AGENDA

Regular Meeting

Board of Directors

Monterey Peninsula Water Management District

****

Monday, June 15, 2026 at 6:00 p.m. [PST]

Meeting Location: MPWMD – Main Conference Room
5 Harris Court, Building G, Monterey, CA 93940
[This is an in-person meeting. Remote participation via Zoom may be offered, but it is optional and not required for the meeting to proceed. **Please note the meeting will proceed as normal even if there are technical difficulties with accessing Zoom.** The District will do its best to resolve any technical issues as quickly as possible.]

To Join via Zoom- Teleconferencing means, please click the link below:
https://mpwmd-net.zoom.us/j/85040107175?pwd=Wd0wVITEbebjT7IkBCbl5lNOacp2EO.1

Webinar ID: **850 4010 7175** | Passcode: **061526** | To Participate by Phone: **(669) 900-9128**

For detailed instructions on how to connect to the meeting, please click the link below:
https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/

The public may also view the live broadcast of the meeting on Comcast Channel 24 or the live webcast on AMP https://accessmediaproductions.org/ scroll down to the bottom of the page and select AMP 1.

Copies of the agenda packet are available for review on the District website (www.mpwmd.net) and at 5 Harris Court, Bldg. G, Monterey, CA.

Under the Brown Act, public comment for matters on the agenda must relate to that agenda item and public comments for matters not on the agenda must relate to the subject matter jurisdiction of this legislative body. This is a warning that if a member of the public attending this meeting remotely or in-person violates the Brown Act by failing to comply with these requirements, then the Chair may request that speaker be muted. If a member of the public attending this meeting in-person engages in disruptive behavior that disturbs the orderly conduct of the meeting, they may be removed from the meeting after a warning.

Board of Directors	Mission Statement
Ian Oglesby, Chair – Mayoral Representative Rebecca Lindor, Vice-Chair – Division 3 Alvin Edwards – Division 1 George Riley – Division 2 Karen Paull – Division 4 Marianne Gawain – Division 5 Kate Daniels – Monterey County Board of Supervisors Representative **General Manager** David J. Stoldt **Assistant General Manager** Mike McCullough	Sustainably manage and augment the water resources of the Monterey Peninsula to meet the needs of its residents and businesses while protecting, restoring, and enhancing its natural and human environments. **Vision Statement** Model ethical, responsible, and responsive governance in pursuit of our mission. **Board's Goals and Objectives** Are available online at: https://www.mpwmd.net/who-we-are/mission-vision-goals/

CALL TO ORDER / ROLL CALL

PLEDGE OF ALLEGIANCE

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

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

CONSENT CALENDAR - *The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes. Unless noted with double asterisks "**", Consent Calendar items do not constitute a project as defined by CEQA Guidelines section 15378.*

1. Consider Adoption of Minutes of the May 18, 2026 Special and Regular Board Meeting and the May 28, 2026 Special Board Meeting-Budget Workshop
2. Consider Adoption of Resolution No. 2026-06 - Amending Fees and Charges Table – Rule 60
3. Consider Recommendation to Authorize a Contract with Truepoint Solutions for Maintenance of and Improvements to the Accela Database
4. Consider Adoption of Resolution No. 2026-07 – Annual Update to Rule 24, Table 3, Capacity Fee History
5. Authorize Funds to Contract for Limited-Term Field Positions During FY 2026-2027
6. Consider Authorization of Funds to Hire Well Contractor to Support Repairs on ASR on an As-Needed Basis
7. Consider Recommendation to Authorize the General Manager to Enter into a Contract with Isaacson Painting to Provide Painting Services at ASR
8. Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Aquifer Storage and Recovery, Watermaster Monitoring and Maintenance Plan, and Carmel Valley Alluvial Aquifer Water Quality Monitoring
9. Consider Authorization to Enter into a Contract Amendment with Montgomery and Associates to Provide Groundwater Modeling Support to the District
10. Consider Extension of Cooperative Agreement with the United States Geological Survey for Streamflow Gaging in Water Year 2027
11. Consider Adoption of Treasurer's Report for April 2026

GENERAL MANAGER'S REPORT

12. General Manager's Report *(Verbal Report)*
13. Summary of Jurisdictional Water Allocation Policies
14. Update on Rosie's Garden Project

REPORT FROM DISTRICT COUNSEL

15. Report on Pending Litigation

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

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

PUBLIC HEARING – *Public Comment will be received. Please limit your comments to three (3) minutes per item.*

17. Consider Adoption of July through September 2026 Quarterly Supply Strategy and Budget

    Recommended Action: The Board will consider approval of a proposed production strategy for the California American Water Distribution Systems for the three-month period of July through September 2026. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water systems.

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

    ESA Compliance: Consistent with the September 2001 and February 2009 Conservation Agreements between the National Marine Fisheries Service and California American Water to minimize the take of listed steelhead in the Carmel River and Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016

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

18. Adopt Proposed Fiscal Year 2026–2027 Budget and Accompanying Resolution No. 2026-05

    Recommended Action: The Board will consider adopting Resolution No. 2026-05-- Adopting the Budget for Fiscal Year 2026-2027.

19. Consider Approval of Amendment No. 9 to the Employment Agreement of the General Manager

    Recommended Action: The Board will consider approving Amendment No. 9 to the Employee Agreement of the General Manager.

DISCUSSION ITEM – Public Comment will be received. Please limit your comments to three (3) minutes per item.

20. Update on the Application to Modify the Cease and Desist Order

    Recommended Action: The Board will receive an update on the status of the Application to Modify the Cease and Desist Order

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

21. Report on Activity/Progress on Contracts Over $25,000
22. Status Report on Expenditures – Public's Ownership of Monterey Water System
23. Letters Received and Sent
24. Committee Reports

25. Monthly Allocation Report
26. Water Efficiency Program Report for May 2026
27. Carmel River Fishery Report for May 2026
28. Monthly Water Supply and California American Water Production Report
[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]

ADJOURNMENT

Board Meeting Schedule		
Monday, July 20, 2026	*Regular*	6:00 p.m.
Monday, August 17, 2026	*Regular*	6:00 p.m.

Accessibility

In accordance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), 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. Submit requests at least 48 hours prior to the scheduled meeting date/time to Sara Reyes, Board Clerk by e-mail at sara@mpwmd.net or at (831) 658-5610.

Options for Providing Public Comment

Attend In-Person
The Board meeting will be held in the Main Conference Room at **5 Harris Court, Building G, Monterey, CA 93942** and has limited seating capacity.

Submission of Written Public Comment
Send written comments to District Office, 5 Harris Court, Building G, Monterey, CA or online at comments@mpwmd.net. Include the following subject line: "PUBLIC COMMENT ITEM #" (insert the agenda item number relevant to your comment). Written comments must be received by 2:00 PM on the day of the meeting. All submitted comments will be provided to the Board of Directors, compiled as part of the record, and placed on the District's website as part of the agenda packet for the meeting. Correspondence is not read during the public comment portion of the meeting.

Instructions for Connecting to the Zoom Meeting can be found at
https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/

Refer to the Meeting Rules to review the complete Rules of Procedure for MPWMD Board and Committee Meetings:
https://www.mpwmd.net/who-we-are/board-of-directors/meeting-rules-of-the-mpwmd/

ITEM: CONSENT CALENDAR

1. CONSIDER ADOPTION OF MINUTES OF THE MAY 18, 2026 SPECIAL AND REGULAR BOARD MEETING AND THE MAY 28, 2026 SPECIAL BOARD MEETING-BUDGET WORKSHOP

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Sara Reyes**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: N/A
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for consideration are the draft minutes of the MPWMD Board of Directors' Special and Regular Meeting held on May 18, 2026 **(Exhibit 1-A)** and the Special Meeting-Budget Workshop held on May 28, 2026 **(Exhibit 1-B)**.

RECOMMENDATION: The Board will consider adopting the draft minutes from the May 18, 2026 Special and Regular Meeting and the May 28, 2026 Special Meeting-Budget Workshop.

EXHIBITS
1-A Draft Minutes – MPWMD Board of Directors' May 18, 2026 Special and Regular Board Meeting
1-B Draft Minutes – MPWMD Board of Directors' May 28, 2026 Special Meeting-Budget Workshop

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EXHIBIT 1-A

Draft Minutes
Special and Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
May 18, 2026 at 5:00 p.m.

Meeting Location: District Office, Main Conference Room
5 Harris Court, Building G, Monterey, CA 93940 AND
By Teleconferencing Means - *Zoom*

CLOSED SESSION - 5:00 P.M.

CALL TO ORDER
Chair Oglesby called the Closed Session meeting to order at 5:02 p.m.

ROLL CALL

Board Members Present:
Ian Oglesby, Chair
Rebecca Lindor, Vice-Chair
Alvin Edwards
George Riley
Karen Paull
Marianne Gawain
Kate Daniels

Board Members Absent:
None

District Staff Members Present:
David Stoldt, General Manager
Mike McCullough, Assistant General Manager
Sara Reyes, Clerk of the Board / Executive Assistant

District Counsel Present:
Michael Laredo, De Lay & Laredo
David Laredo, De Lay & Laredo

ADDITIONS AND CORRECTIONS TO THE CLOSED SESSION AGENDA
None

PUBLIC COMMENT ON THE CLOSED SESSION AGENDA
Chair Oglesby opened the Public Comment period; however, no comments were received.

CLOSED SESSION
District Counsel Michael Laredo led the Board into Closed Session.

Conference with Legal Counsel – Pending Litigation (Gov. Code §54956.9 (Two Cases):

- CPUC A.21-11-024 - Cal-Am Phase 2 Supply and Demand Proceeding; CA Public Utilities Commission
- Conference with Legal Counsel – Pending and Threatened Litigation (Gov. Code 54956.9(b)) – One Case

RECESS TO CLOSED SESSION
At 5:04 p.m., the Board recessed into Closed Session.

REGULAR SESSION - 6:00 P.M.

CALL TO ORDER
Chair Oglesby called the regular session to order at 6:00 p.m.

ROLL CALL

Board Members Present:	**Board Members Absent:**
Ian Oglesby, Chair Rebecca Lindor, Vice-Chair Alvin Edwards George Riley Karen Paull Marianne Gawain Kate Daniels (arrived at 6:41 p.m.)	None

District Staff Members Present:	
David Stoldt, General Manager Mike McCullough, Assistant General Manager Nishil Bali, Chief Financial Officer/Administrative Services Manager Sara Reyes, Clerk of the Board / Executive Assistant	Jonathan Lear, Water Resources Manager Maureen Hamilton, District Engineer Mollie Wooden, Water Demand Manager Thomas Christensen, Environmental Resources Manager

District Counsel Present:
Michael Laredo, De Lay & Laredo

PLEDGE OF ALLEGIANCE
The assembly recited the Pledge of Allegiance.

ADDITIONS AND CORRECTIONS TO THE AGENDA
General Manager Stoldt reported that a revised Exhibit 17-A was distributed to the Board.

ORAL COMMUNICATIONS
Chair Oglesby opened the Oral Communications period; however, no comments were received.

CONSENT CALENDAR
Chair Oglesby introduced the item.

Director Edwards requested to pull Item 7 for discussion.

Chair Oglesby opened Public Comment; however, no comments were received.

Motion 1: Director Riley made a motion, seconded by Director Paull, to approve Consent Calendar Items 1 through 6 and 8 through 13. The motion passed by voice vote, 6 Ayes (Edwards, Lindor, Paull, Oglesby, Gawain, and Riley), 0 Noes, and 1 Absent (Daniels).

Motion 2: Director Edwards made a motion, seconded by Director Paull, to approve Consent Calendar Item 7. The motion passed by voice vote, 6 Ayes (Edwards, Lindor, Paull, Oglesby, Gawain, and Riley), 0 Noes, and 1 Absent (Daniels).

The following agenda items were accepted as part of the Consent Calendar:

1. **Consider Adoption of Minutes of the Regular Board Meeting on April 20, 2026**
2. **Consider Approval of Funding for Outreach Event "Summer Splash Water Challenge Giveaway"**
3. **Consider Approval of Funding and Continuation of the "Mulch Madness" Conservation Promotion**

4. **Consider Recommendation to Authorize a Contract with CoreLogic Information Solutions, Inc. to Support Demand Management Programs**
5. **Consider Recommendation to Authorize a Contract with Corporation Service Company – Recording Fees**
6. **Consider Authorization to Enter Into a Contract with Telemetrix Inc., (TMX) for Sleepy Hollow Steelhead Rearing Facility Monitoring and Control Systems**
7. **Consider Contract for Public Outreach Services with WellmanAd for Fiscal Year 2026-2027**
8. **Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services**
9. **Consider Renewal of Contract with Ferguson Group for Legislative and Administrative Services**
10. **Consider Adoption of Treasurer's Report for March 2026**
11. **Receive and File Third Quarter Financial Activity Report for Fiscal Year 2025-2026**
12. **Consider Approval of the Third Quarter Fiscal Year 2025-2026 Investment Report**
13. **Consider Adoption of Resolution No. 2026-02 Establishing Article XIII (B) Fiscal Year 2026-2027 Appropriations Limit**

GENERAL MANAGER'S REPORT
Chair Oglesby introduced the item.

14. General Manager's Report

General Manager Dave Stoldt reported that year-to-date production is approximately 100 acre-feet higher than last year due to a dry March, while strong April rainfall boosted supplies, filled the Del Monte Forest reservoir for the first time in nearly nine years, and enabled full ASR storage of 916 acre-feet. Overall system storage increased with no withdrawals, Carmel River and Seaside Basin usage remained below regulatory limits, and the Pure Water Monterey expansion continues to provide additional supply flexibility. The Board engaged in discussion following the presentation. The presentation is available on the District's website.

Chair Oglesby opened Public Comment; however, no comments were received.

REPORT FROM DISTRICT COUNSEL
Chair Oglesby introduced the item.

15. Report on Closed Session and Pending Litigation

District Counsel Michael Laredo reported that the Board met in closed session at 5:00 p.m. to discuss two matters: the CPUC Phase 2 Supply and Demand Proceedings (Case A.21-11-024), for which direction was provided to counsel and will be reflected in future litigation reports, and a conference with legal counsel regarding pending and threatened litigation, where one anticipated case was dismissed and no further action or reportable items resulted.

District Counsel Laredo also referenced the litigation report on page 71 of the meeting packet and briefly summarized ongoing legal matters.

Chair Oglesby opened Public Comment; however, no comments were received.

DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)
Chair Riley introduced the item.

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

- Director Riley noted his attendance at the Special Districts Association meeting on April 21, 2026.

PUBLIC HEARING
Chair Oglesby introduced the item.

17. Receive and Confirm Water Supply Forecast for Period of May 1, 2026 – September 30, 2027 and Consider Adopting Draft Resolution No. 2026-03 to Amend Water Supply Target Table XV-5

General Manager Dave Stoldt, presented the report, explaining a new method that compares supply and demand using all water sources rather than only the Carmel River and Seaside Basin. Under this approach, available supply is projected to exceed demand through the remainder of this year and into the next year; therefore, no additional conservation measures are needed. Following the presentation, the Board engaged in discussion.

Chair Oglesby opened the Public Comment period; however, no comments were received.

Director Gawain made a motion, seconded by Director Riley, to receive the water supply forecast for May 1, 2026, through September 30, 2027, and adopt Resolution No. 2026-03 amending the Water Supply Target Table (XV-5). The motion passed by voice vote with 6 Ayes (Edwards, Lindor, Paull, Gawain, Oglesby, and Riley), 0 Noes, and 1 Absent (Daniels).

18. Consider Adoption of the MPWMD's 2025 Urban Water Management Plan and Water Shortage Contingency Plan by Resolution No. 2026-04

Maureen Hamilton, District Engineer explained that the Urban Water Management Plan and Water Shortage Contingency Plan are state-required documents that assess water supply and demand over the short and long term. They apply to larger water suppliers and are updated every five years, with the next due July 1. The plans evaluate supply under normal, dry, and drought conditions, and outline conservation and rationing actions if shortages occur. The analysis shows sufficient supplies from sources like Pure Water Monterey and ASR to meet projected demand through the planning horizon, even during drought conditions, and recommends adoption following public outreach and minor revisions. Following the presentation, the Board discussed the item. The presentation is available on the District's website.

Chair Oglesby opened the Public Comment period, during which the following comments were received:

1) Josh Stratton, External Affairs Manager for California American Water in Monterey, urged the Board to reject the proposed Urban Water Management Plan, stating it exceeds the District's authority, improperly includes CalAm's water supplies, and overestimates water availability. He noted CalAm supports recent revisions but encouraged limiting the plan to its proper scope.

Director Edwards made a motion, seconded by Director Gawain, to approve Resolution No. 2026-04 to adopt the 2025 Urban Water Management Plan and Water Shortage Contingency Plan as amended by staff. The motion passed by voice vote with 7 Ayes (Daniels, Edwards, Lindor, Paull, Gawain, Oglesby, and Riley) and 0 Noes.

DISCUSSION ITEM

Chair Oglesby introduced the item.

19. Update on Citizens Water Panel

Assistant General Manager Mike McCullough provided an update that five Board members submitted candidate nominations and four stakeholders submitted statements of interest. Staff will follow up with participants and begin a multi-session orientation program starting in August, including overviews of District operations, departmental deep dives, and field visits, concluding in April with broader policy topics and a tour of Pure Water Monterey facilities.

INFORMATIONAL ITEMS / STAFF REPORTS

Chair Oglesby introduced the item and asked if Board members had any comments or questions.

20. Report on Activity/Progress on Contracts Over $25,000
21. Status Report on Spending – Public's Ownership of Monterey Water System
22. Letters Received and Sent
23. Committee Reports
24. Monthly Allocation Report
25. Water Efficiency Program Report for April 2026
26. Carmel River Fishery Report for April 2026
27. Monthly Water Supply and California American Water Production Report

These items were informational only, and no action was taken. Copies of these reports are available at the District office and on the District website.

ADJOURNMENT
There being no further business, Chair Oglesby adjourned the meeting at 7:05 p.m.

____
Sara Reyes, Deputy District Secretary

Minutes approved by the MPWMD Board of Directors on ____________.

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MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 1-B

Draft Minutes
Special Meeting
Workshop on Proposed FY 2026-27 Budget
Board of Directors
Monterey Peninsula Water Management District
Thursday, May 28, 2026 at 6:00 p.m.

Meeting Location: MPWMD – Main Conference Room
5 Harris Court, Building G, Monterey CA 93940 AND
By Teleconferencing Means - *Zoom*

CALL TO ORDER:
Chair Oglesby called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Present:
Ian Oglesby – Chair
George Riley
Alvin Edwards
Karen Paull
Marianne Gawain – *Via Zoom*

Board Members Absent:
Rebecca Lindor
Kate Daniels

District Staff Members Present:
David Stoldt, General Manager
Mike McCullough, Assistant General Manager
Nishil Bali, Chief Financial Officer/Administrative Services Manager
Sandra Alonso, Office Specialist I (for Sara Reyes, Deputy District Secretary)
Jonathan Lear, Water Resources Manager
Mollie Wooden, Water Demand Manager
Thomas Christensen, Environmental Resources Manager

District Counsel Present:
Michael Laredo, De Lay & Laredo

PLEDGE OF ALLEGIANCE
The assembly recited the Pledge of Allegiance.

ADDITIONS AND CORRECTIONS TO THE AGENDA
None

ORAL COMMUNICATIONS:
Chair Oglesby opened the Oral Communications period; however, no comments were received.

DISCUSSION ITEM:
Chair Oglesby introduced the item.

1. **Review Proposed Fiscal Year 2026-2027 Budget for the District and Accompanying Resolution No. 2026-05**

Nishil Bali, Chief Financial Officer/Administrative Services Manager, presented the proposed budget via a PowerPoint presentation titled, *"Discussion Item: Review Proposed MPWMD Fiscal Year 2026-2027 Budget."* He responded to questions from the Board. A copy of the presentation is available on the District website and at the District office upon request.

The Board discussed the proposal and provided suggestions and guidance to staff. Mr. Bali noted that the revised budget will be presented to the Board for adoption at its June 15, 2026, meeting.

Chair Oglesby opened the public comment period. Director Marianne Gawain noted she attended via Zoom due to an unforeseen schedule change.

ADJOURNMENT
There being no further business, Chair Oglesby adjourned the meeting at 7:14 p.m.

Sandra Alonso attended the meeting on behalf of Sara Reyes.

____
Sara Reyes, Deputy District Secretary

Minutes approved by the MPWMD Board of Directors on __________.

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ITEM: CONSENT CALENDAR

2. CONSIDER ADOPTION OF RESOLUTION NO. 2026-06 - AMENDING FEES AND CHARGES TABLE – RULE 60

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt,** **General Manager**	**Program/** **Line Item No.:**	**N/A**
Prepared By:	**Kyle Smith**	**Cost Estimate:**	**N/A**

General Counsel Review: Yes
Committee Recommendation: The Finance and Administration Committee considered this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Resolution No. 2026-06 (**Exhibit 2-A)** amends Rule 60, the Fees and Charges Table, to reflect actual expenses (time, effort, and cost) incurred by the District as a result of providing the services listed. The amendments (**Exhibit 2-B**) are shown in strikethrough text with bold italic ***text***. Resolution No. 2026-06 must be adopted to implement these changes to Rule 60.

The amendments to the Fees and Charges Table include:

1. Line Item for Scan Construction Plans for Water Permits is being deleted. This service is no longer going to be offered to the public. Plans are submitted to the District electronically. Numbering of all other Actions has been modified to show the adjustment. The general staff rate was last updated on June 9, 2025. This should be reviewed at least every five years going forward.
2. Thumb drive will incur additional charge if one is not provided by the requestor at the actual cost of the purchase of a thumb drive.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board adopt Resolution No. 2026-06, Amending Rule 60, Fees and Charges Table.

BACKGROUND: The Fees and Charges Table can be updated by Board Resolution. The Fees and Charges Table was last updated on June 9, 2025, by adoption of Resolution No. 2025-05.

EXHIBITSs
2-A Draft Resolution No. 2026-06
2-B Attachment 1: Proposed Fees and Charges Table

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 2-A

DRAFT
RESOLUTION NO. 2026-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AMENDING RULE 60, FEES AND CHARGES TABLE

WHEREAS: Regulation VI sets forth the administrative fees and charges to meet ongoing operating expenses, including but not limited to, employee wage rates and benefits, and costs of supplies, equipment, materials and services. These fees and charges bear a positive correlation to the cost of providing each service or activity by District staff and/or its agents; and

WHEREAS: The Fees and Charges Table referenced in Rule 60 shall be amended from time to time by a Resolution duly adopted by the MPWMD Board of Directors to reflect changes in staff time costs.

THEREFORE, BE IT RESOLVED THAT, the Board of Directors of the Monterey Peninsula Water Management District hereby adopts Rule 60, Fees and Charges Table as amended by Resolution No. 2026-06 as set forth in Attachment 1 (removal shown in strikethrough additions shown in ***bold italics***) and that this change shall be effective July 1, 2026.

PASSED AND ADOPTED this ____ day of ___ 2026 on a motion by Director ___________, seconded by Director __________, by the following vote:

AYES:
NAYES:
ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing resolution was duly adopted on the __th day of ___ 2026.

Dated:

____
David J. Stoldt,
Secretary to the Board

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EXHIBIT 2-B

Fees and Charges Table (Effective July 1, 2026)

ACTION		FEE
Action on any Appeal/Variance		
1	Appeal or variance	$1,250 plus $125 per hour for more than 10 hours
2	Request for water from District Reserve Allocation	$250 per application plus $125 per staff hour for more than 2 hours
Action on any Permit		
3	Administrative fee to monitor, review and enforce applications and/or Permits for Special Circumstances (Rule 24)	$2,250 plus $125 per staff hour for more than 18 hours
4	Amendment to a Residential and Non-Residential Water Permit (Rule 23)	$250 per application plus $125 per staff hour for more than 2 hours
5	Amendment to a Water Use Permit (Water Entitlement process) (also may require Capacity Fees pursuant to Rule 24)	$125 per amendment plus $125 per staff hour for more than 1hour; also see Rule 24
6	Application for Residential and Non-Residential Water Permit (Rule 23). ***Includes final inspection.***	$250 per application plus $125 per staff hour for more than 2 hours
7	Application for Water Use Permit (Water Entitlement process) (also may require Connection Charges pursuant to Rule 24)	$375 per Site, ***plus Capacity Fees (Rule 24)***
8	Application for Landscape Water Permit. ***Includes final inspection.***	$250 per application plus $125 per staff hour for more than 2.5 hours
9	Application for Conditional Water Permit (Rule 23)	$750 per structure plus $125 per staff hour for more than 6 hours
10	Application fee for Confirmation of Exemption (Rule 21)	$600 per application. If needed, additional staff hours are charged at a rate of $125 per hour
11	Water quality sampling for Confirmation of Exemption	Actual cost incurred by District
12	Application fee deposit to Create/Establish or Amend a WDS, Level 1 or Level 2 Permit (Rules 21 and 22)	$1,200 per application. If needed, additional staff hours are charged at a rate of $125 per hour; recovery for other District actual direct costs will be additional if not covered by the initial $1,200 fee; unused funds will be refunded
13	Application fee deposit to Create/Establish or Amend a WDS, Level 3 Permit (Rules 21 and 22)	$4,000 per application. If needed, additional staff hours are charged at a rate of $125 per hour; recovery of other District actual direct costs will be additional if not covered by the initial $4,000 fee; unused funds will be refunded

Fees and Charges Table (Effective July 1, 2026)

	ACTION	FEE
	Action on any Appeal/Variance	
14	Application to Create/Establish a Water Distribution System or Amend a Water Distribution System Creation Permit – deposit for unusually complex projects: "unusually complex projects" are defined as projects requiring District staff time substantially more than the hours stated in the application fee to Create a Water Distribution System. In these situations, staff will review the cumulative total of hours and expenses accrued each quarter (January, April, July and October). The Applicant will be billed if the quarterly unpaid total is more than $500 over the initial fee. The Applicant must pay the overage within 30 days of the invoice for staff to continue processing the application. The Confirmation of Exemption or WDS Permit is not signed and recorded until all fees are paid (Rules 21 and 22)	$3,000 plus any additional staff or legal review as determined on a case-by-case basis by the General Manager
15	Application to Create/Establish a Water Distribution System or Amend a Water Distribution System Creation Permit – legal fees: any legal work performed by District counsel associated with the application is charged to the Applicant at actual cost, based on the hourly rate of retained District legal counsel at the time services are rendered (Rule 22)	Actual cost, based on the hourly rate of retained District legal counsel at the time services are rendered
16	Application to Create/Establish a Water Distribution System or Amend a Water Distribution System Creation Permit – unused funds (Rule 22)	Unused deposits or application fee will result in a refund of unused funds to the Applicant
17	Pre-application for consultation relating to WDS Permits (first hour free)	There shall be no charge for the first hour of consultation with District staff regarding the WDS Permit process.
18	Application for hydrant meter Permit (A.K.A construction meter)	$125 per application
19	Application to reinstall Water Meter (former use documented under Rule 25.5)	No fee
20	Application to split an existing meter	No fee
21	Application for Temporary Water Permit (Rule 23)	$625 per structure plus $125 per staff hour for more than 5 hours

Fees and Charges Table (Effective July 1, 2026)

	ACTION	FEE
22	Plan check for Non-Residential waivers and Residential waivers with no Water Permit application	$250 per application plus $125 per staff hour for more than 2 hours
23	Capacity Fees (Moderate Income Housing) (Rule 24.5)	50% of Capacity Fees set pursuant to Rule 24
24	Capacity Fees (Low-Income Housing) (Rule 24.5)	Exempt from Capacity Fees set pursuant to Rule 24
25	Capacity Fees – Residential and Non-Residential Water Permits	See Rule 24, Table C, *Capacity Fee History*
26	Direct costs – publication expenses, filing fees, etc. (Rule 60)	Actual cost incurred by District - applies to Water Distribution System Permits only
27	Permit fee payment plans (limited to California non-profit public benefit corporations and requires Board approval and finding of substantial financial hardship) (Rule 24)	Deferred interest rate set by the Board
28	Refund of Capacity Fees (Rule 24)	$125 processing fee plus $125 per staff hour for more than 1 hour
	Document Preparation, Processing, Review or Retrieval (Rule 60)	
xx	~~***Scan Construction Plans for Water Permit***~~	~~***$75 per application. Time to process beyond 30 minutes shall be charged at a rate of $125/hour***~~
29	Deed preparation and review by staff	$125 per deed restriction
30	Legal review of deed restrictions for a LLC, company, HOA, corporation, partnership, etc.	Actual cost incurred by District
31	Direct costs – publication expenses, etc.	Actual cost incurred by District
32	Direct costs for deed restrictions – courier charge, Federal Express, e-record	Actual cost incurred by District
33	Document recordation (if separate from review or preparation)	Actual cost incurred by District (document lengths vary)
34	Legal review performed by District counsel on deed restrictions related to appeals, Permits, variances, Water Use Credits, or other activities	Charged at the hourly rate of retained District legal counsel at the time services are rendered
	Duplication and Records Costs	
35	District *Rules & Regulations* (Rule 60)	$46 per copy
36	Black and white copies	$0.10 cents per page
37	Color copies	$0.50 cents per page
38	Two-sided copies	$0.10 cents per page

Fees and Charges Table (Effective July 1, 2026)

ACTION		FEE
39	Mailing	Actual cost incurred by District
40	Thumb drive	~~$5.00~~ *Actual cost incurred by District if thumb drive is not provided.*
41	CD-ROM or DVD	$5.00
42	Oversized or irregularly shaped documents	Actual cost incurred by District
43	Preparation of a new record that requires data compilation, extraction or programming	Charge based on labor and time to produce the record
Rebate Processing		
44	Application for Rebate	No charge
River Work Permits (Rules 126 and 127)		
45	Minor River Work	$25 per application
46	River Work Permit	$50 per application
47	Emergency River Work	$50 per application
48	Unusually complex applications	Actual cost incurred by District for staff time in excess of one hour per application plus direct costs
Inspection Activities (Rule 110)		
49	Cancellation of inspection (less than 24-hour notice)	$125 per inspection
50	No-show; failure to provide access for scheduled inspection	$125 per inspection
51	Conservation verification inspection pursuant to Rule 143 and 144 (retrofit of existing Commercial Uses and Change of Ownership or Use)	No Charge
52	Site inspection (pre-application, or not associated with a planned application, or inspection to document Non-Residential retrofit pursuant to Rule 25.5)	$125 per inspection
53	Repeat inspection (overlooked fixtures or failure to show all fixtures)	$125 per inspection
Water Use Credits and On-Site Credit Activity (Rule 25.5)		
54	Third party consulting or ancillary costs incurred to verify water savings	Actual cost incurred by District

Fees and Charges Table (Effective July 1, 2026)

	ACTION	FEE
Water Credit Transfer Activity (Rule 28)		
55	Application to transfer a Water Use Credit (originating Site)	$3,750 plus $125 per staff hour for more than 30 hours
56	Application for a Water Permit utilizing a Water Credit transfer (receiving Site)	$625 plus $125 per staff hour for more than 5 hours
57	Complex transfer (fee for projects proposing to save water by means of new water saving technology)	$5,000 plus $125 per staff hour for more than 40 hours
58	Third party consulting or ancillary costs incurred to review Water Use Credit transfer	Actual cost incurred by District
Water Waste Fees (Rule 162) ***Fee amounts are tripled for customers using over 500,000 gallons/year***		
59	First offense	No fee: written notice and opportunity to correct the situation
60	Fee for first Flagrant Violation	$100. Fee amounts are tripled for customers using over 500,000 gallons/year
61	Fee for second Flagrant Violation within two (2) months	$250. Fee amounts are tripled for customers using over 500,000 gallons/year
62	Fee for third and subsequent Flagrant Violations within twelve (12) months	$500. Fee amounts are tripled for customers using over 500,000 gallons/year
63	Fee for Administrative Compliance Order or Cease & Desist Order	Up to $2,500 per day for each ongoing violation, except that the total administrative penalty shall not exceed one hundred thousand dollars ($100,000.00) exclusive of administrative costs, interest and restitution for compliance re-inspections, for any related series of violations
64	Late payment charges	Half of one percent of the amount owed per month
Well Monitoring Activity (Rule 52)		
65	Well registration	$50 per Well

Capitalized terms definitions can be found in Rule 11.

Table added by Ordinance No. 120 (3/21/2005); amended by Resolution 2005-06 (8/12/2005): Resolution 2007-02 (4/16/2007); Resolution 2007-06 (5/21/2007); Resolution 2010-09 (7/19/2010); Ordinance No. 157 (12/9/2013); Resolution 2014-05 (4/21/2014); Resolution 2014-14 (07/21/2014); Resolution 2016-20 (11/14/2016); Resolution 2017-12 (6/19/2017); Ordinance 177 (9/18/2017); Resolution 2020-04 (5/18/2020); Resolution 2020-08 (6/15/2020); Resolution 2020-14 (10/19/2020); Resolution 2021-11 (8/16/2021); Resolution 2021-17 (10/18/2021); Resolution 2023-10 (6/20/2023); Resolution 2025-05 (6/16/2025); Resolution 2026—06 (6/15/2026)

ITEM: CONSENT CALENDAR

3. CONSIDER RECOMMENDATION TO AUTHORIZE A CONTRACT WITH TRUEPOINT SOLUTIONS FOR MAINTENANCE OF AND IMPROVMENTS TO THE ACCELA DATABASE

Meeting Date:	**June 15, 2026**	**Budgeted:**	**Yes**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.**	**xxxxx**
Prepared By:	**Stephanie Kister**	**Cost Estimate:**	**$19,500**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: The District utilizes Accela software for its demand management program. This database is used for the rebate program, property title transfer compliance and permitting. The system also includes inventories for all types of water fixtures and uses, credits and debits occurring as part of the water permit process, financial accounting, and tracking of allocations and entitlements.

The Accela software has been highly customized due to the complex and advanced nature of the District's regulations. When regulations are changed, there is a need to adjust the functionality of the Accela system. Previously, Etech Consulting provided as-needed maintenance services to the District for the last 3 years but they have gone out of business. Accela recommended TruePoint Solutions (DBA GovPath) as a suggested replacement who currently supports many other companies including Monterey County Health Department. Staff met with the GovPath team and identified the following projects to be undertaken in FY 2026-2027:

- Conduct a Business Process Review to review internal Accela workflow processes and identify areas for improvement
- Build out and launch the Accela Citizens Access portal to allow online applications, payments, and public document viewing
- Develop new reports, improve existing reports and implement business/rule changes as needed

Staff requests approval for up to 100 hours at $195 for a not to exceed amount of $19,500 for Fiscal Year 2026-2027.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board approve the expenditure of up to $19,500 for Accela improvements and maintenance. Funding for this work is included in the Fiscal Year 2026-2027 proposed budget.

EXHIBIT
3-A TruePoint Solutions Quote

TruePoint Solutions, LLC
950 East State Highway 114, Suite 105
Southlake
Texas
United States 76092
accounting@truepointsolutions.com

GovPath is a DBA of TruePoint Solutions, LLC

Quote

Valid Until: Jul 31, 2026
Quote Number: 6401714000018252418

BILL TO:	SHIP TO:
Monterey Peninsula Water Management District 5 Harris Court, Building G Monterey CA 93940	**Monterey Peninsula Water Management District** 5 Harris Court, Building G Monterey CA 93940

Account Name:	**Monterey Peninsula Water Management District**	Quote Stage:	**Draft**
Contact Name:	**Stephanie Kister**		

S.No.	Product Details	Quantity	List Price	Total
1	**Professional Services - T&M Consulting** Breakdown of hours: - Paid Success Engagement (Mini BPR) - 40 hours - Launching ACA (Accela Citizen Access) - 20 hours - New/improved reports. Business & rule changes - 40 hours	100	$ 195.00	$ 19,500.00

Sub Total	**$ 19,500.00**
Discount	**$ 0.00**
Tax	$ 0.00
Adjustment	$ 0.00
Grand Total	**$ 19,500.00**

Terms and Conditions

ITEM: CONSENT CALENDAR

4. CONSIDER ADOPTION OF RESOLUTION NO. 2026-07 - ANNUAL UPDATE TO RULE 24, TABLE 3, CAPACITY FEE HISTORY

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt** **General Manager**	**Program/** **Line Item No.:**	**N/A**
Prepared By:	**Kyle Smith**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee considered this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: District Rule 24 requires that the Capacity Fee History Table be updated annually by Resolution of the Board to reflect the new fiscal year's Capacity Fee. Resolution No. 2026-07 (**Exhibit 4-A**) updates Rule 24, Table 3: Capacity Fee History by 3.8 percent based on annual increase in the April Consumer Price Index (CPI) for San Francisco/Oakland, as published by the Bureau of Labor Statistics. The Capacity Fee History was last updated on June 9, 2025.

RECOMMENDATION: The Finance and Administrative Committee recommends the Board support adoption of Resolution No. 2026-07 to update Rule 24, Table 3, Capacity Fee History.

EXHIBIT
4-A Draft Resolution No. 2026-07 and Table 3: Capacity Fee History

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EXHIBIT 4-A

DRAFT
RESOLUTION NO. 2026-07

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

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

WHEREAS, Rule 24 (C) of the District Rules and Regulations stipulates that the Capacity Fee History Table shall be updated annually by Resolution of the Board on July 1st of each year to include the annual increase or decrease of the April Consumer Price Index (CPI), all items, for San Francisco/Oakland, as promulgated by the U.S. Department of Labor Bureau of Statistics. The adjusted multiplier shall apply to each Water Permit application received on or after July 1st of each year; and

WHEREAS, there was a 3.8 percent increase in the April 2026 CPI, increasing the Capacity Fee to $38,222.00 per Acre-Foot.

THEREFORE, BE IT RESOLVED THAT, the Board of Directors of Monterey Peninsula Water Management District hereby shall update the Capacity Fee Table as set forth in **Attachment 1** to this Resolution; and that these changes shall become effective on July 1, 2026.

PASSED AND ADOPTED this ___th day of ___ 2026 on a motion by Director _________, seconded by Director _________by the following vote:

AYES:
NAYES:
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 ___th day of ___ 2026.

Dated: ____________________________
David J. Stoldt,
Secretary to the Board

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ATTACHMENT 1

TABLE 3: CAPACITY FEE HISTORY

YEAR	CAPACITY FEE	YEAR	CAPACITY FEE
1985	$10,623.20	2019-20	$30,502.00
1985-86	$11,133.00	2020-21	$30,837.00
1986-87	$11,433.59	2021-22	$32,008.00
1987-88	$11,890.93	2022-23	$33,608.00
1988-89	$12,295.22	2023-24	$35,019.00
1989-90	$12,983.75	2024-25	$36,350.00
1990-91	$13,529.07	2025-2026	$36,823.00
1991-92	$14,056.70	*2026-2027*	*$38,222.00*
1992-93	$14,661.00		
1993-94	$15,202.00		
1994-95	$15,325.00		
1995-96	$15,692.00		
1996-97	$15,960.00		
1997-98	$16,551.00		
1998-99	$17,048.00		
1999-00	$17,832.00		
2000-01	$18,492.00		
2001-02	$19,565.00		
2002-03	$19,976.00		
2003-04	$20,415.00		
2004-05	$20,517.00		
2005-06	$20,948.00		
2006-07	$21,618.00		
2007-08	$22,331.00		
2008-09	$22,979.00		
2009-10	$23,163.00		
2010-11	$23,567.00		
2011-12	$24,227.00		
2012-13	$24,735.00		
2013-14	$25,328.00		
2014-15	$26,037.00		
2015-16	$26,661.00		
2016-17	$27,380.00		
2017-18	$28,420.00		
2018-19	$29,329.00		

ITEM: CONSENT CALENDAR

5. AUTHORIZE FUNDS TO CONTRACT FOR LIMITED-TERM FIELD POSITIONS DURING FY 2026-2027

Meeting Date:	**June 15, 2026**	**Budgeted:**	**Yes**
From:	**David J. Stoldt, General Manager**	**Program/**	**Aquatic Resources Fisheries**
		Line Item No.:	**24-04-785814**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**Up to $71,874**

General Counsel Approval: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The District has funded limited-term positions to assist District staff in the completion of field activities for many years. These positions are not on the District organization chart and these incumbents are not included in the District bargaining units. The schedules for these positions are part-time and largely seasonal in nature. Contracts are for six-month periods of time or less. However, limited-term employees may be offered subsequent contracts up to a total of 1,000 hours per year. Funding for these positions is included in the proposed 2026-2027 Fiscal Year (FY) budget.

Authorization is requested to hire part-time limited-term *Water Resources Assistants* (990 hours each or less) for a total of 2,970 hours. The hours will be used for summer-fall juvenile fish rescues, fall population sampling, Sleepy Hollow Steelhead Rearing Facility operations, spring smolt rescues, vegetation management, and winter/spring adult steelhead weir operations. These positions are essential to staff crews led by permanent staff, as well as to prevent the accrual of excessive compensatory time and overtime for higher level regular full-time positions. The seasonal Water Resources Assistants would be paid $22.00 per hour and cost up to $71,874 (which includes overhead).

RECOMMENDATION: The Finance and Administration Committee recommends that the Board approve the limited-term Water Resources Assistant positions for up to a total of 2,970 hours of work. The approval of this item is contingent upon the adoption of FY 2026-2027 budget by the Board.

IMPACTS TO STAFF/RESOURCES: The total cost of the limited-term contracts described above would not exceed $71,874. It should also be noted that limited-term employees receive no District benefits. In addition to their hourly wages, additional costs to the District are limited to legally mandated payroll taxes and workers compensation insurance premiums.

BACKGROUND:

A. Water Resources Assistants: This job classification was created in December 1998 to assist staff in the Water Resources Division with field and administrative tasks, including rescuing of juvenile steelhead in the lower Carmel River, assisting with weir operations, surveying of steelhead populations and spawning habitat, and monitoring of groundwater and surface water resources within the Monterey Peninsula Water Resource System. It is needed to help ensure that tasks for the District's Fisheries Mitigation Program are completed on schedule. They have also been integral in conducting the California Stream Bioassessment Procedure (CSBP), developed by the Department of Fish and Wildlife as a rapid bioassessment protocol and method to track overall stream health. Without the assistance of limited-term help, the ability to conduct these tasks would be compromised. Additionally, the Water Resources Assistants will support regular staff with vegetation management, lagoon water quality monitoring, data entry, and riparian irrigation. These employees will work in the Environmental Resources Division and be supervised by the Environmental Resources Manager.

EXHIBIT

None

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ITEM: CONSENT CALENDAR

6. CONSIDER AUTHORIZATION OF FUNDS TO HIRE WELL CONTRACTOR TO SUPPORT REPAIRS ON ASR ON AN AS-NEEDED BASIS

Meeting Date:	**June 15, 2026**	**Budgeted:**	**Yes**
From:	**David J. Stoldt, General Manager**	**Program/**	**Water Supply Projects ASR Operations & Maintenance**
		Line Item:	**1-2-1**
Prepared By:	**Jonathan Lear**	**Cost Estimate:**	**$55,000**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action is a categoric exemption from CEQA under CEQA Guideline Section 15301 for "Existing Facilities." District will prepare a NOE for this effort

SUMMARY: The District's Carmel River Aquifer Storage and Recovery (ASR) project is operated under a cooperative agreement between the District and California American Water (Cal-Am.). Under this agreement, the District operates the wells during injection season and collects and reports data required to meet permit requirements for the State Water Resources Control Board Division of Water Rights (DWR) and the Regional Water Quality Control Board. The District also provides data to the Seaside Groundwater Basin Watermaster (Watermaster) related to the Storage and Recovery agreement between Cal-Am and the Watermaster.

Currently ASR 1 and ASR 2 are operational as injection wells at the Santa Margarita facility and are owned by the District. ASR 3 and ASR 4 are located at the Seaside Middle School site and are owned by Cal-Am but are currently being used for extraction only. Under the Amended Restated Aquifer Storage and Recovery Agreement between the District and Cal-Am, the District is responsible for scheduling maintenance and repair of ASR facilities owned by the District. Under the ASR agreement all maintenance and repair performed on District owned ASR facilities are reimbursable.

Under California Uniform Contract Law, District staff is allowed to contract for up to $55,000 without soliciting bids for repair and maintenance of ASR facilities. District staff is seeking Board approval to hire a C-57 Contractor to perform well repairs in FY 26-27 if necessary. District staff would use comparable rates, experience working on District owned ASR facilities, and availability to perform timely work as selection factors for choosing the contractor. With this ability, District staff will be able to move quickly to repair issues on ASR that may arise that without swift action could potentially reduce ASR injection volumes or cause regulatory non-compliance. If a repair is necessary that is more than $55,000, District staff will bid the job and the Board will award the contract. If multiple repairs total more than $55,000, District staff will bring it to the Boards attention through the mid-year budget adjustment process.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board authorize District staff to use up to $55,000 to hire C-57 contractors to repair District owned ASR facilities, if necessary, in FY 26-27.

EXHIBIT
None

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ITEM: CONSENT CALENDAR

7. CONSIDER RECOMMENDATION TO AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH ISAACSON PAINTING TO PROVIDE PAINTING SERVICES AT ASR

Meeting Date:	**June 15, 2026**	**Budgeted:**	**Yes**
From:	**Dave Stoldt** **General Manager**	**Program/** **Line Item No.:**	**1-2-1/** **35-04-786005**
Prepared By:	**Maureen Hamilton**	**Cost Estimate:**	**$28,000**

General Counsel Approval: N/A
Committee Recommendation: The Finance and Administrative Committee reviewed this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action is a categoric exemption from CEQA under CEQA Guideline Section 15301.

SUMMARY: The Santa Margarita ASR wellhead and discharge piping was last painted in 2013. Given the coastal location, metal piping experiences faster wear due to salt in the air and higher humidity. The work requires proper surface preparation and application of coatings that are suitable for coastal conditions. Evidence of corrosion has been increasing in the past few years. Repainting now will help avoid more costly preparation or repairs in the future.

A Request for Quotations outreach to three local industrial painting companies yielded two quotes. The quotes were similar in price, with Isaacson's quotation providing additional detail and specification. Isaacson Painting is located in Pacific Grove, has a C33 Painting and Decorating License, and did an excellent job painting the ASR facilities in 2013.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board authorize the District Staff to enter into a contract with Isaacson Painting to paint the ASR wellheads and discharge piping at the Santa Margarita ASR Facility in the amount not to exceed $28,000.

EXHIBIT
7-A Draft Contract

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EXHIBIT 7-A

**AGREEMENT BETWEEN THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AND
ISAACSON PAINTING TO PROVIDE PAINTING SERVICES AT ASR**

THIS AGREEMENT is entered into this _XXX_day of _XXX_, 2026, by and between Isaacson Painting, hereinafter called "Contractor," and the Monterey Peninsula Water Management District, hereinafter called "MPWMD" or “District”.

SECTION I - SCOPE OF SERVICES

MPWMD hereby engages Contractor for services as set forth in **Exhibit A**, Scope of Work.

SECTION II COMPENSATION

A. FEE SCHEDULE

Fees payable to Contractor for services specified herein shall be in accordance with the Budget and Fee Schedule in **Exhibit B**.

B. METHOD OF PAYMENT

Payment of fees shall be based on work completed, as documented in monthly billings submitted by Contractor. Monthly billings shall include previous invoice amount, current invoice amount, and remaining budget. Work reports shall be rendered in accordance with the schedule shown in **Exhibit C**, Work Schedule.

Payments are due and payable within thirty (30) days after receipt of each invoice subject to a finding by MPWMD that work performed has been satisfactory and that payment is for the work specified in **Exhibit A**, Scope of Work. Where MPWMD finds the work to be unsatisfactory, MPWMD shall describe deficiencies in writing to Contractor within ten (10) days.

The final invoice for work performed shall be submitted not later than sixty (60) days following notification by MPWMD of completion of such work. The final invoice shall be paid not later than thirty (30) days after receipt of the final invoice.

C. MAXIMUM PAYMENT

Payments to Contractor for services rendered and expenses incurred under this Agreement **shall not exceed $28,000.**

D. PREVAILING WAGE

Reference is hereby made to the wage scale established by the State Director of the Department of Industrial Relations which is hereby specified as the rate of prevailing wage to paid workers on this project, and the provisions of Article 2, Chapter 1, Part 7, Division 2 (commencing with Section 1770) of the Labor Code shall be complied with. A copy of the prevailing wage rates is on file and may be inspected at the MPWMD office.

E. WITHHOLDING

The District shall retain five percent (5%) of the amount of each progress estimate, and the accumulation of said amounts so retained from the progressive payments to the extent unencumbered shall be paid to Contractor in no less than thirty-five (35) days after final completion of the work and final acceptance by District Engineer and the District.

In lieu of retention of five percent (5%) of the amount of each progress payment, Contractor may elect to deposit certain securities (certificate of deposit or other interest bearing securities) equivalent to the amount to be withheld. The Contractor shall notify the District in writing upon the presentation of estimates of Contractor's intention to enter into an escrow agreement.

The Contractor also has the option, at Contractor's cost, to request the District to make payment of retentions earned, directly into an escrow agent, pursuant to the terms of Section 22300, Public Contract Code.

F. BONDS

As a part of the execution of this contract, Contractor shall furnish and bear the cost of a bond of a Surety Company acceptable to the District, which bond is conditioned upon the faithful performance of all covenants and stipulations under this contract. The amount of the bond shall be one hundred percent (100%) of the total contract price, as such sum is set forth in the agreement.

As a part of the execution of this contract, Contractor shall furnish and bear the cost of a bond of a Surety Company acceptable to the District in a sum not less than one hundred percent (100%) of the total contract price, as such sum is set forth in the agreement, for the payment in full of all persons, companies, or corporations who perform labor upon or furnish materials to be used in the work under this contract, in accordance with the provisions of Sections 3247 and 3248, Civil Code.

SECTION III TIME OF PERFORMANCE

Contractor shall begin work upon the effective date of this Agreement and shall complete all tasks described herein according to the schedule shown in **Exhibit C**, Work Schedule, and consistent with the professional skill and care ordinarily provided by engineering professionals practicing in the State of California under the same or similar circumstances.

SECTION V RESPONSIBILITIES

A. The Contractor shall have all applicable **licenses** and permits, including a C-33 license.

B. Contractor represents that it has or will secure at its own expense all personnel, materials, and related services required to perform the services under this Agreement. Contractor shall act as an independent Contractor and not as an agent or employee of MPWMD. Contractor shall have exclusive and complete control over its employees and subcontractors, and shall determine the method of performing the services hereunder.

C. Nothing is allowed to be put in the large percolation **basin**; including but not limited to debris, dirt, or liquid of any kind.

D. Damage - The Contractor's attention is directed to the potential of pipes, cables, and other above and below ground structures and improvements. It is the responsibility of Contractor to use reasonable care to ascertain the existing location of such utilities in advance of any operations so that they shall not be disturbed or damaged by Contractor during the progress of the work. The Contractor shall exercise care in avoiding damage to those utility facilities which are to remain in service subsequent to the construction of the work under this contract, and will be held responsible for their repair if damaged.

The Contractor shall be responsible for the preservation of all public and private property along and adjacent to the work being constructed, and shall be responsible for restoring said property to the condition in which it existed before Contractor undertook the work. The Contractor shall not be required to restore trees if they have been specifically designated for removal, but otherwise shall be required to restore all property including but not limited to trees, vegetation, lawns, land monuments, utilities, fences, driveways, and bridges which have been disturbed in performance of the work. The Contractor shall carefully protect from disturbance or damage all land monuments and property marks until an authorized agent has witnessed or otherwise referenced their location.

The Contractor shall protect Contractor's work, supplies, and materials from damage due to the nature of the work, the action of the elements, trespassers, or any cause whatsoever until the completion and acceptance of the work by the District. Neither the District nor any of the District's agents assume any responsibility for collecting indemnity from any person or persons causing damage to the work of Contractor.

The Contractor shall promptly make all needed repairs arising out of defective materials and equipment or faulty workmanship whether caused by Contractor, sub-contractors or sub-subcontractors, irrespective of fault, during the period specified in the Bond of Faithful Performance after the date of completion of the work under this contract and the final acceptance of the same by the District. The District is hereby authorized to make such repairs if within ten (10) days after the mailing of a notice in writing to Contractor, or Contractor's agent, the said Contractor shall neglect to make or undertake with due diligence the aforesaid repairs; provided, however, that in case of an emergency where, in the opinion of the District, delay would cause serious loss or damage, repairs may be made without notice being sent to Contractor, and Contractor shall pay the costs thereof.

E. Cleanliness - Throughout all phases of construction, including suspension of work, and until the final acceptance, Contractor shall keep the site clean and free from rubbish and debris. Materials and equipment shall be removed from the site as soon as they are no longer necessary. Before the final inspection, the site shall be cleared of equipment, unused materials, and rubbish so as to present a satisfactory clean and neat appearance. All cleanup costs shall be included in Contractor's quote.

F. The officers, agents, and employees of MPWMD shall cooperate with Contractor in the performance of services under this agreement without charge to Contractor. Contractor agrees to use such services insofar as feasible in order to effectively discharge Contractor’s obligations hereunder and further agrees to cooperate with MPWMD's officers, agents and employees.

G. The Contractor agrees to indemnify, defend and save harmless MPWMD, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all Contractors, subcontractors, material men, laborers and any other person, firm or corporation who may be injured or damaged by the negligent acts, errors, and/or omissions of the Contractor, Contractor's employees, or Contractor's subcontractors or subcontractors in the performance of this Agreement.

H. Contractor shall provide products and perform all services required pursuant to this Agreement in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care, skill, and diligence ordinarily exercised under similar conditions (Standard of Care) by a member of Contractor’s profession currently practicing in California.

I. The Contractor shall immediately report any hazardous conditions to MPWMD. In the event of any incidents, altercations or accidents involving the public, Contractor employees, or MPWMD employees, the Contractor will notify MPWMD immediately.

SECTION VII INSURANCE

A. Contractor shall obtain and keep insurance policies in full force and effect as shown in **Exhibit D**, Insurance Requirements.

B. Contractor shall provide photocopies of his/her current Automobile insurance policy [or policies], including endorsements thereto, or current certificates of insurance in lieu thereof, to MPWMD.

C. Contractor shall require any subcontractor to provide evidence of the same insurance coverages specified in VII.A.

D. Contractor shall provide notice to MPWMD of any cancellation or material change in insurance coverage where MPWMD has been named as additional insured, such notice to be delivered to the MPWMD in accord with Section XV of this Agreement at least ten (10) days before the effective date of such change or cancellation of insurance.

E. Evidence acceptable to MPWMD that Contractor has complied with the provisions of this Section VII shall be provided to the MPWMD, prior to commencement of work under this Agreement.

F. All policies carried by the Contractor shall provide primary coverage instead of any and all other policies that may be in force. MPWMD shall not be responsible for any premium due for the insurance coverages specified in this Agreement.

SECTION VIII CHANGES AND CHANGED CONDITIONS

If, during the course of the work herein contemplated, the need to change the Scope of Work or the Work Schedule should arise, for whatever reasons, whichever party first identifies such need to change shall notify the other party in writing. The representatives of the parties shall meet within seven (7) working days of the date of such notice to discuss the need for change so identified and to set the proposed action to be taken by the parties. A change in the Scope of Work may also result in a change in the compensation amount. Compensation changes shall be based upon the Contractor Budget and Fee Schedule (**Exhibit B**) attached hereto. Any changes agreed to shall be documented by duly executed amendments to this Agreement.

SECTION IX TERMINATION

A. MPWMD may terminate Contractor's services at any time by written notice to Contractor at least thirty (30) days prior to such termination. Upon receipt of written notice from MPWMD that this Agreement is terminated, Contractor shall submit an invoice for an amount that represents the value of services actually performed to the date of said notice for which he/she has not previously been compensated. Upon approval of this invoice by MPWMD, Contractor shall be paid from the sum found due, and MPWMD shall have no further obligation to Contractor, monetarily or otherwise.

B. Upon receipt of written notice of termination, the Contractor shall (1) promptly discontinue all services affected (unless the notice directs otherwise).

SECTION X SUB-CONTRACTING AND ASSIGNABILITY

Contractor shall not sub-contract any portion of the work required by this Agreement nor otherwise assign or transfer any interest in it without prior written approval of MPWMD. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

SECTION XI DISCRIMINATION AND FAIR EMPLOYMENT

Attention is directed to Section 1735 of the California Labor Code, which reads as follows:

> "No discrimination shall be made in the employment of persons upon public works because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons, except as provided in

> Section 12940 of the government code and every Contractor for public works violating this section is subject to all penalties imposed by a violation of this chapter.”

During the performance of this Agreement, Contractor and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and its contractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

SECTION XII INTEREST OF CONTRACTOR

Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

SECTION XIII CONTINGENT FEES

Contractor warrants that he/she has not employed or retained any company or person, other than a bona fide employee working solely for the Contractor to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company, or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gifts, or other consideration, contingent upon or resulting from the award or making of this Agreement. For breach of violation of this warranty, MPWMD shall have the right to annul this Agreement without liability or at its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage, gift or contingent fee.

SECTION XIV DISPUTES

In the event of a dispute arising out of the performance of this Agreement either party shall, as soon as a conflict is identified, submit a written statement of the conflict to the other party. Within five (5) working days of receipt of such a statement of conflict, the second party will respond and a meeting will be arranged not more than five (5) working days thereafter to arrive at a negotiated settlement or procedure for settlement. If, within twenty (20) working days from the initial filing of a statement of conflict an agreement cannot be reached, it is agreed that the dispute may be resolved in a court of law competent to hear this matter. This Agreement shall be construed in accord with California law and it is agreed that venue shall be in the County of Monterey. The prevailing party shall be awarded costs of suit, and attorneys' fees.

SECTION XV NOTICES

All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address, as follows:

MPWMD: Simona Mossbacher
Monterey Peninsula Water Management District
5 Harris Court, Building G
or
P. O. Box 85
Monterey, CA 93942-0085

CONTRACTOR: Isaacson Painting
P.O. Box 51161
Pacific Grove, CA 93950

SECTION XVI AMENDMENTS

This Agreement together with **Exhibits A, B, C, D, E and F** sets forth the entire understanding of the parties with respect to the subject matter herein. There are no other agreements expressed or implied, oral or written, except as set forth herein. This Agreement may not be amended except upon written amendment, executed by both parties hereto.

SECTION XVII ATTACHMENTS

The following exhibits attached hereto and referred to in the preceding sections are, by reference, incorporated herein and made an integral part of this Agreement:

Exhibit A. Scope of Work
Exhibit B. Budget and Fee Schedule
Exhibit C. Work Schedule
Exhibit D. Insurance Requirements
Exhibit E. Drug Free Workplace Certification
Exhibit F. Special Conditions

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the day and year first above written.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

____ Date _____________

BY: David J. Stoldt, General Manager

CONTRACTOR

____ Date ____________

BY:

FEDERAL TAX IDENTIFICATION NUMBER:

EXHIBIT A – SCOPE OF WORK

The scope of work is to provide painting services at MPWMD's Aquifer Storage and Recovery (ASR) Facility located at 1910 General Jim Moore Boulevard in Seaside, California.

Complete exterior preparation and painting of ASR # 1 & ASR # 2
Pressure wash all exterior piping to remove any dirt and mildew.
Scrape any loose paint on piping and well head in areas needed.
Prep all rusted areas on piping, well head and any other areas needed with wire wheel and apply two coats of rust inhibitive primer.
Mask all unpainted surfaces, copper water sample tubing, stainless steel, tags and labels.
Cover all landscaping, asphalt and concrete to avoid any over spray or paint splatter.
Apply two coats of SW Macropoxy industrial epoxy coating to wellhead and all piping.
Apply two coats of SW 250 Hi Solids Polyurethane finish coat to wellhead and all piping after Macropoxy is Cured.
Remove all masking from wellhead, piping, electrical panels and motors.
Prep and apply two coats of S-W DTM to lights poles @ ASR 1 & 2
Prep and paint yellow Ballard's @ ASR # 1

Touch new well piping West of ASR # 1

Building between ASR # 1 & ASR # 2
Prep rusted handrails and apply one coat of rust inhibitive primer and two coats of SW DTM finish.
Prep, prime and touch up failed area on overhang on East side of building.

Notes:
Painting of door on east side of building will be an additional $ 750.00
All motors are excluded from this estimate

EXHIBIT B – BUDGET AND FEE SCHEDULE

$28,000 total cost

EXHIBIT C – WORK SCHEDULE

The work shall be completed by October 31, 2026.

EXHIBIT D – INSURANCE REQUIREMENTS

I. Subgrantee shall provide evidence of valid and collectible insurance carried for those exposures indicated by an "X".

A. _____ Professional Liability Errors & Omissions
B. __X__ Workers Compensation and Employers Liability
C. __X__ Automobile Liability - "Any Auto - Symbol 1"
D. __X__ Comprehensive General Liability, including Bodily Injury, Property Damage and Personal Injury
E. _____ Owners & Contractors Protective
F. _____ Protection & Indemnity (Marine/Aviation)

II. The minimum limit of protection provided by insurance policies for each of the coverages listed above shall be not less than $2,000,000. The procurement and maintenance by the Subgrantee of the policies required to be obtained and maintained by Subgrantee under this Agreement shall not relieve or satisfy Subgrantee's obligation to indemnify, defend and save harmless the District.

III. Evidence of insurance carried shall be Certificates of Insurance for the current policies. The District shall be listed as a certificate holder on the Subgrantee's Comprehensive General Liability insurance policy and the policy must be endorsed to provide a 60-day prior written notice of cancellation.

IV. The District requires that all Subgrantees carry a commercial liability policy written on a broad comprehensive general liability form.

A. Such protection is to include coverage for the following hazards, indicated by an "X":

1. __X__ Premises and Operations
2. __X__ Products and Completed Operations
3. _____ Explosion Collapse and Underground
4. __X__ Broad Form Blanket Contractual
5. __X__ Broad Form Property Damage
6. __X__ Personal Injury, A, B & C
7. __X__ Employees named as Persons Insured
8. __X__ Protective and/or Contingent Liability (O&CP)

B. The "Persons Insured" provision on each comprehensive general liability policy shall include as an insured the "Monterey Peninsula Water Management District, its officers, directors, agents and employees."

C. This policy shall contain a severability of interest clause or similar language to the following:

"The insurance afforded applies separately to each insured against whom claim is made or suit is brought including claims made or suits brought by any persons included within the persons insured provision of the insurance against any other such person or organization."

D. All policies shall contain a provision that the insurance company shall give the District at least thirty (30) days prior written notice mailed to the address shown below prior to any cancellation, lapse or non-renewal. The 30-day written notice must be shown on all certificates of insurance.

E. Certificates of Insurance for the current policies shall be delivered by the Subgrantee to the Risk Manager for the District as verification that terms A, B, C and D have been met.

V. All insurance correspondence, certificates, binders, etc., shall be mailed to:

Monterey Peninsula Water Management District
Attn: Administrative Services Manager
5 Harris Court, Building G
P.O. Box 85
Monterey, CA 93942-0085

VI. All policies carried by the Subgrantee shall be primary coverage to any and all other policies that may be in force. The District shall not be responsible for payment of premiums due as a result of compliance with the terms and conditions of the insurance requirements.

VII. All such policies of insurance shall be issued by domestic United States insurance companies with general policy holders' rating of not less than "B" and admitted to do business in the State of California. The policies of insurance so carried shall be carried and maintained throughout the term of this Agreement.

EXHIBIT E – DRUG-FREE WORKPLACE CERTIFICATION

The District is committed to maintaining a work environment free from the influence of alcohol and drugs in keeping with the spirit and intent of the Drug-Free Workplace Acts of 1988 and l990. Illegal drugs in the workplace are a danger to all of us. They impair health, promote crime, lower productivity and quality, and undermine public confidence in the work we do. The use of any controlled substances is inconsistent with the behavior expected of our employees, contractors, and subcontractors. It subjects all employees, contractors, and subcontractors, as well as visitors to our facilities and work site, to unacceptable safety risks and undermines the District's ability to operate effectively and efficiently. In this connection, any location at which Monterey Peninsula Water Management District business is conducted, whether on District property or at any other site, is declared to be a drug-free workplace. This means that:

1. All employees, contractors, and subcontractors are absolutely prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, sale, or use of a controlled substance in the workplace or while engaged in District business off our premises. Violation of this policy by contractors or subcontractors could result in termination of the contract for their services.
2. Employees, contractors, and subcontractors have the right to know the dangers of drug abuse in the workplace, the Monterey Peninsula Water Management District's policy about it, and what help is available to combat drug problems.
3. Any employee, contractor, or subcontractor convicted of violating a criminal drug statute in this agency's workplace must inform the District of such conviction (including pleas of guilty and nolo contendere) within five (5) days of its occurrence. Failure to do so by a contractor or subcontractor could result in termination of the contract for their services. By law, the District will notify the federal contracting officer within ten (10) days of receiving any notice of such a conviction.

ALL CONTRACTORS AND SUBCONTRACTORS ARE ASKED TO ACKNOWLEDGE THAT THEY HAVE READ THE ABOVE POLICY AND AGREE TO ABIDE BY IT IN ALL RESPECTS. BY LAW, THIS ACKNOWLEDGEMENT AND AGREEMENT ARE REQUIRED OF YOU AS A CONDITION OF ENTERING INTO THIS AGREEMENT.

EXHIBIT F – SPECIAL CONDITIONS

As used herein, the term "work" refers to the articles, equipment, materials, supplies, services and labor as specified, designated or otherwise required by the scope of work and the Request for Quote (RFQ).

1. Work must adhere to the City of Seaside **noise** Ordinance 9.12.
2. **Hours** of work as of the writing of this RFQ are:
    a. 7 a.m. to 7 p.m. Monday through Friday and
    b. 9 a.m. to 7 p.m. Saturday, Sunday, and holidays.
    c. Hours are subject to change by the City of Seaside.
3. **Water** is available at the site at no charge.
    a. All water must remain onsite; no water is allowed to be discharged off site, onto the sidewalk, or onto the public street.
    b. The Contractor is responsible for providing necessary hoses and connections.

ITEM: CONSENT CALENDAR

8. CONSIDER AUTHORIZING MONTEREY BAY ANALYTICAL SERVICES TO PROVIDE LABORATORY SUPPORT FOR AQUIFER STORAGE AND RECOVERY, WATERMASTER MONITORING AND MAINTENANCE PLAN, AND CARMEL VALLEY ALLUVIAL AQUIFER WATER QUALITY MONITORING

Meeting Date:	**June 15, 2026**	**Budgeted:**	**Yes**
From:	**David J. Stoldt, General Manager**	**Program/**	**Hydrologic Monitoring**
		Line Item:	**1-2-2, 2-5-2, 2-5-3**
Prepared By:	**Jonathan Lear**	**Cost Estimate:**	**$30,000**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action is a categoric exemption from CEQA under CEQA Guideline Section 15301 for "Existing Facilities." District will prepare a NOE for this effort

SUMMARY: Staff proposes to use Monterey Bay Analytical Services (MBAS) to complete water quality analysis in support of the District's Aquifer Storage and Recovery (ASR) Project, the Watermaster's Seaside Groundwater Basin Monitoring and Maintenance Program, and the District's Carmel Valley Alluvial Aquifer monitoring network. Each of the programs has a specific set of constituents, sample frequency, and locations required to satisfy the program contributing the variability of costs between the programs. The District currently has a business relationship with MBAS and is billed on a net 30 following completion of laboratory analysis.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board authorize the General Manager to approve expenditures in an amount not-to-exceed $30,000 to complete laboratory analysis related to the ASR, Watermaster, and District Programs FY 2026-2027.

BACKGROUND: The District uses MBAS to complete the water quality laboratory analysis related to the ASR, Watermater and District programs. The following is an explanation of how MPAB is used in each program.

ASR: The Districts Carmel River ASR Program is enrolled in the General Permit for the injection of drinking water at the Regional Water Quality Control Board.

(https://www.dropbox.com/s/ryes0bpe4754a8y/MPWMD_NOA_ASR_final_signed%20%28003%29.pdf?dl=0)
Water quality sampling is driven by this permit and project operations which are controlled largely by the availability of excess runoff on the Carmel River Watershed. The total cost of the water

quality program is unknown due to these factors, however the average cost of the program is less than the budget placeholder of $11,000. All funds spent on this program are reimbursed by CalAm through the ASR agreement.

Watermaster: The Seaside Groundwater Basin was Adjudicated in 2006. On May 25, 2006, the Basin Monitoring and Maintenance Plan was approved by the Monterey County Superior Court.

(https://seasidegroundwaterbasinwatermaster.wpcomstaging.com/wp-content/uploads/2024/01/06-0525-basin-monitoring-management-plan-court-approval.pdf)

This plan set the required hydrologic monitoring required by the Watermaster to measure the health and the effects of the Adjudication Decision on the Seaside Groundwater Basin. The District is under contract with the Watermaster to complete the hydrologic monitoring and database tasks to support this Plan. Budget allocated for this sampling over FY 2026-2027 is $18,000. All laboratory expenditures for the Watermaster are reimbursed through the contractual agreement to complete the work.

District CVAA Program: The District installed monitor wells into the Carmel Valley Alluvium in the late 1980's and began collecting water quality data from the monitoring network. Data from this network is used to track water quality related to septic systems in the Mid-Valley region and trends in salinity in the aquifer over periods of drought. Water quality sampling at private wells is also used when permitting Water Distribution Systems to determine if the private well is connected to the Alluvial Aquifer. Budget allocated for this program is $2,500 for FY 2026-2027.

EXHIBIT
None

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ITEM: CONSENT CALENDAR

9. CONSIDER AUTHORIZATION TO ENTER INTO A CONTRACT AMENDMENT WITH MONTGOMERY AND ASSOCIATES TO PROVIDE GROUNDWATER MODELING SUPPORT TO THE DISTRICT

Meeting Date:	**June 15, 2026**	**Budgeted:**	**Yes**
From:	**David J. Stoldt, General Manager**	**Program/**	**Seaside Basin Modeling**
		Line Item:	**1-5-1-A**
Prepared By:	**Jonathan Lear**	**Cost Estimate:**	**$55,000**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action is a categoric exemption from CEQA under CEQA Guideline Section 15301 for "Existing Facilities." District will prepare a NOE for this effort

SUMMARY: District Staff has been working with two groundwater models over the past number of years to support the development of water resources projects, the evaluation of possibly removing Los Padres Reservoir, and the effects of climate change on the future of water resources on the Monterey Bay region. District staff has been working with Monterey One Water (M1W) and Montgomery and Associates to support the effort of expanding Pure Water Monterey and to permit the ongoing tracer test associated with the current operating project. District staff has been utilizing the United States Geological Survey (USGS) to support the effort of evaluating the alternatives for Los Padres Dam and climate change on the Carmel River Basin. The District currently has a Master Services Contract with Montgomery to provide modeling support. A line item of $55,000 is included in the FY2026-2027 budget to support the continued use of the Carmel River and Seaside Groundwater Basin Models by Montgomery.

As new water resource projects come online and more restrictive regulations on how much water can be produced from Carmel Valley, it is important that the District maintain the ability to model future iterations of projects and regulations as we plan for the Pure Water Monterey Expansion Project. Montgomery and Associates currently maintains the Seaside Basin model for the Watermaster and M1W and maintains the Carmel River Basin Model for the District. As the Expansion project is constructed and wells are performance tested, the groundwater system will need to be modeled with the new information to establish travel times of groundwater from injection wells to recovery wells. In addition, the Seaside Watermaster is proposing to update the Seaside Basin Model this year with the most recent climate and pumping data. The District has previously agreed to participate in this effort and this contract will lend support to this effort.

The proposed contract amendment would provide the District the ability to retain the consultant that is already familiar with the water resources needs of the region in a timely manner to operate and maintain both groundwater models for District Purposes.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board authorize and direct the General Manager to enter into a contract amendment with Montgomery and Associates to provide groundwater modeling support to the District in an amount not-to-exceed $55,000.

BACKGROUND: The District utilizes two groundwater models to simulate hydrologic processes associated with proposed projects such as the Pure Water Monterey Expansion and the investigation into the removal of Los Padres Dam. The Seaside Groundwater model was developed by the Seaside Watermaster in 2010 and the Carmel River Basin Hydrologic Model was developed by the USGS and District staff over the past 9 years. Both models are currently in use supporting projects including water resources and the evaluation of climate change on future water resources for the Monterey Bay Area.

EXHIBIT
None

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ITEM: CONSENT CALENDAR

10. CONSIDER EXTENSION OF COOPERATIVE AGREEMENT WITH THE UNITED STATES GEOLOGICAL SURVEY FOR STREAMFLOW GAGING IN WATER YEAR 2027

Meeting Date:	**June 15, 2026**	**Budgeted:**	**Yes**
From:	**David J. Stoldt, General Manager**	**Program/**	**Hydrologic Monitoring**
		Line Item:	**2-5-1**
Prepared By:	**Jonathan Lear**	**Cost Estimate:**	**$21,000**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026, and recommended approval.
CEQA Compliance: This action is a categoric exemption from CEQA under CEQA Guideline Section 15301 for "Existing Facilities." District will prepare a NOE for this effort

SUMMARY: The United States Geological Survey (USGS) operates two streamflow gaging stations on the Carmel River:

(1) Carmel River at Robles del Rio (No. 11143200) and
(2) Carmel River near Carmel (No. 11143250)

The upper or "Robles" gage is immediately downstream of Esquiline Bridge (River Mile 14.4) and the lower or "Carmel" gage is immediately downstream of Via Mallorca Bridge (River Mile 3.6). The Monterey Peninsula Water Management District (District) relies on the flow data from both of these stations to support ASR operations and both gages are named in the water rights associated with ASR diversions. It should be noted that the Robles del Rio station is funded by the Monterey County Water Resources Agency.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board authorize the General Manager to execute the agreement with the USGS providing cooperative investigation of the water resources within the District for Water Year (WY) 2027 for an amount not-to-exceed $21,000.

BACKGROUND: The District has funded a cooperative water resources program with the USGS to monitor Carmel River streamflow since the late 1980s. Other than the District, the USGS is the only other independent agency that monitors continuous Carmel River streamflow. The Carmel station provides a long-term streamflow record that began in 1962. The USGS streamflow data provide a valuable cross check for the District's streamflow data when verifying the daily, annual, and peak flows that occur on the Carmel River. The USGS Carmel River streamflow data also support the District's implementation of Aquifer Storage and Recovery (ASR) operations in the Seaside Groundwater Basin in that the data are utilized in real-time to assist in scheduling when to commence or cease injection, given current trends in streamflow conditions. In addition, as a cooperator with the USGS, the District has access to purchase equipment from the USGS Hydrologic Instrumentation Facility and keep informed of advancements in instrumentation. The Agreement for WY 2025 is included as Exhibit 8-A as an example of the agreement that would be negotiated in WY 2026.

IMPACT TO STAFF/RESOURCES: The District's share for continuation of streamflow monitoring at the Carmel River near Carmel station for WY 2027 (October 1, 2026 - September 30, 2027) is $21,000.

EXHIBIT
10-A The United States Geological Survey (USGS)

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United States Department of the Interior

U.S. GEOLOGICAL SURVEY
California Water Science Center
6000 J Street
Sacramento, CA 95819

August 2, 2025

Mr. David Stoldt
General Manager
Monterey Peninsula Water Mgmt. Dist.
Post Office Box 85
Monterey, CA 93942-0085

Dear Mr. Stoldt:

Enclosed is our standard joint-funding agreement 26ZGJFA03000020 between the U.S. Geological Survey California Water Science Center and Monterey Peninsula Water Mgmt. Dist. for negotiated deliverables (see attached), during the period October 1, 2025 through September 30, 2026 in the amount of $20,710 from your agency. U.S. Geological Survey contributions for this agreement are $7,340 for a combined total of $28,050. If you are in agreement with this proposed program, please return the fully executed signed copy to CAgageADMIN@usgs.gov.

Federal law requires that we have a signed agreement before we start or continue work. Please return the signed agreement by **October 1, 2025**. If, for any reason, the agreement cannot be signed and returned by the date shown above, please contact Anthony Guerriero at (831) 460-7494 or email aguerrie@usgs.gov to make alternative arrangements.

This is a fixed cost agreement to be billed annually via Down Payment Request (automated Form DI-1040). Please allow 30-days from the end of the billing period for issuance of the bill. If you experience any problems with your invoice(s), please contact Nayely Nieto-Reyes at phone number (619) 225-6114 or nnieto-reyes@usgs.gov.

The results of all work performed under this agreement will be available for publication by the U.S. Geological Survey. We look forward to continuing this and future cooperative efforts in these mutually beneficial water resources studies.

Sincerely,

JOHN BANTA

Digitally signed by JOHN BANTA
Date: 2025.08.05 17:01:22 -06'00'

John Ryan Banta
(Acting) Director, USGS California Water Science Center

Enclosure
Detailed Summary

Form 9-1366
(May 2018)

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR
Water Resource Investigations

Customer #: 6000000949
Agreement #: 26ZGJFA03000020
Project #: ZG00GZV
TIN #: 94-2535586

Fixed Cost Agreement YES[X] NO[ ]

THIS AGREEMENT is entered into as of October 1, 2025, by the U.S. GEOLOGICAL SURVEY, California Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the Monterey Peninsula Water Mgmt. Dist. party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation for negotiated deliverables (see attached), herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of $0.00

(a) $7,340 by the party of the first part during the period October 1, 2025 to September 30, 2026

(b) $20,710 by the party of the second part during the period October 1, 2025 to September 30, 2026

(c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of: $0

Description of the USGS regional/national program:

(d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.

(e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program, and if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties. The Parties acknowledge that scientific information and data developed as a result of the Scope of Work (SOW) are subject to applicable USGS review, approval, and release requirements, which are available on the USGS Fundamental Science Practices website (https://www.usgs.gov/office-of-science-quality-and-integrity/fundamental-science-practices).

Monterey Peninsula Water Mgmt. Dist.

Attachment for 26ZGJFA03000020
2025-10-01 to 2026-09-30

SURFACE WATER

SITE NUMBER	DESCRIPTION	CODE	NO. UNITS	DIFF FACTOR	USGS FUNDS	CUST. CASH	OTHER FUNDS	TOTAL COST
11143250	CARMEL R NR CARMEL CA Full Range Streamflow Station	QCONT	1	1	$7,340	$20,710		
				SW Total:				**$28,050**
				SW Grand Total:	**$7,340**	**$20,710**		**$28,050**

SUMMARY FOR

TYPE	USGS FUNDS	CUST. CASH	OTHER FUNDS	TOTAL COST
SURFACE WATER (SW)	**$7,340**	**$20,710**		**$28,050**
GRAND TOTAL	**$7,340**	**$20,710**		**$28,050**

Form 9-1366
(May 2018)

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR
Water Resource Investigations

Customer #: 6000000949
Agreement #: 26ZGJFA03000020
Project #: ZG00GZV
TIN #: 94-2535586

9. Billing for this agreement will be rendered **annually**. Invoices not paid within 60 days from the billing date will bear Interest, Penalties, and Administrative cost at the annual rate pursuant the Debt Collection Act of 1982, (codified at 31 U.S.C. § 3717) established by the U.S. Treasury.

USGS Technical Point of Contact

Name:	Anthony Guerriero Supervisory Hydrologic Technician
Address:	400 Natural Bridges Drive Santa Cruz, CA 95060
Telephone:	(831) 460-7494
Fax:	(831) 427-4475
Email:	aguerrie@usgs.gov

Customer Technical Point of Contact

Name:	David Stoldt General Manager
Address:	Post Office Box 85 Monterey, CA 93942-0085
Telephone:	(831) 658-5600
Fax:	(n/a)
Email:	

USGS Billing Point of Contact

Name:	Nayely Nieto-Reyes Accounting Technician
Address:	4165 Spruance Road Suite 200 San Diego, CA 92101-0821
Telephone:	(619) 225-6114
Fax:	(n/a)
Email:	nnieto-reyes@usgs.gov

Customer Billing Point of Contact

Name:	Jonathan Lear Water Resource Division Manager
Address:	Post Office Box 85 Monterey, CA 93942
Telephone:	(831) 659-5647
Fax:	(n/a)
Email:	jlear@mpwmd.net

U.S. Geological Survey
United States
Department of Interior

Signature

By JOHN BANTA Digitally signed by JOHN BANTA Date: 2025.08.05 17:00:55 -06'00' **Date:** ________

Name: John Ryan Banta

Title: (Acting) Director, USGS California Water Science Center

Monterey Peninsula Water Mgmt. Dist.

Signatures

By ____________ **Date:** 5-21-26
Name: D. STOLDT
Title: GM

By ____________ **Date:** 5-21-26
Name: J LEAR
Title: WRD MANAGER

By ____________ **Date:** ________
Name:
Title:

ITEM: ACTION ITEM

11. CONSIDER ADOPTION OF TREASURER'S REPORT FOR APRIL 2026

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026, 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 11-A comprises the Treasurer's Report for April 2026. **Exhibit 11-B** includes listings of check disbursements for the period April 1-30, 2026. Checks, virtual checks (AP Automation), direct deposits of employee paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of $3,208,438.81. These disbursements included rebate payments of $23,442.97. Payment **Exhibit 11-C** reflects the unaudited version of the Statement of Revenues and Expenditures for the month ending April 30, 2026.

RECOMMENDATION: The Finance and Administration committee recommends that the Board adopt the April 2026 Treasurer's Report and Statement of Revenues and Expenditures, and ratify the disbursements made during the month.

EXHIBITS
11-A Treasurer's Report
11-B Listing of Cash Disbursements
11-C Statement of Revenues and Expenditures

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EXHIBIT 11-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR APRIL 2026

	Description	Checking	MPWMD Money Market	California CLASS	L.A.I.F.	Multi-Bank Securities*	MPWMD Total	PB Reclamation Money Market
	Beginning Balance (A)	**$626,664.96**	**$4,017,559.09**	**$1,050,202.62**	**$16,593,801.84**	**$10,842,349.98**	**$33,130,578.48**	**$214,702.27**
	Fees/Deposits		2,919,309.40				2,919,309.40	258,966.69
	MoCo Tax & WS Chg Installment Pymt						0.00	
	Interest Received			3,285.61	162,612.40	26,647.53	192,545.54	
	Transfer - Checking/CLASS						0.00	
	Transfer - Money Market/LAIF		2,000,000.00		(2,000,000.00)		0.00	
	Transfer - Money Market/Checking	4,600,000.00	(4,600,000.00)				0.00	
	Transfer - Money Market/Multi-Bank						0.00	
	Transfer to CAWD						0.00	
	Sub-total - Receipts/Transfers (B)	*$4,600,000.00*	*$319,309.40*	*$3,285.61*	*(1,837,387.60)*	*$26,647.53*	*$3,111,854.94*	*$258,966.69*
[1]	AP Automation Payments	(233,157.14)					(233,157.14)	
[2]	General Checks	(2,546,266.83)					(2,546,266.83)	
[3]	Bank Draft Payments	(42,736.39)					(42,736.39)	
[3]	Payroll Tax/Benefit Deposits	(183,037.15)					(183,037.15)	
[4]	Rebate Payments	(23,442.97)					(23,442.97)	
*	Payroll Checks/Direct Deposits	(189,457.17)					(189,457.17)	
**	Bank Charges/Other	(2,582.56)					(2,582.56)	
***	Reversals of Outstanding Payments	12,241.40					12,241.40	
	Voided Checks	-					0.00	
	Credit Card Fees						0.00	
	Returned Deposits						0.00	
	Sub-total - Disbursements (C)	*(3,208,438.81)*	-	-	-	-	*(3,208,438.81)*	-
	Ending Balance (A+B+C)	**$2,018,226.15**	**$4,336,868.49**	**$1,053,488.23**	**$14,756,414.24**	**$10,868,997.51**	**$33,033,994.61**	**$473,668.96**

Refer to Exhibit B for payments totalling [1], [2], [3], and [4]
* Total amount of District Employee and Board payroll
** Merchant account fees from Bank of America

* Fixed Income investments are reported at face value

EXHIBIT 11-B

Check Report

Monterey Peninsula Water Management District

By Check Number

Date Range: 04/01/2026 - 04/30/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	**-Bank of America Checking**					
Payment Type: Regular						
00274	Monterey One Water	04/06/2026	Regular	0.00	319,219.54	41075
00274	Monterey One Water	04/13/2026	Regular	0.00	2,215,679.40	41077
03979	Special Districts Association of Monterey Count	04/20/2026	Regular	0.00	40.00	41078
01349	Suresh Prasad	04/20/2026	Regular	0.00	1,125.06	41079
00252	Cal-Am Water	04/30/2026	Regular	0.00	8,050.00	41080
			Total Regular:	**0.00**	**2,544,114.00**	

Check Report **Date Range: 04/01/2026 - 04/30/2026**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: WSC -Water Supply Charge						
Payment Type: Regular						
06545	67 SPANISH BAY CIRCLE INC	04/03/2026	Regular	0.00	41.14	41044
06547	84VDPTN LLC	04/03/2026	Regular	0.00	43.35	41045
06543	BEATON MICHAEL K & TICHAI EDNA	04/03/2026	Regular	0.00	52.37	41046
06538	CHA SANG YUN & LEE YOON KYUNG	04/03/2026	Regular	0.00	75.48	41047
06539	CHANG SING SHENG	04/03/2026	Regular	0.00	135.79	41048
06548	CHUNG RICHARD YING SUI	04/03/2026	Regular	0.00	46.65	41049
38770	CONWAY LINDA	04/03/2026	Regular	0.00	43.35	41050
06544	DEGUELDRE CHRISTIAN TR ET AL	04/03/2026	Regular	0.00	43.35	41051
06541	FREDERICK PERRY & CHANTAL	04/03/2026	Regular	0.00	75.48	41052
06542	GIBB SALLY ANNE	04/03/2026	Regular	0.00	43.35	41053
06552	Hbe Holdings Inc	04/03/2026	Regular	0.00	75.48	41054
06546	KAWASHIMA ERIC H & HILL CAROLYN J TRS	04/03/2026	Regular	0.00	63.13	41055
06554	LEPINGWELL JOHN W R & LEPINGWELL IRENE B	04/03/2026	Regular	0.00	30.60	41056
06549	LONE CYPRESS PROPERTY PTY LIMITED	04/03/2026	Regular	0.00	93.29	41057
06556	MERIVALE PHILIPPA	04/03/2026	Regular	0.00	43.35	41058
06557	MUNZ LORIANNE	04/03/2026	Regular	0.00	43.35	41059
06558	NAPOLI INVESTMENTS S A	04/03/2026	Regular	0.00	93.29	41060
06560	RISDEL INC	04/03/2026	Regular	0.00	254.03	41061
06561	SAYER ROBERT I	04/03/2026	Regular	0.00	75.48	41062
06562	SCHARLEMANN ULRICH PETER	04/03/2026	Regular	0.00	75.48	41063
06564	SON HYUK SOO WALTER	04/03/2026	Regular	0.00	152.30	41064
06565	SUN TAO & LI LEI	04/03/2026	Regular	0.00	75.48	41065
06566	TANGE NORITAKA	04/03/2026	Regular	0.00	26.27	41066
06569	WILMOTH ROBIN LEE TR	04/03/2026	Regular	0.00	75.48	41067
06550	GREGG HEATHER S & MARKO PAUL J	04/03/2026	Regular	0.00	30.60	41068
06551	HARRIS-TRIBE SHAWN & TRIBE LANGLEY ERIC	04/03/2026	Regular	0.00	30.60	41069
06553	LAWRENCE DAVID F & CARRIE K	04/03/2026	Regular	0.00	75.48	41070
06559	OZKAN JENNIFER	04/03/2026	Regular	0.00	30.60	41071
06563	SILVESTRE PASQUALE & COURTNEY	04/03/2026	Regular	0.00	26.27	41072
06567	WARD ROBERT J & MAYUMI FUKAZAWA TRS	04/03/2026	Regular	0.00	43.35	41073
06568	WEERS GERALD V & JESSICA D	04/03/2026	Regular	0.00	63.13	41074
			Total Regular:	**0.00**	**2,077.35**	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	**-Bank of America Checking**					
Payment Type: Regular						
06555	LORENZ JUDITH S TR	04/03/2026	Regular	0.00	75.48	41043
			Total Regular:	**0.00**	**75.48**	

$2,544,144+$2,077.35+$75.48 = **$2,546,266.83** **--[2]**

Check Report **Date Range: 04/01/2026 - 04/30/2026**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Virtual Payment						
00763	ACWA-JPIA	04/03/2026	Virtual Payment	0.00	397.98	APA021348
12601	Carmel Valley Ace Hardware	04/03/2026	Virtual Payment	0.00	39.13	APA021349
18225	DUDEK	04/03/2026	Virtual Payment	0.00	387.50	APA021350
04717	Inder Osahan	04/03/2026	Virtual Payment	0.00	1,417.20	APA021351
00094	John Arriaga	04/03/2026	Virtual Payment	0.00	4,500.00	APA021352
00222	M.J. Murphy	04/03/2026	Virtual Payment	0.00	15.21	APA021353
22336	Maggiora Bros. Drilling, INC	04/03/2026	Virtual Payment	0.00	9,647.00	APA021354
13396	Navia Benefit Solutions, Inc.	04/03/2026	Virtual Payment	0.00	200.00	APA021355
00176	Sentry Alarm Systems	04/03/2026	Virtual Payment	0.00	942.58	APA021356
09425	The Ferguson Group LLC	04/03/2026	Virtual Payment	0.00	6,300.00	APA021357
17965	The Maynard Group	04/03/2026	Virtual Payment	0.00	1,865.58	APA021358
31337	The Pun Group, LLP	04/03/2026	Virtual Payment	0.00	2,500.00	APA021359
00763	ACWA-JPIA	04/10/2026	Virtual Payment	0.00	397.98	APA021367
41145	Advance Cleaning 365, Inc.	04/10/2026	Virtual Payment	0.00	1,850.00	APA021368
00028	Colantuono, Highsmith, & Whatley, PC	04/10/2026	Virtual Payment	0.00	840.00	APA021369
18734	DeVeera Inc.	04/10/2026	Virtual Payment	0.00	7,967.86	APA021370
00986	Henrietta Stern	04/10/2026	Virtual Payment	0.00	616.30	APA021371
06999	KBA Document Solutions, LLC	04/10/2026	Virtual Payment	0.00	410.29	APA021372
13431	Lynx Technologies, Inc	04/10/2026	Virtual Payment	0.00	8,400.00	APA021373
00222	M.J. Murphy	04/10/2026	Virtual Payment	0.00	461.22	APA021374
04715	Matthew Lyons	04/10/2026	Virtual Payment	0.00	202.90	APA021375
16182	Monterey County Weekly	04/10/2026	Virtual Payment	0.00	970.00	APA021376
00274	Monterey One Water	04/10/2026	Virtual Payment	0.00	204.60	APA021377
13396	Navia Benefit Solutions, Inc.	04/10/2026	Virtual Payment	0.00	4,506.33	APA021378
00154	Peninsula Messenger Service	04/10/2026	Virtual Payment	0.00	774.00	APA021379
00262	Pure H2O	04/10/2026	Virtual Payment	0.00	65.54	APA021380
00251	Rick Dickhaut	04/10/2026	Virtual Payment	0.00	1,232.00	APA021381
40998	RWG Law	04/10/2026	Virtual Payment	0.00	14,946.76	APA021382
19700	Shute, Mihaly & Weinberger LLP	04/10/2026	Virtual Payment	0.00	53,141.68	APA021383
04359	The Carmel Pine Cone	04/10/2026	Virtual Payment	0.00	680.00	APA021384
20230	Zoom Video Communications Inc	04/10/2026	Virtual Payment	0.00	552.25	APA021385
00760	Andy Bell	04/20/2026	Virtual Payment	0.00	664.00	APA021492
18734	DeVeera Inc.	04/20/2026	Virtual Payment	0.00	7,198.57	APA021493
03857	Joe Oliver	04/20/2026	Virtual Payment	0.00	1,223.80	APA021494
05830	Larry Hampson	04/20/2026	Virtual Payment	0.00	1,499.18	APA021495
00117	Marina Backflow Company	04/20/2026	Virtual Payment	0.00	170.00	APA021496
13396	Navia Benefit Solutions, Inc.	04/20/2026	Virtual Payment	0.00	1,502.11	APA021497
19700	Shute, Mihaly & Weinberger LLP	04/20/2026	Virtual Payment	0.00	6,224.54	APA021498
00271	UPEC, Local 792	04/20/2026	Virtual Payment	0.00	1,312.50	APA021499
00263	Arlene Tavani	04/24/2026	Virtual Payment	0.00	1,235.56	APA021500
12601	Carmel Valley Ace Hardware	04/24/2026	Virtual Payment	0.00	30.95	APA021501
06636	Christopher Day	04/24/2026	Virtual Payment	0.00	250.00	APA021502
00224	City of Monterey	04/24/2026	Virtual Payment	0.00	4,262.01	APA021503
00281	CoreLogic Information Solutions, Inc.	04/24/2026	Virtual Payment	0.00	1,502.53	APA021504
06001	Cypress Coast Ford	04/24/2026	Virtual Payment	0.00	3,323.38	APA021505
18734	DeVeera Inc.	04/24/2026	Virtual Payment	0.00	6,295.87	APA021506
18225	DUDEK	04/24/2026	Virtual Payment	0.00	2,928.75	APA021507
00192	Extra Space Storage	04/24/2026	Virtual Payment	0.00	510.00	APA021508
21199	G3, Green Gardens Group, LLC	04/24/2026	Virtual Payment	0.00	1,800.00	APA021509
02833	Greg James	04/24/2026	Virtual Payment	0.00	1,499.18	APA021510
06999	KBA Document Solutions, LLC	04/24/2026	Virtual Payment	0.00	30.00	APA021511
27302	Kyocera Document Solutions America, Inc.	04/24/2026	Virtual Payment	0.00	535.75	APA021512
00222	M.J. Murphy	04/24/2026	Virtual Payment	0.00	56.54	APA021513
05829	Mark Bekker	04/24/2026	Virtual Payment	0.00	489.27	APA021514
01012	Mark Dudley	04/24/2026	Virtual Payment	0.00	540.00	APA021515
04715	Matthew Lyons	04/24/2026	Virtual Payment	0.00	202.90	APA021516
00242	MBAS	04/24/2026	Virtual Payment	0.00	1,717.00	APA021517
26785	Monterey Bay Pest Control, Inc.	04/24/2026	Virtual Payment	0.00	135.00	APA021518
09129	Monterey County Hospitality Association (MCH/	04/24/2026	Virtual Payment	0.00	2,500.00	APA021519
16182	Monterey County Weekly	04/24/2026	Virtual Payment	0.00	970.00	APA021520

Check Report **Date Range: 04/01/2026 - 04/30/2026**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
22201	Montgomery & Associates	04/24/2026	Virtual Payment	0.00	641.50	APA021521
19700	Shute, Mihaly & Weinberger LLP	04/24/2026	Virtual Payment	0.00	133.50	APA021522
00750	Valley Saw & Garden Equipment	04/24/2026	Virtual Payment	0.00	327.74	APA021523
23550	WellmanAD	04/24/2026	Virtual Payment	0.00	9,572.50	APA021524
08105	Yolanda Munoz	04/24/2026	Virtual Payment	0.00	540.00	APA021525
00983	Beverly Chaney	04/30/2026	Virtual Payment	0.00	1,499.18	APA021526
12601	Carmel Valley Ace Hardware	04/30/2026	Virtual Payment	0.00	7.60	APA021527
14036	City of Sand City	04/30/2026	Virtual Payment	0.00	322.50	APA021528
04041	Cynthia Schmidlin	04/30/2026	Virtual Payment	0.00	1,192.58	APA021529
00046	De Lay & Laredo	04/30/2026	Virtual Payment	0.00	32,569.50	APA021530
18225	DUDEK	04/30/2026	Virtual Payment	0.00	232.50	APA021531
40997	Innovasea Systems	04/30/2026	Virtual Payment	0.00	1,106.72	APA021532
00222	M.J. Murphy	04/30/2026	Virtual Payment	0.00	92.33	APA021533
00242	MBAS	04/30/2026	Virtual Payment	0.00	626.00	APA021534
26785	Monterey Bay Pest Control, Inc.	04/30/2026	Virtual Payment	0.00	405.00	APA021535
16182	Monterey County Weekly	04/30/2026	Virtual Payment	0.00	2,340.00	APA021536
19700	Shute, Mihaly & Weinberger LLP	04/30/2026	Virtual Payment	0.00	4,342.50	APA021537
09989	Star Sanitation Services	04/30/2026	Virtual Payment	0.00	164.21	APA021538
			Total Virtual Payment:	**0.00**	**233,157.14**	

--[1]

Check Report **Date Range: 04/01/2026 - 04/30/2026**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
00266	I.R.S.	04/03/2026	Bank Draft	0.00	18,223.11	DFT0004174
00266	I.R.S.	04/03/2026	Bank Draft	0.00	4,232.06	DFT0004175
00267	Employment Development Dept.	04/03/2026	Bank Draft	0.00	7,368.04	DFT0004176
00266	I.R.S.	04/03/2026	Bank Draft	0.00	114.58	DFT0004177
00768	MissionSquare Retirement- 302617	04/03/2026	Bank Draft	0.00	9,776.78	DFT0004181
00768	MissionSquare Retirement- 302617	04/03/2026	Bank Draft	0.00	-9,776.78	DFT0004181
00277	Home Depot Credit Services	04/03/2026	Bank Draft	0.00	252.89	DFT0004183
00259	Marina Coast Water District	04/03/2026	Bank Draft	0.00	4,233.99	DFT0004184
04736	Pitney Bowes Global Financial Svc, LLC	04/03/2026	Bank Draft	0.00	469.17	DFT0004185
07627	Purchase Power	04/03/2026	Bank Draft	0.00	300.00	DFT0004186
29035	BlueTriton Brands Inc	04/10/2026	Bank Draft	0.00	244.42	DFT0004190
00277	Home Depot Credit Services	04/10/2026	Bank Draft	0.00	139.29	DFT0004191
00769	Laborers Trust Fund of Northern CA	04/10/2026	Bank Draft	0.00	46,436.00	DFT0004192
00766	Standard Insurance Company	04/10/2026	Bank Draft	0.00	1,374.94	DFT0004193
00768	MissionSquare Retirement- 302617	04/10/2026	Bank Draft	0.00	13,110.11	DFT0004194
00256	PERS Retirement	04/10/2026	Bank Draft	0.00	26,223.13	DFT0004195
00266	I.R.S.	04/10/2026	Bank Draft	0.00	62.66	DFT0004196
00266	I.R.S.	04/10/2026	Bank Draft	0.00	267.84	DFT0004197
00266	I.R.S.	04/17/2026	Bank Draft	0.00	19,003.00	DFT0004198
00266	I.R.S.	04/17/2026	Bank Draft	0.00	4,223.44	DFT0004199
00267	Employment Development Dept.	04/17/2026	Bank Draft	0.00	7,710.75	DFT0004200
00266	I.R.S.	04/17/2026	Bank Draft	0.00	62.50	DFT0004201
00277	Home Depot Credit Services	04/20/2026	Bank Draft	0.00	126.87	DFT0004202
00768	MissionSquare Retirement- 302617	04/17/2026	Bank Draft	0.00	9,776.78	DFT0004203
00256	PERS Retirement	04/17/2026	Bank Draft	0.00	26,223.15	DFT0004204
00282	PG&E	04/20/2026	Bank Draft	0.00	10,723.37	DFT0004205
16235	California Department of Tax and Fee Administr	04/24/2026	Bank Draft	0.00	730.56	DFT0004206
00277	Home Depot Credit Services	04/24/2026	Bank Draft	0.00	1,296.11	DFT0004207
16235	California Department of Tax and Fee Administr	04/24/2026	Bank Draft	0.00	1,248.00	DFT0004208
00282	PG&E	04/24/2026	Bank Draft	0.00	522.80	DFT0004209
07627	Purchase Power	04/24/2026	Bank Draft	0.00	3.75	DFT0004210
18163	Wex Bank	04/24/2026	Bank Draft	0.00	1,906.09	DFT0004211
18163	Wex Bank	04/24/2026	Bank Draft	0.00	-1,906.09	DFT0004211
00269	U.S. Bank	04/22/2026	Bank Draft	0.00	13,882.50	DFT0004212
00252	Cal-Am Water	04/30/2026	Bank Draft	0.00	410.77	DFT0004216
00277	Home Depot Credit Services	04/30/2026	Bank Draft	0.00	667.73	DFT0004217
00282	PG&E	04/30/2026	Bank Draft	0.00	3,004.08	DFT0004218
00221	Verizon Wireless	04/30/2026	Bank Draft	0.00	980.32	DFT0004219
18163	Wex Bank	04/30/2026	Bank Draft	0.00	229.86	DFT0004220
18163	Wex Bank	04/24/2026	Bank Draft	0.00	1,894.97	DFT0004223
			Total Bank Draft:	**0.00**	**225,773.54**	

--[3]

From Treasurer's Report:

[3] Bank Draft Payments : $42,736.39

[3] Payroll/Benefit Deposits : $183,037.15

Total: :**$225,773.54**

EXHIBIT 11-C

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTH APRIL 30, 2026

	Mitigation	Conservation	Water Supply	Current Period Activity	Current FY Year-to-Date Actual	Current FY Annual Budget	Prior FY Year-to-Date Actual
REVENUES							
Property taxes	$ 261,111	$ 261,111	$ 783,332	$ 1,305,554	$ 2,921,688	$ 3,000,000	$ 2,783,274
Water supply charge			-	-	-	-	-
User fees	116,634	110,922	328,887	556,442	5,479,819	7,800,000	5,812,044
Mitigation revenue	-			-	-	-	-
PWM Water Sales			-	-	16,368,454	19,284,012	12,670,888
Capacity fees			136,194	136,194	702,252	600,000	415,003
Permit fees	-	26,495		26,495	226,350	250,000	165,928
Investment income	63,636	63,636	65,565	192,837	835,154	750,000	734,189
Miscellaneous	397	386	421	1,205	6,603	15,000	7,151
Sub-total district revenues	**441,778**	**462,550**	**1,314,399**	**2,218,727**	**26,540,319**	**31,699,012**	**22,588,476**
Project reimbursements	-	10,700	-	10,700	337,750	1,024,693	985,198
Legal fee reimbursements		1,650		1,650	6,374	15,000	15,148
Grants	-	-	-	-	4,621,420	6,788,929	6,284,546
Recording fees		8,470		8,470	56,108	65,000	47,750
Sub-total reimbursements	**-**	**20,820**	**-**	**20,820**	**5,021,652**	**7,893,622**	**7,332,642**
From Reserves	-	-	-	-	-	2,645,259	-
Total revenues	**441,778**	**483,370**	**1,314,399**	**2,239,547**	**31,561,971**	**42,237,892**	**29,921,118**
EXPENDITURES							
Personnel:							
Salaries	92,465	79,268	122,409	294,142	2,985,578	4,042,800	2,636,611
Retirement	9,031	7,675	12,537	29,242	989,732	1,152,715	862,553
Unemployment Compensation	-	-	-	-	-	10,100	-
Auto Allowance	148	148	443	738	7,532	11,000	4,731
Deferred Compensation	187	187	561	935	9,536	21,614	8,789
Temporary Personnel	-	-	-	-	-	10,000	-
Workers Comp. Ins.	3,697	438	3,314	7,449	78,175	107,950	69,322
Employee Insurance	19,563	17,879	22,114	59,556	565,313	732,922	518,866
Medicare & FICA Taxes	1,483	1,179	1,809	4,471	47,470	82,188	40,507
Personnel Recruitment	41	40	44	125	3,458	11,500	37,952
Other benefits	66	64	70	200	2,715	2,000	2,696
Staff Development	-	362	-	362	13,358	26,400	16,057
Sub-total personnel costs	**126,680**	**107,240**	**163,302**	**397,222**	**4,702,868**	**6,211,189**	**4,198,083**
Services & Supplies:							
Board Member Comp	668	668	689	2,025	21,735	37,000	22,275
Board Expenses	59	58	63	180	7,229	10,000	7,726
Rent	425	-	425	850	13,600	30,000	12,560
Utilities	1,304	1,265	1,383	3,952	40,874	45,200	37,070
Telephone	1,035	933	878	2,846	29,276	40,800	29,540
Facility Maintenance	1,459	1,415	1,548	4,422	54,791	95,100	49,192
Bank Charges	852	826	904	2,583	16,418	68,000	12,746
Office Supplies	40	506	14	560	17,034	47,700	10,486
Courier Expense	224	217	238	679	6,386	7,600	5,965
Postage & Shipping	99	96	105	300	28,701	30,500	2,639
Equipment Lease	179	114	144	438	1,344	13,200	7,472
Equip. Repairs & Maintenance	-	-	-	-	628	5,100	2,559
Photocopy Expense				-			
Printing/Duplicating/Binding	-	-	-	-	2,428	2,600	1,494
IT Supplies/Services	3,687	3,603	3,883	11,174	227,138	299,100	223,462
Operating Supplies	600	-	28	628	22,735	25,100	23,594
Legal Services	-	-	294	294	323,195	400,000	434,082

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTH APRIL 30, 2026

	Mitigation	Conservation	Water Supply	Current Period Activity	Current FY Year-to-Date Actual	Current FY Annual Budget	Prior FY Year-to-Date Actual
Professional Fees	8,935	8,664	9,476	27,075	307,980	411,200	327,561
Transportation	762	374	3,062	4,197	32,274	58,700	37,776
Travel	30	48	29	107	20,498	32,600	5,888
Meeting Expenses	1,134	1,152	1,150	3,436	27,325	17,200	24,969
Insurance	8,649	8,387	9,174	26,210	262,199	342,000	238,065
Legal Notices	-	-	-	-	-	5,700	2,145
Membership Dues	99	96	105	299	41,539	54,900	40,524
Public Outreach	927	899	983	2,809	9,511	5,500	9,505
Assessors Administration Fee	4,630	4,630	13,891	23,151	23,650	25,100	20,596
Miscellaneous	-	-	-	-	-	3,500	420
Sub-total services & supplies costs	**35,798**	**33,951**	**48,465**	**118,214**	**1,538,488**	**2,113,400**	**1,590,308**
Project expenditures	9,823	5,295	4,254	19,372	21,302,650	33,030,104	18,179,303
Fixed assets	4,453	4,318	4,723	13,494	16,023	37,100	66,218
Contingencies	-	-	-	-	-	70,000	-
Election costs	-	-	-	-	-	250,000	92,576
Debt service: Principal				-			
Debt service: Interest	-	-	-	-	-	-	202
Flood drought reserve	-	-	-	-	-	-	-
Capital equipment reserve	-	-	-	-	-	326,000	-
General fund balance	-	-	-	-	-	-	-
Debt Reserve	-	-	-	-	-	-	-
Pension reserve	-	-	-	-	-	100,000	-
OPEB reserve	-	-	-	-	-	100,000	-
Sub-total other	**14,276**	**9,613**	**8,977**	**32,867**	**21,318,673**	**33,913,204**	**18,338,299**
Total expenditures	**176,754**	**150,804**	**220,744**	**548,302**	**27,560,029**	**42,237,792**	**24,126,690**
Excess (Deficiency) of revenues over expenditures	**$ 265,024**	**$ 332,566**	**$ 1,093,655**	**$ 1,691,245**	**$ 4,001,943**	**$ 100**	**$ 5,794,427**

ITEM: GENERAL MANAGER'S REPORT

13. SUMMARY OF JURISDICTIONAL WATER ALLOCATION POLICIES

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David Stoldt** **General Manager**	**Program/** **Line Item No.:**	**N/A**
Prepared By:	**David Stoldt**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A.
Committee Recommendation: This item was presented to Water Demand Committee on June 4, 2026 which recommended providing to the whole Board as an informational item.
CEQA Compliance: This does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The completion of the Pure Water Monterey Expansion in October 2025 has resulted in a surplus water supply situation on the Monterey Peninsula. The District adopted Ordinance 197 on January 27, 2025 effective 30 days later, which allocated a portion of the new surplus to jurisdictions. All jurisdictions were provided new initial allocations of water as of March 1, 2025.

However, without a modification to the State Water Board's Cease and Desist Order (CDO) new meters still cannot be set to enable use of the water for new projects. However, the District has informed every jurisdiction that they may release water for projects at existing service connections where there is not an increase in water use due to a change in zoning or a change in use. The State Water Board has interpreted a change in use to mean that if a property was residential and remains residential, or if it was non-residential and remains non-residential, or was mixed-use and remains mixed use – then there is no change in use and the Water Board has no need to examine it further.

The District formally applied to the State Water Board to Modify the CDO in October 2025 with the goal of lifting the moratorium on setting of new meters. The District's over-arching goal is to eliminate water scarcity as a barrier to growth. However, it appears that several jurisdictions are adopting new policies doing just that – limiting water releases to projects based on local jurisdictional priorities. (Side note: The District General Manager believes the jurisdictions should have established such priorities in their general plans and building permit policies, rather than using water as a tool to control construction.)

Some jurisdictions have released water from their new allocation for projects, some have not; Some jurisdictions are utilizing their prior rules affecting allocations, but some jurisdictions believe they must adopt a new policy – and have either done so or working to do so. Not all outcomes are the same and some outcomes have led to continued uncertainty.

The jurisdictions have taken different approaches to their water allocation strategies in the following four ways: (i) adoption of a new policy or not, (ii) establishing general priorities for releasing water, (iii) assigning their jurisdictional allocation to specific categories of use, and (iv) establishing water release limits for specific types of projects. Each of these is summarized below.

Adoption of New Policy

Jurisdiction	New Policy Adopted?	Implementation Date
Carmel-by-the-Sea	Yes	November 3, 2025
Del Rey Oaks	No – Use existing policy	N/A
Monterey	Yes	November 18, 2025
Pacific Grove	Yes	November 5, 2025
Sand City	No – Use existing policy	N/A
Seaside	Yes	April 17, 2025
County of Monterey	Yes	June 9, 2026
Airport District	No – Use existing policy	N/A
Department of Defense	No – Use existing policy	N/A

Establish Priorities for Release of Water

Jurisdiction	Priorities Established
Carmel-by-the-Sea	N/A; Assigned to Specific Categories
Monterey	Projects that include affordable housing are the City's top priority and will be issued a water permit prior to other project types. The priority for water allocation is based on the overall size of the project, the number of affordable units proposed, and the level of affordability proposed. ***No release of any water*** until CDO is modified and the CPUC moratorium is lifted.
Pacific Grove	N/A; Assigned to Specific Categories
Seaside	N/A; Assigned to Specific Categories
County of Monterey	It is the policy of the County to prioritize the allocation to housing development. Overall prioritization is reflected in the following order of priority: (i) Honor past commitments to the allocation of water established in the "HCD Approved Water Waitlist"; (ii) Development of Planned Housing Growth; (iii) First-Come, First-Served; (iv) Strategic Reserve.

Allocation Assigned to Specific Categories (in Acre-Feet)

<table>
<tr><th>Category</th><th>Carmel</th><th>Pacific Grove*</th><th>Seaside**</th><th>County</th></tr>
<tr><td>New Allocation</td><td>14.0</td><td>32.0</td><td>21.0</td><td>72.0</td></tr>
<tr><td>Affordable Housing</td><td>3.616</td><td>23.0</td><td>8.5</td><td rowspan="4">57.6 (80%) for Planned Housing Growth;
10.8 (15%)
1st-Come, 1st-Served</td></tr>
<tr><td>Residential</td><td>3.000 SFR
2.000 MFR</td><td>0.0</td><td>4.0 Infill
2.0 ADUs</td></tr>
<tr><td>Commercial</td><td>0.000</td><td>6.0</td><td>6.0</td></tr>
<tr><td>Municipal</td><td>0.224</td><td>3.0</td><td>0.0</td></tr>
<tr><td>Reserves</td><td>7.690</td><td>0.0</td><td>0.5</td><td>3.6 (5%)</td></tr>
<tr><td>Other</td><td>0.106</td><td>0.0</td><td>0.0</td><td>0.0</td></tr>
<tr><td>Total</td><td>16.636</td><td>32.0</td><td>21.0</td><td>72.0</td></tr>
</table>

*: Does not include Pacific Grove Local Water Project Entitlement (15 AF for Residential & 4.2551 Reserves)
**: Does not include Seaside Pre-Paralta and Public Water Credit (total of 13.699 AF)

Water Release Limit by Project Type

Jurisdiction	Water Limit per Project
Monterey	- Residential Uses can add fixtures compliant with this maximum acre foot allocation: • One Bath with High Efficiency Fixtures: 0.063 AF • Two Bath with High Efficiency Fixtures: 0.111 AF • Two & ½ Bath with High Efficiency Fixtures: 0.129 AF - ADU: 0.063 AF - JADU: 0.063 AF
Pacific Grove	N/A; Assigned to Specific Categories
Seaside	- SFR: 0.101 AF - MFR: 0.081 AF - ADU: See Exhibit 4-D
County of Monterey	- SFR: 0.25 AF fits "Planned Housing Growth" and "1st-Come…" - ADU: 0.12 AF

More detailed elements new jurisdictional policies may be found in the Exhibits.

EXHIBITS
13-A City of Carmel Policy
13-B City of Monterey Policy
13-C City of Pacific Grove Policy
13-D City of Seaside Policy Ordinance and Policies
13-E County of Monterey Policy

CITY OF CARMEL-BY-THE-SEA
City Council
Staff Report

November 3, 2025
ORDERS OF BUSINESS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Marnie Waffle, Principal Planner, AICP
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Resolution 2025-097 Adopting an Amended Water Allocation Policy for the City of Carmel-by-the-Sea (CMC 17.50.030) *(Estimated time - 40 min)*

RECOMMENDATION:

Adopt Resolution 2025-097 Adopting an Amended Water Allocation Policy for the City of Carmel-by-the-Sea (CMC 17.50.030).

BACKGROUND / SUMMARY:

Executive Summary:

On January 27, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197 allocating 14-acre feet of water to the City of Carmel-by-the-Sea effective March 1, 2025. The City's water management program (Carmel-by-the-Sea Municipal Code Chapter 17.50) requires new allocations to be placed in unallocated reserves until the City Council adopts a resolution allocating the water to a specific category (e.g., residential, commercial, municipal, etc.). On September 10, 2025, the Planning Commission adopted Resolution 2025-042-PC, recommending to the City Council how unallocated reserves should be allocated under a new water allocation resolution. On October 7, 2025, the City Council considered the Planning Commission's recommendation and made an alternative recommendation on the allocation of water resources. Staff is returning with a revised Resolution based on the City Council's direction.

Background:

On October 7, 2025, the City Council was presented with a staff report **(Attachment 2)** detailing the city's water management program and the policies and regulations associated with the allocation of water resources. The report also summarized the Planning Commission’s recommendation on the allocation of 14-acre feet of water into various land use categories. The City Council considered the Planning Commission’s recommendation on and after receiving public comment and deliberating, directed staff to return with an allocation resolution that distributes water as follows:

- 3-acre feet to very low and low-income housing
- 3-acre feet to single-family residential, with no water allocation to accessory dwelling units
- 2-acre feet to multi-family residential
- 6-acre feet to remain in unallocated reserves

The City Council also directed staff to return at a date uncertain to discuss potential options for allocating water to accessory and junior accessory dwelling units. Staff has prepared a draft Resolution (**Attachment 1**) that reflects the City Council's direction.

Additional Information for City Council Consideration

Commercial:
Following the October 7, 2025, City Council meeting, the City received a request from the Carl Cherry Center for 0.029-acre feet of water for two new utility sinks in the proposed reconstructed artist studio. This water is classified as commercial, which currently has a zero balance.

In the October 7th staff report, staff provided a sample of commercial use types and their associated water factors, which are copied below. Office and retail uses have lower water usage than hotels and full-line restaurants. How the water is calculated also differs. The water factor for a hotel is based on the number of rooms, whereas the water factor for a full-line restaurant is based on the number of seats. For office and retail uses, the water factor is based on the square footage of the business space.

The most common request for additional water in the business sector is from new food uses, such as restaurants (full line and specialty), followed by salons (hair/nails). Restaurants require a conditional use permit approved by the Planning Commission. Salons are a permitted use and do not require a conditional use permit.

*Note: A **Full Line Restaurant** is defined as a restaurant providing a full line of prepared food and drinks using non-disposable plates, glasses, and utensils for immediate consumption on the site. These restaurants provide table service to patrons of all ages who pay after eating. Takeout service may be provided.*

*A **Specialty Restaurant** is defined as a restaurant providing a limited range of food products for immediate consumption on the site. These restaurants provide seating but are not required to provide table service or menus. Specialty restaurants provide, as a primary use, two or fewer of the following lines of foods: pastries and doughnuts, frozen* *desserts, candy and nuts, juices, and coffee and tea.*

Table 1. Commercial Water Use

	MPWMD Group Number	Quantity/ Square Footage	Water Factor	Estimated Water Usage (acre feet)
Hotel	Group III	20 rooms	0.064/room	1.28
Full Line Restaurant	Group III	30 seats	0.02/seat	0.6
Dog Grooming	Group III	3 stations	0.0567/station	0.1701
Specialty Restaurant (bakery, cafe, ice cream, etc.)	Group II	400 SF (min.)	0.0002/SF	0.08
Beauty Salon	Group I	500	0.00007/SF	0.035
Tasting Room (ABC Type 2)	Group I	300 (max.)	0.00007/SF	0.021

At the October 7th City Council meeting, concerns were expressed about expanding restaurant seating if water was placed in the commercial category. If the City Council wanted to allocate water for commercial uses, restaurants could be excluded by including language in the land-use category description. Staff has provided two options for the City Council's consideration. Option A includes language in the description excluding full-line and specialty restaurants. Option B creates a separate line item to allow for the separation of water allocations within the commercial category.

OPTION A:

Category #4: Commercial X.XXX af
This category includes construction of new commercial floor space and conversion of existing space to uses with greater demand for water. This category also includes the commercial component of mixed-use projects. Excluded from this category is the creation or expansion of full-line or specialty restaurants.

OPTION B:

Category #4: Commercial X.XXX af
This category includes construction of new commercial floor space and conversion of existing space to uses with greater demand for water. This category also includes the commercial component of mixed-use projects.

Category #4a: Full-Line and Specialty Restaurants 0.000 af

For more information on commercial water use, see **Attachment 3**.

Single-Family Residential:
The allocation of 3 acre-feet of water to the Single-Family Residential category, excluding accessory dwelling units, will facilitate additional fixtures in existing homes,

such as bathrooms. A full bath with the most efficient toilet requires 0.038 acre-feet of water. Below are the number of fixture units and the equivalent acre-feet needed for the highest efficiency fixtures in a typical residential dwelling:

Table 2. One-Bath Residential Dwelling with High-Efficiency Fixtures

Type of Fixture	Fixture Value	No. of Fixtures	Acre Feet of Water
Washbasin	1.0	1	0.010
Toilet, Ultra High-Efficiency	0.8	1	0.008
Bathtub/Shower	2.0	1	0.020
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1	0.015
Clothes Washer, High-Efficiency	1.0	1	0.010
Total	**6.3**	**5**	**0.063**

Table 3. Two-Bath Residential Dwelling with High-Efficiency Fixtures

Type of Fixture	Fixture Value	No. of Fixtures	Acre Feet of Water
Washbasin	1.0	2	0.020
Toilet, Ultra High-Efficiency	0.8	2	0.016
Bathtub/Shower	2.0	1	0.020
Master bathtub/shower	3.0	1	0.030
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1	0.015
Clothes Washer, High-Efficiency	1.0	1	0.010
Total	**9.3**	**8**	**0.111**

Table 4. Two & 1/2 Bath Residential Dwelling with High-Efficiency Fixtures

Type of Fixture	Fixture Value	No. of Fixtures	Acre Feet of Water
Washbasin	1.0	3	0.030
Toilet, Ultra High-Efficiency	0.8	3	0.024
Bathtub/Shower	2.0	1	0.020
Master bathtub/shower	3.0	1	0.030
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1	0.015
Clothes Washer, High-Efficiency	1.0	1	0.010
Total	**9.3**	**10**	**0.129**

Upgrading existing toilets to high-efficiency models is a common strategy to free up capacity for additional fixtures, whether it's a new bathroom, bar sink, or utility sink in the primary residence, or the addition of an accessory dwelling unit on the property.

Accessory Dwelling Units:

A Junior Accessory Dwelling Unit (JADU), by definition, is the creation of a dwelling unit within the existing floor area of a single-family dwelling. If it does not contain its own bathroom, it must have interior access to the primary residence to share bathroom facilities. A JADU must also include an efficiency kitchen with a kitchen sink. On its own, a kitchen sink is 2.0 fixture units, or 0.020 acre-feet of water. When paired with a high-efficiency dishwasher, the fixture unit is reduced to 1.5 or 0.015 acre-feet of water.

Accessory Dwelling Units (ADUs) may also be created from existing floor area. Examples include an attached or detached garage, or a detached accessory building such as a studio or guest house. ADUs can also be new structures, whether constructed in tandem with a single-family home or added later as a separate attached or detached dwelling unit.

At the October 7, 2025, meeting, the City Council discussed whether the allocation of water to the single-family residential category should be used for accessory dwelling units. Some support was expressed for granting water to ADUs that remain within the site's total allowable floor area. However, the majority of the Council felt that additional discussion was needed and directed staff to return at a date uncertain to discuss potential options for allocating water to accessory and junior accessory dwelling units.

Low & Very Low-Income Housing:
As noted above, a one-bath residential unit with high-efficiency fixtures uses 0.063 acre-feet of water. A two-bath unit uses 0.111-acre feet of water. The allocation of 3-acre feet of water to the “very low and low-income housing category” would bring the total balance in this category to 3.616-acre feet. This could accommodate a variety of affordable multi-family housing options, including, but not limited to:

Table 5. Number of Multi-Family Units by Bathroom Configuration

No. of Units	Total AF / 1-bath AF	1-bath units	Total AF / 2-bath AF	2-bath units	No. of Bathrooms
57 apartments	3.616/0.063 (100%)	57	0	0	All 1-bath units
42 apartments	1.808/0.063 (50%)	28	1.808/0.111 (50%)	16	28 1-bath units 16 2-bath units
37 apartments	0.904/0.063 (25%)	14	2.712/0.111 (75%)	24	14 1-bath units 24 2-bath units
32 apartments	0	0	3.616/0.111 (100%)	32	All 2-bath units

*This assumes net-new residential units that require additional water beyond what is currently available on an existing parcel.

Multi-Family Residential:
See discussion above.

FISCAL IMPACT:
None.

PRIOR CITY COUNCIL ACTION:

On August 6, 2013, the City Council passed Resolution 2013-43, adopting an amended water allocation resolution to facilitate the Carmel Event Center project.

ATTACHMENTS:

1. Resolution 2025-097
2. October 7, 2025 City Council Staff Report
3. Rule24-Table2

CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL

RESOLUTION NO. 2025-097

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA ADOPTING AN AMENDED WATER ALLOCATION RESOLUTION (CMC SECTION 17.50.030)

WHEREAS, the Land Use and Conservation Elements of the City's General Plan contain objectives and policies that establish guidance related to the distribution of water in Carmel; and

WHEREAS, in recognition of the need to conserve and manage its limited water resources, the City adopted a Water Management Ordinance in 2004 as part of the Local Coastal Program, which authorizes the establishment of allocation categories; and

WHEREAS, the purpose of establishing water use categories is to limit access to water to those land uses which have been determined to be consistent with the City's General Plan and to projects which provide the greatest level of benefit to the community; and

WHEREAS, the City has adopted a Water Management Program ordinance that requires the allocation of water to defined categories of development as a means of implementing the City's land use goals; and

WHEREAS, on January 27, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197, allocating 14 acre-feet of water to the City of Carmel-by-the-Sea in anticipation of the completion of the Pure Water Monterey Expansion project at the end of 2025; and

WHEREAS, Carmel-by-the-Sea Municipal Code Chapter 17.50, Water Management Program, Section 17.50.030.C, Unallocated Reserves states that if new water resources become available to the City through action by the MPWMD, they shall be placed in unallocated reserves administratively until distributed to other categories through the adoption of a new allocation resolution; and

WHEREAS, the City's Water Management Program requires recommendations from the Planning Commission before the City Council adopts an allocation resolution; and

WHEREAS, on September 10, 2025, the Planning Commission reviewed the water management program at a duly noticed public hearing and adopted Resolution 2025-042-PC recommending that the City Council adopt an amended water allocation resolution; and

WHEREAS, on September 26, 2025, a notice of public hearing was published in the Carmel Pine Cone for the October 7, 2025, City Council meeting in compliance with State law (California Government Code 65091), indicating the date and time of the public hearing; and

WHEREAS, on or before October 3, 2025, the meeting agenda was posted in three locations in compliance with State law, indicating the date and time of the public hearing; and

WHEREAS, on October 7, 2025, the City Council considered the Planning Commission's recommendation at a duly noticed public hearing; and

WHEREAS, the City Council directed staff to return with a draft resolution allocating 3-acre feet to very low and low-income housing, 3-acre feet to single-family residential (not including accessory and junior accessory dwelling units), 2-acre feet to multi-family residential, and 6-acre feet in unallocated reserves; and

WHEREAS, the City Council directed staff to return at a date uncertain to discuss potential options for allocating water to accessory and junior accessory dwelling units; and

WHEREAS, the City Council continued the hearing to the November 3, 2025, meeting; and

WHEREAS, on or before October 31, 2025, the meeting agenda was posted in three locations in compliance with State law, indicating the date and time of the public hearing; and

WHEREAS, the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq.,* "CEQA"), together with State Guidelines (14 California Code Regulations §§ 15000, *et seq.,* the "CEQA Guidelines") and City Environmental Regulations (CMC 17.60) require that certain projects be reviewed for environmental impacts and that environmental documents be prepared; and

WHEREAS, the City Council finds that adopting a resolution on the allocation of water resources is not a project under CEQA as defined in Public Resources Code Section 21065 and CEQA Guidelines Section 15378; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Carmel-by-the-Sea does hereby:

Adopt an amended water allocation as outlined in Exhibit A.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA, this 3rd day of November 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: ATTEST:

______________________ ______________________

Dale Byrne
Mayor

Nova Romero, MMC
City Clerk

EXHIBIT "A"
Water Allocation Categories
Pursuant to Carmel Municipal Code Section 17.50.030

TOTAL AVAILABLE WATER RESOURCE **16.636 af**

Category #1: Low & Very Low-Income Housing **3.616 af**
This category includes residential housing units that meet the affordable housing standards for low-income and/or very low-income households as defined by the municipal code.

Category #2: Single Family Residential **3.000 af**

Category #2a: Accessory Dwelling Unit/Junior Accessory Dwelling Unit 0.000 af

Category #3: Multi-Family Residential **2.000 af**
This category includes permanent and non-transient multi-family housing in all commercial and R-4 Districts, including new apartments and condominiums, conversions of commercial space to residential dwellings, and the housing component of mixed-use projects.

Category #4: Commercial **0.000 af**
This category includes the construction of new commercial floor space and the conversion of existing space to uses with a greater demand for water. This category also includes the commercial component of mixed-use projects.

Category #5: Municipal **0.224 af**
This category includes all forms of municipal projects, including expansion or renovation of existing facilities, construction of new facilities, and changes in use.

Category #6: Unallocated Reserve **7.690 af**
This category is unallocated and is to be held as uncommitted until assigned to a defined category through adoption of a new Allocation Resolution by the City Council.

Category #7: Mallery/Pescadero Water Transfer Reserve **0.106 af**
This category includes the remaining balance from .960 acre-feet of water originally set aside through a transfer of development rights for four vacant lots in Pescadero Canyon owned in 1998 by Tim Mallery but dedicated as permanent open-space. This water may be used for residential, multi-family residential, commercial, or public use development as determined by Mallery, provided that the project complies with all zoning requirements and is located within the City limits.

Note: af = acre feet

Council Agenda Report

Date: 11/18/2025

Item No.: 14.

FROM: Kimberly Cole, AICP, Community Development Director

SUBJECT: Establish Water Policy Distributing Water Available from the Monterey Peninsula Water District Ordinance 197 (Not a Project under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061)

RECOMMENDATION:

That the City Council adopt a Resolution establishing a water distribution policy for the City of Monterey.

VALUE DRIVERS:

Champion regional and local efforts to secure adequate, affordable, and sustainable water sources for the city, now and into the future.

POLICY IMPLICATIONS:

The City's General Plan contains a program to create a water distribution policy.

Housing Element Program 2-J Water Distribution Policy:

> As detailed in Appendix C, Housing Constraints, the State Water Resources Control Board has put in place a Cease-and-Desist Order that effectively prohibits new water hookups or increased water use in Monterey. Consequently, the City cannot approve housing projects that would result a net increase in water consumption until the water supplier, the California American Water Company, has terminated illegal diversions from the Carmel River and a new water supply is in operation. Additional water supply is anticipated to become available starting in 2025 if the California Public Utilities Commission authorizes Cal-Am to enter into a water purchase agreement for the Pure Water Monterey expansion project, with supply to the City of Monterey increasing incrementally as new sources come online. Additional water sources are being explored for feasibility and

Agenda Report Highlights

- The City Council is recommended to adopt a resolution establishing a water distribution policy prioritizing affordable housing projects.
- The policy aligns with Housing Element Program 2-J, which mandates prioritizing water allocation for affordable housing based on project size, number of units, and affordability level.
- Water allocation is contingent on lifting or modifying the State Water Resources Control Board's Cease and Desist Order and CPUC moratorium.
- Water allocation is contingent on lifting or modifying the State Water Resources Control Board's Cease and Desist Order and CPUC moratorium.
- Water allocation is contingent on lifting or modifying the State Water Resources Control Board's Cease and Desist Order and CPUC moratorium.

> are also anticipated to increase the overall water supply for the City. Therefore, as it becomes available, the City will develop a methodology for allocating new water supply in a manner that prioritizes affordable housing projects. The methodology will consider the overall size of the project, the number of affordable units proposed, and the level of affordability proposed.

The proposed policy implements this Housing Element Program 2-J.

CAMPAIGN DISCLOSURE REQUIREMENT (LEVINE ACT) APPLIES: No.

FISCAL IMPLICATIONS:

No fiscal implications have been identified.

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES CONSIDERED:

The City Council can modify the proposed policy or not adopt a policy.

DISCUSSION:

On January 2, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance 197 allocating 141.469 af (acre-feet) of water to the City of Monterey as of March 1, 2025. Use of, or release of, such allocation to projects was subject to final construction of the Pure Water Monterey Expansion Project which was October 9, 2025 and the State of California's moratorium on new connections imposed by the State Water Resources Control Board Orders WR 2009-0060 and WR 2016-0016. (MPWMD Ord. 197, Section Five.) The purpose of this agenda report is to create a City policy that distributes this water consistent with the City's General Plan Housing Element Program 2-J. Program 2-J requires the City to prioritize water for affordable housing projects. The methodology must consider the overall size of the project, the number of affordable units proposed, and the level of affordability proposed.

Background

California American Water (Cal Am) has been subject to State Water Resources Control Board (SWRCB) orders to reduce its water diversions from the Carmel River for decades. Specifically, SWRCB Order No. WR 95-10 dated July 6, 1995, determined that Cal-Am did not have the right to divert as much water from the Carmel River system as it historically did. The SWRCB, through Order WR 2009-0060, authorized Cal Am to continue these diversion levels until 2017, and then again through Order WR 2016-0016 to 2021, at which point alternative water supplies were required to avoid significant threats to the health, safety and welfare of residents, businesses, visitors and property owners on the Monterey Peninsula.

MPWMD and Monterey One Water (M1W) jointly developed the Pure Water Monterey/ Groundwater Replenishment Project (PWM/GWR). PWM/GWR is an advanced water recycling project designed to eliminate diversions from the Carmel River and create a new water supply for the region. Initially, the approved PWM/GWR Project had an operational capacity of 4.0 million gallons per day (mgd). In 2017, M1W approved a modification to the PWM/GWR Project that expanded operational capacity from 4.0 mgd to 5.0 mgd. In 2019, M1W evaluated expanding the facility peak capacity from 5 mgd to 7.6 mgd resulting in an additional 2,250 AFY of purified recycled water injected into the Seaside Groundwater Basin. Today, the PWM/GWR project can extract and sell a total average yield of 5,750 AFY to Cal Am. The 5,750 AFY of water replaces a portion of the water supply for Cal Am which was required by the SWRCB to reduce drafting water from the Carmel River to legally permitted levels.

The Monterey Peninsula Water Management District adopted Ordinance No. 197 to allocate a portion of the additional new water supply made available by the expansion of the PWM/GWR Project amongst the Monterey Peninsula jurisdictions within the District's service area. The ordinance states, “Each Jurisdiction should limit the release of water from its Allocation to projects that will not be completed before December 31, 2025, until Pure Water Monterey Expansion has received its final approval. All projects using an Allocation, with the exceptions of the Bishop, Ryan Ranch, and Hidden Hills units of Cal Am, are subject to the moratorium on new Connections imposed by SWRCB Orders WR 2009-0060 and WR 2016-0016.”

On October 21, 2025, MPWMD applied to the SWRCB to modify the Cease and Desist Order. Its application provides, in part, the rationale for this request as follows:

> Condition 2 of WR 2009-0060 states “Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use. Cal-Am may supply water from the river for new service connections or for any increased use at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am’s water system prior to that date.”
>
> The prohibitions against new service connections and increased use at existing service connections resulting from Condition 2 unfairly restrict local jurisdictions from pursuing housing construction mandated by the State and job growth sought by the local business community.
>
> The State Housing and Community Development (HCD) Department has declared there is a housing crisis squarely in the public interest to change. If unmet, local public health and safety will be impaired. The Monterey Peninsula aspires to make progress on its Regional Housing Needs Allocation (RHNA) and housing requirements set by the HCD as mandated by the Housing Element Law, but is restricted by the SWRCB CDO limiting setting of new meters or increasing water use at existing sites.

Proposed Policy

The proposed resolution establishes City policy for when specific provisions of the SWRCB Orders WR 2009-0060 and WR 2016-0016 are lifted or modified to allow new meters and increased use at existing sites. The proposed policy includes the following key provisions:

1. Projects that include affordable housing are the City's top priority for water allocation and will be issued a water permit prior to other project types. The priority for water allocation is based on the overall size of the project, the number of affordable units proposed, and the level of affordability proposed.

2. The City will accept a Water Release Form after all planning permits and outside agency (Coastal Commission, etc.) have been finalized/issued and when the project's building permit is ready for issuance according to the City Building Official.

3. Project applicants are required to pull a building permit within 180 days of the applicant being notified by email of the building and water permit issuance status.

4. Projects are required to pass a required building inspection within 365 days of building permit issuance in compliance with MCC.

5. Housing units are limited to these maximum water credits:
   - Residential Uses can add fixtures compliant with this maximum acre foot allocation
     One Bath Residential Dwelling with High Efficiency Fixtures (.063 acre feet)
     Two Bath Residential Dwelling with High Efficiency Fixtures (.111 acre feet)
     Two & ½ Bath Residential Dwelling with High Efficiency Fixtures (.129 acre feet)
   - ADU (.063 acre feet)
   - JADU (.063 acre feet)

6. Water permits for new allocations per MPWMD's Ordinance 197 will be issued when the State Water Resources Control Board (SWRCB) Cease and Desist Order (CDO) and the California Public Utilities Commission ("CPUC") moratorium is lifted or modified to allow the City to allocate the water.

In summary, staff recommend the City Council adopt the attached Resolution.

KC

Attachments:
1. Resolution
2. Example Water Project Allocations
3. Monterey Peninsula Water Management District Ordinance 197
4. Monterey Peninsula Water Management District Application for Order Modifying WRO 2016-0016 Cease and Desist Order (CDO), and Precedents WRO 2009-0060 and Order 95-10

e: All neighborhood associations
All business associations

Writings distributed for discussion or consideration on this matter within 72 hours prior to the meeting, pursuant to Government Code § 54957.5, will be made available at the following link: https://monterey.gov/Submitted-Comments

RESOLUTION NO. __-___ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

ESTABLISHING A WATER POLICY TO DISTRIBUTE WATER AVAILABLE FROM THE MONTEREY PENINSULA WATER DISTRICT ORDINANCE 197

WHEREAS, State Water Resources Control Board ("SWRCB") Order No. WR 95-10 dated July 6, 1995, determined that California American Water ("Cal-Am") did not have the right to divert as much water from the Carmel River system as it historically did. The SWRCB, through Order WR 2009-0060, authorized Cal-Am to continue these diversion levels until 2017, and then again through Order WR 2016-0016 to 2021, at which point alternative water supplies were required to avoid significant threats to the health, safety and welfare of residents, businesses, visitors and property owners on the Monterey Peninsula;

WHEREAS, the Pure Water Monterey ("PWM")/Groundwater Replenishment Project ("PWM/GWR") is an advanced water recycling project, jointly developed by MPWMD and Monterey One Water ("M1W"). The PWM Groundwater Replenishment Final Environmental Impact Report ("2015 EIR") was certified by M1W in October 2015, with Addenda approved in June 2016, March 2017, and October 2017 to address project changes (SCH #2013051094; MPWMD/Ml W 2015, 2016, 2017a, 2017b). Initially, the approved PWM/GWR Project had an operational capacity of 4.0 million gallons per day (mgd). In 2017, M1W approved a modification to the PWM/GWR Project that expanded operational capacity from 4.0 mgd to 5.0 mgd (MPWMD/MlW 2019). The PWM/GWR Project is owned and operated by M1W. Currently, MPWMD sells 3,500 AFY of water from PWM/GWR to Cal-Am;

WHEREAS, in 2019, M1W prepared a Draft Supplemental EIR for modifications to expand the water supply yield of the approved PWM/GWR Project. These modifications would expand facility peak capacity from 5 mgd to 7.6 mgd and would ultimately result in an additional 2,250 AFY of purified recycled water for injection into the Seaside Groundwater Basin. PWMD would subsequently extract and sell a total average yield of 5,750 AFY to Cal Am (MPWMD/M1W 2019). The PWM/GWR Project would also deliver 600 AFY to the Marina Coast Water District. The 5,750 AFY of water would replace a portion of the water supply for Cal-Am, which has been required by the SWRCB to reduce drafting water from the Carmel River to legally permitted levels. The Final Supplemental EIR ("2021 SEIR") was certified in April 2021, and an Addendum was approved in November 2021 (SCH #2013051094, MPWMD/M1W 2020, 2021);

WHEREAS, the PWM Expansion provides a replacement water supply that should enable the lifting of the SWRCB Cease and Desist Order (CDO) and the California Public Utilities Commission ("CPUC") moratorium on the setting of new meters;

WHEREAS, Ordinance No. 197 allocated a portion of the additional new water supply made available by the expansion of the PWM/GWR Project amongst the Monterey Peninsula Jurisdictions within the District's service area. The District anticipates that the additional water supply will be on-line by the fourth quarter of 2025. The Amended and Restated Water Purchase Agreement for the Pure Water Monterey (PWM) Expansion project was signed in March 2023;

WHEREAS, the District considered several factors when determining the allocation, including but not limited to historical average water consumption data, water production data, water availability, and estimates of job and population growth for each Jurisdiction based on the Association of Monterey Bay Area Governments (AMBAG) 2022 Regional Growth Forecast;

WHEREAS, the District allocated a portion of the new supply and retains flexibility to be able to allocate additional supply when needed to meet future water demands of the Jurisdictions;

WHEREAS, the District prepared the EIR Addendum which supported the District's determination that the additional water allocation is within the scope of the 2021 SEIR, did not require subsequent action under CEQA Guidelines Section 15162 and, in conjunction with the 2021 SEIR, adequately analyzes potential environmental impacts. The Addendum was adopted by the District Board in February 2024;

WHEREAS, the District adopted Ordinance 197 distributing 141.469 af to the City of Monterey. Section 5 of the ordinance states, “Each Jurisdiction should limit the release of water from its Allocation to projects that will not be completed before December 31, 2025, until Pure Water Monterey Expansion has received its final approval. All projects using an Allocation, with the exceptions of the Bishop, Ryan Ranch, and Hidden Hills units of Cal-Am, are subject to the moratorium on new Connections imposed by SWRCB Orders WR 2009-0060 and WR 2016-0016. Pre-existing Paralta and pre-Paralta Allocations may continue to be used in the interim.”

WHEREAS, the proposed policy will not result in water distributions until the State Water Resources Control Board (SWRCB) Cease and Desist Order (CDO) and the California Public Utilities Commission ("CPUC") moratorium is lifted. As a result, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 (“CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that the above recitals are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby establishes the following priorities and procedures:

1. Projects that include affordable housing are the city’s top priority for water allocation and will be issued a water permit prior to other project types. The priority for water allocation

is based on the overall size of the project, the number of affordable units proposed, and the level of affordability proposed.

2. Project applicants may submit the completed Monterey Peninsula Water Management District Water Release Form to the City only after all planning permits and outside agency (Coastal Commission, etc.) approvals have been finalized/issued and when the project's building permit is ready for issuance according to the City Building Official.
3. Project applicants are required to pull a building permit within 180 days of the applicant being notified by email of the building and water permit issuance status.
4. Projects are required to pass a required building inspection within 365 days of building permit issuance in compliance with Monterey City Code.
5. Housing units are limited to these maximum water credits:
   - Residential Uses can add fixtures compliant with this maximum acre foot allocation
     One Bath Residential Dwelling with High Efficiency Fixtures (.063 acre feet)
     Two Bath Residential Dwelling with High Efficiency Fixtures (.111 acre feet)
     Two & ½ Bath Residential Dwelling with High Efficiency Fixtures (.129 acre feet)
   - ADU (.063 acre feet)
   - JADU (.063 acre feet)
6. Water permits for new allocations per the MPWMD's Ordinance 197 will be issued when the State Water Resources Control Board (SWRCB) Cease and Desist Order (CDO) and the California Public Utilities Commission ("CPUC") moratorium is lifted or modified to allow the setting of new meters or allow for increasing water use at existing sites.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _______, 202_, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

APPROVED:

ATTEST:

____
Mayor of said City

____
City Clerk thereof

Table 1. One-Bath Residential Dwelling with High-Efficiency Fixtures

Fixture Type	Fixture Value	# of Fixtures	Acre Feet
Washbasin	1.0	1	.010
Toilet, Ultra High-Efficiency	0.8	1	.008
Bathtub/Shower	2.0	1	.020
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1	.015
Clothes Washer, High-Efficiency	1.0	1	.010
Total	6.3	5	.063

Table 2. Two-Bath Residential Dwelling with High-Efficiency Fixtures

Fixture Type	Fixture Value	# of Fixtures	Acre Feet
Washbasin	1.0	2	.020
Toilet, Ultra High-Efficiency	0.8	2	.016
Bathtub/Shower	2.0	1	.020
Master bathtub/shower	3.0	1	.030
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1	.015
Clothes Washer, High-Efficiency	1.0	1	.010
Total	9.3	8	.111

Table 3. Two-Bath & ½ Bath Residential Dwelling with High-Efficiency Fixtures

Fixture Type	Fixture Value	# of Fixtures	Acre Feet
Washbasin	1.0	3	.030
Toilet, Ultra High-Efficiency	0.8	3	.024
Bathtub/Shower	2.0	1	.020
Master bathtub/shower	3.0	1	.030
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1	.015
Clothes Washer, High-Efficiency	1.0	1	.010
Total	9.3	10	.129

Table 4. ADU (with laundry; not required)

Fixture Type	Fixture Value	# of Fixtures	Acre Feet
Washbasin	1.0	1	.010
Toilet, Ultra High-Efficiency	0.8	1	.008
Bathtub/Shower	2.0	1	.020
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1	.015

Clothes Washer, High-Efficiency	1.0	1	.010
Total	6.3	5	.063

Table 5. JADU (with laundry; bathroom not required per State law)

Fixture Type	Fixture Value	# of Fixtures	Acre Feet
Washbasin	1.0	1	.010
Toilet, Ultra High-Efficiency	0.8	1	.008
Bathtub/Shower	2.0	1	.020
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1	.015
Clothes Washer, High-Efficiency	1.0	1	.010
Total	6.3	5	.063

Agenda No. 6 C

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Jon Biggs, Community Development Director
MEETING DATE:	November 05, 2025
SUBJECT:	Allocation of available potable water from the Pacific Grove Local Water Project and the Pure Water Monterey Ground Water Replenishment Project.
CEQA:	Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

RECOMMENDATION

Staff recommends adoption of the attached resolution and notes that if changes to the allocation are desired or necessary in the future, staff can return to the City Council with a new resolution that assigns different amounts of water among the five categories.

DISCUSSION

At its meeting of October 15, 2025, the City Council directed that staff return with a resolution that memorialized the assignment of potable water currently or nearly available for allocation. Chapter 11.68 of the Pacific Grove Municipal Code, Water Distribution Regulations, provides that the City Council may distribute available potable water by resolution.

There are two sources of potable water that are ready or nearly ready for allocation. These are the Pacific Grove Local Water Project (PGLWP), also referred to as entitlement water, and the Pure Water Monterey Ground Water Replenishment Project (PWM/GWR), which has an anticipated completion near the end of the 2025 calendar year.

The Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197, which allocated 32 acre-feet of water to the City of Pacific Grove in anticipation of the completion of the PWM/GWR at the end of 2025. The PGLWP generated 47.88 acre-feet of water, of which 11.5 acre-feet have been reserved for an affordable housing project. With this reserve and sales of this water to date, approximately 19.2551 acre-feet of water remain available for sale.
Attached for City Council consideration is a resolution that reflects the direction of the City Council and the allocation of available potable water from each of available or nearly available water sources.

OPTIONS

1. Adopt resolution recommended by staff.
2. Provide alternate allocations and amend resolution at meeting.
3. Decline to allocate available potable water.

FINANCIAL IMPACT:

A significant financial impact is not anticipated by the allocation of available potable water to the five categories identified in this report.

FOCUSED PRIORITY AREA: Community Development

Attachments

Attachment 1 Resolution for the Allocation of Available Potable Water

RESOLUTION N0. 25-026

A RESOLUTION OF THE COUNCIL OF THE CITY OF PACIFIC GROVE ALLOCATING AVAILABLE POTABLE WATER

1. In recognition of the need to manage its limited water resources, the City Council enacted Chapter 11.68 (Water Distribution Regulations) of the Pacific Grove Municipal Code in 2018.

2. A key purpose of these regulations was to promote immediate use of available potable water and inhibit water banking.

3. Chapter 11.68 of the Pacific Grove Municipal Code authorizes the City Council to distribute available water by resolution.

4. The City of Pacific Grove built and now operates its Local Water Project (PGLWP), also known as entitlement water, that produces recycled water which is used instead of potable water for landscape irrigation at the Pacific Grove Golf Links and the El Carmelo Cemetery; thus, freeing up potable water for use elsewhere in the City.

5. The Monterey Peninsula Water Management District (MPWMD) approved Ordinance No. 168 on January 27, 2016 to establish the City's water entitlement based on potable water saved by the PGLWP.

6. The State Water Resources Control Board (SWRCB) has confirmed the City can allocate 47.88 acre-feet of entitlement water to allow increased uses of water at existing service addresses within the City but provides terms and conditions limiting the sale and use. The entitlement water is available to use on most Cal-Am service addresses within the City but cannot be used on properties without access to a pre-existing water meter.

7. On May 15, 2019, the City Council adopted Resolution 19-014, which authorized the City Manager to sell 47.88 acre/ft (AF) of water entitlements to be distributed and used in accord with the Pacific Grove Municipal Code Chapter 11.68, and further to be sold and used in accord with terms and conditions set by the SWRCB letter dated April 19, 2019.

8. Pacific Grove City Council Resolution 19-014 created a reserve of 11.5 AF of water entitlements for affordable housing to be deducted from the 47.88 of entitlement water for sale.

9. To date, there is approximately 19.2551 AF of entitlement water remains available for sale.

10. On January 27, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197, which allocated 32 acre-feet of water to the City of Pacific Grove in anticipation of the completion of the Pure Water Monterey Ground Water Replenishment Project (PWM/GWR) at the end of 2025.

11. The California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq.*, "CEQA"), together with State Guidelines (14 California Code of Regulations §§ 15000,

et seq., the "CEQA Guidelines") require that certain projects be reviewed for environmental impacts.

12. The City Council finds that the allocation of water to various types of uses is categorically exempt and covered by the CEQA Guidelines Section 15061(b)(3).

13. On September 10, 2025, the City Council considered the recommendations of staff on the distribution of available potable water from the PGLWP and PWM/GWR projects among five categories and directed that staff return with a resolution documenting these allocations.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF PACIFIC GROVE DOES RESOLVE AS FOLLOWS:

1. The City Council determines that each of the Findings set forth above are true and correct, and by this reference incorporates those Findings as an integral part of this Resolution.

2. The City Council allocates available potable water from the PGLWP and PWM/GWR projects among five categories in the amounts indicated in the following table:

PWM/GWR - 32 AFY	
Residential	0
Affordable Housing	23 AFY
Commercial	6 AFY
Municipal	3 AFY
Unallocated Reserve	0
Total -	32 AFY
PGLWP – 19.2551	
Residential	15 AFY
Affordable Housing	0
Commercial	0
Municipal	0
Unallocated Reserve	4.2551 AFY
Total -	19.2551 AFY

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 5th day of November 2025, by the following vote:

AYES: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Poduri, Rau and Walkingstick.
NOES: None.
ABSENT: None.

APPROVED:

Signed by:

3A6EFFFE41534EC...
____

NICK SMITH,
Mayor

ATTEST: 11/25/2025
DATED:_______________________________

DocuSigned by:
Sandra Kandell
4E11A61C850B4E1...
____

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

DocuSigned by:
Brian A. Pierik
01871FB17BD8435...
____

BRIAN PIERIK, City Attorney

CITY OF SEASIDE
STAFF REPORT

Item No.: 9.B.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Andrew Myrick, Economic Development & Community Planning Manager

DATE: April 3, 2025

SUBJECT: AN ORDINANCE TO AMEND CHAPTER 13.24 OF THE MUNICIPAL CODE TO MODIFY PROCEDURES FOR ALLOCATING WATER TO DEVELOPMENT PROJECTS

RECOMMENDATION

Conduct first reading of the ordinance, and hold public hearing.

BACKGROUND

Water Allocations for development projects within the City of Seaside are regulated by Chapter 13.24 of the Municipal Code. As it is presently written, this Chapter proscribes a process whereby the City Council allocates available water within the boundaries of the Monterey Peninsula Water Management District (MPWMD) to specific categories for use. Although the Ordinance does not place any limits on the number or types of categories, there are three categories that are identified within the Ordinance: commercial projects, institutional projects, and accessory dwelling units. The level of detail for the allocation of water within these defined categories varies: there is a great deal of very specific details provided for commercial allocations, while there is very little detail provided for institutional projects. Not all of the categories currently identified by the Council are identified in the Ordinance.

The Ordinance also includes the creation of a water allocation committee, made up of the City Manager, Public Works Director, and Community Development Director. This committee is tasked with prioritizing the use of water and granting water permits. Under the Ordinance, water allocations must be secured before an application for a development project may be considered.

The proposed Ordinance represents a significant change to the existing Ordinance.

Most significantly, the Ordinance would be rewritten to clarify the procedure that the Council uses to identify development priorities and then establish procedures for the allocation of this water. This would be done via Resolution by the Council, allowing the Council to maintain an active role in establishing how water supplies are managed. In the absence of any adopted program, all requests for a water allocation would be submitted to the City Council for consideration.

Essentially, from a procedural standpoint, the Council would allocate water to specific categories, then would establish procedures for the allocation of water within those categories. This will greatly assist in the processing of applications which have a high volume of small requests (such as ADUs or infill housing projects). Additionally, by establishing procedures, the Council is able to delegate authority to approve water to other entities by defining the criteria under which water would be allocated, and provides assurances to potential applicants that water will be available for those projects. If no review authority is delegated, Council would retain discretion over individual water allocations.

Another significant change is the elimination of all categories from the Ordinance. As noted above, these programs or categories would not necessarily be eliminated, but would instead have their programs defined via Resolution. This provides for more flexibility if changes to programs are desired in the future.

The Ordinance would also redefine the role of the water allocation committee. The committee will still exist, but its role will be as may be provided within the programs adopted by the Council. If those programs include a role for the water allocation committee, then the committee would assume that role. It will also serve as an intermediate appeal body between staff and the City Council if an applicant wishes to appeal a denial of a water allocation.

The Ordinance would also remove references to the MPWMD, allowing for these procedures to be utilized across all three of the City's water service providers (although the programs adopted by the Council in the future likely will vary between the different service areas due to differences regarding the management of allocations by different service providers).

Staff believes that adopting these changes will result in a more efficient, more flexible system that provides the Council with the ability to actively manage the City's water supplies while also providing certainty to applicants seeking water supplies for projects and reducing the time and costs associated with the consideration of these requests.

FISCAL IMPACT

No fiscal impact is associated with this item.

ATTACHMENTS

1. Water Allocation Ordinance 2025-04-03

Reviewed for Submission to the City Council by:

Greg McDanel, City Manager

ORDINANCE NO. _________

AN ORDINANCE AMENDING CHAPTER 13.24 OF THE SEASIDE MUNICIPAL CODE FOR ALLOCATING WATER TO DEVELOPMENT PROJECTS

WHEREAS, the Monterey Peninsula is currently experiencing a shortage of water; and

WHEREAS, in order to combat this shortage, water supplies within the service area of the California American Water Service Company (Cal Am) are managed by the Monterey Peninsula Water Management District (MPWMD), which provides an allocation to jurisdictions to then allocate to various projects; and

WHEREAS, the procedures for the allocation for this water is provided in Chapter 13.24 of the Municipal Code; and

WHEREAS, the City Council desires to modify the provisions of Chapter 13.24 to provide for more clarity and flexibility with regards to the allocation of water to various development projects and to also apply these provisions to water allocations from other service providers; and

WHEREAS, the proposed Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines as the proposed changes do not make any changes to the allowable land uses or development regulations at any location within the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SEASIDE:

SECTION 1. The City Council hereby finds and determines the foregoing recitals, which are incorporated herein by reference, are true and correct.

SECTION 2. Chapter 13.24 of the Seaside Zoning Ordinance is hereby amended to reflect the changes identified in the attached Exhibit “A.”

SECTION 3. If any provision, section, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 4. This Ordinance shall become effective thirty days following adoption.

INTRODUCED at a regular meeting of the City Council of the City of Seaside, State of California, held on the 3rd day of April 2025.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside, State of California, held on the __th day of _______ 2025 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

APPROVED:

____

Ian N. Oglesby, Mayor

ATTEST:

____

Dominique L. Davis, City Clerk

APPROVED AS TO FORM:

____

Sheri L. Damon,
City Attorney

Attach: Exhibit “A” – Proposed Ordinance Amendment

Exhibit "A"

Chapter 13.24
~~WATER ALLOCATION PROGRAM~~WATER ALLOCATIONS FOR DEVELOPMENT PROJECTS AND NEW USES

Sections:

13.24.010 ~~Findings and~~ Ddeclaration of intent.

The potential for new water sources on the Monterey Peninsula is extremely limited and that demand for water in the city of Seaside may well exceed capacity within a very short period of time. As a result of the limited availability of water, the need for planned development, and the continuing number of applications for commercial and institutional projects, the city finds it necessary to develop criteria for evaluation of water allocation release requests. This Chapter shall provide the structure for the development, implementation, and modification of programs designed to allocate water to various projects and uses and parties within the City of Seaside.

~~Monterey Peninsula Water Management District (MPWMD) regulations allow for an intensification of water use. As a result, certain commercial and institutional projects which will result in an increase of water use continue to be eligible for permits from the MPWMD. The water used will be deducted from the city of Seaside's current water allocation. All applications for permits must have written approval of the affected jurisdiction.~~

~~The potential for new water sources on the Monterey Peninsula is extremely limited and that demand for water in the city of Seaside may well exceed capacity within a very short period of time. As a result of the limited availability of water, the need for planned development, and the continuing number of applications for commercial and institutional projects, the city finds it necessary to develop criteria for evaluation of water allocation release requests for commercial and institutional properties.~~

~~13.24.020 Water allocation program.~~

~~Notwithstanding any other ordinance, rule, or policy of the city of Seaside, no application for a project which would result in an increase in water use shall be accepted, processed, acted upon, granted, or approved by any officer or employee of the city of Seaside except in conformance with this water allocation program. Approval of the water allocation does not imply recommendations for or approval of any other applications which may be required for the project by the city of Seaside or any other governmental agency having jurisdiction over the project. Projects are required to obtain all other necessary approvals required by the city of Seaside and/or other governmental agencies.~~

13.24.02~~1~~0 Objectives.

Due to the limited availability of water on the Monterey Peninsula, it is necessary to establish procedures for the allocation of water credits for residential, commercial, and ~~institutional~~ other projects. In order to allocate Seaside's remaining water allocation, this chapter establishes the process by which water is allocated for use. ~~The intent of this program is to allocate water by category and by priorities set by the city council.~~

13.24.0~~22~~30 Administration.

The City hereby creates its Water Allocation Program. The city council shall have the discretion to allocate and reallocate water and water resources as deemed necessary for the public health, safety, and welfare of the community; ~~and~~ to enhance the fiscal stability of the city; and/or for any other reason it deems to be appropriate. The city recognizes the importance of all categories of projects to the overall development of Seaside. The city also recognizes that as the city develops, and as water availability changes, allocation categories and priorities may change. The city council shall create by Resolution categories of water and shall allocate and reallocate water to each category. The city council may create, identify or modify sub-categories, such as specific commercial districts or areas, for water allocations dependent upon city priorities and needs ~~deemed necessary to protect the public health, safety and welfare of the community~~.

Upon creation of categories of water, the City Council shall establish, by Resolution, policies and procedures for the allocation of water within the established category. These policies and procedures shall detail the conditions under which water shall be allocated. Within these policies and procedures the City Council may delegate authority for individual projects to City Commissions, staff, and/or the Water Allocation Committee; further, the City Council may adopt separate programs for different geographic areas such as the service areas of water service providers or within specific zoning districts.   ~~Specific commercial districts for water allocation will be established by resolution.~~

If the City Council does not create a program for the allocation of water for a specific category, then allocations of water within that category shall require the approval of the City Council.

13.24.040 Water release permits

Applicants may make a request for a water release permit by submitting a request to the City of Seaside. Requests shall be processed by the community development department. The community development department shall establish forms and procedures consistent with Resolutions adopted by Council to process requests for water allocations from the City. If a review authority which has been delegated with the power to approve or deny a water release permit request determines that the City should deny a request for a water allocation, such determination shall be made in writing and provided to the applicant. Determinations may be appealed in accordance with Section 13.24.060.

13.24.~~023~~ 050 Water allocation committee.

The city's ~~w~~Water ~~a~~Allocation ~~program~~Committee ~~will be administered by~~shall consist of ~~a~~ three ~~-~~members ~~committee. The committee will be~~ comprised of one representative each from the community development department, the public works department, and the city manager or their~~his~~ designee. The Water

Allocation Committee shall meet as needed and shall have such duties and powers as shall be provided by Resolution of the City Council.

~~This committee will be charged with prioritizing applications for water allocations. Each project will be evaluated by using the criteria that apply to the specific project category. Projects that are prioritized and ranked highly will also be evaluated in terms of their total request for a specific amount of water. The committee will determine whether the project should be given all the water that has been required or whether the amount should be decreased due to the availability of water.~~

~~The committee will also have the responsibility of making policy recommendations and proposing changes to the water allocation program to the city council. This committee will meet as needed and provide an annual update to the city council.~~

~~Once the committee grants a water release permit for a commercial, industrial or residential use, the applicant must submit a complete application for the appropriate development permit associated with their project within sixty days of the issuance of the water release permit. The applicant must complete all work within twelve months of the date of issuance of a building permit, or for those projects which do not require a building permit, within twelve months of the date of issuance of a permit from the city or other governmental agency with permits the project to commence construction. A request for a time extension, due to a delay in the completion of the project, shall be submitted to the committee in writing for consideration. Failure of an applicant to adhere within the prescribed time limits listed above may result in the water release permit being declared void. Water allocations for voided permits will be returned to the city's overall allocation for redistribution to other applicants.~~

~~13.24.024 Applications and scoring.~~

~~The city will accept applications for water on all types of projects. These applications will be kept on file if the city does not have water available for these projects at the time of application, or if the policies of the water purveyors for the city prevent the city from providing water for a certain type of project. An applicant will be allowed to undertake a project that does not intensify water usage.~~

~~At the discretion of the committee, applications may be retained on file indefinitely if there is the possibility of water being granted for the project in the future. If the committee decides to remove an application from the file, a letter will be sent to the applicant indicating this and giving the reason for this action.~~

~~13.24.025 Water allocation categories.~~

~~A. Commercial Projects. Water will be allocated for commercial projects until the water allocation established by resolution has been fully allocated, based upon the point system outlined below. The applicant is responsible for providing enough information and documentation for the committee members to determine the scoring as listed below.~~

~~1. Projects scoring twenty or more points will be allocated water, if water is available.~~

~~2. The committee will have the authority to determine whether a project should be given all water requested or should receive a lesser amount due to the projected availability of water.~~

~~Commercial Project Criteria~~	~~Determination~~	~~Points Received~~
~~Revenue Generation~~ ~~Up to $5,000 = 1 point~~ ~~$5,001 – $10,000 = 3 points~~ ~~$10,001 – $15,000 = 5 points~~ ~~$15,001 or more = 7 points~~	~~Total: $XX~~ ~~City's Share Property Tax Revenue 0.18% of $XX = $XX~~ ~~City's Share of Sales Tax Revenue 1% of $XX = $XX~~	~~-~~
~~Jobs Creation~~ ~~1 – 9 part time = 1 point~~ ~~10 or more part time = 3 points~~ ~~1 – 9 full time = 5 points~~ ~~10 or more full time = 7 points~~	~~-~~	~~-~~
~~Projects on Major Thoroughfares~~ ~~All other commercial areas = 1 point~~ ~~Fremont, Broadway, Del Monte = 5 points~~	~~-~~	~~-~~

~~Commercial Project Criteria~~	~~Determination~~	~~Points Received~~
~~Removal of Blight~~ ~~Occupied building, remodel existing structure = 1 point~~ ~~Vacant building, remodel of existing structure = 3 points~~ ~~Occupied building, full demo and redevelopment = 5 points~~ ~~Vacant property, complete redevelopment = 7 points~~		
~~Business Retention~~ ~~Seven points will be awarded for projects which, if not approved, would result in the loss of an existing business which generates revenue for the city and/or significant employment.~~		
~~Total~~		

~~B. Institutional. Institutional projects shall be projects submitted by nonprofit organizations, churches or religious institutions, educational institutions, public and quasi-public facilities. Allocation under this category shall be on a first-come, first-served basis until the total amount of water allocation established by resolution has been allocated. Water allocation approval does not imply recommendations for or approval of the project or its merits. Projects are required to obtain all other necessary approvals as required by the city and any other governmental agency having jurisdiction over the project.~~

~~C. Residential Accessory Dwelling Units. Accessory dwelling units are a valuable form of additional housing. Accessory dwelling units are smaller habitable dwellings (up to one thousand two hundred square feet) that may be attached or detached and accessory to a primary dwelling on residentially zoned properties. The city wishes to encourage the development of ADUs as they provide valuable opportunities for property owners and a source of affordable housing.~~

~~Water shall be allocated to the residential ADU category for (1) deed-restricted ADUs to low and very low and (2) unrestricted ADUs. Both categories shall be~~

~~allocated on a first-come, first-served basis until the total amount of water allocation established by resolution has been allocated.~~

~~The residential accessory dwelling units (ADUs) shall retrofit the existing dwellings' water fixtures to high efficiency water fixtures and appliances. The maximum amount of water allocation to be made available in any application for an ADU water release permit shall be established by resolution. The residential accessory dwelling unit (ADU) category shall be required to purchase water release permits at an amount established by resolution, unless the residential unit is deed restricted to provide for rental or use only to persons of low income or very low income as published by the Department of Housing and Urban Development (HUD), inclusive of renters utilizing the Housing Choice Voucher Program (formerly known as "Section 8") for a period of forty-five years.~~

~~Water allocation approval alone does not imply project approval. Projects are required to obtain all other necessary approvals as required by the city and any other governmental agency having jurisdiction over the project.~~

~~If changes made to the existing structure do not intensify the existing use pertaining to water, then no additional water determinations are necessary.~~

~~The total number of ADU units created, including the number of deed-restricted affordable units, will be reported to California Department of Housing and Community Development as part of the required housing element annual progress report.~~

13.24.0~~3~~60 Appeals.

An applicant may appeal ~~a determination of water usage or~~ the denial of a water release permit by filing a written appeal within ~~ten~~ seven days after notice of the ~~determination or~~ denial by the ~~committee~~ review authority on a form prescribed for that purpose by the city of Seaside. A denial by City staff may be appealed to the water allocation committee; a denial by the water allocation committee may be appealed to the City Council. All required plans, drawings, photos, reductions and other information shall be submitted to the planning division before the appeal form is accepted as complete. A list of required information shall be available in the planning division. The filing fee for an appeal will be identical for the fee to appeal a land use project and is listed in the city's annual adopted fee schedule. The appeal shall follow the procedures outlined in Chapter 17.76 of the Municipal Code.

~~A complete appeal application shall be filed at least three weeks prior to the proposed date of public hearing. Upon filing a complete written appeal application and payment of fees, the community development director or his/her designee shall place said appeal on the agenda of the city of Seaside city council for hearing. Notice of said hearing shall be given to the applicant by mail at least ten days prior to the hearing date. No other notice need be given.~~

~~At the scheduled public hearing, the city council shall affirm, reverse or modify the decision being appealed. The city council may also remand the matter for reconsideration and further hearings because of a desire for additional information, or due to the submission of new material or evidence not previously considered.~~

CITY OF SEASIDE
STAFF REPORT

Item No.: 10.A.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Andrew Myrick, Economic Development & Community Planning Manager

DATE: May 1, 2025

SUBJECT: ADOPT A RESOLUTION TO ESTABLISH A PROGRAM FOR THE ALLOCATION OF WATER FOR SMALL COMMERCIAL PROJECTS

RECOMMENDATION

Approve the establishment of a program to allocate water to small commercial projects.

BACKGROUND

All development within the boundaries of the Monterey Peninsula Water Management District (MPWMD) are subject to MPWMD's rules regarding the needs for additional water allocations in order to move forward. The City of Seaside maintains a reserve of water which it is able to allocate to private projects in order to enable them to proceed. Water allocations are governed by Chapter 13.24 of the Municipal Code. The City Council recently (on April 17, 2025) approved a second reading of an Ordinance that would change the procedures for the allocation of water. Among these changes would be the removal of an existing program for the allocation of water to small commercial projects. Currently, this program is included as a part of the Ordinance. However, due to the recent amendment, this program will be deleted from the Ordinance by May 18, 2025. It is therefore necessary to establish a new program via Resolution prior to that date.

The existing commercial business program can be found in Section 13.24.025. A of the Municipal Code prior to the newly adopted Ordinance. It essentially provided a scoring system based on the public benefits created by the business, with points being provided under the following categories: revenue generation, jobs creation, location, removal of blight, and business retention. The number of points eligible in each category varied depending on the exact benefit. A copy of the existing program is attached as Attachment 2.

The proposed program, which would be adopted by Resolution, has many similarities to the existing program. Both programs include a scoring system which examine similar criteria behind the water allocation. However, the revised program includes some modifications to the existing program:

1) The point values within the categories have been changed.

2) Under the previous program, an applicant needed to obtain 20 points in order to be eligible; once eligible, there was no limit on the amount of water which could be allocated. The proposed program nearly eliminates the minimum threshold (applicants would need only at least one point to obtain water), but also creates a sliding scale whereby the amount of water which may be allocated increases as more points are obtained. This eliminates an issue whereby businesses seeking negligible amounts of water were unable to obtain any water since they did not meet the point threshold.

3) The existing Business Retention category provides points if an existing business would relocate out of the City of Seaside without a water allocation. This has been modified to simply provide points for established Seaside businesses, with more points available the longer their tenure in the City. This eliminates a potential concern whereby existing businesses had an incentive to explore relocation in order to obtain points for water.

4) Rehabilitation (ie beautification) of existing properties, either through work on the facade or landscaping, have been broken out into a separate category which may be combined with work to expand existing buildings. This allows for points for beautification of the site instead of just the building.

5) In the current program, all applications must go to the Water Allocation Committee. Under the proposed program, allocations below a certain threshold could be approved by staff, with larger requests for water being considered by the Water Allocation Committee. This will streamline the processing of minor water requests and better link the amount of water a business is eligible for to benefits to the community.

The amount of water which could be allocated would vary depending on the number of points obtained.

FISCAL IMPACT

There is no fiscal impact associated with this project.

ATTACHMENTS

1. Resolution Small Business Water Allocation Program 2025-05-01
2. Attachment 2 Existing Commercial Projects Program

Reviewed for Submission to the City Council by:

Greg McDanel, City Manager

RESOLUTION NO. 25-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE ADOPTING A WATER ALLOCATION PROGRAM FOR SMALL BUSINESSES

WHEREAS, the City of Seaside wishes to support small businesses within its boundaries; and

WHEREAS, the City of Seaside City Council has allocated water to support the establishment, expansion, and renovation of small businesses in the City of Seaside; and

WHEREAS, on April 17, 2025, the City Council amended the Municipal Code to eliminate the City's existing small commercial projects program, with the understanding that a new program would be presented to the Council prior to the Ordinance's effective date; and

WHEREAS, the City Council desires to modify the procedures for the allocation of water for future projects in order to increase eligibility for the program as well as more closely align the amount of water provided with the benefits to the community.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Seaside hereby adopts the Water Allocation Program for Small Businesses, attached as Exhibit "A," to take effect on May 18, 2025.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside, State of California, on the 1st day of May, 2025, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

APPROVED:

ATTEST:

Ian N. Oglesby, Mayor
City of Seaside

Dominique Davis, City Clerk

Attach:

Exhibit "A" – Water Allocation Program for Small Businesses

City of Seaside Water Allocation Program for Small Businesses

May 1, 2025

This Water Allocation Program for Small Businesses (the "Program") applies to requests for a water allocation from the City of Seaside to support the expansion or establishment of small businesses, as defined herein. This Program shall not apply to properties located within the service areas of the Seaside Municipal Water Company or the Marina Coast Water District. This Program shall have an effective date of May 18, 2025.

Applicability

This Program shall be available only to commercial projects; institutional projects such as non-profit or public projects shall not be eligible under this program.

Processing and Allocation

If the proposed project's use requires a discretionary permit (such as a Use Permit) per Seaside Municipal Code, water credits shall be tentatively reserved at the time of application for that permit. If no discretionary permit is required, then water credits for a project shall be tentatively reserved at the time of application for a Building Permit. If no discretionary permit or Building Permit is required, the tentative reservation shall occur at the time of application for a Business License.

Requests for water credits shall be reviewed by the Community Development Department, and scored based on the criteria identified below. Depending on the score received, water may be allocated based on the amount of water needed.

The City shall have the right to recover any issued credits if the project is not pursued to completion. A Certificate of Occupancy shall be required in order to finalize the allocation of water.

The Community Development Department shall be responsible for tracking the total amount of water allocated under this Program and is authorized to pause the allocation of additional water if it appears that insufficient water remains to support additional projects.

The Zoning Administrator shall have the authority to enact such practices as deemed necessary and appropriate for the implementation of this Program, and to make interpretations regarding the provisions of this Program and how they may apply to individual circumstances.

All references to water allocations, water fixtures, and fixture units shall be interpreted in a manner consistent with current water allocation programs established by MPWMD.

Scoring

Applications shall be scored as follows in Table 1. No more than one line in each category may be selected for points. More details on each category may be found below the Table.

Table 1. Water Allocation Program Scoring Criteria

Category	Scoring Criteria	Number of Points Awarded
New Job Creation	1-2 Full-Time Equivalent	1
	3-5 Full-Time Equivalent	3
	6-10 Full-Time Equivalent	4
	10+ Full-Time Equivalent	6
City's Share of Revenue Generation	\$1,000-\$3,000/year	1
	\$3,001-\$10,000/year	3
	\$10,001+/year	5
Location	Located on Fremont, E Frontage, Del Monte, or Broadway	4
Rehabilitation	Existing Building Façade Improvements Only	1
	Additional Landscaping of 10% or more at an existing site OR replacement of all existing landscaping with drought-tolerant landscaping.	1
	Both Façade and Landscaping Improvements at Existing Site	3
New Construction or Expansion	Building Expansion of less than 1,000 square feet	1
	Building Expansion of 1,001-5,000 square feet	3
	Building Expansion of over 5,000 square feet	5
	New building 1,000 square feet or less	4
	New building 1,001-5,000 square feet	7
	New building greater than 5,000 square feet	10
Established Business	At least one full year	1
	At least five full years	3
	At least 10 full years	5

More details on each category may be found below:

1) **New Job Creation.** Based on the number of new jobs created only, calculated by comparing the number of Full-Time Equivalent (FTE) positions subtracted by the number of existing FTE positions. The existing FTE positions do not include those of any

business which formerly operated at the same location. One FTE is equivalent to 40 hours of employee time, regardless of the number of employees. For example, one employee working 40 hours per week and four employees working 10 hours per week are both 1 FTE.

2) **City's Share of Revenue Generation.** Based on the additional tax revenues which are expected to be received by the City of Seaside based on the new business activity. Includes the City share of taxes paid such as (but not limited to) sales tax or property tax, but excludes fees due to the City (such as permit fees) or any payments to other entities.
3) **Location.** To be awarded points, the property must have a property line abutting Fremont Boulevard, E Frontage Road, Del Monte Boulevard, or Broadway Avenue and must have a vehicular or pedestrian access either on that street or on a frontage adjacent to the primary street. Properties with entrances on frontage opposite the primary streets only shall not be eligible for location points.
4) **Rehabilitation.** Only for projects which involve the rehabilitation of existing buildings or sites. Façade Improvements include items such as repainting, addition of architectural features, or other activities designed to enhance the appearance of the public-facing portion of the building. New landscaping improvements shall cover at least 10% of the site and shall not include existing maintained landscape areas, unless those areas are replaced with drought-tolerant landscaping. These categories may be combined with the Building Expansion activities in the New Construction or Expansion category but not with New Building activities in that category.
5) **New Construction or Expansion.** Additional square footage on a property with an existing building shall be considered to be a Building Expansion even if the additional square footage is not attached to an existing building. New construction includes development of a vacant lot as well as complete demolition of existing structures and construction of new buildings.
6) **Established Business.** Businesses shall receive points for operating with a physical location within the city limits of the City of Seaside for the time specified. Time of operation shall be determined utilizing Business License records unless another form of proof acceptable to the Zoning Administrator establishing a different date is provided.

Maximum Water Allocation

Table 2 below specifies the maximum amount of water that a business may obtain depending on the number of points scored:

Table 2. Maximum Allowable Water Allocation

Number of Points	Zoning Administrator Maximum	Water Allocation Committee Maximum
0	Ineligible	
1-5	0.02	0.1
6-10	0.1	0.2
11-17	0.2	0.4
18-25	0.5	1.0
26+	1.0	No Maximum

If the business is requesting an amount of water equal to or less than the amount provided in that column, the Zoning Administrator may approve the water allocation administratively. The allocation shall be provided if the points are met, and the Zoning Administrator shall limit their review to confirming the accuracy of the scoring.

If the business requests more water than the amount that can be approved by the Zoning Administrator, but the request is equal to or less than the amount which can be allocated by the Water Allocation Committee, then the Water Allocation may consider the request. In making a determination as to whether to allocate water to a particular project, the Water Allocation Committee may take into consideration any factors it deems pertinent, including the timeline for development, the advantages of the proposal to the community, and the amount of water remaining for allocation. The Water Allocation Committee may allocate less water than originally requested by the business.

When calculating the maximum allowable water allocation under Table 2, water previously allocated under this program shall be counted towards the maximum water allocation.

For the purposes of this program, decisions of the Zoning Administrator may be appealed to the Water Allocation Committee. Decisions of the Water Allocation Committee may be appealed to the City Council.

City of Seaside Water Allocation Program for Residential In-Fill Development

April 3, 2025

This Water Allocation Program for Residential Infill Development (the "Program") applies to requests for a water allocation from the City of Seaside to support the development of existing residential sites within the California American Water Company (Cal Am) service area. Water for Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs) is covered under a separate program and the provisions of this Program are inapplicable to those units. This Program shall not apply to properties located within the service areas of the Seaside Municipal Water Company or the Marina Coast Water District.

Processing and Allocation

If the proposed project requires an Architectural Review as described in Section 17.62.030 of the Municipal Code, water credits shall be tentatively reserved at the time of application for an Architectural Review. If no Architectural Review is required, water credits for a project shall be tentatively reserved at the time of Building Permit submittal. These credits shall be held in reserve while the application(s) remain active. Applications that are withdrawn or have expired shall lose any water reservation, although a new application may be submitted if water supplies remain available. Water reservations shall be made on a first-come, first served basis, except that during the first six months following the date of establishment of this Program eligibility shall be limited to those on the existing wait list maintained by the community development department as of the date of establishment of this Program.

Requests for water credits shall be reviewed by the community development department, and water credits shall be issued by the community development department at the time of Building Permit issuance. The City shall have the right to recover any issued credits if the project is not pursued to completion. A Certificate of Occupancy shall be required in order to finalize the allocation of water.

Water credits may not be transferred from one property to another. If the project is transferred from one owner to another owner, the water credits will persist with the project until the project is allocated water or the application becomes inactive as described herein

The community development department shall be responsible for tracking the total amount of water allocated under this Program and is authorized to pause the allocation of additional water if it appears that insufficient water remains to support additional projects.

The Zoning Administrator shall have the authority to enact such practices as deemed necessary and appropriate for the implementation of this Program, and to make interpretations regarding the provisions of this Program and how they may apply to individual circumstances.

All references to water allocations, water fixtures, and fixture units shall be interpreted in a manner consistent with current water allocation programs established by MPWMD.

Eligibility for new Single-Family Dwellings (SFDs)

a) Water for new Single-Family Dwellings (SFDs) on vacant lots of record may be provided as follows:

   1. Each SFD may receive up to a maximum of 10.1 fixture units (0.101 acre-feet per year [AFY]) of water. Water allocations may only be applied to the SFD and to no other purpose.
   2. Unused water credits from one unit may not be transferred to another unit (for example, if a unit utilizes only 9.1 fixture units of water, the additional fixture unit may not be transferred elsewhere).
   3. Water credits shall only be available to those units which are actually built (for example, if one unit is built on two lots of record, a total of 10.1 fixture units shall be available for that unit).
   4. If a vacant lot of record is large enough that it may be subdivided in such a manner that all resultant lots containing residential units meet the minimum lot size requirements which are specified in Section 17.12.050 of the Seaside Municipal Code, then each resultant lot shall be eligible to receive a full water allocation once subdivided.

b) Water may be allocated for expansions, remodels, or replacement of existing SFDs, provided that the total amount of water for which a Single-Family Dwelling (including both existing and proposed fixtures) shall be eligible is 10.1 fixture units (0.101 AFY). All existing fixtures, including fixtures installed utilizing MPWMD's second bathroom protocol program, shall count towards this total.

c) All proposed fixtures installed shall be high-efficiency or ultra-high efficiency fixtures, as appropriate, including ultra-high-efficiency toilets (UHET), high-efficiency clothes washers (HECW), and high efficiency dishwashers. Existing fixtures within the SFD shall be retrofitted to these standards as well.

d) Notwithstanding the above, an SFD which does not possess a clothes washer and has not previously received a water allocation under this Program may receive one fixture unit (0.01 AFY) for the installation of an HECW without the need to retrofit existing fixtures.

e) Fixtures which would be eligible for MPWMD's second bathroom protocol program are not eligible to receive water under this Program.

f) Water credits may not be used for the installation or enlargement of swimming pools or the installation of utility sinks. Existing swimming pools shall not count towards the 10.1 fixture unit per unit maximum for expansion, remodel, or replacements.

g) Prior to Building Permit issuance, the applicant shall demonstrate either the existence at the property of a water meter, adequately sized for the proposed dwelling and available for use, or shall provide substantial evidence that necessary approvals have been obtained so as to allow for the installation of a water meter within 12 months of the issuance of a Building Permit.

h) For the purposes of this Section, a "vacant lot of record" shall consist of land which has not been occupied by any dwelling unit within the past ten years.

i) For the purposes of this Section, a "Single-Family Dwelling" shall include townhomes or residential project in which only one primary unit is located on a lot of record, but shall not apply to condominiums or other airspace subdivisions (which shall be classified as Multi-Family Dwellings).

Eligibility for Multi-Family Dwellings (MFDs)

a) Water for new Multi-Family Dwellings (MFDs) on vacant sites may be provided an allocation of 8.1 fixture units (0.081 AFY) of water. This water may be divided among the units as desired by the developer.

b) Expansions, remodels, or replacement of existing MFDs will not be eligible to receive additional water, except that units which do not have an existing clothes washer may receive one fixture unit (0.01 AFY) in order to install a clothes washer.

c) All fixtures installed shall be high-efficiency or ultra-high efficiency fixtures, as appropriate, including ultra-high-efficiency toilets (UHET), high-efficiency clothes washers (HECW), and high efficiency dishwashers.

d) Clothes washers, if provided, shall be provided equally to all units within a development. .

j) Water credits may not be used for the installation of swimming pools or utility sinks.

e) Water credit allocations in excess of 0.5 AFY shall require approval of the water allocation committee. When determining whether to allocate water to a particular project, the water allocation committee may take into consideration such factors as the timing of construction of the project. The water allocation committee may place shorter timelines for action on projects receiving in excess of 0.5 AFY to ensure that water credits are available for projects with short implementation timelines. Decisions of the water allocation committee may be appealed to the City Council.

f) Prior to Building Permit issuance, the applicant shall demonstrate either the existence at the property of a water meter, adequately sized for the proposed development, or shall provide substantial evidence that necessary approvals have been obtained so as to allow for the installation of a water meter within 12 months of the issuance of a Building Permit.

g) For the purposes of this Section, a “vacant site” is a legal lot of record or multiple lots of record (or any portion thereof) occupied by the proposed multifamily development which has not been occupied by any dwelling unit within the past ten years. Units shall be determined to be a part of the same development if they share or make use of common facilities such as parking, open space, property management, etc and/or do not have clearly defined boundaries or fences between the units.

City of Seaside Water Allocation Program for Accessory Dwelling Units and Junior Accessory Dwelling Units

April 3, 2025

This Water Allocation Program for Accessory Dwelling Units and Junior Accessory Dwelling Units (the "Program") applies to requests for a water allocation from the City of Seaside to support the development of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) within the California American Water Company (Cal Am) service area. This Program shall not apply to properties located within the service areas of the Seaside Municipal Water Company or the Marina Coast Water District.

Applicability

This Program shall be inapplicable to projects for which a Building Permit was submitted on or before June 30, 2022 and for which those Permits are still active. It shall also be inapplicable to those 28 properties which were notified of water availability in February 2025, provided that Building Permit applications are submitted to the City of Seaside no later than May 31, 2025, property eligibility is confirmed by planning staff, and the project is pursued to completion. Applications meeting these criteria shall be subject to the provisions set forth in Resolution 20-102. All other applications for ADUs or JADUs shall be subject to the provisions set forth herein.

Processing and Allocation

Water credits for a project shall be tentatively reserved at the time of Building Permit submittal. These credits shall be held in reserve while the application remains active. Applications that are withdrawn or have expired shall lose any water reservation, although a new application may be submitted if water supplies remain available. Water reservations shall be made on a first-come, first served basis.

Requests for water credits shall be reviewed by the community development department, and water credits shall be issued by the community development department at the time of Building Permit issuance. The City shall have the right to recover any issued credits if the project is not pursued to completion. A Certificate of Occupancy shall be required in order to finalize the allocation of water.

The community development department shall be responsible for tracking the total amount of water allocated under this Program and is authorized to pause the allocation of additional water if it appears that insufficient water remains to support additional projects.

The Zoning Administrator shall have the authority to enact such practices as deemed necessary and appropriate for the implementation of this Program, and to make interpretations regarding the provisions of this Program and how they may apply to individual circumstances.

All references to water allocations, water fixtures, and fixture units shall be interpreted in a manner consistent with current water allocation programs established by MPWMD.

Eligibility for Properties with Single-Family Dwellings (SFDs)

Water for an ADU or JADU on properties containing an existing or proposed SFD shall be allocated based upon the following criteria:

a) Water credits obtained from retrofits from the primary unit shall be applied first before any City allocation for the purpose of applying credits for the ADU or JADU. The City may provide a water allocation to make up the difference between the water made available from retrofits and the fixtures identified below.

b) Water allocations may be made available to support the development of ADUs or JADUs. These water allocations may be used to support the installation of the following fixtures within an ADU or JADU on each property:

   a. One Washbasin OR Two Washbasins in a Master Bathroom;
   b. One Ultra-High Efficiency Toilet (UHET);
   c. One of the following: a tub, a shower, or a tub with a shower head;
   d. One Kitchen Sink with a High-Efficiency Dishwasher; and
   e. One High-Efficiency Clothes Washer (HECW).

c) All toilets, dishwashers, and clothes washers in the existing SFD on the property shall be upgraded to a minimum efficiency rating of UHET, High-Efficiency Dishwasher, and HECW respectively and as defined by the Monterey Peninsula Water Management District. Any existing utility sinks must be removed.

Eligibility for Properties with Multi-Family Dwellings (MFDs)

Water for an ADU on properties containing an existing MFD shall be allocated based upon the following criteria:

a) Water credits obtained from retrofits from the primary units shall be applied first for the purpose of applying credits for the ADU or JADU. The City may provide a water allocation to make up the difference between the water made available from retrofits and the fixtures identified above from any fractional unit (ie a leftover credit insufficient to support the development of an additional unit) created from the retrofit of existing units. In the event that the credits generated divide into a fixed number of units with no remainder, no water will be available.

b) Water allocations may be made to support the development of ADUs on a property containing an MFD. This water allocation may be used to include the following fixtures within the ADU:

a. One Washbasin OR Two Washbasins in a Master Bathroom;
b. One UHET;
c. One of the following: a tub, a shower, or a tub with a shower head; and
d. One Kitchen Sink with a High-Efficiency Dishwasher.

In addition, a water credit may be provided for one HECW provided that either of the following is true:

a. The HECW is located within the individual ADU unit and cannot be accessed by other units; or
b. The property has an existing legally-established common laundry facility that is available to all of the existing units on the property which would be available for use by occupants of the ADU.

c) All existing toilets, dishwashers, and clothes washers in existing units on the property shall be upgraded to a UHET, High-Efficiency Dishwasher, and HECW, respectively. Additionally, clothes washers located in a shared laundry facility shall be upgraded to HECWs.

d) Projects shall be ineligible to receive City water if any existing clothes washers in units or laundry facilities are removed.

Proposed Water Allocation Assignments

Projects	Location	Remaining Water Credits Pre-Paralta	Public Credit	PWM	Total
Ascent (Sea Grove)	Broadway Ave and Terrace St	-	-	-	0.000
Auto Center Properties	Del Monte to Fremont, North of Olympia and south of Auto Center Parkway	3.602	-	-	3.602
WBUV	West Broadway Study Area	4.484	-	4.5	8.984
Small Commercial Allocation Account	Cal Am Service Area	4.101	-	1.5	5.601
ADU Water Allocation	Cal Am Service Area	-	-	2.0	2.000
Campus Town Offsite Affordable Housing	Cal Am Service Area	-	-	2.0	2.000
Affordable Housing - RHNA	Cal Am Service Area	-	-	6.5	6.500
Residential Infill	Cal Am Service Area	-	-	4.0	4.000
Unallocated Reserve	Unallocated	0.469	-	0.5	0.969
Public Credit		-	1.043	-	1.043
	Total	12.656	1.043	21.000	34.699

Exhibit "A"

County of Monterey

Item No.11

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

Legistar File Number: RES 26-083

June 09, 2026

Introduced: 5/27/2026 **Current Status:** Scheduled AM

Version: 1 **Matter Type:** BoS Resolution

REF250037 - WATER ALLOCATION BOARD POLICY

Consider adopting a resolution to approve a water allocation policy for the allocation of limited excess water from the California American Water Company (Cal-Am) service area of the Monterey Peninsula Water Management District (MPWMD) for areas of unincorporated Monterey County served by MPWMD.

Proposed California Environmental Quality Act Action: The proposed County of Monterey Water Allocation Policy (Policy) is exempt from further (CEQA) review pursuant to CEQA Guidelines section 15061(b)(3) as the proposed Policy does not make any changes to allowable uses or development regulations at any location in unincorporated Monterey County. Additionally, any future discretionary development that obtains water allotment pursuant to the Policy will undergo the necessary environmental review pursuant to CEQA when the project is considered. Lastly, the Monterey Peninsula Water Management District (MPWMD) analyzed the potential effects of water allocation made available through the Pure Water Monterey Expansion project via Environmental Impact Report Addendum (dated January 2024, State Clearinghouse #2013051094).

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

a. Find that adoption of the Water Allocation Policy is exempt from further CEQA review per Section 15061(b)(3); and

b. Adopt a resolution to approve the Water Allocation Policy for areas of unincorporated Monterey County served by MPWMD.

SUMMARY:

On January 27, 2025, MPWMD allocated 72-acre -feet per year (AFY) of water to the County for use in the Cal-Am service area of MPWMD (MPWMD service area). The County had 10.95 AFY remaining from the Paralta/Pre-Paralta allocations as of January 27, 2025, bringing the total combined allocations to the County to 82.95 AFY. The use of the water is at the County's discretion. When the County approves a suballocation of water, MPWMD debits the amount from the County's allocation when it issues a water permit.

Water allocated by MPWMD to the County is currently limited and the demand by property owners and developers for the County's limited water allocation within the unincorporated area exceeds the limited supply. MPWMD staff have determined that up to 2,000 AFY are available and that they will provide additional allocations to jurisdictions (Airport District, Department of Defense, Del Rey Oaks, Seaside, Pacific Grove, Sand City, Monterey and Monterey County) in the future. The 2,000 AFY exceeds current demand in the unincorporated areas, however, it is unclear how much of this total allocation will be made available to the County and when.

It should be noted that water services for development are also limited by the Cease-and-Desist Order (CDO) in place for the Cal-Am service area of MPWMD. It's important to note there is still a prohibition on installing new water meters (connections) within this service area. The County's proposed Water Allocation Policy (Policy) does not allow new connections, nor does it affect the CDO. MPWMD has applied to the State to modify a portion of the CDO, but no decision on that application has been made as of the drafting of this report.

Currently, the County does not have an adopted policy for the allocation of water in the MPWMD service area. The past practice of the County typically included approval of a water allocation at the time a construction permit was ready to issue on a "first-come first-served" basis. The Planning Commission authorized the allocation of water when acting on a discretionary permit, but the allocation was not approved until a construction permit was issued. From 1993 to 2013, the County was nearing exhaustion of its available water allocation and began withholding construction permit issuance for projects that required a new allocation of water until such time as water became available. County staff established a list of such projects waiting on water (HCD Approved Water Waitlist). This list has been updated and the proposed Policy is drafted to account for those still on the waitlist. After allocating water to projects on the HCD Approved Water Waitlist (**Attachment A**), the County has approximately 63.91 AFY of water to allocate remaining.

Given recent changes in California housing law requiring municipalities to prioritize utility services for housing development planned in the Housing Element of the General Plan, the finite allocation of water provided to the County by MPWMD, and the lack of a formal policy to prioritize the allocation of water to uses and development that furthers County goals and interests, the Planning Commission recommended that staff develop a water allocation policy for areas within the MPWMD service area for the Board's consideration. An alternative option to formalize the continued practice of providing water on a "first-come, first-served" basis was considered but not recommended due to the circumstances discussed above.

The proposed Policy (**Attachment C**) was developed and revised with input from the public and the Planning Commission, and the Planning Commission recommends the attached Policy for adoption.

The Policy outlines the accounting of water in the following general categories:

- Prior commitments (the HCD Approved Water Waitlist);
- 80% of the allocation for "Planned Housing Growth";
    - Planned Housing Growth includes housing projects that meet specific affordability provisions, density requirements, and locational criteria (i.e. located in an affordable housing overlay or on a Housing Element Opportunity Site); accessory dwelling units (ADUs), junior accessory dwelling units (JADUs) and single-family dwellings (SFDs) on vacant lots of record that meet specific water usage requirements; and expansions of existing multifamily developments
- 15% of the allocation on a first-come, first-served basis; and

– 5% of the allocation to a strategic reserve.

Other components of the Policy include: procedures for applying for a water allocation; measures to prevent long-term commitments of water to projects that do not get constructed; and ongoing review of the Policy to assess needs for changes.

Key feedback on the Policy to date has focused on the following provisions:

– Availability of additional water resources for the MPWMD service area;
– Limits on the amount of water allocation that any one project could qualify for;
– A proposed 0.25 AFY limit on single family residences (water usage maximum);
– Requests from applicants for certainty of water availability earlier in the permitting process; and
– Time limits on how long water should be reserved and allocated for a project before it is used.

Staff and the Planning Commission have considered comments and have recommended revisions to the Policy to address these issues to the extent feasible. The detailed discussion (**Attachment B**) contains more information about the proposed Policy and the feedback received to date.
Staff recommend the Board of Supervisors adopt a Water Allocation Policy for areas of unincorporated Monterey County served by MPWMD as presented in **Attachment C**.

DISCUSSION

See **Attachment B -** Detailed Discussion.

ENVIRONMENTAL REVIEW:

The proposed County of Monterey Water Allocation Policy (Policy) is exempt from further California Environmental Quality Act (CEQA) review pursuant to CEQA Guidelines section 15061(b)(3) as the proposed Policy does not make any changes to allowable uses or development regulations at any location in unincorporated Monterey County. Additionally, any future discretionary development that obtains water allotment pursuant to the Policy will undergo the necessary environmental review pursuant to CEQA when the project is considered. Lastly, the Monterey Peninsula Water Management District (MPWMD) analyzed the potential effects of water allocation made available through the Pure Water Monterey Expansion project via Environmental Impact Report Addendum (dated January 2024, State Clearinghouse #2013051094).

OTHER AGENCY INVOLVEMENT:

Housing and Community Development Department staff are working in collaboration with the Office of County Counsel to review the proposed policy. Staff also met with and considered comments provided by MPWMD that informed the proposed Policy.

On April 29, 2026, and May 13, 2026, the Planning Commission considered the proposed Policy. The Planning Commission voted unanimously to recommend that the proposed policy be revised to include the following items at the May 13, 2026, Planning Commission meeting:

– Revisions to the "Procedure" section to allow for applicants to request a reservation of water allocation when an application is deemed complete;
– Revise the "Fixture Maximums" for residential uses to a water usage maximum as maximum acre feet of water per year (AFY);
– Include discussion on water allocations for emergencies (i.e. water for fire suppression, etc.); and
– Revise the Policy to include clarifying edits requested by the Planning Commission
– Incorporate clarifying edits that ensure consistency between the proposed Policy and MPWMD regulations.

Staff have revised the proposed Policy and have provided a clean version (**Attachment C**) and a red-lined version showing changes made from the version presented to the Planning Commission (**Attachment D**) for the Board's consideration.

HOUSING IMPACTS:
X__ Reduces constraints on Housing Development
___Increases constraints on Housing Development
___Neutral
___Not applicable [N/A]

Adopting a Water Allocation Policy for areas in unincorporated Monterey County reduces constraints on Housing Development. Additionally, adoption of the Policy also assists in implementing the County's 6th Cycle Draft Housing Element Update (HEU6). Allocating water to affordable housing projects and allowing projects to reserve water earlier in the development process will assist with streamlining housing production and permitting residential development in unincorporated Monterey County, resulting in reduced constraints on Housing Development.

FINANCING
Staff time to support development of the proposed Policy is included in the FY2025-26 Adopted Budget for HCD Unit 8543, Appropriation Unit HCD002.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
The proposed Water Allocation Policy helps further the objectives in Strategic Goal A: Well-Being and Quality of Life by supporting key objectives related to Housing.

__X_ Well-Being and Quality of Life
__X_ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice

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Reviewed by: Melanie Beretti, AICP, Chief of Planning 831-755-5285
Approved by: Craig Spencer, HCD Director

The following attachments are on file with the Clerk of the Board:
Attachment A - HCD Approved Water Waitlist (dated May 5, 2026)
Attachment B - Detailed Discussion
Attachment C - Proposed Water Allocation Policy (Clean and dated May 27, 2026)
Attachment D - Proposed Water Allocation Policy (Redlined and dated May 27, 2026)
Attachment E - Resolution for adopting Water Allocation Policy

cc: Elizabeth Gonzales, Permit Center Manager; Joshua Bowling, HCD Assistant Director; Craig Spencer, HCD Director; Edgar Sanchez, Associate Planner; The Open Monterey Project (Molly Erickson); Keep Big Sur Wild; Landwatch; Water Allocation Policy Distribution List; Project File REF250037

ATTACHMENT B– DISCUSSION

DISCUSSION:

Water Allocation Policy – Process and Procedures

A Board Policy is adopted via resolution and can be amended from time to time by the Board of Supervisors. As drafted, this proposed Board Water Allocation Policy would establish the process, procedures, and management of limited excess water allocations in the California American Water Company (Cal-Am) service area of the Monterey Peninsula Water Management District (MPWMD) in unincorporated Monterey County. If the Board were to adopt the proposed Water Allocation Policy, the policy would be adopted via resolution and could be subsequently amended via resolution should Board priorities for water allocation change or additional water resources be allocated to the County from MPWMD.

The draft Water Allocation Policy is structured in the following manner, as required by the Board Policy Manual Policy and Procedure (Policy number i-2):

- Purpose;
- Background;
- Policy;
- Procedure;
- Review Date; and
- Board Action.

The following discussion provides a summary of the various sections of the draft Water Allocation Policy, recommendations and rationale on specific policy direction.

Purpose/Background

The purpose of the proposed Water Allocation Policy is to: "Establish a uniform policy for the allocation of limited water resources within the unincorporated areas of Monterey County within the MPWMD service area".

The background section provides a figure demarcating the boundary of the Cal-Am service area of the MPWMD and describes historical past practice on how the County has allocated water. In some cases, the County has provided water on a "first-come, first-served" basis or considered the allocation of water alongside a discretionary application, with water being reserve after the discretionary decision and until a construction permit was ready to issue. Additionally, the section also acknowledges the "HCD Approved Water Waitlist" (Waitlist), the processing requirements for projects that have requested water after the closure of the Waitlist and prior to the adoption of the Water Allocation Policy. Ultimately, the Policy serves to update this past practice given changes in California housing law requiring local governments to prioritize utility services for housing development planned for in the Housing Element, the finite allocation of water provide to the County by MPWMD and provide a framework to prioritize development that furthers County goals and interests.

Policy

The Policy section provides a framework for prioritizing the allocation of water resources:

1. Honor past commitments to the allocation of water established in the "HCD Approved Water Waitlist";
2. Development of Planned Housing Growth;
3. First Come First Served; and
4. Strategic Reserve

Once water has been allocated to projects on the HCD Approved Water Waitlist, the remaining water allocation would be reserved as a percentage of the remaining water allocation as follows:

- 80% for Planned Housing Growth;
- 15% First-come, First-Served Basis; and
- 5% retained as a strategic reserve.
    - *The County of Monterey Board of Supervisors would retain the authority to approve allocations from the Strategic Reserve category pursuant to a resolution.

Procedure

The procedure section outlines the types of projects that fall into each specific category and the procedure for allocation of water. The procedures for each category include a ministerial permit pathway (i.e. construction permit) or discretionary permit pathway (i.e. Use Permit, Coastal Development Permit, etc.) depending on what permits are required.

To provide earlier notification of water availability, the draft Policy proposes that applicants would be informed during the completeness review of a project application if the project is eligible for a reservation of water. The County would then maintain a list of projects that have requested water including the amount of water that is available by category or suballocation area where the water is proposed to come from.

<u>*Planned Housing Growth*</u>

Qualifying Projects

The Planned Housing Growth category includes the following types of projects:

- A housing project that:
    - Is located in an Affordable Housing Overlay as defined in the 2010 General Plan, or is listed as a Housing Element Opportunity Site in the 6th Cycle Housing Element Update; and
    - Provides no fewer than the minimum percentage of total units deed restricted to lower-income and moderate-income households as required by Monterey County Code Chapter 18.40 or provides more than 50 percent of the units at levels affordable to moderate income, workforce I, and/or workforce II households; and
    - Meets a minimum density of 10 dwelling units/per 1 acre.

Other projects that qualify under this category include Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) that do not exceed 0.12 acre-feet-per-year (AFY), single family dwelling (SFDs) units on vacant lots of record that do not exceed 0.25 AFY, expansions of multifamily housing projects that do not otherwise meet the criteria of Planned Housing Growth, and portions of housing projects that are deed-restricted affordable to low-income households as required by County Code or State Housing Law.

Public comments received during the review of the draft Policy raised questions regarding these water usage maximums. Staff have developed these limits using MPWMD Residential Water Release Forms and processes. The maximums allow property owner flexibility to have all common water using fixtures (e.g. a kitchen sink, dishwasher, clothes washer, etc...) and 3 or more bathrooms (combination of half and full bathrooms) depending on landscape water needs. A project with little or no irrigated landscape could use the allocation to maximize bathrooms or additional water usage whereas landscaping with higher water demands might have fewer bathrooms. The maximum has been established to accommodate reasonable water use SFDs, ADUs and JADUs while encouraging smaller, and by extension potentially more affordable, residences. Water usage maximums apply to SFDs in the "First-Come, First-Served" category as well.

Procedure
The proposed procedure allows for certain projects (ministerial approvals) to be approved by the HCD Director, and other projects (discretionary approvals) approved by the Appropriate Authority (i.e. Zoning Administrator, Planning Commission or Board of Supervisors) for the discretionary permit at the time of the decision on the discretionary permit.

<u>*First Come First Served*</u>
Qualifying Projects
All other development projects that do not qualify under the "Planned Housing Growth" category in the proposed Policy could apply for water under the "First Come First Served" category. The purpose of this First Come First Served category is to allow for a process for certain projects to obtain water allocations on a first-come, first-served basis similar to past County practice. Water usage maximums apply to residential development projects (0.25 AFY for existing SFDs and proposed SFDs). Water usage maximums do not apply to non-residential uses.

Residential projects that need additional water for emergencies (i.e. fire suppression needs outside of need for fire sprinklers) are eligible to exceed the water usage maximums upon request and documentation from the appropriate fire authority.

The procedure for water allocations under this category are the same as the procedures for water allocations in the "Planned Housing Growth" category.

<u>*Strategic Reserve*</u>
Qualifying Projects
For projects that do not conform to the above-mentioned categories, the Board of Supervisors may authorize the allocation of water or authorize the HCD Director to approve the allocation of water from the Strategic Reserve category. This category is intended to reserve water for County facility needs or for future (currently unknown) project(s) that are supported by the Board and/or have some public benefit.

Procedure

The Board of Supervisors would retain the authority to allocate water from the strategic reserve.

HCD Director – Additional Review Procedure
For projects that qualify for ministerial approval, the HCD Director can refer the matter to the Planning Commission if the granting of a water allocation could result in significant public policy issues, significant/adverse environmental impacts, significant changes in the nature of a community, or would establish precedents.

This provides an avenue for the HCD Director to refer water allocation determinations to the Planning Commission in instances where the ministerial approval of a project, combined with the administrative approval of a water allocation, could result in potentially undesirable outcomes.

Projects Requesting Water Allocation Prior to Policy Adoption
For projects that requested water prior to Policy adoption, water allocation requests for projects that were not on the "HCD Approved Water Waitlist" should be considered by the Planning Commission with the decision appealable to the Board of Supervisors for discretionary projects and by the HCD Director for ministerial projects.

Procedures for Water Reservation
A project that was deemed eligible with this Policy can reserve the water allocation at the time of completeness determination for 12 months as the applicant continues to pursue approval of land use entitlements (for discretionary projects) and construction permits (for ministerial projects). Should the applicant not receive the required permits within the 12-month period, the water reservation will return to the County's water allocation and be available for distribution to other projects.

Prior to the end of the 12-month period, the applicant can make a written request to the HCD Director for an extension to the water reservation. The HCD Director shall consider the applicant's progress and due diligence towards obtaining permits, in addition to other extenuating circumstances that may impact permit approval.

Time Limits
Water allocations would continue to be held by a project applicant for the term limits set by the MCC for approved construction permits and approved land use entitlements for a maximum of five years. Projects that include affordable housing deed restricted to low-income households may be eligible for additional time extensions outside of the 5-year maximum. Such request shall be made in writing to the HCD Director outlining the need for additional time and forwarded to the Appropriate Authority for decision.

For example, if an Administrative Permit for a project includes a water allocation as part of the approval, that water allocation is held by that project and deducted from the County's overall water allocation for the life of the Administrative Permit. Monterey County Code (MCC) notes that an Administrative Permit is typically active for 2 years unless the Appointing Authority extends the life of the permit. As outlined in the Policy, if the project was approved for 2 years and could request a maximum extension of 3 years (for holding water for a 5-year maximum).

If that Administrative Permit were allowed to expire expiration of the Administrative Permit (2 years from the date of granting the permit unless otherwise stated) and no action was taken to extend the life of the permit, then the project would no longer have a water credit, and that water credit would be made available to other projects requesting/needing water.

Review of Allocation Policy
Staff will monitor the remaining balance of water allocation within each of the categories as defined in the Policy, magnitude of demand for water within each category, and anticipated future water supplies. Staff will periodically review this Policy and recommend amendments as may be needed to ensure on-going alignment with Board priorities and water supply and demand.

Public Engagement and Outreach

Planning Commission Workshop (November 12, 2025)
On November 12, 2025, staff conducted a workshop with the Planning Commission to receive input on development of a Water Allocation Policy and/or Ordinance in the MPWMD Service Area (staff report and exhibits are available at this link: https://monterey.legistar.com/LegislationDetail.aspx?ID=7727450&GUID=14D92DA5-D5EA-4B73-A6BB-751CC37D9F22&Options=&Search=).

At the November 2025 workshop staff presented background on water allocation and past practice at the County regarding allocation of water, provide a preliminary draft water allocation policy, and solicited input from the Planning Commission and public on various policy topic areas including: water allocation process/procedures; purpose and goals of the policy; potential use categories for water allocation; and key definitions and clarifications for the policy.

The Planning Commission provided direction to continue developing a Policy and/or Ordinance given changes in state housing law and the finite nature of water resources currently available in the MPWMD service area. The Planning Commission also requested additional information and context on the policy topic areas discussed, how the Policy would be implemented, as well as directing staff to conduct additional community outreach.

Developer Stakeholder Meeting
Staff held a stakeholder meeting with the development community in March 2026 to discuss the draft Water Allocation Policy and received feedback on the policy. This feedback was incorporated into the draft Water Allocation Policy that was made available for public review in mid-April. Comments leading to revisions included:

- Clarifying that applicants demonstrate they have the right to receive water in light of the Cal-Am Cease and Desist Order (CDO);
- Ensure availability and certainty of water availability earlier in the development process;
- Updated fixture maximums to be in better alignment with bedroom and bathroom counts for units in unincorporated Monterey County; and
- Including that affordable portions of housing projects can qualify for water allocation under the Planned Housing Growth category

Public Comment Period

Staff released the draft Water Allocation Policy for public review starting April 8, 2026 through April 22, 2026. Updates to the draft Water Allocation Policy have been incorporated in response to comments.

Planning Commission Hearings (April 29, 2026 and May 13, 2026)

Staff presented the draft Water Allocation Policy to the Planning Commission on April 29, 2026 and May 13, 2026. Staff revised the draft Water Allocation Policy in response to public and Planning Commissioner comments for the Board's consideration. The April 29, 2026 meeting materials (staff report and exhibits can be found at this link: https://monterey.legistar.com/LegislationDetail.aspx?ID=7992182&GUID=83500E3C-CE77-4C16-87C8-81B3E2075ACE&Options=&Search=) and the May 13, 2026 meeting materials (staff report and exhibits can be found at this link: https://monterey.legistar.com/LegislationDetail.aspx?ID=8005625&GUID=12622B91-9F47-43E6-AF0D-5C372C6AA434&Options=&Search=).

<table>
<tr><td colspan="3" align="center">County of Monterey
Board Policy Manual</td></tr>
<tr><td rowspan="2">Policy Name
Monterey County Water Allocation Priorities and Procedures</td><td>Policy Number</td><td>Page</td></tr>
<tr><td align="center">G-269</td><td></td></tr>
<tr><td colspan="3">Policy Category
Government and Administration</td></tr>
</table>

I. Purpose

Establish a uniform Policy for the allocation of limited water resources within the unincorporated areas of Monterey County within the Monterey Peninsula Water Management District California American Water Company (“Cal-Am”) service area.

II. Background

Monterey Peninsula Water Management District (“MPWMD”) has adopted rules that govern water resources within its jurisdictional boundaries (see Figure 1 below). MPWMD rules include, among other things, the ability to allocate water to local governments within its territory. This includes allocations to the County of Monterey (“County”).

Water allocations are used by MPWMD to manage Cal-Am water supplies within MPWMD boundaries. See Figure 1 for MPWMD District Boundaries.

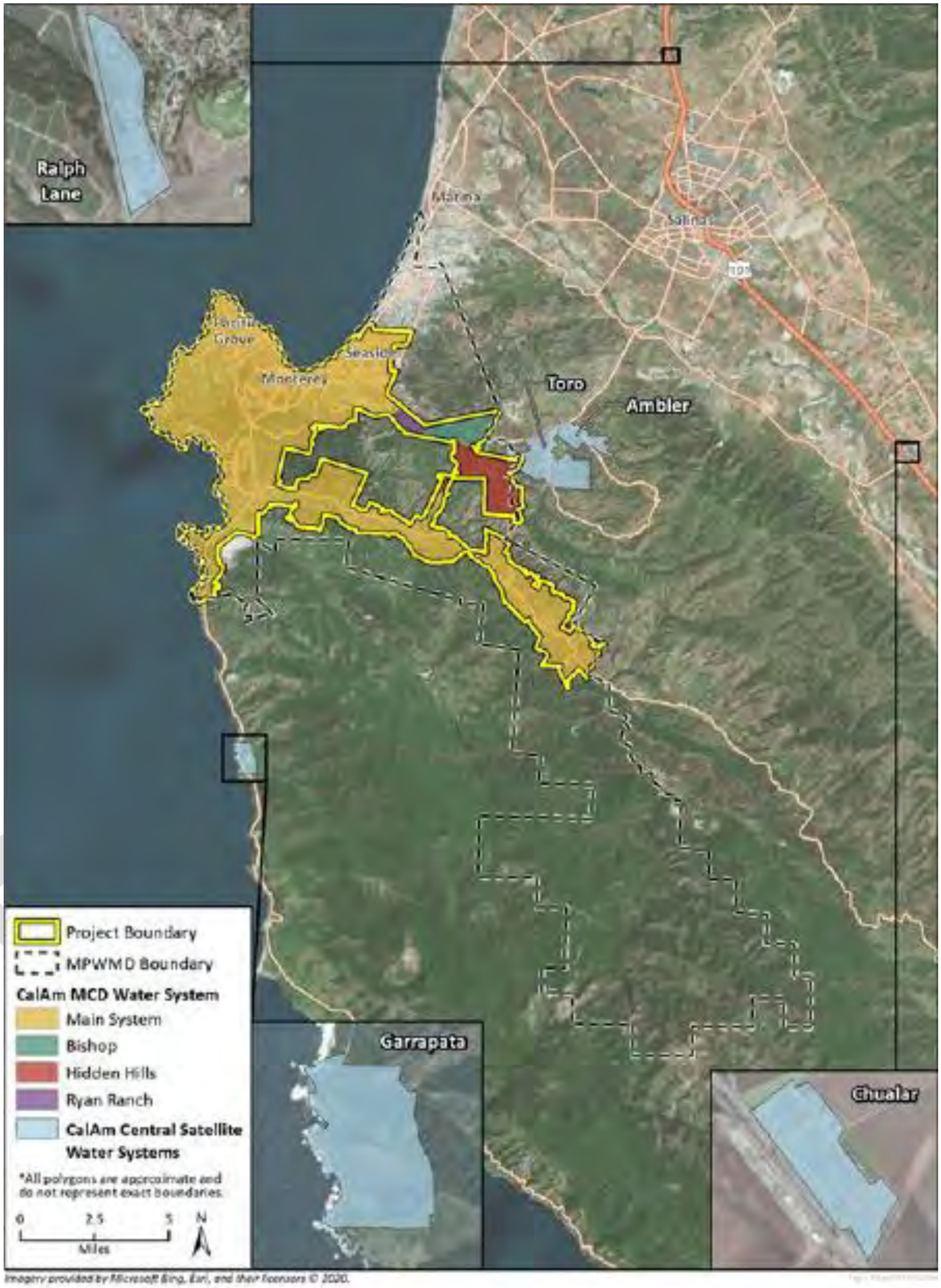

Figure 1 - MPWMD Service Area overlap with Cal-AM Service Area. Note: “Project Boundary” in yellow is the Cal-AM Service Area within MPWMD boundaries

The State Water Resources Control Board's Cease-and-Desist Order (CDO) against Cal-Am is in place for new Cal-Am service connections and does not currently allow for the installation of new water meters. A request to modify the CDO is under review and pending with the State Water Resources Quality Control Board.

On January 27, 2025, MPWMD adopted Ordinance No. 197, modifying Rule 33 requiring projects in the Bishop Ranch subsystems that request an allocation of water be allocated water from the County's allocation as the Bishop Ranch subsystem is now connected into the Main Cal-Am water system. Before this date, water was allocated from the Seaside Groundwater Basin, which is an adjudicated basin.

On March 1, 2025, MPWMD allocated 72-acre -feet of water per year (AFY) from the Pure Water Monterey Expansion ("PWMEx") project to the County for use in the MPWMD Cal-Am service area. The County had 10.95 AFY remaining from its previous Paralta/Pre-Paralta allocations as of January 27, 2025, bringing the total combined allocations to the County to 82.95 AFY. The use of the water is at the County's discretion. When the County approves an allocation of water (also known as a release of allocation, as described in MPWMD Rule 33), MPWMD debits the amount from the County's allocation when the project receives a water permit.

The County may approve developments, and construction permits in the unincorporated areas pursuant to Monterey County Code ("MCC"). Construction permits can only be issued after the issuance of a water permit from MPWMD.

Water allocated by MPWMD to the County is currently limited and the demand by property owners and developers for the County's limited water allocation within the unincorporated area exceeds the limited supply. MPWMD staff have determined that up to 2,000 AFY are available and that they may provide additional allocations to jurisdictions in the future. This Policy is drafted in a manner where any new allocations that are provided to the County from MPWMD can be distributed in accordance with the use categories and associated percentages available rather than relying on the AFY of allocation available as of the date of this Policy.

Currently, the County does not have an adopted policy for the allocation of water in the MPWMD area. The past practice of the County typically included approval of a water allocation at the time a construction permit was ready to issue on a first-come first-served basis. The Planning Commission authorized the allocation of water when acting on a discretionary permit. In these cases, water allocations were reserved after the discretionary decision and until a construction permit was ready to issue. After accounting for most of the County's water allocation (circa 2000), staff established a "HCD Approved Water Waitlist" for those projects that were approved but could not move forward with building until water became available. Projects approved in the Bishop Ranch subsystem are also included in the "HCD Approved Water Waitlist" due to updated MPWMD rules and regulations. This Policy addresses the "HCD Approved Water Waitlist" and updates the past practice for allocation of the County's water.

A formal Water Allocation Policy is necessary given recent changes in California housing law requiring prioritization of utility services for housing development planned in the County's Housing Element in its General Plans, the additional allocation of water provided to the County by MPWMD; and the lack of a formal policy to prioritize the allocation of water to uses and development that furthers County goals and interests.

III. Policy

It is the Policy of the County to prioritize the allocation of limited water resources in the Cal-Am service area of MPWMD to housing development. This prioritization is reflected in the following order of priority:

1. Honor past commitments to the allocation of water established in the "HCD Approved Water Waitlist".[1]
2. Development of Planned Housing Growth.[2]
3. First Come First Served.[3]
4. Strategic Reserve.[4]

In accordance with the above listed priorities, the Director of Housing and Community Development, or their designee (collectively, "HCD Director") shall be charged with tracking water allocations provided to the County and reserving portions of each new allocation as follows:

Prior commitments established in the "HCD Approved Water Waitlist" for the allocation of water shall be accounted for and deducted from the total allocation available.

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[1] Past commitments include water allocated by the Board of Supervisors, Planning Commission, Zoning Administrator, or Chief of Planning and those properties or projects that have been on the County's "water waiting list" as modified to exclude properties and projects that were on the list but have subsequently secured water from other sources prior to receiving an allocation from the County. The "HCD Approved Water Waitlist" is available at the Housing and Community Development Department.

[2] Planned Housing Growth as defined this Policy in Section IV.1.I.

[3] All remaining development projects that do not meet the definition of Planned Housing Growth would fall under this category. Residential development shall comply with fixture limitations as defined in Section IV.2.I.

[4] This category can be allocated to other uses that are not covered under other categories, at the discretion of the Board of Supervisors as defined in Section IV.3.

After accounting for prior commitments, all remaining water and any future allocations shall be reserved as follows:

- 80% of allocations shall be reserved for Planned Housing Growth;
- 15% First-come, First-Served Basis; and
- 5% of allocations shall be retained as a strategic reserve.
    - *The Monterey County Board of Supervisors shall retain the authority to approve allocations from the Strategic Reserve category pursuant to a resolution.

IV. Procedure

The County shall review all land use entitlement permit and construction permit applications in the Cal-Am service area of MPWMD pursuant to this Policy. An application for development requesting water shall be submitted with an MPWMD water permit application and a written request from the applicant for an allocation of water from the County specifying the amount of water requested and identifying the category the water is proposed to come from (i.e. Planned Housing Growth, First Come First Served, or Strategic Reserve).

Once the MPWMD application has been reviewed and approved by the County, the applicant will be responsible for submitting the application to the MPWMD to obtain a water permit. A construction permit will be released to the applicant once the MPWMD water permit has been issued and the applicant has provided proof of the approved permit to HCD.

Additional procedures on water allocation, reservation, and time limit can be found in Subsection 4 through 7 below.

1. <u>Planned Housing Growth:</u>

    i. Projects that qualify under this category include the following:

    a. A housing project that:
        - Is located in an Affordable Housing Overlay as defined in the 2010 General Plan, or is listed as a Housing Element Opportunity Site in the 6th Cycle Housing Element Update; and
        - Provides no fewer than the minimum percentage of total units deed restricted to lower-income and moderate-income households as required by MCC Chapter 18.40 or provides more than 50 percent of the units at levels affordable to moderate income, workforce I, and/or workforce II households; and
        - Meets a minimum density of 10 dwelling units/per 1 acre.

    Exclusive from the above, the following projects also qualify under this category:

    b. An accessory dwelling unit or junior accessory dwelling unit that does not exceed a subtotal of 0.12 afy as demonstrated in Table No. 1 of MPWMD Rule 24 Table 1: Residential Fixture Unit Count Values.

c. A single-family dwelling on a vacant lot of record that does not exceed a proposed total fixture unit count of 0.25 afy as demonstrated in Table No. 1 of MPWMD Rule 24 Table 1: Residential Fixture Unit Count Values.

d. Portions of housing projects that are deed-restricted to low-income households as required by MCC Chapter 18.40 or as required by State Housing Law (i.e. State Density Bonus Law and/or Builders Remedy Law).

e. Expansions to existing multifamily developments.

ii. Procedure for Planned Housing Growth:

a. Ministerial Process (if no land use entitlement is required under the MCC): The HCD Director may approve a water allocation at the time a construction permit is ready to issue provided the project conforms with this Policy.

The water allocation will be held for the period of time that the construction period remains active as noted in the "Time Limits" discussion.

b. Discretionary Process (if a land use entitlement is required under the MCC): The Appropriate Authority, may approve a water allocation with the land use entitlement. The Appropriate Authority shall consider whether the project conforms to this Policy.

The water allocation will be held by the project for the period that the entitlement remains active as noted in the "Time Limits" discussion.

The decision of the Appropriate Authority is appealable as outlined in the MCC.

2. <u>First Come First Served:</u> For projects that do not qualify for Planned Housing Growth as described in this Policy, the following requirements apply:

i. Residential Unit Fixture Maximums – the following fixture unit maximums apply for residential projects to be considered for water credits under this category.

a. Existing Single Family Residential Dwellings (SFDs) and Existing Multifamily Residential Dwelling Units (MFDs)– Water may be allocated for expansions, remodels, or replacement of existing SFDs and MFDs, provided that:

- The total proposed water usage for the SFD does not exceed 0.25 afy as demonstrated in Table No. 1 of MPWMD Rule 24, Table No. 1 – Residential Fixture Count Unit Values; or
- No maximum shall apply to the expansion, remodel or replacement of MFDs.

ii. Non-Residential Uses - No water usage maximums apply. Changes in use and new construction of non-residential uses requires a water allocation and subsequent water permits from MPWMD.

iii. Requests for Water for Emergency Situations – The HCD Director may approve a water allocation exceeding the water usage maximums described in this Policy if there is a demonstrated need or emergency warranting such allocation. Emergency allocations may include emergency fire suppression infrastructure required by the appropriate Fire Authority. Such decisions of the HCD Director are appealable to the Planning Commission.

iv. Procedure for First Come First Served

a. Ministerial Process (if no land use entitlement is required under the MCC): The HCD Director, may approve a water allocation at the time a construction permit is ready to issue, provided that the project complies with this Policy.

   The water allocation will be held for the period of time that the construction period remains active as noted in the "Time Limits" discussion. The decision of the HCD Director is not appealable.

b. Discretionary Process (If a land use entitlement is required under the MCC): The Appropriate Authority may approve a water allocation with the land use entitlement. The Appropriate Authority shall consider whether the project conforms to this Policy.

The water allocation will be held by the project for the period that the entitlement remains active as noted in the "Time Limits" discussion.

The decision of the Appropriate Authority is appealable as outlined in the MCC.

3. <u>Strategic Reserve:</u>

   i. Procedure

   a. The Board of Supervisors may authorize the allocation of water or authorize the HCD Director to approve the allocation of water, for those projects or properties that do not conform to these criteria from the Strategic Reserve allocation category. The Board shall consider the following findings when authorizing water allocation:

      1. The project has been designed to minimize the amount of water needed; and
      2. The project complies with the County's adopted policies and regulations; and

3. The project will provide affordable housing, create new jobs, or has a public benefit.

The water allocation will be active as discussed in the "Time Limits" section below. The Board of Supervisor's decision is not appealable.

4. <u>HCD Director – Additional Review Procedure:</u>

   If, in the opinion of the HCD Director, additional review is required prior to approving a water allocation for a project that does not require land use entitlements, the HCD Director may refer the matter to the Planning Commission for a decision. The HCD Director can refer to a decision to the Planning Commission if any of the following would occur through the granting of a water allocation:

   1. Significant public policy issues;
   2. Significant, unmitigable, and adverse environmental impacts; or
   3. Establishment of precedents or standards by which other projects will be measured.

   Decisions of the Planning Commission are appealable to the Board of Supervisors.

5. <u>Procedures for Projects Requesting Water Allocation Prior to Policy Adoption</u>

   Projects requiring a discretionary permit that have requested a water allocation prior to the adoption of this Policy, but who were not on the "HCD Approved Water Waitlist" should be considered by the Planning Commission with the decision appealable to the Board of Supervisors.

   Projects requiring a ministerial permit that have requested a water allocation prior to the adoption of this Policy, but who were not on the "HCD Approved Water Waitlist" should be considered by the HCD Director.

6. <u>Procedures for Water Reservation</u>

   The HCD Director shall notify an applicant for projects requiring a discretionary permit (land use entitlement) of the project's eligibility for a water reservation at the time the application is determined "complete" by County staff. The HCD Director shall notify an applicant for projects requiring a ministerial permit (no land use entitlement required) of the project's eligibility for a water reservation at the time the application's review is determined "complete" by County staff. Such notification shall include the use category the project is eligible to request water from (i.e. "Planned Housing Growth", "First-Come, First-Served"). When a project is determined to be eligible for a water reservation, the HCD Director shall deduct the water requested for the project from the appropriate use category and reserve that water for the project for the time period prescribed herein.

   The County will maintain a list of projects that have been provided notice of eligibility for a water reservation, including the amount of water requested and the use category the water is proposed to come from. Such list will be available on the County's website.

A project that was deemed eligible with this Policy can reserve the water allocation at the time of completeness determination for 12 months as the applicant continues to pursue approval of land use entitlements and construction permits. Should the applicant not receive the required permits within the 12-month period, the water reservation will return to the County's water allocation and be available for distribution to other projects.

Prior to the end of the 12-month period, the applicant can make a written request to the HCD Director for an extension to the water reservation. The HCD Director may approve an extension of up to 6 additional months if the applicant has diligently pursued permits and additional time is needed for processing of the permit by the County.

7. <u>Time Limits on County Water Allocations</u>

The County's water allocations may be held by a project applicant for the time limits set by the MCC for approved construction permits and approved land use entitlements as applicable. If a project's water allocation lapses, the allocation will be made available to other projects per this Policy.

For ministerial and discretionary permits, time extensions can be considered by the Appropriate Authority. A project provided water allocation pursuant to this Policy shall be held by a project applicant for a maximum of 5 years. Projects that include affordable housing deed restricted to low-income households may be eligible for additional time extensions outside of the 5-year maximum. Such request shall be made in writing to the HCD Director outlining the need for the additional time and forwarded to the Appropriate Authority for decision.

8. <u>Review of Allocation Policy</u>

The HCD Director, or designee, shall regularly review this Policy to assess the need for changes. The review shall include:

- The remaining balance of water allocations within each of the categories defined in this Policy;
- The general magnitude of demand for water within each category;
- Any future water supplies that are anticipated; and
- Any changes to this Policy that may be warranted to better facilitate the allocation of water. This includes, for instance, the ability to modify policies, criteria, and procedures to better align with the intended purpose or the ability to shift the total amount of water reserved for each category given supply and demand.

9. Review Date

a. This Policy will be reviewed as needed to better align with the ability to shift the total amount of water reserved for each category given supply and demand or as directed by the Board.

10. Board Action

a. Legistar File Number ________________

Before the Board of Supervisors in and for the
County of Monterey, State of California

Resolution No. ____	)
Approving a water allocation policy for the	)
California American Water Company service	)
area of the Monterey Peninsula Water	)
Management District applicable to the	)
unincorporated areas of Monterey County,	)
for inclusion in the Board Policy Manual.	)
	)
	)

WHEREAS, on January 27, 2025, the Board of Directors of the Monterey Peninsula Water Management District ("MPWMD") adopted Ordinance No. 197, allocating 72 acre-feet per year ("AFY") to the County of Monterey ("County") in anticipation of completion of the Pure Water Monterey Groundwater Expansion Project ("PWMEx"); and,

WHEREAS, the County does not have a water allocation policy for management of the finite water resources within the Cal-Am service area of the MPWMD ("service area"); and,

WHEREAS, absent a policy for the management of finite water resources, the past practice of the County has been to allocate water within the service area on a "first-come, first-served" basis. This included approval of water prior to issuance of construction permit applications and consideration of water allocations in the discretionary review process with water reserved for a project after discretionary approval and until a construction permit was ready to issue; and,

WHEREAS, recent changes to state Housing Element law and specifically Government Code section 65589.7 require jurisdictions prioritize water and sewer services for proposed developments that include housing units affordable to low-income households; and,

WHEREAS, the County desires to prioritize allocation of water to uses and development that furthers the County's goals and interests; and,

WHEREAS, the attached Policy has been created to establish a procedure for water allocation in unincorporated areas of the service area that carries out the requirements of state law and furthers the County's goals and interests.

NOW, THEREFORE, **BE IT RESOLVED** by the Board of Supervisors in and for the County of Monterey approves for inclusion in the Board Policy Manual, the attached Water Allocation Policy for the unincorporated area of the service area.

PASSED AND ADOPTED on this _____day of _______________, 2026, by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book___ for the meeting on ___________________.

Dated: ________________

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By ______________________________________
, Deputy

De LAY & LAREDO
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(1919 – 2018)

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June 10, 2026

TO: Chair Oglesby, Members of the Board and General Manager Stoldt

FROM: David C. Laredo, Counsel

RE: General Report of Pending Litigation effective June 10, 2026

This memo presents a public summary of litigation matters that are deemed to be open and active. This is a recurring memo; the newly updated data is shown in ***highlighted text***.

1 – *MPWMD v. Cal-Am*; 23CV004102

This lawsuit embodies District efforts to fulfill the electoral mandate of Measure J to acquire ownership and operation of Cal-Am's Monterey Division water supply facilities by eminent domain. Cal-Am contends the District lacks the power to both acquire the water system, or to operate a retail potable water system. The District disputes Cal-Am's contentions and objections.

On December 12, 2025 Judge Rivamonte reviewed two competing motions filed by MPWMD and Cal-Am, respectively, to narrow the scope of this proceeding. Judge Rivamonte denied both motions and ruled a trial is necessary to resolve the several factual disputes

At the February 24, 2026 Case Management Conference (CMC) Judge Rivamonte set a bench trial in Department 14 to begin October 19. 2026. This trial shall focus solely on LAFCO issues. The trial is estimated to take two to four days. A Management Conference for the trail is set for October 16, 2026 in Department 14, at 10:00 a.m.

2 – *MPWMD v. Local Agency Formation Commission (LAFCO); Cal-Am*; 22CV000925
6th Dist. Court of Appeal H051849

The District successfully challenged LAFCO's decisions affecting and limiting MPWMD's power to acquire Cal-Am water system facilities as directed by the voter mandate in Measure J. LAFCO and Cal-Am then appealed the 2023 decision of Judge Thomas Wills. The matter is on appeal before the Sixth District Court of Appeal.

MPWMD's brief was filed in November 2025. LAFCO and Cal-Am filed their respective briefs on April 7th. The next step is for MPWMD to file its final brief which is due on June 26.

3 – *City of Marina; MPWMD, et al, v. California Coastal Commission (CCC); Cal-Am*; Trial Case 22CV004063; 6th District Appellate Case H053560

The trial court judgment entered on May 29, 2025 found the CCC did not exceed its jurisdiction or abuse its discretion in this matter. Parties City of Marina, Marina Coast Water District (MCWD), and MPWMD jointly filed a Notice of Appeal on July 24, 2025.

Respondents have not yet filed their reply briefs.

4 – Matters before the California Public Utilities Commission (CPUC) pertaining to Cal-Am.

The following actions are separate proceedings in which MPWMD is involved due to their impact on the Monterey area or upon the Cal-Am water system.

4.a A.25-07-003 Cal-Am 2025 General Rate Case (GRC)

Cal-Am filed its latest triennial rate request with the CPUC on July 1, 2025. This request is part of the regular three-year rate cycle by which the CPUC reviews and authorizes Cal-Am's rates and charges, and also by which the CPUC authorizes Cal-Am to modify its operating system. Evidentiary Hearings were held in San Francisco from April 20 to April 24, 2026. The District conducted cross examination of witnesses to provide a basis to comment on Cal-Am's proposed settlement. At the time of the hearing the proposed settlement had been orally described, but no written summary was made available. California American Water and Cal Advocates filed their proposed settlement on June 8, 2026. This document exceeds 500 pages in length and is currently under review.

Contested issues will be identified by comments submitted on the proposed settlement, and in briefs pertaining to the evidentiary hearing.

4.b R.22-04-003 CPUC Acquisition Rulemaking

This action is a statewide CPUC Rulemaking matter that addresses statewide public utility system policy, and has specific impact on the Cal-Am system. It is unclear when a Proposed Decision will be issued or when the matter may be submitted for consideration by the full Commission. The CPUC's internal Statutory deadline has been extended to September 30, 2026. R.22-04-003. The matter was reassigned from John Reynolds to Darcie Houck on March 26, 2026.

5 –MPWMD v. SWRCB. Case No. 1-10-CV-163328 (Santa Clara County Superior Court) 10/27/2009.

This matter was filed in 2010 to challenge the Cease & Desist Order (CDO) issued by the SWRCB. The case asserted four causes of action against the SWRCB related to the Cease & Desist Order. Originally filed in Monterey County, the case was transferred to Santa Clara County.

After the action was dismissed by the July 2025 motion of the Sierra Club and Carmel River Steelhead Association (CRSA), the Sierra Club filed a Motion Award of Attorney's Fees against Cal-Am and MPWMD, requesting payment of approximately $450,000 in total fees, costs and interest thereon. De Lay & Laredo defended MPWMD's interests before the trial court.

Following briefing and a hearing on the merits, Santa Clara County Superior Court, Judge Beth McGowen denied Sierra Club's request in its entirety, finding Sierra Club's request (1) was flawed due to procedural deficiencies, (2 Sierra Club failed to make " 'a clear showing of some unique contribution to the litigation" and also (3) Sierra Club had "not met its burden to establish that "an action involving a successful party 'has resulted in the enforcement of an important right affecting the public interest….' "

Sierra Club has filed a Notice of Appeal and has designated the Record for Appeal. The 6th District Court of Appeal assigned Case # H054345 to this case.

Appellant's opening brief and appendix is required to be served and filed within 70 days from the date of filing the notice of election under Rule 8.212(a)(1)(B) of the California Rules of Court). De Lay & Laredo will continue to represent District interests as lead appellate council in this appeal.

ITEM: PUBLIC HEARING

17. CONSIDER ADOPTION OF JULY THROUGH SEPTEMBER 2026 QUARTERLY SUPPLY STRATEGY AND BUDGET

Meeting Date:	**June 15, 2026**	**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: Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1)
ESA Compliance: Consistent with the September 2001 and February 2009 Conservation Agreements between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River and Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016.

SUMMARY: The Board will accept public comment and take action on the **July** through **September 2026** Quarterly Water Supply Strategy and Budget for California American Water's (CalAm's) Main and Satellite Water Distribution Systems (WDS), which are within the Monterey Peninsula Water Resources System (MPWRS). The proposed budget, which is included as **Exhibit 17-A**, outline monthly production by source of supply that will be required to meet projected customer demand in CalAm's Main and Laguna Seca Subarea systems, i.e., Ryan Ranch, Bishop, and Hidden Hills, during the **July** through **September 2026** period. The proposed strategy and budget is designed to maximize the long-term production potential and protect the environmental quality of the Seaside Groundwater and Carmel River Basins.

Exhibit 17-A shows the anticipated production by CalAm's Main system for each production source and the actual production values for the water year to date through the end of **May 2026**. Cal-Am's annual Main system production for Water Year (WY) 2026 will not exceed 4,850 acre-feet (AF). Sources available to meet customer demand are 1,474 AF from the Coastal Subareas of the Seaside Groundwater Basin as set by the Seaside Basin Adjudication Decision and 3,376 AF from the Carmel River as set by WRO 2016-16. Additional water projects and water rights available are an estimated 995 AF of Pure Water Monterey Injection over this quarter, an estimated 5,300 AF from ASR Phase 1 and 2 storage, and an estimated 75 AF from the Sand City Desalination Plant. This water budget proposes to produce 995 AF of Pure Water Monterey, so nothing is anticipated to be added to the Operational Yield for this quarter. The schedule of production from the Carmel Valley Alluvial Aquifer is consistent with State Water Resources Control Board (SWRCB) Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016. In compliance with WRO 2016-0016, any water diverted under these rights must be used to reduce unlawful diversion from the Carmel River Basin.

According to the Seaside Basin Adjudication Decision, CalAm's production has been reduced to 0 AF. It is recognized that CalAm will need to produce water to serve its customers in the Hidden Hills Distribution System and production in Laguna Seca will be tracked as a ministerial component of tracking production against the Adjudication Decision. CalAm has completed an intertie between the Monterey Main System and the Bishop and Ryan Ranch Systems that allows for transfer of water between the systems.

RECOMMENDATION: The Board should receive public input, close the Public Hearing, and discuss the proposed quarterly water supply budget. District staff recommends adoption of the proposed budget. The budget is described in greater detail in **Exhibit 17-B**, Quarterly Water Supply Strategy Report: **July – September 2026**.

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

As long as flows exceed 20 cfs at the District's Don Juan Gage, CalAm is allowed to produce from its Upper Carmel Valley Wells, which are proposed to be used to supply water for system demand over this quarter. This schedule is estimated with WY 2015 streamflow conditions and daily demand for Carmel Valley. CalAm will schedule the recovery of Pure Water Monterey water stored in the Seaside Basin with the goal of removing all water injected over the operational reserve for WY 2026. There is also a projected goal of producing 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months.

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

EXHIBITS

17-A Quarterly Water Supply Strategy and Budget for Cal-Am Main System: July - September 2026

17-B Quarterly Water Supply Strategy and Budget Report: July - September 2026

EXHIBIT 17-A

California American Water Main Distribution System
Quarterly Water Supply Strategy and Budget: July - September 2026

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

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jul-26	Aug-26	Sep-26	Oct-25 - May-26	% of YTD	% of Annual
Source						
Carmel Valley Aquifer						
Upper Subunits	0	0	0			
Lower Subunits (95-10)	420	420	405			
ASR Diversion	0	0	0			
Table 13 Diversion (Service)	0	0	0			
Total	**420**	**420**	**405**	**1,727**	72.7%	33.6%
Seaside Groundwater Basin						
Coastal Subareas	146	135	125	**289**	60.9%	19.6%
ASR Recovery	0	0	0			
Sand City Desalination	25	25	25	**57**	28.4%	18.9%
Pure Water Monterey	327	349	319	**3,300**	126.7%	94.3%
Total	**498**	**509**	**469**	**3,645**		73.3%
Use						
Customer Service	918	929	874			
Table 13 in Basin Use	0	0	0			
Total Customer Use	**918**	**929**	**874**			
ASR Injection	0	0	0			
Total	**918**	**929**	**874**			

Notes:
1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
2. Total monthly production for "Customer Service" in CAW's main system was calculated by multiplying total annual production (4,850 AF) times the average percentage of annual production for July, August, and September (9.5%, 9.5%, and 8.7%, respectively). According to District Rule 160, the annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed 1,474 AF and production from Carmel River sources, without adjustments for water produced from water resources projects, would not exceed 3,376 AF in WY 2024. The average production percentages were based on monthly data for customer service from WY 2014 and 2019.
3. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation to be in compliance with SWRCB WRO No. 2016-0016.
4. It should be noted that monthly totals for Carmel Valley Aquifer sources may be different than those shown in MPWMD Rule 160, Table XV-3. These differences result from monthly target adjustments needed to be consistent with SWRCB WRO 98-04, which describes how Cal-Am Seaside well field is to be used to offset production in Carmel Valley during low-flow periods. Adjustments are also made to the Quarterly Budgets to ensure that compliance is achieved on an annual basis with MPWMD Rule 160 totals.
5. ASR recovery values will be evaluated and adjusted according to climate and River conditions.

EXHIBIT 17-B

Quarterly Water Supply Strategy and Budget Report
California American Water Main Water Distribution System:
July – September 2026

1. Management Objectives

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

2. Quarterly Water Supply Strategy: July to September 2026

On June 10, 2026 the Quarterly Water Budget Group including staff from the District, CalAm, the National Marine Fisheries Services (NMFS), State Water Resources Control Board's Division of Water Rights (SWRCB-DWR), and the California Department of Fish and Wildlife (CDFW) met and discussed the proposed water supply strategy and related topics for upcoming quarter.

Carmel River Basin CalAm will operate its wells in the Lower Carmel Valley in a downstream to upstream sequence, as needed to meet customer demand. The budget schedules an average of 415 AF per month to be produced from the Lower Carmel Valley wellfield and 0 AF from the Upper Carmel Valley wellfield in July so that Cal-Am can produce close to the total annual 3,376 AF water right off the River. For this quarterly water budget, it was agreed that CalAm would not plan to produce water from the wells in the Upper Carmel Valley as we will likely be in the low flow trigger at the start of Q4 WY 2026. It was assumed that the low flow trigger would be met at some point during this quarter, the group decided to assume the trigger would happen in June 2026 to be conservative and pumping in the Carmel Valley would shift to the lower valley wells. The group will be watching streamflow and when the low flow trigger occurs, the low flow group will commence meeting and prescribe releases from Los Padres Reservoir.

Seaside Groundwater Basin Because production limits off the River are greatly reduced when compared to previous Water Years, the Seaside Well Field is proposed to be used to recover a mix of stored Native Seaside Groundwater and Pure Water Monterey waters. Cal-Am's allotment of Native Seaside Groundwater through the Adjudication will not be consumed in the 4rd quarter of this water year. There is also a goal to produce 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months.

It is recognized that, based on recent historical use, CalAm's production from the Laguna Seca Subarea during this period cannot be reduced to zero, as is set by CalAm's allocation specified in the Seaside Basin Adjudication Decision. In this context, the production targets represent the maximum monthly production that should occur so that CalAm remains within its adjudicated allocation for the Laguna Seca Subarea. Under the amended Seaside Basin Decision, CalAm is allowed to use production savings in the Coastal Subareas to offset over-production in the Laguna Seca Subarea. However, the quarterly budget was developed so that CalAm would produce all native groundwater in the Coastal Subareas and Laguna Seca production would be over the Adjudication allotment. On February 5, 2020 the Seaside Groundwater Basin Watermaster Board voted to allow CalAm to claim carryover credits to cover the pumping over the Laguna Seca allotment in the interim prior to establishing a physical solution. Because of this decision, the Quarterly Water Budget Group decided that the table presenting the Laguna Seca allotment of zero would no longer be necessary as the Watermaster is now planning to handle the pumping over allotment with a different mechanism.

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ITEM: ACTION ITEM

18. ADOPT PROPOSED FISCAL YEAR 2026-2027 BUDGET AND ACCOMPANYING RESOLUTION NO. 2026-05

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Board discussed this item during their Budget Workshop on May 28, 2026.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The proposed budget for Fiscal Year (FY) 2026-2027 is attached as **Exhibit 18-B**. The budget allocates funding for District operations, strategic priorities, and anticipated capital and program needs, while reflecting changes in revenue sources and related economic conditions. The proposed budget assumes the continued collection of User Fee revenue from California American Water ratepayers and the discontinuation of the Water Supply Charge. Other revenue sources, including Property Tax, Pure Water Monterey (PWM) water sales, Capacity Fees, Permit Fees, and various reimbursements, are expected to continue.

Proposed expenditures and revenues total $39,437,700, representing a 6.63% decrease from the revised midyear FY 2025–2026 budget. The decline is primarily attributable to reduced project expenditures, partially offset by modest increases in other categories. A sectional breakdown of the proposed budget is provided below, with additional detail and justification included in the transmittal letter within the budget document.

Description	Amount
Personnel	$6,571,820
Services and Supplies	2,307,200
Project Expenditures	29,950,880
Reserves	607,800
Total	**$39,437,700**

The FY 2026-2027 budget continues to allocate funding for the District's key capital priorities, such as pursuing public ownership of the Monterey Water system, evaluating alternatives to increase Aquifer Storage and Recovery injection capacity, protecting assets in the Seaside Groundwater Basin, advancing Los Padres Dam alternatives, and completing adoption of the Urban Water Management Plan.

The budget also supports key operational priorities, including seeking modification of the Cease and Desist Order, implementing State Conservation policies, updating Rules and Regulations, and Ratepayer Advocacy. In addition, the budget maintains existing services for ASR operations, continuation of the Carmel River mitigation program, rebate management, permitting, inspections, and public outreach.

RECOMMENDATION: Staff recommends that the Board adopt Resolution No. 2026-05, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District adopting the Budget for Fiscal Year 2026-2027.

BACKGROUND: The annual budget process began with the collection of requests from all divisions, followed by detailed review and revisions by managers and the General Manager. This process resulted in a proposed FY 2026–27 budget of $39,477,700, which includes $23,659,154 in reimbursement funding from grants, California American Water, and other agencies, as well as $20,086,000 in PWM water sales.

Staff reviewed and considered the Budget Policy adopted by the Board in October 2025 and developed a proposed budget that sustainably supports current and planned capital improvement needs, operating and service costs, and District programs. A summary of the budget policy is provided below for reference.

1. Adopt a balanced annual budget, fund long-term needs, and maintain minimum reserve levels.
2. Budgeted expenditures may not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years and payments related to Board-approved debt.
3. District will seek outside funding sources and grants to leverage District revenues.
4. Permits and fees shall be structured to fully recover service costs while striving to achieve objectives in the District's Strategic Plan.
5. Proposed budgets will invest in projects that meet the District's strategic priorities, such as increasing water supply at fair prices.
6. When proposing budgets, staff shall explore ways to provide services in an efficient and economical fashion.
7. Any expenditure reductions will generally minimize impact on District constituents and avoid significant adverse impacts on existing service levels, unless approved by the Board.
8. Services will be proposed to minimize environmental impacts and/or improve the environment pursuant to statutory guidelines.

The proposed budget presented to the Board remains consistent with the above objectives, maintains the District's programs and services, and provides funding for the adopted strategic goals.

EXHIBITS

18-A Draft Resolution No. 2026-05

18-B Draft Fiscal Year 2026-2027 Proposed Budget

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EXHIBIT 18-A

DRAFT
RESOLUTION NO. 2026-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ADOPTING THE BUDGET FOR FISCAL YEAR 2026-2027

WHEREAS, the General Manager has proposed a budget for Fiscal Year 2026-2027, a copy of which is on file at the District's office; and

WHEREAS, the Board of Directors has examined, and deliberated on, the budget during meetings held on May 28, 2026, and June 15, 2026.

THEREFORE, BE IT RESOLVED by the Board of Directors of the Monterey Peninsula as follows:

1. That the said Budget, as presented at the June 15, 2026 Board of Directors Meeting, is hereby approved and adopted as the budget for the Monterey Peninsula Water Management District for Fiscal Year 2026-2027.

2. That the General Manager may delegate the authority to implement this resolution to the Chief Financial Officer/ Administrative Services Manager.

3. That the General Manager or designee is authorized and directed to transfer funds from one activity to another within a given Division, as such times are appropriate, in accordance with generally accepted accounting principles and consistent with the objectives outlined in the approved budget.

4. That the Board may adopt amendments to this adopted budget through Board without requiring a new resolution.

5. That any contract for professional services, or other expenditures for procuring equipment, supplies or services, included in the budget that exceeds $25,000 shall be executed by the General Manager upon approval by the Board of Directors at a meeting of the Board of Directors and pursuant to the District's Purchasing Policy adopted on April 15, 2024.

PASSED AND ADOPTED on this ____ day of _____ 2026 on a motion by Director _______, seconded by Director ____, 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 resolution was duly adopted on the _____ day of _____ 2026.

Dated: ___________________

____
David J. Stoldt
Secretary to the Board

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Monterey Peninsula Water Management District

2026 Adopted Budget

Monterey Peninsula Water Management District
FISCAL YEAR 2026-27

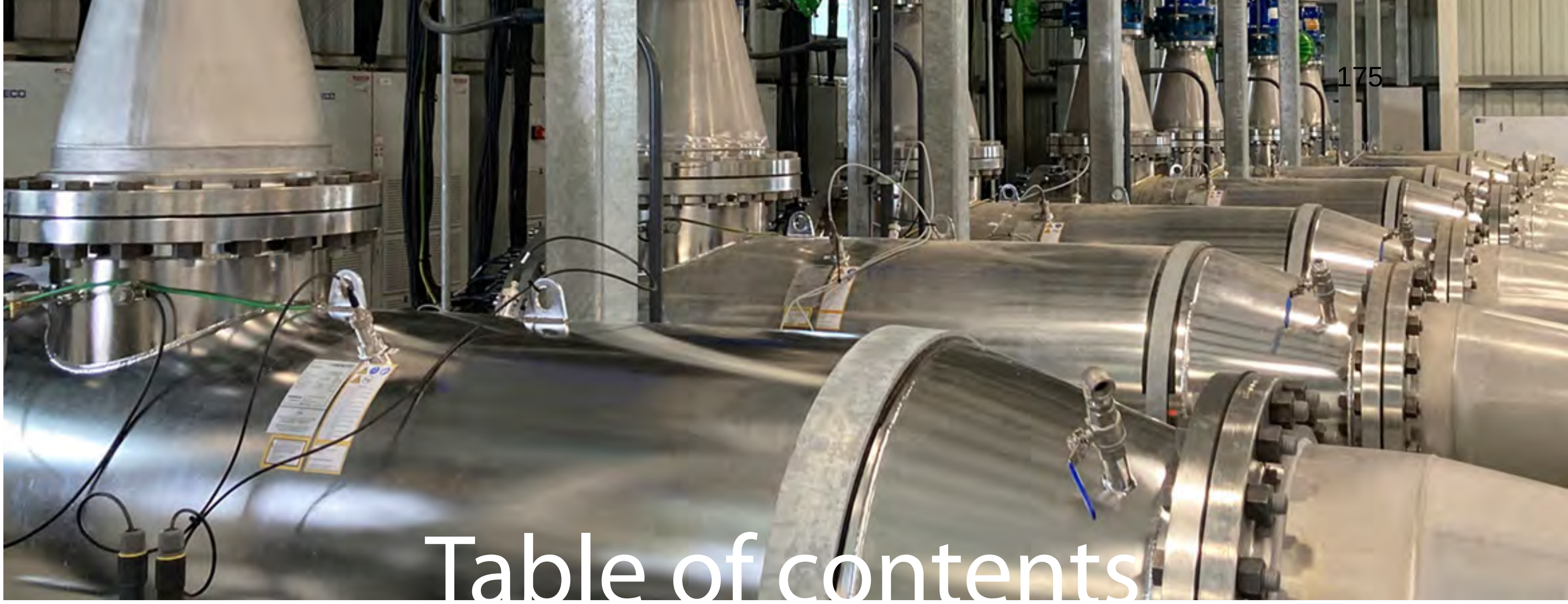


Table of contents

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

BOARD OF DIRECTORS

Alvin Edwards	District 1
George Riley	District 2
Rebecca Lindor, Vice-Chair	District 3
Karen Paull	District 4
Marianne Gawain	District 5
Ian Oglesby, Chair	Mayoral Representative
Kate Daniels	Monterey County Board of Supervisors Representative

MANAGEMENT

David Stoldt, General Manager	Mike McCullough, Assistant General Manager
Nishil Bali, CFO/Administrative Services	Jonathan Lear, Water Resources
Mollie Wooden, Water Demand	Thomas Christensen, Environmental Resources

INTRODUCTION

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

DRAFT RESOLUTION NO. 2026-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ADOPTING THE BUDGET FOR FISCAL YEAR 2026-2027

WHEREAS, the General Manager has proposed a budget for Fiscal Year 2026-2027, a copy of which is on file at the District's office; and

WHEREAS, the Board of Directors has examined, and deliberated on, the budget during meetings held on May 28, 2026, and June 15, 2026.

THEREFORE BE IT RESOLVED by the Board of Directors of the Monterey Peninsula as follows:

1. That the said budget as presented at the June 15, 2026 Board of Directors Meeting is hereby approved and adopted as the budget for the Monterey Peninsula Water Management District for Fiscal Year 2026-2027.
2. That the General Manager may delegate the authority to implement this resolution to the Chief Financial Officer/ Administrative Services Manager.
3. That the General Manager or designee is authorized and directed to transfer funds from one activity to another within a given fund, as such times are appropriate, in accordance with generally accepted accounting principles and consistent with the objectives outlined in the approved budget.
4. That the Board may adopt amendments to this adopted budget through the Board without requiring a new resolution.
5. That any contract for professional services, or other expenditures for procuring equipment, supplies or services, included in the budget that exceeds $25,000 shall be executed by the General Manager upon approval by the Board of Directors at a meeting of the Board of Directors and pursuant to the District's Purchasing Policy adopted on April 15, 2025.

PASSED AND ADOPTED this 15th day of June 2026 on a motion by Director Oglesby and seconded by Director Anderson, 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 15th day of June 2026.

Dated: June 15, 2026

____

David J. Stoldt
Secretary to the Board

5 Harris Court, Building G, Monterey, CA 93940 • P.O. Box 85, Monterey, CA 93942-0085
831-658-5600 • Fax 831-644-9560 • http://www.mpwmd.net

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

June 15, 2026

Chair Oglesby and Board Members
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, California 93940

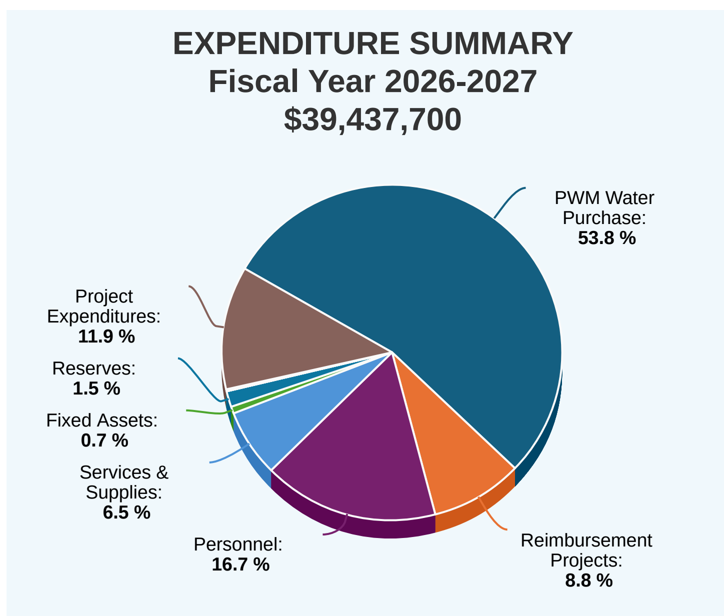
Dear Chair Oglesby and Board Members:

Budget Overview

This letter presents the recommended budget for the Monterey Peninsula Water Management District for Fiscal Year (FY) 2026–2027. The proposed budget provides funding to sustain the District's current programs and services while advancing its strategic priorities. It reflects updates to existing funding sources and includes revenue projections based on current economic conditions and approved rate adjustments. In preparing this year's budget, staff continued to adhere to the strategy of adopting balanced budgets, which includes the use of fund balance for FY 2026-2027. The budget includes the collection of User Fee revenue from ratepayers of California American Water and revenue and expenses related to the billing of Pure Water Monterey (PWM) water sales. The budget excludes the collection of the Water Supply Charge (WSC) that has been collected as part of the annual Property Tax collections in prior years.

After compilation of the original requests from all Divisions, a detailed review by Division Managers and the General Manager, the proposed budget includes expenditures and revenues for FY 2026-2027 totaling $39,437,700, of which $23,659,154 or approximately 60% includes estimated reimbursement funds from California American Water ratepayers, grants, and other agencies.

Expenditures

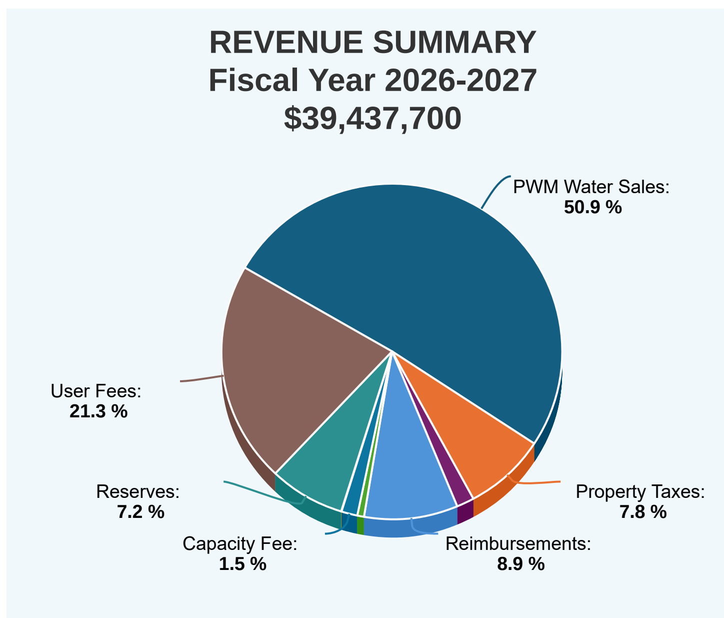


As shown in the graph on the right and in the expenditures portion of the FY 2026-2027 Budget, the budgeted expenditures of $39,437,700 are lower than the final budget for FY 2025-2026 by 6.63%. The project expenditures portion of the budget includes $29,518,680 for District projects such as Aquifer Storage Recovery (ASR) 1 & 2, Pure Water Monterey (Groundwater Replenishment Project), local water projects, as well as for mitigation projects, conservation, and rebate program activities. Project expenditures for water supply projects total $4,965,051 and include expenditures for the ASR, Hydrological monitoring, and Integrated Resource Implementation Management (IRWM) Projects. This year, the District expects PWM water purchase costs of $20,086,800 that includes increased water supplies from the PWM Expansion, which began in November 2025. The Expansion is expected to provide 5,750 acre-feet (AF) of water annually after the performance start date. The budget includes the purchase and sale of water at the rate of $3,800 per AF based on an expected purchase of 5,286 AF in FY 2026-2027, as well as an additional 300 AF of purchase for the PWM Drought reserve. Any changes in budget, resulting from a change in the water rate will be reflected in the mid-year budget adjustment. The budget assumes that the District will meet its PWM operating reserve requirement of 2,875 AF of water by the end of FY2025-26 with no injections necessary in FY2026-27.

Major budget changes from FY 2025-2026 include $1,840,000 for Monterey Water System Acquisition expenses, $1,140,000 to purchase water for the Drought Reserve, $800,000 for redrilling of Seaside Basin Monitoring wells, and $475,000 for new projects related to expansion of ASR well capacity, storm water diversion and recycling, and water rights application. Other major project expenditures include $374,458 for ASR operations, $425,829 for the operation of the Sleepy Hollow fish rearing facility and related fish rescue activities, $894,100 for lagoon and hydrologic monitoring, $192,500 for conservation-related activities, and $350,000 for water conservation rebates, which is reimbursable by Cal-Am ratepayers. The District's outreach budget has been moved from the Capital projects budget to Operations budget in the General Manager's office.

Project sponsorship and remaining grant funding of $2,494,896 for the Integrated Resource Water Management (IRWM) projects is being carried forward to FY2026-2027. The proposed budget assumes the completion of the PWM expansion project and related grant reimbursements in FY2025-2026, with no carry-forward in FY2026-2027. The budget for legal expenses is $420,000, which is about 5% higher than the previous fiscal year.

Revenues



The FY 2026-2027 estimated revenues total $39,437,700. This is slightly lower than the revised budget for FY 2025-2026, primarily due to reductions in revenue from Water Supply Charge that are offset by additional expected user fee revenues and the sale of water from PWM Expansion. This budget includes an estimated collection of $8,400,000 in User Fee revenue, a 7.7% increase in collection of revenues from ratepayers of California American Water from the prior year. Property tax revenues are projected to be $3,081,000, which is 2.7% higher than the amount budgeted in FY 2025-2026. PWM water sales revenue in the amount of $20,086,800 are based on 5,286 AF of water delivery. Capacity Fees are estimated to be $600,000, higher than typical in most years, due to new commercial and housing projects. Permit fee revenues are budgeted at $250,000, which is in line with revenue estimates from prior fiscal years. Projected revenues also include reimbursements of $454,458 from Cal-Am ratepayers for ASR 1 and ASR 2 operational costs, $350,000 from Cal-Am ratepayers for rebates, $37,000 for services provided to the Seaside Basin Watermaster, and an estimated $2,494,896 from grant funds.

Reserves

The following table summarizes the projected ending balances in the reserve accounts. These are based on estimates that will change depending on actual revenues and expenditures.

Reserves		Estimated Balance 06/30/2026		FY 2026-2027 Change		Projected Balance 06/30/2027
Pension Reserve	$	800,000	$	100,000	$	900,000
OPEB Reserve	$	800,000	$	100,000	$	900,000
Asset Replacement Reserve	$	2,264,100	$	407,800	$	2,671,900
Flood/Drought Reserve	$	500,000	$	-	$	500,000
Compensated Absences (new)	$	-	$	-	$	-
Capital Projects Reserve (new)	$	-	$	-	$	-
Debt Reserve	$	-	$	-	$	-
General Operating Reserve (estimated)	$	19,292,364	$	(2,755,896)	$	16,536,468
Total	**$**	**23,656,464**	**$**	**(2,148,096)**	**$**	**21,508,368**

As the table above indicates, the general reserve is estimated to have a balance of approximately $16.54 million, which is subject to change based on actual spending and collections. The total estimated reserves for FY 2026-27 are $21.51 million. The proposed budget includes $407,800 set-aside for Asset Replacement reserves and $100,000 each for the Pension and Other Post Employment Benefit (OPEB) reserves. In FY 2026-27, staff proposed reserve policies that added new reserves, such as those for Compensated Absences (CA), Capital Projects (CP), and Rate Stabilization, among others, along with minimum target levels for each proposed reserve. Some of these reserves, including CA and CP, will be funded at the end of FY 2025-26 if the District receives excess revenues as indicated in the reserves policy.

Major Changes

In the revenue section, PWM Water Sales revenue continues to be higher due to increases in expected water sales from PWM Expansion, which is offset somewhat by a drop in water rates. The proposed FY 2026-27 budget is lower than prior budgets due to the expected completion of the PWM Expansion project in FY 2025-26 and reduction of association grant revenues. The Integrated Regional Water Management grants continue to be higher than typical ($2.49 million) due to deferred project spending from project sponsors from prior years.

In the expenditure section, key budget changes from FY 2025-26 include the projected purchase of $20.1 million of water from PWM, $1.84 million for Monterey Water System Acquisition, $1.14 million of water for the District’s drought water reserve, and $0.8 million for redrilling of Seaside basin monitoring wells. Reimbursable projects from the IRWM grants, Cal-Am, and ASR reimbursements (excluding purchase of water) make up about $3.51 million of expenditures.

Respectfully submitted:

David J. Stoldt
General Manager

Nishil Bali
Chief Financial Officer/ Administrative Services Manager

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

MISSION STATEMENT

Sustainably manage and augment the water resources of the Monterey Peninsula to meet the needs of its residents and businesses while protecting, restoring and enhancing its natural and human environments.

VISION STATEMENT

Model ethical, responsible, and responsive governance in pursuit of our mission.

VALUES

- Transperancy & Accountability
- Leadership
- Stewardship of Environmental Resources
- Financial Responsibility
- Honesty and Integrity
- Professionalism and Respect
- Equity and Inclusivity
- Pursuit of Excellence

DISTRICT PURPOSE AND ACTIVITIES

Introduction

In Monterey County, there is no issue that causes more discussion than water supply and management. Whether it is Steelhead on the Carmel River, slant wells in Marina, or agricultural supply in the Salinas Valley, everyone has an opinion on water. In the past several years, however, one opinion shared by the majority of the Monterey Peninsula has been about the positive role played by the Monterey Peninsula Water Management District.

Originally formed in 1978 to provide a water supply solution, to promote water conservation, and to perform environmental stewardship, the Water Management District has continually strived to meet the ever-changing needs of the community while staying true to its enabling legislation. Many people forget that in the late 1980s and early 1990s, the District introduced two separate water supply projects that would have provided well over 20,000 acre-feet of water per year and permanently solved the Monterey Peninsula's current water supply issues. Those two projects, among others, were either voted down or abandoned for lack of community or legislative support.

A Focus on Water Supply

Nevertheless, the District persisted in its goal of creating new water and did so by creatively examining where this water could be found. From the expansion of the Paralta Well (in 1993) and the creation of the Pebble Beach Reclamation Project (1994) to the establishment of Aquifer Storage and Recovery (1998) and Pure Water Monterey Projects, the Water Management District is responsible for over 8,900 acre-feet annually of new water supply for the Monterey Peninsula. Working with Monterey One Water, the District brought an expansion of Pure Water Monterey online later this year, which added another 2,250 acre-feet (AF) of supply annually. A summary of the major water supply projects developed by the District is provided below:

- Completion of Paralta Well in 1993, which increased water supply by more than 900 AF.
- Completion of the Carmel Area Wastewater District/Pebble Beach Community Services District Reclamation project in 1994, which increased water supply by 1000 AF for irrigation to golf courses.
- Aquifer Storage and Recovery (ASR). Since its inception in 1998, ASR has diverted more than 15,750 AF of water from the Carmel River for storage to the overdrafted Seaside Groundwater basin.

  2009 - Completion of Santa Margarita ASR wells

  2014 - Completion of Middle School ASR wells

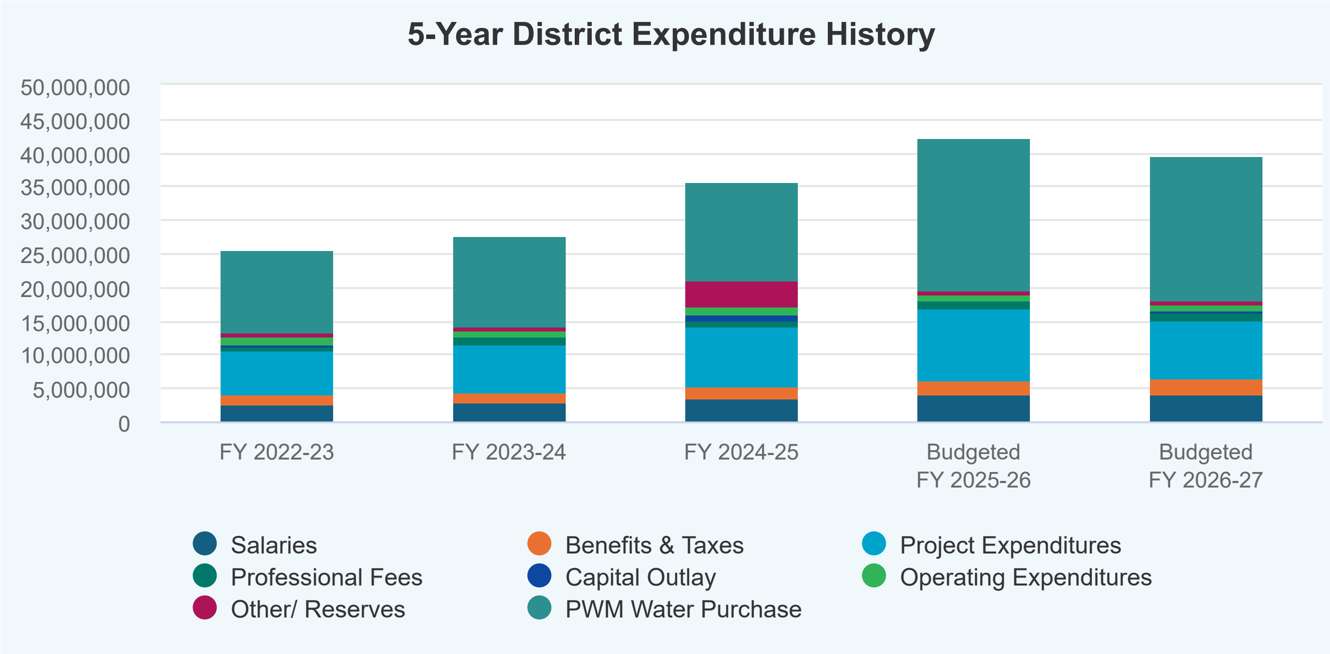
  2020 - Completion of Water Treatment Facility allowing production for customer service from the Middle School ASR wells.
- Pure Water Monterey (PWM) project: Since its inception in 2020, more than 22,000 AF of PWM has been injected in the Seaside Groundwater basin.

  2020 - Operation begun.

  2022 - Completion of the final two of four deep injection wells.

  2025- Project Expanded by 2,250 AF per year.

The District's continued focus on augmenting water supply is reflected in the District's expenditures on water projects in the last five years.



As shown in the chart above, the District's expenditures on water projects (blue and green segments in chart) have been $5 to $20 million each year. Since Pure Water Monterey began production, the District's expenditure on purchased water for resale to Cal-Am (dark blue in chart) has gone from $6 million to over $20 million expected in FY 2026-27.

Since 2013, the District has spent over $45 million out-of-pocket on water projects, and obtained State and Federal grants and loans for over $50 million more.

Conserving at the Same Time

While the District was working on new water supply, it was also focused on making better use of the Monterey Peninsula's existing water supply through conservation and efficiency measures. The State Water Resources Control Board Order in 1995, compelling the local water retailer to reduce its illegal pumping from the Carmel River, was an initial motivating factor in these efforts, but it was the recurrence of drought in 2013-16 combined with the adoption of tiered water rates and years of conservation outreach efforts by the District that truly brought the public's acceptance of reduced water use to its current level. Through its outreach and legislative efforts, the District helped the Monterey Peninsula reduce its overall water consumption by almost 44%. From 1997 through 2025, the residents and businesses in the area decreased usage from 17,000 acre-feet of water per year to below 9,500. The methods included rebates for water-efficient appliances and fixtures, distribution of thousands of free water-saving devices, updated outdoor irrigation regulations, and mandatory retrofits for commercial properties. Overall use and per-capita consumption were reduced substantially, without rationing. The data on consumption since the drought ended indicates that the community has adapted to more efficient use of water for the long term.

Environmental Stewardship

The Monterey Peninsula is one of the most beautiful places in the country. That's why millions of visitors travel here each year. Its residents are fiercely protective of its natural environment. When the Water Management District was created in 1978, community members were already concerned about the impact of water extraction on the Carmel River. People familiar with the Carmel River observed the loss of native streamside vegetation (riparian) and the subsequent erosion of the streambanks. In addition, the steelhead fishery was struggling as long reaches of the Carmel River went dry as water was diverted for the community's water supply.

Strong interest in environmental stewardship resulted in the Carmel River Management Plan (adopted in 1984), which guided the District's first efforts at repairing streambanks along the Carmel River to prevent erosion and restoring the streamside habitat to improve conditions for fish and wildlife. Then, in 1988, the District started rescuing steelhead from drying reaches of the Carmel River as part of the Interim Relief Plan. This work was then formalized as part of the District's Mitigation Program associated with the 1990 Water Allocation Environmental Impact Report (EIR), which found that significant impacts would occur to the Carmel River without mitigation for water extraction. Today, the current Mitigation Program is based on the findings associated with the EIR and the Water Rights associated with Aquifer Storage and Recovery. The work has restored miles of streambank and saved thousands of threatened steelhead by relocating them to the Sleepy Hollow Steelhead Rearing Facility before their release back to the Carmel River in winter.

Listening to the Voters

On November 6, 2018, voters within the Water Management District passed initiative Measure J by 56% (23,757 voted yes) to 44% (18,810 voted no). Measure J directed that, if feasible, the District shall acquire through negotiation, or eminent domain, if necessary, all assets of California American Water for the benefit of the District as a whole. The District initiated the eminent domain process in October 2023 and is presently pursuing the acquisition of the Monterey Water System.

Transparency

Drawing on renewed mission, values, and vision statements, the Water Management District's staff and Board of Directors have created a culture of transparency and honest communication with its constituents, businesses, other organizations, and municipalities. Tough decisions are part of any public agency's day, but when those decisions involve a critical public service like water, they have a considerable impact. Before making those decisions at the committee and board levels, the District often meets with the public to receive their input before formally discussing and voting on the issue at hand. As stewards of the public's money, the Water Management District takes its budgeting and accounting processes extremely seriously. Its financial reporting has earned the District back-to-back Certificates of Achievement in Financial Reporting from the prestigious Government Finance Officers Association of the United States and Canada for the tenth consecutive year and a certificate honoring its transparency from the California Special Districts Association, most recently for February 2024 through March 2027.

The District continues to serve the needs of the residents, businesses, and organizations on the Monterey Peninsula with stability, transparency, and honesty. While the individuals on its Board of Directors change, the District is steadfast in its commitment to its mission of "sustainably managing and augmenting the water resources of the Monterey Peninsula to meet the needs of its residents and businesses while protecting, restoring, and enhancing its natural and human environments."

DISTRICT AT-A-GLANCE

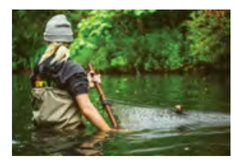
The following information is designed to give the reader an overview of the typical operations that the budget supports. The statistics below are for Water Year 2025-26.

876 | AF (Acre-feet) of rainwater injected into Seaside Groundwater Basin
2,553 | AF stored in the Pure Water Monterey Operating Reserve
5,268 | AF in the Aquifer Storage and Recovery banked storage
1183 | Maintain production records for Cal-Am, Seaside, and private wells
3,500 | AF of water sold to Cal-Am

1,913 | Property Inspections
298 | Compliance with Water efficiency
25 | Non-Residential property inspections
47 | Water Permits for New and Refurbished landscapes

844 | Permits Issued
71 | Water Use Permits
889 | Approved Rebates
13 | Online Courses on Conservation

7,468 | Juvenile Steelhead rescues
163 | Redds were observed
2,681 | Fish were implanted with PIT tags



$46.58 M | Proposed District Budget
$39.94M | Proposed Capital/Project Budget
26 | Full-Time Employees
50+ | Contracts

DISTRICT 2026 STRATEGIC GOALS AND OBJECTIVES

ADOPTED MARCH 16, 2026

Highest Priority Goals

Goal #1: Seek Modification of Cease and Desist Order

Objectives:

- Engage State Water Board on modifying the Cease and Desist Order (CDO) & moratorium on new meters, regulatory triggers, and reporting.
- Exert legal rights to a timely hearing, if necessary.
- Keep local jurisdictions and public aware of progress.
- Develop strategy to ensure Advice Letter gets filed at CPUC if successful at State Water Board.

Goal #2: Implement Public Ownership of Monterey Water System as Directed by the Voters

Objectives:

- Pursue "bench trial" on the public "right to take," including discovery and due diligence.
- Resolve latent powers (LAFCO) issue.
- Plan for financing, rates, staffing, and operations.
- Provide timely information to the public.

Goal #3: Collaborate on Protecting Assets in the Seaside Groundwater Basin

Objectives:

- Collaborate with Seaside Basin Watermaster, and other stakeholders.
- Evaluate requirements for additional storage of water – sources, cost, infrastructure, amounts, timing.
- Communicate District activities, studies, and/or results to public.

Mid-Level Goals

Goal #4: Implement State Policies Related to "Conservation as a California Way of Life"

Objectives:

- Maintain focus on long-term supply and demand forecasting to inform future needs.
- Implement/monitor new regulatory requirements (Urban Water Management Plan, Water Use Efficiency Standards, Non-Functional Turf policy, annual Supply and Demand Assessment, etc.)
- Provide timely information to the public on programs.

Goal #5: Optimize ASR (Aquifer Storage & Recovery)

Objectives:

- Examine alternatives for increasing ASR injection capacity.
- Implement preferred alternative.

Goal #6: Update & Prioritize District Rules & Regulations

Objectives:

- Conform District rules to new State regulatory requirements.

- Identify and revise outdated rules & regulations.
- Simplify where possible.

Goal #7: Advance Los Padres Dam Alternatives

Objectives:

- Engage with Cal-Am, consultant AECOM, and fisheries regulators on (i) flood study, and (ii) cultural resources study.
- Continue working with County Water Resources Agency on flood safety study.
- Ensure public outreach on any proposed alternative with respect to cost, timing, and outcomes.

Develop strategy and timing for possible change petition to water rights.

Ongoing Goals

Goal #8: Protect, Enhance, and Maintain District's Financial Health

Objectives:

- Complete refund of Water Supply Charge to District constituents.
- Consider cost of service analysis of District capacity fees and permit fees.
- Ensure fiscal stability in face of litigation activities, Pure Water Monterey reserve accumulation, refunds, & other.
- Regularly report on exposure, risk policy, grants.
- Maintain GFOA award and CSDA transparency certificate of compliance.
- Continue to develop strategy for PERS and OPEB liabilities in budget planning.

Goal #9: Provide Ratepayer Advocacy

Objectives:

- Provide testimony in General Rate Case.
- Communicate rate-related issues through public outreach.
- Monitor costs and conditions of approval of desalination project.
- Monitor proposed legislation as may affect constituents.

BUDGET PROCESS CALENDAR

2026 Target Dates	Action	Responsibility
March 13	Budget Memorandum and Forms Distributed	Finance/Admin. Services
April 10	Budget Request Forms Due to ASD	Division Managers
April 22 - April 30	Budget Review Sessions	Team Management
May 18	Board Adopts Resolution for Appropriation Limit Public Hearing for Vacancies under GC 3502.3	Board of Directors
May 28	Proposed Budget Presented to Board Budget Workshop	Board of Directors
June 15	Board Adopts Budget	Board of Directors

Monterey Peninsula Water Management District

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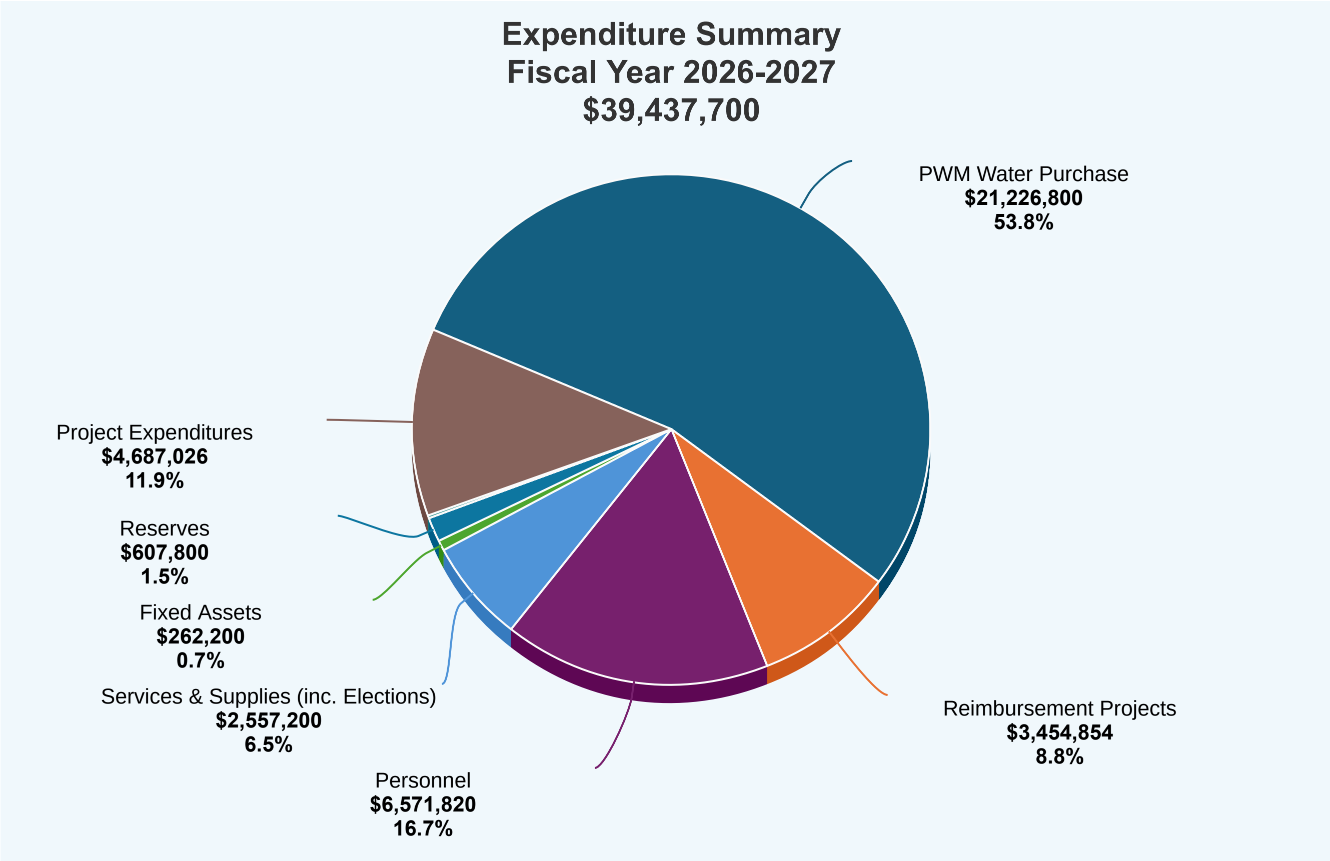
EXPENDITURES


Expenditure Summary
Fiscal Year 2026-2027
$39,437,700
PWM Water Purchase
$21,226,800
53.8%
Project Expenditures
$4,687,026
11.9%
Reserves
$607,800
1.5%
Fixed Assets
$262,200
0.7%
Services & Supplies (inc. Elections)
$2,557,200
6.5%
Personnel
$6,571,820
16.7%
Reimbursement Projects
$3,454,854
8.8%

BUDGET COMPARISON BY YEAR

	FY 2023-2024 Revised	FY 2025-2026 Revised	FY 2026-2027 Adopted	FY 2026-2027 Change	Percentage Change
Expenditures					
Personnel					
Salaries	$3,536,000	$4,042,800	$4,096,000	$53,200	1.32%
Retirement	1,034,774	1,152,714	1,383,884	231,170	20.05%
Unemployment Compensation	10,100	10,100	10,100	-	-%
Auto Allowance	11,000	11,000	11,000	-	-%
Deferred Compensation	17,483	21,614	22,605	991	4.59%
Temporary Personnel	10,000	10,000	10,000	-	-%
Workers Compensation	100,901	107,950	114,341	6,391	5.92%
Employee Insurance	494,497	541,035	582,532	41,497	7.67%
Employee Insurance - Retirees	190,387	190,387	205,280	14,893	7.82%
Medicare & FICA Taxes	77,153	82,188	87,178	4,990	6.07%
Personnel Recruitmen	51,000	10,000	10,000	-	-%
Other Benefits	3,500	3,500	3,500	-	-%
Moving Expense Reimbursement	5,000	1,500	1,500	-	-%
Staff Development	31,100	26,400	33,900	7,500	28.41%
Total Personnel	**5,572,894**	**6,211,188**	**6,571,820**	**360,632**	**5.81%**
Services and Supplies					
Board Member Comp	37,000	37,000	37,000	-	-%
Board Expenses	10,000	10,000	7,500	(2,500)	-25.00%
Rent	29,200	30,000	30,000	-	-%
Utilities	41,200	45,200	51,200	6,000	13.27%
Telephone	51,000	40,800	40,900	100	0.25%
Facility Maintenance	76,000	95,100	95,100	-	-%
Bank Charges	25,100	68,000	25,100	(42,900)	-63.09%
Office Supplies	24,700	46,700	26,300	(20,400)	-43.68%
Courier Expense	7,600	7,600	7,600	-	-%
Postage & Shipping	7,500	30,500	8,900	(21,600)	-70.82%
Equipment Lease	13,200	13,200	13,200	-	-%
Equip. Repairs & Maintenance	5,100	5,100	5,100	-	-%
Printing/Duplicating/Binding	2,100	2,600	3,100	500	19.23%
IT Supplies/Services	293,600	299,100	331,000	31,900	10.67%
Operating Supplies	34,389	26,100	27,500	1,400	5.36%
Legal Services	945,241	400,000	420,000	20,000	5.00%
Professional Fees	431,625	411,200	358,100	(53,100)	-12.91%
Transportation	59,542	58,700	60,200	1,500	2.56%
Travel	21,000	32,600	40,100	7,500	23.01%
Meeting Expenses	21,200	17,200	28,700	11,500	66.86%
Insurance	300,000	342,000	360,000	18,000	5.26%
Legal Notices	32,600	5,700	3,700	(2,000)	-35.09%
Membership Dues	47,900	54,900	51,900	(3,000)	-5.46%
Public Outreach	3,500	5,500	247,500	242,000	4400.00%
Assessors Administration Fee	34,000	25,100	24,000	(1,100)	-4.38%
Miscellaneous	28,000	3,500	3,500	-	-%
Total Services and Supplies	**2,582,297**	**2,113,400**	**2,307,200**	**193,800**	**9.17%**
Project Expenditures					
FIXED ASSETS	70,100	37,200	262,200	225,000	32.70%
PROJECT EXPENDITURES					40.79%
Project Expenses	2,645,710	2,592,862	4,687,026	2,094,164	-11.18%

BUDGET COMPARISON BY YEAR

	FY 2023-2024 Revised	FY 2025-2026 Revised	FY 2026-2027 Adopted	FY 2026-2027 Change	Percentage Change
PWM Water Purchase	15,663,750	22,651,200	21,226,800	(1,424,400)	52.94%
Reimbursement Projects	14,089,171	7,786,042	3,454,854	(4,331,188)	-20.16%
ELECTION EXPENSE	250,000	250,000	250,000	-	-%
Contingency	70,000	70,000	70,000	-	-%
Total Project Expenditures	**32,788,731**	**33,387,304**	**29,950,880**	**(3,436,424)**	**-10.29%**
Reserves					
Flood/Drought Reserve	171,056	-	-	-	-%
Asset Replacement Reserve	313,000	326,000	407,800	81,800	25.09%
Pension Reserve	100,000	100,000	100,000	-	-%
OPEB Reserve	100,000	100,000	100,000	-	-%
Total Reserves	**684,056**	**526,000**	**607,800**	**81,800**	**15.55%**
Total Expenditures	**41,627,978**	**42,237,892**	**39,437,700**	**(2,800,192)**	**-6.63%**

* Percentages reductions/additions from FY 2025-26

EXPENDITURES BY OPERATING FUND

	Mitigation	Water Supply	Conservation	Total
Expenditures				
Personnel				
Salaries	$1,307,000	$1,569,000	$1,220,000	$4,096,000
Retirement	393,984	542,883	447,017	1,383,884
Unemployment Compensation	4,000	4,100	2,000	10,100
Auto Allowance	1,500	6,700	2,800	11,000
Deferred Compensation	3,391	13,563	5,651	22,605
Temporary Personnel	3,300	3,500	3,200	10,000
Workers Comp. Ins.	58,957	47,464	7,920	114,341
Employee Insurance	194,111	210,611	177,810	582,532
Employee Insurance - Retirees	68,427	68,427	68,427	205,280
Medicare & FICA Taxes	53,351	19,446	14,381	87,178
Personnel Recruitment	3,300	3,500	3,200	10,000
Other Benefits	1,200	1,300	1,000	3,500
Moving Expense Reimbursement			1,500	1,500
Staff Development	10,550	10,650	12,700	33,900
Total Personnel	**2,103,071**	**2,501,144**	**1,967,606**	**6,571,820**
Services and Supplies				
Board Member Comp	12,200	13,000	11,800	37,000
Board Expenses	2,500	2,600	2,400	7,500
Rent	12,100	12,500	5,400	30,000
Utilities	17,100	18,100	16,000	51,200
Telephone	13,700	14,400	12,800	40,900
Facility Maintenance	31,400	33,300	30,400	95,100
Bank Charges	8,300	8,800	8,000	25,100
Office Supplies	8,200	8,700	9,400	26,300
Courier Expense	2,500	2,700	2,400	7,600
Postage & Shipping	2,900	3,000	3,000	8,900
Equipment Lease	4,400	4,600	4,200	13,200
Equip. Repairs & Maintenance	1,700	1,800	1,600	5,100
Printing/Duplicating/Binding	200	200	2,700	3,100
IT Supplies/Services	101,000	107,100	122,900	331,000
Operating Supplies	5,700	5,700	16,100	27,500
Legal Services	126,000	231,000	63,000	420,000
Professional Fees	109,900	116,600	131,600	358,100
Transportation	26,500	26,600	7,100	60,200
Travel	12,900	13,500	13,700	40,100
Meeting Expenses	9,100	9,800	9,800	28,700
Insurance	118,800	126,000	115,200	360,000
Legal Notices	1,300	1,400	1,000	3,700
Membership Dues	16,900	17,800	17,200	51,900
Public Outreach	81,700	86,600	79,200	247,500
Assessors Administration Fee	7,900	8,400	7,700	24,000
Miscellaneous	1,000	1,300	1,200	3,500
Total Services and Supplies	**735,900**	**875,500**	**695,800**	**2,307,200**

EXPENDITURES BY OPERATING FUND

	Mitigation	Water Supply	Conservation	Total
Project Expenditures				
FIXED ASSETS	86,600	91,800	83,800	262,200
PROJECT EXPENDITURES				
Project Expenses	1,081,662	2,671,531	933,833	4,687,026
PWM Water Purchase	-	21,226,800	-	21,226,800
Reimbursement Projects	2,494,896	411,958	548,000	3,454,854
ELECTION EXPENSE	82,500	87,500	80,000	250,000
CONTINGENCY	23,800	25,200	21,000	70,000
Total Project Expenditures	**3,769,458**	**24,514,789**	**1,666,633**	**29,950,880**
Reserves				
Asset Replacement Reserve	134,574	138,652	134,574	407,800
Pension Reserve	34,000	36,000	30,000	100,000
OPEB Reserve	34,000	36,000	30,000	100,000
Total Reserves	**202,574**	**210,652**	**194,574**	**607,800**
Total Expenditures	**$6,811,003**	**$28,102,085**	**$4,524,613**	**$39,437,700**

LABOR ALLOCATION BY OPERATING FUNDS

	Mitigation	Water Supply	Conservation	Total
General Manager				
General Manager	15%	60%	25%	100%
Assistant General Manager	15%	60%	25%	100%
Board Clerk / Executive Assistant	25%	50%	25%	100%
Administrative Services				
CFO/ASD Mgr	33%	34%	33%	100%
Accountant	33%	34%	33%	100%
HR Coordinator/Contract Specialist	33%	34%	33%	100%
Accounting/Office Specialist	33%	34%	33%	100%
Office Specialist I/II	33%	34%	33%	100%
Water Resources				
Water Resources Manager	10%	90%	0%	100%
Distict Engineer	25%	75%	0%	100%
Assistant Hydrologist	10%	90%	0%	100%
Assistant Hydrologist	10%	90%	0%	100%
Water Resources Tech I/II	10%	90%	0%	100%
Water Demand				
Water Demand Manager	0%	20%	80%	100%
Conservation Analyst	0%	75%	25%	100%
Conservation Analyst	0%	25%	75%	100%
Conservation Rep II	0%	0%	100%	100%
Conservation Rep I	0%	0%	100%	100%
Conservation Technician	0%	0%	100%	100%
Administrative Assistant	0%	0%	100%	100%
Environmental Resources				
Environmental Resources Manager	80%	20%	0%	100%
Senior Fisheries Biologist	100%	0%	0%	100%
Associate Fisheries Biologist	100%	0%	0%	100%
Assistant Fisheries Biologist	100%	0%	0%	100%
River Maintenance Specialist	90%	10%	0%	100%
Environmental Progams Specialist	100%	0%	0%	100%
Average Percentage	**33%**	**36%**	**32%**	

EXPENDITURES BY DIVISION

	General Manager's Office	Financial & Administrative Services	Water Resources	Environmental Resources	Water Demand	Total
Expenditures						
Personnel						
Salaries	$705,000	$678,000	$792,000	$904,000	$1,017,000	$4,096,000
Retirement	387,225	184,135	180,212	285,494	346,818	1,383,884
Unemployment Compensation	-	3,100	3,000	3,000	1,000	10,100
Auto Allowance	11,000	-	-	-	-	11,000
Deferred Compensation	22,605	-	-	-	-	22,605
Temporary Personnel	-	10,000	-	-	-	10,000
Workers' Comp.	3,038	4,529	46,951	53,244	6,579	114,341
Employee Insurance	89,611	83,753	113,697	136,194	159,277	582,532
Employee Insurance - Retirees	-	205,280	-	-	-	205,280
Medicare & FICA Taxes	1,954	43,023	15,156	13,175	13,870	87,178
Personnel Recruitment	-	10,000	-	-	-	10,000
Other Benefits	300	2,300	300	300	300	3,500
Moving Expense Reimbursement	-	1,500	-	-	-	1,500
Staff Development	9,900	6,000	6,000	4,500	7,500	33,900
Total Personnel	**1,230,633**	**1,231,620**	**1,157,316**	**1,399,907**	**1,552,344**	**6,571,820**
Services and Supplies						
Board Member Comp	$-	37,000	$-	$-	$-	37,000
Board Expenses	7,500	-	-	-	-	7,500
Rent	-	16,800	6,600	6,600	-	30,000
Utilities	-	50,000	600	600	-	51,200
Telephone	5,100	25,600	5,400	1,800	3,000	40,900
Facility Maintenance	-	95,100	-	-	-	95,100
Bank Charges	-	25,100	-	-	-	25,100
Office Supplies	3,100	20,000	600	600	2,000	26,300
Courier Expense	-	7,600	-	-	-	7,600
Postage & Shipping	300	7,500	600	-	500	8,900
Equipment Lease	-	13,200	-	-	-	13,200
Equip. Repairs & Maintenance	-	5,100	-	-	-	5,100
Printing/Duplicating/Binding	600	-	-	-	2,500	3,100
IT Supplies/Services	-	306,000	-	-	25,000	331,000
Operating Supplies	1,500	2,000	4,000	5,000	15,000	27,500
Legal Services	-	420,000	-	-	-	420,000
Professional Fees	200,000	133,100	-	-	25,000	358,100
Transportation	-	6,600	22,600	26,000	5,000	60,200
Travel	23,100	4,000	4,000	4,000	5,000	40,100
Meeting Expenses	16,500	11,000	-	200	1,000	28,700
Insurance	-	360,000	-	-	-	360,000
Legal Notices	-	3,100	600	-	-	3,700
Membership Dues	42,000	4,000	2,600	800	2,500	51,900
Public Outreach	247,500	-	-	-	-	247,500
Assessors Administration Fee	-	24,000	-	-	-	24,000
Miscellaneous	400	3,100	-	-	-	3,500
Total Services and Supplies	**547,600**	**1,579,900**	**47,600**	**45,600**	**86,500**	**2,307,200**

EXPENDITURES BY DIVISION

	General Manager's Office	Financial & Administrative Services	Water Resources	Environmental Resources	Water Demand	Total
Project Expenditures						
FIXED ASSETS	$155,100	$107,100	-	-	-	262,200
PROJECT EXPENDITURES						-
Project Expenses	1,840,000	-	1,716,197	810,329	320,500	4,687,026
PWM Water Purchase		-	21,226,800	-	-	21,226,800
Reimbursement Projects	-	-	2,514,896	406,958	533,000	3,454,854
ELECTION EXPENSE	-	250,000	-	-	-	250,000
CONTINGENCY	-	70,000	-	-	-	70,000
Total Project Expenditures	**1,995,100**	**427,100**	**25,457,893**	**1,217,287**	**853,500**	**29,950,880**
Reserves						
Asset Replacement Reserve	-	$407,800	-	-	-	407,800
Pension Reserve	-	100,000	-	-	-	100,000
OPEB Reserve	-	100,000	-	-	-	100,000
Total Reserves	**-**	**607,800**	**-**	**-**	**-**	**607,800**
Total Expenditures	**$3,773,333**	**$3,846,420**	**$26,662,809**	**$2,662,794**	**$2,492,344**	**$39,437,700**

PROJECT/PROGRAM EXPENDITURES

Objective		Timeline	Total	Account	Division	Reimbursable	Source/ Reimbursement
AUGMENT WATER SUPPLY							
Operations Modeling							
1-1-2	Los Padres Dam Long Term Plan						
A	Fish Pasage	Ongoing		35-03-786015	ERD		
1-1-3	PWM/MPWSP Operations Model (CRBHM & SGBM)	June	$69,974	35-03-786038	WRD		
Water Supply Projects							
1-2-1	Water Project 1 (Aquifer Storage Recovery 1)						
A	Santa Margarita Site - Site Work						
	2 Land easement	Spring/Summer	$200,000	35-04-786004	WRD		
	3 Small Projects Design	Fall/Winter	$100,000	35-04-786004	WRD		
	7 Electrical Study	Ongoing		35-04-786004	WRD		
B	ASR - Operations & Maintenance						
	1 Operations support	Ongoing	$50,000	35-04-786005	WRD	Yes	CAW
	2 Water quality lab analysis	Ongoing	$13,000	35-04-786005	WRD	Yes	CAW
	3 Electrical power	Ongoing	$250,000	35-04-786005	WRD	Yes	CAW
	4 Supplemental Sampling and Analysis Plan (SSAP)	Ongoing	$52,658	35-04-786005	WRD	Yes	CAW
	6 RWOCB General Permit Fees	Ongoing	$3,800	35-04-786005	WRD	Yes	CAW
	7 Maintenance	Ongoing	$75,000	35-04-786005	WRD		
	8 Calibrate portable meter for Water Rights	Ongoing	$5,000	35-04-786005	WRD		
	9 Well Rehabilitation	Once		35-04-786005	WRD	Yes	CAW
	10 Install Inline SDI Instrumentation	Once		35-04-786005	WRD	Yes	CAW
1-4-1	Water Rights Permits Fees	Ongoing	$5,000	35-03-781200	WRD	Yes	CAW
1-5-1	Ground Water/Seasside Basin Project						
A	Other Seaside Basin Model	Ongoing	$182,613	35-03-786010	WRD		
B	Geochemical Mixing Study	Ongoing	$11,510	35-03-786010	WRD		
1-16-1	New Projects						
A	ASR Well Capacity Expansion	Summer	$200,000	35-03-786019	WRD		
B	Water Right 20808D Application	Summer	$25,000	35-03-786019	WRD		
C	Stormwater Diversion and Recycling Program	Ongoing	$250,000	35-03-786019	WRD		
Seaside Basin Watermaster							
A	MMP implementation (non-labor portion)	Ongoing	$35,000	35-04-786003	WRD	Yes	Seaside Watermaster
B	MPWMD monitor well maintenance (pumps)	Ongoing	$1,000	35-04-786003	WRD	Yes	
C	Replace QED pump	Ongoing	$1,000	35-04-786003	WRD	Yes	
D	ROE renewal for Ft Ord Dunes State Park access	Ongoing	$500	35-04-786003	WRD	Yes	
Hydrologic							
2-5-1	Carmel Valley						
A	Monitor Carmel River near Carmel (USGS)	Ongoing		35-04-785600	WRD		
B	Water quality chemical analyses	Ongoing		35-04-781510	WRD		
C	Fractured rock well monitoring	Ongoing		35-04-785507	WRD		
D	Waders/Field Clothing	Ongoing		35-04-785502	WRD		
2-5-3	District Wide						
A	Stream flow monitoring program						
	1 Miscellaneous equipment	Ongoing	$12,000	35-03-785502	WRD		
	6 Upgrade MPWMD Gaging Stations	Summer-Fall	$9,000	35-03-785502	WRD		
	A. Above Los Padres Gage - Install	Summer-Fall	$-	35-03-785502	WRD		
	7 Arborist	Ongoing	$4,000	35-03-785502	WRD		
	8 Hydstra Licanse for Web Plots	Ongoing	$15,000	35-03-785502	WRD		
	9 Stream Gage Dashboard	Once	$-	35-03-785502	WRD		
	10 Doppler Current Meter	Once	$-	35-03-785502	WRD		
	11 Redrill Seaside Basin Monitor Wells	Once	$800,000	35-03-785502	WRD		Watermaster ($45,000)
	2 Data line rental - 14 sites	Ongoing	$5,000	35-03-781602	WRD		
	3 Hydstra Time Series Software Annual Support	Ongoing	$9,000	35-03-781602	WRD		
	4 Hydstra / TierraTech consulting - report customizat	Summer-Fall	$10,000	35-03-781602	WRD		

PROJECT/PROGRAM EXPENDITURES

Objective		Timeline	Total	Account	Division	Reimbursable	Source/ Reimbursement
	5 Purchase cellular modems	Summer-Fall	$8,600	35-03-781602	WRD		
B	Other Hydrologic Monitoring						
	1 Monitor well conversions	Ongoing	$2,000	35-03-785502	WRD		
	2 Annual Well Reporting	Ongoing	$3,000	35-03-781602	WRD		
	3 Misc. equipment (2 well probes)	Ongoing	$5,000	35-03-781602	WRD		
	4 Replacement rain/temp stations (incl site fencing)	Ongoing	$-	35-03-781602	WRD		
	5 Replacement XD's and rugged cables	Ongoing	$2,500	35-03-781602	WRD		
	6 Analysis Software (AQ/QA Rockworks)	Ongoing	$2,500	35-03-785502			
	7 Replacment water quality probe(s)	Ongoing	$2,000	35-03-785502	WRD		
	10 Field Laptops	Ongoing	$1,000	35-03-785502	WRD		
	11 Bathemetric Monitoring Equipment	Once	$-	35-03-785502	WRD		
	12 Hydrologic Monitoring		$-	35-04-781602	ERD		
	13 Well Reporting		$3,500	35-04-781195	ERD		
Integrated Regional Water Management							
2-6-1	Integrated Regional Water Management						
A	Prop 1 coordination	Ongoing		24-03-785505	WRD		
C	Implementation Grant Round 1&2	Ongoing	$2,494,896	24-03-785521	WRD	Yes	DWR
1-17-1	Urban Water Management Plan (carry-over)	One-time	$45,000	35-03-786019	WRD		
AUGMENT WATER SUPPLY PROJECTS TOTAL			**$4,965,051**			**$3,031,854**	**$1,933,197**

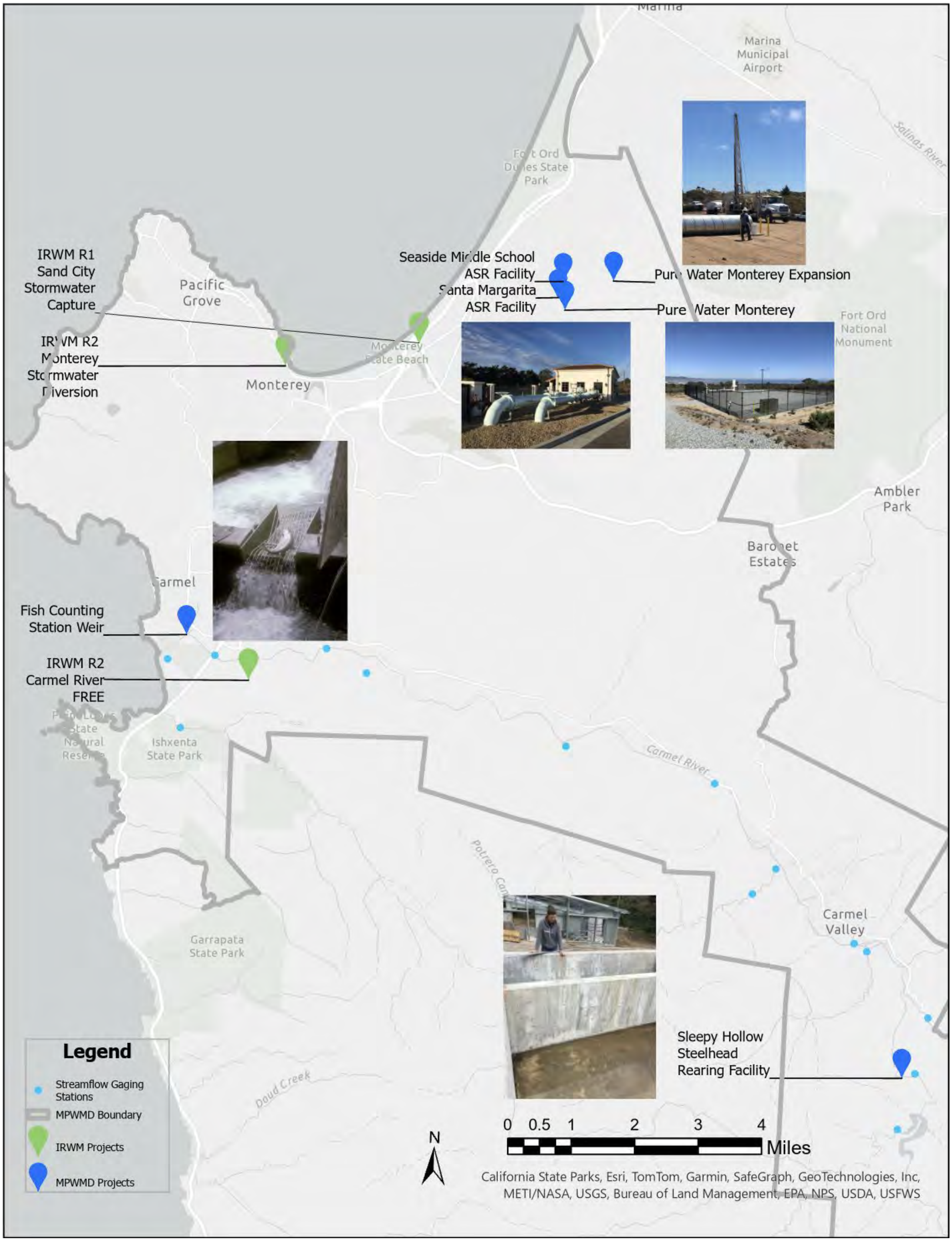
PROJECT/PROGRAM EXPENDITURES

Objective		Timeline	Total	Account	Division	Reimbursable	Source/ Reimbursement
PROTECT ENVIRONMENTAL QUALITY							
Riparian Mitigations							
2-1-1	Irrigation Program						
A	Operate and maintain 4 well systems	Ongoing	$1,000	24-03-785011	ERD		
B	Operate and maintain District project systems	Ongoing	$18,000	24-03-785012	ERD		
2-1-2	Riparian Corridor Management						
A	Maintain and diversify plantings at District projects	Ongoing		24-03-787030	ERD		
	1 Seed collection and propagation	Ongoing	$1,000				
	2 Riparian corridor maintenance (projects/equipment	Ongoing	$1,000	24-03-787080	ERD		
2-1-3	Riparian Monitoring Program						
A	Vegetation and soil moisture monitoring	Ongoing	$500	24-03-787021	ERD		
2-1-4 A	Address Vegetation Hazards, Permitting, and Remove Trash	Ongoing	$20,000	24-03-787040	ERD		
Aquatic Resources Fisheries							
2-3-1	Sleepy Hollow Facility Operations						
A	General operations and maintenance	Ongoing	$128,655	24-04-785813	ERD		
B	Road maintenance	June	$20,000	24-04-785813	ERD		
C	Replacement of standby generator fuel	Ongoing	$10,000	24-04-785813	ERD		
D	Generator maintenance service	Spring	$7,000	24-04-785813	ERD		
E	Replace/Maintain Rotary Drum Screen	Spring		24-04-785813	ERD		
F	Operations Consultant with Web Support	Ongoing	$38,949	24-04-785813	ERD		
G	Power	Ongoing	$60,000	24-04-785816	ERD		
I	Design/Construct Rearing Channel and Quarantine Tar	2025	$32,350	24-04-785812	ERD		
A	ESA Section 10 SHSRF Evaluations (PIT Tag)	Ongoing	$25,000	24-04-785814	ERD		NOAA/NMFS
B	FBA's & WRA's NMFS Winter/Spring LPD Studies (C	Ongoing		24-04-785814	ERD		NOAA/NMFS
C	Supplies/Expenses NMFS Winter/Spring LPD Studies	Ongoing		24-04-785814	ERD		NOAA/NMFS
2-3-2	Conduct Juvenile Rescues						
B	Water Resources Assistant	Ongoing	$71,875	24-04-785814	ERD		
D	Recalibrate backpack electro-fisher	Ongoing	$1,000	24-04-785822	ERD		
E	Waders and Field Clothes	Ongoing	$7,000	24-04-785822	ERD		
F	On-call weekend fish rescue crew leader	Ongoing		24-04-785814	ERD		
2-3-3	Rescue & Transport Smolts						
A	Smolt rescue supplies	Feb-May	$2,000	24-04-785833	ERD		
2-3-4	Monitoring of Adult Steelhead Counts						
B	Resistance Board Weir Construction/Training/Installat	Winter 2024	$10,000	24-04-785851	ERD		
2-3-5	Adult & kelt rescue and transport	Ongoing	$1,000	24-04-785840	ERD		
2-3-6	Contracted Aquatic Invertebrate Identification & Retrainin	Oct.	$6,000	24-04-785860	ERD		
2-3-7	Carmel River & Lagoon Water Quality Monitoring Sampl	Ongoing	$5,000	24-04-785870	ERD		
Lagoon Mitigation Activities							
2-4.1	Monitoring						
A	Bi-annual inter-agency cooperative Steelhead survey	June/Dec	$1,000	24-04-785871	ERD		
PROTECT ENVIRONMENTAL QUALITY TOTAL			**$468,329**			**$25,000**	**$443,329**

PROJECT/PROGRAM EXPENDITURES

Objective	Timeline	Total	Account	Division	Reimbursable	Source/ Reimbursement
WATER DEMAND						
Water Distribution System Permitting						
4-0-1 Permit Processing Assistance	Ongoing	$25,000	26-05-785503	WDD	Yes	Applicant
4-0-2 Hydrogeologic Impact Review	Ongoing	$2,000	26-05-785503	WDD	Yes	Applicant
4-0-3 County Fees - CEQA Posting and Recording	Ongoing	$10,000	26-05-785503	WDD	Yes	Applicant
4-0-4 WDS Permit Package Review (MPWMD Counsel)	Ongoing	$20,000	26-05-785503	WDD	Yes	Applicant
Demand Management						
4-1-1 Rule Implementation/Enforcement						
A Deed Restriction recording	Ongoing	$65,000	26-05-781900	WDD	Yes	Applicant
B CEQA Compliance	Fall	$20,000	26-05-780100	WDD		
C Deed Restriction Legal Review	Ongoing	$15,000	26-03-781900	WDD	Yes	Applicant
Water Conservation						
4-2-1 Conservation Programs						
A CII Outreach	Ongoing	$10,000	26-05-781130	WDD		
B Brochures	Ongoing	$2,500	26-05-781140	WDD		
4-2-2 Conservation Programs						
A Best management practices	Ongoing	$12,000	26-05-781155	WDD		
B Advertising/Webvertising	Ongoing	$50,000	26-05-781115	WDD		CAW (Half)
C Conservation Website Maintenance	Ongoing	$20,000	26-05-781160	WDD		CAW (Half)
D Conservation devices - nonreimbursable	Ongoing	$60,000	26-05-781187	WDD		
E Conservation & efficiency workshops/training	Ongoing	$37,000	26-05-781182	WDD		CAW (Half)
K Pressure Reducing Valve Program	Ongoing	$10,000	26-05-781190	WDD		
L Linen/Towel Program	Ongoing	$30,000	26-05-781180	WDD		
O Mulch Program	Ongoing	$10,000	26-05-781175	WDD		
4-2-3 Rebate Program						
A CAW	Ongoing	$350,000	26-05-781412	WDD	Yes	CAW
B Seaside Municipal	Ongoing		26-05-781499	WDD		
C Non-CAW (MPWMD funded)	Ongoing	$20,000	26-05-781499	WDD		
E Non-Functional Turf Replacement Program	Ongoing	$100,000	26-05-781490	WDD		
WATER DEMAND TOTAL		**$868,500**			**$515,500**	**$353,000**
GENERAL - WHOLESALE / RETAIL ACQUISTION						
1-5-1 Ground Water Replenishment Project (PWM)						
C Drought Reserve (300 ac ft)	One-time	$1,140,000	35-03-786021	WRD		
D PWM Water Purchase (5,286 ac ft)	Ongoing	$20,086,800	35-03-786017	WRD	Yes	CAW
1-14-1 Monterey Water System Acquisition	Ongoing					
1-14-1 A Acquisition - Phase 4	Ongoing	$613,334	35-01-786200	GMO		
Acquisition - Phase 4	Ongoing	$613,333	24-01-786200	GMO		
Acquisition - Phase 4	Ongoing	$613,333	26-01-786200	GMO		
1-17 Board Room Renovation Project						
Board Room Renovation	One-time	$50,000	24-01-786200	GMO		
Board Room Renovation	One-time	$50,000	26-01-786200	GMO		
Board Room Renovation	One-time	$50,000	35-01-786200	GMO		
GENERAL - WHOLESALE/ RETAIL ACQUISITION TOTAL		**$23,216,800**			**$20,086,800**	**$3,130,000**
PROJECT EXPENDITURES TOTAL		**$29,518,680**			**$23,659,154**	**$5,915,026**

Major Capital Project Locations



LARGE PROJECTS AND CAPITAL IMPROVEMENT PLAN

Division	Project Description	Estimated FY 2025-2026	Budgeted FY 2026-2027	Projected FY 2027-2028	Projected FY 2028-2029	Funding Source
Water Purchases						
WRD	PWM Water Purchase*	$13,275,500	$14,619,500	$19,284,012	$20,086,800	District Revenues
WRD	PWM Operating Reserve Fund**	1,896,500	668,320	3,367,188	-	District Revenues
WRD	PWM Drought Reserve Fund**	0	1,140,000	1,200,000	1,660,000	District Revenues
	SUBTOTAL	**$15,172,000**	**$16,427,820**	**$23,851,200**	**$21,746,800**	
Funded From District Revenues						
GMO	Local Water Projects	100,000	-	50,000	100,000	District Revenues
WRD	Update Seaside Basin Model	132,613	182,600	182,600	182,600	District Revenues
WRD	Santa Margarita (Chemical room upgrade)	377,000	396,787	400,000	500,000	District Revenues
GMO	Water Allocation Process	200,000	-	-	-	District Revenues
WRD	PWM/MPWSP Operations Model	69,974	69,974	50,000	50,000	District Revenues
GMO	Monterey Water System Acquisition	400,000	1,840,000	2,000,000	1,500,000	District Revenues
ALL	Capital Assets	70,100	92,200	110,640	132,768	District Revenues
	SUBTOTAL	**$1,349,687**	**$2,581,561**	**$2,793,240**	**$2,465,368**	
Reimbursed from Grants or Reimbursements						
WRD	Aquifer Storage & Recovery - Phase 1 & 2	465,958	374,454	393,177	412,836	CAW
WRD	IRWM Implementation - Round 1	381,279	1,111,542	-	-	DWR Grant
WRD	IRWM Implementation - Round 2	434,319	1,383,354	-	-	DWR Grant
GMO	PWM Expansion Grant	5,795,080	-	-	-	Grants
	SUBTOTAL	**$7,076,636**	**$2,869,350**	**$393,177**	**$412,836**	
	TOTAL	**$23,598,323**	**$21,878,731**	**$27,037,617**	**$24,625,004**	

* Assumes 5,286 AF of water purchase in FY 2026-27 and 5,750 AF of water purchase in FY 2027-28

** Assumes 300 AF of PWM Drought Reserve in FY 2026-27 and FY 2027-28.

Renewal and Replacement of facilities is captured in the Capital Asset Replacement Schedule

MAJOR CAPITAL BUDGETS AND GRANTS

The following section provides details on the District's major capital and grant projects that are included in the FY 2026-27 budget.

A. **Project: Integrated Resource Water Management (IRWM) Grants**

1) **Grant 1: IRWM IR1**

Grant Amount	Spent to-date (Q3-FY 25-26)
$2,238,904	$1,127,361.87

This IRWM IR1 grant will help improve regional water self-reliance security and will make improvements to water infrastructure systems to address flooding, offering increased protection against seawater intrusion, and the use of recycled water, among other benefits. Three of the four projects under this grant are located in disadvantaged communities. This grant represents effective collaboration among the Regional Water Management Group's seventeen members. Additional details are provided below:

Coe Avenue Recycled Water Distribution Pipeline, Marina Coast Water District (complete): This new distribution line allows for the delivery of recycled water from the existing trunk main on General Jim Moore Boulevard to recycled water users located along the project alignment. The primary benefit is a reliable, recycled water supply. Marina Coast Water District estimates that switching Coe Avenue customers to recycled water will save approximately 200 acre-feet of potable water per year.

Hamilton, Ellis & Martin Plaza Apartments (formerly Del Monte Manor Apartments) Low Impact Development Improvement Project, City of Seaside, complete (severely disadvantaged community block group): The project protects approximately 0.57 acres from regular flooding and results in about 11-acre feet per year of stormwater infiltration in years with normal or above-normal precipitation. The project will reduce urban runoff pollutant loads, including trash and debris, currently discharged to the Monterey Bay National Marine Sanctuary. The project includes permanent educational signage to inform the public about the benefits of the bioswale and subsurface infrastructure.

West End Stormwater Improvement Project, City of Sand City (severely disadvantaged community census tract): The project will treat approximately 5 acres within the West End neighborhood. The project will reduce the total suspended solids entering Monterey Bay by an average of 383 kilograms/year.

2) **Grant 2: IRWM IR2**

Grant Amount	Spent to-date (Q3-FY 25-26)
$1,488,961	$105,426.69

This grant provides funding for two multi-benefit projects that meet the IRWM program objectives of increasing water supply, improving water quality, and environmental protection.

Carmel River Floodplain Restoration and Environmental Enhancement Project, County of Monterey, in progress: The Floodplain Restoration Component of the CRFREE Project will restore approximately 92 acres of floodplain and install native habitat plants on the restored land. The owner of Project land, Big Sur Land Trust (BSLT), will provide postconstruction access to Ohlone Costanoan Esselen Nation and Esselen Tribe of Monterey County members to collect native materials for cultural purposes.

Additionally, approximately 23 acres of land in the south Carmel River floodplain east of SR 1 will be elevated above the 100-year floodplain to create an agricultural preserve. The agricultural preserve land was historically in agricultural use and was donated for the land's restoration and preservation.

Olivier Street Stormwater Diversion, City of Monterey, in progress. (severely disadvantaged community block group): Stormwater will be added to City and regional sewer flows that are treated and will serve to augment the regional water supply. The project will provide approximately 15 acre-feet per year of recycled water supply.

B. **Project: Pure Water Monterey Expansion (expected completion)**

The Pure Water Monterey (PWM) expansion project has created a drought-resistant and independent water supply to meet Monterey County's water supply challenge. By providing an estimated additional 2,250 acre-feet per year (AFY) it will be used to (a) build an operating reserve to address exigent impacts created by irregular weather patterns, drought conditions, and climate; (b) offset loss of surface water storage; and (c) serve customer demand.

The District sought and received the following two grants for the development of the PWM Expansion that were completed in FY 2025-26.

1) **Grant 1: URBAN COMMUNITY DROUGHT RELIEF**

Grant Amount

$11,935,206

This PWM project was provided through the California Department of Water Resources (DWR) for the Urban & Multi-Benefit Drought Relief Grant program. The funding will increase the production and injection capacity of purified recycled water to support the potable water supply on the Monterey Peninsula. The U.S. Bureau of Reclamation previously gave around $20 million in grants for the Pure Water Monterey Project. Since its inception in early 2020, the PWM project has injected more than 15,000 AF of purified water into the Seaside Groundwater Basin. Pure Water Monterey is the first potable reuse project in Northern California.

2) **Grant 2: STATE WATER RESOURCES CONTROL BOARD**

Grant Amount

$4,800,000

In August 2021, the District, with support from Monterey One Water (M1W), received funding for an additional component of the PWM expansion project, adding a sixth deep injection well. The grant allowed the completion, planning, design, and construction of this additional injection well to further strengthen the water supply in a community facing a severe water supply challenge.

This deep injection well has been designed to: (i) use of excess capacity in the advanced water purification facility to produce more water, offsetting sources that may be constrained by drought; (ii) build an operational reserve in the ground during dry, normal, or wet years creating longer-term drought resilience; and (iii) create redundancy and operational flexibility.

CAPITAL ASSET PURCHASES

Capital Assets	Division	Cost	Account Number
Conference Room Upgrades	ASD	$ 150,000	XX-02-916000
Two Rav4s Hybrid SUVs*	ASD	82,000	XX_02-914000
Accela Programming for WDS Module	WDD	25,000	XX-05-751550
HVAC unit replacement (Unit #3)*	ASD	20,000	XX-02-725000
Four laptops for replacement	ASD	18,000	XX-02-751550
Ipad and laptop replacement	WDD	4,500	XX-02-751550
Electro Fisher (LR24)*	ERD	12,000	XX-02-913000
HP Printer Replacement*	ASD	5,000	XX-02-912000
Total Capital Assets		**$ 316,500**	

* Only items in 90000 series to be capitalized

CAPITAL ASSET REPLACEMENT/REPAIR SCHEDULE

No.	Item	Replacement Cost	Replace in Fiscal Year	Prior Years Accrual	Balance Left to Accrue	Accrual this Fiscal Year	Accrual Balance	Remarks
1	1/2 Ton Pickup	$55,000	2026-2027	$55,000	$0	$0	$55,000	Unit 1, ‘03 Ram 1500
2	Orthoimagery	$33,000	2026-2027	$33,000	$0	$0	$33,000	Updated 10/08
3	Chipper	$25,000	2026-2027	$25,400	$0	$0	$25,400	Chipper (P&E Dept)
4	Harris Court A/C Unit #3	$15,000	2026-2027	$15,400	$0	$0	$15,400	Air Conditioner
5	Multifunction Plotter/Scanner	$10,000	2026-2027	$25,500	$0	$0	$25,500	Replace 2 separate units
6	1/2 Ton Pickup	$55,000	2026-2027	$43,000	$12,000	$6,000	$49,000	Unit 7, ‘14 F150 4x4
7	Honda Insight	$14,000	2026-2027	$25,500	$0	$0	$25,500	Unit 5, ‘10 Honda Insight Hybrid
8	1/2 Ton Pickup	$55,000	2026-2027	$45,900	$9,100	$4,600	$50,500	Unit 4, ‘99 F150 4x4
9	Harris Court A/C Unit #4	$15,000	2026-2027	$15,500	$0	$0	$15,500	Air Conditioner
10	1 Ton Pickup	$47,000	2026-2027	$60,000	$0	$0	$60,000	Unit 11, ‘03 Ram D 3500
11	Ford Escape	$30,000	2026-2027	$30,500	$0	$0	$30,500	Unit 14, ‘09 Ford Escape
12	Harris Court A/C Unit #5	$15,000	2026-2027	$15,300	$0	$0	$15,300	Air Conditioner
13	Telephone System	$10,000	2026-2027	$13,500	$0	$0	$13,500	Avaya Phone System
14	Chevy Bolt EV Unit 17-01	$35,400	2027-2028	$35,400	$0	$0	$35,300	Unit 17-01, 2017 Chevy Bolt EV
15	Chevy Bolt EV Unit 17-02	$35,400	2027-2028	$35,400	$0	$0	$35,300	Unit 17-02, 2017 Chevy Bolt EV
16	1 Ton Pickup (Dump/Auto-Crane)	$47,000	2027-2028	$60,200	$0	$0	$60,200	Unit 6, ‘96 F350 D 4x4
17	1 Ton Pickup Unit #3 (Replaced with Dump Truck)	$47,000	2027-2028	$40,600	$6,400	$1,100	$41,700	Unit 3, ‘97 3500 D 4x4
18	Information System (Servers)	$70,000	2028-2029	$48,600	$21,400	$3,700	$52,500	Dell Servers in Service 21/22
19	1/2 Ton Pickup (4 Door 4X4) Unit 18-01	$55,000	2029-2030	$28,100	$26,900	$3,700	$31,800	Unit 18-01 Pool Vehicle
20	Server Room Air Conditioner	$14,000	2029-2030	$6,900	$7,100	$900	$7,800	Air Conditioner
21	Harris Court A/C Unit #1 (York 3-ton)	$15,000	2030-2031	$11,400	$3,600	$500	$11,900	Air Conditioner
22	1/2 Ton Pickup Unit 20-01	$55,000	2031-2032	$18,300	$36,700	$3,500	$21,800	Unit 20-01, ‘95 F150
23	1/2 Ton Pickup WEIR	$55,000	2031-2032	$17,700	$37,300	$3,800	$21,500	Fishries Division (WEIR Project)
24	3/4 Ton Pickup	$45,000	2032-2033	$15,600	$29,400	$2,700	$18,300	Unit 9, ‘03 Ram 2500
25	Doppler Current Meter	$35,000	2032-2033	$12,600	$22,400	$2,100	$14,700	Doppler Meter Equipment
26	Board Room A/V Equipment	$17,000	2032-2033	$15,600	$1,400	$100	$15,700	A/V Equipment
27	Harris Court A/C Unit #2 (Ruud 5-ton)	$15,000	2034-2035	$6,800	$8,200	$700	$7,500	Air Conditioner
28	Admin Bldg	$2,921,189	50 years	$398,400	$2,522,789	$90,200	$488,600	Administration building
29	Sleepy Hollow Facility	$2,541,228	50 years	$246,000	$2,295,228	$47,900	$293,900	Sleepy Hollow upgraded facility
30	ASR Bldg 1/Wells 1 & 2	$4,607,176	50 years	$566,600	$4,040,576	$84,300	$650,900	ASR 1st Building/Wells
31	ASR Bldg 2 (Chemical Bldg)	$7,563,450	50 years	$633,200	$6,930,250	$144,200	$777,400	ASR Treatment Facility Bldg
32	ASR Backflush	$441,000	50 years	$57,100	$383,900	$7,800	$64,900	ASR Backflush
Totals		$18,993,843		$2,658,000		$407,800	$3,065,800	

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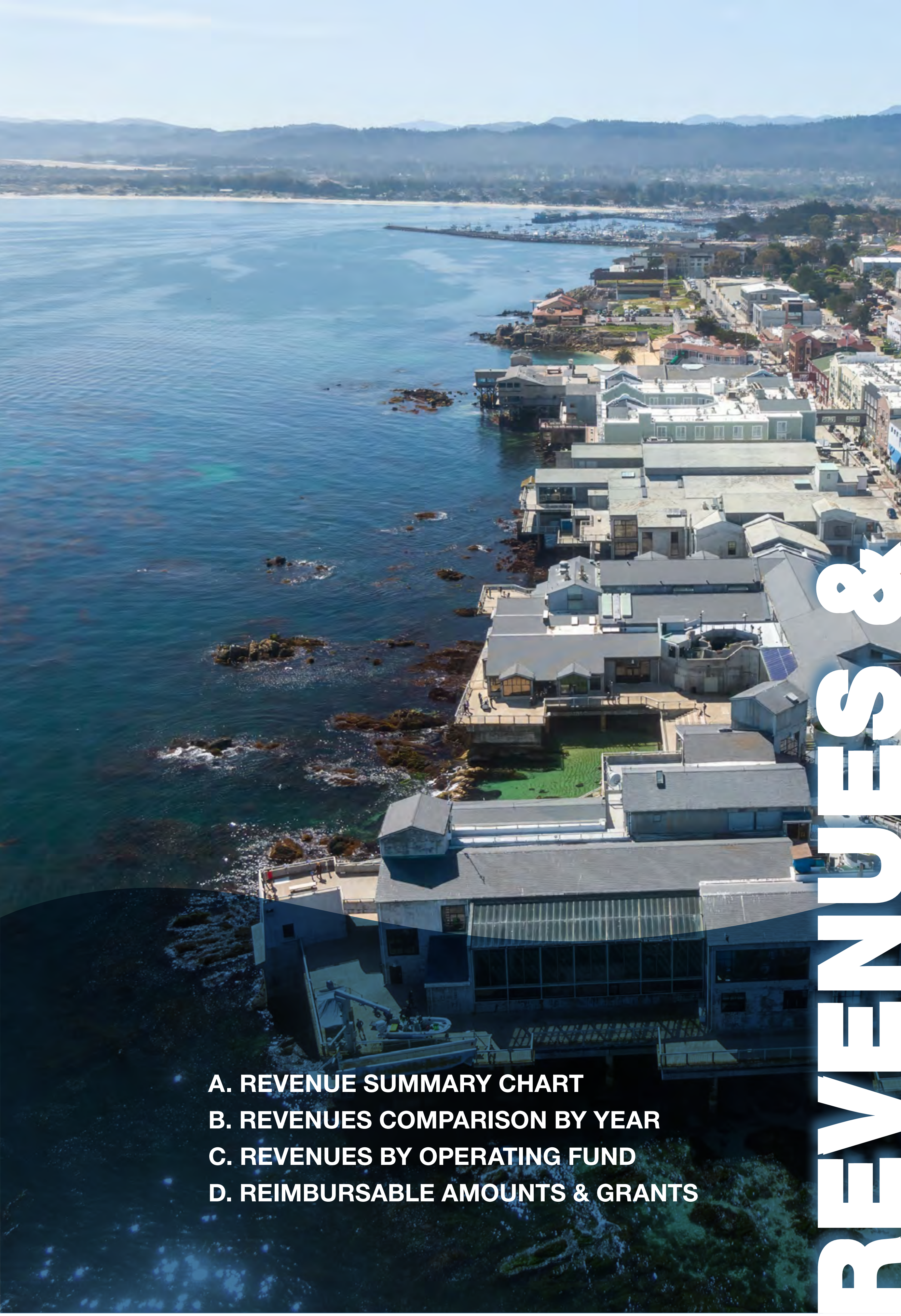
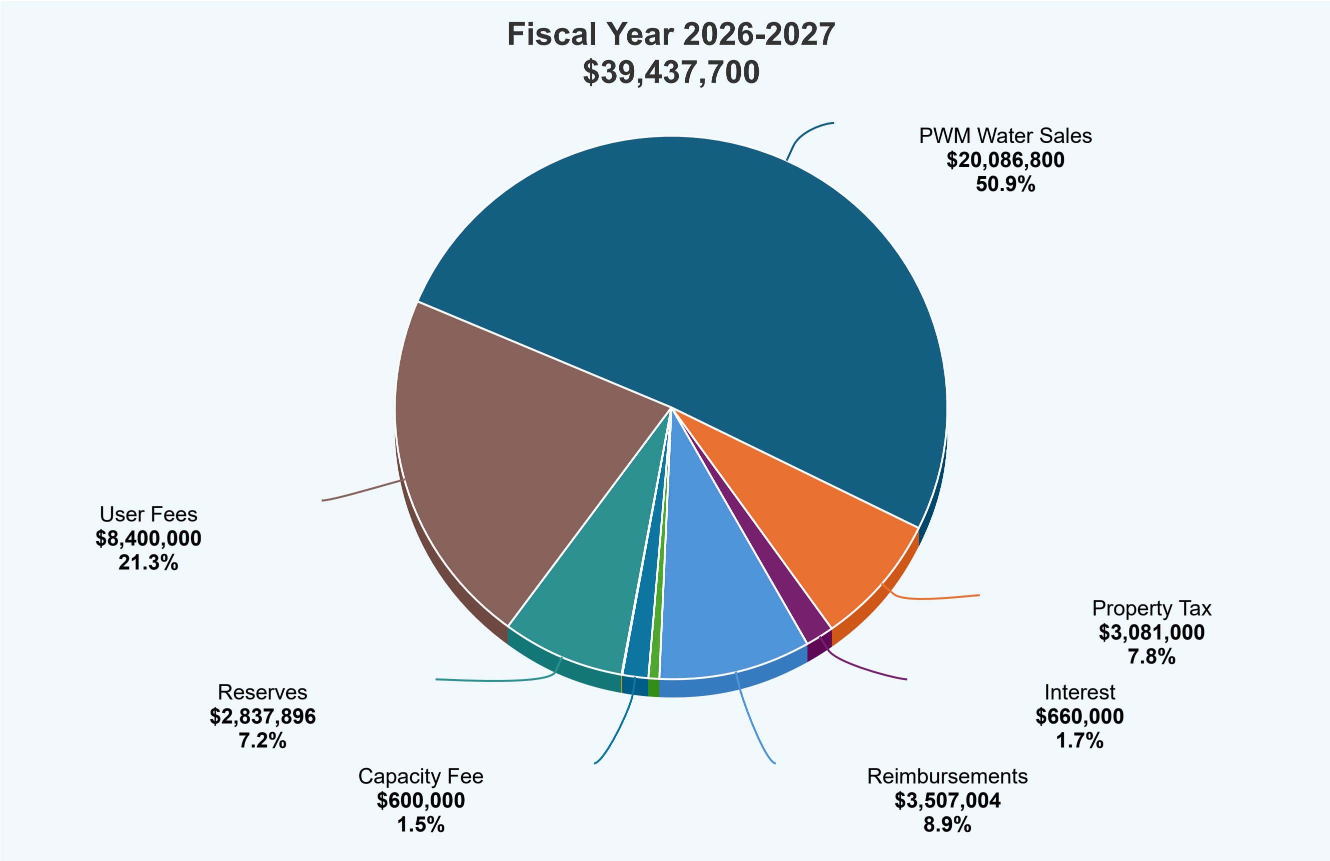


REVENUES & RESERVES

A. REVENUE SUMMARY CHART
B. REVENUES COMPARISON BY YEAR
C. REVENUES BY OPERATING FUND
D. REIMBURSABLE AMOUNTS & GRANTS


Fiscal Year 2026-2027
$39,437,700
PWM Water Sales
$20,086,800
50.9%
Property Tax
$3,081,000
7.8%
Interest
$660,000
1.7%
Reimbursements
$3,507,004
8.9%
Capacity Fee
$600,000
1.5%
Reserves
$2,837,896
7.2%
User Fees
$8,400,000
21.3%

ESTIMATED REVENUES COMPARISON BY YEAR

	FY 2024-2025 Revised	FY 2025-2026 Revised	FY 2026-2027 Adopted	FY 2026-2027 Change	Percentage Change
Revenue					
District Revenues					
Property Taxes	$2,900,000	$3,000,000	$3,081,000	81,000	2.70%
Permit Fees - WDD	150,000	200,000	200,000	-	0.00%
Permit Fees - WDS	48,000	50,000	50,000	-	0.00%
Capacity Fee	400,000	600,000	600,000	-	0.00%
User Fees	7,400,000	7,800,000	8,400,000	600,000	7.69%
PWM Water Sales	14,619,500	19,284,012	20,086,800	802,788	4.16%
Interest Income	700,000	750,000	660,000	(90,000)	-12.00%
Other	15,000	15,000	15,000	-	0.00%
Total District Revenues	**$26,232,500**	**$31,699,012**	**$33,092,800**	**1,393,788**	**4.40%**
Reimbursements					
Reimbursements - CAW	$1,193,950	$815,958	$799,458	(16,501)	-2.02%
Reimbursements - PWM Project	11,356,830	5,795,080	-	(5,795,080)	-100.00%
Reimbursements - Reclamation Tank	-	-	-	-	0.00%
Reimbursements - Watermaster	39,600	37,000	37,000	-	0.00%
Reimbursements - Reclamation	79,000	33,080	38,650	5,570	16.84%
Reimbursements - FEMA	-	-	-	-	0.00%
Reimbursements - Other	40,000	52,000	57,000	5,000	9.62%
Reimbursements - Recording Fees	60,000	65,000	65,000	-	0.00%
Reimbursements - Legal Fees	15,000	15,000	15,000	-	0.00%
Grants (IRWM)	1,271,693	1,081,504	2,494,896	1,413,392	130.69%
Total Reimbursements	**$14,056,073**	**$7,894,622**	**$3,507,004**	**(4,387,619)**	**-55.58%**
Other					
Debt Reserve	-	-	-	-	
Pension Reserve	-	-	-	-	
OPEB Reserve	-	-	-	-	
Capital Project Reserve	-	-	-	-	
Compensated Absences Reserve	-	-	-	-	
Rate Stablization Reserve	-	-	-	-	
Asset Replacement Reserve			82,000	82,000	0.00%
General Reserve	993,350	2,645,258	2,755,896	110,638	4.18%
Water Supply Charge Reserve	3,353,245	-	-	-	
Total Other	**4,346,595**	**2,645,258**	**2,837,896**	**192,638**	**7.28%**
Total Revenue	**44,635,168**	**42,238,892**	**39,437,700**	**(2,801,193)**	**-6.63%**

REVENUES BY OPERATING FUND

	Mitigation	Water Supply	Conservation	Total
Revenue				
District Revenues				
Property Taxes	$308,100	$2,310,750	$462,150	$3,081,000
Permit Fees - WDD	-	-	200,000	200,000
Permit Fees - WDS	-	-	50,000	50,000
Capacity Fee	-	600,000	-	600,000
User Fees	1,680,000	5,040,000	1,680,000	8,400,000
PWM Water Sales	-	20,086,800	-	20,086,800
Interest	211,200	231,000	217,800	660,000
Other	5,000	5,000	5,000	15,000
Total District Revenues	**2,204,300**	**28,273,550**	**2,614,950**	**33,092,800**
Reimbursements				
Reimbursements - CAW	-	449,458	350,000	799,458
Reimbursements - Watermaster	-	37,000	-	37,000
Reimbursements - Reclamation	-	38,650	-	38,650
Reimbursements - Recording Fees	-	-	65,000	65,000
Reimbursements - Legal Fees	-	-	15,000	15,000
Grants (IRWM)	2,494,896	-	-	2,494,896
Reimbursements - Other	-	-	57,000	57,000
Total Reimbursements	**2,494,896**	**525,108**	**487,000**	**3,507,004**
Other				
General Reserve	2,082,746	(729,272)	1,402,422	2,755,896
Asset Replacement Reserve	27,060	28,700	26,240	82,000
Total Other	**2,109,806**	**(700,572)**	**1,428,662**	**2,837,896**
Total Revenue	**$6,809,002**	**$28,098,086**	**$4,530,612**	**$39,437,700**

REIMBURSABLE AMOUNTS & GRANTS

Reimbursement Source		2026-27
CAW - ASR 1 Operation	$	374,458
CAW - Conservation Rebates		350,000
CAW - Conservation Programs - Advertising, website, workshop		53,500
Watermaster - Incl. $45,000 for well redrilling		82,000
NOAA - Aquatic Resources Fisheries (Pit Tag)		25,000
Grants - IRWM Implementation - Round 1		1,111,542
Grants - IRWM Implementation - Round 2		1,383,354
Grants - PWM Project (expected completion)		-
Direct Bill - Deed Restriction		65,000
Direct Bill - Legal Reimbursement		15,000
Direct Bill - WDS Permitting, Hydrogeologic Analysis, etc.		57,000
Total Reimbursements	**$**	**3,516,854**

ANALYSIS OF RESERVES

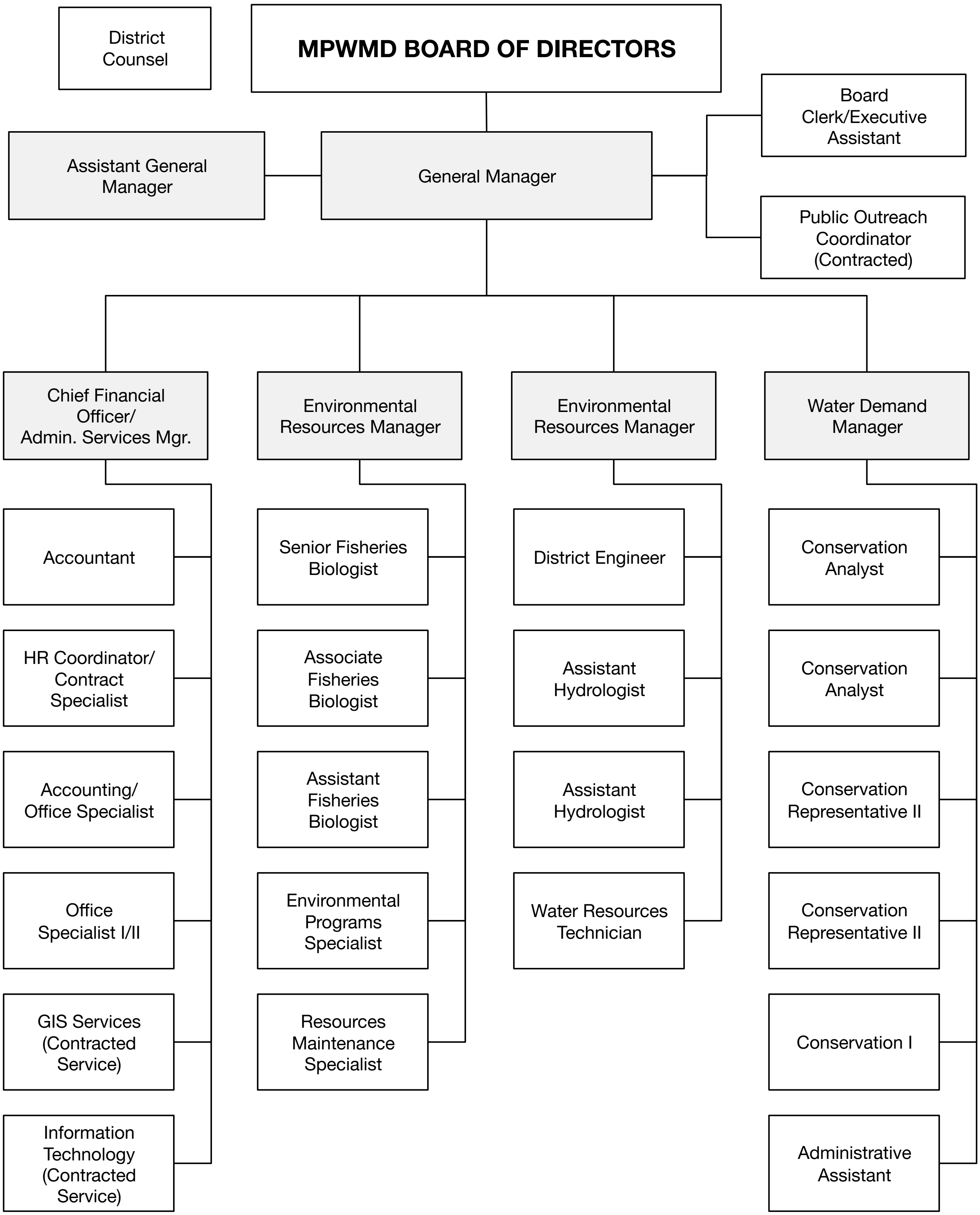
Summary	Mitigation Fund	Water Supply Fund	Conservation Fund	Totals
Pension Reserve	$ 298,000	$ 276,000	$ 226,000	$ 800,000
OPEB Reserve	298,000	276,000	226,000	800,000
Asset Replacement Reserve	1,115,451	766,016	382,633	2,264,100
Flood/Drought Reserve	500,000	0	0	500,000
General Operating Reserve (estimated)	8,955,622	4,596,218	7,827,467	21,379,307
Estimated Reserve Balance as of 06/30/2026	**11,167,073**	**5,914,234**	**8,662,100**	**25,743,407**
Pension Reserve Analysis (409000)				
06/30/2026 Balance (above)	$ 298,000	$ 276,000	$ 226,000	$ 800,000
Fiscal Year 2026-2027 Budgeted	34,000	36,000	30,000	100,000
06/30/2027 Budgeted Balance	**332,000**	**312,000**	**256,000**	**900,000**
OPEB Reserve Analysis (409500)				
06/30/2026 Balance (above)	$ 298,000	$ 276,000	$ 226,000	$ 800,000
Fiscal Year 2026-2027 Budgeted	34,000	36,000	30,000	100,000
06/30/2027 Budgeted Balance	**332,000**	**312,000**	**256,000**	**900,000**
Asset Replacement Reserve Analysis (406500)				
06/30/2026 Balance (above)	$ 1,115,451	$ 766,016	$ 382,633	$ 2,264,100
Fiscal Year 2026-2027 Budgeted	134,574	138,652	134,574	407,800
Fiscal Year 2025-2067 Use	(27,060)	(28,700)	(26,240)	(82,000)
06/30/2027 Budgeted Balance	**1,222,965**	**875,968**	**490,967**	**2,589,900**
Flood/Drought Reserve Analysis (407000)				
06/30/2026 Balance (above)	$ 500,000	$ 0	$ 0	$ 500,000
Fiscal Year 2026-2027 Budgeted	0	0	0	0
06/30/2027 Budgeted Balance	**500,000**	**-**	**-**	**500,000**
General Operating Reserve Analysis (410000)				
06/30/2026 Balance (above)	$ 8,955,622	$ 4,596,218	$ 7,827,467	$ 21,379,307
Fiscal Year 2025-2026 Estimated	(29,378)	(2,028,188)	(29,378)	(2,086,943)
Fiscal Year 2026-2027 Budgeted	(2,082,746)	729,272	(1,402,422)	(2,755,896)
06/30/2027 Budgeted Balance	**6,843,499**	**3,297,302**	**6,395,667**	**16,536,468**

New reserves such as Compensated Absences, Capital Projects, and Rate Stabilization Reserve that were added in FY2025-26, will be reflected next fiscal year when funded.

DIVISION BUDGET

A. GENERAL MANAGER'S OFFICE
B. ADMINISTRATIVE SERVICES
C. WATER RESOURCES
D. WATER DEMAND
E. ENVIRONMENTAL RESOURCES

DISTRICT ORGANIZATION CHART



GENERAL MANAGER'S OFFICE

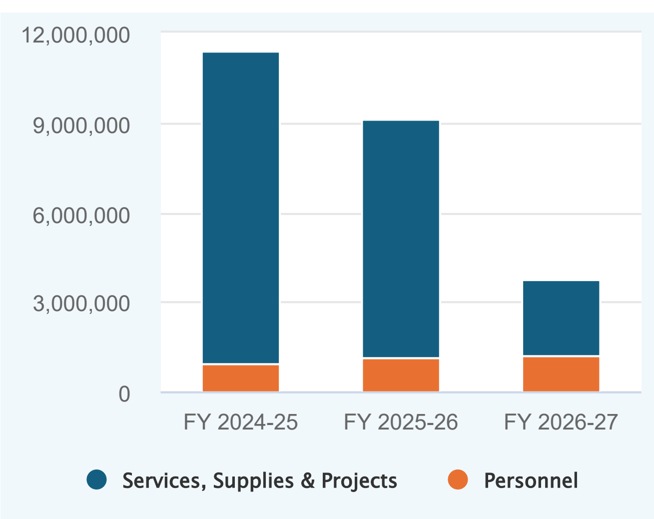
The General Manager's Office activities include strategic planning, oversight of divisional activities and execution, public outreach, coordination and oversight of budget and financial activities, management of the District's legal strategies, support for the Board of Directors and Committees. Priorities for next fiscal year include advancing the entry plan of the new Assistant General Manager, lifting the Cease and Desist Order, and advancing the acquisition of the Monterey Water System.

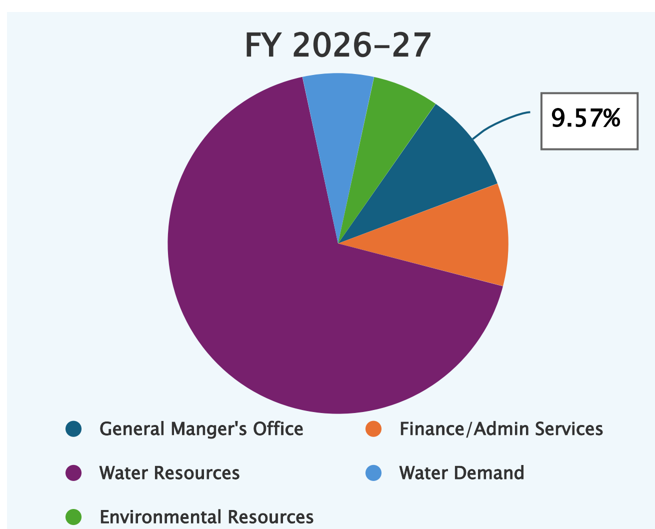
The services provided include general management of District activities on a day-to-day basis, strategic planning, program and activity evaluation, staff meetings and evaluations, meeting with jurisdictions and interest groups, regular interaction and direction with financial personnel, regular interaction and review of performance of District legal team, coordination of Board schedule and activities, preparation of Board packages and minutes.

Classification	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2026-27 Adopted	FY 2026-27 Change
General Manager	1	1	1	0
Assistant General Manager	0	1	1	0
Executive Assistant	1	1	1	0
Financial Analyst	1	0	0	0
TOTAL POSITIONS	**3**	**3**	**3**	**0**
TOTAL DISTRICT-WIDE POSITIONS*	**28**	**28**	**28**	**0**

* Two positions are contractred

	FY 2024-2025 Revised	FY 2025-2026 Adopted	FY 2026-2027 Adopted	FY 2026-2027 Change
Expenditures				
Personnel				
Salaries	$ 562,000	$ 676,000	$ 705,000	$ 29,000
Retirement	289,916	323,826	387,225	63,399
Auto Allowance	11,000	11,000	11,000	-
Deferred Compensation	17,483	21,614	22,605	991
Workers Compensation	5,554	5,935	3,038	(2,897)
Employee Insurance	63,438	80,229	89,611	9,382
Medicare & FICA Taxes	1,390	1,852	1,954	102
Other Benefits	300	300	300	-
Staff Development	3,000	2,400	9,900	7,500
Total Personnel	**954,081**	**1,123,156**	**1,230,633**	**107,477**
Services and Supplies				
Board Expenses	10,000	10,000	7,500	(2,500)
Telephone	1,000	5,100	5,100	-
Office Supplies	1,500	1,500	3,100	1,600
Postage & Shipping	300	300	300	-
Printing/Duplicating/Binding	600	600	600	-
Operating Supplies	3,389	1,500	1,500	-
Professional Fees	280,000	245,100	200,000	(45,100)
Travel	7,000	23,100	23,100	-
Meeting Expenses	2,000	12,500	16,500	4,000
Membership Dues	40,000	42,000	42,000	-
Public Outreach	3,500	6,000	247,500	241,500
Miscellaneous	400	400	400	-
Total Services and Supplies	**349,689**	**348,100**	**547,600**	**199,500**
Project Expenditures				
Project Expenses	50,000	25,000	150,000	125,000
Measure J-related	675,500	600,000	1,840,000	1,240,000
Reimbursement Projects	11,356,830	9,259,106	-	(9,259,106)
Fixed Assets	-	5,100	5,100	-
Total Project Expenditures	**12,082,330**	**9,889,206**	**1,995,100**	**(7,894,106)**
Total Expenditures	**$ 13,386,100**	**$ 11,360,462**	**$ 3,773,333**	**$ (7,587,129)**





FINANCIAL & ADMINISTRATIVE SERVICES

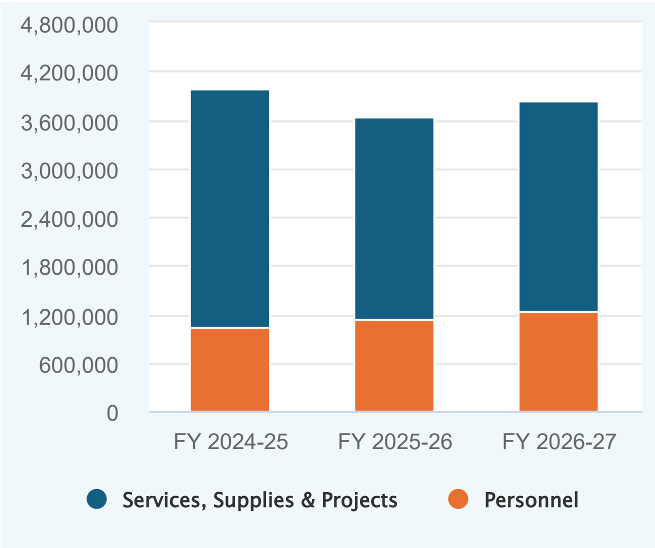
The Finance & Administrative Services Department activities include treasury, payables, revenue and debt management, procurement, payroll, safety, risk management, human resources, records management, building services and repairs, administrative support and work in support of District-wide program and activities, and information technology services.

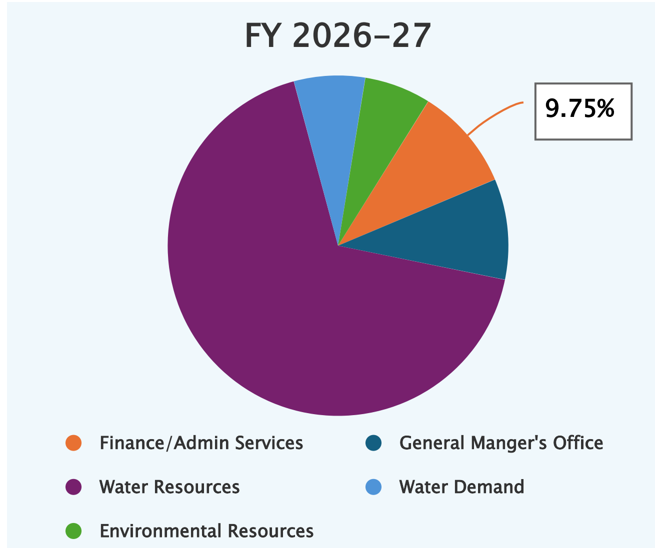
The services provided include cash and investment management, day-to-day accounting and budget operations for the District and Pebble Beach Reclamation Project, internal and external financial reporting, grant administration, debt administration, overseeing District's financial obligations, management of assets, payroll administration, acquisition and payment of all goods and services, financial aspect of risk management, administering safety training programs, accident investigation, recruitment, selection, development and maintenance of personnel policies and procedures, employee development/training, employee recognition, legal issues and labor relations activities, and fulfilling public records requests. Additional services provided are the administration of benefit programs, overseeing workers compensation and ensuring compliance with DMV requirements. This department also maintains the District wide records management program, the repair & maintenance and improvements of the District's information and communication technology systems.

Classification	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2026-27 Adopted	FY 2026-27 Change
CFO/Administrative Services Mgr.	1	1	1	0
Accountant	1	1	1	0
HR Coordinator/Contract Specialist	1	1	1	0
Accounting Office Specialist	1	1	1	0
Office Specialist	1	1	1	0
Information Technology Manager (Contracted)	1	1	1	0
GIS Specialist (Contracted)	0.5	0.5	0.5	0
HR Analyst (Contracted, as needed)	0.5	0.5	0.5	0
TOTAL POSITIONS	**7.0**	**7.0**	**7.0**	**0**
TOTAL DISTRICT-WIDE POSITIONS*	**28**	**28**	**28**	**0**

* Two positions are contractred

	FY 2023-2024 Revised	FY 2024-2025 Revised	FY 2026-2027 Adopted	FY 2026-2027 Change
Expenditures				
Personnel				
Salaries	$ 600,000	$ 639,000	$ 678,000	$ 39,000
Retirement	133,692	151,926	184,135	32,209
Unemployment Compensation	3,100	3,100	3,000	(100)
Temporary Personnel	10,000	10,000	10,000	-
Workers Compensation	7,762	7,965	4,529	(3,436)
Employee Insurance	69,146	74,136	83,753	9,617
Employee Insurance - Retirees	190,387	190,387	205,280	14,893
Medicare & FICA Taxes	37,676	39,860	43,023	3,163
Personnel Recruitmen	51,000	10,000	10,000	-
Other Benefits	2,300	2,300	2,300	-
Moving Expense Reimbursement	5,000	1,500	1,500	-
Staff Development	7,600	6,000	6,000	-
Total Personnel	**1,117,663**	**1,136,173**	**1,231,520**	**95,347**
Services and Supplies				
Board Member Comp	37,000	37,000	37,000	$ -
Rent	16,000	16,800	16,800	-
Utilities	40,000	44,000	50,000	6,000
Telephone	36,000	25,600	25,600	-
Facility Maintenance	76,000	95,100	95,100	-
Bank Charges	25,100	68,000	25,100	(42,900)
Office Supplies	20,000	42,000	20,000	(22,000)
Courier Expense	7,600	7,600	7,600	-
Postage & Shipping	6,000	29,100	7,500	(21,600)
Equipment Lease	13,200	13,200	13,200	-
Equip. Repairs & Maintenance	5,100	5,100	5,100	-
IT Supplies/Services	293,600	289,100	306,000	16,900
Operating Supplies	2,000	2,000	2,000	-
Legal Services	945,241	400,000	420,000	20,000
Professional Fees	55,100	166,100	133,100	(33,000)
Transportation	2,000	6,600	6,600	-
Travel	4,000	4,000	4,000	-
Meeting Expenses	18,000	11,000	11,000	-
Insurance	300,000	342,000	360,000	18,000
Legal Notices	32,000	5,100	3,100	(2,000)
Membership Dues	3,500	4,000	4,000	-
Assessors Administration Fee	34,000	25,100	24,000	(1,100)
Miscellaneous	27,600	3,100	3,100	-
Total Services and Supplies	**1,999,041**	**1,641,600**	**1,579,900**	**(61,700)**
Project Expenditures				
Election Expense	250,000	250,000	250,000	-
Contingency	70,000	70,000	70,000	-
Fixed Assets	70,100	75,100	107,100	32,000
Total Project Expenditures	**390,100**	**395,100**	**427,100**	**32,000**
Reserves	513,000	526,000	607,800	81,800
Total Expenditures	**$ 4,019,804**	**$ 3,698,873**	**$ 3,846,320**	**$ 147,447**


4,800,000
4,200,000
3,600,000
3,000,000
2,400,000
1,800,000
1,200,000
600,000
0
FY 2024-25
FY 2025-26
FY 2026-27
Services, Supplies & Projects
Personnel


FY 2026-27
9.75%
Finance/Admin Services
General Manger's Office
Water Resources
Water Demand
Environmental Resources

WATER RESOURCES

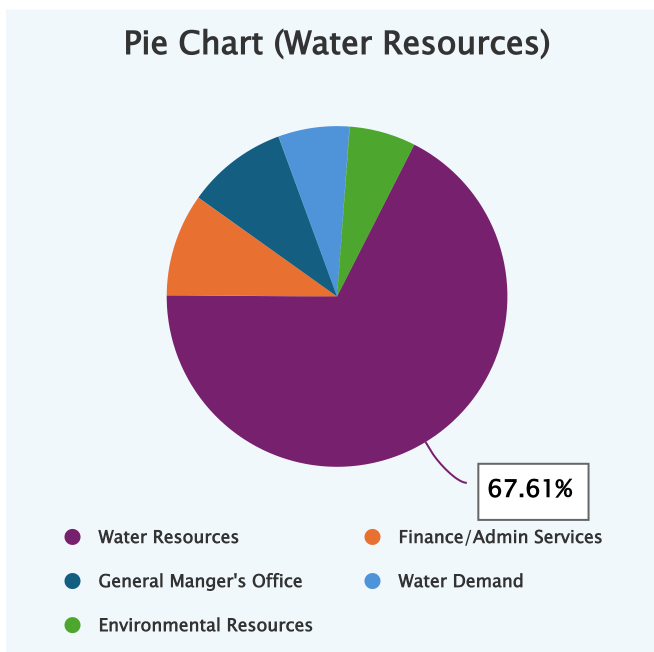
Division activities include review and investigation of proposed water supply projects, evaluation of proposed Carmel River water rights decisions, preservation of existing District water rights, coordination of Water Distribution System permits, and coordination of water resource management throughout the District. Program responsibilities and services provided include surface and groundwater data collection and reporting programs, quarterly water supply strategies and budgets for Cal-Am's main and satellite water distribution systems. WRD staff coordinates closely with the Environmental Resources Division and Water Demand Divisions on certain activities to more efficiently share internal staff resources and expertise.

- Water Supply – Develop and implement plans for water supply augmentation projects; design, permit, construct, operate Seaside Basin ASR projects; analyze water supply project alternatives; operate water resources simulation models. Analysis of impacts and benefits of proposed water supply projects; review and completion of environmental compliance documents under the California Environmental Quality Act and National Environmental Policy Act).
- Water Rights – Coordinate District review of proposed Carmel River water rights issued by the State Water Resources Control Board; track and preserve existing District water rights; prepare applications for changes to District water rights.
- Water Resources Management – Prepare quarterly water supply strategy budgets; participate in annual Carmel River Low Flow Memorandum of Agreement process; conduct monitoring and management functions as part of Seaside Basin Watermaster Monitoring & Management Plan; provide technical assistance and expert testimony on Cal-Am rate cases before the CPUC; prepare annual Mitigation Program reports; coordinate Monterey Peninsula Water Operations quarterly meetings.
- Hydrologic Monitoring Program – Conduct: (a) precipitation monitoring, (b) streamflow monitoring, (c) reservoir and groundwater storage monitoring, (d) surface water and groundwater production monitoring,(e) surface water and groundwater quality monitoring, and (f) Carmel River lagoon water level, quality, bathymetric and habitat monitoring.
- Water Use and Permitting – Collect, analyze and report data from approximately 1,000 wells and other sources for annual District-wide water production summary; coordinate with Water Demand Divisions on Water Distribution System permitting.
- Integrated Regional Water Management (IRWM) – Facilitate the development and implementation of a comprehensive IRWM Plan for the Monterey Peninsula region, including projects involving Carmel River resources, groundwater, recycled water, desalination, stormwater, flood control, ecosystem restoration, water conservation, and public recreation; conduct stakeholder outreach; prepare grant applications for specific projects; administer grant funds on behalf of the District and local area project proponents.

Classification	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2026-27 Adopted	FY 2026-27 Change
Water Resources Manager	1	1	1	0
District Engineer	1	1	1	0
Associate Hydrologist	0	0	0	0
Meter Program Coordinator	1	0	0	0
Assistant Hydrologist	2	2	2	0
Water Resources Tech I/II	0	1	1	0
TOTAL POSITIONS	**5**	**5**	**5**	**0**
TOTAL DISTRICT-WIDE POSITIONS	**28**	**28**	**28**	**0**

* Two positions are contractred

	FY 2024-2025 Revised	FY 2025-2026 Adopted	FY 2026-2027 Adopted	FY 2025-2026 Change
Expenditures				
Personnel				
Salaries	$ 712,000	$ 770,000	$ 792,000	$ 22,000
Retirement	139,348	154,580	180,212	25,632
Unemployment Compensation	3,000	3,000	3,000	-
Workers Compensation	46,279	49,638	46,951	(2,687)
Employee Insurance	94,720	101,556	113,697	12,141
Medicare & FICA Taxes	14,014	14,873	14,873	-
Other Benefits	300	300	300	-
Staff Development	6,000	6,000	6,000	-
Total Personnel	**1,015,662**	**1,099,946**	**1,157,033**	**57,087**
Services and Supplies				
Rent	6,600	6,600	6,600	$ -
Utilities	600	600	600	-
Telephone	7,000	5,400	5,400	-
Office Supplies	600	600	600	-
Postage & Shipping	600	600	600	-
Operating Supplies	3,000	4,000	4,000	-
Transportation	18,000	19,600	22,600	3,000
Travel	1,000	4,000	4,000	-
Legal Notices	600	600	600	-
Membership Dues	600	2,600	2,600	-
Total Services and Supplies	**38,600**	**44,600**	**47,600**	**4,400**
Project Expenditures				
Project Expenses	1,061,455	511,197	1,716,197	$ 1,205,000
PWM Water Purchase	16,290,300	22,651,200	21,226,800	(1,424,400)
Reimbursement Projects	823,950	1,101,504	2,514,896	1,413,392
Total Project Expenditures	**18,175,705**	**24,263,901**	**25,457,893**	**1,193,992**
Total Expenditures	**$ 19,229,967**	**$ 25,408,447**	**$ 26,662,526**	**$ 1,255,479**



ENVIRONMENTAL RESOURCES

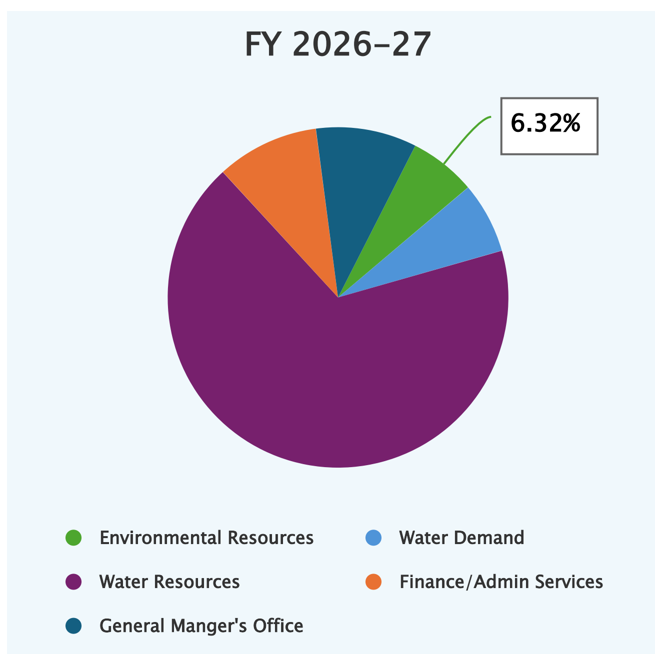
Program responsibilities and services provided include the implementation of the District's Mitigation Program. These include fishery protection activities in the Carmel River basin, river restoration activities, vegetation management, and the annual Carmel River Memorandum of Agreement among Cal-Am, CDFG and the District that governs reservoir releases to the lower Carmel River during the low-flow season. ERD staff coordinate closely with the Water Resources Divisions on certain activities to more efficiently share internal staff resources and expertise.

- Fisheries Resource Program – Rescue stranded steelhead from the Carmel River; rear rescued fish at the Sleepy Hollow Rearing Facility (SHSRF); rescue downstream migrant smolts in spring and transport them to a holding facility or the ocean; prevent stranding of early fall and winter migrant juvenile steelhead; rescue steelhead kelts and
- Carmel River Mitigation Program – Conduct Carmel River restoration projects, including problem assessment, design, bid preparation, permit acquisition, construction management, and project monitoring; install, operate, and maintain high-volume irrigation systems along the lower Carmel River; monitor and assess streamside conditions; provide technical assistance to river front property owners; determine erosion potential; enforce District rules for the Carmel River; rescue steelhead and operate the Sleepy Hollow Steelhead Rearing Facility; provide technical analysis and advice to agencies responsible for Carmel River lagoon management.
- Vegetation Management – The District inspects the Carmel River for downed trees and vegetation encroachment and makes selective cuts to help reduce the potential for bank erosion or impacts to public or private infrastructure. The goal of the program is to have a relatively open channel for flow and debris but preserve the habitat value of

Classification	FY 2023-24 Adopted	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2025-26 Change
Environmental Resources Manager	1	1	1	0
Senior Fisheries Biologist	0	1	1	0
Associate Fisheries Biologist	1	0	0	0
Associate Fisheries Biologist	1	1	1	0
Assistant Fisheries Biologist	1	1	1	0
Environmental Programs Specialist	1	1	1	0
Resources Maintenance Specialist	1	1	1	0
TOTAL POSITIONS	**6**	**6**	**6**	**0**
TOTAL DISTRICT-WIDE POSITIONS	**28**	**28**	**28**	**0**

* Two positions are contractred

	FY 2024-2025 Revised	FY 2025-2026 Adopted	FY 2026-2027 Adopted	FY 2026-2027 Change
Expenditures				
Personnel				
Salaries	$ 784,000	$ 997,000	$ 904,000	$ 44,000
Retirement	201,031	223,628	285,493	22,598
Unemployment Compensation	3,000	3,000	3,000	-
Workers Compensation	50,671	48,674	53,244	2,604
Employee Insurance	113,664	126,468	136,194	8,203
Medicare & FICA Taxes	11,353	11,994	13,175	640
Other Benefits	300	3,200	300	-
Staff Development	4,500	4,500	4,500	-
Total Personnel	**1,168,519**	**1,418,464**	**1,399,906**	**78,045**
Services and Supplies				
Rent	6,600	6,600	6,600	-
Utilities	600	600	600	-
Telephone	3,000	1,800	1,800	(1,200)
Office Supplies	600	600	600	-
Operating Supplies	4,500	2,600	5,000	1,600
Transportation	16,000	26,000	26,000	-
Travel	4,000	4,000	4,000	-
Meeting Expenses	200	200	200	-
Membership Dues	700	800	800	-
Total Services and Supplies	**36,200**	**43,200**	**45,600**	**400**
Project Expenditures				
Project Expenses		1,164,365	810,329	45,954
Reimbursement Projects		422,458	406,958	(357,993)
Fixed Assets	70,000			
Total Project Expenditures	**70,000**	**1,586,823**	**1,217,287**	**(312,038)**
Total Expenditures	**$ 1,274,719**	**$ 3,048,487**	**$ 2,662,793**	**$ (233,593)**



WATER DEMAND

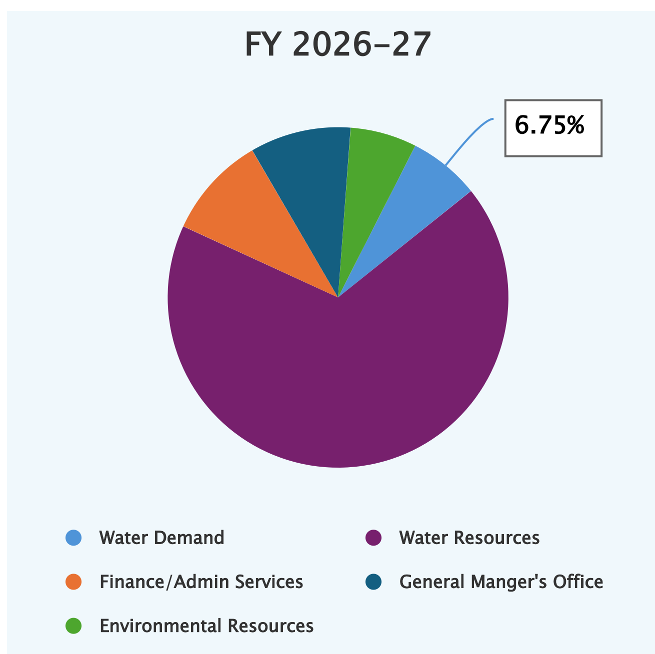
The Water Demand Division provides information and programs to achieve efficient water use and maximize available supplies. This is achieved through community education and outreach, development of incentives and training programs, and by implementing and enforcing permitting and conservation regulations, thereby reducing the community's need for potable water. The Water Demand Division strives to provide responsive and accurate customer service that exceeds the expectations of the people we serve.

Services include permit review and processing, conservation program administration and reporting, site visits and inspections, water waste and rationing enforcement, rebate program administration, and data management and data systems design related to demand management. Other services include project and program coordination and training with eight local cities and counties, local water purveyors, local and statewide agencies, builders, contractors, architects, realtors and others. This also includes reviewing and processing applications for WDS permits; making determinations of level of review, making technical findings; coordinating staff, consultant, and District Counsel work on WDS permits; prepare findings; issue WDS permits. The Water Demand Division also reviews projects for environmental compliance related to water supply, collaborates with jurisdictions to ensure efficiency standards for development projects, assists with rate-making, and proposes policies and programs to encourage and promote indoor and outdoor water efficiency, conservation, reuse, alternative water sources, and nonresidential best management practices.

Classification	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2026-27 Adopted	FY 2026-27 Change
Water Demand Manager	1	1	1	0
Conservation Analyst	2	2	2	0
Conservation Technician	1	1	1	0
Conservation Representative II	2	2	2	0
Administrative Assistant	1	1	1	0
Enforcement (temporary)	0	0	0	0
TOTAL POSITIONS	**7**	**7**	**7**	**0**
TOTAL DISTRICT-WIDE POSITIONS*	**28**	**28**	**28**	**0**

* Two positions are contractred

	FY 2024-2025 Revised	FY 2025-2026 Adopted	FY 2026-2027 Adopted	FY 2026-2027 Change
Expenditures				
Personnel				
Salaries	$ 788,000	$ 945,080	$ 1,017,000	$ 71,920
Retirement	214,839	298,754	346,818	48,064
Unemployment Compensation	1,000	1,000	1,000	-
Workers Compensation	3,531	6,454	6,579	125
Employee Insurance	136,376	147,931	159,277	11,346
Medicare & FICA Taxes	11,416	13,609	13,870	261
Other Benefits	300	300	300	-
Staff Development	10,000	7,500	7,500	-
Total Personnel	**1,165,462**	**1,420,628**	**1,552,344**	**131,716**
Services and Supplies				
Telephone	4,000	2,900	2,900	$ -
Office Supplies	2,000	2,000	2,000	-
Postage & Shipping	600	500	500	-
Printing/Duplicating/Binding	1,500	2,000	2,000	-
IT Supplies/Services	35,000	10,000	10,000	-
Operating Supplies		16,000	15,000	(1,000)
Transportation	5,000	6,500	5,000	(1,500)
Travel	5,000	2,500	2,500	-
Meeting Expenses	1,000	1,000	1,000	-
Membership Dues	3,000	2,500	2,500	-
Total Services and Supplies	**57,100**	**45,900**	**43,400**	**(2,500)**
Project Expenditures				
Project Expenses	771,500	659,300	853,500	$ 194,200
Public Outreach		-	-	-
Total Project Expenditures	**771,500**	**659,300**	**853,500**	**194,200**
Total Expenditures	**$ 1,994,062**	**$ 2,125,828**	**$ 2,449,244**	**$ 323,416**



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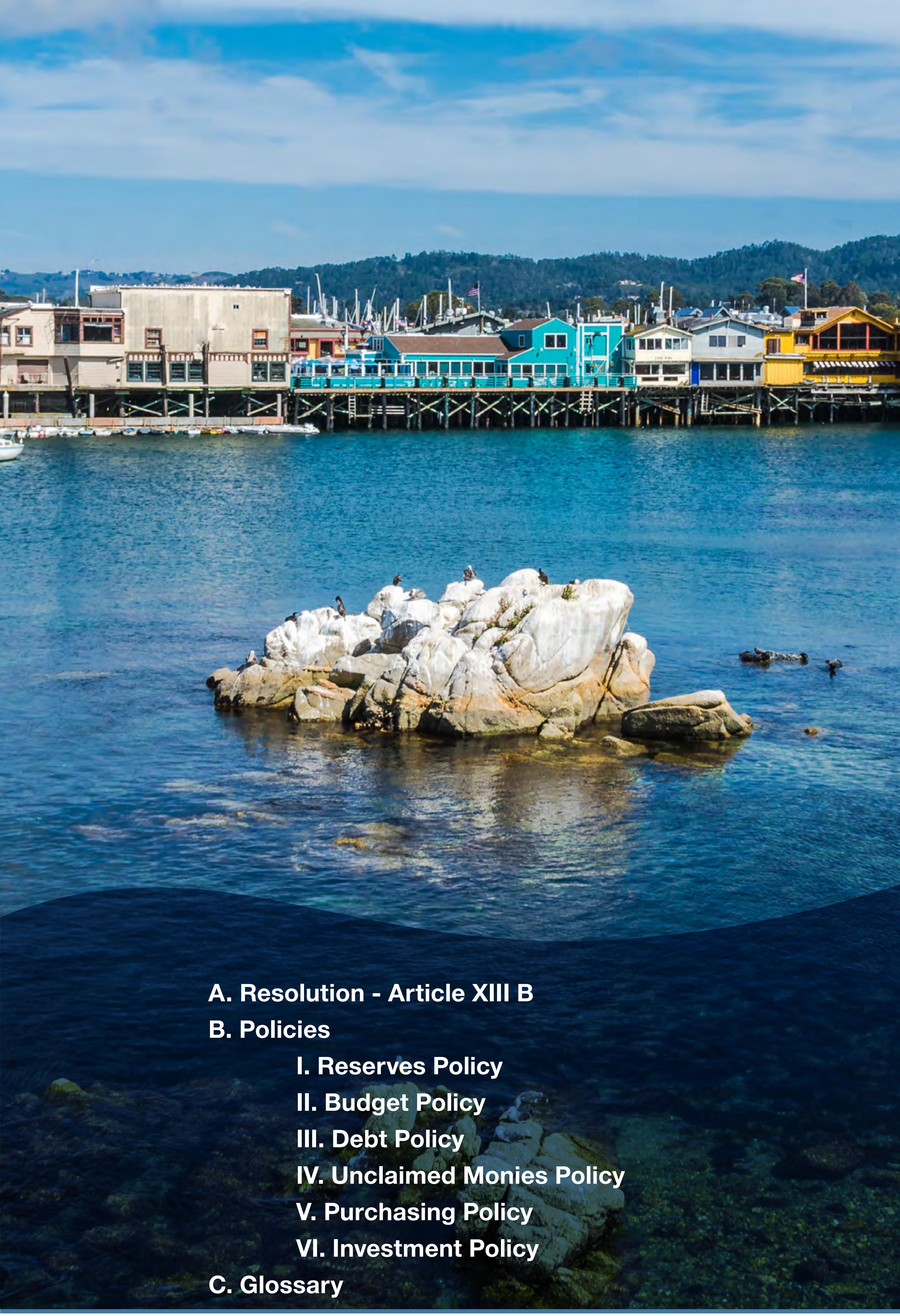

APPENDICES

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

RESOLUTION NO. 2026-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026-2027

WHEREAS, Article XIII (B) of the California Constitution requires that each local government agency annually establish an appropriations limit; and

WHEREAS, the Monterey Peninsula Water Management District desires to establish its appropriations limit for the purpose of setting its budget.

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Monterey Peninsula Water Management District hereby determines that the 20246-20257 appropriations limit for the District is $2,497,245 based on a 2026-2027 multiplier of 1.04932, as shown on **Attachment 1**.

PASSED AND ADOPTED on this 19th day of May, 2026 on a motion by Director Oglesby, seconded by Director Edwards, by the following vote:

AYES: Oglesby, Daniels, Edwards, Lindor, Paull, Lindor, and Riley.

NAYS: None

ABSENT: None

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certifies that the foregoing is a resolution duly adopted on the 19th day of May 2026.

Dated: May 19, 2026

David J. Stoldt
Secretary to the Board

5 Harris Court, Building G, Monterey, CA 93940 • P.O. Box 85, Monterey, CA 93942-0085
831-658-5600 • Fax 831-644-9560 • http://www.mpwmd.net

Reserves Policy

RESERVES POLICY

The Reserves Policy is designed to establish guidelines for the fiscal stability of the District and provide the rules and procedures on how the District will manage Reserves. In addition, this policy is intended to document the appropriate Reserve levels to protect the District's creditworthiness. Specifically, this policy establishes the amounts that the District will strive to maintain in its Reserves, how the Reserves will be funded, and the conditions under which the Reserves may be used.

The District will establish and maintain reserve balances to:

1. Guard its stakeholders and residents against service disruption in the event of temporary or unexpected revenue shortfalls, economic uncertainties, local disasters, financial hardships, or unpredicted one-time expenditures.
2. Provide for fluctuations in revenues and expenditures while ensuring adequate cash flow.
3. Set-aside capital planning reserves for the maintenance, replacement, and upkeep of District facilities or equipment.
4. Demonstrate continued creditworthiness to bond rating agencies and comply with relevant debt covenants.

Background:

Government Accounting Standards Board (GASB) Standard 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement classifies fund balance into five categories: nonspendable, restricted, committed, assigned, and unassigned, based on the relative strength of the constraints that control how specific amounts can be spent. The District reserves in this policy will be generally treated as an assigned fund balance, except for general reserves, which may be treated as unassigned. Any transfer of funds from the reserve may only be made upon Board approval or as part of the budget adoption. The policy establishes the following guidelines:

1. <u>Types of Reserves and Reserve Levels</u>: The District establishes various reserves to meet anticipated liabilities and risks. In order to provide liquidity adequate to meet the needs and demands of providing government services, including unanticipated reductions in revenues or unplanned increases in expenses, reserve levels will be maintained and managed within the District's Cash balance and Investment accounts. The policy does not create a separate working capital reserve; instead, unassigned or assigned general reserve may be considered as part of the District's Working Capital.

   The policy formalizes the following District reserves and establishes minimum reserve levels as under:

   a) **General Reserve:** The purpose of the General Reserve is to provide funding for District operations during a reduction in expected or budgeted revenues and unexpected cash shortages, expenses, or losses. The policy establishes a General Reserve target of 50% of the fiscal year's operating budget, generally supporting six months of operations. The operating budget will generally exclude pass-through expenditures. In case of expected on-time expenses or liabilities not covered by other Reserves, including legal liabilities, the minimum target of the General Reserve may be increased to cover the expected payout for such expenses or liabilities.

   b) **Assets Replacement Reserve:** Reserve for replacement costs of facilities, vehicles, and equipment in service. Contributions toward this Reserve will be guided by the total anticipated cost of the facility or facility improvements, spread out over the depreciable life of the asset or the number of years before the asset needs to be replaced.

c) **Debt Reserve:** Set-aside reserve to contribute towards the District's debt payments. The reserve will follow guidelines established by bond or debt covenants, generally targeting accumulated reserves of at least one year of the district's total debt service.

d) **Pension Reserve:** Reserve to accumulate resources towards the payment of the District's unfunded accrued pension liability (UAL), to buffer increases in the District's PERS payments, and contribute towards a potential Section 115 Trust Fund. Contributions towards this reserve will be generally made to target the specified funded ratio for the District's defined benefit plans at the California Public Employees Retirement System.

e) **Other Post Employment Benefit (OPEB) Reserve:** Reserve to contribute towards the payment of the District's unfunded accrued OPEB liability and to contribute towards a potential Section 115 Trust Fund. Contributions to this reserve will be generally made to target the specified funded ratio for the District's OPEB plan.

f) **Flood/Drought Reserve:** Set-aside reserve to provide capital in the event of a local disaster or emergency. No set contributions are assigned to this reserve.

g) **Capital Project Reserve:** Reserve to accumulate resources for ongoing or future capital expenditures, including new vehicles, equipment, facilities, technology projects, and capital projects that meet the maintenance needs of existing or new District facilities. This reserve may be created in the future and funded annually at the discretion of the General Manager or designee as part of the budget process.

h) **Compensated Absences Reserve:** Reserve to pay for accumulated, paid-for employee leaves like vacation and sick time that is owed by the District to employees but has not yet been taken or paid out. New accounting standards, particularly GASB Statement 101, require governments to recognize these liabilities more broadly for both current and future use of leave, whether paid as time off or cashed out upon termination. The minimum target level for this reserve will be the expected employee payout in the next three years, or 25% of the Compensated Absences liability recorded for the preceding fiscal year.

i) **Rate Stabilization Reserve:** Reserve to mitigate the impact of fluctuating revenues or increased expenses on customer rates and manage potential rate fluctuations caused by drought, conservation efforts, or unexpected changes in demand. This reserve may be created in the future. The District will maintain water rate structures that are adequate to ensure that any enterprise or special revenue funds remain firmly and separately self-supporting, including the cost of operation, infrastructure maintenance and replacement, indirect cost recovery, and debt service. Contributions towards this reserve may be determined by a rate model when utility rates are adopted, or set during the adoption of the budget.

2. <u>Funding Reserves</u>: Funding will generally come from excess revenues over expenses or one-time revenues and will generally be proposed and funded during the budget adoption.
3. <u>Conditions for Use of Reserves</u>: It is the intent of the District to limit use of the Reserves to address unanticipated and non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenses. Reserves may, however, be used to allow time for the District to restructure its operations in a deliberate manner, with such use in the context of an adopted long-term plan. It shall be the District's policy to draw down general reserves consistent with the following priorities:

a) The use of reserves for their designated purpose.

b) The use of reserves to offset unanticipated increases in expenditures for current programs or projects.

c) The use of reserves to offset shortfalls in the collection of revenues.

d) The use of reserves for one-time expenditure that generates ongoing cost savings or cost avoidance or generates ongoing revenue enhancements.

e) e. The use of reserves for a one-time expenditure that leverages the expenditure of significant public or private investment in the District by other entities.

4. Investment of Reserves: The cash balance in assigned reserves will be deposited or invested as consistent with the District's Investment Policy and other applicable governmental fiscal policies.
5. Replenishment of Reserves: In the event that Reserves are used, resulting in a balance below minimum targets, a plan will be developed and included to replenish reserves to their minimum level within a reasonable timeframe, generally not to exceed five years.
6. Excess of Reserves: In the event that the Reserves exceed the minimum balance requirements, any excess Reserves may be used in the following ways:

   a) Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed, or approved as part of the annual budget resolution. Priority will be given to those items that relieve budget or financial operating pressure in future periods.

   b) Appropriate to lower the amount of bonds needed to fund capital projects in the District's capital plan, if applicable.

   c) One-time expenses that do not increase recurring operating costs and cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs.

7. Assignment of Reserves: General reserve surplus (excess over minimum target levels) arising due to additional revenues over expenses in the District's funds at fiscal year-end may be assigned to select reserves below after the close of the fiscal year in the following order:

   a) Excess General Reserve arising from capacity fees that are over budget is assigned to the District's Capital Projects Reserve.

   b) Excess General Reserve after Step A is assigned to Compensated Absences Liability to bring it to the minimum target level.

   c) Excess General Reserve after Step B is assigned to the OPEB and/or Pension reserves to bring them to the minimum target levels.

   d) Assignment for all remaining reserves is to be proposed during budget adoption or during mid-year budget amendment(s).

8. Periodic Review: The District shall periodically review the minimum target reserve levels and percentages of surplus funds to be assigned in light of changing conditions.

Budget Policy

BUDGET POLICY

The District's budget policy commits to a balanced operating budget and supports financial strategies that sustainably fund current and proposed capital improvement needs, cost of services, operating budgets, and programs. The level of budgetary control for the District will be at the Division level. Budgetary changes requiring increases to the budget at the Division level will require Board approval. This budget policy clarifies and formalizes most elements of the budget strategies adopted by the Board in 2005. The policy establishes the following guidelines for the District.

1. Adopt a balanced annual budget, fund long-term needs, and maintain minimum reserve levels.
2. Budgeted expenditures may not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years and payments related to Board-approved debt.
3. District will seek outside funding sources and grants to leverage District revenues.
4. Permits and fees shall be structured to fully recover service costs while striving to achieve objectives in the District's Strategic Plan.
5. Proposed budgets will invest in projects that meet the District's strategic priorities, such as increasing water supply at fair prices.
6. When proposing budgets, staff shall explore ways to provide services in an efficient and economical fashion.
7. Any expenditure reductions will generally minimize impact on District constituents and avoid significant adverse impacts on existing service levels, unless approved by the Board.
8. Services will be proposed to minimize environmental impacts and/or improve the environment pursuant to statuary guidelines.

Debt Policy

DEBT MANAGEMENT POLICY

The Debt Management Policy provides guidelines for managing the District's debt obligations. The policy outlines the circumstances under which the District can utilize debt for short- or long-term purposes and establishes parameters for debt issuance, including types of debt, debt limits, controls, and debt administration procedures. The policy establishes the following guidelines:

1. Purpose and Goals: The purpose of the policy is to ensure responsible and prudent debt management practices that support the District's long-term financial health and creditworthiness.
    a) The District will plan the use of debt in a manner that sustains financing payments at manageable levels.
    b) Debt will be issued for a capital project only when the magnitude of costs justifies debt financing; the project meets a critical need; if a secure revenue source is identified to repay the debt; and when it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries.
    c) The District will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project may be used if the overall project cost exceeds anticipated available resources.
2. Approval: All debt issuances will be approved by the District Board. Where Official Statements (OS) are issued for debt, the OS will be approved by the Board as a non-consent item.
3. Criteria: Debt financing will only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt, i.e. the term for repayment of long-term financing for capital improvements will not exceed the expected useful life of the project, and the District will not issue long-term debt to finance current operations. Refunding opportunities will be identified by periodic review of outstanding debt obligations. Refunding will be considered when there is a net economic benefit from the refunding.
4. Attention to Creditworthiness: Debt will be issued to maintain financial flexibility and minimize borrowing costs. The District shall seek to maintain the highest possible credit ratings for debt instruments, striving to at least maintain an investment grade standing (ranging from AAA to BBB) in the municipal market without compromising the District's policy objectives.
5. Types of Financing Instruments: The District may consider various types of debt instruments to finance long-term capital projects, including but not limited to revenue bonds, bond or grant anticipation notes, general obligation bonds (when allowed), certificates of participation, lease-financing, tax increment financing, special tax bonds, conduit financing, lines of credit, bank loans, and capital leases. These debt issuances may involve the services of externally qualified consultants such as Municipal Advisors, Bond Counsel, Underwriters, and Fiscal Agents to issue and manage debt. Generally, the District may use a lease-purchase method of financing for equipment if the lease rates are more favorable than the District's expected overall investment rate of return.
6. Debit Limits: Debt issuances may be restricted by existing debt covenants, including minimum debt coverage ratios. If applicable, the District will not incur general obligation indebtedness for public improvements that exceed in aggregate 15% of the assessed value of all real and personal property of the District as specified in the California Government Code Section 43605. Unless specific compelling reasons exist, the District will not consider "balloon" bond repayment schedules consisting of low annual payments and one large payment due at the end. The District will only issue fixed-rate debt. Such debt provides absolute certainty, at the time of the bond sale, as to the level of principal and interest owed annually.

7. Reporting and Controls:
    a) The District will comply with ongoing disclosure requirements associated with the agency's debt as stipulated by the Securities and Exchange Commission, Rule 15c2-12, and monitor compliance with those requirements. Staff will be responsible for ongoing disclosure information to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, as well as reporting requirements issued by the California Debt and Investment Advisory Commission.
    b) The District shall establish and maintain a system of record keeping and reporting to comply with bond covenants, ensure that the proceeds of the proposed debt issuance will be directed to the intended use, and meet the arbitrage rebate compliance requirements as required by the tax code. The District will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to the Board. As part of its recordkeeping, the District shall maintain the following documents for the term of each issue of debt:
        i. A copy of the debt closing transcript(s) and other relevant documentation in connection with the closing of the issue of debt.
        ii. A copy of all material documents relating to capital expenditures financed by debt proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions, and payment records, reimbursed with debt proceeds, and records identifying the assets or portion of assets that are financed or refinanced with debt proceeds.
        iii. Copies of records of investments, investment agreements, arbitrage reports, and underlying documents, including trustee statements.
8. Use of Debt Proceeds: The District will monitor the use of debt proceeds and the use of debt-financed assets (e.g., facilities, furnishings, or equipment) throughout the term of the debt and beyond if stipulated to ensure compliance with covenants and restrictions set forth in applicable financing documents, resolutions, and tax certificates.

Unclaimed Monies Policy

UNCLAIMED MONIES POLICY

This policy establishes the District's escheatment guidelines while recognizing associated State requirements. In California, local agencies (including cities, counties, and special districts) have specific legal obligations concerning unclaimed property or cash under California Government Code Sections 50050 et seq., which provide a framework for local agencies to manage and eventually claim unclaimed money while ensuring proper notification to potential claimants.

Definitions:

- Escheatment: This is the process by which unclaimed money in the custody of a local agency can become the property of that agency. In accordance with Government Code 50050, "Except as otherwise provided by law, money, excluding restitution to victims, that is not the property of a local agency that remains unclaimed in its treasury or the official custody of its officers for three years is the property of the local agency after notice if not claimed or if no verified complaint is filed and served. At any time after the expiration of the three years, the treasurer of the local agency may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the local agency."
- Unclaimed property: Unclaimed property includes various financial assets that have remained inactive or have had no owner contact for a specific time, generally three years, such as bank accounts, uncashed checks, stocks, insurance benefits, wages, and the contents of safe deposit boxes.
- Dormancy period: This refers to the time frame (currently three years) where the owner has not interacted with the property or shown any interest.

This policy establishes the following guidelines:

1. Unclaimed Monies/Property: Unclaimed monies will become the property of the District at the end of the dormancy period (currently three years) as established by State law after the District has published once a week for two successive weeks in a newspaper of general circulation published in the local agency. Staff will make good faith efforts to contact the owner or payee before the dormancy period ends. The District may choose to deposit unclaimed property with the County Treasurer or the State Treasurer pursuant to the relevant Government Code.
2. Unclaimed Rebates: The District does not consider rebate payments as unclaimed monies or property and reserves the right to rescind rebates that remain uncollected within one year of issuance, and after District staff has made an additional attempt to contact the applicant of the rebate to collect it.

Purchasing Policy

1. CHAPTER: GENERAL INFORMATION

1.1. INTRODUCTION

Controlling regulations for the Purchasing function are set forth in the District's enabling legislation, California Government Codes Sections 54202, the State of California Special District Uniform Accounting and Reporting Procedures, and the California Water Code. In the event of any conflict between the Purchasing Policies and any enabling legislation of the District, the enabling legislation shall take precedence.

1.1.1. Purpose: The purpose of this manual is to define the practices and policies governing the procurement of supplies, materials, equipment and services, including construction and capital improvements to carry out the mission of the District. The goal of this policy is to ensure that all equipment, supplies, and services required for the operation of the District are available in a timely manner, are procured at the lowest possible cost and/or best value, and that the purchasing system supports and compliments maintenance of accurate property records, internal control, and financial record keeping.

1.1.2. Scope: This policy and attendant procedures apply to locating a source, ordering, transportation, receipt, payment, and record keeping for all equipment, supplies, and services resulting in the expenditure of District funds.

1.1.3. Responsibilities: The General Manager has overall responsibility for ensuring that the provisions of this policy are followed. Authority for day-to-day operation of the purchasing system is delegated to the CFO/Administrative Services Manager who, in turn, may further delegate specific limited purchasing authority and other administrative activities. The CFO/Administrative Services Manager is responsible for proposing policy revisions and for staff training regarding purchasing procedures.

1.1.4. Construction Projects: The District has adopted the California Uniform Public Construction Cost Accounting Act (hereinafter "CUPCCAA") and its contracting policies for projects consisting of: 1) new construction, maintenance, alterations or repairs, and 2) the purchasing of materials, supplies and equipment related to new construction, alterations, maintenance or repairs.

1.2. ETHICS AND ACCOUNTABILITY

The General Manager (and his/her designee) serves as the Purchasing Agent and is charged with the responsibility and authority for coordinating and controlling the District's purchasing function in accordance with Purchasing Policies.

1.2.1. Each Division/Department is responsible for facilitating prudent, efficient, and cost-effective purchases. Division/Department Managers are responsible for ensuring that staff members in their divisions adhere to the policies and procedures herein established. They have a supervisory responsibility to ensure purchases are made within budget constraints. Managers are responsible for training members of their divisions on correct purchasing procedures. All employees requesting the purchase of supplies, equipment, or services are expected to be familiar with this policy and follow the procedures established.

1.2.2. All purchases shall be limited to the approved Division budget or as otherwise authorized by Board, General Manager or Division Managers. Purchasing dollar limits specified in the Purchasing Policies are "per order" unless otherwise indicated.

1.2.3. Applicable competitive bidding categories, authorization limits or contract award procedures will be based on unit cost, total purchase cost for consolidated bid items, or fiscal year aggregates in the case of standing purchase orders or similar ongoing purchasing arrangements. Departments/Divisions shall:

1.2.3.1. Anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with best purchasing practices.

1.2.3.2. Maximize coordination of purchases to take advantage of cost savings for bulk purchases of commonly used goods and services.

1.2.3.3. Identify the account from which purchases will be made and provide evidence that the purchase is budgeted.

1.2.3.4. Provide a business justification for each purchase.

1.2.3.5. Provide appropriate documentation that goods or services have been received, including properly signed off packing/receiving slips and confirmation that items have been received in good condition.

1.2.3.6. Minimize urgent and sole source purchases and provide written findings and/or documentation when such purchases may be necessary.

1.2.3.7. Prohibit splitting orders or projects for the purpose of avoiding procurement requirements or authorization limits.

1.2.3.8. Invoices related to contracts or purchases authorized by the Board, General Manager or Division Managers can be approved for payment by the Division Managers or their designee.

1.2.4. All personnel engaged in the purchasing function shall exercise good judgment in the use and stewardship of District resources, and all Purchasing functions shall be conducted with absolute integrity and objectivity. Purchases are subject to public scrutiny; employees shall follow a strict rule of personal conduct that will not compromise the District in the conduct of its business.

2. CHAPTER: PURCHASING METHODS

2.1. PETTY CASH

Departments may request petty cash for use in purchasing small or immediately needed items, for expenditures that would be impractical to process through the Purchase Order system. Petty cash “banks” may be established and maintained for this purpose as authorized by the General Manager or CFO/ Administrative Services Manager.

2.1.1. Division Managers or designee shall be responsible for assuring compliance with the petty cash policy and procedures, and for the security of petty cash in their Division.

2.1.2. Division staff may make small or urgent purchases in amounts not to exceed $150 per request. Multiple petty cash slips shall not be used to “split” orders to circumvent this limit.

2.1.3. Petty cash slips shall include account numbers and business justification for the purchase and be signed by appropriate supervisory staff.

2.1.4. Petty cash may not be “loaned” to any individual for any reason.

The petty cash “bank” will be replenished based on submittal of signed petty cash slips and receipts to the Office Specialist for expenditures made. The Administrative Services Department shall periodically audit Department’s petty cash “bank”.

2.2. CREDIT CARDS

Under certain circumstances, use of a District credit card may be the most appropriate method for purchases.

Designated employees shall receive a District-issued credit card with their name and Monterey Peninsula Water Management District embossed on the card. All cards will be kept in a safe place and released for use only under the authority of the designated employee. A designated employee may authorize use of the card by another staff member under certain limited circumstances.

2.2.1. District credit cards will be distributed on an as-needed basis to staff at the discretion of the General Manager. Delegated spending authority will be consistent with spending limits f as indicated in Chapter 2.4.

2.2.2. District credit cards shall be utilized for purchase of supplies and materials and shall not be used to contract for purchase of services, including professional services.

2.2.3. All purchases by credit card shall be shipped or delivered to a District address.

2.2.4. All credit card purchases must be documented in the same fashion as regular purchases including properly signed off packing/receiving slips, confirmation that goods have received in good condition and business justifications for the purchases.

2.2.5. If sales tax has not been paid at the time of purchase, this must be noted so that the Administrative Services Division can ensure that sales/use tax is paid to the State.

2.2.6. Restricted uses: District credit cards shall not be used for the following types of purchases:

2.2.6.1. Cash advances

2.2.6.2. Routine gasoline purchases for District vehicles

2.2.6.3. Items available from routine purchase orders

2.2.6.4. Machinery that requires a maintenance agreement

2.2.6.5. Personal items or to purchase alcohol

2.2.6.6. Prize money or payables that may require the issuance of a 1099

District credit cards may be used for the purchase of supplies and equipment, providing the purchases are not routine, and where use of the credit card is the most efficient method of payment. (e.g., ordering publications from a professional organization or paying for something that is needed immediately).

2.2.7. Telephone or Internet Order: If an employee opts to use the District credit card to place a telephone or internet order, the employee must obtain a detailed confirmation of the order from the vendor. Upon receipt of the order, the packing slip shall be attached to the back of the order confirmation and then forwarded to the accounts payable clerk for reconciliation with the monthly statement or invoice. When using the District credit card for airline travel over the internet, an official receipt or itinerary showing exact costs shall be obtained.

2.2.8. Travel: The District credit card may be used for seminar/training expenses such as registration fees, airline reservations, hotel, rental car, and meals. Original itemized receipts must be retained for following the statement procedures. If a District credit card is used, the receipt will be submitted along with any invoice in the District's Document Management System[1] with the Credit Card company[2] as the vendor. If an employee has used a personal credit card or cash for an approved purchase, copies of receipts shall be attached to an Expense Claim form and forwarded to the Accounting Specialist with appropriate account numbers.

2.2.9. Gasoline Cards: Gasoline credit cards are located in each vehicle. They are for use by staff to make routine purchases of gas, oil, lubricants, and other supplies and services for maintenance of District vehicles only when traveling for field work. They are not to be used for food or purchase of non-automotive products. Receipts should be turned into the Accounting Specialist.

2.2.10. District related entertainment: The District credit card may be used to pay for meals and/or other appropriate events when entertaining guests on behalf of the District, such as:

2.2.10.1. Advisory board, commission members, or other District officials

2.2.10.2. Oral interview board panelists

1 DocuWare as of 4/2024
2 U.S. Bank as of 4/2024

2.2.10.3. Such expenses reasonably borne by the District for entertaining guests at meetings, conferences, or other related District business.

The cardholder copy of receipts shall be provided to the Accounting Specialist with the appropriate account numbers, including the affiliation of guest(s) entertained, the names of the individuals in attendance, as well as the specific nature of the District business.

Statement processing: Cardholding employees shall submit original receipts with appropriate account numbers attached to their statement copy and forward to the Accounting Specialist. Receipts provided for credit card purchases must include a detailed itemization of the items purchased, and amounts added for shipping, gratuities, etc. The Accounting Specialist shall be responsible for collecting receipts for credit card transactions from cardholders, verifying them against the statements, and processing payment as soon as possible to avoid finance charges.

Disputes: If items purchased with a District credit card are found defective, incorrect or no longer needed, the cardholder has the responsibility of returning the item(s) to the merchant. If the merchant refuses to replace or correct a defective item, exchange a wrong item, or give a refund for an unneeded item, then this purchase is considered to be in dispute and will not be paid until resolved.

2.3. PURCHASE REQUISITIONS

Departments shall submit requests for goods and equipment by standard Requisition through the financial system. Signature authority for Requisitions shall be the same as that for Purchase Orders. Departments shall submit completed Requisitions for purchases in excess of $500, excluding purchases that do not require a Purchase Order as detailed in Chapter 5.

2.4. PURCHASING LIMITS

Authorized approvers of Requisitions and Contracts shall be generally limited as indicated in the table below:

$1 to $500	Staff as delegated by Division Manager
$1 to $10,000	Managers/District Engineer or designees
$1 to $25,000	General Manager or Designee
Above $25,000	Board Approval

Once a Purchase order or contract has been approved, Managers/District Engineer are authorized to sign on contracts as long as they meet District contract requirements including, but not limited to insurance, indemnification, licensing, and any requirements imposed by regulation or grants.

2.5. CONTRACTS FOR GOODS AND SERVICES

2.5.1. District contracts shall be consistent with State and Federal laws and shall be fully executed prior to the performance of any contract work. Each contract shall be approved as to form by the District Counsel unless such contract is developed consistent with a template pre-approved as to form by the District Counsel(in which case the individual contract need not receive separate attorney approval).

2.5.2. Multi-year agreements are encouraged for ongoing general services and consultant/professional services with a defined scope of work such as, but not limited to, janitorial and landscape maintenance, attorneys, consultants, and printer leases. The annual value of multi-year contracts and single year contracts with options to renew shall be considered in obtaining the appropriate signature authority. Any renewal periods for such contracts shall require a contract amendment, including proper signatures, executed prior to performance of the additional work or provision of the additional goods.

2.5.3. The General Manager or designee may approve alternative selection, evaluation, and award procedures for a specific contract or class of contracts (except as provided herein), if available information demonstrates that a substantial cost savings, enhancement in quality or performance, or other public benefit will result from use of the alternative contracting method. The alternative contracting method shall meet the purpose and goals of the Purchasing Policies and shall substantially promote the public interest in a manner that could not be achieved by complying with the competitive procurement methods otherwise available under the Purchasing Policies.

2.5.4. In the event of emergency or urgent circumstances, the General Manager or designee has the authority to authorize contracts and follow up with Board at the earliest opportunity. Except in an emergency or urgent circumstance, as approved by the General Manager, no work shall commence, until all required contract documentation (e.g., insurance certificates and endorsements, licenses, permits) has been provided to the District.

2.6. TYPES OF CONTRACTS

2.6.1. Standing Supply Agreements:

Division Managers or designees may negotiate Standing Supply Agreements with vendors for purchase of repetitive-use, non-capital equipment.

2.6.2. Master Service Agreements:

Division Managers or designees may establish Master Service Agreements with specific vendors to provide services over time. A Contract/Task Order including a written outline of the scope of work and payment terms is required for services made through Master Service Agreements; a new contract for each purchase is unnecessary. Contract dollar limits and signature authority are applicable, and requirements such as insurance and indemnification may vary depending on the type of service required. Funds shall be encumbered in an adequate amount to complete the task or order; unused funds will be unencumbered following completion of the purchase.

2.6.3. Cooperative Purchase Agreements:

The District has the authority to: join with other public jurisdictions in Cooperative Purchasing Agreements; buy directly from a vendor at a price established by competitive bidding by another public jurisdiction in substantial compliance with this document, even if the District has not joined with that public agency in a formal agreement; and, purchase from the United States of America, any State, Municipality or other public corporation, or agency, without following formal purchasing procedures. A Purchase Order is required for purchases made through Cooperative Purchase Agreements, subject to approvals and dollar limitations accordingly.

2.6.4. Consultant and Professional Services Agreements:

Contracts may be awarded through a competitive or negotiated process based on solicitation of qualifications and proposals of at least three providers (which may be waived at the discretion of the General Manager based on State law[3], and for sole source, urgent and emergency purchases, or as otherwise provided in the Purchasing Policy). Such procedures shall have the express purpose of obtaining contractual services of the highest quality together with the most cost-effective pricing. Proposals and/or Qualifications solicited for Professional Services may be evaluated based on criteria other than pricing, as defined in the solicitations (such as demonstrated competence and professional qualifications), and the District may then negotiate with the most responsive and responsible vendor.

2.6.5. Grant Funded Projects:

For grant-funded projects, the District shall follow any procurement requirements imposed under the grant agreement or required for use of grant funding.

3 Exceptions to competitive solicitation may be allowed where the nature of the subject of the contract is such that competitive proposals would be unavailing or would not produce an advantage, and the advertisement for a competitive bid would thus be undesirable, impractical, or impossible (Graydon v Pasadena Redev. Agency (1980) 104 Cal.App.3d 631, 635).

2.6.6. Contracts for Non-Public Works Projects, Goods, and General Services

Contracts may be established for non-public works projects and purchases of goods and general (i.e., non-consultant) services, utilizing informal or formal processes for submission of proposals or bids generally in accordance with the criteria below, unless a purchase is deemed as a sole source, single source or recurring software as a service that the District has been using.

$1 to $10,000 Informal solicitation recommended.

$10,000 to $25,000 Informal solicitation required; formal solicitation recommended.

$25,000 & above Formal solicitation required.

The above thresholds will apply except for negotiated Professional Services Contracts, sole source, and urgent/emergency purchases as defined under Chapter 5 of this policy.

2.6.7. Contracts for Public Projects:

Accounting procedures were established by the California Uniform Public Construction Cost Accounting Commission and are detailed in the Commission's Accounting Policies and Procedures Manual (CUPCCAA). PCC §22000-22050 describe both the informal and formal bidding procedures, project dollar thresholds, bidding and noticing requirements, rejection of bids, the definition and procedure for emergency Public Projects, and other mandates related to CUPCCAA.

Rather than the District's Purchasing Policy, Public Projects are subject to definitions, terms and conditions specified in the California Uniform Public Construction Cost Accounting Act (CUPCCAA), Public Contract Code Section 2200, et seq., as may be amended from time to time. PCC § 22002(c), as may be amended, defines a "Public Project" as:

a) "Public project" means any of the following:
   i. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.
b) "Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes all of the following:
   i. Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
   ii. Minor repainting or repair work.
   iii. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

The General Manager or designee is authorized to award Public Project contracts solicited through CUPCCAA informal bidding processes. Contracts exceeding the informal bid limit set forth in Public Contract Code(as it may be revised from time to time), are let in accordance with CUPCCAA formal bidding procedures, and awarded by the Board.

In accordance with Government Code, the District Engineer shall have authority to review and approve the plan or design of any construction work or work of improvement to public property, for contracts for construction subject to approval by the General Manager. For contracts to be awarded by the Board, the District Engineer shall review such plans and designs and shall recommend the approval of such plan or design by the Board as part its of award of such contract.

2.7. CHANGE ORDERS, TASK ORDERS, AND CONTRACT AMENDMENTS

A substantial change to a Purchase Order or Contract (i.e., pricing, terms and conditions, specifications and/or scope of work) shall be documented as a Change Order, Task Order, or Contract Amendment.

2.7.1. General Manager and Division Managers/District Engineer may sign Change Orders, Task Orders, and Contract Amendments for purchases and contracts up to the maximum of the limits set forth in section.

2.7.2. Change Orders, Task Orders, and Contract Amendments generally should not exceed 10% of the original contract amount, unless authorized by the applicable signing authority. A new scope of work and/or a new contract may be required when the change exceeds 10% of the original amount, unless a higher amount has been authorized by the applicable signing authority.

2.7.3. A Change Order, Task Order, or Contract Amendment is not required when taxes, shipping and/or handling cause a purchase to exceed the authorized amount; the signatory limit may also be exceeded in that circumstance.

2.8. URGENT AND EMERGENCY PURCHASES

Sound judgment shall be used in keeping urgent, disaster and emergency purchases to an absolute minimum. Specific procedures for managing these purchases shall apply, as determined by the General Manager.

2.8.1. Urgent Purchases:

Immediate purchases of material, supplies, equipment, and/or services may be made when an urgent circumstance exists, and procurement should not be delayed by use of normal competitive and financial procedures. Urgent purchases shall be authorized by the General Manager or designee. Urgent purchases shall be followed, as soon as practical, with submission of a confirming requisition that includes a written justification for the purchase having been made outside normal procedures, and the Board will be notified as soon as practicable for purchases exceeding $25,000. Lack of planning does not constitute justification for an urgent purchase.

2.8.2. Disaster and Emergency Purchases:

In a disaster or a local designated emergency, the General Manager or designee may authorize deviation from the purchasing practices required by the Purchasing Policy, including, but not limited to, the immediate purchase of material, supplies, equipment, and professional services, including those in excess of his/her Board-approved signature thresholds with the understanding that Board approval be sought as soon as is practical and feasible.

3. CHAPTER: INFORMAL COMPETITIVE PRICING – GOODS AND GENERAL SERVICES, NON-PUBLIC WORKS PROJECTS

3.1. COMPETITIVE QUOTES

A minimum of three competitive quotes shall be solicited for purchases greater than $10,000 that are not designated as sole source, single source, professional service, Software-as-a Service (SaaS) or any purchase allowed as exempt under Chapter 5. Requests for quotations must be made or distributed, utilizing Request for Quotation forms or alternate forms as may be approved. Written documentation of quotes must be provided.

3.1.1. Competitive quotes are not required for purchases below $10,000 but shall be solicited prior to completing Purchase Orders if reasonably possible.

3.1.2. The General Manager/Designee may award the purchase to the lowest responsive and responsible party whose quote fulfills the intended purpose, quality, and delivery needs of the solicitation. In lieu of awarding the purchase, the General Manager/Designee may reject the quotes, or may negotiate further to obtain terms more acceptable to the District.

3.1.3. The General Manager/Designee may dispense with quotes in emergency and urgent circumstances, as outlined under Section 2.8 “Urgent and Emergency Purchases” of the Purchasing Policy.

4. CHAPTER: FORMAL COMPETITIVE PRICING – GOODS AND GENERAL SERVICES, NON-PUBLIC WORKS PROJECTS

When non-construction purchases are anticipated to exceed $25,000, and/or require Board approval, formal competitive procedures must be completed, except for any purchase allowed as exempt under Chapter 5. These procedures include sealed proposals solicited through a Request for Proposal (RFP) and sealed bidding solicited through an Invitation for Bid (IFB).

4.1. REQUESTS FOR PROPOSALS (RFP) AND QUALIFICATIONS (RFQ)

4.1.1. A contract or purchase agreement may be entered into by means of sealed proposals solicited through a Request for Proposal (RFP) or a Request for Qualifications (RFQ). The RFP or RFQ shall state the criteria for evaluation and the relative importance of price and other factors. An RFP typically selects consultant(s) to enter into a contract, while an RFQ typically shortlists a pool of consultants to choose from to enter contracts and shall establish criteria to select consultants from the pool.

4.1.2. The Division shall determine the RFP/RFQ procedures, including whether and where public notice of formal proposals shall be made. Sealed proposals shall be submitted to the Contract Specialist by the date and time specified on the prescribed forms.

4.1.3. No work shall be performed unless and until a contract has been executed, except under urgent and emergency circumstances as defined in this policy.

4.2. INVITATION FOR BID (IFB)

A contract or purchase may be entered into by means of sealed proposals solicited through an Invitation for Bid (IFB) where price is the determining factor in selecting of a good or general service and the scope of work is well-defined.

5. CHAPTER: EXEMPTIONS FROM COMPETITIVE PRICING - GOODS AND GENERAL SERVICES, NON-PUBLIC PROJECTS

5.1. EXEMPT PURCHASES:

Purchases not readily adaptable to the open market and bidding processes may be eligible for exemption from competitive pricing. These purchases include, but are not limited to purchase of water, utilities, fuel, insurance, rent, utilities, subscriptions, memberships, software licenses and SaaS, advertisements, insurance, bond premiums, travel expenses, tax payments, payments to other government agencies including pension or other post-employment benefit payments, and any goods/services allowable for direct non-competitive purchase under the District legislation. Divisions/Departments may submit written requests to the General Manager or CFO for additional exemptions, which will be approved if appropriate and added to the exemption list.

As an exception to the general bidding rule, the Board can approve contracts with and employ a person to furnish the District with professional or special services or for advice in the following fields: financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required as per Government Code (Gov. Code § 53060).

5.2. SOLE SOURCE PURCHASES:

Upon recommendation of the Division Manager, the General Manager/Designee may waive bidding requirements for sole source purchases if he/she determines sufficient justification exists. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in the region/county, items that perform a complex or unique function, or purchases when a certain product is the only one proven to be acceptable or compatible with existing equipment. Sole source purchases should be kept at a minimum, to encourage competition and more favorable prices. Sole source purchases below $25,000 shall be approved by the General Manager or designee. Sole Source contracts above $25,000 shall be approved by the Board with the related staff report justifying the sole source purchase.

5.3. COOPERATIVE PURCHASES

Cooperative Purchases as defined in the Purchasing Policies are exempt from competitive pricing conducted by other Public agency.

6. CHAPTER: PURCHASE SPECIFICATIONS

6.1. Use of brand names in specifications shall be for the purpose of describing the standard of quality, performance, and characteristics the District desires, and not be intended to limit or restrict competition. If a brand name is incorporated into a specification, a minimum of two acceptable brands shall be listed whenever possible and shall be followed by the statement “or approved equal” unless the sole source policy applies.

6.2. Use of specifications provided by a specific manufacturer should be avoided, however, if used, the name of the manufacturer, model number, etc., should be indicated. The bid document shall clearly state that the use of the manufacturer’s specifications is for the sole purpose of establishing the level of quality desired. The Division Manager/District Engineer will determine and approve any product submitted as an “or equal.”

6.3. The Division Manager or designee may limit bidding to a specific product type or a brand name product when purchasing equipment or supplies required to be compatible with existing equipment or to perform complex or unique functions.

6.4. Public Contract Code requirements should be reviewed when brand names and/or manufacturer specifications are being considered for inclusion in a bid solicitation.

7. CHAPTER: DISPOSAL OF SURPLUS PROPERTY

The General Manager or designee is authorized to exchange, trade-in, sell and dispose of surplus District property (generally above $5,000 in original or market value) having salvage value in the open market, by public auction, by competitive sealed bids or by exchange or trade in for new goods. The sale or lease of surplus personal property to a governmental, public or quasi-public agency may be without advertisement for or receipt of bids. Employees are not eligible to receive or purchase surplus property, however, employees may receive personalized items, and receive or purchase at market value items considered to be memorial or commemorative in nature, subject to General Manager approval. Surplus property with no salvage value, as determined by the Division, shall be disposed of in a manner that salvages recyclable components, if practical. Upon approval, surplus property may be donated to governmental, public or quasi-public agencies, charitable or non-profit organizations on a first-come first-served basis to be utilized for non-profit purposes.

8. CHAPTER: RISK MANAGEMENT

8.1. Divisions shall adhere to and follow the insurance requirements and monitor compliance as established by the District's Risk Management Agency in accordance with the type of services to be provided. The Contracts Specialist shall ensure the proper insurance requirements are included in any standard contract for services. Contracts will not be fully executed until all required insurance certificates and endorsements have been received, reviewed, and approved; additional requirements may apply to Public Projects.

8.2. Requirements for contract bonds, such as Performance Bonds, Labor, Warranty, Material Bonds, and/or Fidelity Bond shall be determined by the Division/Project Manager or District Engineer. Bonds are maintained by the project manager and forwarded to the Contract Specialist upon contract completion. Requirements related to Public Projects may vary from those for non-public projects.

Investment Policy

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 Water 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:

a) 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.

b) 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.

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 Finance and Administrative Committee and Board of Directors. The Finance and 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 interest-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 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 annually or when a change is necessary due to regulatory or policy mandates.

11. Attachment I

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE AS OF JANUARY 1, 2026

Investment Type	Maximum Security	Maximum Specified % of Portfolio	Minimum Quality Requirements	Government Code Section	MPWMD Allowed
Local Agency Bonds	5 years	None	None	53601(a)	Yes
U.S. Treasury Obligations	5 years	None	None	53601(b)	Yes
State Obligations – CA and Others	5 years	None	None	53601(c&d)	Yes
CA Local Agency Obligations	5 years	None	None	53601(e)	Yes
U.S. Agency Obligations	5 years	None	None	53601(f)	Yes
Bankers' Acceptances	180 days	40%	None	53601(g)	Yes
Commercial Paper – Pooled Funds	270 days	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)	Yes
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)	Yes
Negotiable Certificates of Deposits	5 years	30%	None	53601(i)	Yes
Non-negotiable Certificates of Deposits	5 years	None	None	53630 et seq.	Yes
Placement Service Deposits	5 years	30%	None	53601.8 and 53635.8	Yes
Placement Service Certificates of Deposits	5 years	30%	None	53601.8 and 53635.8	Yes
Repurchase Agreements	1 year	None	None	53601(j)(2)	No
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)(3)	No
Medium-Term Notes	5 years	30%	"A" rating category or its equivalent or better by an NRSRO	53601(k)	Yes
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)	Yes
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)	No
Mortgage Pass–Through Securities	5 years	20%	"AA" rating category or its equivalent or better	53601(o)	No
County Pooled Investment Funds	N/A	None	None	27133	Yes
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)	Yes
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1	Yes
Voluntary Investment Program Fund	N/A	None	None	16340	Yes
California Cooperative Liquid Assets Securities System (CLASS)	N/A	30%	AAA or equal	6509.7 & 53601 (p)	Yes
California Asset Management (CAMP)	N/A	30%	AAA or equal	53601 (p)	Yes
Supranational Obligations	5 years	30%	"AA" rating category or its equivalent or better	53601(q)	Yes

GLOSSARY

Article XIII (B):

Article XIII (B) is a section of the California State Constitution relating to the amount of a public entities tax revenues that may be expended in a given fiscal year. In the instance of the MPWMD, the article limits the amount of property tax revenue that may be spent in a fiscal year. It is calculated based upon the prior year's limit multiplied by a factor representing annual growth in population and consumer prices. The latter is furnished by the State Treasurer's Office. The calculation, required since the passage of Proposition 13 in 1978, is contained in each District budget and is identified as "Property Tax Appropriation."

Budget Assumptions:

The budget assumptions are generally accepted statements, which if untrue, would materially alter the financial planning and budget of the agency.

Capital Assets:

Capital assets are equipment, components, and facilities that have a useful life greater than five year and with an initial, individual cost of more than $5,000.

Contingency:

The contingency is a nominal amount budgeted for expenditure for unforeseen emergencies or special purposes requiring Board approval.

Designated Reserves:

Designated reserves are funds set aside by the Board for specific, restricted uses. Examples include capital equipment, litigation, flood/drought, and pre-paid expenses.

Expenditures:

Expenditures are associated with each operating fund, as well with each program category. Personnel costs, services and supplies, capital assets and project expenditures are the principal categories. A pie chart graphically shows percentages of expenditures by line item.

Fiscal Year:

The fiscal year is the twelve-month period beginning July 1 and ending June 30 of the following year. The District uses the fiscal year as the basis for reporting financial information for a twelve-month accounting period.

General Operating Reserves:

General operating reserves are the balances in each operating fund of the District that remain after all budgeted expenses are paid. Normally, the general operating reserve balance is carried forward from one fiscal year to the next. The value is verified annually by the independent auditor and reported in the annual audit report.

Labor Allocation by Operating Funds:

The Labor Allocation by Operating Funds is a budget schedule that relates employee output to the three operating funds. It shows the output of each employee as a percentage of total time by operating fund. This percentage is used throughout the budget as the basis of allocating general and administrative (overhead) costs to the operating funds.

Labor Allocation by Program Category:

The Labor Allocation by Program Category is a budget schedule that relates employee output to the budgeted program categories. It shows the output of each employee as a percentage of total time by program category. This percentage is used throughout the budget as the basis of allocating general and administrative (overhead) costs to the program categories.

Mitigation Revenue:

This is the revenue derived from the Agreement for Carmel River Mitigation Program between California American Water and Monterey Peninsula Water Management District. This revenue has not been collected in the current fiscal year.

Program Categories:

Program Categories are major service programs that have been identified. All expenditures, including labor costs, are allocated to each program category in order to identify what each program actually costs.

Project Expenditures:

The Summary of Project Expenditures is a listing of costs for the coming year that are projected as a result of specific projects and programs carried-out by the staff, consultants and contractors. Project expenditures do not include staff compensation for regular employees. It does include Pure Water Monterey water purchase costs.

Reimbursement Revenues:

Reimbursement revenues are received from various sources and allocated to offset expenditures related to the revenue source. These reimbursements received by the District are for projects carried-out by the District. Some of these reimbursements include grants, Cal-Am Water Conservation & Rebate Program funds, ASR operations reimbursement, direct-billed reimbursements, etc. All of the reimbursement revenues collected within the fiscal year are related to the expenses in the same fiscal year.

Revenues:

Revenues are derived from various sources and allocated to each operating fund. Property taxes, permits fees, water connection charges, water supply charge, Pure Water Monterey water sales revenue, user fees, interest on investments, reimbursements to the District for projects carried-out by the District and grants are the principal revenue sources. Revenues may include a portion of the prior-year fund balance used to offset expenditures. A pie chart graphically shows percentages of revenues according to source.

User Fees:

The User Fee is a percentage of Cal-Am ratepayers water bill that is collected and remitted by Cal-Am monthly. The proceeds of the User Fee have been used to support the District’s environmental mitigation, conservation and rationing, water supply, and any other purposes.

Water Supply Charge:

The Water Supply Charge was a rate or charge that funded costs related to the provision of water. This annual charge was raised by the District, 100% of which supported District water supply activities, including capital acquisition and operational costs for Aquifer Storage and Recovery, Groundwater Replenishment, and related water supply purposes for the general benefit of the District as a whole.

ABBREVIATIONS:

ASR – Aquifer Storage Recovery

IRWM – Integrated Regional Water Management

OPEB – Other Post-Employment Benefits

PWM – Pure Water Monterey

SHRF – Sleepy Hollow Rearing Facility

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Monterey Peninsula Water Management District

Annual Budget 2026

ITEM: ACTION ITEM

19. CONSIDER APPROVAL OF AMENDMENT NO. 9 TO THE EMPLOYMENT AGREEMENT OF THE GENERAL MANAGER

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt** **General Manager**	**Program/** **Line Item No.:**	**N/A**
Prepared By:	**David J. Stoldt**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: N/A
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The General Manager's Employment Contract expires June 30, 2026. There have been three 5-year contracts initiated in 2011, 2016, and 2021. The attached proposed amendment to the Agreement for Employment of General Manager would extend the current term of employment one year to June 30, 2027.

RECOMMENDATION: It is recommended the Board **a**pprove "Amendment No. 9 to the Agreement for Employment of General Manager," **Exhibit 19-A**.

EXHIBIT
19-A Proposed Amendment No. 9 to the Agreement for Employment of General Manager

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EXHIBIT 19-A

AMENDMENT NO. 9 TO AGREEMENT FOR EMPLOYMENT OF GENERAL MANAGER

The following amendment has been made and entered into this 15th day of June 2026, by and between the MONTEREY PENINSULA WATER MANGEMENT DISTRICT (the District) and DAVID JON STOLDT ("Stoldt"). It amends the term of the Agreement for Employment of General Manager, dated June 20, 2016 as Amended thereafter. The amendment shall have an effective date of July 1, 2026. In consideration of the mutual covenants contained herein, the parties agree to amend the General Manager's contract as follows, all other terms and conditions remaining the same:

I. EMPLOYMENT.

B. Term of Agreement.

The term of this Agreement shall Commence on July 1, 2026 and expire on June 30, 2027.

GENERAL MANAGER

____
DAVID JON STOLDT

MONTEREY PENINSULA
WATER MANAGEMENT
DISTRICT

____
IAN OGLESBY, CHAIR

ITEM: INFORMATIONAL ITEM/STAFF REPORT

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

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review as **Exhibit 21-A** is a monthly status report on contracts over $25,000 for the period April 2025. Contracts associated with District grants are provided in a separate section for reference. This status report is provided for information only, no action is required.

EXHIBIT
21-A Status on District Open Contracts (over $25k)

EXHIBIT 21-A

Monterey Peninsula Water Management District

Status on District Open Contracts and Grants

For The Period April 2026

	Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending*	Total Expended To Date	Current Period Acitivity	P.O. Number
1	Shute, Mihaly & Weinberger LLP	LAFCO Litigation	3/17/2025	$ 355,000.00	$ 294,370.28	$ 4,476.00	$ 298,846.28	Current period billing	PO03882
2	Albert A. Webb Associates	Consultant for Public's Acquisition of Monterey Water System (Cal-Am)	11/18/2024	$ 1,200,000.00	$ 117,070.00	$ 395.00	$ 117,465.00	Current period billing	PO03880
3	Close and Associates	Utility consultant for Public's Acquisition of Monterey Water System	11/18/2024	$ 965,000.00	$ 106,653.83	$ -	$ 106,653.83		PO03876
4	TM Process & Controls	ASR Well Turbidity Control	8/19/2024	$ 57,749.00	$ 54,390.49	$ -	$ 54,390.49		PO03852
5	TJC and Associates	Perform a review of our electrical system, capacity, and provide overall support for the ASR project	6/27/2024	$ 45,000.00	$ 8,682.00	$ -	$ 8,682.00		PO03829
8	Montgomery & Associates	Groundwater Modeling Montgomery Contract	6/27/2024	$ 55,000.00	$ -	$ -	$ -		PO03750
9	Colantuono, Highsmith, & Whatley, PC	MTA Legal services for appeal to Water Supply Charge	9/15/2021	$ 100,000.00	$ 96,928.22	$ 294.00	$ 97,222.22	Current period billing	PO03715
10	Rutan & Tucker, LLP	Measure J/Rule 19.8 Eminent Domain Phase IV	2/24/2023	$ 450,000.00	$ 376,089.06	$ -	$ 376,089.06		PO03639
11	Raftelis Financial Consultants	Measure J/Rule 19.8 Appraisal/Rate Study Phase 4	8/21/2023	$ 200,000.00	$ 33,415.00	$ -	$ 33,415.00		PO03491
12	Schaaf & Wheeler	Drawing Support Services	4/23/2023	$ 30,000.00	$ 29,425.00	$ -	$ 29,425.00		PO03474
13	Maggiora Bros. Drilling, Inc	ASR Support from Maggiora Bros for Well Work	6/20/2023	$ 50,000.00	$ -	$ -	$ -		PO03407
14	Pueblo Water Resources, Inc.	ASR Operations Support	6/20/2023	$ 25,000.00	$ 1,997.50	$ -	$ 1,997.50		PO03406
15	Montgomery & Associates	Tularcitos ASR Feasibility Study	3/20/2023	$ 119,200.00	$ 112,296.00	$ -	$ 112,296.00		PO03368
16	Kevin Robert Knapp/ Tierra Plan LLC	Surface Water Data Portal	11/14/2022	$ 27,730.00	$ 27,400.81	$ -	$ 27,400.81		PO03302
17	Montgomery & Associates	Annual Groundwater Modeling Support	6/20/2022	$ 50,000.00	$ 37,929.00	$ -	$ 37,929.00		PO03193
19	Pueblo Water Resources, Inc.	Seaside Groundwater Basin Geochemical Study	1/24/2018	$ 68,679.00	$ 57,168.85	$ -	$ 57,168.85		PO01628
20	Pueblo Water Resources, Inc.	SSAP Water Quality Study	8/21/2017	$ 94,437.70	$ 47,282.61	$ -	$ 47,282.61		PO01510
21	CSC	Recording Fees	7/1/2025	$ 60,000.00	$ 40,000.00	$ -	$ 40,000.00		PO03957
22	The Ferguson Group LLC	Contract for Legislative Services for FY 2025-2026	7/1/2025	$ 75,600.00	$ 56,700.00	$ 6,300.00	$ 63,000.00	Current period billing	PO03979
23	John K. Cohan dba Telemetrix	Consultant Services for Sleepy Hollow Facility 25-26	7/1/2025	$ 35,408.00	$ -	$ -	$ -		PO03974
24	WellmanAD	Public Outreach Consultant 2025-2026	7/1/2025	$ 94,500.00	$ 70,875.00	$ 7,875.00	$ 78,750.00	Current period billing	PO03965
25	Lynx Technologies, Inc	GIS Consultant Contract for 2025-2026	7/1/2025	$ 35,000.00	$ 25,425.00	$ 8,400.00	$ 33,825.00	Current period billing	PO03938
26	JEA & Associates	Legislative and Administrative Services 25-26	7/1/2025	$ 54,000.00	$ 40,500.00	$ 4,500.00	$ 45,000.00	Current period billing	PO03890
27	Kennedy/Jenks Consultants, Inc.	Urban Water Management Plan Services	7/1/2025	$ 134,860.00	$ 54,587.77	$ 13,446.25	$ 68,034.02	Current period billing	PO04025
28	The Pun Group LLP	Financial Audit Services	7/1/2025	$ 78,000.00	$ 78,000.00	$ -	$ 78,000.00		PO04014
29	Deveera Inc	IT Managed Services & Subscriptions	7/2/2025	$ 95,500.00	$ 71,665.40	$ 7,967.86	$ 79,633.26	Current period billing	PO03982
30	RWG Law	California Coastal Commission and Cal-Am Case	3/16/2026	$ 40,000.00	$ 14,946.76	$ 15,906.68	$ 30,853.44	Current period billing	PO04117

Monterey Peninsula Water Management District

Status on District Open Contracts and Grants

For The Period April 2026

	Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending*	Total Expended To Date	Current Period Acitivity	P.O. Number
31	IGM Holdings	Budget Suite software	12/2/2025	$ 52,704.00	$ -	$ -	$ -		PO04067

Monterey Peninsula Water Management District

Status on District Open Contracts and Grants

For The Period April 2026

	Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending*	Total Expended To Date	Current Period Acitivity	P.O. Number
Contracts related to District Grants									
1	Monterey One Water	PWM ExpansionUrban Community Drought Grant	9/22/2022	$ 11,935,206.00	$ 10,741,685.28	$ -	$ 10,741,685.28		PO03726
2	DUDEK	Grant administration services for the Proposition 1 IRWM Implementation	12/14/2020	$ 114,960.00	$ 74,056.25	$ 232.50	$ 74,288.75	Q3 Billing	PO02847
3	DUDEK	IRWM IR2 Grant Administration	10/1/2022	$ 90,510.00	$ 16,087.50	$ 4,785.00	$ 20,872.50	Q3 Billing	PO03718
4	City of Sand City	IRWM Round 1 Grant Reimbursement	3/28/2022	$ 1,084,322.50	$ 81,547.50	$ 322.50	$ 81,870.00	Q3 Billing	PO03093
5	County of Monterey	IRWM Grant Round 2 Reimbursement	5/19/2023	$ 898,451.00	$ -		$ -		PO03879
6	City of Monterey	IRWM Grant Round 2 Reimbursement	5/19/2023	$ 500,000.00	$ 81,505.59	$ 4,262.01	$ 85,767.60	Q3 Billing	PO03878

ITEM: INFORMATIONAL ITEM/STAFF REPORT

22. STATUS REPORT ON EXPENDITURES – PUBLIC'S OWNERSHIP OF MONTEREY WATER SYSTEM

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on June 8, 2026.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review as **Exhibit 22-A** is a monthly status report on spending – Public's Ownership of Monterey Water System for the period April 2025. This status report is provided for information only; no action is required.

EXHIBIT
22-A Status Report on Spending – Public's Ownership of Monterey Water System

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Monterey Peninsula Water Management District
Status on Public's Ownership of Monterey Water System - Phase IV
Eminent Domain Proceedings through Bench Trial
Through April 2026

	Contract	Date Authorized	Authorized Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel (Rutan)	12/16/2024	$ 450,000.00	$ 362,764.26		$ 362,764.26	$ 87,235.74	PA00009-01
2	Eminent Domain Legal Counsel (SMW)	3/17/2025	$ 225,000.00	$ 214,770.27	$ 4,476.00	$ 219,246.27	$ 5,753.73	PA00009-02
3	Financial Services (Raftelis)	8/21/2023	$ 200,000.00	$ 33,415.00		$ 33,415.00	$ 166,585.00	PA00009-03
5	Utility Consultant (Close & Associates)	12/16/2024	$ 965,000.00	$ 106,653.83		$ 106,653.83	$ 858,346.17	PA00009-07
6	Consulting Civil Engineer (Webb Associates)	11/18/2024	$ 1,200,000.00	$ 117,465.00	$ 395.00	$ 117,860.00	$ 1,082,140.00	PA00009-07
	Total		**$ 3,040,000.00**	**$ 835,068.36**	**$ 4,871.00**	**$ 839,939.36**	**$ 2,200,060.64**	

	District Legal Counsel		$ 120,000.00	$ 126,274.51		$ 126,274.51	$ (6,274.51)	PA00009-05

**No Phase IV spending for March 2026*

Status on Public's Ownership of Monterey Water System - Phase III
Appraisal through Resolution of Necessity
Through October 2023

	Contract	Date Authorized	Authorized Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	12/16/2019	$ 200,000.00	$ 98,283.28		$ 98,283.28	$ 101,716.72	PA00007-01
2	Appraisal Services	4/17/2023	$ 220,000.00	$ 220,000.75		$ 220,000.75	$ (0.75)	PA00007-03
3	District Legal Counsel	12/16/2019	$ 100,000.00	$ 63,065.50		$ 63,065.50	$ 36,934.50	PA00007-05
4	Real Estate Appraiser	8/15/2022	$ 80,000.00	$ 53,309.64		$ 53,309.64	$ 26,690.36	PA00007-06
6	Water Rights Appraisal	8/15/2022	$ 75,000.00	$ 45,490.46		$ 45,490.46	$ 29,509.54	PA00007-10
7	Contingency/Miscellaneous	12/16/2019	$ -	$ -		$ -	$ -	PA00007-20
	Total		**$ 675,000.00**	**$ 480,149.63**	**$ -**	**$ 480,149.63**	**$ 194,850.37**	

Status on Public's Ownership of Monterey Water System - Phase II

EIR & LAFCO Application

Through September 2022

	Contract	Date Authorized	Authorized Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	9/20/2021	$ 345,000.00	$ 168,265.94		$ 168,265.94	$ 176,734.06	PA00005-01
2	CEQA Work	12/16/2019	$ 134,928.00	$ 134,779.54		$ 134,779.54	$ 148.46	PA00005-02
3	Appraisal Services	9/20/2021	$ 430,000.00	$ 188,683.75		$ 188,683.75	$ 241,316.25	PA00005-03
4	Operations Plan	12/16/2019	$ 145,000.00	$ 94,860.00		$ 94,860.00	$ 50,140.00	PA00005-04
5	District Legal Counsel	12/16/2019	$ 40,000.00	$ 162,254.16		$ 162,254.16	$ (122,254.16)	PA00005-05
6	MAI Appraiser	6/15/2020	$ 170,000.00	$ 76,032.00		$ 76,032.00	$ 93,968.00	PA00005-06
7	Jacobs Engineering	12/16/2019	$ 87,000.00	$ 86,977.36		$ 86,977.36	$ 22.64	PA00005-07
8	LAFCO Process	11/15/2021	$ 240,000.00	$ 217,784.62		$ 217,784.62	$ 22,215.38	PA00005-08
9	PSOMAS	9/20/2021	$ 28,000.00	$ 25,900.00		$ 25,900.00	$ 2,100.00	PA00005-09
10	Contingency/Miscellaneous/Uncommitted	12/16/2019	$ 289,072.00	$ 38,707.08		$ 38,707.08	$ 250,364.92	PA00005-20
	Total		**$ 1,909,000.00**	**$ 1,194,244.45**	**$ -**	**$ 1,194,244.45**	**$ 714,755.55**	

1	Measure J CEQA Litigation Legal Services*	12/23/2020	$ 200,000.00	$ 140,303.06		$ 140,303.06	$ 59,696.94	PA00005-15

1	Measure J LAFCO Litigation Legal Services*	1/1/2022	$ 400,000.00	$ 398,750.20		$ 398,750.20	$ 1,249.80	PA00005-16

Status on Public's Ownership of Monterey Water System - Phase I

Financial Feasibility

Through November 2019

	Contract	Date Authorized	Authorized 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	$ 160,998.16		$ 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 Consultant	2/21/2019	$ 355,000.00	$ 286,965.17		$ 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	$ 41,897.59		$ 41,897.59	$ (6,897.59)	PA00002-05
6	Contingency/Miscellaneous		$ 30,000.00	$ 45,495.95		$ 45,495.95	$ (15,495.95)	PA00002-10
	Total		**$ 650,000.00**	**$ 646,578.56**	**$ -**	**$ 646,578.56**	**$ 3,421.44**	

* Includes prior period adjustment

ITEM: INFORMATIONAL ITEM/STAFF REPORT

23. LETTERS RECEIVED AND SENT

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Sara Reyes**	**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.

The District has not received any letters sent by or addressed to the Board Chair and/or General Manager since the May 18, 2026 Board meeting.

Although no new correspondence has been received, letters included in the meeting packet are provided to inform the Board and public. Copies are available for review at the District office; reproduction fees may apply. The letters can also be downloaded from the District's website at www.mpwmd.net.

Author	Addressee	Date	Topic
N/A			

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ITEM: INFORMATIONAL ITEM/STAFF REPORT

24. COMMITTEE REPORTS

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Sara Reyes**	**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.

The final minutes of the committee meetings listed below are submitted for review.

EXHIBITS
24-A MPWMD Legislative Advocacy Committee Meeting of February 11, 2026
24-B MPWMD Water Demand Committee Meeting of April 2, 2026
24-C MPWMD Finance and Administration Committee Meeting of May 11, 2026

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MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 24-A

Final Minutes
Legislative Advocacy Committee Meeting
Wednesday, February 11, 2026 at 10:00 a.m.
Meeting Location: Zoom

Call to Order / Roll Call
General Manager Dave Stold called the meeting to order at 10:11 a.m. and chaired the meeting.

Committee Members Present	**Committee Members Absent**
Karen Paull George Riley	Ian Oglesby, Chair
District Staff Members Present	**District Staff Members Absent**
David Stoldt, General Manager Mike McCullough, Assistant General Manager	Sara Reyes, Board Clerk
District Counsel Present	
Michael Laredo, De Lay & Laredo	

Additions and Corrections to the Agenda
None

Comments from the Public
No members of the public were present.

Action Items
General Manager Stoldt introduced this item.

1. **Consider Adoption of Committee Meeting Minutes from November 19, 2025**
   On a motion by Paull, seconded by Riley, the minutes of the November 19, 2025 committee meeting were approved by a vote of 2 Ayes (Riley and Paull), 0 Noes, and 1 Absent (Oglesby).

Discussion Items
General Manager Stoldt introduced this item.

2. **Report from The Ferguson Group on Federal Legislative and Regulatory Activities**
   Roger Gwinn provided a brief overview of federal legislative activity, noting that Congress is nearing completion of FY 2026 appropriations, with the Department of Homeland Security bill remaining under a continuing resolution. He noted that the District continues to pursue FY 2026 Environmental Infrastructure funding through the U.S. Army Corps of Engineers and is coordinating with the Corps and the congressional delegation. Mr. Gwinn also discussed ongoing efforts related to the Water Resources Development Act (WRDA) 2026 and other federal water legislation affecting the District.

   Chris Cummins added comments regarding the More Water Act and other federal water legislation and referenced the legislative tracker.

Chris Kearney added comments regarding the federal legislative environment, noting that an unusually high number of congressional retirements has contributed to evolving coalition dynamics impacting legislative decision-making. He reported that water infrastructure and permitting reform continue to receive bipartisan attention, with potential activity on WRDA and related legislation, while cautioning that calendar constraints and federal agency staffing challenges may affect the timing of funding and program implementation.

Roger Gwinn noted that staff and consultants will continue federal advocacy efforts, including pursuit of Corps Environmental Infrastructure funding, WRDA priorities, and potential grant opportunities as the FY 2027 appropriations process begins.

3. **Report from JEA & Associates on Legislative Status and Bill Tracking**
   John Arriaga reported on state legislative activity, noting a highly active start to the second year of the legislative session, ongoing committee hearings, and the Governor's proposed budget. He discussed budget constraints, recent Senate leadership changes, and continued coordination with District staff on potential legislation, and introduced Laurie Johnson for additional detail.

   Laurie Johnson provided an overview of the state budget outlook, noting ongoing deficits, election-year constraints, and limited flexibility for new spending. She reported that bond funding is primarily being used to maintain base-level water and climate programs, with increased emphasis on wildfire mitigation, and noted continued advocacy efforts related to water recycling and storage funding.

4. **Update on Non-Functional Turf**
   General Manager Stoldt provided an update on implementation of non-functional turf regulations, noting ongoing questions regarding enforcement authority for special districts and recent discussions with legislative offices. He reported that staff is evaluating whether to proceed under existing authorities while monitoring potential legislative changes and will report back to the Water Demand Committee. Stoldt also noted continued efforts to advance modifications to the District's CDO, with recent indications of progress at the State Water Board.

Suggest Items to Be Placed on a Future Agenda
No items were suggested.

Adjournment
General Manager Stoldt adjourned the meeting at 11:54 a.m.

/s/ Sara Reyes
____
Sara Reyes, Board Clerk to the
MPWMD Legislative Advocacy Committee

Approved by the MPWMD Legislative Advocacy Committee on May 26, 2026.
Received by the MPWMD Board of Director's on June 15, 2026.

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MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 24-B

Final Minutes
Water Demand Committee Meeting
Thursday, April 2, 2026, at 1:30 p.m.
Meeting Location: Zoom

Call to Order / Roll Call
Chair Edwards called the meeting to order at 1:30 p.m.

Committee Members Present
Alvin Edwards
Ian Oglesby
Marianne Gawain

Committee Members Absent
None

District Staff Members Present
Mike McCullough, Assistant General Manager
Stephanie Locke, Water Demand Manager
Maureen Hamilton, District Engineer
Sara Reyes, Board Clerk

District Counsel Present
Michael Laredo, De Lay & Laredo
Fran Farina, De Lay & Laredo

Additions and Corrections to the Agenda
None

Comments from the Public
Chair Edwards opened the Public Comment period; however, no comments were received.

Action Items
Chair Edwards introduced the item.

1. **Consider Adoption of Committee Meeting Minutes from December 4, 2025**
   <u>On a motion by Oglesby, seconded by Gawain, the minutes of the December 4, 2025, committee meeting were approved by a voice vote of 3 Ayes (Oglesby, Gawain, and Edwards) and 0 Noes.</u>

2. **Adopt 2026 Meeting Schedule**
   <u>On a motion by Gawain, seconded by Oglesby, the 2026 Water Demand Committee meeting schedule was adopted on a vote of 3 Ayes (Gawain, Oglesby, and Edwards), and 0 Noes.</u>

Discussion Items
Chair Edwards introduced this item.

3. **Discuss Plan to Achieve Strategic Goal 6: Update and Prioritize District Rules and Regulations**
   Stephanie Locke, Water Demand Manager presented an overview of the plan to achieve Strategic Goal 6, which includes reviewing, prioritizing, and updating District rules and regulations. She noted that some rules date back to the late 1970s and are outdated, with many amendments expected to be administrative and others requiring policy direction from Board committees. Ms. Locke outlined the process for committee review, CEQA compliance, ordinance preparation, and board consideration.

Chair Edwards opened Public Comment; however, no comments were received.

4. **Discuss MPWMD'S URBAN WATER MANAGEMENT PLAN**
   Maureen Hamilton, District Engineer, presented a PowerPoint overview of the District's 2025 Urban Water Management Plan (UWMP), which is required every five years and due July 1, 2026. She explained that the plan evaluates long-term water supply and demand under normal and drought conditions using AMBAG growth forecasts and is reviewed by the Department of Water Resources. Ms. Hamilton noted that current projections indicate sufficient supplies, with no need to recover water from ASR storage, and outlined the schedule for public review, Board consideration, and submission to DWR. A copy of the presentation is available on the District's website.

Suggest Items to Be Placed on a Future Agenda
Director Edwards requested that an item be placed on a future agenda to discuss updates on the Cease and Desist Order.

Adjournment
There being no further business, Chair Edwards adjourned the meeting at 2:02 p.m.

/s/ Sara Reyes

____
Sara Reyes, Board Clerk to the
MPWMD Water Demand Committee

Approved by the MPWMD Water Demand Committee on June 4, 2026.
Received by the MPWMD Board of Director's on June 15, 2026.

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MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 24-C

FINAL MINUTES
Finance and Administration Committee
May 11, 2026, at 2:00 p.m.

Meeting Location: District Office, Main Conference Room
5 Harris Court, Building G., Monterey, CA 93940
(*Hybrid: Meeting Held In-Person and via Zoom – Teleconferencing means)*

Call to Order
Chair Riley called the meeting to order at 2:01 p.m.

Committee Members Present
George Riley, Chair
Karen Paull

Committee Members Absent
Rebecca Lindor

District Staff Members Present
Mike McCullough, Assistant General Manager
Nishil Bali, Chief Financial Officer/Administrative Services Manager
Sara Reyes, Executive Assistant/Board Clerk
Sandra Alonso, Office Specialist 1

District Counsel Present
Michael Laredo, De Lay & Laredo

Additions / Corrections to Agenda
None

Comments from the Public
None

Action Items
Chair Riley introduced the item.

1. **Consider Adoption of April 13, 2026, Committee Meeting Minutes**
   On a motion by Paull, seconded by Riley, the minutes of April 13, 2026, committee meeting were approved 2-0.

2. **Consider Approval of Funding for Outreach Event "Summer Splash Water Challenge Giveaway"**
   On a motion by Riley, seconded by Paull, the Finance and Administration Committee recommended that the Board approve the expenditure of budgeted funds up to $30,000 for this outreach event. The motion passed unanimously, 2-0.

   Director Paull noted a minor correction to the staff report under the Cost Estimate. Nishil Bali, Chief Finance Officer/Administration Service Manager, reported that the amount under Cost Estimate would be changed from $20,000 to $30,000.

3. **Consider Approval of Funding and Continuation of the "Mulch Madness" Conservation Promotion**
   On a motion by Riley, seconded by Paull, the Finance and Administration Committee approved the expenditure of up to $12,000 to partner with CAW for the Mulch Madness conservation program. The motion passed unanimously, 2-0.

4. **Consider recommendation to Authorize a Contract with CoreLogic Information Solutions, Inc. to Support Demand Management Programs**
   On a motion by Riley, seconded by Paull, the Finance and Administration Committee recommended that the Board Authorize a contract with CoreLogic Information Solutions, Inc., for $25,0000 for Fiscal Year 2026-2027 to access CoreLogic's RealQuest professional. The motion passed unanimously, 2-0.

5. **Consider Recommendation to Authorize a Contract with Corporation Service Company – Recording Fees**
   On a motion by Paull, seconded by Riley, the Finance and Administration Committee recommended that the Board authorize a contract with Corporation Service Company for $60,0000 for recording fees for Fiscal Year 2026-2027. The motion passed unanimously, 2-0.

6. **Consider Authorization to Enter Into a Contract with Telematrix Inc., (TMX) for Sleepy Hollow Steelhead Rearing Facility Monitoring and Control Systems**
   On a motion by Riley, seconded by Paull, the Finance and Administration Committee recommended that the Board authorize the General Manager to enter into an agreement with Telematrix Inc., for consultant services. The motion passed unanimously, 2-0.

   Nishil Bali, Chief Financial Officer/Administration Services Manager, noted that the enhance insurance included in the proposal will be checked for accurate cost allocation.

7. **Consider Contract for Public Outreach Services with WellmanAD for Fiscal Year 2026-2027**
   On a motion by Riley, seconded by Paull, the Finance and Administration Committee considers the draft and recommended that the Board authorize to enter a contract with WellmandAd for an amount not to exceed $ 97,344 for FY 2026-2027. The motion passed unanimously, 2-0.

8. **Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services.**
   On a motion by Paull, seconded by Riley, the Finance and Administration Committee recommended that the Board approve the proposed agreement with JEA & Associates for FY 2026-2027. The motion passed unanimously, 2-0.

9. **Consider Renewal of Contract with Ferguson Group for Legislative and Administrative Services.**
   On a motion by Riley, seconded by Paull, the Finance and Administration Committee recommended that the Board approve the proposed agreement with TFG for FY 2026-27. The motion passed unanimously, 2-0.

10. **Consider Adoption of Treasure's Report for March 2026**
    On a motion by Riley, seconded by Paull, the Finance and Administration Committee recommended that the Board adopt the March 2026 Treasurer's Report and Statement of Revenues and Expenditures, and ratify the disbursement made during the month. The motion passed unanimously, 2-0.

11. **Receive and File the Third Quarter Financial Activity Report for Fiscal Year 2025-2026**
    This item was received by the committee. No action was required or taken by the committee.

12. Consider Approval of the Third Quarter Fiscal Year 2025-2026 Investment Report
On a motion by Riley, seconded by Paull, the Finance and Administration Committee recommended that the Board approve the Third Quarter Fiscal Year 2025-2026 Investment Report. The motion passed unanimously, 2-0.

13. Consider Adoption of Resolution No. 2026-02 Establishing Article XIII (B) Fiscal Year 2026-2027 Appropriations Limit
On a motion by Paull, seconded by Riley, the Finance and Administration Committee recommended that the Board adopt Resolution No. 2026-02, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Establishing an Appropriations Limit for Fiscal Year 2026-2027. The motion passed unanimously, 2-0.

Informational Items
Chair Riley introduced the item.

14. 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.

15. Status Report on Spending Expenditures – Public's Ownership of Monterey Water System
This item was presented as information to the committee. No action was required or taken by the committee.

Discussion Items
Chair Riley introduced the item.

16. Review Draft May 18, 2026, Regular Board Meeting Agenda and May 28, 2026, Board Workshop Meeting Agenda
The Committee reviewed the draft agenda for the May 18 Regular Board Meeting and the May 28, Board Budget Workshop. Sara Reyes, Committee Clerk, noted that a closed session will be held at the May 18 Board Meeting.

Adjournment
There being no further business, Chair Riley adjourned the meeting at 3:10 p.m.

/s/ Sara Reyes

Sara Reyes, Committee Clerk to the
MPWMD Finance and Administration Committee

Reviewed and Approved by the MPWMD Finance and Administration Committee on June 8, 2026.
Received by the MPWMD Board of Directors on June 15, 2026.

ITEM: INFORMATIONAL ITEM/STAFF REPORTS

25. MONTHLY ALLOCATION REPORT

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program: Line Item No.:**	**N/A**
Prepared By:	**Kyle Smith**	**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: On March 1, 2025, the District released the first Allocation of water from Pure Water Monterey ("Pure Water") via Ordinance No. 197. **Exhibit 25-A** shows the amount of water allocated to each Jurisdiction from Pure Water, the balance of water available by Jurisdiction from the Paralta Well Allocation and Pre-Paralta credits, the amount of "Public Water Credit" remaining, and the quantities of water permitted by Jurisdiction in May 2026 ("changes"), and the balances remaining. The table includes balances for Quail Meadows and Water West, which were specific amounts dedicated to properties located in specific areas of Monterey County.

Exhibit 25-B is the Monthly Entitlement Report which shows water available to Water Entitlement Holders. Entitlements were established by the following ordinances: The Pebble Beach Company (Ordinance Nos. 39 and 109), Hester Hyde Griffin Trust (Ordinance No. 39), J. Lohr Properties Inc. (Ordinance No. 39), the City of Sand City (Ordinance No. 132), Cypress Pacific Investors LLC (Water Distribution System Permit approved September 15, 2014), Malpaso Water Company LLC (Ordinance No. 165), D.B.O. Development No. 30, a California Limited Liability Company (Ordinance No. 166), the City of Pacific Grove (Ordinance No. 168), and the City of Seaside (Ordinance No. 194).

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 25-C**.

EXHIBITS
25-A Monthly Allocation Report
25-B Monthly Entitlement Report
25-C District's Water Allocation Program Ordinances

EXHIBIT 25-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of May 2026

Jurisdiction	Pure Water Monterey Allocation Available 3/1/2025	Changes During Period	Balance Remaining	Paralta & Pre-Paralta Water Balance 3/1/2025	Changes During Period	Balance Remaining	Public Credits Balance 3/1/2025	Changes During Period	Balance Remaining	Total Available
Airport District	39.773	0.000	39.773	5.197	0.000	5.197	0.000	0.000	0.000	44.970
Carmel-by-the-Sea	13.124	0.018	13.106	2.479	0.000	2.479	0.182	0.000	0.182	15.767
Del Rey Oaks	5.696	0.000	5.696	0.030	0.000	0.030	0.000	0.000	0.000	5.726
Dept of Defense	27.000	0.000	27.000	0.000	0.000	0.000	0.000	0.000	0.000	27.000
Monterey	141.000	0.000	141.000	0.533	0.000	0.533	3.627	0.000	3.627	145.160
Monterey County	72.000	0.000	72.000	11.016	0.000	11.016	1.181	0.000	1.181	84.197
Pacific Grove	31.949	0.000	31.949	0.019	0.000	0.019	0.002	0.000	0.002	31.970
Sand City	13.857	0.000	13.857	0.029	0.000	0.029	23.163	0.000	23.163	37.049
Seaside	20.962	0.023	20.939	28.184	0.000	28.184	1.144	0.000	1.144	50.267
District Reserve	2090.169[1]	0.000	2,090.169							2,090.169

Allocation Holder	Water Available	Changes During Period	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.320	0.680
Water West	12.760	0.000	10.324	2.436

[1] Includes remaining District Reserve following 2024-25 “Amnesty” program.

EXHIBIT 25-B
MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of May 2026

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. *	183.827	0.000	34.160	151.950
Del Monte Forest Benefited Properties (Pursuant to Ord No. 109)	181.173	2.283	88.824	90.066
Macomber Estates	10.000	0.000	10.000	0.000
Griffin Trust	5.000	0.000	4.829	0.171
CAWD/PBCSD Project Totals	**380.000**	**0.000**	**135.530**	**244.470**

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	206.000	0.000	21.831	184.169
Malpaso Water Company	80.000	0.000	26.351	53.649
D.B.O. Development No. 30	13.950	0.000	3.913	10.037
City of Pacific Grove	38.390	0.023	20.924	17.466
Cypress Pacific	3.170	0.000	3.170	0.000
City of Seaside	10.817	0.000	10.817	0.000

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

EXHIBIT 25-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.

In addition to releasing water from the development of the Paralta Well, Ordinance No. 70 established a "special reserve" of 12.76 acre-feet of water saved by system improvements to the former Water West System when it was purchased and integrated into Cal-Am. This reserve was made available to properties in the former Water West System on a first-come, first-served basis. The ordinance also increased Cal-Am's production limit for savings related to the annexation of the Quail Meadows subdivision.

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 established an entitlement of 18.6 acre-feet of water to the Quail Meadows subdivision in Carmel Valley for permanently reducing annual water production from the Carmel Valley Alluvial Aquifer at the Quail Lodge golf course.

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 Malpaso 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.

Ordinance No. 194 was adopted on February 12, 2024, established a Water Entitlement for the City of Seaside.

Resolution 2024-13 was adopted October 21, 2024, to authorize use of the District Reserve Allocation to permit unpermitted water fixtures found on final inspections during a one-year "amnesty" period used to close certain older "open" Water Permits.

Ordinance No. 197 was adopted January 27, 2025, to allocate water from Pure Water Monterey.

ITEM: INFORMATIONAL ITEM/STAFF REPORT

26. WATER EFFICIENCY PROGRAM REPORT

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt,** **General Manager**	**Program/** **Line Item No.**	**N/A**
Prepared By:	**Tricia Nguyen**	**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.

The following information reflects activities undertaken by the Water Demand Division during the month of ***May 2026****.*

I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM

District Regulation XIV requires the retrofit of water fixtures upon Change of Ownership[1] 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 Sink, Utility Sink, 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 self-certification form. A Site inspection is occasionally conducted to verify compliance. Properties that do not require an inspection are issued a Conservation Certification.

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 **100** property transfers that occurred were added to the database.

B. Certification

The District received **50** Water Conservation Certification Forms. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

Seventeen properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **17** verifications, **three** properties verified compliance by submitting certification forms and/or receipts. District staff completed **23** Site inspections. Of the **23** properties visited, **14 (60%)** passed.

[1] Capitalized terms are defined in MPWMD Rule 11, Definitions.

D. Non-Residential Compliance with Water Efficiency Standards

By January 1, 2014, all Non-Residential properties were required to meet Rule 143, Water Efficiency Standards for Existing Non-Residential Uses. District inspectors performed **6** verification inspections.

As part of the Non-Residential compliance effort, MPWMD notifies California American Water (Cal-Am) of properties with landscaping. Cal-Am staff then schedule an outdoor audit to verify compliance with the Rate Best Management Practices (BMPs). (Compliance with MPWMD's Rule 143 achieves Rate BMP compliance for indoor water uses.) Properties with landscaping must comply with Cal-Am's outdoor Rate BMPs to avoid rates in Division 4 (customers that are not in compliance with Rate BMPs). Rate BMPs are used to determine the appropriate Non-Residential rate division for each customer (there are four different rates based on the amount of irrigated area and compliance/noncompliance with the Rate BMPs).

MPWMD referred **four** property 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 Waste occurrences at www.mpwmd.net or www.montereywaterinfo.org. There were **four** Water Waste responses during the past month. There were **no** repeated incidents that resulted in a fine.

F. Multi-Family Dwelling Water Efficiency Compliance

By January 1, 2019, all Multi-Family Dwellings of four or more units were required to meet Rule 142 retro fit requirements. Property owners had the opportunity certify that their property complied by that deadline. This year District staff began the process of inspecting all Multi-Family Dwellings of four or more units to ensure compliance. Property owners and agents acquired conservation devices from the District to assist with meeting compliance with Rule 142.

In May, **13** inspections were conducted. **Nine** of those inspections passed; **one** failed because the common laundry clothes washer was not a High Efficiency model.

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 **59** Water Permits. **Seventeen** permits were issued using Water Entitlements (Pebble Beach Company, Malpaso Water, Sand City, etc.). **No** permits involved a debit to a Public Water Credit account. **Six**, meter enlargement permits, and **12** hydrant meter permits were issued.

District Rule 24-3-A allows the addition of a second Bathroom in an existing Dwelling Unit that has only one Bathroom. Of the **59** Water Permits issued, **four** were issued under this provision.

B. Permit Compliance
Staff completed **68** site inspections for current permit compliance during the month of May. **Thirty six** properties passed the interior inspection, and **six** properties failed due to unpermitted fixtures. **Five** properties were inspected to complete a Landscape Water Permit and **three** properties passed the inspection, and **two** failed due to the lack of a rain sensor.

C. Notary Services
District staff provided Notary services for **30** customers.

D. Outreach Events
In the month of May, the District participated in the Good Old Days Festival where District staff distributed free conservation devices.

E. Rebates
The District processes rebate applications to ensure that only voluntary replacement of higher efficiency devices receive rebates. The comprehensive list of available rebates can be found in Rule 141. Monthly statistics for May 2026 are included.

REBATE PROGRAM SUMMARY		May-2026				#SPILL!		1997 - Present	
I.	Application Summary								
A.	Applications Received	32				223		33,121	
B.	Applications Approved	28				177		26,068	
C.	Single Family Applications	26				172		28,951	
D.	Multi-Family Applications	1				4		1,640	
E.	Non-Residential Applications	1				1		364	
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)	2	$150.00	0.010000	3,259	25	$1,950.00	0.12500	
B.	Ultra HET	20	$2,500.00	0.200000	65,170	27	$3,075.00	0.27000	
C.	Toilet Flapper			0.000000	0	0	$0.00	0.00000	
D.	High Efficiency Dishwasher	4	$500.00	0.012000	3,910	24	$3,000.00	0.07200	
E.	High Efficiency Clothes Washer - Res	11	$5,500.00	0.177100	57,708	76	$38,000.00	1.22360	
F.	High Efficiency Clothes Washer - Com			0.000000	0	0	$0.00	0.00000	
G.	Instant-Access Hot Water System	1	$200.00	0.005000	1,629	2	$400.00	0.01000	
H.	Zero Use Urinals			0.000000	0	0	$0.00	0.00000	
I.	Pint Urinals			0.000000	0	0	$0.00	0.00000	
J.	Cisterns			0.000000	0	1	$304.97	0.00000	
K.	Smart Controllers	3	$438.35	0.000000	0	6	$776.35	0.00000	
L.	Rotating Sprinkler Nozzles			0.000000	0	0	$0.00	0.00000	
M.	Moisture Sensors			0.000000	0	0	$0.00	0.00000	
N.	Lawn Removal & Replacement			0.000000	0	0	$0.00	0.00000	
O.	Graywater			0.000000	0	0	$0.00	0.00000	
P.	Smart Flowmeters	6	$1,499.00	0.000000	0	40	$8,299.00	0.00000	
Q.	Smart Toilet Leak Detectors			0.000000	0	0	$0.00	0.00000	
III.	TOTALS	47	$10,787.35	0.404100	131,676	201	$55,805.32	1.70060	
IV.	TOTALS Since 1997					Paid Since 1997: $	6,414,560	250.33	Acre-Feet Per Year Saved Since 1997 (from quantifiable retrofits)

ITEM: INFORMATIONAL ITEM/STAFF REPORT

27. CARMEL RIVER FISHERY REPORT FOR MAY 2026

Meeting Date:	**June 15, 2026**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Cory 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.

AQUATIC HABITAT AND FLOW CONDITIONS: During May, conditions were dry until the end of the month. This caused flows to decrease continuously throughout the month. Decreasing flows diminished habitat conditions for adult fish migration and spawning but were adequate for juvenile movement and rearing. The lagoon mouth remained open naturally for the first half of the month, then closed for a few days, re-opened and then closed again for the rest of the month (see attached graphic). Los Padres Reservoir remains at capacity and spilling for the entire month.

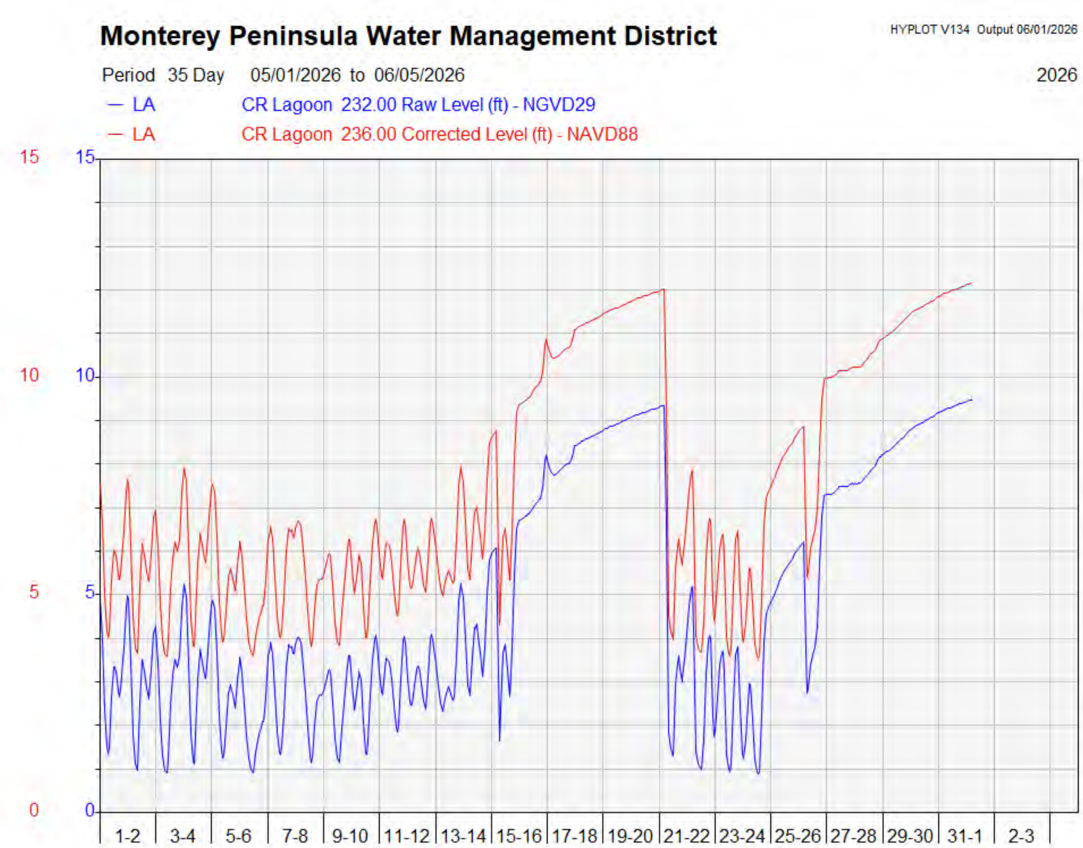
May's mean daily streamflow at the Sleepy Hollow Weir gaging station ranged from 23 to 50 cfs (mean 33.3 cfs), while flows at the Highway 1 gage ranged from 22 to 63 cfs (mean 38.6 cfs).

There was 0.50 inches of measurable rainfall in May as recorded at the San Clemente gauge. The total rainfall for Water Year (WY) 2026 (which started October 1, 2025) is 24.26 inches, which is 116% of normal to date.

FISH RESCUE: Staff started fish rescues in select tributaries starting May 11, 2026. Three rescue operations occurred in Robinson Canyon Creek, Hitchcock Creek and in Cachagua Creek. As of the end of May, a total of 201 fish were rescued and relocated to perennial waters of the Carmel River. Staff continue to monitor tributaries as well as the mainstem for dry-back conditions and rescue needs.

ADULT STEELHEAD MONITORING: The adult steelhead monitoring season concluded at the end of May. Totals for the 2026 season are as follows: 48 adult steelhead were counted and tagged at the Weir station, 94 adult steelhead were counted at the Los Padres fish trap and 134 steelhead redds were counted during redd surveys. This season's observations were a decline from last season's totals in all three monitoring categories. This seasons count at the Los Padres fish trap, which is the longest standing data trend on adult steelhead that we have (1949-2026), was above average.

CARMEL RIVER LAGOON: In May, the lagoon's Water Surface Elevation (WSE) ranged from approximately 3.6 to 12.1 feet (NGVD 1988) (see graph below). Water quality depth-profiles were conducted at five sites on May 19, 2026, while the lagoon mouth was open, water surface elevation was 11.62 feet at the time of sampling, and river inflow was approximately 33 cfs. The north arm of the lagoon was disconnected to the main body of the lagoon. The lagoon was well mixed and no stratification was observed, except for the south arms salinity, which was stratified at 0.75 meters. Salinity levels ranged from 0.6-29.7 parts per thousand (ppt), throughout the lagoon. Water temperatures ranged from 57.1-65.8 degrees Fahrenheit, and dissolved oxygen (DO) levels ranged from 5.5-13.9 mg/l.



ITEM: INFORMATIONAL ITEM/STAFF REPORT

28. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT

Meeting Date:	**June 15, 2026**	**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 28-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **June 1, 2026**. 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 28-A** is for Water Year (WY) 2026 and focuses on three 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 **May** 2026 totaled 0.50 **inches** and brings the cumulative rainfall total for WY 2026 to **24.26 inches,** which is **116%** of the long-term average through **May**. Estimated unimpaired runoff through **April** totaled **2,300 acre-feet (AF)** and brings the cumulative runoff total for WY 2026 to **66,168 AF,** which is **82%** of the long-term average through **May**. Usable storage for the MRWPRS was **29,120 acre-feet**, which is **93%** of average through **May,** and equates to **88**% 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 3,376 AF of water from the Carmel River in WY 2026. Through **May**, using the CDO accounting method, Cal-Am has produced **1,727 AF** from the Carmel River (excluding **241 AF** of Table 13 and **61 AF** of Mal Paso.) In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 1,474 AF of water from the Coastal Subareas and 0 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2026. Through **April**, Cal-Am has produced **310 AF** from the Seaside Groundwater Basin. Through **May**, **916 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, **241 AF** have been diverted under Table 13 water rights, and **3,300 AF** of Pure Water Monterey recovered. Cal-Am has produced **5,737 AF** for customer use from all sources through **May**. **Exhibit 28-B** shows production by source. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values.

EXHIBITS
28-A Water Supply Status: **June 1, 2026**
28-B Monthly Cal-Am production by source: WY 2026

EXHIBIT 28-A

Monterey Peninsula Water Management District
Water Supply Status
May 1, 2026

Factor	Oct – May 2026	Average To Date	Percent of Average	Oct – May 2025
Rainfall (Inches)	24.26	20.91	116%	16.67
Runoff (Acre-Feet)	54,109	66,168	82%	32,195
Storage [5] (Acre-Feet)	29,120	31,280	93%	28,930

Notes:

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at Sleepy Hollow Weir average 21.22 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 1922-2024 and 1902-2024 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 1989-2025 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 33,130 acre-feet.

EXHIBIT 28-B

Production vs. CDO and Adjudication to Date: WY 2026

(All values in Acre-Feet)

	MPWRS					Water Projects and Rights				
		Seaside Groundwater Basin								
Year-to-Date Values	Carmel River Basin [2, 6]	Coastal	Laguna Seca	Ajudication Compliance	**MPWRS Total**	ASR Recovery	PWM Recovery	Table 13 [7]	Sand City [3]	Water Projects and Rights Total
Target	2,376	474	0	474	**2,850**	0	2,605	138	200	**2,943**
Actual [4]	1,727	289	63	352	**2,079**	0	3,300	241	57	**3,597**
Difference	649	185	-63	122	**771**	0	-695	-103	143	**-654**
WY 2025 Actual	2,062	902	78	980	**3,042**	0	2,238	182	114	**2,535**

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, 916 AF and 241 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 2026

(All values in Acre-Feet)

	Carmel River Basin	**Table 13**	**Mal Paso**	**Seaside Basin**	**ASR Recovery**	**PWM Recovery**	**Sand City**	**Total**
Oct-25	232	0	7	124	0	413	14	790
Nov-25	129	0	7	38	0	489	3	666
Dec-25	132	0	7	32	0	473	12	657
Jan-26	60	101	8	32	0	428	20	648
Feb-26	116	55	7	26	0	389	8	602
Mar-26	259	59	9	29	0	435	0	790
Apr-26	340	26	8	29	0	358	0	762
May-26	457	0	9	42	0	314	0	821
Jun-26								
Jul-26								
Aug-26								
Sep-26								
Total	**1,727**	**241**	**61**	**352**	**0**	**3,300**	**57**	**5,737**
WY 2025	**2,062**	**182**	**63**	**980**	**0**	**2,238**	**114**	**5,639**

1. This table is produced as a proxy for customer demand.
2. Numbers are provisional and are subject to update.