/Yield</u>	<u>Term</u>
Interest Fund	U.S. Bank	\$337	0.00%	Daily
Certificate Payment Fund	U.S. Bank	\$815	0.00%	Daily
Acquisition/Rebate Funds	U.S. Bank	\$19	0.00%	Daily
Water Sales Revenue Acct.	Bank of America	\$386,153	0.00%	Daily

Operation and Maintenance Disbursements:

MPWMD transferred advances in the amount of \$3,900,000 from the Water Sales Revenue Account to the Carmel Area Wastewater District during this reporting period. Advance payments are provided in accordance with the terms and conditions of Section 5.5 (a) of the Operation and Maintenance Agreement.

As provided in the Water Purchase Agreement, the obligation of the District to make disbursements is a special obligation of the District, payable solely from net operating revenues of the project, monies in the Revenue Fund, and other funds described in the Trust Agreement. In no event, will disbursements be payable out of any funds or properties of the District other than such sources.

Principal and Interest on Certificates:

A principal payment of \$2,300,000 was made by the Project during this reporting period. The outstanding balance on the Certificates is currently \$7,500,000.

The interest rate on the Series 1992 Certificates was set initially at 2.30 percent per annum until December 16, 1992. On that date and weekly thereafter, so long as the certificates are in the variable mode, the Remarketing Agent, Stone & Youngberg, determines the rate of interest. Interest rates for this reporting period fluctuated between 0.78% and 1.35%.

On June 7, 2000, the Reclamation Management Committee noted that the Capital Interest Fund, used for payment of monthly interest on the outstanding certificates, would soon be exhausted. The Committee discussed the use of water sales revenue to make future interest payments. On July 3, 2000, the Reclamation Technical Advisory Committee affirmed the use of water sales revenue for interest payments when excess funds are available.

Effective July 1, 2013, the Reclamation Project water rates have been delinked from the California American Water Company potable rates. The rates are now set based on revenue requirement for the Project.

EXHIBIT

None

ITEM: CONSENT CALENDAR

6. CONSIDER ADOPTION OF TREASURER'S REPORT FOR NOVEMBER 2019

Meeting Date:	January 23, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee considered this item on January 15, 2020 and recommended approval.

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

SUMMARY: Exhibit 6-A comprises the Treasurer's Report for November 2019. Exhibit 6-B and Exhibit 6-C are listings of check disbursements for the period November 1-30, 2019. Check Nos. 35965 through 36221, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$651,896.04. This amount included \$23,962.70 for conservation rebates. Exhibit 6-D reflects the unaudited version of the financial statements for the month ending November 30, 2019.

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

EXHIBITS

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

EXHIBIT 6-A

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

<u>Description</u>							PB
	<u>Checking</u>	MPWMD <u>Money Market</u>	<u>L.A.I.F.</u>	Wells Fargo <u>Investments</u>	Multi-Bank <u>Securities</u>	MPWMD <u>Total</u>	Reclamation <u>Money Market</u>
Beginning 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
Fee Deposits		675,565.65				675,565.65	720,819.53
MoCo Tax & WS Chg Installment Pymt						0.00	
Interest Received				3,361.38	7,744.46	11,105.84	
Transfer - Money Market/LAIF		200,000.00	(200,000.00)			0.00	
Transfer - Money Market/Checking	657,531.51	(657,531.51)				0.00	
Transfer - Money Market/Multi-Bank						0.00	
Transfer - Money Market/Wells Fargo						0.00	
Transfer to CAWD						0.00	(1,040,000.00)
Voided Cks	11,687.50					11,687.50	
Bank Corrections/Reversals/Errors		(700.00)				(700.00)	
Bank Charges/Other	(2,128.38)					(2,128.38)	(5.00)
Returned Deposits	-					0.00	
Payroll Tax/Benefit Deposits	(101,065.87)					(101,065.87)	
Payroll Checks/Direct Deposits	(137,109.11)					(137,109.11)	
General Checks	(423,280.18)					(423,280.18)	
Bank Draft Payments	-					0.00	
Ending Balance	(\$33,084.61)	\$386,705.33	\$10,092,405.22	\$1,786,393.36	\$2,304,584.84	\$14,537,004.14	\$733,192.97

EXHIBIT 6-B

Monterey Peninsula Water Management Dist

Check Report

By Check Number

Date Range: 11/01/2019 - 11/30/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
Payment Type: Regular						
00249	A.G. Davi, LTD	11/04/2019	Regular	0.00	395.00	35965
01188	Alhambra	11/04/2019	Regular	0.00	233.81	35966
00760	Andy Bell	11/04/2019	Regular	0.00	684.00	35967
01347	ARC Document Solutions, LLC	11/04/2019	Regular	0.00	214.42	35968
00252	Cal-Am Water	11/04/2019	Regular	0.00	122.10	35969
00252	Cal-Am Water	11/04/2019	Regular	0.00	6.54	35970
13577	California Regional Water Quality Control Board, C	11/04/2019	Regular	0.00	1,638.00	35971
00230	Cisco Systems, Inc.	11/04/2019	Regular	0.00	752.80	35972
01352	Dave Stoldt	11/04/2019	Regular	0.00	2,271.93	35973
18225	DUDEK	11/04/2019	Regular	0.00	10,999.70	35974
00758	FedEx	11/04/2019	Regular	0.00	100.12	35975
00986	Henrietta Stern	11/04/2019	Regular	0.00	1,255.54	35976
00277	Home Depot Credit Services	11/04/2019	Regular	0.00	134.57	35977
04717	Inder Osahan	11/04/2019	Regular	0.00	1,255.54	35978
03857	Joe Oliver	11/04/2019	Regular	0.00	1,401.82	35979
05371	June Silva	11/04/2019	Regular	0.00	485.30	35980
05829	Mark Bekker	11/04/2019	Regular	0.00	1,018.00	35981
00242	MBAS	11/04/2019	Regular	0.00	3,485.00	35982
00078	Michael Hutnak	11/04/2019	Regular	0.00	3,160.00	35983
00118	Monterey Bay Carpet & Janitorial Svc	11/04/2019	Regular	0.00	1,260.00	35984
00154	Peninsula Messenger Service	11/04/2019	Regular	0.00	657.00	35985
00282	PG&E	11/04/2019	Regular	0.00	35,198.51	35986
00282	PG&E	11/04/2019	Regular	0.00	2,154.38	35987
04736	Pitney Bowes Global Financial Svc, LLC	11/04/2019	Regular	0.00	391.54	35988
06746	POSTMASTER	11/04/2019	Regular	0.00	200.00	35989
13430	Premiere Global Services	11/04/2019	Regular	0.00	66.82	35990
00262	Pure H2O	11/04/2019	Regular	0.00	65.24	35991
00251	Rick Dickhaut	11/04/2019	Regular	0.00	531.50	35992
00228	Ryan Ranch Printers	11/04/2019	Regular	0.00	215.27	35993
18163	Wex Bank	11/04/2019	Regular	0.00	193.45	35994
08105	Yolanda Munoz	11/04/2019	Regular	0.00	540.00	35995
00767	AFLAC	11/08/2019	Regular	0.00	1,207.44	36116
14567	Applicant Information	11/08/2019	Regular	0.00	164.50	36117
00252	Cal-Am Water	11/08/2019	Regular	0.00	75.93	36118
04045	California Society of Municipal Finance Officers	11/08/2019	Regular	0.00	95.00	36119
00243	CalPers Long Term Care Program	11/08/2019	Regular	0.00	50.06	36120
00224	City of Monterey	11/08/2019	Regular	0.00	544.10	36121
18734	DeVeera Inc.	11/08/2019	Regular	0.00	554.27	36122
00267	Employment Development Dept.	11/08/2019	Regular	0.00	1,734.00	36123
02660	Forestry Suppliers Inc.	11/08/2019	Regular	0.00	277.35	36124
00768	ICMA	11/08/2019	Regular	0.00	3,065.09	36125
11223	In-Situ	11/08/2019	Regular	0.00	90.04	36126
00094	John Arriaga	11/08/2019	Regular	0.00	2,500.00	36127
00222	M.J. Murphy	11/08/2019	Regular	0.00	67.60	36128
00117	Marina Backflow Company	11/08/2019	Regular	0.00	75.00	36129
00223	Martins Irrigation Supply	11/08/2019	Regular	0.00	138.55	36130
07771	Monterey Bay Urgent Care	11/08/2019	Regular	0.00	60.00	36131
13396	Navia Benefit Solutions, Inc.	11/08/2019	Regular	0.00	770.84	36132
00159	Pueblo Water Resources, Inc.	11/08/2019	Regular	0.00	42,967.35	36133
04709	Sherron Forsgren	11/08/2019	Regular	0.00	736.35	36134
00766	Standard Insurance Company	11/08/2019	Regular	0.00	1,425.95	36135
09351	Tetra Tech, Inc.	11/08/2019	Regular	0.00	1,431.91	36136
17965	The Maynard Group	11/08/2019	Regular	0.00	1,521.13	36137

EXHIBIT 6-B**Check Report****Date Range: 11/01/2019 - 11/30/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
00203	ThyssenKrup Elevator	11/08/2019	Regular	0.00	643.72	36138
18737	U.S. Bank Equipment Finance	11/08/2019	Regular	0.00	867.83	36139
00207	Universal Staffing Inc.	11/08/2019	Regular	0.00	2,894.48	36140
00271	UPEC, Local 792	11/08/2019	Regular	0.00	1,092.50	36141
18163	Wex Bank	11/08/2019	Regular	0.00	1,420.02	36142
00763	ACWA-JPIA	11/15/2019	Regular	0.00	321.00	36143
18735	ARCpoint Labs	11/15/2019	Regular	0.00	45.00	36144
16235	California Department of Tax and Fee Administrat	11/15/2019	Regular	0.00	2,311.44	36145
16235	California Department of Tax and Fee Administrat	11/15/2019	Regular	0.00	10,000.00	36146
16235	California Department of Tax and Fee Administrat	11/15/2019	Regular	0.00	545.65	36147
16235	California Department of Tax and Fee Administrat	11/15/2019	Regular	0.00	505.36	36148
05370	California Secretary of State	11/15/2019	Regular	0.00	40.00	36149
00281	CoreLogic Information Solutions, Inc.	11/15/2019	Regular	0.00	915.04	36150
04362	Costco Membership	11/15/2019	Regular	0.00	120.00	36151
00046	De Lay & Laredo	11/15/2019	Regular	0.00	30,190.88	36152
18734	DeVeera Inc.	11/15/2019	Regular	0.00	6,808.00	36153
00277	Home Depot Credit Services	11/15/2019	Regular	0.00	263.06	36154
13431	Lynx Technologies, Inc	11/15/2019	Regular	0.00	2,700.00	36155
00259	Marina Coast Water District	11/15/2019	Regular	0.00	95.05	36156
00259	Marina Coast Water District	11/15/2019	Regular	0.00	95.05	36157
13394	Regional Government Services	11/15/2019	Regular	0.00	3,137.40	36158
17968	Rutan & Tucker, LLP	11/15/2019	Regular	0.00	48,837.01	36159
00258	TBC Communications & Media	11/15/2019	Regular	0.00	9,749.26	36160
04719	Telit Io T Platforms, LLC	11/15/2019	Regular	0.00	233.88	36161
17965	The Maynard Group	11/15/2019	Regular	0.00	175.00	36162
00269	U.S. Bank	11/15/2019	Regular	0.00	3,213.45	36163
	Void	11/15/2019	Regular	0.00	0.00	36164
00207	Universal Staffing Inc.	11/15/2019	Regular	0.00	851.20	36165
06009	yourservicesolution.com	11/15/2019	Regular	0.00	4,814.00	36166
15399	Accela Inc.	11/22/2019	Regular	0.00	911.73	36170
03966	ACWA (Memberships/Conferences/Publications)	11/22/2019	Regular	0.00	11,310.00	36171
00252	Cal-Am Water	11/22/2019	Regular	0.00	48.28	36172
00230	Cisco Systems, Inc.	11/22/2019	Regular	0.00	49.00	36173
06268	Comcast	11/22/2019	Regular	0.00	198.26	36174
18734	DeVeera Inc.	11/22/2019	Regular	0.00	5,052.87	36175
00192	Extra Space Storage	11/22/2019	Regular	0.00	885.00	36176
00083	Hayashi & Wayland Accountancy Corp.	11/22/2019	Regular	0.00	16,000.00	36177
00768	ICMA	11/22/2019	Regular	0.00	3,165.09	36178
19097	Julia Karo	11/22/2019	Regular	0.00	68.44	36179
00222	M.J. Murphy	11/22/2019	Regular	0.00	180.81	36180
08700	Monterey Regional Waste Management District	11/22/2019	Regular	0.00	20.00	36181
13396	Navia Benefit Solutions, Inc.	11/22/2019	Regular	0.00	770.84	36182
00036	Parham Living Trust	11/22/2019	Regular	0.00	850.00	36183
13296	Peninsula Business Interiors	11/22/2019	Regular	0.00	868.78	36184
00755	Peninsula Welding Supply, Inc.	11/22/2019	Regular	0.00	64.50	36185
00282	PG&E	11/22/2019	Regular	0.00	30.06	36186
00282	PG&E	11/22/2019	Regular	0.00	11.59	36187
00282	PG&E	11/22/2019	Regular	0.00	20.65	36188
00282	PG&E	11/22/2019	Regular	0.00	92.24	36189
00159	Pueblo Water Resources, Inc.	11/22/2019	Regular	0.00	33,956.52	36190
00176	Sentry Alarm Systems	11/22/2019	Regular	0.00	215.50	36191
00766	Standard Insurance Company	11/22/2019	Regular	0.00	1,483.34	36192
00225	Trowbridge Enterprises Inc.	11/22/2019	Regular	0.00	439.43	36193
00207	Universal Staffing Inc.	11/22/2019	Regular	0.00	680.96	36194
00994	Whitson Engineers	11/22/2019	Regular	0.00	228.00	36195
06009	yourservicesolution.com	11/22/2019	Regular	0.00	3,529.00	36196
04039	American Water Works Association	11/27/2019	Regular	0.00	1,811.00	36197
13577	California Regional Water Quality Control Board, C	11/27/2019	Regular	0.00	311.00	36198
00243	CalPers Long Term Care Program	11/27/2019	Regular	0.00	50.06	36199
04043	Campbell Scientific, Inc.	11/27/2019	Regular	0.00	611.17	36200
01001	CDW Government	11/27/2019	Regular	0.00	1,460.00	36201

EXHIBIT 6-B**Check Report****Date Range: 11/01/2019 - 11/30/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
00024	Central Coast Exterminator	11/27/2019	Regular	0.00	104.00	36202
03968	Central Coast Fly Fishing	11/27/2019	Regular	0.00	896.85	36203
08109	David Olson, Inc.	11/27/2019	Regular	0.00	296.00	36204
00041	Denise Duffy & Assoc. Inc.	11/27/2019	Regular	0.00	5,431.00	36205
18225	DUDEK	11/27/2019	Regular	0.00	475.00	36206
00758	FedEx	11/27/2019	Regular	0.00	45.89	36207
00993	Harris Court Business Park	11/27/2019	Regular	0.00	721.26	36208
00277	Home Depot Credit Services	11/27/2019	Regular	0.00	226.69	36209
00242	MBAS	11/27/2019	Regular	0.00	791.25	36210
08700	Monterey Regional Waste Management District	11/27/2019	Regular	0.00	20.00	36211
13396	Navia Benefit Solutions, Inc.	11/27/2019	Regular	0.00	70.00	36212
00752	Professional Liability Insurance Service	11/27/2019	Regular	0.00	35.72	36213
17968	Rutan & Tucker, LLP	11/27/2019	Regular	0.00	12,195.95	36214
00176	Sentry Alarm Systems	11/27/2019	Regular	0.00	400.03	36215
00258	TBC Communications & Media	11/27/2019	Regular	0.00	12,568.75	36216
09351	Tetra Tech, Inc.	11/27/2019	Regular	0.00	1,486.01	36217
17965	The Maynard Group	11/27/2019	Regular	0.00	1,011.79	36218
00207	Universal Staffing Inc.	11/27/2019	Regular	0.00	851.20	36219
00221	Verizon Wireless	11/27/2019	Regular	0.00	863.86	36220
18163	Wex Bank	11/27/2019	Regular	0.00	238.97	36221
Total Regular:					387,629.98	

EXHIBIT 6-B**Check Report****Date Range: 11/01/2019 - 11/30/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
00266	I.R.S.	11/08/2019	Bank Draft	0.00	12,876.40	DFT0001510
00266	I.R.S.	11/08/2019	Bank Draft	0.00	2,842.80	DFT0001511
00267	Employment Development Dept.	11/08/2019	Bank Draft	0.00	4,931.66	DFT0001512
00266	I.R.S.	11/08/2019	Bank Draft	0.00	1,206.88	DFT0001513
00769	Laborers Trust Fund of Northern CA	11/15/2019	Bank Draft	0.00	27,830.00	DFT0001516
00256	PERS Retirement	11/08/2019	Bank Draft	0.00	15,231.00	DFT0001517
00266	I.R.S.	11/18/2019	Bank Draft	0.00	85.78	DFT0001519
00266	I.R.S.	11/18/2019	Bank Draft	0.00	105.74	DFT0001520
00267	Employment Development Dept.	11/18/2019	Bank Draft	0.00	7.05	DFT0001521
00266	I.R.S.	11/18/2019	Bank Draft	0.00	451.98	DFT0001522
00266	I.R.S.	11/22/2019	Bank Draft	0.00	12,183.20	DFT0001524
00266	I.R.S.	11/22/2019	Bank Draft	0.00	2,720.88	DFT0001525
00267	Employment Development Dept.	11/22/2019	Bank Draft	0.00	4,661.32	DFT0001526
00266	I.R.S.	11/22/2019	Bank Draft	0.00	549.92	DFT0001527
00256	PERS Retirement	11/22/2019	Bank Draft	0.00	15,381.26	DFT0001528
Total Bank Draft:					101,065.87	

Payment Type	Bank Code APBNK	Summary		
	Payable Count	Payment Count	Discount	Payment
Regular Checks	183	133	0.00	387,629.98
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	23	15	0.00	101,065.87
EFT's	0	0	0.00	0.00
	206	149	0.00	488,695.85

EXHIBIT 6-B**Check Report****Date Range: 11/01/2019 - 11/30/2019**

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						
18662	Bruce & Stacey Crane	11/07/2019	Regular	0.00	-500.00	35438
18641	Claudia Stanton	11/07/2019	Regular	0.00	-75.00	35441
18673	Dawn McGahan	11/07/2019	Regular	0.00	-500.00	35445
18672	Dorinda Bubbenmoyer	11/07/2019	Regular	0.00	-500.00	35447
18675	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35448
18674	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35449
18680	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35450
18717	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35451
18715	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35452
18677	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35453
18721	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35454
18722	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-875.00	35455
18654	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-125.00	35456
18720	Ecology Action of Santa Cruz	11/06/2019	Regular	0.00	-500.00	35457
18665	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35458
18655	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-125.00	35459
18679	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35460
18716	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35461
18718	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35462
18714	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-125.00	35463
18676	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35464
18719	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35465
18678	Ecology Action of Santa Cruz	11/07/2019	Regular	0.00	-500.00	35466
18644	Gina Prue	11/07/2019	Regular	0.00	-75.00	35471
18712	Joseph Wilson	11/07/2019	Regular	0.00	-212.50	35483
18663	Ken Hutchinson	11/07/2019	Regular	0.00	-500.00	35485
18634	Robert Davis	11/07/2019	Regular	0.00	-75.00	35507
18661	Sam Brand	11/07/2019	Regular	0.00	-500.00	35512
18972	Allen Johnson	11/08/2019	Regular	0.00	75.00	35996
19051	Andrew Staatz	11/08/2019	Regular	0.00	125.00	35997
18994	Ann Truong	11/08/2019	Regular	0.00	125.00	35998
19039	Anthony Ferrante	11/08/2019	Regular	0.00	75.00	35999
18976	Arturo A. Reyes	11/08/2019	Regular	0.00	75.00	36000
19033	Barbara Allen	11/08/2019	Regular	0.00	75.00	36001
19010	Ben Beckner	11/08/2019	Regular	0.00	500.00	36002
19049	Bonnie Sunwood	11/08/2019	Regular	0.00	75.00	36003
19062	Brett Britz	11/08/2019	Regular	0.00	500.00	36004
19053	Brett Sefick	11/08/2019	Regular	0.00	125.00	36005
19086	Brett Sefick	11/08/2019	Regular	0.00	200.00	36006
19082	Brett Sefick	11/08/2019	Regular	0.00	180.00	36007
19048	Bruce Leivenberg	11/08/2019	Regular	0.00	75.00	36008
19035	Bryan Kauffman	11/08/2019	Regular	0.00	500.00	36009
19088	Buena Vista Land Co, L.P.	11/08/2019	Regular	0.00	75.00	36010
19018	Chad Carlson	11/08/2019	Regular	0.00	500.00	36011
19029	Chris Gaucher	11/08/2019	Regular	0.00	89.10	36012
19060	Clark Russell	11/08/2019	Regular	0.00	125.00	36013
18985	Craig Chavez	11/08/2019	Regular	0.00	125.00	36014
19045	Cynthia D'Vincent	11/08/2019	Regular	0.00	75.00	36015
19079	Daniel Lukaszewsn	11/08/2019	Regular	0.00	500.00	36016
19077	DANIEL MCKAY	11/08/2019	Regular	0.00	500.00	36017
19028	David Fried	11/08/2019	Regular	0.00	99.00	36018
19052	David Petersen	11/08/2019	Regular	0.00	125.00	36019
18983	Debbie Britz	11/08/2019	Regular	0.00	225.00	36020
19023	Diana Aiello	11/08/2019	Regular	0.00	500.00	36021
19003	Diana Galbraith	11/08/2019	Regular	0.00	500.00	36022
19024	Diana Hitchcock	11/08/2019	Regular	0.00	500.00	36023
18980	Donald Rotella	11/08/2019	Regular	0.00	75.00	36024
19066	Eduber Bonilla	11/08/2019	Regular	0.00	500.00	36025
19083	Ehret Kowalk	11/08/2019	Regular	0.00	99.00	36026

EXHIBIT 6-B**Check Report****Date Range: 11/01/2019 - 11/30/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
19016	Erick Samayoa	11/08/2019	Regular	0.00	500.00	36027
19034	Evelyn C. Cusenza	11/08/2019	Regular	0.00	125.00	36028
19072	Floyd Hardcastle	11/08/2019	Regular	0.00	500.00	36029
19012	Floyd Hardcastle	11/08/2019	Regular	0.00	500.00	36030
19021	Frederick Robinson	11/08/2019	Regular	0.00	500.00	36031
18989	Gail Cooper	11/08/2019	Regular	0.00	125.00	36032
19091	Garth McDermott	11/08/2019	Regular	0.00	500.00	36033
19006	Gary Barber	11/08/2019	Regular	0.00	500.00	36034
19075	Gean Boca	11/08/2019	Regular	0.00	500.00	36035
19080	Gretchen Garland	11/08/2019	Regular	0.00	500.00	36036
19063	HADDEN GARY E TR	11/08/2019	Regular	0.00	500.00	36037
19043	Hermina Dallas	11/08/2019	Regular	0.00	75.00	36038
18977	Hoffman Fred J & Ruth R	11/08/2019	Regular	0.00	150.00	36039
19064	Hope Cutino	11/08/2019	Regular	0.00	500.00	36040
19004	Ivan Goudyrev	11/08/2019	Regular	0.00	500.00	36041
19058	James L. Niemeyer	11/08/2019	Regular	0.00	125.00	36042
19056	Jay Zwagerman	11/08/2019	Regular	0.00	125.00	36043
19073	Jay Zwagerman	11/08/2019	Regular	0.00	500.00	36044
19067	Jeff Taxera	11/08/2019	Regular	0.00	500.00	36045
19008	Jeffrey Dellis	11/08/2019	Regular	0.00	500.00	36046
19070	Jeffrey Dellis	11/08/2019	Regular	0.00	500.00	36047
18999	Jim Dougherty	11/08/2019	Regular	0.00	500.00	36048
19059	John A. Greenwald	11/08/2019	Regular	0.00	125.00	36049
19081	John Haynes	11/08/2019	Regular	0.00	500.00	36050
19076	John Raffety	11/08/2019	Regular	0.00	500.00	36051
19040	Jon Maples	11/08/2019	Regular	0.00	300.00	36052
19069	Joseph & Gwendolyn Brown	11/08/2019	Regular	0.00	500.00	36053
19000	Joseph Callaghan	11/08/2019	Regular	0.00	500.00	36054
19087	Joseph Martin	11/08/2019	Regular	0.00	100.00	36055
18987	Kathleen Williams	11/08/2019	Regular	0.00	125.00	36056
18975	Kelly Maschmeyer	11/08/2019	Regular	0.00	75.00	36057
19074	Kevin Rider	11/08/2019	Regular	0.00	500.00	36058
18995	Kristen Nolan	11/08/2019	Regular	0.00	500.00	36059
18988	Kyle Van Houtan	11/08/2019	Regular	0.00	125.00	36060
19090	Kyley Rhodus	11/08/2019	Regular	0.00	500.00	36061
19025	Laurie Lee	11/08/2019	Regular	0.00	500.00	36062
19050	Leon Anderle	11/08/2019	Regular	0.00	250.00	36063
19017	Lester Waddel	11/08/2019	Regular	0.00	500.00	36064
19089	Judith Robinson	11/08/2019	Regular	0.00	500.00	36065
19044	Linda Killar	11/08/2019	Regular	0.00	75.00	36066
18981	Lorraine Canepa	11/08/2019	Regular	0.00	75.00	36067
19001	Lucia Chih	11/08/2019	Regular	0.00	500.00	36068
19037	Malcolm Colvin	11/08/2019	Regular	0.00	75.00	36069
19078	Margaret Alonas-Kool	11/08/2019	Regular	0.00	500.00	36070
19047	Margaret Miller	11/08/2019	Regular	0.00	75.00	36071
18991	Marijane D. Flagg	11/08/2019	Regular	0.00	125.00	36072
18979	Marjorie Abel	11/08/2019	Regular	0.00	225.00	36073
18997	Mary Goblirsch	11/08/2019	Regular	0.00	500.00	36074
18973	Mary Westerman	11/08/2019	Regular	0.00	125.00	36075
19013	Masheed Khani	11/08/2019	Regular	0.00	500.00	36076
19009	Masica M Denise Tr	11/08/2019	Regular	0.00	500.00	36077
18990	Melanie Johnson	11/08/2019	Regular	0.00	125.00	36078
19022	Melinda Bohen	11/08/2019	Regular	0.00	500.00	36079
19019	Melvin R. Kelly	11/08/2019	Regular	0.00	500.00	36080
18978	Meyer Del & Myrna G Trs	11/08/2019	Regular	0.00	75.00	36081
19046	MICHAEL DICKINSON	11/08/2019	Regular	0.00	75.00	36082
19036	Michael T. Mindigo	11/08/2019	Regular	0.00	150.00	36083
19065	Nicholas Newton	11/08/2019	Regular	0.00	500.00	36084
19002	Patricia Cardinali	11/08/2019	Regular	0.00	500.00	36085
19032	Patrick Stafford	11/08/2019	Regular	0.00	100.00	36086
19026	Patrick Stafford	11/08/2019	Regular	0.00	100.00	36087

EXHIBIT 6-B**Check Report****Date Range: 11/01/2019 - 11/30/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
19011	Paul S. Hayes	11/08/2019	Regular	0.00	500.00	36088
19068	Peter Berry	11/08/2019	Regular	0.00	500.00	36089
19005	Peter Speciale	11/08/2019	Regular	0.00	500.00	36090
19084	Rick Jelmini	11/08/2019	Regular	0.00	140.00	36091
18986	Robert Fukano	11/08/2019	Regular	0.00	125.00	36092
18993	Robert Simpson	11/08/2019	Regular	0.00	125.00	36093
18984	Robert Simpson	11/08/2019	Regular	0.00	75.00	36094
19015	Robert Stanton	11/08/2019	Regular	0.00	500.00	36095
19071	Ron Lemos	11/08/2019	Regular	0.00	500.00	36096
19027	Sarah Miller	11/08/2019	Regular	0.00	140.00	36097
18974	Sean Gorman	11/08/2019	Regular	0.00	150.00	36098
19054	Sheila Hiebert	11/08/2019	Regular	0.00	125.00	36099
19020	Shirley Gorman	11/08/2019	Regular	0.00	500.00	36100
18998	Stephanie Pastor	11/08/2019	Regular	0.00	500.00	36101
19085	Stephen Yu	11/08/2019	Regular	0.00	180.00	36102
18982	Stevan & Kynn Berardo	11/08/2019	Regular	0.00	75.00	36103
19057	Steve Honegger	11/08/2019	Regular	0.00	125.00	36104
19031	Susan Ragsdale Cronin	11/08/2019	Regular	0.00	179.10	36105
19061	Thomas Arbuckle	11/08/2019	Regular	0.00	500.00	36106
19041	Thomas M. Jacobs	11/08/2019	Regular	0.00	75.00	36107
18992	Tong Kim	11/08/2019	Regular	0.00	125.00	36108
19055	Tong Kim	11/08/2019	Regular	0.00	125.00	36109
19038	Valerie Jensen	11/08/2019	Regular	0.00	150.00	36110
19042	VK Associates	11/08/2019	Regular	0.00	75.00	36111
18996	Warren Ruhl	11/08/2019	Regular	0.00	500.00	36112
19007	William Haines	11/08/2019	Regular	0.00	500.00	36113
19030	William Taylor	11/08/2019	Regular	0.00	119.00	36114
19014	William Terry	11/08/2019	Regular	0.00	500.00	36115
Total Regular:					23,962.70	

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	120	120	0.00	35,650.20
Manual Checks	0	0	0.00	0.00
Voided Checks	0	28	0.00	-11,687.50
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	120	148	0.00	23,962.70

EXHIBIT 6-B

Check Report

Date Range: 11/01/2019 - 11/30/2019

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	303	253	0.00	423,280.18
Manual Checks	0	0	0.00	0.00
Voided Checks	0	29	0.00	-11,687.50
Bank Drafts	23	15	0.00	101,065.87
EFT's	0	0	0.00	0.00
	326	297	0.00	512,658.55

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	11/2019	512,658.55
			512,658.55



Monterey Peninsula Water Management Dist

Payroll Bank Transaction Report

By Payment Number

Date: 11/1/2019 - 11/30/2019

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
4731	11/08/2019	Regular	1024	Stoldt, David J	0.00	5,635.51	5,635.51
4732	11/08/2019	Regular	1025	Tavani, Arlene M	0.00	2,150.15	2,150.15
4733	11/08/2019	Regular	1044	Bennett, Corryn D	0.00	2,194.78	2,194.78
4734	11/08/2019	Regular	1018	Prasad, Suresh	0.00	3,983.84	3,983.84
4735	11/08/2019	Regular	1019	Reyes, Sara C	0.00	1,831.07	1,831.07
4736	11/08/2019	Regular	1075	Valencia, Mariel C	0.00	1,619.80	1,619.80
4737	11/08/2019	Regular	1042	Hamilton, Maureen C.	0.00	3,365.71	3,365.71
4738	11/08/2019	Regular	6063	Hampson, Larry M	0.00	3,899.59	3,899.59
4739	11/08/2019	Regular	1009	James, Gregory W	0.00	3,177.58	3,177.58
4740	11/08/2019	Regular	1011	Lear, Jonathan P	0.00	3,934.59	3,934.59
4741	11/08/2019	Regular	1012	Lindberg, Thomas L	0.00	2,591.51	2,591.51
4742	11/08/2019	Regular	1043	Suwada, Joseph	0.00	1,875.97	1,875.97
4743	11/08/2019	Regular	1045	Atkins, Daniel N	0.00	1,836.92	1,836.92
4744	11/08/2019	Regular	1004	Chaney, Beverly M	0.00	2,618.61	2,618.61
4745	11/08/2019	Regular	1005	Christensen, Thomas T	0.00	3,497.08	3,497.08
4746	11/08/2019	Regular	1007	Hamilton, Cory R	0.00	2,299.86	2,299.86
4747	11/08/2019	Regular	6067	Karo, Julia	0.00	884.17	884.17
4748	11/08/2019	Regular	6066	Lesse, Marina I	0.00	852.74	852.74
4749	11/08/2019	Regular	6064	Li, Trevin	0.00	872.95	872.95
4750	11/08/2019	Regular	1048	Lumas, Eric M	0.00	1,761.37	1,761.37
4751	11/08/2019	Regular	6065	Manos, Robert L	0.00	785.31	785.31
4752	11/08/2019	Regular	1026	Urquhart, Kevan A	0.00	2,302.08	2,302.08
4753	11/08/2019	Regular	1001	Bravo, Gabriela D	0.00	2,523.70	2,523.70
4754	11/08/2019	Regular	1076	Jakic, Tricia	0.00	1,224.14	1,224.14
4755	11/08/2019	Regular	1010	Kister, Stephanie L	0.00	2,775.47	2,775.47
4756	11/08/2019	Regular	1017	Locke, Stephanie L	0.00	3,557.92	3,557.92
4757	11/08/2019	Regular	1040	Smith, Kyle	0.00	2,225.46	2,225.46
4758	11/08/2019	Regular	1047	Timmer, Christopher	0.00	2,129.56	2,129.56
4759	11/18/2019	Regular	7015	Adams, Mary L	0.00	124.67	124.67
4760	11/18/2019	Regular	7014	Evans, Molly F	0.00	705.36	705.36
4761	11/18/2019	Regular	7017	Hoffmann, Gary D	0.00	498.69	498.69
4762	11/18/2019	Regular	7018	Riley, George T	0.00	622.53	622.53
4763	11/22/2019	Regular	1024	Stoldt, David J	0.00	5,635.51	5,635.51
4764	11/22/2019	Regular	1025	Tavani, Arlene M	0.00	2,150.16	2,150.16
4765	11/22/2019	Regular	1044	Bennett, Corryn D	0.00	2,194.78	2,194.78
4766	11/22/2019	Regular	1018	Prasad, Suresh	0.00	3,983.84	3,983.84
4767	11/22/2019	Regular	1019	Reyes, Sara C	0.00	1,831.06	1,831.06
4768	11/22/2019	Regular	1075	Valencia, Mariel C	0.00	1,619.80	1,619.80
4769	11/22/2019	Regular	1042	Hamilton, Maureen C.	0.00	3,365.71	3,365.71
4770	11/22/2019	Regular	6063	Hampson, Larry M	0.00	2,555.10	2,555.10
4771	11/22/2019	Regular	1009	James, Gregory W	0.00	3,177.58	3,177.58
4772	11/22/2019	Regular	1011	Lear, Jonathan P	0.00	3,934.59	3,934.59
4773	11/22/2019	Regular	1012	Lindberg, Thomas L	0.00	2,591.51	2,591.51
4774	11/22/2019	Regular	1043	Suwada, Joseph	0.00	1,875.98	1,875.98
4775	11/22/2019	Regular	1045	Atkins, Daniel N	0.00	1,836.93	1,836.93
4776	11/22/2019	Regular	1004	Chaney, Beverly M	0.00	2,618.61	2,618.61
4777	11/22/2019	Regular	1005	Christensen, Thomas T	0.00	3,429.31	3,429.31
4778	11/22/2019	Regular	1007	Hamilton, Cory R	0.00	2,299.86	2,299.86
4779	11/22/2019	Regular	6064	Li, Trevin	0.00	808.55	808.55
4780	11/22/2019	Regular	1048	Lumas, Eric M	0.00	1,761.37	1,761.37
4781	11/22/2019	Regular	1026	Urquhart, Kevan A	0.00	2,302.09	2,302.09
4782	11/22/2019	Regular	1001	Bravo, Gabriela D	0.00	2,523.70	2,523.70
4783	11/22/2019	Regular	1076	Jakic, Tricia	0.00	2,428.75	2,428.75
4784	11/22/2019	Regular	1010	Kister, Stephanie L	0.00	2,775.47	2,775.47
4785	11/22/2019	Regular	1017	Locke, Stephanie L	0.00	3,557.92	3,557.92
4786	11/22/2019	Regular	1040	Smith, Kyle	0.00	2,225.46	2,225.46
4787	11/22/2019	Regular	1047	Timmer, Christopher	0.00	1,944.72	1,944.72

EXHIBIT 6-C

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
36167	11/18/2019	Regular	7007	Byrne, Jeannie	498.69	0.00	498.69
36168	11/18/2019	Regular	7009	Edwards, Alvin	698.70	0.00	698.70
36169	11/18/2019	Regular	7004	Potter, David L	124.67	0.00	124.67
Total:					1,322.06	135,787.05	137,109.11

EXHIBIT 6-D

Monterey Peninsula Water Management Dist

Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2019-2020 Period Ending: 11/30/2019

Level...	November Activity	November 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	0	170,765	-170,765	0.00 %	1,000	2,050,000	-2,049,000	0.05 %
R130 - User Fees	557,395	416,500	140,895	133.83 %	1,596,521	5,000,000	-3,403,479	31.93 %
R140 - Connection Charges	49,756	33,320	16,436	149.33 %	181,895	400,000	-218,105	45.47 %
R150 - Permit Processing Fee	17,258	14,578	2,681	118.39 %	93,868	175,000	-81,132	53.64 %
R180 - River Work Permit Application	0	0	0	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	4,270	500	3,770	854.34 %	16,210	6,000	10,210	270.17 %
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	0	1,250	-1,250	0.00 %	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	11,106	14,994	-3,888	74.07 %	63,174	180,000	-116,826	35.10 %
R260 - CAW - ASR	0	40,376	-40,376	0.00 %	0	484,700	-484,700	0.00 %
R270 - CAW - Rebates	16,142	58,310	-42,168	27.68 %	114,672	700,000	-585,328	16.38 %
R290 - CAW - Miscellaneous	47,115	3,749	43,366	1,256.89 %	47,115	45,000	2,115	104.70 %
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	0	0	0	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:	703,041	1,502,678	-799,637	46.79 %	2,816,459	18,039,350	-15,222,891	15.61 %

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	191,898	229,458	37,560	83.63 %	1,005,799	2,754,600	1,748,801	36.51 %
1110 - Manager's Auto Allowance	462	500	38	92.34 %	2,308	6,000	3,692	38.47 %
1120 - Manager's Deferred Comp	714	783	69	91.20 %	3,572	9,400	5,828	38.00 %
1130 - Unemployment Compensation	0	250	250	0.00 %	2,457	3,000	543	81.90 %
1150 - Temporary Personnel	3,235	4,590	1,355	70.47 %	46,542	55,100	8,558	84.47 %
1160 - PERS Retirement	16,647	49,439	32,791	33.67 %	436,935	593,500	156,565	73.62 %
1170 - Medical Insurance	26,581	31,346	4,765	84.80 %	129,457	376,300	246,844	34.40 %
1180 - Medical Insurance - Retirees	10,309	6,497	-3,811	158.66 %	46,004	78,000	31,996	58.98 %
1190 - Workers Compensation	3,626	5,939	2,313	61.06 %	19,913	71,300	51,387	27.93 %
1200 - Life Insurance	270	392	122	68.96 %	1,409	4,700	3,292	29.97 %
1210 - Long Term Disability Insurance	1,051	1,266	215	83.00 %	5,217	15,200	9,983	34.33 %
1220 - Short Term Disability Insurance	209	283	75	73.66 %	1,036	3,400	2,364	30.46 %
1230 - Other Benefits	140	125	-15	112.04 %	350	1,500	1,150	23.33 %
1260 - Employee Assistance Program	54	125	71	43.26 %	263	1,500	1,237	17.55 %
1270 - FICA Tax Expense	1,037	683	-354	151.88 %	4,551	8,200	3,649	55.50 %
1280 - Medicare Tax Expense	2,734	3,407	673	80.24 %	15,747	40,900	25,153	38.50 %
1290 - Staff Development & Training	1,843	1,200	-644	153.65 %	3,640	14,400	10,760	25.28 %
1300 - Conference Registration	0	966	966	0.00 %	805	11,600	10,795	6.94 %
1310 - Professional Dues	150	208	58	72.03 %	200	2,500	2,300	8.00 %
1320 - Personnel Recruitment	45	250	205	18.01 %	550	3,000	2,450	18.35 %
Total Level1: 100 - Personnel Costs:	261,005	337,707	76,702	77.29 %	1,726,754	4,054,100	2,327,346	42.59 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	2,565	2,824	259	90.83 %	13,095	33,900	20,805	38.63 %
2020 - Board Expenses	0	425	425	0.00 %	995	5,100	4,105	19.51 %
2040 - Rent	2,130	1,933	-197	110.22 %	10,250	23,200	12,950	44.18 %
2060 - Utilities	2,567	2,766	199	92.82 %	13,456	33,200	19,744	40.53 %
2120 - Insurance Expense	5,847	5,423	-425	107.83 %	29,285	65,100	35,815	44.98 %
2130 - Membership Dues	1,310	2,782	1,472	47.08 %	27,320	33,400	6,080	81.80 %
2140 - Bank Charges	2,028	325	-1,704	624.37 %	8,014	3,900	-4,114	205.48 %
2150 - Office Supplies	1,934	1,449	-484	133.41 %	7,724	17,400	9,676	44.39 %
2160 - Courier Expense	396	508	112	77.93 %	2,676	6,100	3,424	43.87 %
2170 - Printing/Photocopy	0	42	42	0.00 %	0	500	500	0.00 %
2180 - Postage & Shipping	0	566	566	0.00 %	1,332	6,800	5,468	19.59 %
2190 - IT Supplies/Services	16,079	12,495	-3,584	128.68 %	97,252	150,000	52,748	64.83 %
2200 - Professional Fees	35,450	30,038	-5,412	118.02 %	137,206	360,600	223,394	38.05 %
2220 - Equipment Repairs & Maintenance	2,165	583	-1,582	371.33 %	4,285	7,000	2,715	61.21 %
2235 - Equipment Lease	-79	1,158	1,237	-6.86 %	5,270	13,900	8,630	37.91 %
2240 - Telephone	2,933	4,223	1,290	69.46 %	18,600	50,700	32,100	36.69 %
2260 - Facility Maintenance	4,328	3,432	-896	126.10 %	27,903	41,200	13,297	67.72 %
2270 - Travel Expenses	1,208	2,591	1,382	46.64 %	7,315	31,100	23,785	23.52 %

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	4,244	2,916	-1,329	145.57 %	14,273	35,000	20,727	40.78 %
2300 - Legal Services	30,941	33,320	2,379	92.86 %	87,120	400,000	312,880	21.78 %
2380 - Meeting Expenses	845	508	-337	166.29 %	1,752	6,100	4,348	28.72 %
2420 - Legal Notices	0	258	258	0.00 %	0	3,100	3,100	0.00 %
2460 - Public Outreach	0	208	208	0.00 %	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	1,474	1,408	-67	104.73 %	5,848	16,900	11,052	34.61 %
Total Level1: 200 - Supplies and Services:	118,366	114,096	-4,270	103.74 %	522,636	1,369,700	847,064	38.16 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	338,265	962,115	623,850	35.16 %	2,383,778	11,550,000	9,166,222	20.64 %
4000 - Fixed Asset Purchases	0	17,818	17,818	0.00 %	7,363	213,900	206,537	3.44 %
5000 - Debt Service	63,748	19,159	-44,589	332.73 %	63,748	230,000	166,252	27.72 %
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:	402,014	1,050,875	648,862	38.26 %	2,454,890	12,615,550	10,160,660	19.46 %
Total Expense:	781,384	1,502,678	721,293	52.00 %	4,704,280	18,039,350	13,335,070	26.08 %
Report Total:	-78,344	0	-78,344		-1,887,821	0	-1,887,821	

EXHIBIT 6-D

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2019-2020 Period Ending: 11/30/2019

Fund Summary

Fund	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	112,777	0	112,777		-406,158	0	-406,158	
26 - CONSERVATION FUND	25,115	0	25,115		-178,038	0	-178,038	
35 - WATER SUPPLY FUND	-216,235	0	-216,235		-1,303,625	0	-1,303,625	
Report Total:	-78,344	0.01	-78,344		-1,887,821	0	-1,887,821	

EXHIBIT 6-D

Monterey Peninsula Water Management Dist

Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2019-2020 Period Ending: 11/30/2019

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 24 - MITIGATION FUND								
Revenue								
R130 - User Fees	344,326	256,564	87,762	134.21 %	988,448	3,080,000	-2,091,552	32.09 %
R180 - River Work Permit Application	0	0	0	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	5,278	4,165	1,113	126.72 %	7,717	50,000	-42,283	15.43 %
R290 - CAW - Miscellaneous	47,115	3,749	43,366	1,256.89 %	47,115	45,000	2,115	104.70 %
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:	396,719	372,393	24,326	-106.53 %	1,045,691	4,470,500	-3,424,809	23.39 %

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	75,075	88,889	13,814	84.46 %	392,655	1,067,100	674,445	36.80 %
1110 - Manager's Auto Allowance	92	75	-17	123.12 %	462	900	438	51.29 %
1120 - Manager's Deferred Comp	143	117	-26	122.47 %	715	1,400	685	51.04 %
1130 - Unemployment Compensation	0	100	100	0.00 %	2,030	1,200	-830	169.20 %
1150 - Temporary Personnel	1,326	1,883	556	70.44 %	11,492	22,600	11,108	50.85 %
1160 - PERS Retirement	6,467	19,092	12,625	33.87 %	169,759	229,200	59,441	74.07 %
1170 - Medical Insurance	10,670	12,895	2,225	82.75 %	53,465	154,800	101,335	34.54 %
1180 - Medical Insurance - Retirees	4,227	2,666	-1,561	158.56 %	18,843	32,000	13,157	58.88 %
1190 - Workers Compensation	2,156	3,390	1,235	63.58 %	11,899	40,700	28,801	29.24 %
1200 - Life Insurance	114	158	44	71.98 %	595	1,900	1,305	31.33 %
1210 - Long Term Disability Insurance	422	508	86	83.06 %	2,129	6,100	3,971	34.91 %
1220 - Short Term Disability Insurance	84	108	24	77.40 %	423	1,300	877	32.52 %
1230 - Other Benefits	57	50	-7	114.85 %	144	600	457	23.92 %
1260 - Employee Assistance Program	22	42	20	52.27 %	109	500	391	21.84 %
1270 - FICA Tax Expense	646	308	-338	209.60 %	2,930	3,700	770	79.19 %
1280 - Medicare Tax Expense	1,145	1,316	171	87.00 %	6,514	15,800	9,286	41.23 %
1290 - Staff Development & Training	764	375	-389	203.80 %	1,399	4,500	3,101	31.09 %
1300 - Conference Registration	0	317	317	0.00 %	239	3,800	3,561	6.29 %
1310 - Professional Dues	150	67	-83	225.09 %	150	800	650	18.75 %
1320 - Personnel Recruitment	0	100	100	0.00 %	114	1,200	1,086	9.51 %
Total Level1: 100 - Personnel Costs:	103,559	132,455	28,896	78.18 %	676,066	1,590,100	914,034	42.52 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	871	1,158	287	75.20 %	4,382	13,900	9,518	31.53 %
2020 - Board Expenses	0	175	175	0.00 %	408	2,100	1,692	19.42 %
2040 - Rent	985	891	-94	110.55 %	4,727	10,700	5,973	44.18 %
2060 - Utilities	1,058	1,141	84	92.67 %	5,543	13,700	8,157	40.46 %
2120 - Insurance Expense	2,397	2,224	-173	107.79 %	11,987	26,700	14,713	44.90 %
2130 - Membership Dues	537	975	438	55.11 %	11,035	11,700	665	94.31 %
2140 - Bank Charges	873	133	-739	654.73 %	3,286	1,600	-1,686	205.35 %
2150 - Office Supplies	760	583	-177	130.42 %	2,296	7,000	4,704	32.80 %
2160 - Courier Expense	162	208	46	77.96 %	1,097	2,500	1,403	43.89 %
2170 - Printing/Photocopy	0	17	17	0.00 %	0	200	200	0.00 %
2180 - Postage & Shipping	0	233	233	0.00 %	546	2,800	2,254	19.51 %
2190 - IT Supplies/Services	6,592	5,123	-1,469	128.68 %	39,870	61,500	21,630	64.83 %
2200 - Professional Fees	14,534	12,320	-2,214	117.97 %	56,240	147,900	91,660	38.03 %
2220 - Equipment Repairs & Maintenance	888	242	-646	367.48 %	1,735	2,900	1,165	59.84 %
2235 - Equipment Lease	-33	475	507	-6.86 %	2,168	5,700	3,532	38.04 %
2240 - Telephone	1,321	1,716	395	76.98 %	8,588	20,600	12,012	41.69 %
2260 - Facility Maintenance	1,722	1,416	-306	121.59 %	9,373	17,000	7,627	55.14 %
2270 - Travel Expenses	1,282	783	-499	163.67 %	3,503	9,400	5,897	37.26 %

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	3,804	1,308	-2,496	290.84 %	11,750	15,700	3,950	74.84 %
2300 - Legal Services	11,063	9,996	-1,067	110.67 %	31,100	120,000	88,900	25.92 %
2380 - Meeting Expenses	300	208	-92	144.26 %	672	2,500	1,828	26.89 %
2420 - Legal Notices	0	108	108	0.00 %	0	1,300	1,300	0.00 %
2460 - Public Outreach	0	83	83	0.00 %	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	379	183	-195	206.64 %	682	2,200	1,518	31.00 %
Total Level1: 200 - Supplies and Services:	49,495	42,283	-7,212	117.06 %	211,664	507,600	295,936	41.70 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	130,888	155,908	25,021	83.95 %	561,211	1,871,650	1,310,439	29.98 %
4000 - Fixed Asset Purchases	0	8,447	8,447	0.00 %	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:	130,888	197,654	66,767	66.22 %	564,119	2,372,800	1,808,681	23.77 %
Total Expense:	283,942	372,393	88,450	76.25 %	1,451,849	4,470,500	3,018,651	32.48 %
Total Revenues	396,719	372,393	24,326	-106.53 %	1,045,691	4,470,500	-3,424,809	-23.39 %
Total Fund: 24 - MITIGATION FUND:	112,777	0	112,777		-406,158	0	-406,158	

EXHIBIT 6-D

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2019-2020 Period Ending: 11/30/2019

Level...	November Activity	November 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	133,385	99,960	33,425	133.44 %	381,238	1,200,000	-818,762	31.77 %
R150 - Permit Processing Fee	17,258	14,578	2,681	118.39 %	93,868	175,000	-81,132	53.64 %
R200 - Recording Fees	4,270	500	3,770	854.34 %	16,210	6,000	10,210	270.17 %
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	0	417	-417	0.00 %	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	1,147	3,332	-2,185	34.41 %	9,381	40,000	-30,619	23.45 %
R270 - CAW - Rebates	16,142	58,310	-42,168	27.68 %	114,672	700,000	-585,328	16.38 %
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:	172,202	220,912	-48,710	-77.95 %	617,021	2,652,000	-2,034,979	23.27 %

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	38,508	57,494	18,986	66.98 %	204,091	690,200	486,109	29.57 %
1110 - Manager's Auto Allowance	92	125	33	73.87 %	462	1,500	1,038	30.78 %
1120 - Manager's Deferred Comp	143	200	57	71.44 %	715	2,400	1,685	29.77 %
1130 - Unemployment Compensation	0	67	67	0.00 %	188	800	612	23.50 %
1150 - Temporary Personnel	841	1,191	350	70.60 %	25,799	14,300	-11,499	180.42 %
1160 - PERS Retirement	3,399	11,604	8,204	29.30 %	95,799	139,300	43,501	68.77 %
1170 - Medical Insurance	6,152	8,455	2,302	72.77 %	27,314	101,500	74,186	26.91 %
1180 - Medical Insurance - Retirees	2,680	1,691	-989	158.50 %	11,999	20,300	8,301	59.11 %
1190 - Workers Compensation	148	317	168	46.86 %	792	3,800	3,008	20.85 %
1200 - Life Insurance	49	83	34	58.78 %	253	1,000	747	25.30 %
1210 - Long Term Disability Insurance	226	325	98	69.69 %	1,063	3,900	2,837	27.24 %
1220 - Short Term Disability Insurance	45	75	30	60.02 %	211	900	689	23.43 %
1230 - Other Benefits	36	33	-3	109.24 %	91	400	309	22.75 %
1260 - Employee Assistance Program	13	33	21	37.67 %	56	400	344	13.95 %
1270 - FICA Tax Expense	51	58	7	88.29 %	265	700	435	37.92 %
1280 - Medicare Tax Expense	562	858	296	65.51 %	3,297	10,300	7,003	32.01 %
1290 - Staff Development & Training	1,048	458	-590	228.70 %	1,455	5,500	4,045	26.46 %
1300 - Conference Registration	0	392	392	0.00 %	305	4,700	4,395	6.50 %
1310 - Professional Dues	0	75	75	0.00 %	50	900	850	5.56 %
1320 - Personnel Recruitment	45	67	22	67.53 %	344	800	456	43.06 %
Total Level1: 100 - Personnel Costs:	54,040	83,600	29,560	64.64 %	374,550	1,003,600	629,050	37.32 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	830	733	-97	113.26 %	4,281	8,800	4,519	48.65 %
2020 - Board Expenses	0	108	108	0.00 %	259	1,300	1,041	19.90 %
2040 - Rent	230	217	-14	106.24 %	1,151	2,600	1,450	44.25 %
2060 - Utilities	653	691	39	94.41 %	3,423	8,300	4,877	41.24 %
2120 - Insurance Expense	1,520	1,408	-113	108.00 %	7,649	16,900	9,251	45.26 %
2130 - Membership Dues	341	1,025	684	33.24 %	7,404	12,300	4,896	60.19 %
2140 - Bank Charges	553	83	-470	664.32 %	2,084	1,000	-1,084	208.35 %
2150 - Office Supplies	550	383	-167	143.58 %	3,569	4,600	1,031	77.59 %
2160 - Courier Expense	103	133	30	77.25 %	696	1,600	904	43.49 %
2170 - Printing/Photocopy	0	8	8	0.00 %	0	100	100	0.00 %
2180 - Postage & Shipping	0	142	142	0.00 %	346	1,700	1,354	20.37 %
2190 - IT Supplies/Services	4,180	3,249	-932	128.68 %	25,293	39,000	13,707	64.85 %
2200 - Professional Fees	9,217	7,797	-1,420	118.21 %	35,704	93,600	57,896	38.14 %
2220 - Equipment Repairs & Maintenance	563	150	-413	375.45 %	1,156	1,800	644	64.24 %
2235 - Equipment Lease	-21	300	321	-6.88 %	1,374	3,600	2,226	38.16 %
2240 - Telephone	786	1,066	280	73.73 %	4,723	12,800	8,077	36.90 %
2260 - Facility Maintenance	1,092	866	-226	126.04 %	9,219	10,400	1,181	88.64 %
2270 - Travel Expenses	130	1,141	1,011	11.37 %	2,242	13,700	11,458	16.37 %

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	22	317	295	6.92 %	983	3,800	2,817	25.87 %
2300 - Legal Services	9,597	4,998	-4,599	192.02 %	23,429	60,000	36,571	39.05 %
2380 - Meeting Expenses	264	125	-139	211.04 %	499	1,500	1,001	33.29 %
2420 - Legal Notices	0	50	50	0.00 %	0	600	600	0.00 %
2460 - Public Outreach	0	58	58	0.00 %	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	1,096	1,050	-46	104.39 %	5,152	12,600	7,448	40.89 %
Total Level1: 200 - Supplies and Services:	31,706	26,639	-5,067	119.02 %	141,063	319,800	178,737	44.11 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	61,340	96,295	34,955	63.70 %	277,494	1,156,000	878,506	24.00 %
4000 - Fixed Asset Purchases	0	4,240	4,240	0.00 %	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:	61,340	110,672	49,332	55.42 %	279,446	1,328,600	1,049,154	21.03 %
Total Expense:	147,087	220,912	73,825	66.58 %	795,059	2,652,000	1,856,941	29.98 %
Total Revenues	172,202	220,912	-48,710	-77.95 %	617,021	2,652,000	-2,034,979	-23.27 %
Total Fund: 26 - CONSERVATION FUND:	25,115	0	25,115		-178,038	0	-178,038	

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November 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	0	149,940	-149,940	0.00 %	1,000	1,800,000	-1,799,000	0.06 %
R130 - User Fees	79,683	59,976	19,707	132.86 %	226,835	720,000	-493,165	31.50 %
R140 - Connection Charges	49,756	33,320	16,436	149.33 %	181,895	400,000	-218,105	45.47 %
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	4,681	7,497	-2,816	62.44 %	46,076	90,000	-43,924	51.20 %
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	0	0	0	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:	134,120	909,374	-775,253	-14.75 %	1,153,747	10,916,850	-9,763,103	10.57 %

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	78,315	83,075	4,760	94.27 %	409,052	997,300	588,248	41.02 %
1110 - Manager's Auto Allowance	277	300	23	92.34 %	1,385	3,600	2,215	38.47 %
1120 - Manager's Deferred Comp	429	466	38	91.86 %	2,143	5,600	3,457	38.26 %
1130 - Unemployment Compensation	0	83	83	0.00 %	239	1,000	761	23.86 %
1150 - Temporary Personnel	1,067	1,516	449	70.41 %	9,250	18,200	8,950	50.82 %
1160 - PERS Retirement	6,781	18,743	11,962	36.18 %	171,377	225,000	53,623	76.17 %
1170 - Medical Insurance	9,758	9,996	238	97.62 %	48,678	120,000	71,323	40.56 %
1180 - Medical Insurance - Retirees	3,402	2,141	-1,261	158.90 %	15,162	25,700	10,538	59.00 %
1190 - Workers Compensation	1,322	2,232	910	59.24 %	7,221	26,800	19,579	26.94 %
1200 - Life Insurance	107	150	43	71.44 %	560	1,800	1,240	31.13 %
1210 - Long Term Disability Insurance	402	433	31	92.90 %	2,026	5,200	3,174	38.95 %
1220 - Short Term Disability Insurance	80	100	20	79.83 %	402	1,200	798	33.50 %
1230 - Other Benefits	46	42	-5	110.92 %	116	500	385	23.10 %
1260 - Employee Assistance Program	20	50	30	39.48 %	98	600	502	16.37 %
1270 - FICA Tax Expense	340	317	-23	107.40 %	1,356	3,800	2,444	35.68 %
1280 - Medicare Tax Expense	1,027	1,233	206	83.28 %	5,935	14,800	8,865	40.10 %
1290 - Staff Development & Training	31	367	335	8.55 %	786	4,400	3,614	17.86 %
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	0	83	83	0.00 %	92	1,000	908	9.18 %
Total Level1: 100 - Personnel Costs:	103,405	121,651	18,246	85.00 %	676,138	1,460,400	784,262	46.30 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	864	933	69	92.61 %	4,432	11,200	6,768	39.57 %
2020 - Board Expenses	0	142	142	0.00 %	328	1,700	1,372	19.31 %
2040 - Rent	915	825	-90	110.90 %	4,373	9,900	5,527	44.17 %
2060 - Utilities	857	933	76	91.82 %	4,490	11,200	6,710	40.09 %
2120 - Insurance Expense	1,930	1,791	-139	107.75 %	9,648	21,500	11,852	44.88 %
2130 - Membership Dues	432	783	351	55.21 %	8,882	9,400	518	94.49 %
2140 - Bank Charges	602	108	-494	556.26 %	2,644	1,300	-1,344	203.42 %
2150 - Office Supplies	623	483	-140	128.97 %	1,859	5,800	3,941	32.05 %
2160 - Courier Expense	131	167	36	78.44 %	883	2,000	1,117	44.15 %
2170 - Printing/Photocopy	0	17	17	0.00 %	0	200	200	0.00 %
2180 - Postage & Shipping	0	192	192	0.00 %	440	2,300	1,860	19.11 %
2190 - IT Supplies/Services	5,306	4,123	-1,183	128.68 %	32,089	49,500	17,411	64.83 %
2200 - Professional Fees	11,698	9,921	-1,777	117.92 %	45,263	119,100	73,837	38.00 %
2220 - Equipment Repairs & Maintenance	715	192	-523	372.94 %	1,393	2,300	907	60.55 %
2235 - Equipment Lease	-26	383	409	-6.84 %	1,728	4,600	2,872	37.56 %
2240 - Telephone	826	1,441	615	57.34 %	5,288	17,300	12,012	30.57 %
2260 - Facility Maintenance	1,514	1,150	-365	131.71 %	9,310	13,800	4,490	67.47 %
2270 - Travel Expenses	-203	666	869	-30.47 %	1,570	8,000	6,430	19.63 %

EXHIBIT 6-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 11/30/2019**

Level...	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	419	1,291	873	32.42 %	1,539	15,500	13,961	9.93 %
2300 - Legal Services	10,281	18,326	8,045	56.10 %	32,590	220,000	187,410	14.81 %
2380 - Meeting Expenses	281	175	-106	160.54 %	580	2,100	1,520	27.62 %
2420 - Legal Notices	0	100	100	0.00 %	0	1,200	1,200	0.00 %
2460 - Public Outreach	0	67	67	0.00 %	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	0	175	175	0.00 %	15	2,100	2,085	0.70 %
Total Level1: 200 - Supplies and Services:	37,164	45,174	8,010	82.27 %	169,909	542,300	372,391	31.33 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	146,038	709,912	563,874	20.57 %	1,545,073	8,522,350	6,977,277	18.13 %
4000 - Fixed Asset Purchases	0	5,131	5,131	0.00 %	2,503	61,600	59,097	4.06 %
5000 - Debt Service	63,748	19,159	-44,589	332.73 %	63,748	230,000	166,252	27.72 %
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:	209,786	742,549	532,763	28.25 %	1,611,325	8,914,150	7,302,825	18.08 %
Total Expense:	350,355	909,374	559,018	38.53 %	2,457,373	10,916,850	8,459,477	22.51 %
Total Revenues	134,120	909,374	-775,253	-14.75 %	1,153,747	10,916,850	-9,763,103	-10.57 %
Total Fund: 35 - WATER SUPPLY FUND:	-216,235	0	-216,235		-1,303,625	0	-1,303,625	
Report Total:	-78,344	0	-78,344		-1,887,821	0	-1,887,821	

EXHIBIT 6-D

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2019-2020 Period Ending: 11/30/2019

Fund Summary

Fund	November Activity	November Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	112,777	0	112,777		-406,158	0	-406,158	
26 - CONSERVATION FUND	25,115	0	25,115		-178,038	0	-178,038	
35 - WATER SUPPLY FUND	-216,235	0	-216,235		-1,303,625	0	-1,303,625	
Report Total:	-78,344	0.01	-78,344		-1,887,821	0	-1,887,821	

ITEM: CONSENT CALENDAR

7. RECEIVE PENSION REPORTING STANDARDS GOVERNMENT ACCOUNTING STANDARDS BOARD STATEMENT NO. 68 ACCOUNTING VALUATION REPORT

Meeting Date: January 23, 2020 **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: The Administrative Committee reviewed this item on January 15, 2020 and recommended the Board receive the GASB 68 Accounting Valuation Report prepared by CalPERS.

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

SUMMARY: In June 2012, the Government Accounting Standards Board (GASB) approved a new reporting statement, GASB Statement No. 68 (GASB 68), that improved the financial reporting of pensions by local governments. GASB 68, formally titled *Accounting and Financial Reporting for Pensions*, establishes new accounting and financial reporting standards for local governments that provide their employees with pensions. The new standard requires government agencies to report pension information to increase transparency about pension costs to help decision makers factor in the financial impact of total pension obligations. GASB 68 must be implemented by June 30, 2015. The District complied with this requirement with the FY 2014-2015 Comprehensive Annual Financial Report (CAFR). It is noteworthy to mention that the GASB 68 standard only applies to reporting the liability and does not stipulate any requirement for funding the liability.

District's Net Pension Liability as of June 30, 2018 is estimated at \$5,114,655. See calculation below:

	Miscellaneous Risk Pool	Allocation Factor	MPWMD Share
Total Pension Liability	\$16,891,153,209	0.0011712	\$19,782,918
Risk Pool Fiduciary Net Position	\$13,122,440,092	0.0011178	\$14,668,263
Net Pension Liability/(Asset)	\$ 3,768,713,117		\$ 5,114,655

In comparison, District's Net Pension Liability as of June 30, 2017 was estimated at \$5,202,822. It is to be noted that the Net Pension Liability can change significantly from year to year based on the market conditions and the position of the District's Fiduciary Net Position (District's Market Value of Assets). For example, if the actual CalPERS investment earnings rate increases over the projected annual rate of investment return (currently set at 7%), then for the same future pension obligations, the unfunded Net Pension Liability would go down.

The District's outside auditing firm, Hayashi & Wayland, provided staff with guidance on how to conform to the GASB 68 requirements. Hayashi & Wayland provided a final opinion on the appropriateness of the GASB 68 allocation that was presented in the FY 2018-2019 Comprehensive Annual Financial Report.

The pension liability reported in the Annual Financial Report for GASB 68 purposes does not impact the District's budget. The District's annual budget process will continue to use the annual pension costs that are provided by CalPERS in the actuarial valuation report in the July timeframe each year. This report provides the employer contribution rate that is used to determine the annual pension cost for the District.

RECOMMENDATION: District staff recommends that the Board receive the GASB 68 Accounting Valuation Report prepared by CalPERS.

BACKGROUND: Local governments with pensions have a total pension liability, which is the obligation to pay deferred pension benefits in the future. When the total pension liability is greater than the pension plan's assets there is a net pension liability, also known as unfunded pension liability. GASB 68 now requires governments to report their net pension liability on their government-wide financial statements, as well as in the proprietary fund statements, in the Annual Financial Report. Government-wide financial statements report information about the government as a whole without displaying individual funds or fund types. Prior to GASB 68 the net pension liability was reported in the annual actuarial report provided by CalPERS, but not in the government agency Annual Financial Report.

The new GASB 68 reporting requirements will impact the Annual Financial Report on an annual basis going forward. As with past practice, the District will continue to pay the annual required contribution for the pension liabilities as identified in the annual CalPERS actuarial report. The actuarial report, which informs the District of its FY 2020-2021 pension payments and rates, was released in July 2019. There will be a small discrepancy between the reports since the GASB 68 reports are based on actuarial analysis using employee census data that is two years in arrears while the July actuarial reports are based on current calendar year employee census data.

The annual contribution rate prescribed by CalPERS includes amortization of the unfunded Net Pension Liability. Other strategies to reduce the unfunded liability might include a borrowing to increase the District's Market Value of Assets, which would require annual debt repayments, or increased annual contributions over and above the annual contribution calculated by CalPERS. Neither approach would ensure the unfunded liability would not continue to vary in its calculation going forward.

Beginning with the fiscal year 2018-2019 budget, District has started setting aside funds towards the unfunded pension and other postemployment benefits (OPEB). With each budget cycle, staff will continue to recommend adding additional funds to these reserve accounts.

EXHIBIT

7-A GASB 68 Accounting Valuation Report



GASB 68 Accounting Report

**Prepared for
Miscellaneous
Risk Pool,
a Cost-Sharing Multiple-Employer
Defined Benefit Pension Plan**

Measurement Date of June 30, 2018

EXHIBIT 7-A

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Appendix A – Risk Pool Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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Appendix B – Interest and Total Projected Earnings

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Appendix C – Schedule of Collective Pension Amounts

Schedule of Collective Pension Amounts for PERF C, as of the Measurement Date June 30, 2018	C-1
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EXHIBIT 7-A

Actuarial Certification

This report provides disclosure and reporting information as required under Governmental Accounting Standards Board Statement 68 (GASB 68) for the Miscellaneous Risk Pool, which is part of the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (PERF C) administered by the California Public Employees' Retirement System (CalPERS), for the measurement period ended June 30, 2018.

This report is to be viewed solely for the purpose of financial accounting requirements. Any usage of the contents provided in this report for purposes other than financial accounting requirements would be inappropriate.

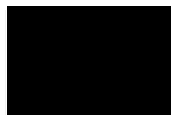
This accounting report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2017 annual funding valuation. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2017 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2017 liabilities, which were rolled forward to June 30, 2018 and used for this accounting report, are based on actuarial assumptions adopted by the CalPERS Board of Administration and consistent with the requirements of GASB 68. The assumptions and methods are internally consistent and reasonable for PERF C. The asset information used in this accounting report is provided by the CalPERS Financial Office.

With the provided liability and asset information, the total pension liability, net pension liability, deferred inflows and outflows and pension expense were developed for the measurement period using standard actuarial techniques.

The undersigned are actuaries for CalPERS, who are members of the American Academy of Actuaries and the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



CHYNA KWOK, FSA, EA, FCA, MAAA
Senior Pension Actuary, CalPERS
CalPERS Actuarial Office



CHEUK KIU (JET) AU, ASA, MAAA
Senior Pension Actuary, CalPERS
CalPERS Actuarial Office

EXHIBIT 7-A

Introduction

This is the GASB 68 accounting report for the Miscellaneous Risk Pool for the measurement date June 30, 2018. The public agency cost-sharing multiple-employer defined benefit pension plan (PERF C or the Plan) is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. Each employer should combine information provided for their participation in the miscellaneous and/or safety pools to report them as one Plan in their financial statements.

GASB 68 requires 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, 2017
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018

EXHIBIT 7-A

Changes in the Miscellaneous Risk Pool Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Risk Pool Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at: 06/30/2017	\$16,016,547,402	\$12,074,499,781	\$3,942,047,621
Beginning of Year Adjustment	\$0	\$0	\$0
Adjusted Balance at: 06/30/2017	\$16,016,547,402	\$12,074,499,781	\$3,942,047,621
Changes Recognized for the Measurement Period:			
Service Cost	\$407,076,006		\$407,076,006
Interest on Total Pension Liability	1,137,707,944		1,137,707,944
Changes of Benefit Terms	668,327		668,327
Changes of Assumptions	(142,903,842)		(142,903,842)
Differences between Expected and Actual Experience	196,241,321		196,241,321
Net Plan to Plan Resource Movement		\$117,542,123	(117,542,123)
Contributions – Employer		499,847,617	(499,847,617)
Contributions – Employees		176,831,116	(176,831,116)
Net Investment Income		1,031,712,614	(1,031,712,614)
Benefit Payments, including Refunds of Employee Contributions	(724,183,949)	(724,183,949)	0
Administrative Expense		(18,561,192)	18,561,192
Other Miscellaneous Income/(Expense) ¹		(35,248,018)	35,248,018
Net Changes during 2017-18	\$874,605,807	\$1,047,940,311	\$(173,334,504)
Balance at: 06/30/2018	\$16,891,153,209	\$13,122,440,092	\$3,768,713,117

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Risk Pool's Net Pension Liability/(Asset)	\$6,053,599,297	\$3,768,713,117	\$1,882,577,074

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

EXHIBIT 7-A

Pension Expense/(Income) for Measurement Period Ended June 30, 2018

Description	Amount
Service Cost	\$407,076,006
Interest on Total Pension Liability	1,137,707,944
Changes of Benefit Terms	668,327
Recognized Changes of Assumptions	150,123,868
Recognized Differences between Expected and Actual Experience	29,063,689
Net Plan to Plan Resource Movement	(117,542,123)
Employee Contributions	(176,831,116)
Projected Earnings on Pension Plan Investments	(862,225,876)
Recognized Differences between Projected and Actual Earnings on Plan Investments	(36,968,261)
Administrative Expense	18,561,192
Other Miscellaneous (Income)/Expense ¹	35,248,018
Total Pension Expense/(Income)	\$584,881,668

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Note: Employers should also include changes in proportion and differences between actual and proportionate share of contributions in the pension expense computation.

EXHIBIT 7-A

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The following table presents deferred outflows and deferred inflows of resources related to pensions as of June 30, 2018. Note that no adjustments have been made for contributions subsequent to the measurement date. Appropriate treatment of any contributions made after the measurement date is the responsibility of the employer. Employers are also responsible for determining the difference between the employers' actual and allocated contributions and changes in proportion.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$429,644,509	\$(105,297,568)
Differences between Expected and Actual Experience	144,598,868	(49,206,108)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	18,631,550	0
Total	\$592,874,927	\$(154,503,676)

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

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	\$370,302,019
2020	214,375,541
2021	(112,408,963)
2022	(33,897,346)
2023	0
Thereafter	0

Note: For employers with June 30 year-end, the fiscal year will be one year later than the measurement period. For example, the 2019 measurement period presented in the above table will be listed as year 2020 in the employer's fiscal year ending June 30, 2019 financial statements.

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for PERF C for the measurement date ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

EXHIBIT 7-A

Required Supplementary Information

Summary of Changes of Benefits or Assumptions

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes 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.

Employers should refer to CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, which may be accessed on the CalPERS website at www.calpers.ca.gov, to obtain the required supplementary information for proper financial reporting.

Appendices

- **Appendix A – Risk Pool Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**
- **Appendix B – Interest and Total Projected Earnings**
- **Appendix C – Schedule of Collective Pension Amounts**

Appendix A

Risk Pool Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

- Schedule of Changes of Assumptions
- Deferred Outflows of Resources and Deferred Inflows of Resources arising from Changes of Assumptions
- Schedule of Differences between Expected and Actual Experience
- Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Expected and Actual Experience
- Schedule of Differences between Projected and Actual Earnings on Pension Plan Investments
- Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Projected and Actual Earnings on Pension Plan Investments
- Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

EXHIBIT 7-A

Schedule of Changes of Assumptions

Increase (Decrease) in Pension Expense arising from the Recognition of the Effects of Changes of Assumptions

Measurement Date	Changes of Assumptions	Remaining Recognition Period (Years)	2018	2019	2020	2021	2022	2023	Thereafter
2014	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(242,065,946)	0.8	(50,961,251)	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2017	907,027,295	2.8	238,691,393	238,691,393	190,953,116	0	0	0	0
2018	(142,903,842)	3.8	(37,606,274)	(37,606,274)	(37,606,274)	(30,085,020)	0	0	0
Net Increase (Decrease) in Pension Expense			\$150,123,868	\$201,085,119	\$153,346,842	\$(30,085,020)	\$0	\$0	\$0

EXHIBIT 7-A

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Changes of Assumptions

Measurement Date	Increase in Total Pension Liability (a)	Decrease in Total Pension Liability (b)	Amounts Recognized in Pension Expense through June 30, 2018 (c)	Balances at June 30, 2018	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0	\$0
2015	0	(242,065,946)	(242,065,946)	0	0
2016	0	0	0	0	0
2017	907,027,295	0	477,382,786	429,644,509	0
2018	0	(142,903,842)	(37,606,274)	0	(105,297,568)
				\$429,644,509	\$(105,297,568)

EXHIBIT 7-A

Schedule of Differences between Expected and Actual Experience

Increase (Decrease) in Pension Expense arising from the Recognition of the Effects of Differences between Expected and Actual Experience									
Measurement Date	Differences between Expected and Actual Experience	Remaining Recognition Period (Years)	2018	2019	2020	2021	2022	2023	Thereafter
2014	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	25,585,821	0.8	5,386,488	0	0	0	0	0	0
2016	(3,805,440)	1.7	(1,028,497)	(719,949)	0	0	0	0	0
2017	(102,359,669)	2.8	(26,936,755)	(26,936,755)	(21,549,404)	0	0	0	0
2018	196,241,321	3.8	51,642,453	51,642,453	51,642,453	41,313,962	0	0	0
Net Increase (Decrease) in Pension Expense			\$29,063,689	\$23,985,749	\$30,093,049	\$41,313,962	\$0	\$0	\$0

EXHIBIT 7-A

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Expected and Actual Experience

Measurement Date	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense through June 30, 2018 (c)	Balances at June 30, 2018	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0	\$0
2015	25,585,821	0	25,585,821	0	0
2016	0	(3,805,440)	(3,085,491)	0	(719,949)
2017	0	(102,359,669)	(53,873,510)	0	(48,486,159)
2018	196,241,321	0	51,642,453	144,598,868	0
				\$144,598,868	\$(49,206,108)

EXHIBIT 7-A

Schedule of Differences between Projected and Actual Earnings on Pension Plan Investments

Increase (Decrease) in Pension Expense arising from the Recognition of the Differences between Projected and Actual Earnings on Pension Plan Investments

Measurement Date	Differences between Projected and Actual Earnings on Pension Plan Investments	Remaining Recognition Period (Years)	2018	2019	2020	2021	2022	2023	Thereafter
2014	\$(910,997,066)	1.0	\$(182,199,414)	\$0	\$0	\$0	\$0	\$0	\$0
2015	571,477,513	2.0	114,295,503	114,295,501	0	0	0	0	0
2016	772,867,770	3.0	154,573,554	154,573,554	154,573,554	0	0	0	0
2017	(448,702,781)	4.0	(89,740,556)	(89,740,556)	(89,740,556)	(89,740,557)	0	0	0
2018	(169,486,738)	5.0	(33,897,348)	(33,897,348)	(33,897,348)	(33,897,348)	(33,897,346)	0	0
Net Increase (Decrease) in Pension Expense			\$(36,968,261)	\$145,231,151	\$30,935,650	\$(123,637,905)	\$(33,897,346)	\$0	\$0

EXHIBIT 7-A

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Projected and Actual Earnings on Pension Plan Investments

Measurement Date	Investment Earnings less than Projected (a)	Investment Earnings greater than Projected (b)	Amounts Recognized in Pension Expense through June 30, 2018 (c)	Balances at June 30, 2018	
				Deferred Outflows of Resources (d) = (a) – (c)	Deferred Inflows of Resources (e) = (b) – (c)
2014	\$0	\$(910,997,066)	\$(910,997,066)	\$0	\$0
2015	571,477,513	0	457,182,012	114,295,501	0
2016	772,867,770	0	463,720,662	309,147,108	0
2017	0	(448,702,781)	(179,481,112)	0	(269,221,669)
2018	0	(169,486,738)	(33,897,348)	0	(135,589,390)
				\$423,442,609	\$(404,811,059)
				Net Deferred Outflows/(Inflows) of Resources	
				(d) + (e)	
				\$18,631,550	

Note: GASB 68 paragraph 33 requires that deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and reported as a net deferred outflow or inflow.

EXHIBIT 7-A

Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

	Net Increase (Decrease) in Pension Expense						
	2018	2019	2020	2021	2022	2023	Thereafter
Changes of Assumptions	\$150,123,868	\$201,085,119	\$153,346,842	\$(30,085,020)	\$0	\$0	\$0
Differences between Expected and Actual Experience	29,063,689	23,985,749	30,093,049	41,313,962	0	0	0
Net Differences between Projected and Actual Earnings on Pension Plan Investments	(36,968,261)	145,231,151	30,935,650	(123,637,905)	(33,897,346)	0	0
Grand Total	\$142,219,296	\$370,302,019	\$214,375,541	\$(112,408,963)	\$(33,897,346)	\$0	\$0

Appendix B

Interest and Total Projected Earnings

- Risk Pool Interest on Total Pension Liability and Total Projected Earnings

EXHIBIT 7-A

Risk Pool Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total Pension Liability (a) X (b) X (c)
Beginning Total Pension Liability	\$16,016,547,402	100%	7.15%	\$1,145,183,139
Changes of Benefit Terms	668,327	100%	7.15%	47,785
Changes of Assumptions	(142,903,842)	100%	7.15%	(10,217,625)
Difference between Expected and Actual Experience	196,241,321	100%	7.15%	14,031,254
Service Cost	407,076,006	50%	7.15%	14,552,967
Benefit Payments, including Refunds of Employee Contributions	(724,183,949)	50%	7.15%	(25,889,576)
Total Interest on Total Pension Liability				<u>\$1,137,707,944</u>

Projected Earnings on Pension Plan Investments	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) X (b) X (c)
Beginning Plan Fiduciary Net Position excluding Receivables ¹	\$12,050,989,330	100%	7.15%	\$861,645,737
Net Plan to Plan Resource Movement	117,542,123	50%	7.15%	4,202,131
Employer Contributions	499,847,617	50%	7.15%	17,869,552
Employee Contributions	176,831,116	50%	7.15%	6,321,712
Benefit Payments, including Refunds of Employee Contributions	(724,183,949)	50%	7.15%	(25,889,576)
Administrative Expense	(18,561,192)	50%	7.15%	(663,563)
Other Miscellaneous Income/(Expense) ²	(35,248,018)	50%	7.15%	(1,260,117)
Total Projected Earnings				<u>\$862,225,876</u>

¹ Included any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$(23,510,451) as of June 30, 2017, were excluded for purposes of calculating projected earnings on pension plan investments.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Appendix C

Schedule of Collective Pension Amounts

- Schedule of Collective Pension Amounts for PERF C, as of the Measurement Date June 30, 2018

EXHIBIT 7-A

Schedule of Collective Pension Amounts for PERF C, as of the Measurement Date June 30, 2018

	Miscellaneous	Safety	Total
Total Pension Liability	\$16,891,153,209	\$22,053,702,155	\$38,944,855,364
Plan Fiduciary Net Position	\$13,122,440,092	\$16,186,149,467	\$29,308,589,559
Net Pension Liability	\$3,768,713,117	\$5,867,552,688	\$9,636,265,805
Deferred Outflows of Resources			
Changes of Assumptions	429,644,509	575,709,251	1,005,353,760
Differences between Expected and Actual Experience	144,598,868	126,073,916	270,672,784
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	18,631,550	39,726,080	58,357,630
Total Deferred Outflows of Resources Excluding Employer Specific Amounts¹	592,874,927	741,509,247	1,334,384,174
Deferred Inflows of Resources			
Changes of Assumptions	(105,297,568)	(77,673,473)	(182,971,041)
Differences between Expected and Actual Experience	(49,206,108)	(478,255)	(49,684,363)
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	0	0	0
Total Deferred Inflows of Resources Excluding Employer Specific Amounts¹	(154,503,676)	(78,151,728)	(232,655,404)
Plan Pension Expense	\$584,881,668	\$979,582,204	\$1,564,463,872

¹ No adjustments have been made for employer specific amounts such as changes in proportion, differences between employer contributions and proportionate share of contributions, and contributions to the Plan subsequent to the measurement date as defined in paragraphs 54, 55, and 57 of GASB 68. Appropriate treatment of such amounts is the responsibility of the employer.

ITEM: CONSENT CALENDAR

**8. RECEIVE GOVERNMENT ACCOUNTING STANDARDS BOARD
STATEMENT NO. 75 ACCOUNTING AND FINANCIAL REPORTING FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Meeting Date: January 15, 2020 **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: The Administrative Committee reviewed this item on January 15, 2020 and recommended that the Board receive the GASB 75 OPEB Valuation Report prepared by Precision Actuarial, Inc.

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

SUMMARY: In July 2004, the Governmental Accounting Standards Board (GASB) issued Statement Nos. 43 & 45, establishing financial reporting requirement for post-employment benefits other than pensions. The District currently provides health insurance benefits as a post-employment benefit and has complied with GASB 43 & 45 requirements by including current and future cost information in its financial statements beginning with Fiscal Year 2009-2010. District used the actuarial firm Milliman, Inc. to compile the required data using the alternative measurement report method.

In June 2015, GASB issued Statement No. 75 replacing GASB 45, financial reporting requirement for post-employment benefits other than pensions, which now includes information with respect to the total obligation to provide future retiree health and welfare benefits with fiscal year beginning June 15, 2017. Since this is a report that requires a full actuarial report, District used Precision Actuarial, Inc. to prepare this report to meet GASB Statement No. 75 for the fiscal year ending June 30, 2019 attached as **Exhibit 8-A**. It is noteworthy to mention that the GASB 75 standard only applies to reporting the liability and does not stipulate any requirement for funding the liability.

As stated in the Executive Summary, page 3, the District's Net OPEB Liability as of June 30, 2019 is estimated at \$4,542,208, all of which remains unfunded. In comparison, District's Net OPEB Liability as of June 30, 2018 was estimated at \$4,104,989.

The District's annual expense of \$277,642 would fully fund the current and future costs amortized over time. In FY 2018-2019, the District paid premium contributions towards medical coverage for eleven retirees and one surviving spouse of retiree in the amount of \$102,678. This actual cost would be deducted from any contribution made for the year. For example, if the District had fully funded its contribution in FY 2018-2019, the \$102,678 would have been

deducted from the \$277,642 resulting in a net contribution of \$174,964. It should be noted that both current and future costs must be recalculated on an annual basis based on then current employee data and District benefit levels, so the contribution amounts may vary somewhat each subsequent year. The District can elect to either partially fund, fully fund or continue to fund the costs on a pay-as-you-go basis. The District's budget in the past has included funds for pay-as-you-go basis.

RECOMMENDATION: District staff recommends that the Board receive the GASB 75 OPEB Valuation Report prepared by Precision Actuarial, Inc.

BACKGROUND: In July 2004, GASB issued Statement Nos. 43 & 45, establishing financial reporting requirements for post-employment benefits other than pensions. The District provides health insurance as a post-employment benefit and is required to comply with GASB 43 & 45 and include the required information in its audited financial statements beginning in FY 2009-10.

In June 2015, GASB issued Statement No. 75 replacing GASB 45, financial reporting requirement for post-employment benefits other than pensions, which now includes information with respect to the total obligation to provide future retiree health and welfare benefits with fiscal year beginning June 15, 2017.

The main thrust of GASB OPEB standard is to require that public-sector employees recognize the cost of other post-employment benefits over the service life of their employees rather than on a pay-as-you-go basis. While the liability amount must be included in each entities annual audited financial statements, the GASB statements do not require that the amount actually be funded. Government entities can either partially fund, fully fund or continue to fund the costs on a pay-as-you-go basis.

Beginning with the fiscal year 2018-2019 budget, District has started setting aside funds towards the unfunded pension and other postemployment benefits (OPEB). With each budget cycle, staff will continue to recommend adding additional funds to these reserve accounts.

EXHIBIT

8-A GASB 75 OPEB Valuation Report

Monterey Peninsula Water Management District

GASB 75 OPEB Valuation Report Measured as of June 30, 2019 for Disclosures for the Fiscal Year Ending June 30, 2019

December 3, 2019



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December 3, 2019

Suresh Prasad
Administrative Services Manager/CFO
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, California 93942

Re: Monterey Peninsula Water Management District GASB 75 OPEB Valuation Measured as of June 30, 2019

Dear Mr. Prasad:

At your request, we completed an actuarial valuation of the retiree health and welfare benefits measured as of June 30, 2019, for the Monterey Peninsula Water Management District. This is a roll-forward of the valuation produced for the fiscal year ending June 30, 2018. Please use the information in this report for your financial statements for the fiscal year ending June 30, 2019. This valuation is based on input from the District and from CalPERS, as well as our understanding of GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 75).

We greatly appreciate your business. If you have any questions, please feel free to call us at (415) 801-5987.

Best Regards,

A handwritten signature in blue ink that reads "Roger T. Burton".

Roger T. Burton, FSA, MAAA, FCA



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EXHIBIT 8-A
Executive Summary

Overview

Purpose of the Report

Precision Actuarial prepared this report to meet employer financial accounting requirements under GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 75), issued in June 2015. This report includes information with respect to the obligation to provide future retiree health and welfare benefits for the fiscal year ending June 30, 2019.

Valuation Date: June 30, 2018

Measurement Date: June 30, 2019

Report Date: June 30, 2019

Application to Financials

This report provides liabilities and expenses for use in the District's 2019 financial reports.

The District should use the liabilities and expense measured as of June 30, 2019, for its financial statements for the year ending June 30, 2019.

Changes Since the Prior Valuation

This valuation is a roll-forward of the valuation produced for the prior fiscal year. We updated:

- Discount rate from 3.50% to 3.13%
- Benefit payments

Actuarial Certification

Our determinations reflect the provisions and methods prescribed by GASB 75. In preparing this report, we relied on employee census, plan design, premium rates, and administrative fees provided directly or indirectly by the plan sponsor, and demographic assumptions provided by CalPERS. CalPERS' actuaries set the premium rates using community rating. We did not attempt to verify that the community-rated premium rates represent the true cost of claims and administrative fees.

EXHIBIT 8-A
Executive Summary

Overview

Actuarial Certification *(continued)*

We based the results in this report on this information, along with the actuarial assumptions and methods used herein. In our opinion, the assumptions used represent reasonable expectations of anticipated plan experience. We reviewed the census information for reasonableness, but we did not audit it.

Actuarial computations under GASB 75 fulfill employer accounting and financial reporting requirements. The calculations are consistent with our understanding of GASB 75. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results in our report. Accordingly, additional determinations may be necessary for other purposes, such as judging benefit security at termination.

No third-party recipient of Precision Actuarial's work product should rely solely on Precision Actuarial's work product. Any third-party recipient should engage qualified professionals for advice appropriate to their own needs.

There is no relationship between Precision Actuarial, its owners, subcontractors, or staff; GovInvest; or the Monterey Peninsula Water Management District beyond the contractual services that we perform for the Monterey Peninsula Water Management District.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, the report is complete and accurate and that we prepared it in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable "Actuarial Standards of Practice" and "Actuarial Compliance Guidelines" as promulgated by the American Academy of Actuaries.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Roger T. Burton, FSA, MAAA, FCA
Chief Actuary



Christian M. Boughner, ASA, MAAA
Consulting Actuary

EXHIBIT 8-A
Executive Summary

Accounting Summary

A summary of the key valuation results follows.

	Valuation Date:	June 30, 2018	June 30, 2018
	Measurement Date:	June 30, 2018	June 30, 2019
	Report Date:	June 30, 2018	June 30, 2019
<hr/>			
Present Value of Future Benefits			
Active Employees		\$ 3,686,406	\$ 4,134,154
Retirees	+	1,572,263	1,607,742
Total Present Value of Future Benefits	=	5,258,669	5,741,896
Total Present Value of Future Normal Costs	-	1,153,680	1,199,688
Total/Net OPEB Liability	=	\$ 4,104,989	\$ 4,542,208
<hr/>			
OPEB Liability			
Active Employees		\$ 2,532,726	\$ 2,934,466
Retirees	+	1,572,263	1,607,742
Total/Net OPEB Liability	=	\$ 4,104,989	\$ 4,542,208
<hr/>			
Covered-Employee Payroll		\$ 2,441,044	\$ 2,508,173
Net OPEB Liability as a Percentage of Covered-Employee Payroll		168.2%	181.1%
<hr/>			
Measurement Period		2017-2018	2018-2019
Reporting Period		2017-2018	2018-2019
<hr/>			
Expense		\$ 268,040	\$ 326,016

EXHIBIT 8-A
Executive Summary

Reconciliation of the Change in the Total OPEB Liability

A reconciliation of the changes to the Total OPEB Liability since the prior valuation report follow.

Total OPEB Liability as of Measurement Date June 30, 2018 / Report Date June 30, 2018	\$ 4,104,989
Service Cost	131,173
Interest Cost	146,469
Expected Benefit Payments	(102,678)
Implicit Subsidy Credit	-
Projected Total OPEB Liability as of Measurement Date June 30, 2019	\$ 4,279,953
Change in Benefit Payments (Actual versus Expected)	4,136
Change in Calculated Interest	8,799
Changes in Experience	-
Change in Discount Rate from 3.50% to 3.13%	249,320
Other Assumption Changes	-
Total OPEB Liability as of Measurement Date June 30, 2019 / Report Date June 30, 2019	\$ 4,542,208

Reconciliation of the Change in the Total OPEB Liability

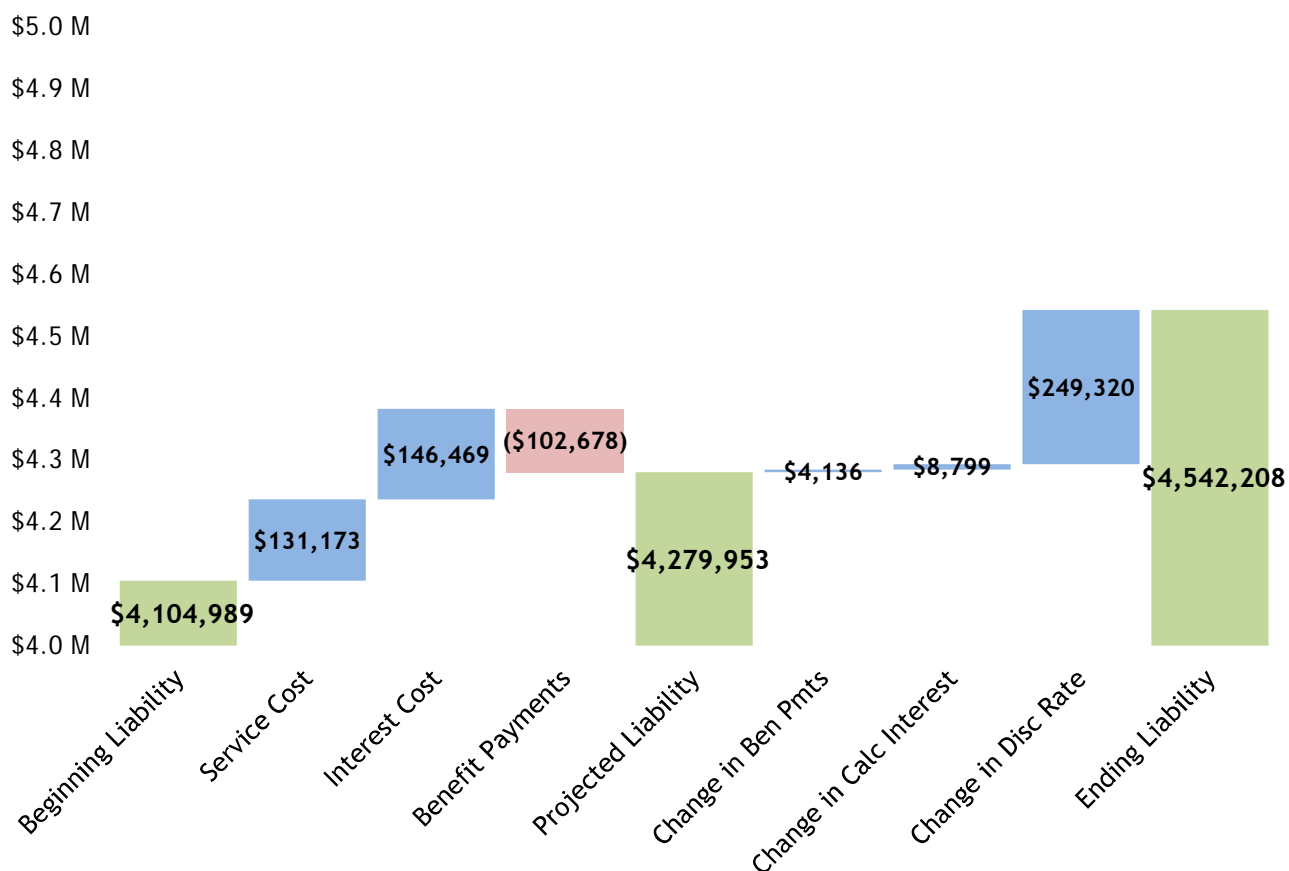


EXHIBIT 8-A
Accounting Information

Changes in the Net OPEB Liability

The funded status of the Plan as of the fiscal year-end, as well as other required disclosure information, follows.

	<i>Increase / (Decrease)</i> Total/Net OPEB Liability
Balance as of Measurement Date June 30, 2018 / Report Date June 30, 2018	\$ 4,104,989
Changes for the year:	
Service Cost	131,173
Interest	155,268
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	249,320
Benefit Payments	(98,542)
Implicit Subsidy Credit	-
Other Changes	-
Net Changes	437,219
Balance as of Measurement Date June 30, 2019 / Report Date June 30, 2019	\$ 4,542,208

EXHIBIT 8-A
Accounting Information

Development of Deferred Outflows and Inflows of Resources

Balances as of Measurement Date June 30, 2019 / Report Date June 30, 2019

Deferred Outflows and Inflows of Resources Arising from Differences Between Expected and Actual Experience

Measurement Date — June 30:	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Expense Through Measurement Date June 30, 2019 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2018	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	-	-	-	-
Total				<u>\$ -</u>	<u>\$ -</u>

Deferred Outflows and Inflows of Resources Arising from Changes in Assumptions

Measurement Date — June 30:	Increase in Total Liability (a)	Decrease in Total Liability (b)	Amounts Recognized in Expense Through Measurement Date June 30, 2019 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2018	\$ -	\$ -	\$ -	\$ -	\$ -
2019	249,320	-	39,575	209,745	-
Total				<u>\$ 209,745</u>	<u>\$ -</u>

EXHIBIT 8-A
Accounting Information

Expense and Deferred Outflows and Inflows

	Measurement Period:	2017-2018	2018-2019
	Reporting Period:	2017-2018	2018-2019
Expense			
Service Cost	\$	127,662	\$ 131,173
Interest on Total OPEB Liability		140,378	155,268
Changes of Benefit Terms		-	-
Recognized Differences Between Expected and Actual Experience		-	-
Recognized Changes of Assumptions		-	39,575
Other Miscellaneous (Income)/Expense		-	-
Total Expense	\$	268,040	\$ 326,016

Deferred Outflows and Inflows of Resources

	Report Year Ending June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	209,745	-
Contributions Subsequent to the Measurement Date	-	-
Total	\$ 209,745	\$ -

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

Report Year Ending June 30:	Amount
2020	\$ 39,575
2021	39,575
2022	39,575
2023	39,575
2024	39,575
Remaining	11,870

EXHIBIT 8-A
Accounting Information

Reconciliation of Expense

	Total/Net OPEB Liability	Deferred (Inflows)	Deferred Outflows	Net Deferrals	Net OPEB Liability plus Net Deferrals	Annual Expense
Balance as of Measurement Date June 30, 2018 / Report Date June 30, 2018	\$ (4,104,989)	\$ -	\$ -	\$ -	\$ (4,104,989)	
Service Cost	(131,173)					\$ 131,173
Interest on Total OPEB Liability	(155,268)					155,268
Effect of Changes of Benefit Terms	-					-
Effect of Liability Gains or Losses	-	-	-	-		
Effect of Assumption Changes or Inputs	(249,320)	-	249,320	249,320		
Benefit Payments	98,542				98,542	
Implicit Subsidy Credit	-				-	
Recognition of Liability Gains or Losses		-	-	-		-
Recognition of Assumption Changes or Inputs		-	(39,575)	(39,575)		39,575
Annual Expense					(326,016)	\$ 326,016
Balance as of Measurement Date June 30, 2019 / Report Date June 30, 2019	\$ (4,542,208)	\$ -	\$ 209,745	\$ 209,745	\$ (4,332,463)	

EXHIBIT 8-A
Accounting Information

Interest on Total OPEB Liability

	Amount for	Portion of	Interest Rate	Interest on the Total
	Period	Period		OPEB Liability
Interest on Total OPEB Liability	(a)	(b)	(c)	(d) = (a) × (b) × (c)
Beginning Total OPEB Liability	\$ 4,104,989	100%	3.50%	\$ 143,675
Changes of Benefit Terms	-	100%	3.50%	-
Difference Between Expected and Actual Experience	-	100%	3.50%	-
Changes of Assumptions	249,320	100%	3.50%	8,726
Service Cost	131,173	100%	3.50%	4,591
Benefit Payments	(98,542)	50%	3.50%	(1,724)
Implicit Subsidy	-	50%	3.50%	-
Total Interest on Total OPEB Liability				\$ 155,268

EXHIBIT 8-A
Accounting Information

OPEB Cash-Flow Projections

OPEB cash-flow projections for current participants for the next twenty-five years follow.

Measurement	Expected Retiree		Total Expected
Period Ending	Benefit Payments	Implicit Subsidy	Credited Benefit
June 30:			Payments
2020	\$ 116,531	\$ -	\$ 116,531
2021	129,327	-	129,327
2022	144,354	-	144,354
2023	160,839	-	160,839
2024	168,803	-	168,803
2025	181,766	-	181,766
2026	198,728	-	198,728
2027	208,130	-	208,130
2028	221,071	-	221,071
2029	235,403	-	235,403
2030	245,053	-	245,053
2031	256,613	-	256,613
2032	266,010	-	266,010
2033	279,653	-	279,653
2034	288,191	-	288,191
2035	284,206	-	284,206
2036	292,844	-	292,844
2037	297,861	-	297,861
2038	302,596	-	302,596
2039	308,868	-	308,868
2040	309,456	-	309,456
2041	312,433	-	312,433
2042	310,824	-	310,824
2043	310,642	-	310,642
2044	307,108	-	307,108

EXHIBIT 8-A
Accounting Information

OPEB Cash-Flow Projections for Current Participants

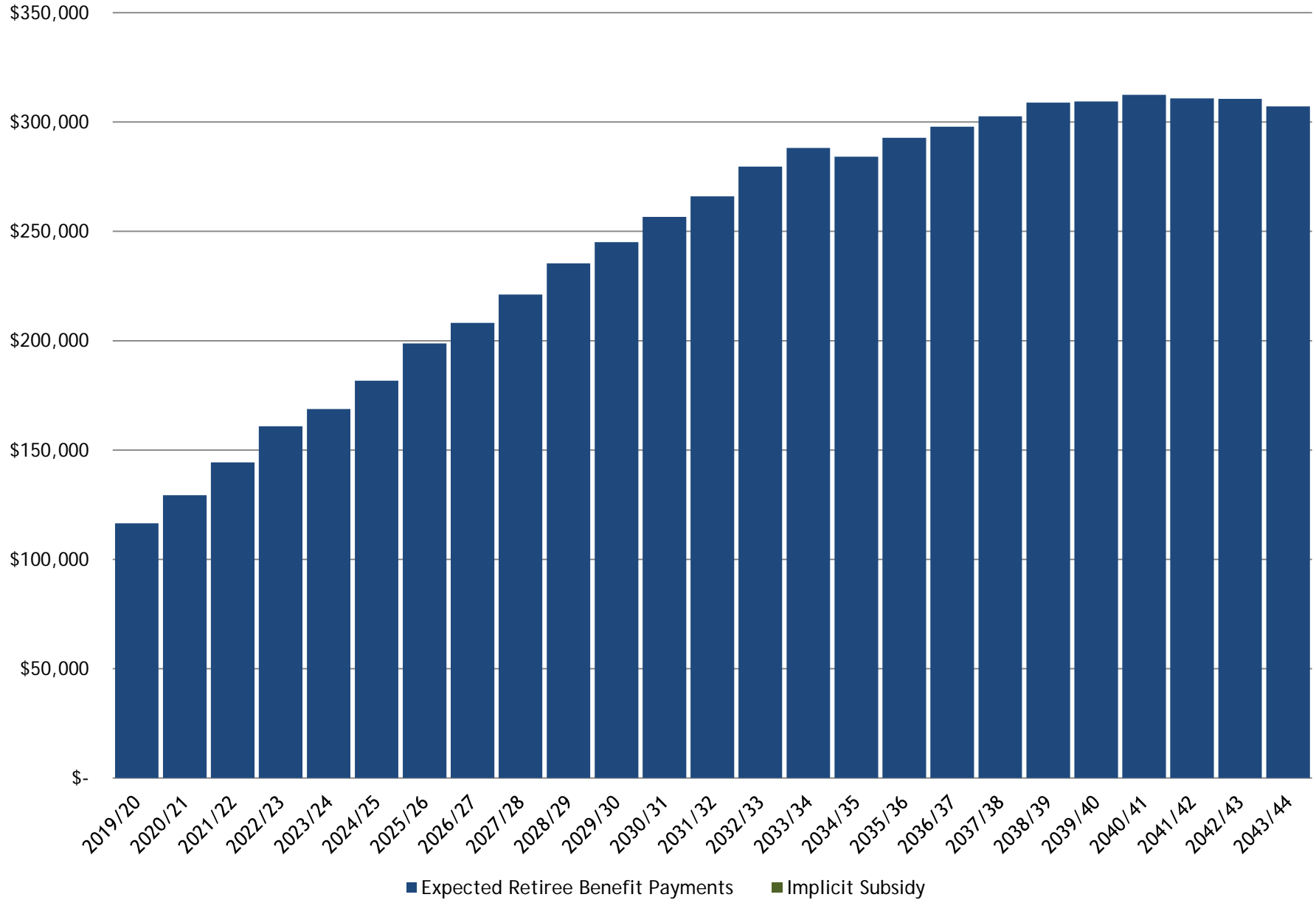


EXHIBIT 8-A
Accounting Information

Schedule of Implicit Subsidy Liability

Actuarial standard of practice (ASOP) number 6, "Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions", requires the inclusion of the implicit subsidy in OPEB valuations.

The implicit subsidy arises when an employer allows a retiree and the retiree's dependents to continue on the plans for active employees, and pay the active-employee premiums. Retirees are not paying the true cost of their benefits because they have higher costs than active employees, and therefore are partially subsidized by the active employees. **The District's retirees participate in a plan that is priced separately from the employer-sponsored active plan, so there is no implicit subsidy.**

Measurement Date:	Jun. 30, 2018	Jun. 30, 2019
Report Date:	<u>Jun. 30, 2018</u>	<u>Jun. 30, 2019</u>
Benefit Payments	\$ 4,104,989	\$ 4,542,208
Implicit Subsidy	<u>-</u>	<u>-</u>
Total OPEB Liability	<u>\$ 4,104,989</u>	<u>\$ 4,542,208</u>
Discount Rate	3.50%	3.13%

EXHIBIT 8-A
Accounting Information

Schedule of Deferred Outflows and Inflows of Resources

Schedule of Deferred Outflows and Inflows of Resources

	<u>Increase/(Decrease) in Expense: Measurement / Report Years Ending June 30:</u>											
	Measurement Period	Base Amount	Recognition Period	Remaining Period	2019 2019	2020 2020	2021 2021	2022 2022	2023 2023	2024 2024	Remaining	
Differences Between Expected and Actual Experience	2017-2018	\$ -	n/a	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	2018-2019	-	6.3	6.3	-	-	-	-	-	-	-	
Changes of Assumptions	2017-2018	-	n/a	n/a	-	-	-	-	-	-	-	
	2018-2019	249,320	6.3	6.3	39,575	39,575	39,575	39,575	39,575	39,575	11,870	

Summary of Deferred Outflows and Inflows of Resources

Measurement Period: 2018-2019

Fiscal Reporting Period: 2018-2019

[illegible]

EXHIBIT 8-A
Accounting Information

Schedule of Changes in the Total/Net OPEB Liability and Related Ratios

GASB 75 requires a disclosure of the changes in Net OPEB Liability for the last ten fiscal years, or for as many years as are available.

	Measurement Date:	Jun. 30, 2018	Jun. 30, 2019
	Report Date:	<u>Jun. 30, 2018</u>	<u>Jun. 30, 2019</u>
<u>Total/Net OPEB Liability</u>			
Service Cost	\$	127,662	\$ 131,173
Interest		140,378	155,268
Changes of Benefit Terms		-	-
Differences Between Expected and Actual Experience		-	-
Changes of Assumptions		-	249,320
Benefit Payments		(92,380)	(98,542)
Implicit Subsidy Credit		<u>-</u>	<u>-</u>
Net Change in Total/Net OPEB Liability		175,660	437,219
Total/Net OPEB Liability — Beginning		<u>3,929,329</u>	<u>4,104,989</u>
Total/Net OPEB Liability — Ending		<u>\$ 4,104,989</u>	<u>\$ 4,542,208</u>
Covered-Employee Payroll	\$	2,441,044	\$ 2,508,173
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll		168.2%	181.1%

Notes to schedule: the District adopted GASB 75 for the fiscal year ending June 30, 2018.

EXHIBIT 8-A
Accounting Information

Draft Notes to the Financial Statements

A draft of the required notes to the District's financial statements, based on the requirements of GASB 75 and our understanding of the District's retiree health plan, follows.

**Notes to the Financial Statements
for the Year Ended June 30, 2019**

Summary of Significant Accounting Policies

Other Postemployment Benefits Other Than Pensions (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 Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Note X – Other Post-employment Benefits (OPEB)

Plan Description

The District administers an Agent Multiple-Employer defined-benefit post-employment healthcare plan. Dependents are eligible to enroll, and benefits continue to surviving spouses for 1 year following the member's death.

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 6/30/2019. 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:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments:	10
Inactive employees entitled to but not yet receiving benefit payments:	0
Active employees:	24
Total	34

EXHIBIT 8-A
Accounting Information

Draft Notes to the Financial Statements

Contributions

The District pays benefits as they come due.

Net OPEB Liability

The District's total OPEB liability was valued as of June 30, 2018 and was used to calculate the net OPEB liability measured as of June 30, 2019.

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.

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.

EXHIBIT 8-A
Accounting Information

Draft Notes to the Financial Statements

Changes in the Net OPEB Liability	<i>Increase/Decrease</i> <u>Total/Net OPEB Liability</u>
Balance as of Report Date June 30, 2018	\$ 4,104,989
Changes for the year:	
Service Cost	131,173
Interest	155,268
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	249,320
Benefit Payments	(98,542)
Implicit Subsidy Credit	-
Other Miscellaneous Income/(Expense)	-
Net Changes	<u>437,219</u>
Balance as of Report Date June 30, 2019	<u>\$ 4,542,208</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.13%) or one percentage point higher (4.13%) follows:

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

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00%) or one percentage point higher (7.00%) than current healthcare cost trend rates follows:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
	<u>5.00%</u>	<u>6.00%</u>	<u>7.00%</u>
	<u>Decreasing to</u>	<u>Decreasing to</u>	<u>Decreasing to</u>
	<u>2.84%</u>	<u>3.84%</u>	<u>4.84%</u>
Net OPEB Liability (Asset)	\$ 3,865,885	\$ 4,542,208	\$ 5,393,305

EXHIBIT 8-A
Accounting Information

Draft Notes to the Financial Statements

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the report year ended June 30, 2019, the District recognized an OPEB expense of \$326,016. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	\$ -	\$ -
Changes of Assumptions	209,745	-
Contributions Subsequent to the Measurement Date	-	-
Total	\$ 209,745	\$ -

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

Report Year Ending June 30:	Amount
2020 \$	39,575
2021	39,575
2022	39,575
2023	39,575
2024	39,575
Remaining	11,870

EXHIBIT 8-A
Basis of Valuation

Substantive Plan

A summary of the substantive plan used as the basis of the valuation follows.

Tier 1 – Hired Before 7/1/2013 or Classic Member under PEPR	
Less than 15 Years of Service	
Eligibility	On attainment of age 50.
Duration of coverage	Retiree's lifetime.
Dependent coverage	Eligible to enroll but no employer contribution.
	Surviving spouse benefits available for one year after retiree death, if applicable
Medical plan choices	Retiree will be enrolled in the Laborers Northern California Trust Special Plan.
Core Benefit	District contributes up to \$540. This amount is fixed.
15 or More Years of Service	
Eligibility	On attainment of age 50 and 15 years of Service.
Duration of coverage	Retiree's lifetime.
Dependent coverage	Eligible to enroll but no employer contribution.
	Surviving spouse benefits available for one year after retiree death, if applicable.
Medical plan choices	Retiree will be enrolled in the Laborers Northern California Trust Special Plan.
Core Benefit	District contributes up to \$1,219 per month for fiscal-year end 6/30/2019. This cap increases by 3% on July 1st of each successive year.

Tier 2 – Hired After 1/1/2013 or PEPR New Member Under PEPR	
Eligibility	On attainment of age 50.
Duration of coverage	Retiree's lifetime.
Dependent coverage	Eligible to enroll but no employer contribution.
	Surviving spouse benefits available for one year after retiree death, if applicable.
Medical plan choices	Retiree will be enrolled in the Laborers Northern California Trust Special Plan.
Core Benefit	District contributes up to \$540. This amount is fixed.

EXHIBIT 8-A
Basis of Valuation

Participant Summary

Census Date: June 30, 2018

Age and service determined as of the census date.

Active Participants											
Age	Years of Service										Total
	< 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
< 25	1										1
25-29		1									1
30-34		1									1
35-39				1							1
40-44		1	1		1						3
45-49		1	1		1	1	1				5
50-54		1					2				3
55-59							1	1			2
60-64			2	1	1		1	2			7
65-69											0
70+											0
Total	1	5	4	2	3	1	5	3	0	0	24

Average Employee Age: 49.7

Average Years of Service: 15.9

Inactive Participants			
Age	Retiree	Spouse*	Total
< 50			0
50-54	1		1
55-59			0
60-64	4		4
65-69	1		1
70-74	2		2
75-79	2		2
80-84			0
85-89			0
90+			0
Total	10	0	10

Average Inactive Age: 66.0

*Retiree spouse ages are unknown

EXHIBIT 8-A
Basis of Valuation

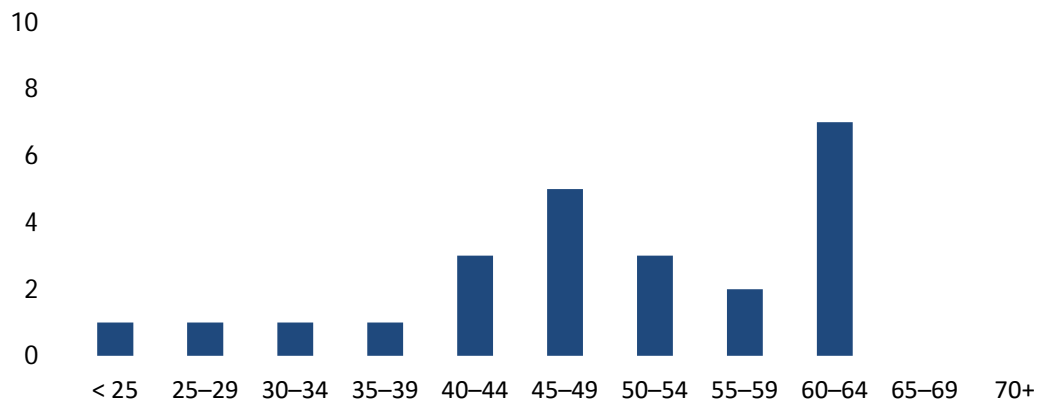
Participant Summary Charts

Census Date: June 30, 2018

Age and service determined as of the census date.

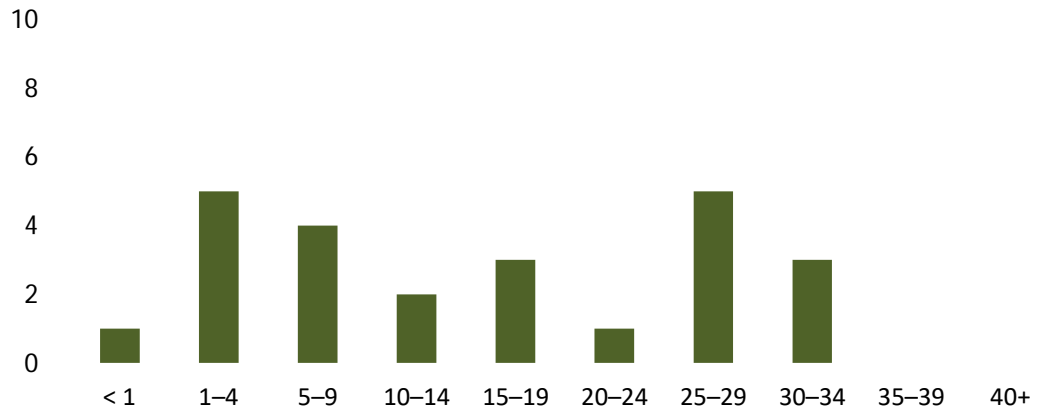
Count of Actives by Age Bracket

**Average Employee
Age: 49.7**



Count of Actives by Years of Service

**Average Years of
Service: 15.9**



Count of Inactives by Age Bracket

**Average Inactive
Age: 66.0**

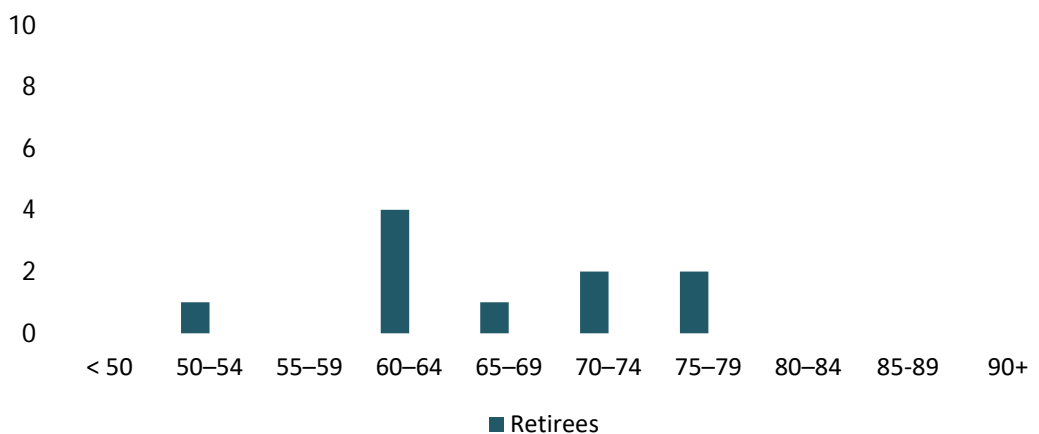


EXHIBIT 8-A
Basis of Valuation

Actuarial Assumptions

A summary of the actuarial assumptions used for this valuation follows. We considered the reasonableness of each assumption independently based on its own merits, consistent with each other assumption, and the combined impact of all assumptions.

Assumption	Rates
Actuarial Cost Method	Entry-Age Normal, Level Percentage of Salary
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Report Date	June 30, 2019
Discount Rate	The discount rate selected is 3.13%. The discount rate is the long-term rate of return for the plan's assets, as our projections show that the assets will be sufficient to cover the projected benefit payments should the District continue to contribute to the plan with an amount of at least the ADC each year. Should the assets not be sufficient to cover the projected benefit payments at any time in the future, we would employ a discount rate reflecting the 20-year tax-exempt municipal bond yield or index rate to the period after which we project assets to run out. We would then use a single, blended discount rate equivalent to the long-term rate of return and the 20-year tax-exempt municipal bond yield. If there are no assets, we would use only the 20-year tax-exempt municipal bond yield for the valuation.
Mortality	Same as CalPERS. See appendix.
Termination Rates	Same as CalPERS. See appendix. Also known as "turnover".
Disability	Same as CalPERS. See appendix.
Retirement	Same as CalPERS. See appendix.

EXHIBIT 8-A
Basis of Valuation

Actuarial Assumptions

Assumption	Rates						
Aging or Morbidity Factors	Based on actual CalPERS HMO and PPO population data.						
Participant Contributions	Retiree pays any difference between premiums and the benefit received by the retiree.						
Salary Increases	2.750% The salary increase is used to determine the growth in the aggregate payroll. Individual Salary Increases: 2018 CalPERS Merit Salary Increases.						
Inflation Rate	2.50%						
Marital Status	Current Retirees: Actual spouse coverage is used. Future retirees: 70% assumed to be married.						
Spouse Gender	Assumes spouse of opposite gender for current and future retirees.						
Spouse Age Difference	Actual spouse age is used for current retirees. Assumes males are three years older than females for future retirees.						
Participation	Current Retirees: Assume current elections continue until decrement. Future Retiree election assumptions summarized below*: <table><tr><td>Hire Dates</td><td>Service Retirement</td></tr><tr><td>Pre-2013, 15+ Years of Service</td><td>90%</td></tr><tr><td>All Others</td><td>75%</td></tr></table> *Assumed all covered spouses elect survivor spouse benefits.	Hire Dates	Service Retirement	Pre-2013, 15+ Years of Service	90%	All Others	75%
Hire Dates	Service Retirement						
Pre-2013, 15+ Years of Service	90%						
All Others	75%						
PEMHCA Administrative Fee	Not applicable.						
Annual PEMHCA Amount	Not applicable.						
ACA Excise Tax	Assumed that the District will pass the ACA Excise Tax on to the retirees.						

EXHIBIT 8-A
Basis of Valuation

Actuarial Assumptions

Assumption	Rates																																	
Premiums	<p>A single retiree premium was developed based on current enrollment patterns.</p> <table><tr><th>Grouping</th><th>Employee</th><th>Two-Party</th></tr><tr><td>Pre-Medicare Plans</td><td>\$ 11,064</td><td>\$ 22,128</td></tr><tr><td>Medicare Plans</td><td>4,368</td><td>8,736</td></tr></table>	Grouping	Employee	Two-Party	Pre-Medicare Plans	\$ 11,064	\$ 22,128	Medicare Plans	4,368	8,736																								
Grouping	Employee	Two-Party																																
Pre-Medicare Plans	\$ 11,064	\$ 22,128																																
Medicare Plans	4,368	8,736																																
Trend Rates	<p>Medical Long-Term Trends from Society of Actuaries "Long Term Healthcare Cost Trends Model v2018_c" using baseline assumptions. Applied to both</p> <table><tr><th>Year</th><th>Pre-Medicare Trend</th><th>Medicare Trend</th></tr><tr><td>2018</td><td>6.50%</td><td>5.50%</td></tr><tr><td>2019</td><td>6.00%</td><td>5.50%</td></tr><tr><td>2020</td><td>5.50%</td><td>5.30%</td></tr><tr><td>2021</td><td>5.20%</td><td>5.20%</td></tr><tr><td>2022</td><td>5.20%</td><td>5.20%</td></tr><tr><td>2023</td><td>5.20%</td><td>5.20%</td></tr><tr><td>2024</td><td>5.19%</td><td>5.19%</td></tr><tr><td>2025</td><td>5.19%</td><td>5.19%</td></tr><tr><td>2026-2074</td><td>...</td><td>...</td></tr><tr><td>2075+</td><td>3.84%</td><td>3.84%</td></tr></table>	Year	Pre-Medicare Trend	Medicare Trend	2018	6.50%	5.50%	2019	6.00%	5.50%	2020	5.50%	5.30%	2021	5.20%	5.20%	2022	5.20%	5.20%	2023	5.20%	5.20%	2024	5.19%	5.19%	2025	5.19%	5.19%	2026-2074	2075+	3.84%	3.84%
Year	Pre-Medicare Trend	Medicare Trend																																
2018	6.50%	5.50%																																
2019	6.00%	5.50%																																
2020	5.50%	5.30%																																
2021	5.20%	5.20%																																
2022	5.20%	5.20%																																
2023	5.20%	5.20%																																
2024	5.19%	5.19%																																
2025	5.19%	5.19%																																
2026-2074																																
2075+	3.84%	3.84%																																
Benefit Cap Trend Rate	<p>Assumed annual growth of 3% for the retirees hired before 2013 with 15+ years of service. Assumed no annual increase for other retirees.</p>																																	

EXHIBIT 8-A
Appendix

About GASB 75

This section includes a brief summary of GASB 75, as well as definitions of some of the key terminology used in this report.

About GASB 75

In General. In June 2015 the Governmental Accounting Standards Board released GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". GASB 75 replaced GASB 45 for fiscal years beginning after June 15, 2017, for employers that sponsor OPEB plans. The provisions in GASB 75 are similar to the provisions of GASB 68 for pensions.

Accounting. GASB 75 requires a liability known as the Net OPEB Liability (NOL). The employer recognizes the NOL on its balance sheet. The employer also recognizes an OPEB expense in the income statement. GASB 45 recorded the Unfunded Accrued Actuarial Liability (UAAL) in the notes to the financial statement, whereas GASB 75 records the NOL, which is very similar to the UAAL with just a few technical differences, on the balance sheet.

Financial Statement Impact (Employers). One of the biggest changes to the financial statements of governmental employers that provide OPEB is the reporting of the OPEB liability on the face of the statements rather than in the footnotes. Governments that do not provide OPEB through a trust are required to recognize the entire OPEB liability in the financial statements. For governments that provide OPEB through an OPEB plan that is administered through a trust, the government's OPEB liability is recognized net of the amount of the OPEB plan's fiduciary net position.

Changes to the Measurement of the Total OPEB Liability. Measurement of the OPEB liability includes discounting future benefit payments for current and former employees and their beneficiaries to their present value and allocating the present value over past and future periods of the employee service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The calculation continues to include employee-related events, such as projected salary increases and projected years of service, if they affect the amount of OPEB payments employees will receive, as well as provisions for automatic cost-of-living adjustments (COLAs) and other automatic benefits. Additionally, ad hoc COLAs and other ad hoc benefit changes, which are made at the discretion of the government, are included in projections as well, if they routinely recur.

GASB 75 requires governments to discount projected OPEB payments to their present value. Under the new standard, governments discount the projected OPEB payments to be made in each year and the amount of plan assets (if a government administers the OPEB through a trust) available for providing those benefits to current active and inactive employees and their beneficiaries. Similar to the pension standards, the discount rate used is based on whether the plan assets are projected to be sufficient to make future payments. If the plan assets are sufficient, governments discount future payments using the long-term expected rate of return. If projected plan assets are insufficient to make all future payments to current and inactive employees and their beneficiaries, or if there are no plan assets held in trust, the discount rate is based on a high-quality 20-year tax-exempt general obligation municipal bond yield or index rate. "High-quality" is defined as being rated AA or higher (or an equivalent rating).

Cost Method. The Entry Age Normal Cost method must be used.

About GASB 75 (continued)

Factors that affect a government's OPEB liability, such as actual earnings on plan investments when the OPEB plan is administered as a trust, employee compensation changes, interest on the outstanding OPEB liability, contributions from employees and employers, and actual demographic and economic changes that are not in line with assumptions made in the actuarial calculations, are considered when determining the government's OPEB expense. A government's annual OPEB expense is calculated with consideration for factors affecting the OPEB liability within the reporting period. Several causes of changes in OPEB liability are immediately factored into the calculation of OPEB expense for the period, such as benefits earned each year, interest on the total OPEB liability, changes in benefit terms, and projected earnings on plan investments, if administered through a trust.

Governments are required to recognize deferred outflows of resources or deferred inflows of resources and then introduce into the expense calculation, systematically and rationally over the average remaining years of employment (active employees and inactive employees, including retirees), the effect on the total OPEB liability of differences between assumptions and actual experience.

EXHIBIT 8-A
Appendix

About GASB 75

Key Terminology

Actuarially Determined Contribution	A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Actuarial Present Value of Projected Benefit Payments	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Agent Employer	An employer whose employees are provided with OPEB through an agent multiple-employer defined-benefit OPEB plan.
Closed Period	A specific number of years that is counted from one date, which declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth until no years remain.
Contributions	Additions to an OPEB plan's fiduciary net position for amounts from employers, non-employer contributing entities, or employees.
Dates and Periods	
• Census Date	The date of the census. It is usually the same as the Valuation Date .
• Measurement Date	The date on which assets are measured. The liabilities are rolled forward to this date from the Valuation Date , should it differ, using actuarial roll-forward techniques.
• Measurement Period	The year ending on the Measurement Date .
• Report Date	The date on which the amounts are reported in the financial statements. It is the same as the fiscal year-end. It may be up to one year ahead of the Measurement Date, with no roll-forward of liabilities or assets required.
• Reporting Period	The year ending on the Report Date . It is the same as the fiscal year.
• Valuation Date	The date on which the liabilities are valued.
Deferred Inflows and Outflows of Resources	The portion of the changes in the Net OPEB Liability that are not recognized in the current pension expense and are recognized in later periods. The changes deferred include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on OPEB plan investments.

EXHIBIT 8-A
Appendix

About GASB 75

Key Terminology (continued)

Defined-Benefit OPEB	OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation, or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums. OPEB that does not have all of the terms of defined contribution OPEB is classified as defined-benefit OPEB.
Discount Rate	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <p>a. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments.</p> <p>b. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).</p>
Fiduciary Net Position	The market value of assets as of the Measurement Date .
Implicit Subsidy	The implicit subsidy arises when an employer allows a retiree and the retiree's dependents to continue on the plans for active employees, and pay the active-employee premiums. Retirees are not paying the true cost of their benefits because they have higher costs than active employees, and therefore are partially subsidized by the active employees. Once a retiree reaches Medicare eligibility, the rates are set for Medicare retirees separately, and are set to be sufficient to cover the true costs of the Medicare retirees. Thus, there is no implicit subsidy for Medicare retirees.
Net OPEB Liability	The Total OPEB Liability minus the Fiduciary Net Position .
Normal Cost	See Service Cost .

EXHIBIT 8-A
Appendix

About GASB 75

Key Terminology (continued)

Other Postemployment Benefits (OPEB)	Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payment for sick leave.
Projected Benefit Payments	All benefits estimated to be payable through OPEB plan to current active and inactive employees as a result of their past service and their expected future service.
Service Cost	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years. Also called Normal Cost .
Substantive Plan	The plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees.
Total OPEB Liability	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined-benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB 75.

EXHIBIT 8-A
Appendix

Decrement Tables

The valuation used the following decrement tables from the CalPERS OPEB Assumption Model, revised December 20, 2017:

Mortality

Miscellaneous Employees

Source Table

Mort and Disb Rates_PA Misc

Disability Rates

Miscellaneous Employees

Mort and Disb Rates_PA Misc

Terminated Refund Rates

Miscellaneous Employees

Terminated Refund Rates_Misc

Terminated Vested Rates

Miscellaneous Employees

Terminated Vested Rates_PA Misc

Salary Scale Rates

Miscellaneous Employees

Salary Scale Rates_PA Misc

Service Retirement Rates

Miscellaneous Employees

- 2.0% at 55
- 2.0% at 62

Rx PA Misc 2% @ 55

Rx PA Misc 2% @ 62

EXHIBIT 8-A**Appendix****Sample Mortality and Disability Rates**

Attained Age	Public Agency Miscellaneous													
	Pre-Retirement Mortality				Post-Retirement Mortality						Disability			
	Male Assumptions		Female Assumptions		Male Assumptions			Female Assumptions			Male Assumptions		Female Assumptions	
	Non Industrial Death	Industrial Death	Non Industrial Death	Industrial Death	Healthy Recipients	Non Industrially Disabled	Industrially Disabled	Healthy Recipients	Non Industrially Disabled	Industrially Disabled	Non Industrial Disability	Industrial Disability	Non Industrial Disability	Industrial Disability
1	0.00000	0.00000	0.00000	0.00000	0.00023	0.00555	0.00128	0.00015	0.00346	0.00098	0.00000	0.00000	0.00000	0.00000
5	0.00000	0.00000	0.00000	0.00000	0.00023	0.00565	0.00129	0.00015	0.00350	0.00099	0.00000	0.00000	0.00000	0.00000
10	0.00000	0.00000	0.00000	0.00000	0.00024	0.00572	0.00130	0.00015	0.00354	0.00099	0.00000	0.00000	0.00000	0.00000
15	0.00023	0.00000	0.00017	0.00000	0.00024	0.00584	0.00132	0.00016	0.00361	0.00101	0.00017	0.00000	0.00010	0.00000
20	0.00031	0.00000	0.00020	0.00000	0.00025	0.00604	0.00135	0.00017	0.00372	0.00104	0.00017	0.00000	0.00010	0.00000
25	0.00040	0.00000	0.00023	0.00000	0.00029	0.00637	0.00141	0.00021	0.00392	0.00109	0.00017	0.00000	0.00010	0.00000
30	0.00049	0.00000	0.00025	0.00000	0.00039	0.00693	0.00153	0.00028	0.00428	0.00121	0.00019	0.00000	0.00024	0.00000
35	0.00057	0.00000	0.00035	0.00000	0.00060	0.00788	0.00178	0.00046	0.00492	0.00143	0.00049	0.00000	0.00081	0.00000
40	0.00075	0.00000	0.00050	0.00000	0.00110	0.00949	0.00225	0.00091	0.00605	0.00188	0.00122	0.00000	0.00155	0.00000
45	0.00106	0.00000	0.00071	0.00000	0.00227	0.01221	0.00318	0.00200	0.00804	0.00281	0.00191	0.00000	0.00218	0.00000
50	0.00155	0.00000	0.00100	0.00000	0.00501	0.01680	0.00501	0.00466	0.01158	0.00466	0.00213	0.00000	0.00229	0.00000
55	0.00228	0.00000	0.00138	0.00000	0.00599	0.01973	0.00599	0.00416	0.01149	0.00416	0.00221	0.00000	0.00179	0.00000
60	0.00308	0.00000	0.00182	0.00000	0.00710	0.02289	0.00754	0.00436	0.01235	0.00518	0.00222	0.00000	0.00135	0.00000
65	0.00400	0.00000	0.00257	0.00000	0.00829	0.02451	0.01122	0.00588	0.01607	0.00838	0.00210	0.00000	0.00118	0.00000
70	0.00524	0.00000	0.00367	0.00000	0.01305	0.02875	0.01635	0.00993	0.02211	0.01395	0.00180	0.00000	0.00114	0.00000
75	0.00713	0.00000	0.00526	0.00000	0.02205	0.03990	0.02834	0.01722	0.03037	0.02319	0.00142	0.00000	0.00118	0.00000
80	0.00990	0.00000	0.00814	0.00000	0.03899	0.06083	0.04899	0.02902	0.04725	0.03910	0.00142	0.00000	0.00118	0.00000
85	0.00000	0.00000	0.00000	0.00000	0.06969	0.09731	0.07679	0.05243	0.07762	0.06251	0.00000	0.00000	0.00000	0.00000
90	0.00000	0.00000	0.00000	0.00000	0.12974	0.14804	0.12974	0.09887	0.12890	0.09887	0.00000	0.00000	0.00000	0.00000
95	0.00000	0.00000	0.00000	0.00000	0.22444	0.22444	0.22444	0.18489	0.21746	0.18489	0.00000	0.00000	0.00000	0.00000
100	0.00000	0.00000	0.00000	0.00000	0.32536	0.32536	0.32536	0.30017	0.30017	0.30017	0.00000	0.00000	0.00000	0.00000
105	0.00000	0.00000	0.00000	0.00000	0.58527	0.58527	0.58527	0.56093	0.56093	0.56093	0.00000	0.00000	0.00000	0.00000
110	0.00000	0.00000	0.00000	0.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000
115	0.00000	0.00000	0.00000	0.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000
120	0.00000	0.00000	0.00000	0.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000

Notes:

- 1) Pre-Retirement and Post-Retirement mortality rates include 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.
- 2) Miscellaneous Plans usually have Industrial Death rates set to zero unless the agency has specifically contracted for Industrial Death benefits. If so, each Non-Industrial Death rate shown above will be split into two components: 99% will become the Non-Industrial Death rate and 1% will become the Industrial Death rate.
- 3) The Miscellaneous Non-Industrial Disability rates are used for Local Prosecutors.
- 4) Normally, Industrial Disability rates are zero for miscellaneous plans unless the agency has specifically contracted for Industrial Disability benefits. If so, each miscellaneous non-industrial disability rate will be split into two components: 50% will become the Non-Industrial Disability rate and 50% will become the Industrial Disability rate.

EXHIBIT 8-A**Appendix****Sample Termination Rates**

		Sample Terminated Refund Rates								
Entry Ages		Public Agency Miscellaneous								
Service	15	20	25	30	35	40	45	50	55	59
0	0.18120	0.17420	0.16740	0.16060	0.15370	0.14680	0.14000	0.13320	0.12620	0.12080
5	0.02320	0.02120	0.01930	0.01740	0.01550	0.01360	0.01160	0.00970	0.00780	0.00620
10	0.01550	0.01380	0.01210	0.01040	0.00880	0.00710	0.00550	0.00380	0.00210	0.00080
15	0.00700	0.00600	0.00510	0.00420	0.00320	0.00230	0.00140	0.00040	0.00020	0.00020
20	0.00450	0.00370	0.00290	0.00210	0.00130	0.00050	0.00010	0.00010	0.00010	0.00010
25	0.00240	0.00170	0.00110	0.00050	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010
30	0.00110	0.00050	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000
35	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000	0.00000
40	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000	0.00000	0.00000
45	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000	0.00000	0.00000	0.00000
50	0.00010	0.00010	0.00010	0.00010	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

		Sample Terminated Vested Rates								
Entry Ages		Public Agency Miscellaneous								
Service	15	20	25	30	35	40	45	50	55	59
0	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5	0.07140	0.06560	0.05970	0.05370	0.04770	0.04180	0.00000	0.00000	0.00000	0.00000
10	0.05940	0.05300	0.04660	0.04030	0.03390	0.00000	0.00000	0.00000	0.00000	0.00000
15	0.05110	0.04430	0.03730	0.03050	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	0.04050	0.03330	0.02610	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
25	0.02880	0.02120	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30	0.01500	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
45	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
50	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

When a member is eligible to retire, the termination with vested benefits probability is set to zero

EXHIBIT 8-A**Appendix****Matrix of Sample Service Retirement Assumption Rates**

Service	Attained Ages				Public Agency Miscellaneous 2% @ 55		
	50	55	60	65	70	75	79
0	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5	0.0080	0.0400	0.0580	0.1450	0.1500	1.0000	1.0000
10	0.0130	0.0400	0.0750	0.1730	0.1710	1.0000	1.0000
15	0.0180	0.0560	0.0930	0.2010	0.1920	1.0000	1.0000
20	0.0210	0.0930	0.1260	0.2330	0.2390	1.0000	1.0000
25	0.0220	0.1090	0.1430	0.2660	0.3040	1.0000	1.0000
30	0.0330	0.1540	0.1690	0.2890	0.3300	1.0000	1.0000
35	0.0500	0.2100	0.2070	0.3160	0.3300	1.0000	1.0000
40	0.0000	0.2400	0.2800	0.3300	0.3300	1.0000	1.0000
45	0.0000	0.0000	0.2800	0.3300	0.3300	1.0000	1.0000
50	0.0000	0.0000	0.0000	0.3300	0.3300	1.0000	1.0000

Service	Attained Ages				Public Agency Miscellaneous 2% @ 62		
	50	55	60	65	70	75	79
0	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5	0.0000	0.0100	0.0310	0.1080	0.1200	1.0000	1.0000
10	0.0000	0.0190	0.0510	0.1410	0.1560	1.0000	1.0000
15	0.0000	0.0280	0.0710	0.1730	0.1930	1.0000	1.0000
20	0.0000	0.0360	0.0910	0.2060	0.2290	1.0000	1.0000
25	0.0000	0.0610	0.1110	0.2390	0.2650	1.0000	1.0000
30	0.0000	0.0960	0.1380	0.3000	0.3330	1.0000	1.0000
35	0.0000	0.1520	0.1830	0.3480	0.3870	1.0000	1.0000
40	0.0000	0.1800	0.2040	0.3600	0.4000	1.0000	1.0000
45	0.0000	0.0000	0.2040	0.3600	0.4000	1.0000	1.0000
50	0.0000	0.0000	0.0000	1.0000	1.0000	1.0000	1.0000

ITEM: PUBLIC HEARING

13. CONSIDER REQUEST FOR VARIANCE FOR RAINWATER SYSTEM IN MIXED USE BUILDING AT 537 ANTHONY STREET, MONTEREY, APN 001-712-010, APPLICANT: MONTEREY DESIGN COLLECTIVE, LLC

Meeting Date: January 23, 2020 **Budgeted:** N/A

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

Prepared By: Stephanie Kister **Cost Estimate:** N/A

General Counsel Approval: 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 Monterey Design Collective, LLC, represented by Matthew Kyler and Patrick McNeill, is requesting Board approval of a variance to allow a demand offset for the use of rainwater to flush toilets and wash clothes at 537 Anthony Street, Monterey (**Exhibit 13-A**). District Rule 90 allows the Board to consider variances “...from any provision of the standards incorporated into these Rules and Regulations whenever it finds: (a) that Special Circumstances exist in a particular case, and (b) that practical difficulties or Undue Hardship would result from the strict interpretation and enforcement of any such standard, and (c) that the granting of such a variance would not tend to defeat the purposes of these Rules and Regulations. The Board may place conditions upon such variances.”

The Board is considering a variance because Special Circumstances exist in this case as Rule 25.5 (**Exhibit 13-B**) allows Non-Residential Water Use Credits for Ultra-Low Consumption Technology, but the Rule does not address Water Credit for rainwater reuse in a Single-Family or Mixed-Use project. Adoption of Resolution 2020-01 on the January 23, 2020 Consent Calendar will create a Water Credit for rainwater reuse within a Residential use, but because the resolution will be considered earlier the same evening as this hearing, there is a possibility that the resolution will not be passed, and this variance will need to be considered on its own merits. If the resolution passes, this variance request does not need to be heard by the Board.

DISCUSSION: The Site currently consists of a 1,222 square-foot (sq ft) commercial warehouse building. The Water Use Capacity associated with the building is Group I use at 0.00007 AF/sqft totaling 0.086 Acre-Foot annually (AF). The project will convert the building into a “live-work” space with 611 sq ft office use in the front and approximately 611 sq ft two-Bathroom Residential unit in the rear. The amount of water required for this project is 0.144 AF, 0.058 AF short of what is available on Site. The roof area of the project Site has sufficient area to meet 140% of the project’s non-Potable Capacity.

Rule 25.5, Table 4: *High Efficiency Appliance Credits* was updated by Resolution 2019-09 in July 2019 to add a Water Credit for Rainwater/Graywater reuse systems in Multi-Family Dwellings. This credit is presently not available to single Dwelling Units.

The project will include a two-Bathroom apartment with one full-time resident and two half-time residents, and a 611 sq ft office with two full-time employees (40 hours a week), two half-time employees (20 hours a week), and two summer interns who work three months a year (40 hours a week). Rainwater storage would be required for an eight-month dry period, with periodic rainfall filling the tank during the remaining months. Assuming all 0.8 gallon-per-flush (GPF) toilets, toilet flushing would require approximately 3,433 gallons of water. A High Efficiency Clothes Washer at three loads per week would require 1,440 gallons over 8 months. Therefore, the 8,000-gallon tank proposed by the applicant would supply 140 percent of the demand.

All other water fixtures would be served by the Cal-Am Potable supply and were analyzed over a one-year period for the same occupancy rate listed above. Total water needed for showering, food prep/cleanup and handwashing is approximately 24,500 gallons or 0.075 AF. No landscaping will exist on the Site. This estimated use is less than the 0.086 AF of Water Credit associated with the Site.

Staff further reviewed the Water Use Capacity of the Site to see if the new estimated demand would fit within the current Site Capacity if a rainwater credit were applied. The Water Use Capacity associated with the building is Group I use at 0.00007 AF/sq ft totaling 0.086 Acre-Feet (AF). First, the Group 1 Water Use Factor may be reduced by 65 percent for the toilet water being supplied by rainwater. At 0.000024 AF/sq ft, the office space will use 0.015 AF per year for handwashing and food preparation. Applying all the possible High Efficiency Appliance Credits and applying a 75 percent reduction on the fixture unit value for toilets and clothes washing (consistent with the current credit for Multi-Family reuse), the Residential portion of the project will use 0.062 AF year. This brings the combined use to 0.077 AF per year, which is 0.009 AF less than the allocated Water Use Capacity for the Site.

RECOMMENDATION: Staff recommends approval of the Variance and adoption of the Findings of Approval (**Exhibit 13-C**) to authorize a rainwater reuse system to flush toilets and wash clothes to offset the proposed increase in use with the following conditions of approval:

- 1) Install an 8,000-gallon rainwater tank and roof conveyance system by Feb 15, 2020, to allow for immediate rainwater collection during the rainy season.
- 2) Obtain permits for the rainwater system from the City of Monterey and the Monterey County Health Department as required.
- 3) Meter the potable back-up supply where it enters the rainwater tank.
- 4) Meter the rainwater supply line as it exits the tank.
- 5) Submit annual reporting on all meter reads.

- 6) A Limitation on Use of Water on Property deed restriction shall be recorded on the property title making the rainwater reuse system a permanent requirement unless the condition is eliminated by an amended Water Permit.

EXHIBITS

13-A Application for Variance

13-B Rule 25.5

13-C Findings of Approval



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APPLICATION FOR VARIANCE REGARDING WATER CONNECTION PERMITS

Rule 24 of the District Rules and Regulations states that upon request an applicant may apply for a variance from standards incorporated in the District's rules and Regulations. Variances may be approved when: a) special circumstances exist, as defined in the Rules and Regulations; b) when strict interpretation and enforcement of any standard would cause undue hardship; and c) when the granting of such a variance will not tend to defeat the purpose of the Rules and Regulations. In order to be considered for a variance hearing, all applicants must submit a completed application with payment of a non-refundable processing fee \$900.00, (plus \$90.00 an hour for more than 10 hours of staff time), and any other information necessary to evaluate the case.

Applications must be received 5 weeks in advance of the next scheduled Board meeting in order to be considered for placement on the agenda. All applicants are required to provide the information requested on this form. This information will be used as the basis for finding on which the Board will support or deny your variance request. Submission of an incomplete application may constitute grounds for denial of your request.

APPLICANT INFORMATION

Applicant's Full Name: Monterey Design Collective, LLC
 Mailing Address: 503 Pearl Street
 City: Monterey State: CA Zip: 93940
 Phone Number(s): Work (415) 264.2554 Home (831) 206.5665
 E-Mail: matthewk@kylerengineering.com
 Name of Agent(s) to Represent Applicant: Matthew Kyler & Patrick McNeill
 Mailing Address: 503 Pearl Street
 City: Monterey State: CA Zip: 93940
 Phone Number(s): Work (415) 264.2554 Home (831) 206.5665
 E-Mail: _____

PROPERTY INFORMATION

Full Name of Property Owner: Monterey Design Collective LLC
 Mailing Address: 503 Pearl Street
 City: Monterey State: CA Zip: 93940
 Phone Number(s): Work (415) 264.2554 Home (831) 206.5665
 E-Mail: matthewk@kylerengineering.com
 Property Address: 537 Anthony Street
 City: Monterey State: CA Zip: 93940
 Assessor's Parcel Number: 001 - 712 - 010
 Property Area: Acres: _____ Square Feet: 4000 Other: _____
 Past Land Use: Commercial
 Present Land Use: Vacant
 Proposed Land Use: Mixed Use: office - 50% / residential rental - 50%
 Existing buildings? Yes X No _____
 Types of uses and square footage: Mixed Use: office/rental residential

(PLEASE PROVIDE 5 YEARS OF WATER RECORDS)

N/A - new owner has no access to previous owner's use history

EXHIBIT 13-A

Variance Application

Exhibit 1

Monterey Peninsula Water Management District Application for Variance Regarding Water Connection Permits – Exhibit 1 - Addendum

From which rule(s) are you requesting a variance:

Rule 24 and Rule 25

Current rules do not provide an achievable approval path for live/work office environments. In lieu of only allocating the water use capacity for the commercial square footage being converted to residential, calculations were performed to share the water use capacity between the residential apartment and the commercial office.

Please state the special circumstances which distinguish your application from all others which are subject to enforcement of this process.

1. Our overall project goal is in the spirit of the City of Monterey's goals of revitalizing an area of the Pearl Street District by introducing mixed use zoning, adding an additional unit to the housing inventory of the City, and encouraging Group 1 Office development.
2. Our project proposes to act as a proof of concept case study to document the feasibility for properties with limited water credits by using innovative technology to supply a clothes washer and flush toilets with captured and stored rainwater. This initiative provides the equivalent of 4 fixtures & 3.4 water credits, which itemizes as 2 UHET toilets in an apartment, 1 UHET toilet for a business office, and 1 high efficiency clothes washer (HEW).

What difficulties or hardships would result if your variance request was denied?

The high cost of real estate in the City of Monterey has rendered this property impractical for continued commercial uses that are compatible with downtown development. This led to the sale of the property. The new ownership proposes to revive a historical model of a business front and residential back. If the variance is denied, the property owner would have the expense of renting a home elsewhere and commuting to the property.

One of the LLC members is a forward-thinking engineer who would like to be able to demonstrate innovative technologies in action, in a real-world setting. The expense of first-of-a-kind demonstrations are prohibitive (approximately \$15,000) unless they yield real-time benefit. These benefits would include the intellectual capital gained and the working model to present to future clients and municipalities. If the variance were denied, the community would be deprived of a working model and the future water savings from mixed use projects incorporating the rainwater capture.

What specific action are you requesting that the Board take?

If the current system was used to allocate the water credits, the 611 square foot apartment would only be allocated 4.277 credits. This would not be sufficient credits to allocate a single bathroom with shower, kitchen, and clothes washer. Even if rainwater capture was used in this scenario, the allocated water credits would be 1.573 credits short of the minimum required to make a living space which would meet the building code minimums for fixtures required for occupancy.

The attached proposed floor plan and site plan would allocate the space in a cost effective and efficient manner; however, this layout will only work if the existing water allocation for the 1222 square foot building is distributed evenly.

The system will be designed by a licensed professional and inspected by the City of Monterey and by MPWMD. The conversion to Mixed Use zoning calls for 10.9 water credits. Using rainwater as described above, provides the equivalent of 3.4 credits. The resulting 8.350 credit demand on the potable water system would be 0.204 credits under the existing 8.554 credit eligibility.

Please indicate if you intend to make a statement at the variance hearing, and list the names of any other individuals who may speak on your behalf.

Two of the members of the Monterey Design Collective, LLC. intend to speak:

Matthew Kyler, P.E.

Patrick McNeill

VARIANCE APPLICATION

EXHIBIT 2

PROJECT INFORMATION

*If additional space is needed for response to any questions, please continue on a separate piece of paper and attach it to the back of this application.

Type of Project: _____ New Construction X Remodel/Addition

Proposed New Use: (Please refer to the District's current Fixture Unit/Use Category sheet for assistance with this question.)

 X Residential No. Dwellings 1 Total No. Fixture Units 8.15 (total)

 X Commercial/Industrial/Governmental

Type of Use: Office Square Footage: 611

 Other (Specify): _____

Current Zoning Classification: PC/D - Planned Community/Downtown

Name of water company which services the property: Cal/Am

Do you feel this project will use less water than that calculated by the District? If so, please explain how much you believe the project will use, and the basis on which you make this assumption.

Yes, attached are calculations which show the rainwater captured on-site will supply the toilettes and clothes washer with diverted water.

Has this project been approved by the local jurisdiction? If so, please list or attach a copy of all conditions which have been imposed on the project. (Attach a copy of these conditions and approvals received.) Attached are emails which confirm project feasibility from:

1. Roger Van Horn, Monterey County Health Department
2. Chris Schmidt, City of Monterey Planning Division

Does the applicant intend to obtain a municipal or county building permit for the project within ninety (90) days following the granting of a water connection permit? If not, when will water be needed at the site? Yes

I declare under penalty of perjury that the information in the application and on accompanying attachments is correct to the best of my knowledge and belief.

Patricia McNeill
[Signature]
Signature of Applicant

12/20/2019
Date/Location

NOTE TO APPLICANT: You may attach written findings for the Board to review and consider in support of the action you have requested.

Fee Paid _____ Receipt No. _____ Staff Initials _____

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537 Anthony rainwater

6 messages

Pat McNeill <pmcneill64@gmail.com>

Thu, Dec 19, 2019 at 9:28 AM

To: Roger Van Horn <vanhornrw@co.monterey.ca.us>

pmcneill64@gmail.com title 16?

Thanks!

Van-Horn, Roger 755-4763 <vanhornrw@co.monterey.ca.us>

Thu, Dec 19, 2019 at 11:35 AM

To: Pat McNeill <pmcneill64@gmail.com>

Hi Pat,

Go the California Plumbing Code Chapter 16 Non-potable Rainwater Catchment Systems. This section has all the requirements you will have to follow. EHB uses these requirement guidelines for our permitting of these types of systems. If you have any question please feel free and call me.

Roger

Roger Van Horn, R.E.H.S.
Supervisor Drinking Water Protection Service / Well Program
Monterey County Health Department,
Environmental Health Bureau
1270 Natividad, Rm 42B
Salinas, CA 93906
Phone: 831.755-4763
Fax: 831.755.8929

MC Health Department Website: <http://www.mtyhd.org>

Drinking Water Protection Services: <http://www.mtyhd.org/water>

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From: Pat McNeill <pmcneill64@gmail.com>

Sent: Thursday, December 19, 2019 9:29 AM

To: Van-Horn, Roger 755-4763 <vanhornrw@co.monterey.ca.us>

Subject: 537 Anthony rainwater

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]



Matthew Kyler <matthewk@kylerengineering.com>

537 Anthony - Intended Project Usage

Chris Schmidt <schmidt@monterey.org>
To: Matthew Kyler <matthewk@kylerengineering.com>

Fri, Dec 20, 2019 at 11:50 AM

Hi Matthew,

Thank you for your email.

The proposed conversion from commercial warehouse to mixed use (commercial office and a single unit, two-bedroom apartment) is permitted by right in the [Downtown Specific Plan](#) for the City of Monterey. The specific plan includes water storage under the definition for Major Utility and requires [Use Permit](#) approval. While I cannot give a final determination on whether staff will recommend approval of a water storage use permit, such a project may, upon review, be determined to be consistent with the [City's general plan](#) policies to encourage conservation and reduce potable water consumption (GP Policy m.1. and subsequent programs). Staff would likely support the PV-roofed carport, as it would provide the required parking for the project.

Please let me know if you have any other questions or comments; you may also refer MPWMD staff for any questions or concerns.

Thank you,
Chris

[Quoted text hidden]

Chris Schmidt
Senior Associate Planner
City of Monterey, Planning Office
[580 Pacific Street](#)
[Monterey, CA 93940](#)

(831) 646-3886
www.monterey.org



Rainwater Supply - Proposed 5,000 gal Tank
8 Months Capacity

Toilet

Type of Person	# of people	Flushes/day	# days	toilet flush	% Adj	total gallons
Full time Emp & Res	1	7	240	0.8		1344
Child	2	7	120	0.8	0.4	537.6
Full time Emp	1	4	176	0.8		563.2
PT Emp	2	3	96	0.8		460.8
Summer Intern	2	5	66	0.8		528

3433.6 Gallons for toilet flushing

Laundry	Gallons	Loads
15 Gallons per load	15	96

1440 Gallons for laundry (3 loads per week)

4873.6 Gallons needed for 8 months

EXHIBIT 13-A

Potable Supply	0.00007	1222	0.08554	27873.29454	gallons expected based on GP1 Use	
Shower						
Type of Person	# of people	Showers/day	# days	gallons per sho	total gallons	
Full time Emp & Res	1	1.5	365	18	9855	
Child	2	1.5	183	18	9882	
					19737	
Handwashing						
Type of Person	# of people	HandWashes/d	# days	gallons per wa	total gallons	
Full time Emp & Res	1	5	365	0.5	912.5	
Child	2	5	183	0.5	915	
Full time Emp	1	3	269	0.5	403.5	
PT Emp	2	3	165	0.5	495	
Summer Intern	2	3	66	0.5	198	
					2924	
Food Prep						
Type of Person	# of people	Meals Cooked	# days	gallons per Me	total gallons	
Full time Emp & Res	1	3	365	0.75	821.25	
Child	2	2	183	0.75	549	
Full time Emp	1	0.75	269	0.75	151.31	
PT Emp	2	0.75	165	0.75	185.63	
Summer Intern	2	1	66	0.75	99	
					1806.2	

24467 gallons used in 1 year period

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DEC 20 2019

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DISCLOSURE STATEMENT
(EX PARTE COMMUNICATIONS)

Name or description of project, action, etc: Variance for Monterey Design Collective renovation

Names and addresses of all persons authorized to communicate with the Board of Directors on this matter:

Name	Address
<u>Matthew Kyler</u>	<u>501 Figueroa, Monterey</u>
<u>Patrick McNeill</u>	<u>503 Pearl St, Monterey</u>
<u>Chris Schmidt, Monterey Planning Dept. Monterey.</u>	<u>93940</u>

This *Disclosure Statement* is completed in my capacity as ☒ the Applicant for matter referenced in the first line, or as ☐ an authorized Agent of the Applicant. My signature evidences I am duly authorized to act on behalf of all individuals and/or entities that have an ownership interest in this matter (exceptions shall be noted by checking this box ☐ and providing a complete explanation as an attachment to this *Disclosure Statement*).

I understand this *Disclosure Statement* is required to list the names and addresses of all persons authorized to communicate with the Directors of the Water Management District on this matter. I further understand and agree to revise and amend this *Disclosure Statement* whenever any other person is authorized to communicate regarding this matter. Oral disclosure of agents shall not satisfy this requirement.

I understand and agree that failure to disclose the name of individuals who shall communicate with the District Board Members on behalf of the applicant shall subject the matter referenced above to immediate review and denial. Further, I understand that if denial is based on failure of either the applicant or of an authorized agent of the applicant to comply with these disclosure requirements, no request for approval of an identical or similar matter shall be granted for a period of twenty-four (24) months from the date this matter is denied.

I declare the foregoing to be true and correct of my own personal knowledge. I have signed this form this 20 day of December, 2019. This form is signed in the

City of Monterey, State of California

Patrick McNeill
Matthew Kyler

Name (print)

Patrick McNeill
Matthew Kyler

Signature

EXHIBIT 13-B

RULE 25.5 - WATER USE CREDITS AND WATER CREDITS

- A. Except where a Water Permit has been abandoned, expired, Revoked, Suspended, or canceled under these Rules, a Person may receive a Water Use Credit for the permanent abandonment of some or all prior water use on that Site by one of the methods set forth in this Rule. Water Use Credits shall be documented by written correspondence between the District and the property owner, and shall remain valid unless expired or prohibited by this Rule. Water Use Credits shall not be documented by notice on a property title, except as specified in Rule 25.5-H. Except as allowed by Rule 28, Water Use Credits shall not be transferable to any other Site.
- B. Water savings resulting from mandatory compliance with Regulation XIV, Water Conservation, shall not result in a Water Use Credit, with the exception of Table 4 retrofits. Such savings shall be set aside as permanent water conservation savings.
- C. A Water Use Credit may be applied to and shall allow future water use on that Site at any time within a period of ten years. Subsequently, any remaining unused Water Use Credit shall expire.
- D. A Water Use Credit on a Redevelopment Project that was documented prior to February 1, 2012, may, in addition to the time limits and in the manner set forth above, have its expiration date extended for two (2) additional periods of 60 months each, to afford any such Redevelopment Project a maximum period of two hundred forty (240) months to use that credit.
- E. The following types of Permanent Abandonment of Capacity shall qualify for a Water Use Credit under this Rule:
 - 1. Demolition of a building or use that has been recognized by the District as being a lawful water use;
 - 2. Demolition or removal of Exterior Restaurant Seats specifically permitted by debiting Water Use Capacity from an Allocation, Entitlement, Water Credit or Water Use Credit;
 - 3. Permanent disconnection of a lawful water use from a Water Distribution System;
 - 4. Residential removal of District-documented and lawful water fixtures listed in Rule 24, Table 1: Residential Fixture Unit Count Values and the associated plumbing for those fixtures so there is no evidence of the removed water fixture;
 - 5. Permanent installation of water fixtures or appliances that are designed to achieve greater water efficiency than mandated in District Rule 142 and Rule 143.
 - 6. Removal of established Lawn on sports fields at a Public School District Site.

EXHIBIT 13-B

- F. To determine a Water Use Credit, the General Manager shall:
1. Verify that the reduction is one which is permanent (i.e. Permanent Abandonment of Use) and the date that Permanent Abandonment of Use occurred.
 2. Quantify the Water Use Capacity of the Site using the water use factors from Rule 24, Tables 1 and/or 2. If no factor is available on Table 2 or if the use is substantially different than any of the uses shown on Table 2, the General Manager may make an estimate based upon water records showing the average use over a minimum of eight (8) years.
 3. Grant a Water Use Credit for the permanent removal of water using fixtures if the fixture was properly and lawfully installed. Credit for fixtures listed in Rule 24-A-2 shall only receive a Water Use Credit upon evidence of a Water Permit showing a debit to a Jurisdiction's Allocation and payment of related Capacity Fees.
 - a. Water Use Credits for multiple Showerheads shall be limited to a maximum of four (4) fixture units per Separate Stall Shower or Bathtub. A Shower System shall be considered a component of a Separate Stall Shower or Bathtub for purposes of this Rule.
 - b. Credit shall not be given for any reduction which occurs as the result of the removal of landscaping installed without a Water Permit or installed pursuant to a Water Permit for New Construction. An exception to this limitation shall be made for Non-Residential landscaping that was specifically identified, quantified, and permitted by the District. Any Water Use Credit granted under this subdivision shall be determined using the Estimated Applied Water for the increment of landscaping being permanently abandoned.
 4. Quantify the water use reduction (the abandoned Capacity) using the following methods:
 - a. Residential Water Use Credit for demolitions, permanent disconnection of water service, and permanent removal of water fixtures shall be determined using the Fixture Unit Values from Rule 24, Table 1: Residential Fixture Unit Count Values.
 - b. Residential Water Use Credits shall only be granted for installation of the ultra-low consumption appliances listed in Table 4: High Efficiency Appliance Credits. This table may be amended by Resolution of the Board of Directors.

EXHIBIT 13-B**TABLE 4: HIGH EFFICIENCY APPLIANCE CREDITS**

Appliance	Description	Water Use Credit in Fixture Units (FU)
High Efficiency Toilets	A toilet designed to have an average maximum flush of 1.3 gallons.	0.5 FU
Ultra High Efficiency Toilet	A toilet designed and manufactured to flush with a maximum of 0.8 gallon of water and that is labeled by the U.S. Environmental Protection Agency's WaterSense program.	1 FU
Instant-Access Hot Water System	A recirculating hot water system or other device(s) that results in hot water contact at every point of access throughout the Dwelling Unit within ten (10) seconds. Instant-Access Hot Water Systems shall be installed in each auxiliary building plumbed with hot water on a Single Family Residential Site. There shall be no Water Use Credit for installation of Instant-Access Hot Water Systems for New Structures.	0.5 FU
High Efficiency Dishwasher	A dishwasher designed to use a maximum of 5.8 gallons per cycle. A High Efficiency Dishwasher shall have Energy Star certification.	0.5 FU
High Efficiency Clothes Washer	A Clothes Washer with a Water Factor of 5.0 or less.	1 FU
Rainwater/Graywater Toilet Flushing System for Multi-Family Dwellings	A rainwater or Graywater recycling storage system used to flush toilet(s). System capacity shall meet 100% projected annual demand, plus three days.	75% of FU
Rainwater/Graywater Clothes Washing System for Multi-Family Dwellings	A rainwater or Graywater recycling storage system used to wash clothes. System capacity shall meet 100% projected annual demand, plus three days.	75% of FU

Table 4 amended by Resolution 2008-03 (2/28/2008); Resolution 2009-10 (7/20/2009); Ordinance No. 140 (11/16/2009); Resolution 2009-14 (12/14/2009); Ordinance No. 151 (11/19/2012); Ordinance No. 156 (11/18/2013); Resolution 2019-09 (7/15/2019)

EXHIBIT 13-B

- c. Non-Residential Water Use Credit for demolition and for permanent disconnection of water service shall be determined using Table 2: Non-Residential Water Use Factors.
- d. Non-Residential Water Use Credit for retrofits with Ultra-Low Consumption Technology shall be documented under the following circumstances and shall be granted for the increment of water savings beyond the water savings anticipated from the installation of Low Water Use Plumbing Fixtures and other District mandates:
 - (1) Application for Water Use Credit Post-Retrofit. The Applicant shall submit clear and convincing evidence of water savings. This shall be accomplished by providing the District with a minimum of eight (8) years of documented pre-retrofit water history for the use from the Water Distribution System (i.e. bills or correspondence from the Water Distribution System Operator) along with two or more years of post-retrofit water history for the use (i.e. bills or correspondence from the Water Distribution System Operator). When eight (8) years of water history for a use is unavailable or when less than two years of post-retrofit water history is available, the Applicant shall obtain an independent third party's review of the projected water savings. The District shall maintain a list of Persons qualified to prepare a third party water conservation analysis. The District shall verify the installation of Ultra-Low Consumption Technology by conducting an inspection.
 - (2) Application for Water Use Credit Pre-Retrofit. The Applicant shall submit clear and convincing evidence of water savings. This shall be accomplished by providing the District with a minimum of eight (8) years of documented pre-retrofit water history for the use from the Water Distribution System (i.e. bills or correspondence from the Water Distribution System Operator) to establish a baseline consumption level. When eight (8) years of pre-retrofit water history for a use is unavailable, the factor from Rule 24, Table 2: Non-Residential Water Use Factors shall be used as the historic use baseline. To substantiate projected water savings resulting from the proposed retrofit(s), the Applicant shall submit additional documentation to support the estimated water savings. When District staff is not able to verify the estimated water savings, the Applicant may be required to reimburse the District for costs to obtain an independent third party's review of the projected water savings. The District shall verify the installation of Ultra-Low Consumption Technology by conducting an inspection.

EXHIBIT 13-B

- (3) When a Non-Residential Water Use Credit is requested for a Site that cannot demonstrate that the Site was equipped with Low Water Use Plumbing Fixtures for the full period of the water records used, there shall be a 15 percent reduction of the final calculated Water Use Credit.
 - (4) In the event that the General Manager disagrees with the amount of water savings resulting from the installation of Ultra-Low Consumption Technology, the complete Water Use Credit application shall be presented to the Board for further consideration.
5. Written notification of the quantity and expiration of a Water Use Credit shall be provided to the Applicant and to the property owner.
- G. A valid Water Use Credit may provide the basis for the General Manager to issue a Water Permit for new, modified, or Intensified Water Use on that Site.
 1. There shall be no Capacity Fee assessed for any Water Use Credit. Capacity Fees, however, shall apply to the Capacity for water use which exceeds the Water Use Credit, or for any Expansion of Use following the expiration of the Water Use Credit.
 2. Use of a documented Residential Water Use Credit that originates from Table 4, High Efficiency Appliance Credits, or that originates from a Non-Residential Water Use Credit resulting from installation of Ultra Low Consumption Technology to offset an Expansion of Use shall cause recordation of a Notice and Deed Restriction Regarding Limitation on Use of Water on a Property. There shall be an exception to this requirement when the credit originates from installation of High Efficiency Toilets.
 3. No Capacity Fee refund shall accrue by reason of a water use reduction or abandonment of Capacity, whether or not reflected by a Water Use Credit.
 4. Issuance of a Water Use Credit shall not result in any change to a Jurisdiction's Allocation or to any Water Entitlement. Use of any Water Use Credit shall similarly not result in a change to a Jurisdiction's Allocation or any Water Entitlement.
 5. When a Water Use Credit or On-Site Credit applied to a Water Permit originates from a Qualifying Device for which a Rebate has been issued, the District shall collect the amount of the Rebate as a Water Permit fee surcharge, in addition to any other fee that may apply to that Water Permit. This fee surcharge shall be deposited in the Rebate Account.

EXHIBIT 13-B

- H. When a Water Use Credit on a Site results from demolition of a building that straddled a lot line, the property owner shall specify in writing the quantity of water credit assigned to each of the lots formerly occupied by that building. When a Site with a valid documented Water Use Credit is assigned new Assessor's Parcel Numbers and the original Assessor's Parcel Number becomes inactive, the Site owner shall specify in writing the quantity of Water Use Credit assigned to each of the Parcels. Such designation shall be recorded upon the title of each Parcel.
- I. A Water Use Credit shall enable reuse of saved water on the Site.
1. Water Use Credits may be moved between one or more structures on the same Site or may be used to construct new uses on the same Site.
 2. The District shall not require an additional increment of water for exterior water usage on a Vacant Lot or lot containing an uninhabitable structure when the owner of the Site has submitted clear and convincing evidence of landscaping and irrigation that was installed by and has been consistently maintained since March 11, 1985. Examples of acceptable evidence are dated photographs, official documents, permits or correspondence of the Jurisdiction, receipts or invoices for gardening services or purchases related to landscaping and maintaining landscaping on the Site.
 3. A Water Use Credit for disconnection from a Potable Water Distribution System shall be granted by the General Manager only upon the removal of the Connection and written confirmation of such removal by the Water Distribution System Owner or Operator.
- J. An On-Site Water Credit resulting from the non-permanent removal of a lawful use that occurred on or after March 1, 1985, may be applied to, and shall allow, the future reuse of that increment of water on that Site. A Water Permit for reinstating the former use shall be required and allowed.

Rule added by Ordinance No. 60 (6/15/92); amended by Ordinance No. 64 (10/05/92); Ordinance No. 71 (12/20/93); Ordinance No. 110 (9/30/2003); Ordinance No. 115 (05/17/2004); Ordinance No. 121 (8/15/2005); Ordinance No. 125 (9/18/2006); Ordinance No. 128 (6/18/2007); Ordinance No. 139 (5/12/2009); Ordinance No. 145 (9/20/2010); Ordinance No. 155 (3/18/2013); Ordinance No. 156 (11/18/2013); Ordinance No. 157 (12/9/2013); Ordinance No. 162 (8/18/2014); Ordinance No. 164 (4/20/2015); Ordinance No. 170 (5/16/2016); Ordinance No. 176 (1/25/2017); Ordinance No. 177 (9/18/2017); Ordinance No. 182 (5/20/2019).

EXHIBIT 13-C

DRAFT

FINDINGS OF APPROVAL

CONSIDER REQUEST FOR VARIANCE FOR RAINWATER SYSTEM IN MIXED USE BUILDING AT 537 ANTHONY STREET, MONTEREY, APN 001-712-010, APPLICANT: MONTEREY DESIGN COLLECTIVE, LLC

1. **FINDING:** The Monterey Design Collective (applicant) has requested Board approval of a variance to allow credit for a rainwater reuse system to offset an projected increase in use at 537 Anthony St, Monterey.

EVIDENCE: Application for Variance attached as **Exhibit 13-A**.

2. **FINDING:** District Rule 25, Table 4: *High Efficiency Appliance Credits* provides a Water Credit to Multi-Family projects that utilize a rainwater/Graywater reuse system to flush toilets and wash clothes. Single Dwelling Units were not included in the credit.

EVIDENCE: Rule 25.5, Table 4: *High Efficiency Appliance Credits* attached as **Exhibit 13-B**.

3. **FINDING:** Rule 25-F-4-d allows Non-Residential Water Use Credits for Ultra-Low Consumption Technology Pre-Retrofit.

EVIDENCE: Rule 25-F-4-d attached as **Exhibit 13-B**.

4. **FINDING:** District Rule 90 allows the Board to consider variances “...*from any provision of the standards incorporated into these Rules and Regulations whenever it finds: (a) that Special Circumstances exist in a particular case, and (b) that practical difficulties or Undue Hardship would result from the strict interpretation and enforcement of any such standard, and (c) that the granting of such a variance would not tend to defeat the purposes of these Rules and Regulations. The Board may place conditions upon such variances.*”

EVIDENCE: Rule 90 on file at the District office.

5. **FINDING:** Special Circumstances exist in this case because the Site does not have sufficient Water Use Capacity to allow for an Intensification of Use on the Site without granting a Water Credit for rainwater recycling, and the Rules do not address rainwater recycling Water Credit as it applies to Single-Family/Mixed-Use projects.

EVIDENCE: Application for Variance attached as **Exhibit 13-A**.

- 7. FINDING:** Special Circumstances exist in this case because there is evidence that the rainwater recycling system will supply 140 percent of the water needed for toilet flushing and clothes washing in the Mixed Use building.
- EVIDENCE:** Staff demand calculations discussed in the staff report.
- 10. FINDING:** Potable water supply will be tracked by an inline water meter.
- EVIDENCE:** Condition of Approval.
- 11. FINDING:** Granting a variance to allow Water Use Credit for rainwater recycling will not defeat the purpose of the Rules and Regulations as the proposed project will not result in a Water Use Capacity that exceeds the current Capacity.
- EVIDENCE:** The above stated facts.
- 12. FINDING:** The building at 537 Anthony Street in Monterey has sufficient roof area to supply rainwater for the project during a “below normal” Water Year.
- EVIDENCE:** Calculations on file at the District office.
- 13. FINDING:** In granting this variance, the Board adopts the following Conditions of Approval:
1. Install an 8,000-gallon rainwater tank and roof conveyance system by Feb 15, 2020 to allow for immediate rainwater collection during the rainy season.
 2. Obtain permits for the rainwater system from the City of Monterey and the Monterey County Health Department as required.
 3. Meter the potable back-up supply where it enters the rainwater tank.
 4. Meter the rainwater supply line as it exits the tank.
 5. Submit annual reporting on all meter reads.
 6. A Limitation on Use of Water on Property deed restriction shall be recorded on the property title.
 7. This variance is time limited to one year from the date of approval. Within the year, the applicant shall obtain water and building permits or the approval shall expire.
- EVIDENCE:** Minutes of the January 23, 2020, regular Board meeting.

ITEM: PUBLIC HEARING

14. CONSIDER REQUEST FOR VARIANCE FOR RAINWATER SYSTEM IN MIXED USE BUILDING AT 537 ANTHONY STREET, MONTEREY, APN 001-712-010, APPLICANT: MONTEREY DESIGN COLLECTIVE, LLC

Meeting Date: January 23, 2020 **Budgeted:** N/A

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

Prepared By: Stephanie Kister **Cost Estimate:** N/A

General Counsel Approval: 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 Monterey Design Collective, LLC, represented by Matthew Kyler and Patrick McNeill, is requesting Board approval of a variance to allow a demand offset for the use of rainwater to flush toilets and wash clothes at 537 Anthony Street, Monterey (**Exhibit 14-A**). District Rule 90 allows the Board to consider variances “...from any provision of the standards incorporated into these Rules and Regulations whenever it finds: (a) that Special Circumstances exist in a particular case, and (b) that practical difficulties or Undue Hardship would result from the strict interpretation and enforcement of any such standard, and (c) that the granting of such a variance would not tend to defeat the purposes of these Rules and Regulations. The Board may place conditions upon such variances.”

The Board is considering a variance because Special Circumstances exist in this case as Rule 25.5 (**Exhibit 14-B**) allows Non-Residential Water Use Credits for Ultra-Low Consumption Technology, but the Rule does not address Water Credit for rainwater reuse in a Single-Family or Mixed-Use project. Adoption of Resolution 2020-01 on the January 23, 2020 Consent Calendar will create a Water Credit for rainwater reuse within a Residential use, but because the resolution will be considered earlier the same evening as this hearing, there is a possibility that the resolution will not be passed, and this variance will need to be considered on its own merits. If the resolution passes, this variance request does not need to be heard by the Board.

DISCUSSION: The Site currently consists of a 1,222 square-foot (sq ft) commercial warehouse building. The Water Use Capacity associated with the building is Group I use at 0.00007 AF/sqft totaling 0.086 Acre-Foot annually (AF). The project will convert the building into a “live-work” space with 611 sq ft office use in the front and approximately 611 sq ft two-Bathroom Residential unit in the rear. The amount of water required for this project is 0.144 AF, 0.058 AF short of what is available on Site. The roof area of the project Site has sufficient area to meet 140% of the project’s non-Potable Capacity.

Rule 25.5, Table 4: *High Efficiency Appliance Credits* was updated by Resolution 2019-09 in July 2019 to add a Water Credit for Rainwater/Graywater reuse systems in Multi-Family Dwellings. This credit is presently not available to single Dwelling Units.

The project will include a two-Bathroom apartment with one full-time resident and two half-time residents, and a 611 sq ft office with two full-time employees (40 hours a week), two half-time employees (20 hours a week), and two summer interns who work three months a year (40 hours a week). Rainwater storage would be required for an eight-month dry period, with periodic rainfall filling the tank during the remaining months. Assuming all 0.8 gallon-per-flush (GPF) toilets, toilet flushing would require approximately 3,433 gallons of water. A High Efficiency Clothes Washer at three loads per week would require 1,440 gallons over 8 months. Therefore, the 8,000-gallon tank proposed by the applicant would supply 140 percent of the demand.

All other water fixtures would be served by the Cal-Am Potable supply and were analyzed over a one-year period for the same occupancy rate listed above. Total water needed for showering, food prep/cleanup and handwashing is approximately 24,500 gallons or 0.075 AF. No landscaping will exist on the Site. This estimated use is less than the 0.086 AF of Water Credit associated with the Site.

Staff further reviewed the Water Use Capacity of the Site to see if the new estimated demand would fit within the current Site Capacity if a rainwater credit were applied. The Water Use Capacity associated with the building is Group I use at 0.00007 AF/sq ft totaling 0.086 Acre-Feet (AF). First, the Group 1 Water Use Factor may be reduced by 65 percent for the toilet water being supplied by rainwater. At 0.000024 AF/sq ft, the office space will use 0.015 AF per year for handwashing and food preparation. Applying all the possible High Efficiency Appliance Credits and applying a 75 percent reduction on the fixture unit value for toilets and clothes washing (consistent with the current credit for Multi-Family reuse), the Residential portion of the project will use 0.062 AF year. This brings the combined use to 0.077 AF per year, which is 0.009 AF less than the allocated Water Use Capacity for the Site.

RECOMMENDATION: Staff recommends approval of the Variance and adoption of the Findings of Approval (**Exhibit 14-C**) to authorize a rainwater reuse system to flush toilets and wash clothes to offset the proposed increase in use with the following conditions of approval:

- 1) Install an 8,000-gallon rainwater tank and roof conveyance system by Feb 15, 2020, to allow for immediate rainwater collection during the rainy season.
- 2) Obtain permits for the rainwater system from the City of Monterey and the Monterey County Health Department as required.
- 3) Meter the potable back-up supply where it enters the rainwater tank.
- 4) Meter the rainwater supply line as it exits the tank.
- 5) Submit annual reporting on all meter reads.

- 6) A Limitation on Use of Water on Property deed restriction shall be recorded on the property title making the rainwater reuse system a permanent requirement unless the condition is eliminated by an amended Water Permit.

EXHIBITS

14-A Application for Variance

14-B Rule 25.5

14-C Findings of Approval



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APPLICATION FOR VARIANCE REGARDING WATER CONNECTION PERMITS

Rule 24 of the District Rules and Regulations states that upon request an applicant may apply for a variance from standards incorporated in the District's rules and Regulations. Variances may be approved when: a) special circumstances exist, as defined in the Rules and Regulations; b) when strict interpretation and enforcement of any standard would cause undue hardship; and c) when the granting of such a variance will not tend to defeat the purpose of the Rules and Regulations. In order to be considered for a variance hearing, all applicants must submit a completed application with payment of a non-refundable processing fee \$900.00, (plus \$90.00 an hour for more than 10 hours of staff time), and any other information necessary to evaluate the case.

Applications must be received 5 weeks in advance of the next scheduled Board meeting in order to be considered for placement on the agenda. All applicants are required to provide the information requested on this form. This information will be used as the basis for finding on which the Board will support or deny your variance request. Submission of an incomplete application may constitute grounds for denial of your request.

APPLICANT INFORMATION

Applicant's Full Name: Monterey Design Collective, LLC
 Mailing Address: 503 Pearl Street
 City: Monterey State: CA Zip: 93940
 Phone Number(s): Work (415) 264.2554 Home (831) 206.5665
 E-Mail: matthewk@kylerengineering.com
 Name of Agent(s) to Represent Applicant: Matthew Kyler & Patrick McNeill
 Mailing Address: 503 Pearl Street
 City: Monterey State: CA Zip: 93940
 Phone Number(s): Work (415) 264.2554 Home (831) 206.5665
 E-Mail: _____

PROPERTY INFORMATION

Full Name of Property Owner: Monterey Design Collective LLC
 Mailing Address: 503 Pearl Street
 City: Monterey State: CA Zip: 93940
 Phone Number(s): Work (415) 264.2554 Home (831) 206.5665
 E-Mail: matthewk@kylerengineering.com
 Property Address: 537 Anthony Street
 City: Monterey State: CA Zip: 93940
 Assessor's Parcel Number: 001 - 712 - 010
 Property Area: Acres: _____ Square Feet: 4000 Other: _____
 Past Land Use: Commercial
 Present Land Use: Vacant
 Proposed Land Use: Mixed Use: office - 50% / residential rental - 50%
 Existing buildings? Yes X No _____
 Types of uses and square footage: Mixed Use: office/rental residential

(PLEASE PROVIDE 5 YEARS OF WATER RECORDS)

N/A - new owner has no access to previous owner's use history

EXHIBIT 14-A

Variance Application

Exhibit 1

Monterey Peninsula Water Management District Application for Variance Regarding Water Connection Permits – Exhibit 1 - Addendum

From which rule(s) are you requesting a variance:

Rule 24 and Rule 25

Current rules do not provide an achievable approval path for live/work office environments. In lieu of only allocating the water use capacity for the commercial square footage being converted to residential, calculations were performed to share the water use capacity between the residential apartment and the commercial office.

Please state the special circumstances which distinguish your application from all others which are subject to enforcement of this process.

1. Our overall project goal is in the spirit of the City of Monterey's goals of revitalizing an area of the Pearl Street District by introducing mixed use zoning, adding an additional unit to the housing inventory of the City, and encouraging Group 1 Office development.
2. Our project proposes to act as a proof of concept case study to document the feasibility for properties with limited water credits by using innovative technology to supply a clothes washer and flush toilets with captured and stored rainwater. This initiative provides the equivalent of 4 fixtures & 3.4 water credits, which itemizes as 2 UHET toilets in an apartment, 1 UHET toilet for a business office, and 1 high efficiency clothes washer (HEW).

What difficulties or hardships would result if your variance request was denied?

The high cost of real estate in the City of Monterey has rendered this property impractical for continued commercial uses that are compatible with downtown development. This led to the sale of the property. The new ownership proposes to revive a historical model of a business front and residential back. If the variance is denied, the property owner would have the expense of renting a home elsewhere and commuting to the property.

One of the LLC members is a forward-thinking engineer who would like to be able to demonstrate innovative technologies in action, in a real-world setting. The expense of first-of-a-kind demonstrations are prohibitive (approximately \$15,000) unless they yield real-time benefit. These benefits would include the intellectual capital gained and the working model to present to future clients and municipalities. If the variance were denied, the community would be deprived of a working model and the future water savings from mixed use projects incorporating the rainwater capture.

What specific action are you requesting that the Board take?

If the current system was used to allocate the water credits, the 611 square foot apartment would only be allocated 4.277 credits. This would not be sufficient credits to allocate a single bathroom with shower, kitchen, and clothes washer. Even if rainwater capture was used in this scenario, the allocated water credits would be 1.573 credits short of the minimum required to make a living space which would meet the building code minimums for fixtures required for occupancy.

The attached proposed floor plan and site plan would allocate the space in a cost effective and efficient manner; however, this layout will only work if the existing water allocation for the 1222 square foot building is distributed evenly.

The system will be designed by a licensed professional and inspected by the City of Monterey and by MPWMD. The conversion to Mixed Use zoning calls for 10.9 water credits. Using rainwater as described above, provides the equivalent of 3.4 credits. The resulting 8.350 credit demand on the potable water system would be 0.204 credits under the existing 8.554 credit eligibility.

Please indicate if you intend to make a statement at the variance hearing, and list the names of any other individuals who may speak on your behalf.

Two of the members of the Monterey Design Collective, LLC. intend to speak:

Matthew Kyler, P.E.

Patrick McNeill

VARIANCE APPLICATION

EXHIBIT 2

PROJECT INFORMATION

*If additional space is needed for response to any questions, please continue on a separate piece of paper and attach it to the back of this application.

Type of Project: _____ New Construction _____ X Remodel/Addition

Proposed New Use: (Please refer to the District's current Fixture Unit/Use Category sheet for assistance with this question.)

X Residential No. Dwellings 1 Total No. Fixture Units 8.15 (total)

X Commercial/Industrial/Governmental

Type of Use: Office Square Footage: 611

Other (Specify): _____

Current Zoning Classification: PC/D - Planned Community/Downtown

Name of water company which services the property: Cal/Am

Do you feel this project will use less water than that calculated by the District? If so, please explain how much you believe the project will use, and the basis on which you make this assumption.

Yes, attached are calculations which show the rainwater captured on-site will supply the toilettes and clothes washer with diverted water.

Has this project been approved by the local jurisdiction? If so, please list or attach a copy of all conditions which have been imposed on the project. (Attach a copy of these conditions and approvals received.) Attached are emails which confirm project feasibility from:

1. Roger Van Horn, Monterey County Health Department
2. Chris Schmidt, City of Monterey Planning Division

Does the applicant intend to obtain a municipal or county building permit for the project within ninety (90) days following the granting of a water connection permit? If not, when will water be needed at the site? Yes

I declare under penalty of perjury that the information in the application and on accompanying attachments is correct to the best of my knowledge and belief.

Patricia McNeill
Signature of Applicant

12/20/2019
Date/Location

NOTE TO APPLICANT: You may attach written findings for the Board to review and consider in support of the action you have requested.

Fee Paid _____ Receipt No. _____ Staff Initials _____



537 Anthony rainwater

6 messages

Pat McNeill <pmcneill64@gmail.com>

Thu, Dec 19, 2019 at 9:28 AM

To: Roger Van Horn <vanhornrw@co.monterey.ca.us>

pmcneill64@gmail.com title 16?

Thanks!

Van-Horn, Roger 755-4763 <vanhornrw@co.monterey.ca.us>

Thu, Dec 19, 2019 at 11:35 AM

To: Pat McNeill <pmcneill64@gmail.com>

Hi Pat,

Go the California Plumbing Code Chapter 16 Non-potable Rainwater Catchment Systems. This section has all the requirements you will have to follow. EHB uses these requirement guidelines for our permitting of these types of systems. If you have any question please feel free and call me.

Roger

Roger Van Horn, R.E.H.S.
Supervisor Drinking Water Protection Service / Well Program
Monterey County Health Department,
Environmental Health Bureau
1270 Natividad, Rm 42B
Salinas, CA 93906
Phone: 831.755-4763
Fax: 831.755.8929

MC Health Department Website: <http://www.mtyhd.org>

Drinking Water Protection Services: <http://www.mtyhd.org/water>

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From: Pat McNeill <pmcneill64@gmail.com>

Sent: Thursday, December 19, 2019 9:29 AM

To: Van-Horn, Roger 755-4763 <vanhornrw@co.monterey.ca.us>

Subject: 537 Anthony rainwater

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]



Matthew Kyler <matthewk@kylerengineering.com>

537 Anthony - Intended Project Usage

Chris Schmidt <schmidt@monterey.org>

Fri, Dec 20, 2019 at 11:50 AM

To: Matthew Kyler <matthewk@kylerengineering.com>

Hi Matthew,

Thank you for your email.

The proposed conversion from commercial warehouse to mixed use (commercial office and a single unit, two-bedroom apartment) is permitted by right in the [Downtown Specific Plan](#) for the City of Monterey. The specific plan includes water storage under the definition for Major Utility and requires [Use Permit](#) approval. While I cannot give a final determination on whether staff will recommend approval of a water storage use permit, such a project may, upon review, be determined to be consistent with the [City's general plan](#) policies to encourage conservation and reduce potable water consumption (GP Policy m.1. and subsequent programs). Staff would likely support the PV-roofed carport, as it would provide the required parking for the project.

Please let me know if you have any other questions or comments; you may also refer MPWMD staff for any questions or concerns.

Thank you,
Chris

[Quoted text hidden]

--

Chris Schmidt
Senior Associate Planner
City of Monterey, Planning Office
[580 Pacific Street](#)
[Monterey, CA 93940](#)

(831) 646-3886
www.monterey.org



**Rainwater Supply - Proposed 5,000 gal Tank
8 Months Capacity**

Toilet

Type of Person	# of people	Flushes/day	# days	toilet flush	% Adj	total gallons
Full time Emp & Res	1	7	240	0.8		1344
Child	2	7	120	0.8	0.4	537.6
Full time Emp	1	4	176	0.8		563.2
PT Emp	2	3	96	0.8		460.8
Summer Intern	2	5	66	0.8		528
3433.6 Gallons for toilet flushing						
Laundry	Gallons	Loads				
15 Gallons per load	15	96				1440 Gallons for laundry (3 loads per week)

4873.6 Gallons needed for 8 months

EXHIBIT 14-A

Potable Supply		0.00007	1222	0.08554	27873.29454	gallons expected based on GP1 Use	
Shower							
Type of Person	# of people	Showers/day	# days	gallons per sho	total gallons		
Full time Emp & Res	1	1.5	365	18	9855		
Child	2	1.5	183	18	9882		
					19737		
Handwashing							
Type of Person	# of people	HandWashes/d	# days	gallons per wa	total gallons		
Full time Emp & Res	1	5	365	0.5	912.5		
Child	2	5	183	0.5	915		
Full time Emp	1	3	269	0.5	403.5		
PT Emp	2	3	165	0.5	495		
Summer Intern	2	3	66	0.5	198		
					2924		
Food Prep							
Type of Person	# of people	Meals Cooked	# days	gallons per Me	total gallons		
Full time Emp & Res	1	3	365	0.75	821.25		
Child	2	2	183	0.75	549		
Full time Emp	1	0.75	269	0.75	151.31		
PT Emp	2	0.75	165	0.75	185.63		
Summer Intern	2	1	66	0.75	99		
					1806.2		

24467 gallons used in 1 year period

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DISCLOSURE STATEMENT (EX PARTE COMMUNICATIONS)

Name or description of project, action, etc: Variance for Monterey Design Collective renovation

Names and addresses of all persons authorized to communicate with the Board of Directors on this matter:

Name	Address
<u>Matthew Kyler</u>	<u>501 Figueroa, Monterey</u>
<u>Patrick McNeill</u>	<u>503 Pearl St, Monterey</u>
<u>Chris Schmidt, Monterey Planning Dept. Monterey.</u>	<u>93940</u>

This *Disclosure Statement* is completed in my capacity as ☒ the Applicant for matter referenced in the first line, or as ☐ an authorized Agent of the Applicant. My signature evidences I am duly authorized to act on behalf of all individuals and/or entities that have an ownership interest in this matter (exceptions shall be noted by checking this box ☐ and providing a complete explanation as an attachment to this *Disclosure Statement*).

I understand this *Disclosure Statement* is required to list the names and addresses of all persons authorized to communicate with the Directors of the Water Management District on this matter. I further understand and agree to revise and amend this *Disclosure Statement* whenever any other person is authorized to communicate regarding this matter. Oral disclosure of agents shall not satisfy this requirement.

I understand and agree that failure to disclose the name of individuals who shall communicate with the District Board Members on behalf of the applicant shall subject the matter referenced above to immediate review and denial. Further, I understand that if denial is based on failure of either the applicant or of an authorized agent of the applicant to comply with these disclosure requirements, no request for approval of an identical or similar matter shall be granted for a period of twenty-four (24) months from the date this matter is denied.

I declare the foregoing to be true and correct of my own personal knowledge. I have signed this form this 20 day of December, 2019. This form is signed in the

City of Monterey, State of California

Patrick McNeill
Matthew Kyler

Name (print)

Patrick McNeill
Matthew Kyler

Signature

EXHIBIT 14-B

RULE 25.5 - WATER USE CREDITS AND WATER CREDITS

- A. Except where a Water Permit has been abandoned, expired, Revoked, Suspended, or canceled under these Rules, a Person may receive a Water Use Credit for the permanent abandonment of some or all prior water use on that Site by one of the methods set forth in this Rule. Water Use Credits shall be documented by written correspondence between the District and the property owner, and shall remain valid unless expired or prohibited by this Rule. Water Use Credits shall not be documented by notice on a property title, except as specified in Rule 25.5-H. Except as allowed by Rule 28, Water Use Credits shall not be transferable to any other Site.
- B. Water savings resulting from mandatory compliance with Regulation XIV, Water Conservation, shall not result in a Water Use Credit, with the exception of Table 4 retrofits. Such savings shall be set aside as permanent water conservation savings.
- C. A Water Use Credit may be applied to and shall allow future water use on that Site at any time within a period of ten years. Subsequently, any remaining unused Water Use Credit shall expire.
- D. A Water Use Credit on a Redevelopment Project that was documented prior to February 1, 2012, may, in addition to the time limits and in the manner set forth above, have its expiration date extended for two (2) additional periods of 60 months each, to afford any such Redevelopment Project a maximum period of two hundred forty (240) months to use that credit.
- E. The following types of Permanent Abandonment of Capacity shall qualify for a Water Use Credit under this Rule:
 - 1. Demolition of a building or use that has been recognized by the District as being a lawful water use;
 - 2. Demolition or removal of Exterior Restaurant Seats specifically permitted by debiting Water Use Capacity from an Allocation, Entitlement, Water Credit or Water Use Credit;
 - 3. Permanent disconnection of a lawful water use from a Water Distribution System;
 - 4. Residential removal of District-documented and lawful water fixtures listed in Rule 24, Table 1: Residential Fixture Unit Count Values and the associated plumbing for those fixtures so there is no evidence of the removed water fixture;
 - 5. Permanent installation of water fixtures or appliances that are designed to achieve greater water efficiency than mandated in District Rule 142 and Rule 143.
 - 6. Removal of established Lawn on sports fields at a Public School District Site.

EXHIBIT 14-B

- F. To determine a Water Use Credit, the General Manager shall:
1. Verify that the reduction is one which is permanent (i.e. Permanent Abandonment of Use) and the date that Permanent Abandonment of Use occurred.
 2. Quantify the Water Use Capacity of the Site using the water use factors from Rule 24, Tables 1 and/or 2. If no factor is available on Table 2 or if the use is substantially different than any of the uses shown on Table 2, the General Manager may make an estimate based upon water records showing the average use over a minimum of eight (8) years.
 3. Grant a Water Use Credit for the permanent removal of water using fixtures if the fixture was properly and lawfully installed. Credit for fixtures listed in Rule 24-A-2 shall only receive a Water Use Credit upon evidence of a Water Permit showing a debit to a Jurisdiction's Allocation and payment of related Capacity Fees.
 - a. Water Use Credits for multiple Showerheads shall be limited to a maximum of four (4) fixture units per Separate Stall Shower or Bathtub. A Shower System shall be considered a component of a Separate Stall Shower or Bathtub for purposes of this Rule.
 - b. Credit shall not be given for any reduction which occurs as the result of the removal of landscaping installed without a Water Permit or installed pursuant to a Water Permit for New Construction. An exception to this limitation shall be made for Non-Residential landscaping that was specifically identified, quantified, and permitted by the District. Any Water Use Credit granted under this subdivision shall be determined using the Estimated Applied Water for the increment of landscaping being permanently abandoned.
 4. Quantify the water use reduction (the abandoned Capacity) using the following methods:
 - a. Residential Water Use Credit for demolitions, permanent disconnection of water service, and permanent removal of water fixtures shall be determined using the Fixture Unit Values from Rule 24, Table 1: Residential Fixture Unit Count Values.
 - b. Residential Water Use Credits shall only be granted for installation of the ultra-low consumption appliances listed in Table 4: High Efficiency Appliance Credits. This table may be amended by Resolution of the Board of Directors.

EXHIBIT 14-B**TABLE 4: HIGH EFFICIENCY APPLIANCE CREDITS**

Appliance	Description	Water Use Credit in Fixture Units (FU)
High Efficiency Toilets	A toilet designed to have an average maximum flush of 1.3 gallons.	0.5 FU
Ultra High Efficiency Toilet	A toilet designed and manufactured to flush with a maximum of 0.8 gallon of water and that is labeled by the U.S. Environmental Protection Agency's WaterSense program.	1 FU
Instant-Access Hot Water System	A recirculating hot water system or other device(s) that results in hot water contact at every point of access throughout the Dwelling Unit within ten (10) seconds. Instant-Access Hot Water Systems shall be installed in each auxiliary building plumbed with hot water on a Single Family Residential Site. There shall be no Water Use Credit for installation of Instant-Access Hot Water Systems for New Structures.	0.5 FU
High Efficiency Dishwasher	A dishwasher designed to use a maximum of 5.8 gallons per cycle. A High Efficiency Dishwasher shall have Energy Star certification.	0.5 FU
High Efficiency Clothes Washer	A Clothes Washer with a Water Factor of 5.0 or less.	1 FU
Rainwater/Graywater Toilet Flushing System for Multi-Family Dwellings	A rainwater or Graywater recycling storage system used to flush toilet(s). System capacity shall meet 100% projected annual demand, plus three days.	75% of FU
Rainwater/Graywater Clothes Washing System for Multi-Family Dwellings	A rainwater or Graywater recycling storage system used to wash clothes. System capacity shall meet 100% projected annual demand, plus three days.	75% of FU

Table 4 amended by Resolution 2008-03 (2/28/2008); Resolution 2009-10 (7/20/2009); Ordinance No. 140 (11/16/2009); Resolution 2009-14 (12/14/2009); Ordinance No. 151 (11/19/2012); Ordinance No. 156 (11/18/2013); Resolution 2019-09 (7/15/2019)

EXHIBIT 14-B

- c. Non-Residential Water Use Credit for demolition and for permanent disconnection of water service shall be determined using Table 2: Non-Residential Water Use Factors.
- d. Non-Residential Water Use Credit for retrofits with Ultra-Low Consumption Technology shall be documented under the following circumstances and shall be granted for the increment of water savings beyond the water savings anticipated from the installation of Low Water Use Plumbing Fixtures and other District mandates:
 - (1) Application for Water Use Credit Post-Retrofit. The Applicant shall submit clear and convincing evidence of water savings. This shall be accomplished by providing the District with a minimum of eight (8) years of documented pre-retrofit water history for the use from the Water Distribution System (i.e. bills or correspondence from the Water Distribution System Operator) along with two or more years of post-retrofit water history for the use (i.e. bills or correspondence from the Water Distribution System Operator). When eight (8) years of water history for a use is unavailable or when less than two years of post-retrofit water history is available, the Applicant shall obtain an independent third party's review of the projected water savings. The District shall maintain a list of Persons qualified to prepare a third party water conservation analysis. The District shall verify the installation of Ultra-Low Consumption Technology by conducting an inspection.
 - (2) Application for Water Use Credit Pre-Retrofit. The Applicant shall submit clear and convincing evidence of water savings. This shall be accomplished by providing the District with a minimum of eight (8) years of documented pre-retrofit water history for the use from the Water Distribution System (i.e. bills or correspondence from the Water Distribution System Operator) to establish a baseline consumption level. When eight (8) years of pre-retrofit water history for a use is unavailable, the factor from Rule 24, Table 2: Non-Residential Water Use Factors shall be used as the historic use baseline. To substantiate projected water savings resulting from the proposed retrofit(s), the Applicant shall submit additional documentation to support the estimated water savings. When District staff is not able to verify the estimated water savings, the Applicant may be required to reimburse the District for costs to obtain an independent third party's review of the projected water savings. The District shall verify the installation of Ultra-Low Consumption Technology by conducting an inspection.

EXHIBIT 14-B

- (3) When a Non-Residential Water Use Credit is requested for a Site that cannot demonstrate that the Site was equipped with Low Water Use Plumbing Fixtures for the full period of the water records used, there shall be a 15 percent reduction of the final calculated Water Use Credit.
 - (4) In the event that the General Manager disagrees with the amount of water savings resulting from the installation of Ultra-Low Consumption Technology, the complete Water Use Credit application shall be presented to the Board for further consideration.
 5. Written notification of the quantity and expiration of a Water Use Credit shall be provided to the Applicant and to the property owner.
- G. A valid Water Use Credit may provide the basis for the General Manager to issue a Water Permit for new, modified, or Intensified Water Use on that Site.
 1. There shall be no Capacity Fee assessed for any Water Use Credit. Capacity Fees, however, shall apply to the Capacity for water use which exceeds the Water Use Credit, or for any Expansion of Use following the expiration of the Water Use Credit.
 2. Use of a documented Residential Water Use Credit that originates from Table 4, High Efficiency Appliance Credits, or that originates from a Non-Residential Water Use Credit resulting from installation of Ultra Low Consumption Technology to offset an Expansion of Use shall cause recordation of a Notice and Deed Restriction Regarding Limitation on Use of Water on a Property. There shall be an exception to this requirement when the credit originates from installation of High Efficiency Toilets.
 3. No Capacity Fee refund shall accrue by reason of a water use reduction or abandonment of Capacity, whether or not reflected by a Water Use Credit.
 4. Issuance of a Water Use Credit shall not result in any change to a Jurisdiction's Allocation or to any Water Entitlement. Use of any Water Use Credit shall similarly not result in a change to a Jurisdiction's Allocation or any Water Entitlement.
 5. When a Water Use Credit or On-Site Credit applied to a Water Permit originates from a Qualifying Device for which a Rebate has been issued, the District shall collect the amount of the Rebate as a Water Permit fee surcharge, in addition to any other fee that may apply to that Water Permit. This fee surcharge shall be deposited in the Rebate Account.

EXHIBIT 14-B

- H. When a Water Use Credit on a Site results from demolition of a building that straddled a lot line, the property owner shall specify in writing the quantity of water credit assigned to each of the lots formerly occupied by that building. When a Site with a valid documented Water Use Credit is assigned new Assessor's Parcel Numbers and the original Assessor's Parcel Number becomes inactive, the Site owner shall specify in writing the quantity of Water Use Credit assigned to each of the Parcels. Such designation shall be recorded upon the title of each Parcel.
- I. A Water Use Credit shall enable reuse of saved water on the Site.
1. Water Use Credits may be moved between one or more structures on the same Site or may be used to construct new uses on the same Site.
 2. The District shall not require an additional increment of water for exterior water usage on a Vacant Lot or lot containing an uninhabitable structure when the owner of the Site has submitted clear and convincing evidence of landscaping and irrigation that was installed by and has been consistently maintained since March 11, 1985. Examples of acceptable evidence are dated photographs, official documents, permits or correspondence of the Jurisdiction, receipts or invoices for gardening services or purchases related to landscaping and maintaining landscaping on the Site.
 3. A Water Use Credit for disconnection from a Potable Water Distribution System shall be granted by the General Manager only upon the removal of the Connection and written confirmation of such removal by the Water Distribution System Owner or Operator.
- J. An On-Site Water Credit resulting from the non-permanent removal of a lawful use that occurred on or after March 1, 1985, may be applied to, and shall allow, the future reuse of that increment of water on that Site. A Water Permit for reinstating the former use shall be required and allowed.

Rule added by Ordinance No. 60 (6/15/92); amended by Ordinance No. 64 (10/05/92); Ordinance No. 71 (12/20/93); Ordinance No. 110 (9/30/2003); Ordinance No. 115 (05/17/2004); Ordinance No. 121 (8/15/2005); Ordinance No. 125 (9/18/2006); Ordinance No. 128 (6/18/2007); Ordinance No. 139 (5/12/2009); Ordinance No. 145 (9/20/2010); Ordinance No. 155 (3/18/2013); Ordinance No. 156 (11/18/2013); Ordinance No. 157 (12/9/2013); Ordinance No. 162 (8/18/2014); Ordinance No. 164 (4/20/2015); Ordinance No. 170 (5/16/2016); Ordinance No. 176 (1/25/2017); Ordinance No. 177 (9/18/2017); Ordinance No. 182 (5/20/2019).

EXHIBIT 14-C

DRAFT

FINDINGS OF APPROVAL

**CONSIDER REQUEST FOR VARIANCE FOR RAINWATER SYSTEM IN MIXED USE
BUILDING AT 537 ANTHONY STREET, MONTEREY, APN 001-712-010,
APPLICANT: MONTEREY DESIGN COLLECTIVE, LLC**

- 1. FINDING:** The Monterey Design Collective (applicant) has requested Board approval of a variance to allow credit for a rainwater reuse system to offset an projected increase in use at 537 Anthony St, Monterey.

EVIDENCE: Application for Variance attached as **Exhibit 14-A**.

- 2. FINDING:** District Rule 25, Table 4: *High Efficiency Appliance Credits* provides a Water Credit to Multi-Family projects that utilize a rainwater/Graywater reuse system to flush toilets and wash clothes. Single Dwelling Units were not included in the credit.

EVIDENCE: Rule 25.5, Table 4: *High Efficiency Appliance Credits* attached as **Exhibit 14-B**.

- 3. FINDING:** Rule 25-F-4-d allows Non-Residential Water Use Credits for Ultra-Low Consumption Technology Pre-Retrofit.

EVIDENCE: Rule 25-F-4-d attached as **Exhibit 14-B**.

- 4. FINDING:** District Rule 90 allows the Board to consider variances “...*from any provision of the standards incorporated into these Rules and Regulations whenever it finds: (a) that Special Circumstances exist in a particular case, and (b) that practical difficulties or Undue Hardship would result from the strict interpretation and enforcement of any such standard, and (c) that the granting of such a variance would not tend to defeat the purposes of these Rules and Regulations. The Board may place conditions upon such variances.*”

EVIDENCE: Rule 90 on file at the District office.

- 5. FINDING:** Special Circumstances exist in this case because the Site does not have sufficient Water Use Capacity to allow for an Intensification of Use on the Site without granting a Water Credit for rainwater recycling, and the Rules do not address rainwater recycling Water Credit as it applies to Single-Family/Mixed-Use projects.

EVIDENCE: Application for Variance attached as **Exhibit 14-A**.

7. FINDING: Special Circumstances exist in this case because there is evidence that the rainwater recycling system will supply 140 percent of the water needed for toilet flushing and clothes washing in the Mixed Use building.

EVIDENCE: Staff demand calculations discussed in the staff report.

10. FINDING: Potable water supply will be tracked by an inline water meter.

EVIDENCE: Condition of Approval.

11. FINDING: Granting a variance to allow Water Use Credit for rainwater recycling will not defeat the purpose of the Rules and Regulations as the proposed project will not result in a Water Use Capacity that exceeds the current Capacity.

EVIDENCE: The above stated facts.

12. FINDING: The building at 537 Anthony Street in Monterey has sufficient roof area to supply rainwater for the project during a “below normal” Water Year.

EVIDENCE: Calculations on file at the District office.

13. FINDING: In granting this variance, the Board adopts the following Conditions of Approval:

1. Install an 8,000-gallon rainwater tank and roof conveyance system by Feb 15, 2020 to allow for immediate rainwater collection during the rainy season.
2. Obtain permits for the rainwater system from the City of Monterey and the Monterey County Health Department as required.
3. Meter the potable back-up supply where it enters the rainwater tank.
4. Meter the rainwater supply line as it exits the tank.
5. Submit annual reporting on all meter reads.
6. A Limitation on Use of Water on Property deed restriction shall be recorded on the property title.
7. This variance is time limited to one year from the date of approval. Within the year, the applicant shall obtain water and building permits or the approval shall expire.

EVIDENCE: Minutes of the January 23, 2020, regular Board meeting.

DISCUSSION ITEM

15. PRESENTATION OF UPDATED WATER DEMAND FORECASTS RELATED TO ASSOCIATION OF MONTEREY BAY AREA GOVERNMENT 2018 REGIONAL GROWTH FORECAST AND REGIONAL HOUSING NEEDS ALLOCATION PLAN: 2014-2023, AND INCLUSION OF 2019 WATER YEAR

Meeting Date: January 23, 2020 **Budgeted:** N/A

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

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

General Counsel Approval: N/A

Committee Recommendation: N/A

CEQA Compliance: Action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: At its September 16, 2019 meeting, the Board accepted a report titled “*Supply and Demand for Water on the Monterey Peninsula*”, which was Exhibit 9-A of the Board packet. The report has now been available 4 months and has been reviewed by members of the public, local organizations, and state agencies. While now publicly vetted, only three sets of comments were received: (a) California American Water provided a comment letter October 15, 2019, (b) The Coalition of Peninsula Businesses provided letters September 15, 2019 and September 24, 2019. All three comment letters argued that the findings in the report contradict those of the California Public Utilities Commission, but did not provide any substantive alternate assumptions or facts. The District’s General Manager has encouraged the parties to provide their own forecast of growth and/or market absorption of water demand, but they have failed to do so.

At the November 14, 2019 Coastal Commission hearing former Pacific Grove mayor Bill Kampe did raise two substantive issues regarding the report: (a) pre-Cease and Desist Order (CDO) market absorption of water demand may have been constrained in some jurisdictions due to a lack of water allocation, and (b) new statewide focus on housing will require water.

Additionally, subsequent to the release of the report the 2019 water year was completed, providing an additional data point on current customer demand.

This agenda item provides an update intended to address three items:

1. What is average current demand with the additional water year in the data?
2. What water will be required to meet future housing needs?
3. What might be the market absorption of water based on an objective third-party growth forecast?

As a result, certain figures or tables from the September 2019 *Supply and Demand for Water on*

the Monterey Peninsula report were updated and presented to the District's Water Demand Committee at its December 17, 2019 meeting. At the request of the Committee Chair the report has been updated and is included as **Exhibit 15-A**, attached.

EXHIBIT

15-A Supply and Demand for Water on the Monterey Peninsula – Revised

EXHIBIT 15-A

Supply and Demand for Water on the Monterey Peninsula

Prepared by David J. Stoldt, General Manager
Monterey Peninsula Water Management District
Revised December 3, 2019

At its September 16, 2019 meeting, the Board accepted a report titled *"Supply and Demand for Water on the Monterey Peninsula"*, which was Exhibit 9-A of the Board packet. The report was reviewed by members of the public, local organizations, and state agencies. While publicly vetted, only three sets of comments were received: (a) California American Water provided a comment letter October 15, 2019, and (b) The Coalition of Peninsula Businesses provided letters September 15, 2019 and September 24, 2019. All three comment letters argued that the findings in the report contradict those of the California Public Utilities Commission, but the letters did not provide any substantive alternate assumptions or facts. The District's General Manager has encouraged the parties to provide their own forecast of growth and/or market absorption of water demand, but they have failed to do so.

At the November 14, 2019 Coastal Commission hearing former Pacific Grove mayor Bill Kampe did raise two substantive issues regarding the report: (a) pre-Cease and Desist Order (CDO) market absorption of water demand may have been constrained in some jurisdictions due to a lack of water allocation, and (b) new statewide focus on housing will require water.

Additionally, subsequent to the release of the initial report the 2019 water year was completed, providing an additional data point on current customer demand.

This revised report provides an update intended to address three items:

1. What is average current demand with the additional water year in the data?
2. What water will be required to meet future housing needs?
3. What might be the market absorption of water based on an objective third-party growth forecast?

As a result, certain figures or tables from the September 2019 *Supply and Demand for Water on the Monterey Peninsula* report were updated and included in this revision.

With the approval of the Monterey Peninsula Water Supply Project (MPWSP) and the continued environmental work on Pure Water Monterey (PWM) expansion as a back-up option, it is an opportune time to examine available supplies and their ability to meet current and long-term demand. This memorandum will also look at the changing nature of demand on the Monterey Peninsula, the underlying assumptions in the sizing of the water supply portfolio, and indicators of the market's ability to absorb new demand.

EXHIBIT 15-A

Supply

Available sources of supply are shown in Table 1 below and are described in the discussion that follows. Despite the California Supreme Court's decision to not hear the two petitions for writ of review, there remains the risk of additional legal challenges and not all permits have been issued for California American Water's (Cal-Am) MPWSP desalination plant. For these reasons, supply has been shown with both desalination and with PWM expansion.

Table 1
Monterey Peninsula Available Supply
(Acre-Feet Annually)

Supply Source	w/ Desalination	w/ PWM Expansion
MPWSP Desalination Plant	6,252	0
Pure Water Monterey	3,500	3,500
PWM Expansion	0	2,250
Carmel River	3,376	3,376
Seaside Basin	774	774
Aquifer Storage & Recovery (ASR)	1,300	1,300
Sand City Desalination Plant	94	94
Total Available Supply	15,296	11,294

There also exists approximately 406 additional acre-feet of other available supplies as discussed on the next page.

Desalination: The 6.4 million gallon per day (MGD) MPWSP desalination plant is expected to deliver 6,252 acre-feet annually (AFA).¹ It is likely to begin deliveries in mid-2022, considering final permits in early 2020, a 21-month construction period, and 6-month commissioning and start-up window.²

Pure Water Monterey: Monterey One Water's (M1W) project is expected to come online in February 2020 and begin deliveries of 3,500 AFA to Cal-Am in mid-2020. It completed its 14-day test in December 2019.

Pure Water Monterey Expansion: The expansion of Pure Water Monterey is expected to yield 2,250 AFA.³ The Notice of Preparation indicates source waters for the expansion are secure: *"No new source water diversion and storage sites are necessary to achieve the Expanded*

¹ CPUC Decision 18-09-017, September 13, 2018, page 70; Amended Application of California-American Water Company (U210W), Attachment H, March 14, 2016

² www.watersupplyproject.org/schedule

³ Notice of Preparation of a Supplemental Environmental Impact Report and Public Scoping Meeting Notice, page 4, May 15, 2019

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PWM/GWR Project's recycled water yield objective of an additional 2,250 AFY of replacement supplies. The Expanded PWM/GWR Project is designed to utilize existing M1W contractual rights to source waters and wastewaters." There are several different configurations of source waters that could be utilized for the expansion, but one proposed alternative is 81% contractual rights to wastewater and excess secondary effluent and 19% of Blanco Drain and Reclamation Ditch waters. This project could come online by January 2022.

Carmel River: Cal-Am has legal rights to 3,376 AFA from the Carmel River comprised of 2,179 AFA from License 11866, 1,137 AFA of pre-1914 appropriative rights, and 60 AFA of riparian rights. This does not include what is referred to as Table 13 rights, discussed under "*Other Available Supplies*" below.

Seaside Basin: The 2006 Seaside Groundwater Basin adjudication imposed triennial reductions in operating yield for Standard Producers such as Cal-Am until the basin's Natural Safe Yield is achieved. The last reduction will occur in 2021 and Cal-Am will have rights to 1,474 AFA. However, with the delivery of a long-term permanent water supply, the company would like to begin replacing its accumulated deficit of over-pumping by in-lieu recharge by leaving 700 AFA of its production right in the basin for 25 years. Hence, only 774 AFA is reflected as long-term supply available, although the additional 700 AF becomes available again in the future.

Aquifer Storage & Recovery: There are two water rights that support ASR. Permit 20808A allows maximum diversion of 2,426 AFA and Permit 20808C allows up to 2,900 AFA for a total of 5,326 AFA. However, these are maximums that may only be close to being achieved in the wettest of years. Based on long-term historical precipitation and streamflow data, ASR is designed to produce 1,920 AFA on average. The MPWSP assumes a lesser amount of 1,300 AFA to be conservative.

Sand City Desalination Plant: The Sand City plant was designed to produce a nominal 300 AFA, but has failed to achieve more than the 276 AF in 2011. Due to source water quality issues and discharge permit requirements the plant has averaged 188 AFA the past four years including water year 2019. The intakes will likely be augmented and production increased (see "*Other Available Supplies*", below.) Here only the 94 AFA of long-term production legally committed to offset Carmel River pumping is included.

Other Available Supplies: In 2013, Cal-Am received Permit 21330 from the State Water Board for 1,488 AFA from the Carmel River. However, the permit is seasonally limited to December 1 through May 31 each year and subject to instream flow requirements. As a result, actual production will vary by water year. Here, we have assumed 300 AFA on average. For the Sand City desalination plant the amount produced in excess of 94 AFA is available for general Cal-Am use and eventually to serve growth in Sand City. With new intakes, we have assumed average production of 200 AFA or 106 AFA of other available supply. There is also available unused

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capacity in the Seaside Basin which annually is reallocated to the Standard Producers such as Cal-Am as “Carryover Credit” under the adjudication decision. Such Carryover capacity has been on the order of 400 AFA recently. While not insignificant, Carryover Credit has not been included in the 406 AFA of “Other Available Supplies” stated earlier.

Historical Water Demand for which MPWSP Desalination Plant is Sized

The MPWSP was initially sized solely as a replacement supply⁴ for current customer demand, but this has changed over time as described below. Consideration was also given to peak month and peak day. Additional demand was recognized to accommodate legal lots of record, a request by the hospitality industry to anticipate a return to occupancy rates similar to that which existed prior to the World Trade Center tragedy, and to shift the buildout of Pebble Beach off the river.⁵ Table 2 below shows the demand assumptions used in sizing the MPWSP. Each component is discussed below.

Table 2
Water Demand Assumed in Sizing the MPWSP
(Acre-Feet Annually)

Demand Component	Acre-Feet Annually
Average Current Customer Demand	13,290
Legal Lots of Record	1,181
Tourism Bounce-Back	500
Pebble Beach Buildout	325
Total Water Demand	15,296

Average Current Customer Demand: The Application of Cal-Am to the California Public Utilities Commission (CPUC) in April 2012 utilized 13,290 AFA which was the 5-year average demand for 2007-2011.⁶ As stated earlier, this was to be replacement supply and the Application stated “At this point future demands of the Monterey System have not been included in the sizing of the plant.”⁷ At that time, the 5-year average maximum month was 1,388 AF and the highest month was 1,532 AF.⁸

In a January 2013 CPUC filing, average demand was reiterated by Cal-Am to be 13,290 AFA but Cal-Am added that the plant would need to be increased larger by approximately 700 acre-feet per year for the in-lieu recharge of the Seaside Basin.⁵ However, as can be seen in comparing

⁴ Direct Testimony of Richard C. Svindland, April 23, 2012, pages 4,5,7

⁵ Supplemental Testimony of Richard C. Svindland, January 11, 2013, pages 4-5

⁶ Direct Testimony of Richard C. Svindland, April 23, 2012, page 21

⁷ Direct Testimony of Richard C. Svindland, April 23, 2012, page 36

⁸ Direct Testimony of Richard C. Svindland, April 23, 2012, page 22

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Tables 1 and 2 above, supply equals demand at 15,296 AFA without changing the size of the plant from the initial Application.

In a 2016 update to the CPUC, Cal-Am recognized that average demand had declined in the intervening three years.⁹ The 5-year average had declined to 10,966 AFA and the maximum month declined to 1,250 AF. At the time of the 2016 update, Cal-Am suggested that it should size the plant based on the backward-looking 10-year average demand and maximum month, instead of the 5-year average in the original Application, as well as several alternate assumptions about return of water to the Salinas Valley. They concluded *“we do not believe the size of the plants should be changed.”*¹⁰

In a September 2017 filing to the CPUC, Cal-Am acknowledged continuing declines in demand, but indicated that the plant sizing remained appropriate saying *“We anticipate demand to rebound over time after these new water supplies are available, the drought conditions continue to subside, the moratorium on new service connections is lifted, and strict conservation and water use restrictions are eased.”*¹¹ The company also for the first time introduced the use of future population and demand as a way to “normalize” the average demand used in sizing, a departure from the “replacement supply” basis under the initial Application in 2012.¹² This resulted in their estimate of average “current” system demand of 12,350 AFA. This amount, combined with the same lots of record, tourism bounce-back, and Pebble Beach buildout results in demand of 14,355 AFA – a reduction from the initial Application – but the company asserted that the plant need not be resized because this would allow it to run at 86% capacity, a more reasonable operating rate compared to the 95% posed in the original Application. The CPUC, in its September 2018 Decision, determined that Cal-Am’s overall future water demand will be approximately 14,000 AFA¹³ and agreed that “current” demand was 12,350 AFA, therefore the 6.4 MGD desalination plant is warranted.

Legal Lots of Record: The 2012 Application to the CPUC also included 1,181 AFA for Legal Lots of Record.^{14, 5} Legal lots of record are defined as lots resulting from a subdivision of property in which the final map has been recorded in cities and towns, or in which the parcel map has been recorded in Parcels and Maps or Record of Surveys. Lots of record may include vacant lots on vacant parcels, vacant lots on improved parcels, and also included remodels on existing improved, non-vacant parcels. Ultimately, not all legal lots are buildable. While the District is the source of the 1,181 AFA estimated demands for the lots of record, the number was lifted from the 2009 Coastal Water Project environmental impact report.

⁹ Supplemental Testimony of Richard C. Svindland, April 14, 2016 (Errata), pages 7-11

¹⁰ Supplemental Testimony of Richard C. Svindland, April 14, 2016 (Errata), page 9

¹¹ Direct Testimony of Ian Crooks Errata Version, September 27, 2017, page 10

¹² Direct Testimony of Ian Crooks Errata Version, September 27, 2017, pages 11-13

¹³ CPUC Decision 18-09-017, September 13, 2018, page 68

¹⁴ Direct Testimony of Richard C. Svindland, April 23, 2012, pages 22, 37.

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Tourism Bounce-Back: The 500 AFA for economic recovery was originally proffered by the hospitality industry to handle a recovery of occupancy rates in the tourist industry in a post-World Trade Center tragedy setting.^{15, 5} The industry felt that their most successful occupancy rates were in the three years prior to September 11, 2001 and felt 500 AFA would provide a buffer for a return to that level.

Pebble Beach Buildout: Ever since the State Water Board issued Order 95-10 and the Cease and Desist Order (CDO) it has recognized the Pebble Beach Company's investment in the Reclamation Project and the Company's right to serve its entitlements from the Carmel River. However, the State Water Board has stated a desire to have the Pebble Beach entitlements shifted away from the river and be satisfied by a new supply. At the time of the 2012 Application, the Pebble Beach company had approximately 325 AF of entitlements still available.

Current Water Demand Assumptions

The original MPWSP desalination project plant sizing was done almost eight years ago in 2012. With the passage of time and the opportunity to perform deeper research, it is possible to revisit the assumptions about consumer demand for water in the current context.

Average Current Customer Demand: Figure 1 on the next page shows water production for customer service, a proxy for customer demand, for the past twenty-one-year period, updated for 2019 data. As can be seen, demand has been in decline, but somewhat leveled out over the past five years.

¹⁵ Direct Testimony of Richard C. Svindland, April 23, 2012, page 37

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Figure 1
Annual Water Production for Customer Service (Demand)
Last 21 Years
(Acre-Feet)

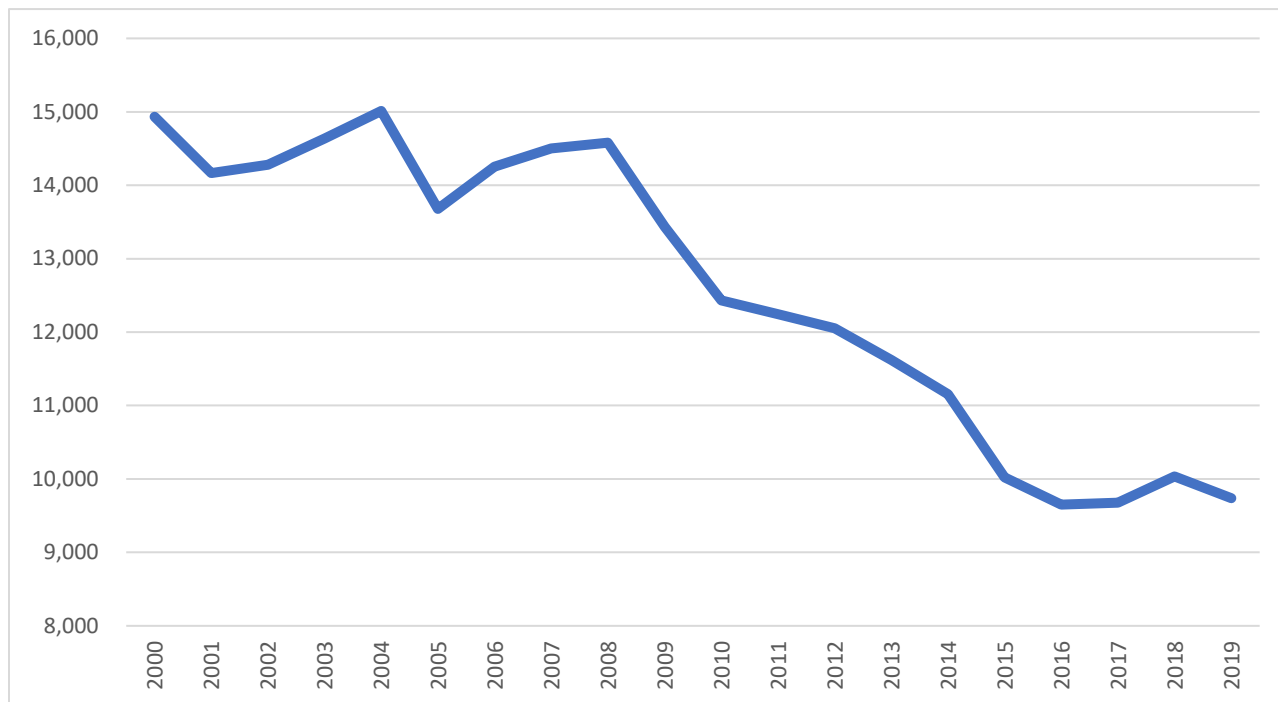


Table 3 shows how the 10-, 5-, and 3-year average demand compares to the CPUC and Cal-Am's most recent 12,350 AFA assumption.

Table 3
Alternate Average Current Customer Demand Assumptions
Updated for 2019 Water Year
(Acre-Feet)

Period	Amount	Difference to CPUC/Cal-Am #
CPUC/Cal-Am Assumption	12,350	
10-Year Average - Actual	10,863	1,487
5-Year Average - Actual	9,825	2,525
3-Year Average - Actual	9,817	2,533

The trend is similar for peak month demand: 10-year maximum month through 2018 was 1,111 AF, the 5-year max was 966 AF, and the 3-year max was 950 AF, requiring approximately 15 MGD of firm capacity. By comparison, the maximum month at the time the plant was first sized was 1,532 AF. The proposed desalination plant, in conjunction with the other production

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facilities can meet peak month/peak day requirements. Pure Water Monterey expansion adds 4 new extraction wells, two for production and two for redundancy. Preliminary analysis shows that peak month/peak day can be met with both supply alternatives.

Hence, the case could be made that the average customer demand assumption in the sizing of the MPWSP should be 9,817 to 10,863 AFA.

Legal Lots of Record: The 1,181 number is derived from the October 2009 Coastal Water Project Final Environmental Impact Report and references a 2001 District analysis as the source. It was actually sourced from a Land Systems Group Phase II February 2002 interim draft report that used the number 1,181.438 AF. A calculation error was corrected and the report was subsequently updated in June 2002 and the number was revised to 1,210.964. However, the earlier number seems to have been used going forward. Both versions did not include vacant lots on improved parcels in the unincorporated County. Table 4 shows how the corrected number was calculated.

Table 4
Legal Lots of Record Estimates (2002)
Unincorporated County Not Included
(Acre-Feet)

Type of Parcel	Amount
Vacant Lots on Vacant Parcels	729.9
Vacant Lots on Improved Parcels	288.2
Anticipated Remodels (10 years)	192.8
Total	1,210.9

Table 5
Assumptions Driving the Legal Lots of Record Conclusions

Category	Units on Vacant Parcels	Units on Improved Parcels	Estimated Number of Remodels	Water Use Factor	Total Water Usage
Single Family Dwellings	688	152		0.286 AF	240.2
Multi-Family Dwellings	846	204		0.134 AF	140.7
Commercial/Industrial	556	288		0.755 AF	637.2
Residential Remodels			3765	0.029 AF	109.2
Commercial Remodels			513	0.163 AF	83.6
	2,091	789	4,278		1,210.9

Since the study, the District's conservation programs have resulted in reductions in the average water use factors. For example, with single-family water use at 0.2 AFA, multifamily use at 0.12 AFA, and commercial customer connections averaging 0.66 AFA (2016 data), these changes

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alone would reduce the total above by 167.1 AF. Further, some of these lots may have been built upon, others determined unbuildable. Many of the remodels have likely occurred. General plans have been rewritten and housing elements recalculated. These factors taken together could result in another 150 AF reduction in the assumption.

Compared to the 1,890 units from the 2002 Land Systems Group study shown above, going forward, AMBAG's Regional Housing Needs Allocation (RHNA) Plan: 2014-2023 showed 1,271 additional housing units expected in the 6 cities for a ten-year period. This is shown in Appendix B of this report. Assuming single-family water use at 0.2 AFA and multifamily use at 1.2 AFA, this equates to approximately 395-405 AFA over a 20-year period¹⁶. Most of AMBAG's projected growth occurs in Seaside and Monterey, which if slated for the former Fort Ord would not be served by Cal-Am. Unfortunately, it is not possible to accurately distinguish the Cal-Am served housing growth from the non-Cal-Am housing growth, but the 405 AFA likely overstates the Cal-Am growth. The AMBAG assumptions appear consistent with the Land Systems Group estimates. The RHNA is expected to be updated soon and the allocation could change. The water for housing can be thought of as captured within the population growth component of the third-party growth forecast discussed later in this report and in Appendix A.

The case could be made that the legal lots of record demand assumption in the sizing of the MPWSP should be 864 to 1,014 AFA.

Tourism Bounce-Back: As stated earlier, the 500 AFA for economic recovery was originally suggested by the hospitality industry to account for a recovery of occupancy rates in the tourist industry in a post-World Trade Center tragedy setting.^{5, 15} Representatives of the Coalition of Peninsula Businesses indicated in testimony that the hospitality industry was hurt by the recent recession and that occupancy rates needs to increase by 12 to 15 percent to re-attain the levels of decades ago.¹⁷ It is true that the Salinas-Monterey market was one of five California markets, out of 22, to experience double digit declines after the events of 2001, from 71.8% in 2000 to 63.0% in 2001.¹⁸ It is also true that the decline persisted and was still down when the MPWSP desalination plant was sized, with occupancy rates of 62.8% in 2011-12 and 64.1% in 2012-13.¹⁹ However, occupancy rates have since recovered with no notable increase in water demand. Hotel occupancy locally is back at approximately 72% and is estimated by Smith Travel Research to be higher for better quality properties on the Monterey Peninsula.^{20, 21} The commercial sector water demand is shown below in Table 6 for the year prior to the World Trade Center tragedy, the year of the MPWSP plant sizing, and the most recent year. As can be

¹⁶ Appendix B of this report

¹⁷ Testimony of John Narigi (to CPUC), September 29, 2017, page 5

¹⁸ HVS San Francisco, August 19, 2003

¹⁹ Monterey County Convention and Visitors Bureau Annual Report 2012-13, page ii

²⁰ Fiscal Analysis of the Proposed Hotel Bella Project, Applied Development Economics, April 6, 2016

²¹ Cannery Row Company, January 9, 2019

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seen, commercial demand, which is heavily influenced by the hospitality industry remains in decline, despite the already absorbed “bounce-back” in occupancy rates.

Table 6
Commercial Sector Water Demand
Selected Years
(Acre-Feet)

Year	Demand
2001	3,387
2012	2,770
2018	2,442

There is a secular change in commercial demand that is due to permanent demand reductions resulting from targeted rebate programs, conservation standards for the visitor-serving sector since 2002, mandatory conservation standards for other commercial businesses instituted in 2013, and commercial inspection/enforcement by the District. A “bounce-back” of 500 AFY would represent an increase in water use demand of 20% in the entire commercial sector, not just the hospitality industry. The District does not view this as likely in the near-term, nor due to a return to higher occupancy rates.

Hence, the case could be made that the tourism bounce-back demand assumption in the sizing of the MPWSP should be 100 to 250 AFA.

Pebble Beach Buildout: As cited earlier, at the time of the 2012 Application, the Pebble Beach company had approximately 325 AF of entitlements still available and that number was added to the MPWSP sizing needs. However, the final environmental impact report certified in 2012 envisioned 145 AFA for the buildout projects and 154 AFA in other entitlement demand.²²

The other entitlement demand goes away when a new water supply comes online because homeowners will have no reason to pay \$250,000 per AF for an entitlement when connecting directly to Cal-Am is possible when the moratorium on new service connections is lifted. In the ten years since the CDO was imposed, Pebble Beach entitlement water demand has averaged 4.9 AF added each year. It is reasonable to assume only another 15 AFA during the next three years before a permanent water supply is online.

The project buildout is 145 AFA not 325 AFA used in project sizing. Further, the buildout number includes estimated water use that may never materialize in decades, if ever. Table 7 shows the elements that comprise the Pebble Beach buildout.

²² Pebble Beach Final Environmental Impact report (FEIR), April 2012, Appendix H “Water Supply and Demand Information for Analysis”

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Table 7
Components of Pebble Beach Buildout
(Acre-Feet)

Project	Demand
Lodge	13.11
Inn at Spanish Bay	12.85
Spyglass Hotel	30.59
Area M Residential	10.00
Other Residential	77.00
Driving Range	0.33
Roundabout	0.70
Total	144.58

Two elements of the project warrant greater discussion: “Other Residential” includes 66 single family residences at 1.0 AF each and 24 residences at 0.50 AF each (and a decrement of 1 AF in the total calculation for other reasons.) District research in 2006 determined the average large lot Pebble Beach home utilized 0.42 AFA. Building conservation standards have increased since then. Many of the proposed homes are not utilized year-round. The estimate could be overstated by one-third or more. Spyglass Hotel is not currently being pursued and there are no plans to do so in the near-term. The project could be a decade or two away, if ever.

Hence, the case could be made that the Pebble Beach buildout demand assumption in the sizing of the MPWSP should be 103 to 160 AFA.

Summary of Demand v. Supply

Table 8 shows the range of demand estimates that have been established in the foregoing analysis. These long-term demand estimates can be compared to existing current demand to determine how much water supply is needed.

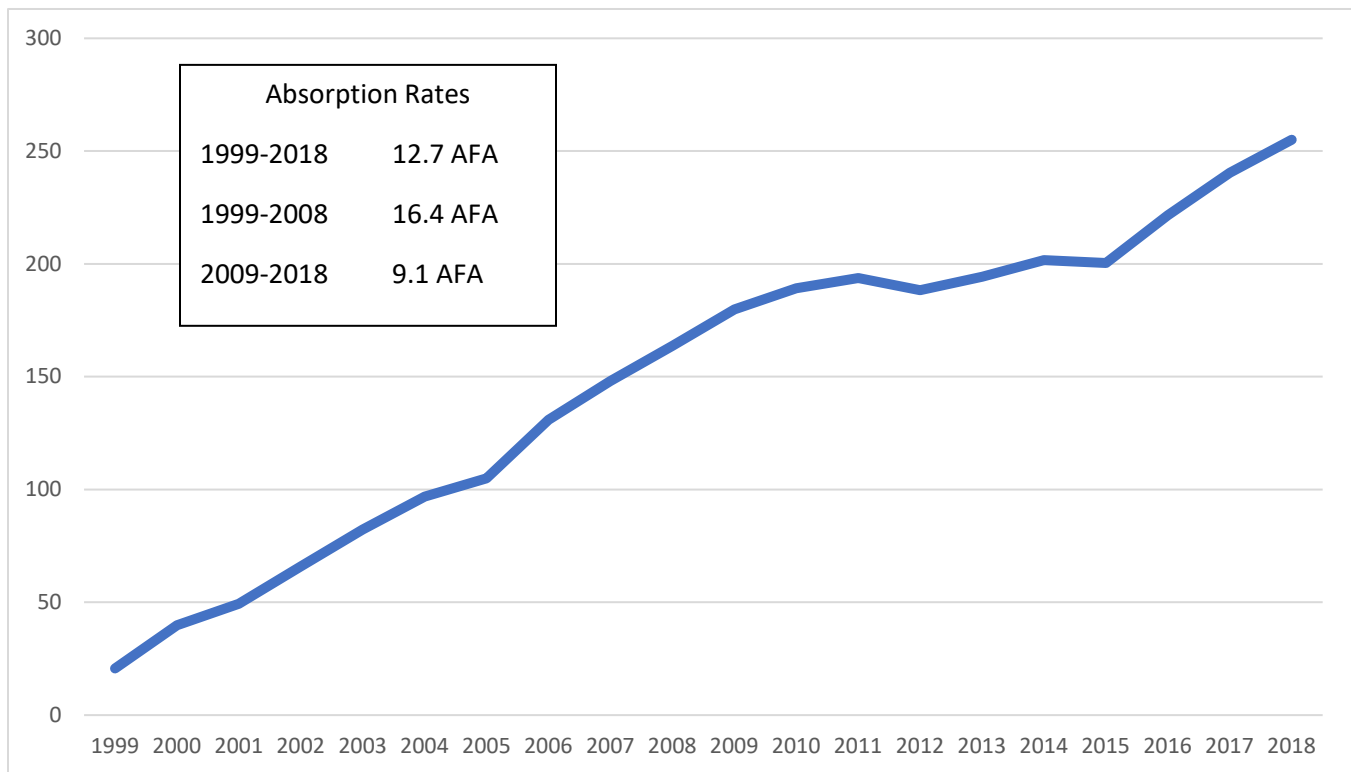
Table 8
Range of Potential Demand Scenarios in MPWSP Sizing
(Acre-Feet)

Demand Component	Current Project	Revised High	Revised Low
Average Current Customer Demand	13,290	10,863	9,817
Legal Lots of Record	1,181	1,014	864
Tourism Bounce-Back	500	250	100
Pebble Beach Buildout	325	160	103
Total Water Demand	15,296	12,287	10,884

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However, the ability of the Monterey Peninsula to generate or “absorb” the housing and commercial growth will help determine when such water supply is needed. Figure 2 shows the past 20 years of market absorption of water demand based on water permits issued. The average growth or absorption in water use was 12.7 AF per year. The first decade preceded the CDO and was a period of relative economic stability, available property, no moratorium on new service connections, and lower water rates resulting in 16.4 AF per year of absorption. The second decade was after the CDO and moratorium on service connections and understandably had a lower absorption rate of 9.1 AF per year.

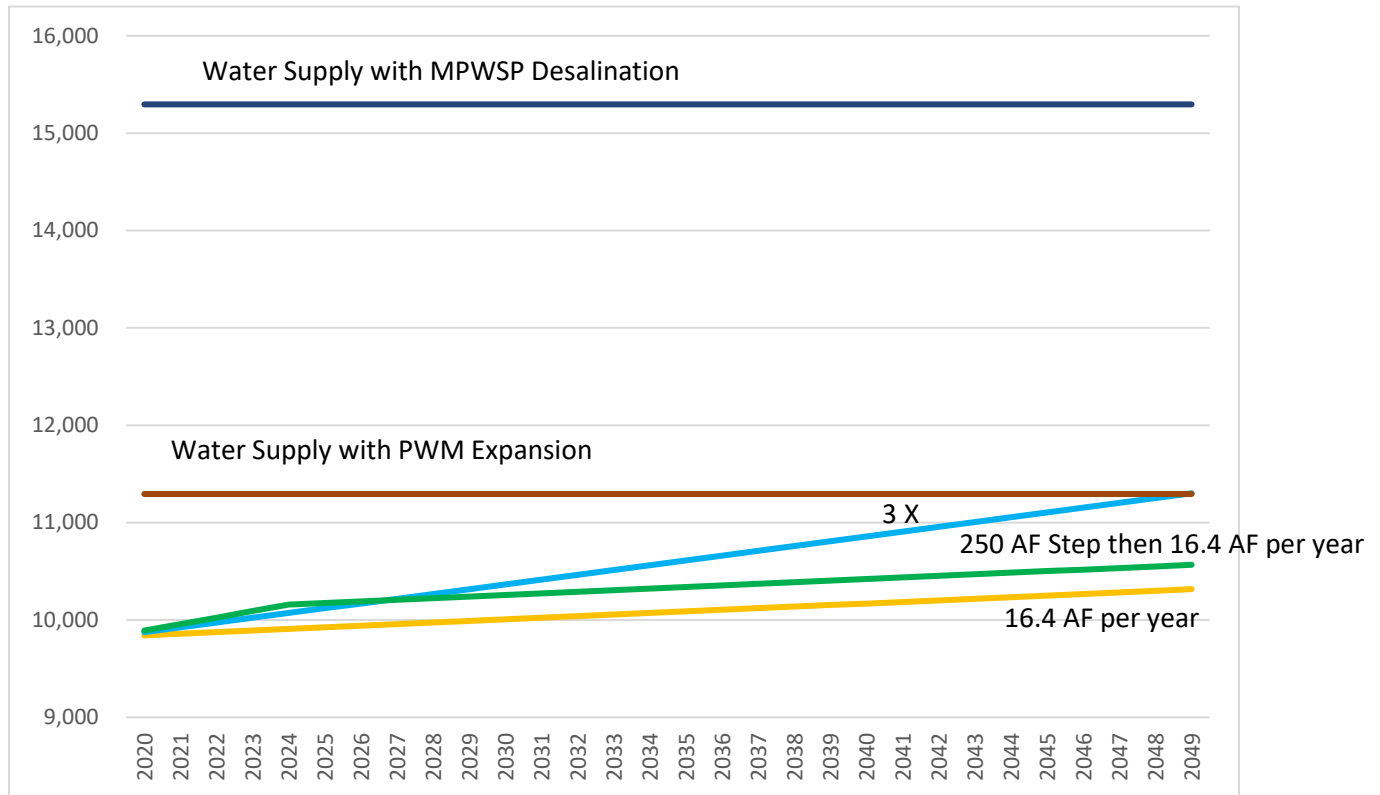
Figure 2
Market Absorption of Water Demand
Last 20 Years
(Acre-Feet)



By adopting assumptions about current demand and market absorption rates, it can be determined the sufficiency of certain supply alternatives over time. In Figure 3, the current demand assumption of 9,825 AF (most recent 5-year average) is shown with three market absorption rates: (a) 16.4 AF per year (pre-CDO decade rate), (b) three times that rate, and (c) 250 AF over the first five years on top of the pre-CDO rate. These are also compared to the two supply alternatives in Table 1.

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Figure 3
Market Absorption of Water Demand Compared to Water Supply
Current Demand at 5-Year Average
(Acre-Feet)

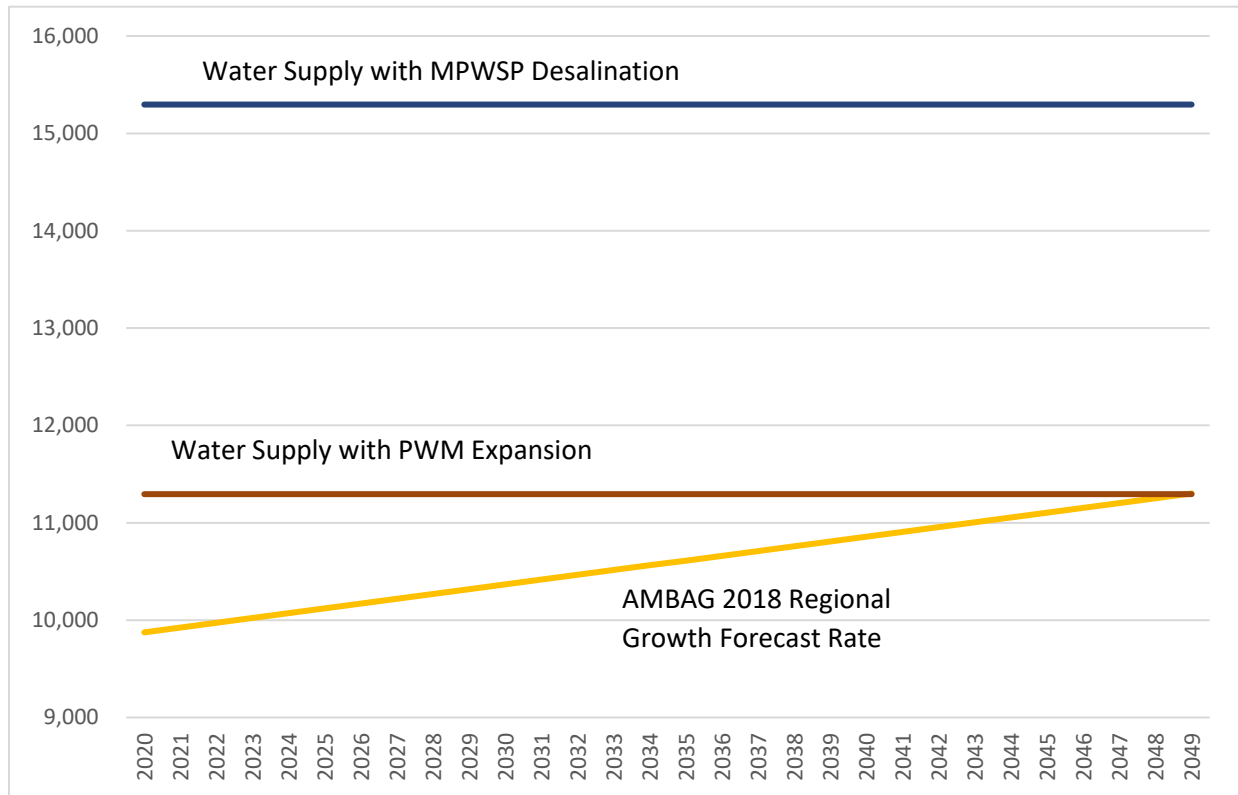


This chart shows that, assuming a starting current demand at the 5-year average, both water supply alternatives meet 30-year market absorption at the historical rate, 250 AF in the first 5 years on top of the historical rate, and at 3-times the historical absorption rate.

Rather than to rely on pre-CDO absorption of water demand or alternative theoretical future demand scenarios, as was done in the September report, it is instructive to instead look at a regional growth forecast by an objective third-party. Here, as shown in Appendix A, we evaluated AMBAG's 2018 Regional Growth Forecast, specifically the subregional population forecast as a proxy for residential water demand, and the subregional employment forecast, using job growth as a proxy for commercial water demand. (Certainly, other factors could be considered.) Using this methodology, the total water demand increase in the 20 year study period is 984 AF or 49.2 AFA. Applying the 49.2 AFY linearly across a 30-year horizon results in the demands shown in Figure 4 on the next page.

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Figure 4
Market Absorption of Water Demand Compared to Water Supply
Current Demand at 5-Year Average
AMBAG 2018 Regional Growth Forecast
(Acre-Feet)



This chart shows that, assuming a starting current demand at the 5-year average (inclusive of water year 2019), both water supply alternatives meet 30-year market absorption at the AMBAG 2018 Regional Growth Forecast rate.

Additional Factors Affecting Future Demand

Cost: The future water supply will significantly impact rates. It is expected that the combined cost of new water supply and regular annual rate increases will almost double a residential ratepayer's water bill by 2023. Rules of price elasticity suggest the cost of water might dampen demand. The cost of each major component of supply is shown below:

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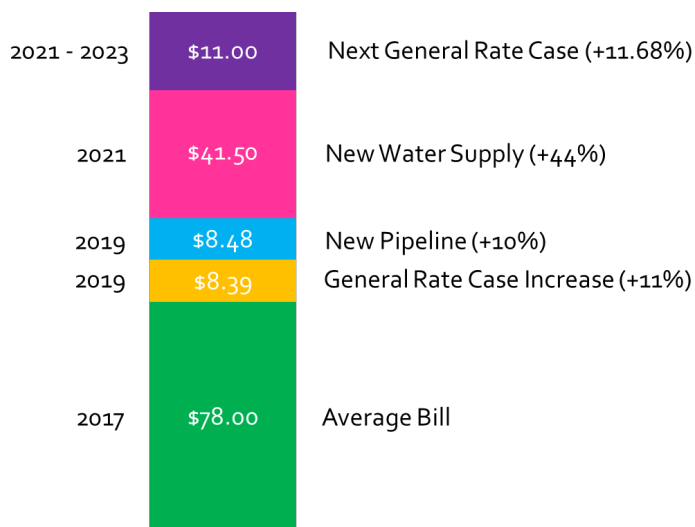
Desalination Plant	\$6,094 per acre-foot ²³
Carmel River:	\$271 per acre-foot ²⁴
Seaside Basin:	\$130 per acre-foot ²⁵
Pure Water Monterey:	\$1,976 per acre-foot ²⁶
PWM with Expansion:	\$2,077 per acre-foot ²⁵

Further, if the desalination plant capacity is not fully utilized, the cost per acre-foot rises due to the fixed costs, as shown below.

Production by Desal Plant – AF	<u>6,252</u>	<u>5,000</u>	<u>4,300</u>
Variable Cost (\$ Million)	7.8	6.2	5.4
Fixed Cost (\$ Million)	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>
Total Annual Cost to Customer	38.1	36.5	35.7
Cost per Acre-Foot	\$6,094	\$7,308	\$8,294

The rate impact can be seen in Figure 5 below, which is calculated based on full utilization of the desalination plant.

Figure 5
Ratepayer Impacts of New Water Supply²⁷



²³ Attachment C-3 California American Water Company Advice Letter 1220 "Total Yr 1 Cost to Customer" \$38.1 million, divided by 6,252 acre-feet per year

²⁴ MPWSP Model- V 2.1 submitted to CPUC; February 2018 and October 2017 versions, 6.4 MGD scenario, "Avoided Costs" worksheet

²⁵ MPWSP Model- V 2.1 submitted to CPUC; February 2018 and October 2017 versions, 6.4 MGD scenario, "Avoided Costs" worksheet

²⁶ Presentation by Monterey One Water at June 27, 2019 Monterey Peninsula Regional Water Authority meeting

²⁷ "Your Rates Are Changing" California American Water mailer, April 2019 and "Notice of General Rate Case Application filed" July 2019

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Legislation: On May 31, 2018, Governor Brown signed two bills which build on the ongoing efforts to “make water conservation a California way of life.” SB 606 (Hertzberg) and AB 1668 (Friedman) reflect the work of many water suppliers, environmental organizations, and members of the Legislature. The mandates will fall on urban water suppliers – not customers.

Specifically, the bills call for creation of new urban efficiency standards for indoor use, outdoor use, and water lost to leaks, as well as any appropriate variances for unique local conditions. Each urban retail water agency will annually, beginning November 2023, calculate its own *objective*, based on the water needed in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters, and reasonable amounts of system water loss, along with consideration of other unique local uses (i.e., variances) and “bonus incentive,” or credit, for potable water reuse, using the standards adopted by the State Water Board.

The indoor water use standard will be 55 gallons per person per day (gallons per capita daily, or GPCD) until January 2025; the standard will become stronger over time, decreasing to 50 GPCD in January 2030. For the water use objective, the indoor use is aggregated across population in an urban water supplier’s service area, not each household. Presently, the average June 2014-May 2019 gallons per capita per day for the Cal-Am Monterey system is 57 gpcd. Hence, existing users are unlikely to increase their water consumption with the availability of new water supply.

Principal Conclusions

- Either supply option can meet the long-term needs of the Monterey Peninsula
- Either supply option is sufficient to lift the CDO
- The long-term needs of the Monterey Peninsula may be less than previously thought
- Several factors will contribute to pressure on decreasing per capita water use

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Appendix A **Water Required to Meet** **AMBAG 2018 Regional Growth Forecast**

Water Required for Population Growth²⁸

	Monterey	Pacific Grove	Carmel-by-the-Sea	Sand City	Seaside	Del Rey Oaks	County ²⁹	TOTAL
Population in 2020	28,726	15,349	3,833	544	34,301	1,949	7,182	91,884
Population in 2040	30,976	16,138	3,876	1,494	37,802	2,987	7,541	100,814
Increase	2,250	789	43	950	3,501	1,038	359	8,930
GPCD ³⁰	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8
Acre-Feet per Year	143 AF	50 AF	3 AF	60 AF	223 AF	66 AF	23 AF	568 AF

*: Likely overstates population growth in Cal-Am service area due to some growth attributable to the Fort Ord build-out.

Water Required for Employment Growth³¹

	Monterey	Pacific Grove	Carmel-by-the-Sea	Sand City	Seaside	Del Rey Oaks	County ³²	TOTAL
Jobs in 2020	34,434	5,093	2,998	1,569	10,161	371	4,300	58,926
Jobs in 2040	40,173	5,808	3,378	1,810	11,299	432	4,845	67,745
Increase	16.7%	14.0%	12.7%	15.4%	11.2%	16.4%	12.7%	
Commercial Consumption In 2019 ³³	1,371 AF	248 AF	203 AF	54 AF	282 AF	21 AF	651 AF	2,830 AF
Commercial Consumption In 2040 ³⁴	1,600 AF	283 AF	229 AF	62 AF	314 AF	24 AF	734 AF	3,246 AF
Increase	229 AF	35 AF	26 AF	8 AF	32 AF	3 AF	83 AF	416 AF

Using this methodology, total water demand increase in 20 year period is 984 AF or 49.2 AFY.

²⁸ Association of Monterey Bay Area Governments. 2018. "2018 Regional Growth Forecast." Table 8, page 32

²⁹ Uses Cal-Am service area population reported in SWRCB June 2014 – September 2019 Urban Water Supplier Monthly Reports (Raw Dataset), minus urban areas, escalated at 5%.

³⁰ SWRCB June 2014 – September 2019 Urban Water Supplier Monthly Reports (Raw Dataset); Average gallons per capita per day for August 2018 – July 2019; www.waterboard.ca.gov

³¹ Association of Monterey Bay Area Governments. 2018. "2018 Regional Growth Forecast." Table 7, page 30

³² California Employment Development Department, Monthly Labor Force Data for Cities and Census Designated Places. November 15, 2019. Sum of Carmel Valley Village CDP and Del Monte Forest CDP. Escalated at same rate as Carmel-by-the-Sea.

³³ Cal-Am. 2019. "Customers and Consumption by Political Jurisdiction"

³⁴ Assumes escalation at same rate as job growth 2020 to 2040



A

Regional Growth Forecast

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Table 7: Subregional Employment Forecast

Geography	2015	2020	2025	2030	2035	2040	Change 2015-2040	
							Numeric	Percent
AMBAG Region	337,600	351,800	363,300	374,100	384,800	395,000	57,400	17%
Monterey County	203,550	211,799	218,203	224,207	230,212	235,822	32,272	16%
Carmel-By-The-Sea	2,935	2,998	3,096	3,195	3,289	3,378	443	15%
Del Rey Oaks	359	371	387	404	418	432	73	20%
Gonzales	4,477	4,963	5,064	5,166	5,278	5,371	894	20%
Greenfield	7,024	7,552	7,729	7,813	7,911	7,982	958	14%
King City	4,441	4,692	4,862	5,013	5,154	5,287	846	19%
Marina	6,340	6,649	6,886	7,140	7,373	7,620	1,280	20%
Monterey	34,030	34,434	35,970	37,405	38,814	40,173	6,143	18%
Pacific Grove	5,000	5,093	5,272	5,466	5,637	5,808	808	16%
Salinas	64,396	67,270	69,660	71,958	74,160	76,294	11,898	18%
Sand City	1,517	1,569	1,633	1,698	1,758	1,810	293	19%
Seaside	9,650	10,161	10,455	10,726	11,020	11,299	1,649	17%
Soledad	3,442	3,584	3,694	3,786	3,885	3,978	536	16%
Balance Of County	59,939	62,503	63,497	64,438	65,516	66,390	6,451	11%
San Benito County	18,000	19,240	19,957	20,617	21,264	21,913	3,913	22%
Hollister	13,082	14,035	14,608	15,132	15,650	16,172	3,090	24%
San Juan Bautista	559	591	615	639	662	685	126	23%
Balance Of County	4,359	4,614	4,734	4,846	4,951	5,056	697	16%
Santa Cruz County	116,050	120,761	125,141	129,275	133,324	137,265	21,215	18%
Capitola	7,062	7,199	7,464	7,727	7,979	8,228	1,166	17%
Santa Cruz	40,986	43,090	44,647	46,153	47,616	49,085	8,099	20%
Scotts Valley	7,475	7,612	7,820	8,004	8,180	8,349	874	12%
Watsonville	22,644	23,482	24,382	25,200	26,008	26,772	4,128	18%
Balance Of County	37,883	39,339	40,826	42,191	43,541	44,831	6,948	18%

Sources: Data for 2015 from InfoUSA and the California Employment Development Department.

Forecast years were prepared by AMBAG and PRB.

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Table 8: Subregional Population Forecast

Geography	2015	2020	2025	2030	2035	2040	Change 2015-2 040	
							Numeric	Percent
AMBAG Region	762,676	791,600	816,900	840,100	862,200	883,300	120,624	16%
Monterey County	432,637	448,211	462,678	476,588	489,451	501,751	69,114	16%
Carmel-By-The-Sea	3,824	3,833	3,843	3,857	3,869	3,876	52	1%
Del Rey Oaks	1,655	1,949	2,268	2,591	2,835	2,987	1,332	80%
Gonzales	8,411	8,827	10,592	13,006	15,942	18,756	10,345	123%
Greenfield	16,947	18,192	19,425	20,424	21,362	22,327	5,380	32%
King City	14,008	14,957	15,574	15,806	15,959	16,063	2,055	15%
Marina	20,496	23,470	26,188	28,515	29,554	30,510	10,014	49%
Marina balance	19,476	20,957	22,205	22,957	23,621	24,202	4,726	24%
CSUMB (portion)	1,020	2,513	3,983	5,558	5,933	6,308	5,288	518%
Monterey	28,576	28,726	29,328	29,881	30,460	30,976	2,400	8%
Monterey balance	24,572	24,722	25,324	25,877	26,456	26,972	2,400	10%
DLI & Naval Postgrad	4,004	4,004	4,004	4,004	4,004	4,004	0	0%
Pacific Grove	15,251	15,349	15,468	15,598	15,808	16,138	887	6%
Salinas	159,486	166,303	170,824	175,442	180,072	184,599	25,113	16%
Sand City	376	544	710	891	1,190	1,494	1,118	297%
Seaside	34,185	34,301	35,242	36,285	37,056	37,802	3,617	11%
Seaside balance	26,799	27,003	27,264	27,632	28,078	28,529	1,730	6%
Fort Ord (portion)	4,450	4,290	4,340	4,490	4,690	4,860	410	9%
CSUMB (portion)	2,936	3,008	3,638	4,163	4,288	4,413	1,477	86%
Soledad	24,809	26,399	27,534	28,285	29,021	29,805	4,996	20%
Soledad balance	16,510	18,100	19,235	19,986	20,722	21,506	4,996	30%
SVSP & CTF	8,299	8,299	8,299	8,299	8,299	8,299	0	0%
Balance Of County	104,613	105,361	105,682	106,007	106,323	106,418	1,805	2%
San Benito County	56,445	62,242	66,522	69,274	72,064	74,668	18,223	32%
Hollister	36,291	39,862	41,685	43,247	44,747	46,222	9,931	27%
San Juan Bautista	1,846	2,020	2,092	2,148	2,201	2,251	405	22%
Balance Of County	18,308	20,360	22,745	23,879	25,116	26,195	7,887	43%
Santa Cruz County	273,594	281,147	287,700	294,238	300,685	306,881	33,287	12%
Capitola	10,087	10,194	10,312	10,451	10,622	10,809	722	7%
Santa Cruz	63,830	68,381	72,091	75,571	79,027	82,266	18,436	29%
Santa Cruz balance	46,554	49,331	51,091	52,571	54,027	55,266	8,712	19%
UCSC	17,276	19,050	21,000	23,000	25,000	27,000	9,724	56%
Scotts Valley	12,073	12,145	12,214	12,282	12,348	12,418	345	3%
Watsonville	52,562	53,536	55,187	56,829	58,332	59,743	7,181	14%
Balance Of County	135,042	136,891	137,896	139,105	140,356	141,645	6,603	5%

Sources: Data for 2015 are from the U.S. Census Bureau and California Department of Finance. Forecast years were prepared by AMBAG and PRB.

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Appendix B **Water Required to Meet** **Regional Housing Needs Allocation Plan: 2014-2023**

2014-2023 RHNA Goals by Local Jurisdiction³⁵

	Monterey	Pacific Grove	Carmel-by-the-Sea	Sand City	Seaside	Del Rey Oaks	TOTAL
Total Allocation	650	115	31	55	393	27	1,271
Very Low (24.1%)	157	28	7	13	95	7	307
Low (15.7%)	102	18	5	9	62	4	200
Moderate (18.2%)	119	21	6	10	72	5	233
Above Moderate (42%)	272	48	13	23	164	11	531

*: Does not include unincorporated Monterey County, which might be 15-25 additional AFY to full build-out

Estimated Water Required to Meet RHNA Goals on the Monterey Peninsula

	TOTAL RHNA GOAL	Water Required (AFY) ³⁶	Factor Used
Very Low (24.1%)	307	37	0.12 AFA (multi-family)
Low (15.7%)	200	24	0.12 AFA (multi-family)
Moderate (18.2%)	233	37	0.16 (half single family/half multi-family)
Above Moderate (42%)	531	92	0.173 (2/3 single family/1/3 multi-family)
Total Allocation/Water Required	1,271	190	

Over two similar 10-year periods, total water required for housing calculated with this methodology is 380 AF over twenty years, or 395 – 405 AF including estimate for unincorporated County (footnote above.)

³⁵ Association of Monterey Bay Area Governments. ND. "Regional Housing Needs Allocation Plan: 2014-2023." Available at: https://ambag.org/sites/default/files/documents/RHNP%202014-2023_Final_revised.pdf.

³⁶ Calculated based on the RHNA goals for the six cities in the Monterey Peninsula and MPWMD's water use factors for single family units (0.2 AFA) and multi-family units (0.12 AFA).



REGIONAL HOUSING NEEDS ALLOCATION PLAN: 2014 - 2023

ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

EXHIBIT 15-A

Regional Housing Needs Allocation Plan: 2014 - 2023

RHNA Allocation

Geography	Total Allocation	Very Low (24.1%)	Low (15.7%)	Moderate (18.2%)	Above Moderate (42.0%)
AMBAG Region	10,430	2,515	1,640	1,900	4,375
Monterey County	7,386	1,781	1,160	1,346	3,099
Carmel-By-The-Sea	31	7	5	6	13
Del Rey Oaks	27	7	4	5	11
Gonzales	293	71	46	53	123
Greenfield	363	87	57	66	153
King City	180	43	28	33	76
Marina	1,308	315	205	238	550
Monterey	650	157	102	119	272
Pacific Grove	115	28	18	21	48
Salinas	2,229	538	350	406	935
Sand City	55	13	9	10	23
Seaside	393	95	62	72	164
Soledad	191	46	30	35	80
Balance Of County	1,551	374	244	282	651
Santa Cruz County	3,044	734	480	554	1,276
Capitola	143	34	23	26	60
Santa Cruz	747	180	118	136	313
Scotts Valley	140	34	22	26	58
Watsonville	700	169	110	127	294
Balance Of County	1,314	317	207	239	551

DISCUSSION ITEM

16. IDENTIFY AGENDA ITEMS AND TIMING FOR UPCOMING BOARD MEETINGS

Meeting Date: January 23, 2020 **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 Approval: N/A

Committee Recommendation: N/A

CEQA Compliance: Action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: Recent discussion with the incoming Board Chair have identified several specific or unique potential agenda items for full Board consideration. These should be discussed, their timing considered, and if there is consensus the Board should provide general direction to staff for inclusion in future Board packets.

Such potential agenda items are shown below:

Item	Proposed Board Meeting
Adoption of Updated Report: <i>"Supply and Demand for Water on the Monterey Peninsula"</i>	February
Recommendation or Response to California Coastal Commission on Consideration of the Monterey Peninsula Water Supply Project	February
Special Allocation of Water to Meet Jurisdictional Housing Needs for Next 3 Years	March/April
Facilitated Strategic Planning Session	April (Special Meeting)
Update to District Reserve Policies	May
Budget Workshop	May (Special Meeting)
Review of Measure J Consulting Team Results	July (Closed Session)
Review Options on Sunset or Suspension of Water Supply Charge and/or User Fee	August
Vote on Measure J <i>"Resolution of Necessity"</i>	September
Other?	?

ITEM: INFORMATIONAL ITEM/STAFF REPORT

17. REPORT ON ACTIVITY/PROGRESS ON CONTRACTS OVER \$25,000

Meeting Date: January 23, 2020 **Budgeted:** N/A

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

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

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee reviewed this item on January 15, 2020.

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 17-A**, monthly status report on contracts over \$25,000 for the period November 2019. This status report is provided for information only, no action is required.

EXHIBIT

17-A Status on District Open Contracts (over \$25k)

EXHIBIT 17-A

Monterey Peninsula Water Management District Status on District Open Contracts (over \$25K) For The Period November 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
1 Norton Rose Fulbright	Cal-Am Desal Structuring & Financing Order	4/20/2015	\$ 307,103.13	\$ -	\$ 38,557.29	\$ 38,557.29		Current period billing for desal financing/measure J bond counsel advice.	PO02197
2 Pueblo Water Resources, Inc.	ASR SMWTF Engineering Services During Construction	10/21/2019	\$ 148,100.00	\$ -	\$ 3,578.85	\$ 3,578.85		Current period billing for ASR engineering services	PO02163
3 Specialty Construction, Inc.	ASR SMWTF Construction	10/21/2019	\$ 4,649,400.00	\$ -		\$ -			PO02162
4 Psomas	ASR Construction Management Services	8/19/2019	\$ 190,280.00	\$ -		\$ -			PO02160
5 U.S. Bank Equipment Finance	Copier machine leasing - 60 months	7/15/2019	\$ 52,300.00	\$ 2,685.05	\$ 867.83	\$ 3,552.88	6/30/2024	Current period 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 Deverea Inc.	IT Managed Services	9/16/2019	\$ 46,120.00	\$ 9,224.00	\$ 4,612.00	\$ 13,836.00	6/30/2020	Current period billing for IT managed services	PO02091
9 Hayashi Wayland Accountancy Group	Audit services	6/19/2017	\$ 64,500.00	\$ 11,000.00	\$ 16,000.00	\$ 27,000.00	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	\$ 10,425.00	\$ 2,700.00	\$ 13,125.00		Current period gis services	PO02065
11 Regional Government Services	Human Resouces contractual services	6/17/2019	\$ 70,000.00	\$ 21,868.95	\$ 2,633.75	\$ 24,502.70		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	\$ 1,318.75	\$ 11,451.75		Current period billing for ASR water quality sampling	PO02062
14 TBC Communications & Media	Public Outreach services retainer	6/17/2019	\$ 42,000.00	\$ 14,000.00	\$ 3,500.00	\$ 17,500.00		Current period retainer	PO02055
15 The Ferguson Group LLC	2019-20 - Legislative and Administrative Services	6/17/2019	\$ 100,000.00	\$ 32,262.64	\$ 8,116.15	\$ 40,378.79		Current period retainer	PO02028
16 John Arriaga	Contract for Legislative and Administrative Services - FY 19-20	6/17/2019	\$ 35,000.00	\$ 10,000.00	\$ 2,500.00	\$ 12,500.00		Current period retainer	PO02026
17 DUDEK	Consulting Services for Prop 1 grant proposal	4/15/2019	\$ 95,600.00	\$ 74,397.55		\$ 74,397.55			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	\$ -	\$ 27,000.00	\$ 27,000.00	12/31/2019	Current period banking services related to feasibility study	PO01930
21 De Lay & Laredo	Rule 19.8 Investor Owned Utility Consultant	1/21/2019	\$ 88,462.00	\$ 84,221.69		\$ 84,221.69	12/31/2019		PO01929
22 De Lay & Laredo	Rule 19.8 Valuation & Cost of Service Consultant	1/21/2019	\$ 321,495.00	\$ 247,690.63	\$ 39,274.54	\$ 286,965.17	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	\$ 148,801.91	\$ 12,195.95	\$ 160,997.86	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	\$ 287,119.19		\$ 287,119.19			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
26 Ecology Action of Santa Cruz	IRWM HEART Grant	4/16/2018	\$ 152,600.00	\$ 86,362.33		\$ 86,362.33			PO01824

EXHIBIT 17-A

Monterey Peninsula Water Management District Status on District Open Contracts (over \$25K) For The Period November 2019

				Prior Period		Total			P.O.	
Contract	Description	Date Authorized	Contract Amount	Expended To Date	Current Period Spending	Expended To Date	Expected Completion	Current Period Activity	Number	
27	McCampbell 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	\$ 52,487.50	\$ 1,631,080.87		Current period services related to Sleepy Hollow intake project	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	\$ 10,757.75	\$ 35,295.25		Current period services related to Geochemical study	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	\$ 669,227.81		\$ 669,227.81	6/30/2019		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	\$ 12,971.20	\$ 295,003.20		Current period services related to LP Dam study	PO01072
46	WaterWise Consulting, Inc.	Landscape audits	1/29/2014	\$ 75,000.00	\$ 31,660.00		\$ 31,660.00			PO00256
47	HydroPoint Data Systems, Inc.	Flow Meters and related for MPUSD	3/17/2014	\$ 77,000.00	\$ 30,760.19		\$ 30,760.19			PO00219
48	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
49	Michael Hutnak	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 56,800.00	\$ 55,940.00		\$ 55,940.00			PO00123
50	Justin Huntington	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 59,480.00	\$ 53,918.98		\$ 53,918.98			PO00122

ITEM: INFORMATIONAL ITEM/STAFF REPORT

18. STATUS REPORT ON MEASURE J/RULE 19.8 SPENDING

Meeting Date: January 23, 2020 **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: The Administrative Committee reviewed this item on January 15, 2020.

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 18-A**, monthly status report on Measure J/Rule 19.8 spending for the period November 2019. This status report is provided for information only, no action is required. This will be the final report on this project. Any future spending on this project will be tracked separately.

EXHIBIT

18-A Status on Measure J/Rule 19.8 Spending

EXHIBIT 18-A

**Monterey Peninsula Water Management District
Status on Measure J/Rule 19.8 Spending
For the Period November 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	\$ 148,802.21	\$ 12,195.95	\$ 160,998.16	\$ (60,998.16)	PA00002-01
2	Investment Banking Services	2/21/2019	\$ 30,000.00	\$ -	\$ 27,000.00	\$ 27,000.00	\$ 3,000.00	PA00002-02
3	Valuation & Cost of Service Study Consulta	2/21/2019	\$ 355,000.00	\$ 247,690.63	\$ 39,274.54	\$ 286,965.17	\$ 68,034.83	PA00002-03
4	Investor Owned Utility Consultant	2/21/2019	\$ 100,000.00	\$ 84,221.69		\$ 84,221.69	\$ 15,778.31	PA00002-04
5	District Legal Counsel		\$ 35,000.00	\$ 33,763.61	\$ 8,133.98	\$ 41,897.59	\$ (6,897.59)	PA00002-05
6	Contingency/Miscellaneous		\$ 30,000.00	\$ 9,931.83	\$ 33,814.12	\$ 43,745.95	\$ (13,745.95)	PA00002-10
	Total		\$ 650,000.00	\$ 524,409.97	\$ 120,418.59	\$ 644,828.56	\$ 5,171.44	

ITEM: INFORMATIONAL ITEM/STAFF REPORT

19. MONTHLY PROGRESS REPORT – SANTA MARGARITA WATER TREATMENT FACILITY

Meeting Date: January 23, 2020 **Budgeted:** N/A

From: David J. Stoldt **Program/** N/A
General Manager **Line Item:**

Prepared By: Maureen Hamilton **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: This status report is provided for information only, no action is required.

Completed work:

- Excavation and construction of the building footings was completed.
- Construction of the cellar walls was completed.
- In advance of scheduled cellar floor concrete pour; the base course, moisture barrier, and rebar installation were installed.
- Forty-two submittals have been received; twenty of those submittals have been reviewed and closed.
- No change orders have been initiated.
- The construction schedule shows the facility will be ready for Cal Am to conduct its SCADA installation and implementation beginning July 23, 2020. The critical path item is the Motor Control Center. An executive construction schedule should be available in February.

EXPENDITURES:

	Contract	Contingency (10%)
Board Authorization	\$4,797,500	\$479,750
Change Orders		\$0 (0%)

ITEM: INFORMATIONAL ITEM/STAFF REPORT**20. LETTERS RECEIVED****Meeting Date: January 23, 2020****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.**

A list of letters submitted to the Board of Directors or General Manager and received between December 10, 2019 and January 10, 2020 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
Richard Svindland	David Stoldt	1/2/2020	Notice of Second Event of Default by MPWMD and Monterey One Water under Water Purchase Agreement for Pure Water Monterey Project
Bill Kampe	Water Demand Committee	12/17/2019	Thoughts on Water Demand for the Monterey Peninsula
David Beech	MPWMD Board	12/16/2019	Item 12 – December 16, 2019 Regular Board Meeting – Authorization of Consulting Work – Measure J
Richard Svindland	David Stoldt	12/12/2019	Status Update Regarding Event of Default by MPWMD and Monterey One Water under Water Purchase Agreement for Pure Water Monterey Project

ITEM: INFORMATIONAL ITEM/STAFF REPORT

21. COMMITTEE REPORTS

Meeting Date: January 23, 2020 **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.

Attached for your review as **Exhibits 21-A through 21-E**, are final minutes of the committee meetings listed below.

EXHIBITS

- 21-A** December 3, 2019 Water Supply Planning Committee Meeting Minutes
- 21-B** November 13, 2019 Administrative Committee Meeting Minutes
- 21-C** October 31, 2019 Water Demand Committee Meeting Minutes
- 21-D** October 8, 2019 Water Supply Planning Committee Meeting Minutes
- 21-E** August 8, 2019 Legislative Advocacy Committee Meeting Minutes



EXHIBIT 21-A

FINAL MINUTES

Water Supply Planning Committee of the Monterey Peninsula Water Management District *December 3, 2019*

Call to Order: The meeting was called to order at 11:00 am.

Committee members present: Gary Hoffmann, P.E.
Jeanne Byrne
George Riley

Committee members absent: None

Staff members present: David J. Stoldt, General Manager
Jonathan Lear, Water Resources Division Manager
Maureen Hamilton, Water Resources Engineer
Arlene Tavani, Executive Assistant

District Counsel present David Laredo, DeLay and Laredo

Comments from the Public: No comments.

Discussion Items

1. Status of ASR Well #1 Repair

Jonathan Lear, Water Resources Manager, reported that Well #1 was last rehabilitated in 2007. By 2019, measurements taken at the well indicated that efficiency had dropped by 50% from measurements taken in 2014. The cost to rehabilitate the well will be reimbursed by California American Water (Cal-Am) according to the maintenance agreement.

2. Update on ASR Construction

Maureen Hamilton, Water Resources Engineer, reported that on November 19, 2019 a pre-construction meeting was conducted, and on September 20 a notice to proceed was issued to the contractor. The right-of-entry permit was amended to coincide with the start of construction. The contractor was expected to mobilize by the week of December 9, 2019, weather permitting. The work could not proceed until Tesco submitted information regarding installation of the control wiring. The completion date was set for June 30, 2020, based on calendar days. There could be delays related to delivery of construction materials or weather. If delays are caused by contractor negligence, liquidated damages of \$1,700 per day would be assessed. The committee requested that at future meetings, staff should submit the project's critical path

schedule for review.

3. Report on Outcome of November 14, 2019 Coastal Commission Hearing

General Manager Stoldt reported that he was present at the meeting for a Q&A session that was to begin following receipt of public comment; however, the Commission did not conduct the Q&A period. Instead, California Coastal Commission (CCC) staff was directed to develop a list of the commissioners' questions, prepare the answers and bring those forward to the March 2020 meeting for a final decision on a Coastal Development Permit for the desalination project. When CCC staff have submitted questions to the District, staff will formulate responses. The District's responses will be submitted to the Water Supply Planning Committee or Water Demand Committee if the questions have been submitted in time to formulate responses for committee review before they must be submitted to the CCC.

4. Update on Pure Water Monterey Project

General Manager Stoldt reviewed the staff report and a PowerPoint presentation that is on file at the District office and can be viewed on the agency website. He noted that page 2 of the staff note listed delivery of purified water by mid-December; however, the more realistic date is February 2020. Cal-Am is likely to submit a letter stating that the District and Monterey One Water have defaulted on the water sales agreement due to the delay in water delivery. Cal-Am has the right to terminate the water purchase agreement but is not expected to do so. Mr. Stoldt also directed the committee's attention to page 2 of the staff note that listed completion of site-energization by late-November. There was a delay because PG&E crews were deployed to Northern California in preparation for the Public Safety Power Shutoff program. Site-energization was rescheduled to October, then again to November when the work was partially completed. Maureen Hamilton reported that PG&E was scheduled to be on site December 4, 2019, but she requested they reschedule due to rainy weather. She had not heard back from PG&E regarding her request. In response to a question from the committee, Mr. Stoldt stated that the first 1,000 acre-feet of water injected from the project was allocated to drought reserve. There was no requirement that the water be in the ground for six-months, so the next amount of water injected could prompt withdrawal of water on a one-for-one basis for potable use from other areas of the system. While the CDO is in effect, the Quarterly Water Budget group determines what sources of water will be distributed throughout the year. Mr. Stoldt advised the committee that the District met with Cal-Am and advised them that the 2006 ASR Operation and Maintenance agreement would expire in May 2021, and that according to the agreement, Cal-Am must contact the District six months prior to expiration. No further action has been taken by Cal-Am. If the 15-year agreement is not renewed, it will expire.

Director Byrne departed from the meeting at 11:35 pm prior to conclusion of the discussion on this item.

Adjournment: The meeting was adjourned at 12:12 pm.



EXHIBIT 21-B

FINAL MINUTES Monterey Peninsula Water Management District Administrative Committee November 13, 2019

Call to Order

The meeting was called to order at 4:00 PM in the District Conference Room.

Committee members present: George Riley – Chair
Gary Hoffmann
Molly Evans

Committee members absent: None

Staff present: David Stoldt, General Manager
Suresh Prasad, Administrative Services Manager/Chief Financial Officer
Larry Hampson, Consultant
Sara Reyes, Sr. Office Specialist

Oral Communications

None

Items on Board Agenda for November 18, 2019

- 1. Consider Adoption of Minutes of October 14, 2019 Committee Meeting**
On a motion by Evans and second by Hoffmann, the minutes of the October 14, 2019 meeting were approved on a vote of 3 – 0 by Evans, Hoffmann and Riley.
- 2. Consider Adoption of Electronic Communications Management Policy**
On a motion by Evans and second by Hoffmann, the committee voted to recommend the Board adopt the Electronic Communications Management Policy with changes to Section 2 of the draft Resolution No. 2019-17, as recommended by the committee. The motion was approved on a vote of 3 – 0 by Evans, Hoffmann and Riley.
- 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**
On a motion by Evans and second by Hoffmann, the committee voted to recommend the Board authorize the General Manager to approve additional change orders to construction and service contracts or for new service contracts for the Project in an amount up to \$134,500 in total. The motion was approved on a vote of 3 – 0 by Evans, Hoffmann and Riley.
- 4. Consider Approval of Budgeted Funds to Replace HVAC Unit at the MPWMD Harris Court Administrative Building**

On a motion by Hoffmann and second by Evans, the committee voted to recommend authorizing the Administrative Services Manager/Chief Financial Officer to replace the HVAC unit at the MPWMD Harris Court Administration Building for an amount not to exceed \$15,000. The motion was approved on a vote of 3 – 0 by Hoffmann, Evans and Riley.

5. Receive and File First Quarter Financial Activity Report for Fiscal Year 2019-2020

The committee received the First Quarter Financial Activity Report for Fiscal Year 2019-2020. No action was taken by the committee.

6. Consider Approval of First Quarter Fiscal Year 2019-2020 Investment Report

On a motion by Evans and second by Hoffmann, the committee voted to recommend the Board approve the First Quarter Fiscal Year 2019-2020 Investment Report. The motion was approved on a vote of 3 – 0 by Evans, Hoffmann and Riley.

7. Consider Adoption of Treasurer's Report for September 2019

On a motion by Riley and second by Evans, the committee voted to recommend the Board adopt the September 2019 Treasurer's Report and financial statements, and ratification of the disbursements made during the month. The motion was approved on a vote of 3 – 0 by Riley, Evans and Hoffmann.

8. Report on Activity/Progress on Contracts Over \$25,000

This item was presented as information to the committee. No action was required or taken by the committee.

9. Status Report on Measure J/Rule 19.8 Spending

This item was presented as information to the committee. No action was required or taken by the committee.

Other Items

10. Review Draft November 18, 2019 Regular Board Meeting Agenda

The committee reviewed the draft agenda and made no changes.

Adjournment

The meeting adjourned at 5:23 PM.



EXHIBIT 21-C

FINAL MINUTES Water Demand Committee of the Monterey Peninsula Water Management District *October 31, 2019*

Call to Order

The meeting was called to order at 3:45 pm in the MPWMD conference room.

Committee members present: Alvin Edwards, Chair
Jeanne Byrne
Molly Evans

Committee members absent: None

Staff members present: David Stoldt, General Manager
Stephanie Locke, Water Demand Division Manager
Arlene Tavani, Executive Assistant

District Council present: David Laredo

Comments from the Public: No comments.

Action Items

- 1. Consider Adoption of July 11, 2019 Committee Meeting Minutes**
On a motion by Evans and second of Byrne, the minutes were adopted on a unanimous vote of 3 – 0 by Evans, Byrne and Edwards.

Discussion Items

- 2. Discuss Proposals – Water for Affordable/Workforce Housing**
The committee reviewed information presented in the staff note. It was determined that the Technical Advisory Committee would be convened and asked to advise the District as to their water allocation needs for the next three or four years. Staff will move forward on developing an ordinance. During the discussion the following comments were made. (a) Property owners should be advised that their water credits are due to expire. (b) It could be advantageous to set a monetary value on water credits so that property owners would surrender unused water credits. (c) The District should not tell the jurisdictions how to allocate water to projects. (d) If water is developed for affordable housing, but the jurisdictions can use the water for any project, this will do nothing to create water for affordable housing. (e) School districts are interested in developing affordable housing for their teachers. For districts that span across multiple jurisdictions, should they be considered as separate entities from the jurisdictions? (f) If water credits or an allocation were to be created, transfers should be only within the jurisdictions – not jurisdiction to jurisdiction. (g) Rules should be changed to require that the District conduct CEQA review on water credit transfers. (h) Could ask Community Hospital of the Monterey Peninsula if any of its unused allocation could be given back to the District for other projects.

3. Discuss Updates to Non-Residential Water Use Factors

No discussion.

4. Update on Ordinance re Residential/Commercial Grey Water Systems

Locke provided an update on rules regarding permitting grey water systems. Staff will provide the regulations to the Technical Advisory Committee.

5. Discuss Draft MPWMD Testimony – Laguna Seca Moratorium

Stoldt provided an update to the committee. He stated that the District has taken a strong position of opposition to the expansion of service in the Laguna Seca Subarea. In regards to California American Water Company Application No. 19-07-005 to the California Public Utilities Commission, he submitted page 4 of his testimony in the proceeding that outlined the District's position on the application.

Adjournment: The meeting was adjourned at 4:55 pm.

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EXHIBIT 21-D

FINAL MINUTES

Water Supply Planning Committee of the Monterey Peninsula Water Management District *October 8, 2019*

Call to Order: The meeting was called to order at 10:00 am.

Committee members present: Gary Hoffmann, P.E.
Jeanne Byrne
George Riley

Staff members present: David J. Stoldt, General Manager
Jonathan Lear, Water Resources Division Manager
Maureen Hamilton, Water Resources Engineer
Sara Reyes, Sr. Office Specialist

District Counsel present David Laredo, DeLay and Laredo

Comments from the Public: No comments.

Action Items

- 1. Consider Adoption of September 10, 2019 Committee Meeting Minutes**
On a motion by Byrne and second of Riley, the minutes were approved on a unanimous vote of 3 – 0 by Byrne, Riley and Hoffmann. Director Riley noted a spelling correction to the word wield under Item 2.

Discussion Items

- 2. Report on ASR Chemical Building Construction Bid Opening**
Maureen Hamilton presented a PowerPoint to the committee outlining the Santa Margarita Treatment Facility Bid Results then proceeded with answering questions from the committee. She noted that several value engineering costs were deleted however the costs were still higher than anticipated. She stated 2.8 million would need to come from the District reserves. General Manager Stoldt reported that staff wanted this committee to understand the changes that have occurred with this project and the costs that will be reviewed and discussed by the Administrative Committee. Jeanne Byrne thanked Maureen for her presentation and said she did great job explaining the changes.
- 3. Update on Pure Water Monterey Project**
General Manager Stoldt reported the project is on its way and water will be delivered to the reserves in early 2020.

4. Update on MPWSP Desalination Project

Mr. Stoldt reported that the Coastal Commission has scheduled a hearing on November 14, 2019 in Half Moon Bay to discuss the Coastal Development permit for this project. The City of Marina and Marina Coast Water District have requested an injunction over the Monterey County permit but there has been no ruling on that.

5. Update on Salinas Valley Groundwater Sustainability Plan

Mr. Stoldt reported that Chapter 10 was released about a month ago which contains all the proposed potential projects and is being reviewed by the Department of Water Resources (DWR). Jon Lear reported that the City of Marina has filed to be its own Groundwater Sustainability Agency (GSA) and will be submitting their Groundwater Sustainability plan. The plan must either be a collaborative effort with Monterey County who is the other GSA or Monterey County would need to develop its own plan so that it is working with Salinas Valley to solve the problems. The two plans need to align from each entity by the DWR or no sustainability plan will be approved. Plans need to be submitted in January 2020 then DWR has two years to review and approve.

Adjournment: The meeting was adjourned at 11:18 am.

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EXHIBIT 21-E

FINAL MINUTES

Legislative Advocacy Committee of the Monterey Peninsula Water Management District *August 8, 2019*

Call to Order

The meeting was called to order at 4:00 pm in the MPWMD conference room.

Committee members present:

Molly Evans, Chair
Mary Adams
Jeanne Byrne (participated by telephone)

Committee members absent:

Gary Hoffmann

Staff members present:

David J. Stoldt, General Manager
Arlene Tavani, Executive Assistant

District Counsel present:

David C. Laredo

Legislative Consultant:

John Arriaga, A&E Associates
Laurie Johnson, A&E Associates (participated by telephone)

Comments from the Public:

No comments.

Action Items

1. Adopt Minutes of March 21, 2019 Committee Meeting

On a motion by Adams and second by Evans, the minutes were approved on a vote of 2 – 1 by Adams and Evans, Byrne abstained.

Discussion Items

2. Report from John Arriaga on Legislative Status and Tracking

John Arriaga reviewed the August 8, 2019 Legislative Update memo provided in the committee packet and responded to questions. He reported that SB 669 which would have established a tax on water bills to fund water system improvements in disadvantage communities, was rejected. Instead, SB 200 was approved which allocated \$130 million for safe drinking water projects. Regarding the MPWMD Legislative Track document, he reported that no further action will be taken in this legislative session on most of the highlighted bills. The legislature will convene for five weeks and then adjourn on September 13, 2019.

3. Report from Ferguson Group on Federal Activities

No report.

4. Report from General Manager on Recent or Upcoming Legislative Actions

General Manager Stoldt distributed a packet of documents related to the District's discussions with state and federal legislative staff, and also letters to legislators advocating support or opposition to

bills related to water infrastructure, conservation and office administration. Stoldt responded to questions from the committee.

Other Items: No discussion.

Adjournment – 4:40 pm.

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ITEM: INFORMATIONAL ITEM/STAFF REPORT

22. MONTHLY ALLOCATION REPORT

Meeting Date:	January 23, 2020	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 December 31, 2019, a total of **17.724** acre-feet (**5.2%**) 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 22-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in December 2019 (“changes”), and the quantities remaining. The Paralta Allocation had one debit in December 2019.

Exhibit 22-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 22-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 Malpaso 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 22-C**.

EXHIBITS

22-A Monthly Allocation Report

22-B Monthly Entitlement Report

22-C District’s Water Allocation Program Ordinances

EXHIBIT 22-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of December 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	0.010 Cr	0.245	50.659	0.000	0.030	38.121	0.000	2.300	2.575
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	0.000	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	0.781	0.167	34.438	0.000	34.438	2.693	0.000	1.144	35.749
TOTALS	342.720	0.771	17.724	101.946	0.000	35.923	90.142	0.000	28.839	82.486

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	0.063	9.413	3.347

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

EXHIBIT 22-B
MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of December 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	221.380	1.152	31.150	190.230
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	143.620	0.124	55.777	87.843
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	1.276	101.756	278.244

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	1.313	6.366	199.634
Malpaso Water Company	80.000	0.033	15.879	64.121
D.B.O. Development No. 30	13.950	0.000	1.184	12.766
City of Pacific Grove	35.990	0.000	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 22-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 REPORT

23. WATER CONSERVATION PROGRAM REPORT

Meeting Date: January 23, 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 **95** property transfers that occurred between December 1, 2019, and December 31, 2019, were added to the database.

B. Certification

The District received **56** WCCs between December 1, 2019, and December 31, 2019. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

From December 1, 2019, to December 31, 2019, **53** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **53** verifications, **30** properties verified compliance by submitting certification forms and/or receipts. District staff completed **34** Site inspections. Of the **34** properties inspected, **23 (67%)** 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 December 1, 2019, to December 31, 2019, are estimated at **0.380** Acre-Foot annually (AFA). Water savings from retrofits that exceeded the requirement (i.e., HETs to Ultra High Efficiency Toilets)

is estimated at **0.100** AFA (5 toilets). Year-to-date estimated savings from toilet retrofits is **8.560** 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 December, District inspectors performed **eight** inspections. Of the **eight** inspections certified, **seven** were in compliance. **Three** 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 December 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 **two** 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 **60** Water Permits from December 1, 2019 to December 31, 2019. **Twelve** Water Permits were issued using Water Entitlements (Pebble Beach Company, Malpasco 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 **60** Water Permits issued from December 1, 2019 to December 31, 2019, **no** were issued under this provision.

B. Permit Compliance

District staff completed **52** Water Permit final inspections during December 2019. **Ten** of the final inspections failed due to unpermitted fixtures. Of the **33** passing properties, **19** 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		December-2019				2019 YTD		1997 - Present	
I.	Application Summary								
A.	Applications Received	124				274		27,440	
B.	Applications Approved	88				208		21,393	
C.	Single Family Applications	79				174		24,506	
D.	Multi-Family Applications	8				33		1,460	
E.	Non-Residential Applications	1				1		355	
II.	Type of Devices Rebated	Number of devices	Rebate Paid	Estimated AF	Gallons Saved	Year to Date Number	Year to Date Paid	Year to Date Estimated AF	
A.	High Efficiency Toilet (HET)	31	\$2,400.00	0.155000	50,507	302	\$22,950.00	1.51000	
B.	Ultra HET	5	\$750.00	0.050000	16,293	42	\$4,250.00	0.42000	
C.	Toilet Flapper	0	\$0.00	0.000000	0	3	\$36.89	0.00000	
D.	High Efficiency Dishwasher	19	\$2,375.00	0.057000	18,574	169	\$21,750.05	0.50700	
E.	High Efficiency Clothes Washer - Res	37	\$18,500.00	0.595700	194,109	363	\$181,007.89	5.84430	
F.	High Efficiency Clothes Washer - Com	0	\$0.00	0.000000	0	8	\$8,000.00	0.72000	
G.	Instant-Access Hot Water System	1	\$200.00	0.005000	1,629	12	\$2,178.10	0.06000	
H.	Zero Use Urinals	0	\$0.00	0.000000	0	0	\$0.00	0.00000	
I.	Pint Urinals	0	\$0.00	0.000000	0	0	\$0.00	0.00000	
J.	Cisterns	3	\$2,775.00	0.000000	0	12	\$13,150.00	0.00000	
K.	Smart Controllers	0	\$0.00	0.000000	0	19	\$2,206.03	0.00000	
L.	Rotating Sprinkler Nozzles	0	\$0.00	0.000000	0	90	\$648.00	0.00000	
M.	Moisture Sensors	0	\$0.00	0.000000	0	1	\$25.00	0.00000	
N.	Lawn Removal & Replacement	0	\$0.00	0.000000	0	2	\$3,400.00	0.00000	
O.	Graywater	0	\$0.00	0.000000	0	0	\$0.00	0.00000	
R.	Other	0	\$0.00	0.000000	0	0	\$0.00	0.00000	
III.	TOTALS	96	\$27,000.00	0.862700	281,112	1,023	\$259,601.96	9.06130	
IV.	TOTALS Since 1997				Paid Since 1997:	\$ 6,618,357	621.6 Acre-Feet Saved Since 1997 (from quantifiable retrofits)		

ITEM: INFORMATIONAL ITEM/STAFF REPORT

24. QUARTERLY WATER USE CREDIT TRANSFER STATUS REPORT

Meeting Date: January 23, 2020 **Budgeted:** N/A

From: David J. Stoldt, **Program/** N/A
General Manager **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.

Information about Water Use Credit transfer applications will be reported as applications are received. There are no pending Water Use Credit transfer applications.

ITEM: INFORMATIONAL ITEM/STAFF REPORT

25. CARMEL RIVER FISHERY REPORT FOR DECEMBER 2019

Meeting Date: January 22, 2020 **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: After two very dry months, a large, early December storm filled and spilled Los Padres Reservoir, increased river flows significantly (peaked at approximately 1,000 cfs in the valley), then filled and opened the lagoon all in a few days. Mainstem flows remained elevated throughout the month providing good steelhead rearing conditions and the opportunity for early season, sea-run adult steelhead to migrate upstream.

December's mean daily streamflow at the Sleepy Hollow Weir ranged from 33 to 555 cubic-feet-per-second (cfs) (monthly mean 196 cfs) resulting in 12,060 acre-feet (AF) of runoff. Mean daily streamflow at the Highway 1 gage ranged from 10 to 476 cfs (monthly mean 188 cfs) resulting in 11,550 acre-feet (AF) of runoff.

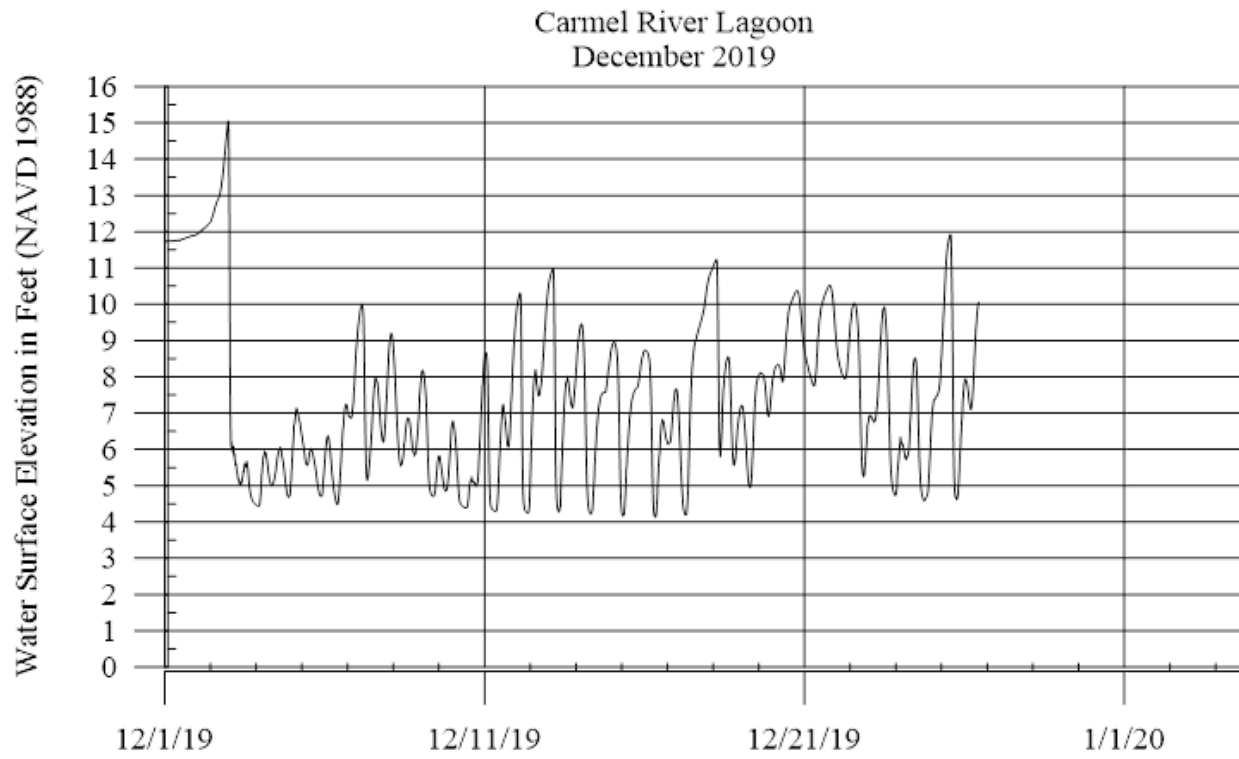
There were 8.26 inches of rainfall in December as recorded at the San Clemente gauge. The rainfall total for WY 2020 (which started on October 1, 2019) is 10.23 inches, or 151% of the long-term year-to-date average of 6.77 inches.

LOS PADRES DAM ADULT STEELHEAD COUNT: The Los Padres fish ladder and trap started operating on December 12, 2019. As of December 31st, only two small resident trout had been trapped.

CARMEL RIVER LAGOON: On December 3, 2019 the lagoon's water surface elevation (WSE) increased to ~15.0 feet before breaching the beach berm and draining to ~4.5 feet (North American Vertical Datum of 1988; NAVD 88) (See graph below).

Water quality depth-profiles were conducted at five sites on December 20, 2019 while the lagoon mouth was open, the water surface elevation was ~5.5 feet, and river inflow was 101 cfs. Steelhead rearing conditions were generally "good" throughout the lagoon: salinity from tidal action increased with depth (0.8 - 24 ppt), dissolved oxygen (DO) levels ranged from 6 – 10 mg/l, and water temperatures were cool at 52 - 55 degrees F.

Carmel River Lagoon Plot:



ITEM: INFORMATIONAL ITEM/STAFF REPORT

26. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT

Meeting Date:	January 23, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
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 26-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **January 1, 2020**. This system includes the surface water resources in the Carmel River Basin, the groundwater resources in the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin. **Exhibit 26-A** is for Water Year (WY) 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 **December** 2019 totaled **8.62 inches** and brings the cumulative rainfall total for WY 2020 to **10.23 inches**, which is **151%** of the long-term average through **December**. Estimated unimpaired runoff through **December** totaled **13,072 acre-feet (AF)** and brings the cumulative runoff total for WY 2020 to **14,284 AF**, which is **205%** of the long-term average through **December**. Usable storage for the MRWPRS was **30,240 acre-feet**, which is **104%** of average through **December**, and equates to **80%** 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 **December**, using the CDO accounting method, Cal-Am has produced **1,758 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 **December**, Cal-Am has produced **789 AF** from the Seaside Groundwater Basin. Through **December**, **257 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, and **75 AF** have been diverted under Table 13 water rights. Cal-Am has produced **2,382 AF** for customer use from all sources through **December**. **Exhibit 26-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 **9,764 AF**, which is below the rationing trigger of **10,130 AF** for WY 2020.

EXHIBITS

26-A Water Supply Status: **December 1, 2019**

26-B Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: WY 2020

26-C Monthly Cal-Am production by source: WY 2020

EXHIBIT 26-A

**Monterey Peninsula Water Management District
Water Supply Status
January 1, 2020**

Factor	Oct - Dec 2019	Average To Date	Percent of Average	Oct – Dec 2018
Rainfall (Inches)	10.23	6.77	151%	6.07
Runoff (Acre-Feet)	14,284	6,957	205%	2,962
Storage ⁵ (Acre-Feet)	30,240	28,990	104%	29,230

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.

EXHIBIT 26-B

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	
		Coastal	Laguna Seca			ASR Recovery	Table 13 ⁷		
Target	1,675	800	0	800	2,475	0	24	75	99
Actual ⁴	1,758	798	83	881	2,639	0	75	0	75
Difference	-83	2	-83	-81	-164	0	-51	75	24
WY 2019 Actual	1,440	782	71	853	2,293	0	0	48	48

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, 257 AF and 75 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	391	169	0	75	0	0	635
Jan-20							
Feb-20							
Mar-20							
Apr-20							
May-20							
Jun-20							
Jul-20							
Aug-20							
Sep-20							
Total	1,421	881	0	75	0	6	2,382
WY 2019	1,416	853	0	0	48	24	2,341

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	9,764	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.

EXHIBIT 26-C

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	177	546	0	576	-177	30	150	20	100	0	-50	-20	892	676	-216	0	25	25
Jan-20																		
Feb-20																		
Mar-20																		
Apr-20																		
May-20																		
Jun-20																		
Jul-20																		
Aug-20																		
Sep-20																		
To Date	177	1,575	0	1,506	-177	-69	798	83	800	0	2	-83	2,633	2,306	-327	0	75	75

Total Production: Water Year 2020

	Actual	Anticipated	Acre-Feet Compaired to Target
Oct-19	918	925	7
Nov-19	823	755	-68
Dec-19	892	701	-191
Jan-20			
Feb-20			
Mar-20			
Apr-20			
May-20			
Jun-20			
Jul-20			
Aug-20			
Sep-20			
To Date	2,633	2,381	-252

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.

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

27. QUARTERLY CARMEL RIVER RIPARIAN CORRIDOR MANAGEMENT PROGRAM REPORT

Meeting Date: January 23, 2020 **Budgeted:** N/A

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

Prepared By: Thomas Christensen and **Cost Estimate:** N/A
Larry Hampson

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.

IRRIGATION OF RIPARIAN VEGETATION: The supplemental watering of riparian restoration plantings was carried out for the dry season in 2019 at six Monterey Peninsula Water Management District (District) riparian habitat restoration sites. The following irrigation systems were in use April through November: Sleepy Hollow, deDampierre, Trail and Saddle Club, Begonia, Schulte, and Rancho San Carlos.

Water Use in Acre-Feet (AF)
(preliminary values subject to revision)

January - March 2019	0.00 AF
April - June 2019	0.65
July – September 2019	1.61
October – December 2019	<u>1.71</u> AF
Year-to-date	3.97 AF

MONITORING OF RIPARIAN VEGETATION: Starting in June 2019, staff recorded monthly observations of canopy vigor on target willow and cottonwood trees to provide an indication of plant water stress and corresponding soil moisture levels. Four locations (Rancho Cañada, San Carlos, Valley Hills, and Schulte) are monitored monthly for canopy ratings based on a scale from one to ten. This scale evaluates characteristics such as yellowing leaves and percentages of defoliation (see scale on **Exhibit 27-A**). A total of 12 willows and 12 cottonwoods at these locations provide a data set of established and planted sample trees that are representative of trees in the Carmel River riparian corridor. Combined with monthly readings from the District's array of monitoring wells and pumping records for large-capacity Carmel Valley wells in the California American Water service area, the District's monitoring provides insight into the status of soil moisture through the riparian corridor.

Monitoring results for the 2019 season show that riparian vegetation was below threshold moisture stress levels because of adequate soil moisture. The graph in **Exhibit 27-A** shows average canopy ratings for willows and cottonwoods in selected restoration sites in lower Carmel Valley. The graph in **Exhibit 27-B** shows impacts to water table elevations.

The types of monitoring measurements made during June - October 2019 are as follows:

Monitoring Measurement

Canopy ratings	(See Exhibit 27-A for trends.)
Groundwater levels (monitoring wells)	(See Exhibit 27-B for trends.)
Groundwater pumping (production wells)	

OTHER TASKS PERFORMED SINCE THE OCTOBER 2019 QUARTERLY REPORT:

1. On December 13, 2019, District staff presented information on Carmel River Lagoon dynamics, steelhead habitat, and the District's mitigation program to approximately 60 students from the International School of Monterey.
2. District staff have been testing various operational modes of the Sleepy Hollow Steelhead Rearing Facility as well as coordinating the completion of final tasks associated with the Sleepy Hollow Intake Upgrade.

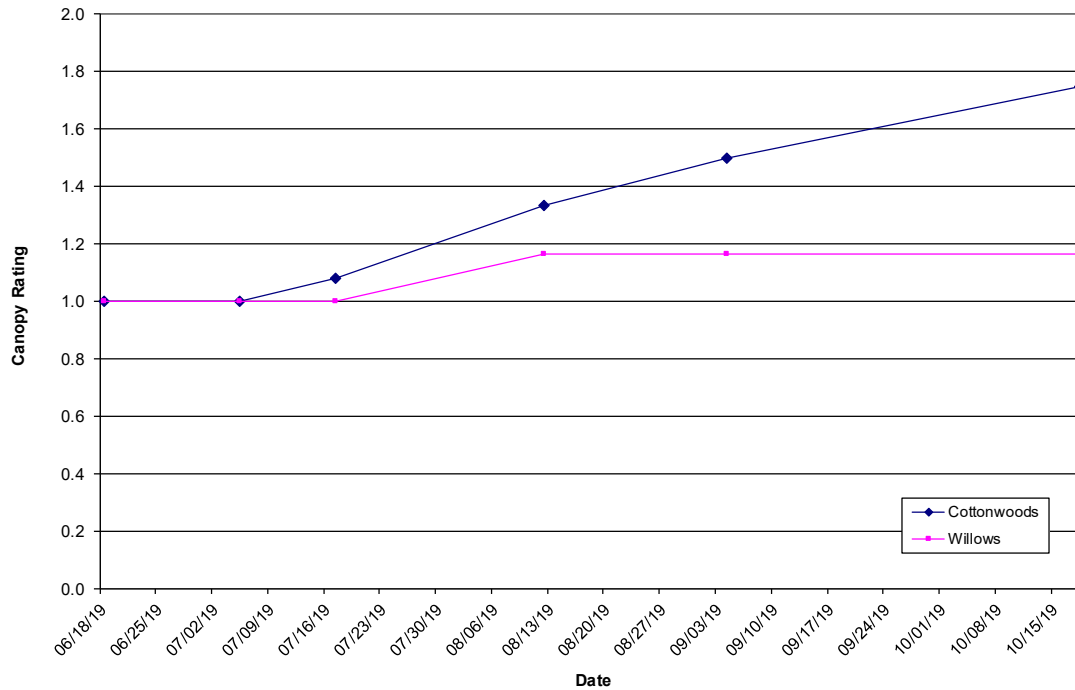
EXHIBITS

27-A Average Willow and Cottonwood Canopy Rating

27-B Depth to Groundwater

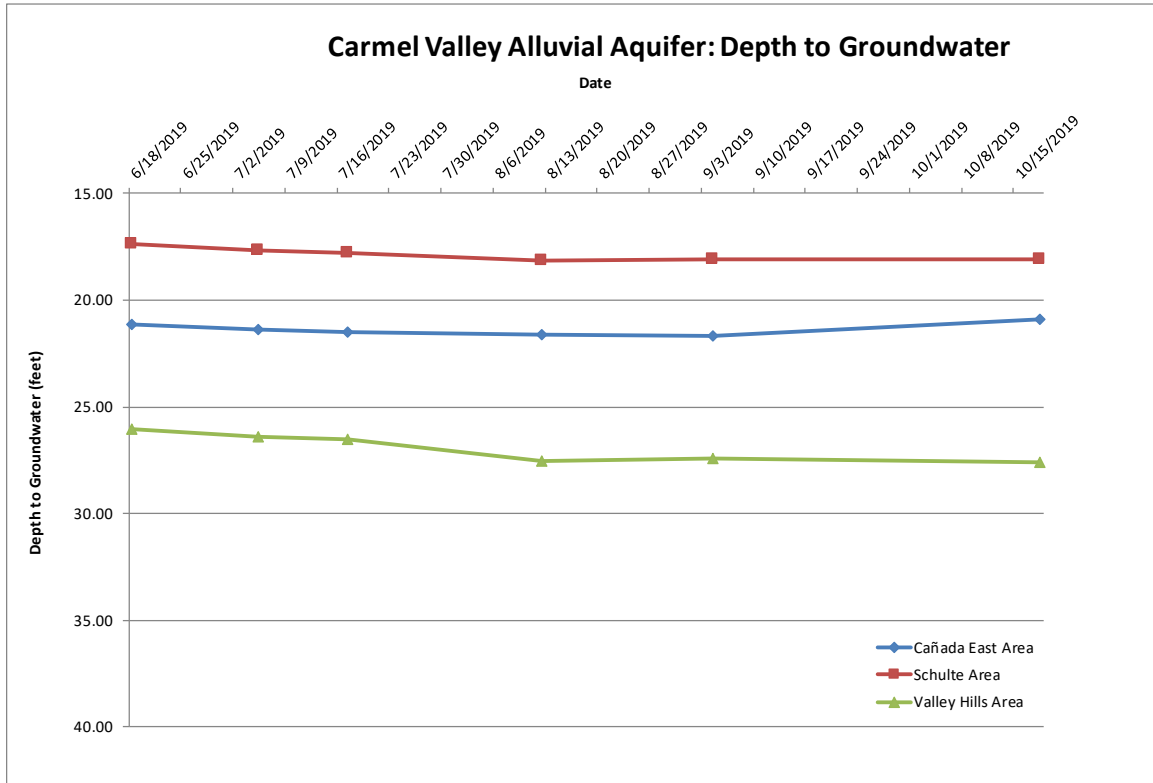
EXHIBIT 27-A

**Carmel River Riparian Vegetation:
Average Canopy Rating for Cottonwoods and Willows**



Canopy Rating Scale		Stress Level
1=	Green, obviously vigorous	none, no irrigation required
2=	Some visible yellowing	low, occasional irrigation required
3=	Leaves mostly yellowing	moderate, regular irrigation required
4=	< 10% Defoliated	moderate, regular irrigation required
5=	Defoliated 10% to 30%	moderate, regular irrigation required
6=	Defoliated 30% to 50%	moderate to high, additional measures required
7=	Defoliated 50% to 70%	high stress, risk of mortality or canopy dieback
8=	Defoliated 70% to 90%	high stress, risk of mortality or canopy dieback
9=	> 90% Defoliated	high stress, risk of mortality or canopy dieback
10=	Dead	consider replanting

EXHIBIT 27-B



ITEM: INFORMATIONAL ITEM/STAFF REPORT

28. SEMI-ANNUAL GROUNDWATER-QUALITY MONITORING REPORT

Meeting Date:	January 23, 2020	Budgeted:	Yes
From:	David Stoldt, General Manager	Program/ Line Item No.:	Hydrologic Monitoring 2.6 2-6-1 G, and 2-6-2 D
Prepared By:	Jonathan Lear/ Tom Lindberg	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: Water-quality results from the Fall 2019 sampling of the Monterey Peninsula Water Management District's (District's) monitor well networks in the Carmel Valley aquifer and the coastal areas of the Seaside Groundwater Basin are presented and briefly summarized below.

BACKGROUND: The District has maintained a groundwater-quality monitoring program in the Carmel Valley Aquifer since 1981, and in the Seaside Groundwater Basin since 1990. Currently, collection of samples from the Carmel Valley monitor wells is conducted on an annual basis. The sampling schedule for Carmel Valley is staggered, with upper valley wells (i.e., upgradient of the Narrows), sampled in Spring and lower Carmel Valley wells in Fall, to coincide with the historically higher nitrate concentrations in these respective areas. Beginning in 2007, the District was retained by the Seaside Basin Watermaster to collect water-quality samples from the District's Seaside Basin coastal monitor wells on a quarterly basis. The results of that sampling are reported to the Seaside Basin Watermaster Board on an annual basis. Results of the Fall 2017 and Fall 2018 sampling of the Seaside Basin coastal monitor wells are included in this report.

DISCUSSION/ANALYSIS:

Carmel Valley Aquifer Monitor Wells - Results from the Fall 2019 sampling are provided in **Exhibit 28-A**. Six monitor wells in the lower Carmel Valley were sampled during Fall 2019, per the sampling schedule described above. Review of these water-quality results indicates that, in general, there are minor changes in overall water quality compared to samples collected in 2017 (provided here as a reference in **Exhibit 28-B**). A seventh well that was formally sampled in the Fall (16S/1E-13Md), was not sampled in Fall 2019 or Fall 2018 because it was submerged under high water in the Carmel River Lagoon wetlands during the sampling period. Another well that had been sampled during this period was destroyed by flooding in March of 2011 when the river scoured away the south end of the Carmel River State Beach parking lot. The locations of the sampling points are shown on the map in **Exhibit 28-C**. Changes in water quality for specific wells are discussed below.

Staff is particularly interested in tracking indicators of potential seawater intrusion in the coastal portion of Carmel Valley. Accordingly, three clustered sets of wells were established west of

Highway 1, with each set being made up of three wells completed at different depths. Review of historical data indicated that the shallower and intermediate depth wells in the coastal area are subject to the mixing of fresh water and saline water as high tides and surf overtop the sand berm between the lagoon and the ocean. This contributes to episodic mixing within the shallower and intermediate zones of the aquifer, but is not indicative of larger-scale seawater intrusion into the aquifer. All three wells in the cluster closest to the ocean were destroyed by river erosion in 2011, and all three of the wells in the next closest cluster to the ocean were inaccessible due to high water during the sampling period, so currently, only the deeper well at one of the three coastal locations is sampled.

Well 16S/1W-13Lc is the deepest in the array of three wells located State Parks property near the Carmel Area Wastewater District treatment plant at River Mile (RM) 0.65, currently the most proximate well to the ocean in Carmel Valley that is available for sampling. There is an overall increasing trend in Specific Electrical Conductance (SEC) and Chloride from 1989 to 2019 (**Exhibit 28-D**) with some notable fluctuations. Both SEC and Chloride declined from 2006 to 2008, but have resumed a generally upward trend since then. Current Chloride concentrations are below peak levels observed at this location in Water Year 2013, but SEC has risen above the 2013 value. Additional background on historical water-quality at the coastal monitor well sites can be found in District Technical Memorandum 90-04, *Summary of Carmel Valley Groundwater-quality from Coastal Monitor Wells*, which is available at the District office. Staff will continue to track future results for trends that might indicate significant changes in concentrations of these or other constituents in the coastal area of the aquifer.

Well 16S/1E-23E4, located 6.53 miles upstream from the mouth of the Carmel River, has had fluctuating water quality in the past - primarily as variably elevated iron and manganese, likely attributable to flooding along the roadside where this well is located. Elevated iron and manganese concentrations are not unusual in Carmel Valley; four of the six wells sampled in Fall 2019 showed levels above the State Drinking Water Standards for these constituents, although the levels were lower in 2019 relative to 2018 in three of those four wells. Results indicate no significant changes to water quality here in 2019 relative to 2018. Staff will continue to monitor the site to ensure the wellhead is secure from surface-water sources.

Well 16S/1E-23La, located 6.72 miles upstream from the river mouth, does not show a significant change in 2019 relative to 2018, but a graph of SEC and Chloride is included to track long-term trends as was described in previous Board packet reports (**Exhibit 28-E**). This graph indicates a downward trend in both SEC and Chloride at this site; most other constituents were not significantly different in 2019 relative to 2018.

Seaside Groundwater Basin Coastal Monitor Wells - Since 1990, the District has been collecting water-quality samples from coastal monitor wells in the Seaside Groundwater Basin, for the purposes of water-quality characterization and sea-water intrusion monitoring. In 2009 District staff switched from air-lifting samples from wells in Seaside to “micro-purging”, which generally extends the well life. In Fall 2019, 11 dedicated monitor wells at six different sites were sampled. Results of water-quality sampling from 2019 and 2018 for the Seaside wells are provided in **Exhibit 28-A** and **Exhibit 28-B**, respectively. The locations of the Seaside monitor wells are shown on the map in **Exhibit 28-F**. Results for most constituents in most of the wells were not

significantly different in 2019 relative to 2018, with few exceptions. Three of the wells in the Seaside Groundwater Basin showed levels of Iron above the Drinking Water Standard (0.3 milligrams per liter) in Fall 2019. It was noted that in Fall 2018 the concentrations of Iron were notably higher in two wells (15S/1E-N2 and -15F2) in 2018 relative to 2017. In Fall 2019 the concentration of Iron dropped a bit in well 15S/1E-N2, while it continued to increase in well 15S/1E-15F2. Staff will compare the results from filtered and non-filtered samples next time well 15S/1E-15F2 is sampled. Concentrations of Iron in well 15S/1E-F1, while still elevated, continued to improve in 2019. The concentration of Iron in wells 15S/1E-11Pb and -11Pa also continued to show improvement in 2019, remaining significantly lower than levels reported in 2015 and 2016. The concentration of Iron in well 15S/1E-11Fc was higher than in 2018, yet still lower than in 2016 or 2017, and the concentration in well -11Fa improved to below the Drinking Water Standard. A more complete historical summary of the Seaside Basin coastal groundwater-quality data is contained in District Technical Memorandum 97-02 *Seaside Basin Coastal Monitor Wells: Ground Water-quality Monitoring Results, 1990-1996*, which is available at the District office.

EXHIBITS

- 28-A** Groundwater-quality Monitoring Results - Fall 2019
- 28-B** Groundwater-quality Monitoring Results - Fall 2018
- 28-C** Location of MPWMD Lower Carmel Valley Water-quality Monitoring Wells
- 28-D** Water-quality Results in Well 16S/1W-13Lc in Carmel Valley
- 28-E** Water-quality Results in Well 16S/1E-23La in Carmel Valley
- 28-F** Location of MPWMD Seaside Basin Water-quality Monitoring Wells

EXHIBIT 28-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

GROUNDWATER-QUALITY MONITORING RESULTS

Carmel Valley Aquifer Sample Collection Date: November 4, 2019

Seaside Basin Sample Collection Dates: July 3, August 26, September 5 and 20, 2019

Units are milligrams per liter unless otherwise noted.

Water Quality Constituent	Specific Conductance (micromhos/cm)	Total Alkalinity (as CaCO3)	pH	Chloride	Sulfate	Ammonia Nitrogen (as N)	Nitrate Nitrogen (as NO3)	Total Organic Carbon	Calcium	Sodium	Magnesium	Potassium	Iron	Manga-nese	Orthophos-phate	Total Dissolved Solids	Boron	Bromide	Fluoride	
Drinking Water Standard (1)	900 1600 2200 (2)	NA	NA	250 500 600 (2)	250 500 600 (2)	NA	45	NA	NA	NA	NA	NA	0.3	0.05		NA	NA	NA	NA	
Sampling Location	River Mile																			
Carmel Valley Aquifer																				
16S/1W-14Jh (shal)	0.07 no longer in annual sampling network																			
16S/1W-14Jf (inter)	0.07 no longer in annual sampling network																			
16S/1W-14Jg (deep)	0.07 no longer in annual sampling network, destroyed by flooding																			
16S/1W-13Mc (shal)	0.31 no longer in annual sampling network																			
16S/1W-13Mb (inter)	0.31 no longer in annual sampling network																			
16S/1W-13Md (deep)	0.31 no access in November or December due to high water in Lagoon																			
16S/1W-13Lb (shal)	0.65 no longer in annual sampling network																			
16S/1W-13La (inter)	0.65 no longer in annual sampling network																			
16S/1W-13Lc (deep)	0.65	1030	184	7.7	97.3	179	0.7	<0.1	2.5	82	94	20.9	3.8	1.850	0.796	0.1	626	0.22	0.2	1.6
16S/1E-17J4	3.85	427	86	6.9	21.7	84	<0.1	0.1	0.2	35	22	12.6	3.1	0.247	0.017	<0.1	263	<0.05	<0.1	0.2
16S/1E-17R2	3.86	1307	167	7.0	115	336	0.2	<0.1	4.6	142	79	30.7	4.1	6.880	0.307	<0.1	880	0.07	0.1	0.2
16S/1E-23E4	6.53	1106	258	7.5	95.7	164	<0.1	<0.1	2.6	107	86	25.6	2.0	1.170	0.776	<0.1	674	0.12	0.2	0.5
16S/1E-23La	6.72	408	113	7.3	22.6	52	<0.1	<0.1	1.7	32	26	11.4	2.9	0.867	0.173	<0.1	226	<0.05	<0.1	0.4
16S/1E-24N5	8.02	474	129	7.4	25.7	60	<0.1	0.6	1.5	44	27	12.6	2.8	0.014	0.016	<0.1	286	<0.05	0.1	0.3
Seaside Basin																				
15S/1E-15N3 (shal)	308	70	5.9	46	10	<0.1	<0.1	0.3	19	32	5	2.7	0.016	<0.01	<0.1	192	<0.05	0.1	0.1	
15S/1E-15N2 (deep)	952	242	7.3	149	18	<0.1	<0.1	0.8	68	117	17	5.3	3.580	0.115	<0.1	516	0.13	0.4	0.2	
15S/1E-23Ca (shal)	816	209	7.4	104	37	<0.1	<0.1	0.8	63	71	13	4.5	0.082	0.030	<0.1	462	0.08	0.1	0.1	
15S/1E-23Cb (deep)	not sampled in 2019 due to obstruction in well																			
15S/1E-15F1 (shal)	310	68	6.7	47	11	<0.1	0.7	0.4	22	36	6	2.8	0.094	<0.01	<0.1	204	<0.05	0.1	<0.1	
15S/1E-15F2 (deep)	1124	312	6.1	155	40	0.1	<0.1	1.7	91	113	19	5.5	42.000	0.377	<0.1	626	0.18	0.4	0.2	
15S/1E-15K5 (shal)	325	68	7.7	51	10	<0.1	<0.1	0.6	22	40	5	2.5	0.099	<0.01	<0.1	176	<0.05	0.2	0.1	
15S/1E-15K4 (deep)	853	211	7.6	123	36	<0.1	<0.1	0.6	63	92	12	4.3	0.096	0.176	<0.1	480	0.11	0.4	0.2	
15S/1E-11Pa (shal)	466	82	6.1	77	22	<0.1	<0.1	0.7	34	44	8	4.5	0.011	<0.01	<0.1	264	0.06	0.1	<0.1	
15S/1E-11Pb (deep)	426	97	6.7	70	7	0.3	<0.1	1.6	27	50	4	3.7	0.307	<0.01	<0.1	226	0.08	0.1	0.1	
15S/1E-12Fa (shal)	276	53	8.3	42	11	<0.1	0.4	0.3	15	34	2	1.8	0.068	<0.01	<0.1	160	<0.05	0.1	<0.1	
15S/1E-12Fc (deep)	283	60	8.0	43	11	<0.1	0.6	0.5	16	34	2	1.8	0.213	0.026	<0.1	174	<0.05	0.1	<0.1	

NOTES:

- (1) Maximum contaminant levels are from California Domestic Water Quality and Monitoring Regulations, Title 22, 1977.
- (2) The three values listed for certain constituents refer to the "recommended" level, the "upper" level, and "short-term use" level, respectively.
- (3) The "Practical Quantifiable Limit" for Amonia-N changed in 2017.
- (4) The "Practical Quantifiable Limit" for Nitrate as N was inconsistently reported in 2017, but corrected for this report.
- (5) The "Practical Quantifiable Limit" for Orthophosphate and Bromide changed in 2012.
- (6) Well 15S/1E-15K4 is being used as a "far-field monitor" for ASR well #4, and as such was sampled for additional constituents in 2018 that are not shown on this table.

EXHIBIT 28-B

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

GROUNDWATER-QUALITY MONITORING RESULTS

Carmel Valley Aquifer Sample Collection Date: October 15, 2018

Seaside Basin Sample Collection Dates: July 3, August 13, September 5, 2018

Units are milligrams per liter unless otherwise noted.

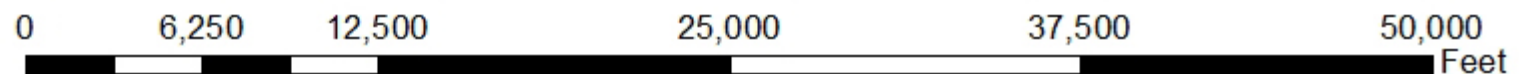
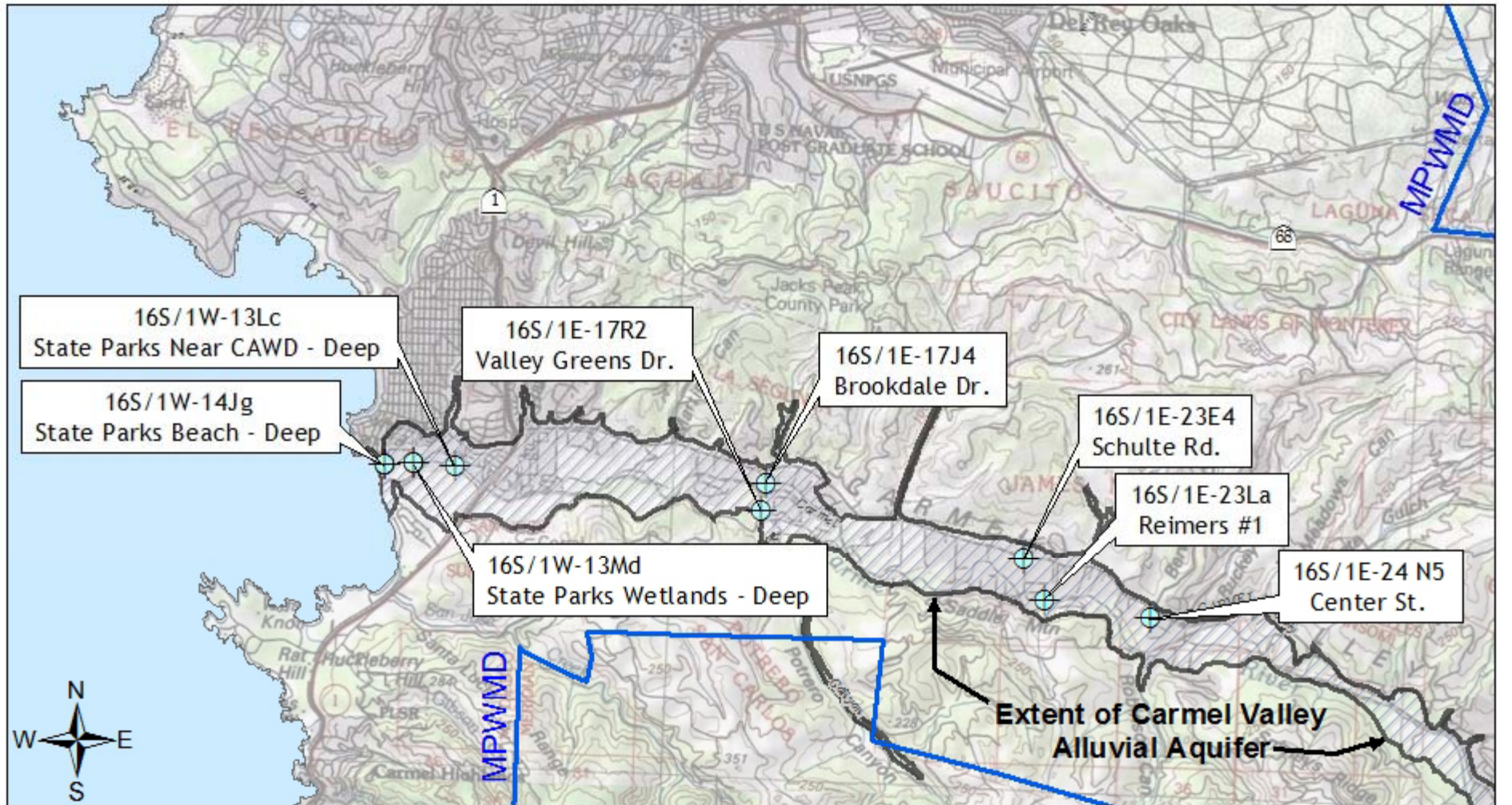
Water Quality Constituent	Specific Conductance (micromhos/cm)	Total Alkalinity (as CaCO3)	pH	Chloride	Sulfate	Ammonia Nitrogen (as N)	Nitrate Nitrogen (as NO3)	Total Organic Carbon	Calcium	Sodium	Magnesium	Potassium	Iron	Manga- nese	Orthophos- phate	Total Dissolved Solids	Boron	Bromide	Fluoride	
Drinking Water Standard (1)	900 1600 2200 (2)	NA	NA	250 500 600 (2)	250 500 600 (2)	NA	45	NA	NA	NA	NA	NA	0.3	0.05		NA	NA	NA	NA	
Sampling Location	River Mile																			
Carmel Valley Aquifer																				
16S/1W-14Jh (shal)	0.07 no longer in annual sampling network																			
16S/1W-14Jf (inter)	0.07 no longer in annual sampling network																			
16S/1W-14Jg (deep)	0.07 no longer in annual sampling network, destroyed by flooding																			
16S/1W-13Mc (shal)	0.31 no longer in annual sampling network																			
16S/1W-13Mb (inter)	0.31 no longer in annual sampling network																			
16S/1W-13Md (deep)	0.31 no access in November or December due to high water in Lagoon																			
16S/1W-13Lb (shal)	0.65 no longer in annual sampling network																			
16S/1W-13La (inter)	0.65 no longer in annual sampling network																			
16S/1W-13Lc (deep)	0.65	967	189	7.2	95	170	0.6	<0.1	2.6	83	101	21	3.7	2.000	0.740	0.3	600	0.21	0.2	1.8
16S/1E-17J4	3.85	466	87	6.4	33	98	<0.1	0.6	1.9	41	28	16	3.3	0.244	0.018	<0.1	300	<0.05	0.1	0.2
16S/1E-17R2	3.86	1223	169	6.5	122	334	0.2	<0.1	4.8	142	69	31	4.0	7.970	0.300	<0.1	880	<0.05	0.2	0.2
16S/1E-23E4	6.53	1082	269	7.0	101	170	<0.1	<0.1	2.4	109	84	27	1.7	1.010	0.781	<0.1	730	0.10	0.2	0.5
16S/1E-23La	6.72	432	113	7.0	28	64	<0.1	0.1	1.5	35	33	12	2.8	0.998	0.197	<0.1	264	<0.05	0.1	0.5
16S/1E-24N5	8.02	442	128	6.9	26	62	<0.1	<0.1	1.4	46	30	13	2.6	<0.01	<0.01	<0.1	268	<0.05	0.1	0.3
Seaside Basin																				
15S/1E-15N3 (shal)		214	66	7.1	46	15	<0.1	<0.1	0.3	18	34	5	2.9	0.036	<0.01	<0.1	214	<0.05	0.2	0.1
15S/1E-15N2 (deep)		889	230	7.4	153	15	<0.1	<0.1	0.9	57	106	15	4.8	5.320	0.106	<0.1	529	0.11	0.4	0.3
15S/1E-23Ca (shal)		760	206	7.4	105	38	0.1	1.1	0.9	72	83	16	4.6	0.064	0.012	<0.1	474	0.08	0.3	<0.1
15S/1E-23Cb (deep)	not sampled in 2018 due to obstruction in well																			
15S/1E-15F1 (shal)		315	69	6.8	48	11	<0.1	0.7	0.5	20	35	5	2.6	0.776	<0.01	<0.1	206	<0.05	0.1	<0.1
15S/1E-15F2 (deep)		1109	316	6.2	159	42	0.1	<0.1	2.1	81	111	17	5.1	25.900	0.286	<0.1	660	0.11	0.4	<0.1
15S/1E-15K5 (shal)		288	66	7.7	50	9	0.1	0.4	0.5	18	42	5	2.5	<0.01	<0.01	<0.1	211	<0.05	0.1	<0.1
15S/1E-15K4 (deep)		797	--	7.4	116	71	<0.1	0.7	--	57	101	19	4.2	0.04	0.157	<0.1	509	0.11	--	0.3
15S/1E-11Pa (shal)		348	67	6.5	58	16	<0.1	0.2	0.7	24	33	5	3.6	0.336	<0.01	<0.1	240	<0.05	0.1	<0.1
15S/1E-11Pb (deep)		433	100	6.1	71	4	0.7	<0.1	10.4	26	57	4	3.7	0.517	<0.01	<0.1	223	0.07	0.2	0.1
15S/1E-12Fa (shal)		260	54	8.2	44	13	0.1	0.4	1.2	18	41	2	2.6	0.921	0.021	<0.1	217	<0.05	0.1	0.1
15S/1E-12Fc (deep)		325	68	7.9	54	17	0.2	0.1	1.8	22	41	4	3.6	0.027	0.050	0.4	254	0.05	0.1	0.2

NOTES:

- (1) Maximum contaminant levels are from California Domestic Water Quality and Monitoring Regulations, Title 22, 1977.
- (2) The three values listed for certain constituents refer to the "recommended" level, the "upper" level, and "short-term use" level, respectively.
- (3) The "Practical Quantifiable Limit" for Amonia-N changed in 2017.
- (4) The "Practical Quantifiable Limit" for Nitrate as N was inconsistently reported in 2017, but corrected for this report.
- (5) The "Practical Quantifiable Limit" for Orthophosphate and Bromide changed in 2012.
- (6) Well 15S/1E-15K4 is being used as a "far-field monitor" for ASR well #4, and as such was sampled for additional constituents in 2016 that are not shown on this table.

EXHIBIT 28-C

**LOCATION OF MPWMD LOWER CARMEL VALLEY
WATER QUALITY MONITORING WELLS
(River Mile 0.0 to 9.0)**



Scale

EXHIBIT 28-D

WATER-QUALITY RESULTS
State Parks Near CAWD (deep) - 16S/1W-13Lc
River Mile 0.65

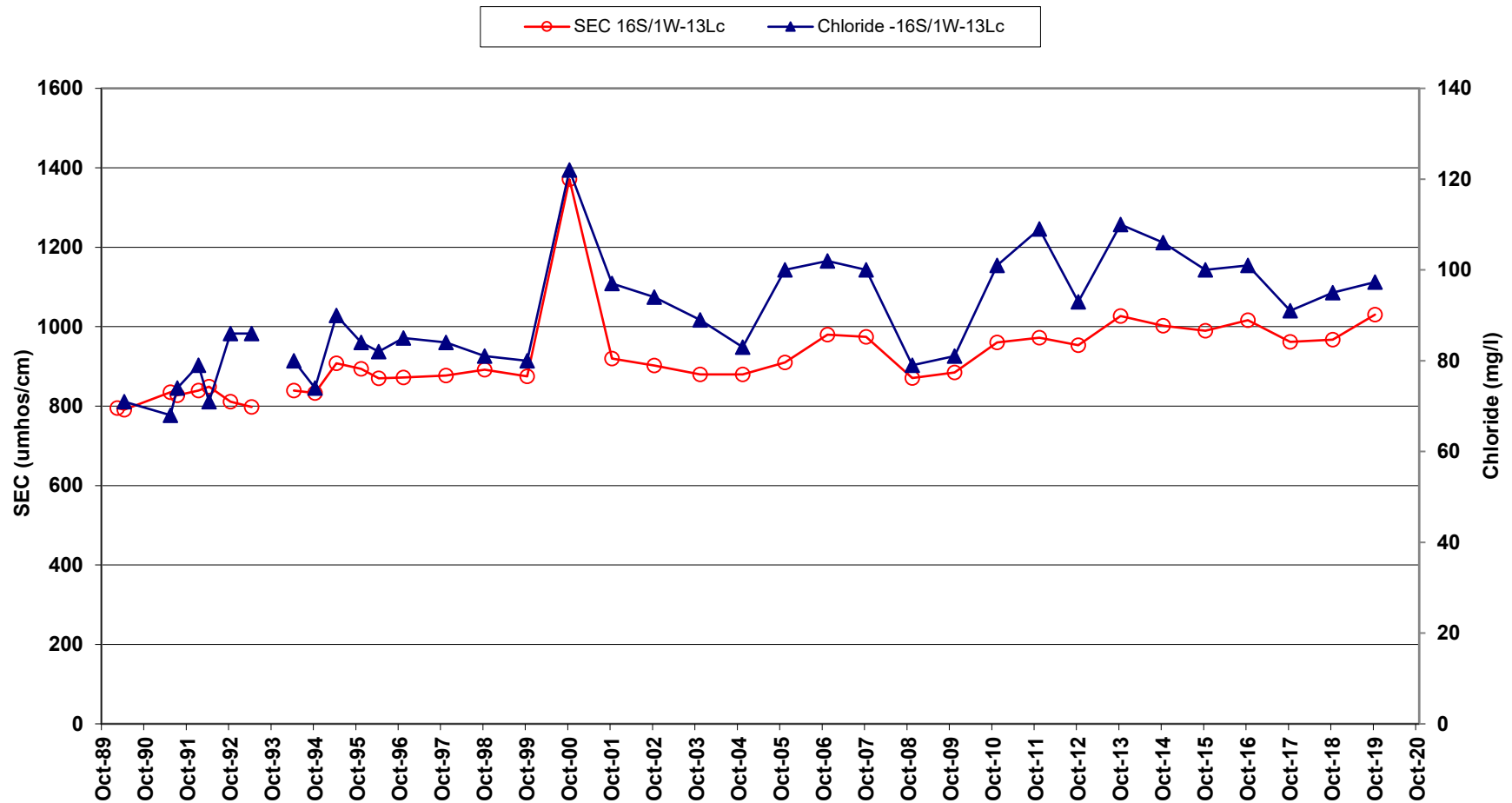
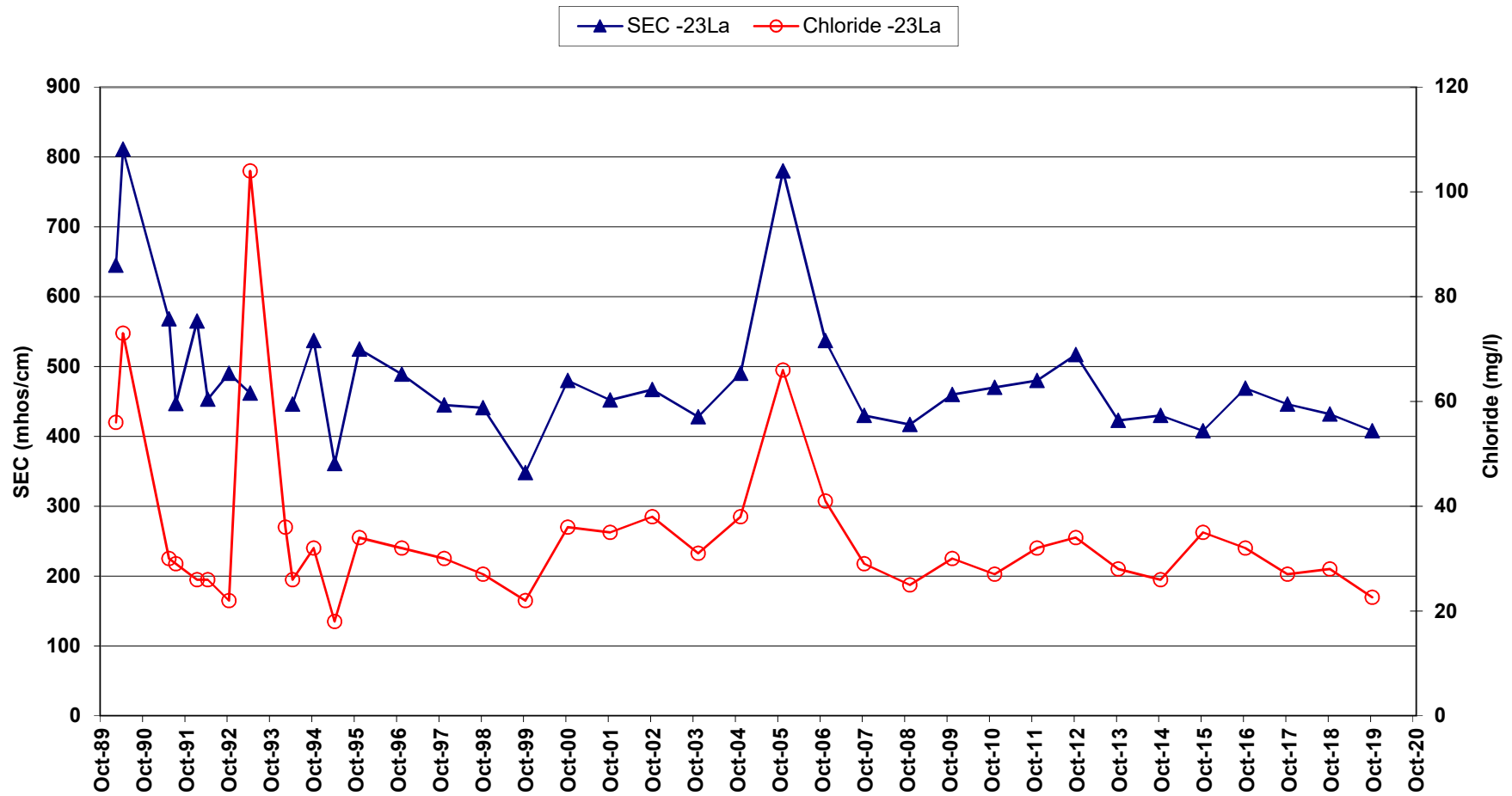
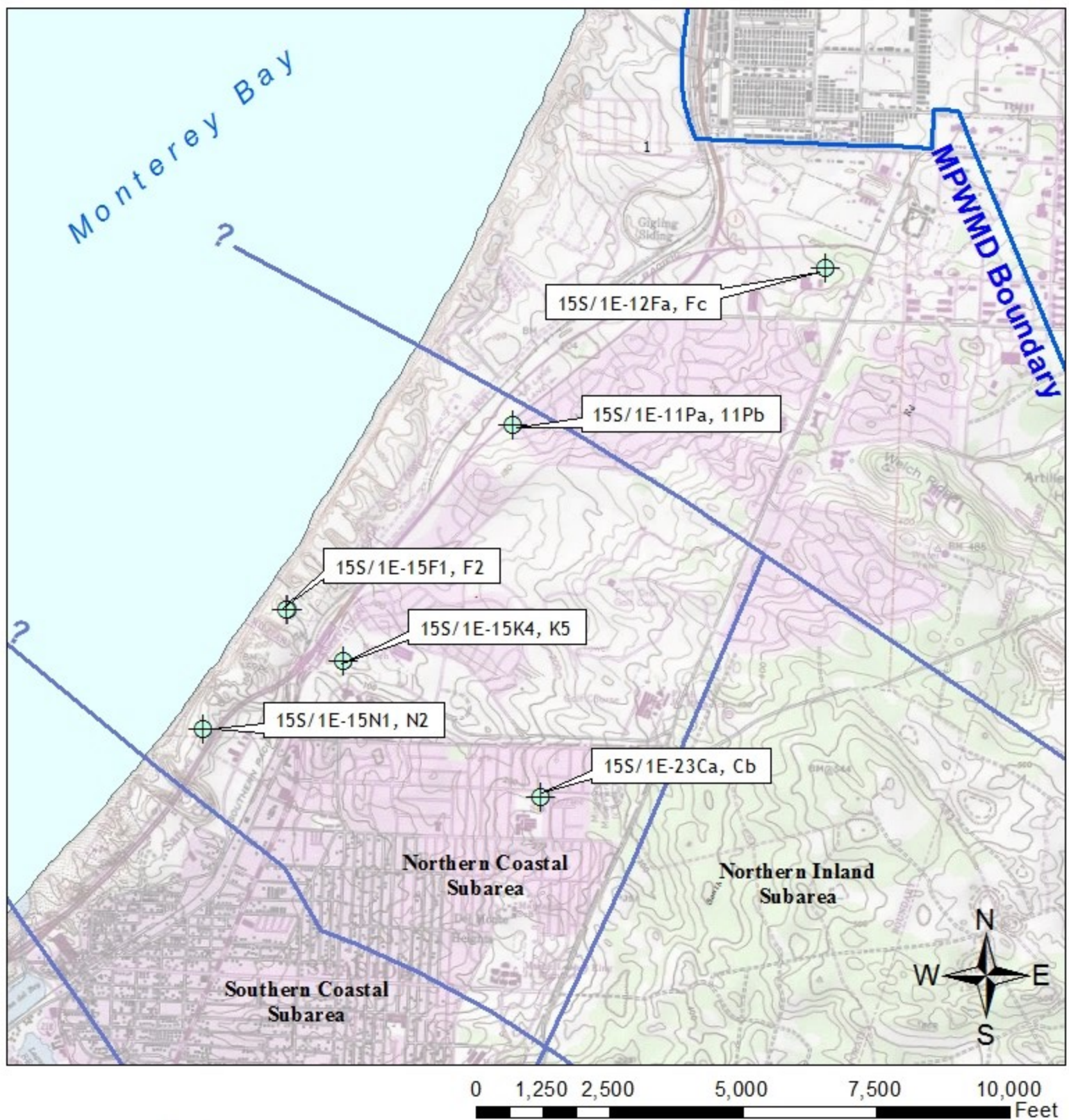


EXHIBIT 28-E

**WATER-QUALITY RESULTS
Reimers #1 - 16S/1E-23La
River Mile 6.72**



SEASIDE GROUNDWATER BASIN COASTAL WATER QUALITY MONITORING WELLS



Scale



Supplement to 1/23/2020 MPWMD Board Packet

Attached are copies of letters received between December 10, 2019 and January 10, 2020. These letters are listed in the January 23, 2020 Board packet under Letters Received.

Author	Addressee	Date	Topic
Richard Svindland	David Stoldt	1/2/2020	Notice of Second Event of Default by MPWMD and Monterey One Water under Water Purchase Agreement for Pure Water Monterey Project
Bill Kampe	Water Demand Committee	12/17/2019	Thoughts on Water Demand for the Monterey Peninsula
David Beech	MPWMD Board	12/16/2019	Item 12 – December 16, 2019 Regular Board Meeting – Authorization of Consulting Work – Measure J
Richard Svindland	David Stoldt	12/12/2019	Status Update Regarding Event of Default by MPWMD and Monterey One Water under Water Purchase Agreement for Pure Water Monterey Project

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JAN 03 2020

MPWMD

Richard Svindland

President

California American Water

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San Diego, CA 92101

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January 2, 2020

VIA UPS OVERNIGHT DELIVERY AND ELECTRONIC MAIL

David Stoldt, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

Paul Sciuto, General Manager
Monterey One Water (formerly Monterey Regional Water Pollution Control Agency)
5 Harris Court, Building D
Monterey, CA 93940

RE: Notice of Second Event of Default by Monterey Peninsula Water Management District and Monterey One Water under Water Purchase Agreement for Pure Water Monterey Project

Dear Messrs. Stoldt and Sciuto:

This letter concerns the Water Purchase Agreement for Pure Water Monterey Project, dated September 19, 2016 (the "WPA")¹, by and among Monterey Peninsula Water Management District ("District"), Monterey Regional Water Pollution Control Agency, now known as Monterey One Water ("M1W"), and California-American Water Company ("Cal Am"). In accordance with Section 20(c) of the WPA, Cal Am hereby provides notice that a second Event of Default by the District and M1W has occurred.

As stated in Section 20(c) of the WPA, failure of the Performance Start Date to occur on or before January 1, 2020 constitutes an Event of Default. The Performance Start Date is the date set forth in a written notice provided by the District to Cal Am upon which the District's performance obligations with respect to the Water Availability Guarantee, the Water Delivery Guarantee, and the Water Treatment Guarantee shall commence, such date not to be more than six months following the Delivery Start Date.

¹ Terms not otherwise defined in this letter have the meaning given in the WPA.

Page 2

On December 12, 2019, Cal Am sent you a letter requesting a status update from the District and M1W (together, the "Public Agencies") with respect to the Public Agencies first Event of Default under the WPA for failure to achieve the Delivery Start Date by July 1, 2019. We requested your response be provided by December 26, 2019. As of the date of this letter, and to the best of Cal Am's knowledge, the Public Agencies have not provided a response to Cal Am's December 12 letter, have still not achieved the Delivery Start Date, and have failed to achieve the Performance Start Date.

The purpose of the WPA is to provide for the sale of advanced treated recycled water from M1W to the District and from the District to Cal Am derived from the Pure Water Monterey groundwater replenishment project owned and operated by M1W (the "Project"), and to serve Cal Am's customers within its service area. While it is disappointing that the Public Agencies were not able to meet their contractual obligations, the Project remains an essential component of the Monterey Peninsula Water Supply Project's water supply portfolio. The 3,500 acre-feet of AWT Water that is to be provided by the Project offers many benefits to Cal Am's customers, including increased diversification of water supply sources and more efficient use of our limited resources.

Under Section 20(d) of the WPA, upon the occurrence of an Event of Default by the District and M1W, Cal Am may terminate the WPA immediately upon written notice to the other parties. To be clear, the WPA affords Cal Am the right, but not the obligation, to terminate the WPA due to occurrence of an Event of Default by the District and M1W. Although a second Event of Default has occurred, Cal Am has elected not to exercise its right to terminate the WPA at this time. Instead, Cal Am will continue to monitor the Project's progress as the Public Agencies continue their efforts to achieve the Delivery Start Date and the Performance Start Date. It is important to note that, consistent with Section 29 of the WPA, Cal Am's decision not to terminate the WPA at this time shall in no way constitute a waiver by Cal Am of its ability to exercise its right to terminate the WPA as a result of the second Event of Default at any time, and Cal Am hereby expressly reserves its right to do so until such time as the Performance Start Date has occurred.

Cal Am requests that within 14 days following your receipt of this letter that the Public Agencies provide a written response detailing your plan and proposed timing to achieve the occurrence of the Delivery Start Date and the Performance Start Date. Cal Am looks forward to receiving your written response.

Sincerely,



Richard Svindland
President
California-American Water Company

cc (by electronic mail only):

David Laredo, General Counsel, Monterey Peninsula Water Management District
Rob Wellington, General Counsel, Monterey One Water
Sarah Leeper, General Counsel, California-American Water Company

Thoughts on Water Demand for the Monterey Peninsula

Bill Kampe, December 17, 2019

1. The Peninsula is substantially short of water, and will remain so even after PWM expansion
2. Population growth:

	1970	2018	Growth
California	19,953,134	39,747,267	99.2%
Peninsula Cities*	81,215	81,624	0.5%

*Seaside, Monterey, Pacific Grove, Carmel

3. In the same period
 - a. Capitola and Santa Cruz doubled in population
 - b. Half Moon Bay tripled
4. Questions
 - a. What are the causes of failure to grow on our peninsula?
 - b. What role does lack of water play?
 - c. Is this outcome an achievement or a failure?
5. What does failure of housing supply mean to our cost of living?
 - a. As yet unanalyzed, but supply and demand theory says our rents are inflated.
 - b. It's a consequence of lack of water. Our water will be cheap, but inadequate
 - c. Thus we pay more in total cost of living as a result.
6. I believe this outcome is a persistent failure in leadership. There is blame enough for all. Let's not set the next great milestone of failure in understating water demand.

Arlene Tavani

From: Arlene Tavani
Sent: Monday, December 16, 2019 10:25 AM
To: 'David Beech'
Subject: RE: Submission re item 10 of 12/16/19 Board Meeting - typo correction

Mr. Beech: I am not authorized to amend your correspondence. However, this email noting your amendment is the letter will be placed in the correspondence files. Also, this correspondence will be part of the record for agenda Item 12, which I believe pertains to your comments – "Consider Authorization of Additional Consulting and Legal Work in Advance of a Resolution of Necessity." Thank you for the message.

Arlene Tavani
Executive Assistant
Monterey Peninsula Water
Management District
Phone: 831-658-5652

From: David Beech <dbeech@comcast.net>
Sent: Sunday, December 15, 2019 8:31 PM
To: alvinedwards420@gmail.com; rileyforwaterdistrict@gmail.com; Molly Evans <water@mollyevans.org>; jcbarchfaia@att.net; gqhwd1000@gmail.com; dpotter@ci.carmel.ca.us; district5@co.monterey.ca.us; Dave Stoldt <dstoldt@mpwmd.net>
Cc: Arlene Tavani <Arlene@mpwmd.net>
Subject: Re: Submission re item 10 of 12/16/19 Board Meeting - typo correction

Near the end of the para "To illustrate the dangers ...", please replace "the sketchy \$1.1 million" by "the sketchy \$1.1 billion". Can happen to anyone these days.

Arlene - grateful if you could make the correction before making any hard copy or storing the file in your archives.

Thanks, David

On 12/15/2019 3:52 PM, David Beech wrote:

Chair Evans, Directors, and General Manager,

Please accept the following submission relative to item 10 on your 12/16/19 agenda. (Health issues unfortunately prevent me from attending to speak during Public Comment).

When I received notice of the meeting agenda on Friday, December 13, I was deeply concerned by aspects of item 10, and immediately wrote a 200-word letter to the Monterey Herald (below) with subject "Cal Am's depreciated assets". This may or may not have been published before your meeting, but I will expand a little on it here.

The first concern was that there was no major effort proposed to replace the first Raftelis valuation, based on financial documents, with one that was factually grounded on the actual physical state of the major infrastructure assets. A valuation, like any mathematical deduction, is only as strong as its weakest link, and there is a stark contrast in the report between the masses of detailed and apparently precise numbers, and the few hugely influential but soft approximations like a 1.3 multiplier applied to

hundreds of millions of dollars. The treatment of depreciation appears to fall into "soft" territory, and yet in view of Cal Am's less than stellar record of maintenance (e.g. of two reservoirs), this may be a huge factor in avoiding overpayment for a deteriorated system in need of massive repairs and replacements. The report appears to show a depreciation of the pipe system, of about 40 % (Table 13, p. 4-8), although the average age of its 614 miles of various pipes is said to be 48.5 years. Common sense suggests that an engineering check is needed to see whether the actual depreciation might be dramatically worse than this.

My second concern is that the phase 1 estimates were designed to show whether a public buyout was "feasible", and the conclusion that even with very high valuations of Cal Am's assets, or of what assets might be included, ratepayers would still see savings, was strengthened by these pessimistic assumptions of cost. But in phase 2, whose goal is to calculate a buyer's offer price, as the first step of what might lead to a jury trial involving competitive buyer's and seller's valuations, the buyer must begin with their lowest supportable figures, and not with optimistic and generous assumptions. To illustrate the dangers of the present situation, yesterday's Monterey Herald article about this agenda item quoted the MPWMD estimate as being \$513 million, without mentioning the worst case assumptions behind it, and a Cal Am VP recently raised their estimate from the sketchy \$1.1 million of an earlier paid report to "between \$1 billion and 1.6 billion" without explanation. A dose of engineering substance is overdue as we enter phase 2 and need to debate the takeover with supportable figures.

In fact, I am hopeful that when the MPWMD engineering consultants cooperate with Raftelis and take into account Cal Am's severe deferred maintenance and other liabilities, Cal Am's net value may be found to be less than any estimate so far floated.

Herald letter:

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MPWMD has just unveiled its proposed second phase of consultant work on the public buyout of Cal Am. A major error is the absence of any engineering evaluation of the severely depreciated physical assets of Cal Am. (The average age of 614 miles of distribution pipes is 48.5 years!)

The financial consultants Raftelis, in their phase 1 report, wrote a disclaimer that they were not providing any engineering services. Instead they relied for their valuations on the smoke and mirrors of Cal Am's rate case submissions to CPUC. Even though that produced valuations favorable to Cal Am, it was effective in demonstrating feasibility while making it hard for Cal Am to dispute its own figures.

But the situation in establishing an initial bid for a purchase is quite different. To avoid massive buyer's remorse, it is wise to have an expert establish the actual condition, or else assume the worst until proven otherwise (as when buying an aging used car).

So please, MPWMD, direct your engineering consultants to determine a prudent valuation consistent with the actual depreciated state of Cal Am's assets. And do not carry forward the generous CalAm-based estimates of phase 1 for this different purpose.

— *David Beech, Monterey*

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If the phase 1 estimates are at best like a Kelley Blue Book value for that used car, your trusted mechanic is needed to tell you if it needs a new transmission, and how much it would cost. That is something a jury would understand.

Respectfully submitted,

David Beech



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DEC 13 2019

MPWMD

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December 12, 2019

VIA UPS OVERNIGHT DELIVERY AND ELECTRONIC MAIL

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Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

Paul Sciuto, General Manager
Monterey One Water (formerly Monterey Regional Water Pollution Control Agency)
5 Harris Court, Building D
Monterey, CA 93940

RE: Status Update Regarding Event of Default by Monterey Peninsula Water Management District and Monterey One Water under Water Purchase Agreement for Pure Water Monterey Project

Dear Messrs. Stoldt and Sciuto:

This letter concerns the status of the Pure Water Monterey groundwater replenishment project (the "Project") owned and operated by Monterey One Water ("M1W"). As you know, on July 2, 2019 California-American Water Company ("Cal Am") provided Monterey Peninsula Water Management District ("District") and M1W with notice that an Event of Default by the District and M1W (together, the "Public Agencies") had occurred relating to the Water Purchase Agreement for Pure Water Monterey Project, dated September 19, 2016 (the "WPA")¹.

On July 16, 2019, the Public Agencies provided a response to Cal Am's notice in which you stated you "have a much better perspective now on the Project's schedule as the final stages of the Project are at hand." In addition, you indicated "we presently anticipate that the Delivery Start Date will occur by mid-October" and that "[w]e will provide you with periodic updates on this proposed date as the Project proceeds toward final completion." As of the date of this letter, and to the best of Cal Am's knowledge, the Public Agencies

¹ Terms not otherwise defined in this letter have the meaning given in the WPA.

have not commenced delivery of AWT Water to the metered points of delivery and, therefore, the Delivery Start Date has not yet occurred.

In its letter of July 2, Cal Am requested that the Public Agencies provide a written response detailing your plan and proposed timing to achieve the occurrence of the Delivery Start Date. Contrary to your statements in your July 16 response that the Project was in final stages, the Delivery Start Date has not yet occurred. In July, you merely provided general statements (cited above) that you "anticipate" that the Delivery Start Date would occur by "mid-October." At this time, Cal Am requests that you provide a more fully-developed, detailed response as to the timing for the Public Agencies to achieve the Delivery Start Date. In your response, please provide detailed information as to the current status of the Project, including currently anticipated total capital cost, operation and maintenance cost, and purchase water cost per acre-foot compared and shown against the original cost estimate used to develop the WPA. Specifically, please provide an updated version of the Project costs document (revised March 22, 2016) filed with the California Public Utilities Commission, dated April 7, 2016, to reflect currently anticipated costs. In addition, please identify and describe any other construction or operational issues or concerns you have that may further delay the completion, implementation and operation of the Project.

Cal Am requests that within 14 days following your receipt of this letter that the Public Agencies provide a written response detailing the information requested above. Cal Am looks forward to receiving your written response.

Sincerely,



Richard Svindland
President
California-American Water Company

cc (by electronic mail only):

David Laredo, General Counsel, Monterey Peninsula Water Management District
Rob Wellington, General Counsel, Monterey One Water
Sarah Leeper, General Counsel, California-American Water Company