Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2026



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

5 Harris Court, Bldg. G, Monterey, CA 93940

(831) 658-5611 | www.mpwmd.net

Monterey Peninsula Water Management District

Monterey, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2026

THE PUN GROUP
ACCOUNTANTS & ADVISORS

Monterey Peninsula Water Management District
Annual Comprehensive Financial Report
For the Year Ended June 30, 2026

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November 16, 2026

To the Honorable Chair and Board of Directors of Monterey Peninsula Water Management District,

We are pleased to present the Monterey Peninsula Water Management District's (MPWMD or District) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2026. The ACFR gives an assessment of the District's financial condition, informs readers about District services and projects, discusses current issues, and provides financial and demographic trend information.

The California Government Code requires an annual independent audit of MPWMD's financial statements by a Certified Public Accountant. The District's financial statements have been audited by The Pun Group LLP (auditor). The auditor's opinion is included in the financial section of this ACFR.

This report was prepared by the Financial and Administrative Services Division in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). To the best of our knowledge and belief, the data as presented is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and changes in the financial position of the District as measured by the financial activity, including disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs. While the independent auditors have expressed an unmodified ("clean") opinion that MPWMD's financial statements are presented in conformity with generally accepted accounting principles (GAAP), responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the District.

Profile of the District

The District is a special district created in 1977 by the California Legislature and ratified by local voters in 1978. The District has four primary responsibilities. The first is to augment and manage the development of potable water supplies and the delivery of this water to users in the Monterey Peninsula area. The second is to promote water conservation. The third is to promote water reuse and reclamation of storm and wastewater. The fourth is to protect the environmental quality of the Monterey Peninsula area's water resources.

The District serves approximately 106,000 people within the cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Seaside, Sand City, Monterey Peninsula Airport District, and portions of unincorporated Monterey County, including Pebble Beach, Carmel Highlands, and Carmel Valley.

The District has an authorized staff of 26 full-time employees providing services within its jurisdiction. The District is made up of the following sections: General Manager's Office, Financial and Administrative Services, Water Resources, Environmental Resources, and Water Demand.

Governance

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

5 Harris Court, Building G, Monterey, CA 93940 ■ P.O. Box 85, Monterey, CA 93942-0085
831-658-5600 ■ Fax 831-644-9560 ■ www.mpwmd.net

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

Budget Process

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

Economic Condition and Outlook

The District anticipates generating sufficient revenue to cover the cost of providing ongoing services through its primary revenue sources, including property taxes, user fees, water sales, permit charges, capacity fees, and reimbursable grant funds. Although the District is no longer collecting water supply charges through the County due to an Appellate Court settlement in September 2024, the projected loss in revenue is expected to be offset by gradual increases in user fees that are collected as a percentage of water charges. These increases will generally be driven by higher annual water rates adopted by the water utility provider, California American Water. Water demand is a key component of rate-related revenues. Customer demand for 2025 resulted in a production total of 3B gallons (gal) of drinking water, the lowest demand since 1957. Water supply sources included 1.2B gal from PWM, 1.1B gal from the Carmel River, 549M gal from Seaside Groundwater sources, and 53M gal from the Sand City Desalination Facility. At the end of the year, the District had 937M gal stored in the PWM Operating Reserve, 65Mgal in the PWM Drought Reserve, and 1.7B gal in the Aquifer Storage and Recovery. A total of 2.7B gal of stored water is now banked in the Seaside Basin.

For the first time in over 30 years, the Monterey Peninsula Water Management District (District) is releasing water to the seven peninsula cities, the Airport District, and the Department of Defense to support new construction, remodels, and commercial changes. This was made possible by the construction of an expansion to the Pure Water Monterey (PWM) project. To utilize an allocation, projects must have an existing water meter, and their jurisdiction must approve the release of water. Projects requiring a new meter remain subject to the Cease & Desist Order (CDO) meter moratorium until the State acts on the District's current application to modify the CDO. PWM was funded and built by Monterey One Water, Monterey Peninsula Water Management District, and Marina Coast Water. Completed in October of 2025, it now provides 60% of the Peninsula's drinking water for housing, jobs, growth, and drought.

Major Initiatives

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

Pure Water Monterey Project (PWM) – The District provided funding and planning assistance to the Project, working in partnership with Monterey One Water, which owns and operates the system. Since the inception of the PWM project in 2020 through the end of FY 2025-26, a total of 24,052 acre-feet (AF) of advanced purified water was injected into the Seaside Groundwater Basin. Of the injected water, Cal-Am recovered 20,976 AF for customer service, and 2,876 AF was allocated to the Operational Reserve and 200 AF to the Drought Reserve.

In FY 2025-26 alone, 5,225AF of PWM water was injected, with Cal-Am recovering 4,434 AF for customer service, 523 AF allocated to the Operational Reserve, and 200 AF allocated to Drought Reserve.

Aquifer Storage and Recovery (ASR) – Since inception of the ASR program in 1998 through the end of WY 2025, a total of 15,584 AF of Carmel River water was diverted for storage in the Seaside Groundwater Basin. Water has been recovered as allowed by State Water Board Orders and the Quarterly Water Budget process. In WY 2025 alone, 916 AF of Carmel River water was diverted to storage with Cal-Am recovering none for customer service. At the end of WY 2025, a total of 5,309 AF of stored ASR water remains available for customer service. Cal-Am continued to use District facilities to treat produced waters recovered from the ASR and Pure Water Monterey projects.

Permits and Rebates – The District approved 577 rebates totaling $174,900, saving 1.5M gal of water annually, and issued 941 Water Permits plus 68 Water Use Permits. Twenty-six landscape permits were issued, covering 104,856 sq. ft. of new and 111,150 sq. ft. of rehabilitated landscapes. These conservation measures create a permanent reduction in demand, easing the need for new supplies. Three Water Distribution System amendments were approved, and nine exemptions were granted for eligible well users. Efforts to promote water efficiency and compliance continue.

Inspections and Amnesty Program – Staff completed nearly 900 inspections to ensure compliance with indoor and landscape water efficiency standards. The Resolution 2024-13 "Amnesty Program" concluded in 2025. Staff contacted property owners associated with 1,470 open (unfinalized) Water Permits and successfully closed 1,242 permits, achieving an 84% resolution rate. A total of 1.7M gal of District Reserve Allocation was utilized. The program was generally well-received and significantly reduced a backlog of permits dating back to 1993. Most property owners responded positively once they understood the opportunity to finalize permits with temporary water availability, fee waivers, and staff assistance. Local jurisdictions were cooperative and assisted as necessary. Remaining open permits are largely attributable to inspection scheduling delays, property owner inaction, jurisdictional permitting delays, or removal of unpermitted fixtures instead of seeking proper authorization. Staff will continue follow-up efforts. Remaining properties will not have access to District Reserve water and may require jurisdictional allocations or be subject to Regulation XI enforcement. Property owners remain responsible for arranging final inspections when they have a Water Permit.

Conservation – Staff continued to engage the community on water conservation through various outreach channels. In partnership with Cal-Am, the District hosted 14 virtual classes covering rainwater capture, greywater use, irrigation efficiency, soil improvement through composting, landscape design, and lawn removal. Water-saving devices were distributed at community events, including the Carmel Valley Fiesta, Monterey County Fair, and West End Celebration, and the "Mulch Madness" giveaway was held twice during the year.

Summer Splash – Now in its sixth year, the District, in partnership with Cal-Am, once again hosted the Summer Splash Water Challenge Giveaway, a fun, family-oriented conservation game. Participants completed an educational gameboard by visiting the event website and watching water efficiency videos to find the answers. The challenge was designed for families and timed for summer when children were out of school. Completed gameboards were submitted for a sweepstakes drawing. Prizes included high-efficiency clothes washers, iPads, and gift cards. Gameboards were printed in the newspaper and promoted on Facebook. The June challenge received 485 entries, 48 more than the previous year.

Community Outreach – To help the public better understand the role of the District in water supply, conservation, and environmental protection on the Monterey Peninsula, the District ran monthly ads in the local newspapers, posted on social media, and produced a regular email newsletter. The District also actively engaged with local media on water supply projects, the public's acquisition of the Cal-Am water system (Measure J), and other relevant topics.

Grants for Water Supply Programs – The District continues to manage grants for new projects on the Monterey Peninsula. Duties include: (a) Application coordination and submission; (b) Agreement execution and coordination with the California Department of Water Resources; (c) Invoicing, with documentation, on behalf of the Local Project Sponsors; and (d) Reporting. In 2025-26, construction for two grant-funded projects supporting PWM was completed. The first was an Urban Community Drought Relief Grant from the Department of Water Resources for $11,935,200. The other is a Directed Assistance Grant coordinated by the State Water Resources Control Board for $4,800,000. Overall, the PWM Expansion project garnered over $40 million in grants, with only $15 million to be repaid by local ratepayers over 30 years.

Also in 2025-26, the District continued administering an Integrated Regional Water Management (IRWM) Implementation Round 2 Grant totaling $1,488,961 for the Monterey Peninsula region. The two funded projects are: 1. Carmel River Floodplain Restoration and Environmental Enhancement (Carmel River FREE), sponsored by Monterey County 2. Olivier Street Stormwater Diversion Project, sponsored by the City of Monterey. The Carmel River FREE project has experienced federal funding-related delays. However, the City of Monterey's Olivier Street Stormwater Diversion Project remains on schedule and is progressing as planned. Additionally, an IRWM Implementation Round 1 Grant awarded in 2021 will fund construction of the West End Stormwater Improvement Project in 2026. This project, located in a disadvantaged community, is sponsored by Sand City. Two other projects funded under this grant have been completed for the City of Seaside and the Marina Coast Water District.

Legally-Mandated Carmel River Mitigation and Stewardship – In 2025, the District successfully implemented programs to preserve the ecological integrity of the Carmel River by mitigating impacts from water extraction for the community's water supply. They included the Mitigation Program required by the 1990 Water Allocation Environmental Impact Report, the 2006 Aquifer Storage and Recovery (ASR) Phase 1 Environmental Impact Report, and subsequent water rights for ASR diversions. The program comprises river restoration activities, monitoring, and rescuing threatened steelhead from drying sections of the Carmel River and its tributaries. This comprehensive program tracks changes in the riparian corridor, steelhead population, groundwater depth, river flow, and the lagoon environment. The District continued to monitor dry-back conditions due to impacts from groundwater withdrawal and successfully rescued 7,468 juvenile steelhead from the Carmel River Basin in 2025. Fish were released this season in a variety of locations to track which produces the best adult return rates from the ocean. These release areas included the lagoon, the Carmel River waters that flow year-round, and the Sleepy Hollow Steelhead Rearing Facility. There were 2,379 fish implanted with passive integrated transponder (PIT) tags to track their migration and survival rates. These data are used as performance indicators of the Mitigation Program. As part of the steelhead monitoring program, staff installed a resistance board weir (adult steelhead counting station) in the lower river in late February. The weir operated 62% of the time while the fish were migrating. Staff counted 79 adult steelhead during this timeframe. Staff also conducted surveys of redds (steelhead nests).

During the 2025 season, 145 steelhead redds, 7 spawning pairs, 14 single adults, and 3 carcasses were observed between the Highway 1 Bridge and Los Padres Dam in the Carmel River. An additional 16 redds were observed upstream of Los Padres Reservoir, and one redd was observed in Garzas Creek.

Staff continued to work with the National Marine Fisheries Service (NMFS) on field studies to develop a steelhead population life history model for the watershed. This effort includes tagging fish from the fall population surveys, weir operations, and rescues. These tags are then read by tag detection stations (arrays) at various locations along the Carmel River. Fall population densities trended below average this season, and 777 fish were implanted with PIT tags to support these studies and help elucidate long-term trends on steelhead survival.

In addition, staff continued long-term efforts to monitor water quality conditions and fish passage in the Carmel River Basin to assess impacts to habitat from municipal and private pumping along the Carmel River. In late fall, District crews carried out the Vegetation Management Program in the active channel of the Carmel River to prevent debris dams and erosion. This work is carried out with a Regional General Permit from the Army Corps of Engineers and a Routine Maintenance Agreement with the California Department of Fish and Wildlife. Vegetation Management includes trimming encroaching vegetation and reducing the hazard posed by downed trees by cutting them into smaller sections in preparation for winter flows. Trash and plastic were also removed from the river's active channel before winter rains washed them into the ocean.

Measure J – In November 2018, voters passed an initiative requiring the District to acquire the local water supply and distribution facilities of California American Water, if feasible. In 2021, the District prepared an application to the Monterey County Local Agency Formation Commission (LAFCO) to annex 58 parcels (Yankee Point and Hidden Hills), update its Municipal Services Review (MSR), and to "activate" the District's authority to provide water service directly to end-use customers. LAFCO approved the annexation and MSR but denied the activation of powers. The District challenged that denial in a petition for writ of review filed in April 2022. The District prevailed, and LAFCO was directed by the Court to vacate the denial. While the LAFCO lawsuit was pending, MPWMD's appraisers completed their appraisal of the California-American Monterey Water System (the Subject Property Interests) sought to be acquired in this action and, on or about April 3, 2023, MPWMD made an offer to Cal-Am to acquire the Subject Property Interests in an amount equal to the full amount of its appraisal. Cal-Am rejected the offer in April 2023, indicating it was not interested in selling the system. On October 10, 2023 The District a Resolution of Necessity to initiate taking the Monterey Water System via eminent domain and filed a lawsuit do so on December 15, 2023. The District continues to pursue the acquisition.

The CAWD/PBCSD Reclamation Project – The District is a participant in the Carmel Area Wastewater District (CAWD)/Pebble Beach Community Services District (PBCSD) Reclamation Project (the Project), which is a cooperative effort that involves the CAWD, the PBCSD, and the Pebble Beach Company. The project did not create a new or separate legal entity; therefore, the Project is included as a Proprietary (Enterprise) Fund of the District, the issuer of the Certificates of Participation which financed the project. The Project's 2026 financial statements were audited by The Pun Group, LLP.

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

Internal Control

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurances that these objectives are met.

The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Investment Policy

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

District Revenues

District's major funding sources are: Property Taxes, User Fees, PWM Water Sales, Permit Processing Fees, Project Reimbursements, and Grants. Property tax allocations are collected and remitted by the County of Monterey. The Water Supply Charge, a fee collected on property tax bills to fund water supply projects, was levied by the District on property tax bills and was discontinued in FY 24-25 following an Appellate court ruling. The District user fee is paid by the ratepayers of the California American Water Company. Project reimbursements are mostly collected from the California American Water Company ratepayers. Grant revenues are received from the State Water Resources Control Board and the Department of Water Resources to reimburse the expansion of the Pure Water Monterey project and the Integrated Regional Water Management grants by the California Department of Water Resources.

District Expenses

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

Independent Audit

State Law requires the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of The Pun Group, LLP has conducted the audit of the District's financial statements. The audit was conducted in accordance with auditing standards generally accepted in the United States of America. The firm's report has been included in the financial section of this report.

Other References

More information is contained in the District's Management Discussion and Analysis and the notes to the basic financial statements found in the financial section of this report.

Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Monterey Peninsula Water Management District for its annual comprehensive financial report for the fiscal year ended June 30, 2025. This was the eleventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Respectfully submitted,



David J. Stoldt
General Manager



Nishil Bali
Chief Financial Officer / Administrative Services Manager

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

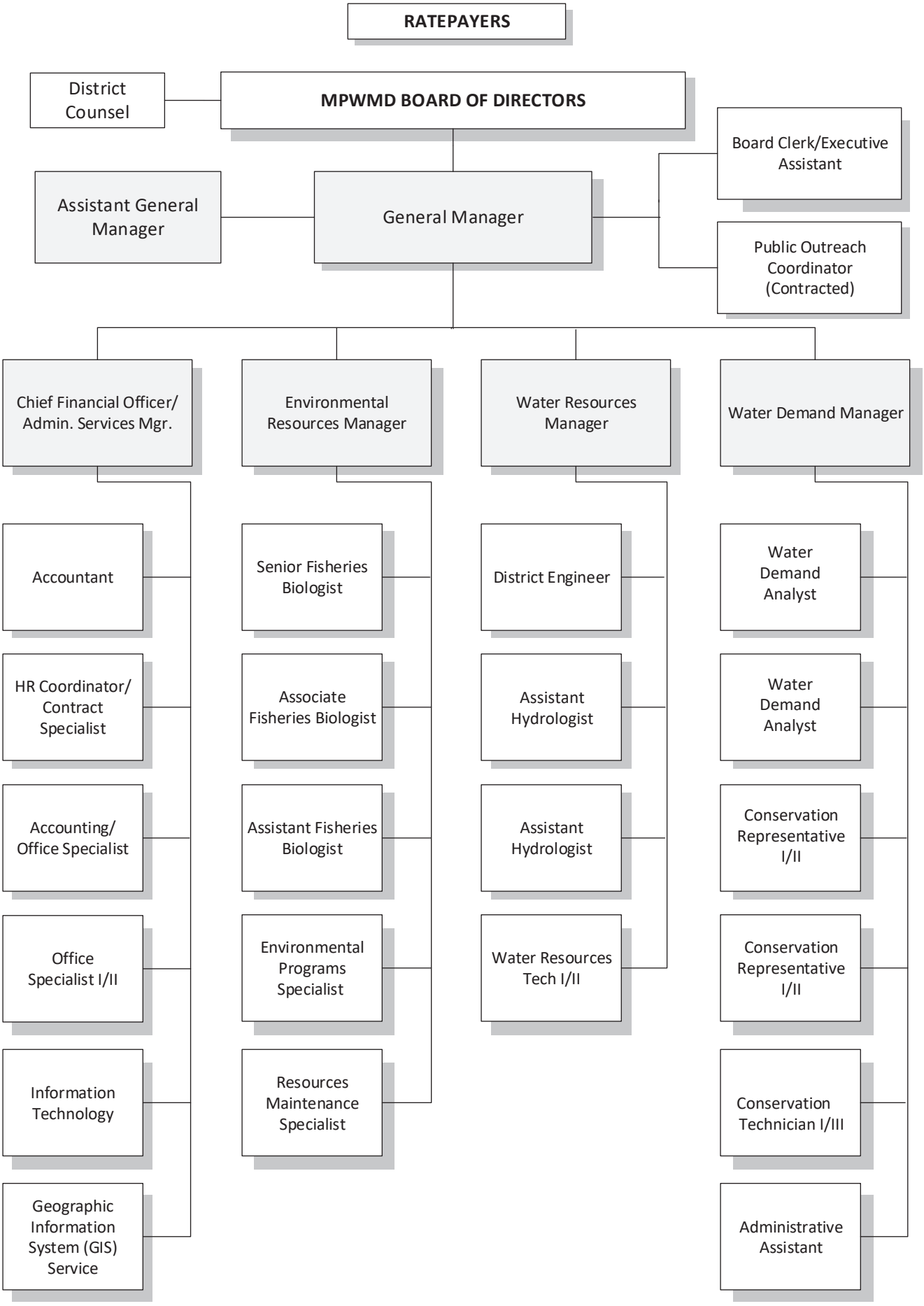
BOARD OF DIRECTORS

Alvin Edwards	District 1
George Riley, Chair	District 2
Rebecca Lindor	District 3
Karen Paull	District 4
Marianne Gawain	District 5
Ian Oglesby, Vice-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

District Organization Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Monterey Peninsula Water Management District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025



and issued to the public 140 days after the fiscal year end

Christopher P. Morrill

Executive Director/CEO

THE PUN GROUP
ACCOUNTANTS & ADVISORS

4660 La Jolla Village Drive, Suite 100
San Diego, California 92122

www.pungroup.cpa

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Monterey Peninsula Water Management District
Monterey, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Monterey Peninsula Water Management District (the "District") as of and for the year ended June 30, 2026, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements section of our report*. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matter

Report on Summarized Comparative Information

We have previously audited the District's 2025 financial statements, and we expressed unmodified opinions on the financial statements, in our report dated November 17, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2025, from which such summarized information was derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of the Proportionate Share of the Net Pension Liability,* and the *Schedule of Contributions - Pension* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



San Diego, California
November 16, 2026

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This section of the Monterey Peninsula Water Management District's (the District) annual comprehensive financial report presents a discussion and analysis of the District's performance during the fiscal year ended June 30, 2026. Please read it in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i – vii of this report and the District's financial statements, which follow this section.

The District was created by the California Legislature in 1977 and ratified by local voters in 1978. The District has four primary responsibilities. The first is to augment and manage the development of potable water supplies and the delivery of this water to users in the Monterey Peninsula area. The second is to promote water conservation. The third is to promote water reuse and reclamation of stormwater and wastewater. The fourth is to protect the environmental quality of the Monterey Peninsula area's water resources, including the protection of instream fish and wildlife resources.

The District is also a participant in the Carmel Area Wastewater District/Pebble Beach Community Services District Reclamation Project (the Project), which is a cooperative effort that also involves the Carmel Area Wastewater District, the Pebble Beach Community Services District, and the Pebble Beach Company. The cooperative effort did not create a new or separate legal entity. Therefore, the Project is included as a Proprietary (Enterprise) Fund of the District, the issuer of the Certificates of Participation, which financed the project.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the governmental activities of the District exceeded its liabilities and deferred inflows of resources at the close of the year ending June 30, 2026 by $39.16 million (net position). Of this amount, $21.64 million is classified as investment in capital assets; while the remaining $17.53 million is unrestricted.

- The assets and deferred outflows of resources of the business-type activities of the District exceeded its liabilities and deferred inflows of resources at the close of the year ending June 30, 2026 by $37.48 million (net position). Of this amount, $33.35 million is classified as investment in capital assets; while the remaining $4.13 million is unrestricted.

- The District's total net position increased by $1.98 million, with governmental activities net position increasing by $2.67 million and business activities decreasing by 0.68 million for the year ended June 30, 2026. The increases in net position for governmental activities can mostly be attributed to a slight increase in total revenues. mostly from property taxes and connection charges, combined with a decrease in operating expenditures related to the Water Supply Charge (settlement expenditure), as well as an increase in the capitalization of expenditures tied to the water reserves compared to the prior fiscal year. The District's total business-type activities net position decreased by approximately $0.68 million for the year ended June 30, 2026. Revenues were lower than expenses for the current year due to a decrease in revenues from fixed cost charges. Amortization expense for the year was $1.82 million.

- Capital outlay and capitalized project expenditures of $3.15 million for governmental activities consisted mostly of funds for the purchase of Pure Water Monterey reserve water and Reclamation treatment plant facility improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the basic financial statements, and required supplementary information.

The financial statements provide both long-term and short-term information about the District's financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by required supplementary information that further explains and supports the information in the financial statements.

The District's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Activities. All assets and liabilities associated with the operation of the District are included in the Statement of Net Position.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year (FY). All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements include all the governmental activities of the District. The governmental activities of the District include conservation, mitigation, and water supply. The business-type activity includes the water reclamation project.

The government-wide financial statements can be found on pages 19 and 20 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detail information about the most significant funds, not the District as a whole. The District, like other special districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are segregated into two categories: governmental funds and proprietary funds. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

Governmental Funds – The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's projects. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide financial statements. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and government-wide statements.

The District maintains three individual governmental funds. Information is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Water Supply Fund, Conservation Fund, and the Mitigation Fund, all of which are considered to be major funds.

Proprietary Fund – The District maintains one type of proprietary fund, the enterprise fund. Proprietary funds are reported using the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activity in the government-wide financial statements but provide more detail and additional information. The District uses an enterprise fund to account for the CAWD/PBCSD Reclamation Project.

The fund financial statements can be found on pages 25 through 338 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 through 65 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. This section also includes budgetary comparison schedules, which compare the budgeted amounts for the fiscal year with the activity for the District's major governmental funds – the Water Supply Fund, Conservation Fund, and Mitigation Fund. Required supplementary information can be found on pages 67 to 79 of this report.

GOVERNMENT–WIDE FINANCIAL ANALYSIS

Net Position

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

Summary of Net Position

	Summary of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2026	2025	2026	2025	2026	2025
ASSETS						
Current and Other Assets	$ 35,196,703	$ 37,715,797	$ 4,591,748	$ 4,117,694	$ 39,788,451	$ 41,833,491
Capital Assets, Net	21,635,154	19,186,894	33,351,056	34,615,341	54,986,210	53,802,235
Total Assets	56,831,857	56,902,691	37,942,804	38,733,035	94,774,661	95,635,726
DEFERRED OUTFLOWS OF RESOURCES	2,209,086	2,593,724	-	-	2,209,086	2,593,724
LIABILITIES						
Current Liabilities	5,762,030	8,922,193	465,232	573,705	6,227,262	9,495,898
Long-Term Liabilities	12,273,746	13,109,486	-	-	12,273,746	13,109,486
Total Liabilities	18,035,776	22,031,679	465,232	573,705	18,501,008	22,605,384
DEFERRED INFLOWS OF RESOURCES	1,840,486	966,898	-	-	1,840,486	966,898
NET POSITION						
Investment in Capital Assets	21,635,154	19,186,894	33,351,056	34,615,341	54,986,210	53,802,235
Unrestricted	17,529,527	17,310,944	4,126,516	3,543,989	21,656,043	20,854,933
Total Net Position	$ 39,164,681	$ 36,497,838	$ 37,477,572	$ 38,159,330	$ 76,642,253	$ 74,657,168

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately $76.64 million at the end of the current year, which is an increase of approximately 2.66% since June 30, 2025.

Capital assets increased by $2.45 million due to net capital additions of $3.15 million in governmental activities and a decrease of $1.26 million in business-type activities. Total liabilities decreased by a larger amount than the reduction in total assets, increasing net position. Deferred outflows of resources decreased due to a change in the deferred pension and OPEB adjustments.

GOVERNMENT–WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position (Continued)

Total net position increased due to the changes in net position described in the next section.

Change in Net Position

Summary of Change in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2026	2025	2026	2025	2026	2025
REVENUES						
Program Revenue:						
Charges for Services	$ 28,688,077	$ 23,900,177	$ 4,783,831	$ 5,039,241	$ 33,471,908	$ 28,939,418
Operating Grants	5,881,700	7,297,810	-	-	5,881,700	7,297,810
General Revenues:						
Property Taxes	3,044,149	2,910,734	-	-	3,044,149	2,910,734
Investment Income	1,080,171	1,172,124	60,413	60,736	1,140,584	1,232,860
Miscellaneous	7,126	8,458	1,853	5,435	8,979	13,893
Total Revenues	38,701,223	35,289,303	4,846,097	5,105,412	43,547,320	40,394,715
EXPENSES						
Water Supply	29,981,999	29,927,546	-	-	29,981,999	29,927,546
Conservation	2,869,286	2,718,508	-	-	2,869,286	2,718,508
Mitigation	3,183,095	3,055,714	-	-	3,183,095	3,055,714
Reclamation Project	-	-	5,527,855	5,323,063	5,527,855	5,323,063
Total Expenses	36,034,380	35,701,768	5,527,855	5,323,063	41,562,235	41,024,831
CHANGE IN NET POSITION	2,666,843	(412,465)	(681,758)	(217,651)	1,985,085	(630,116)
Net Position - Beginning of Year	36,497,838	36,910,303	38,159,330	38,376,981	74,657,168	75,287,284
NET POSITION - END OF YEAR	$ 39,164,681	$ 36,497,838	$ 37,477,572	$ 38,159,330	$ 76,642,253	$ 74,657,168

Governmental activities increased the District's net position by approximately $2.67 million (7.31% of beginning net position), compared to decrease of $0.41 million in the prior year. Key elements resulting in the net increase are as follows:

- Reduction in $3.30 million in Settlement liability related to reimbursement of Water Supply Charge (WSC) in accordance with the terms of the Court settlement, as well as a reduction of $0.6 million in long-term liabilities.
- Addition of $3.15 million in non-depreciable capital assets, which included $2.28 million in Operating Water reserve and $0.87 million in drought reserve, offset by a reduction of $0.70 million in depreciable assets and a reduction of $2.52 million in current assets.
- Increase in revenue related to property taxes and connection charges, offset by an increase in personnel costs related to salaries and benefits due to cost-of-living increases and the addition of a full-time employee for the fiscal year.

Business-type activities, related to the CAWD/PBCSD Reclamation Project (the project), decreased the net position by approximately $0.68 million, mostly due to lower operating revenues and annual amortization of water rights related to the construction of the project. Key financial highlights for FY2025-26 are as follows:

GOVERNMENT–WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position (Continued)

- Total operating revenues (water sales) for the reclamation project increased 15.9% ($3.3M to $3.8M) over the prior year, while the fixed cost charge decreased 44.9% ($1.7M to $960K) even though volume fell 13.9% for FY2025-26. The fixed cost component is determined by the capital budget for the applicable fiscal year, any additional contributions to reserves, and deductions for prior-year rollover amounts. As a result, the capital cost decreased from $1,741/AF in FY2024–25 to $960/AF in FY2025–26.

- Revenue per acre-foot increased approximately 17% ($4,036/AF vs. $3,444/AF), reflecting the rate structure change noted above. Net non-operating revenues decreased 5.9%, driven by lower other non-operating revenues ($1,853 vs. $5,435), while investment earnings remained relatively flat ($60,413 vs. $60,736).

- Operating expenses before amortization increased 5.5% over the prior year and were 8.0% under budget. Plant expenses were 11.0% under budget. Plant salaries were 10.8% under budget, reflecting lower water production. Power costs were 15.1% over budget, reflecting increased costs from PG&E. Chemical costs were 19.1% under budget, also reflective of decreased water production. It is difficult to compare one year to the next as we expense when purchased, nonetheless, a few chemical standouts include: Clean-in-place chemicals decreased 61.5% over the prior year and was 77.5% under budget; Ammonium hydroxide decreased 10.0% over the prior year and was 21.4% over budget, Brenn floc RE 5000 increased 19.2% over the prior year and was 12.5% over budget, and Sodium hypochlorite was 1.3% less than the prior year and 22.5% under budget.

- Operating supplies increased 41.8% over the prior year but were 26.1% under budget, primarily due to spare parts and RO membrane purchases. RO membrane elements were 14.7% under budget, while microfilter membrane module purchases were approximately one-third of plan (74.2% under budget). Plant pump costs were 98.8% under budget, as the work was reclassified to capital expenditures because it exceeded the capitalization threshold.

- Contractual Services were 26.0% less than prior year and 24.8% under budget. The most significant variance was System software consulting, which was 31.7% under budget or $19K, and Plant instrumentation at 69.1% under budget or a variance of $15K.

- Distribution costs were 1.3% under budget. Management labor costs were 2.7% higher than prior year and 7.3% under budget. Distribution field labor costs were 17.4% higher than prior year and 7.9% over budget, while distribution utilities were 2.0% over prior year and spot on with budget. Distribution PBCSD other costs were 25.5% lower than prior year but 36% under budget. The largest line-item variance was funds not expended on Forest Lake R&M and operations services.

- Total Source Water/Dry Weather diversion costs were 71.0% higher than prior year and 31.5% over budget due to water treatment costs. Pebble Beach Company and Independent Golf Club Users liaison expenses were 4.5% under budget and 3.3% higher than prior year.

- Total General and Administrative expenses were 5.4% over budget and 15.9% higher than prior year. Carmel Area Wastewater District (CAWD) (a component of total General and Administrative Costs) salaries were 11.1% under budget, and other expenses were 5.0% under budget and 3.2% less than prior year.

- Potable water was 17.6% higher than the prior year and 23.2% over budget.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

The Water Supply Fund is the chief operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund accounts for financial resources to be used for the acquisition of or construction of major capital facilities (other than those financed by Proprietary Funds and Special Assessments).

The Special Revenue Funds are used to account for specific revenue sources for which expenditures are restricted by law or regulation to finance particular activities of the District. The Conservation Fund accounts for financial resources used to fund water conservation activities mandated by District legislation, including permit issuance and enforcement, jurisdictional water allocations, and public water conservation education. This includes the Toilet Replacement Refund Program and other rebates for high-efficiency fixtures, which decrease water demand on the Carmel River. The Mitigation Fund accounts for financial resources used to finance work along the Carmel River carried out pursuant to the Mitigation Program designed to ameliorate impacts identified in the District's Allocation Program Environmental Impact Report.

At the end of the current fiscal year, the District's governmental funds reported a total fund balance of $29.6 million. The Water Supply Fund has a fund balance of $9.56 million, the Conservation Fund has a fund balance of $9 million, and the Mitigation Fund has a fund balance of $11.04 million.

During the current fiscal year, the fund balance of the District's Water Supply Fund increased by $146 thousand, the Conservation Fund increased by $484 thousand, and the Mitigation Fund decreased by $26 thousand. The increase in the fund balance for the Water Supply and Conservation Funds is due to an increase in user fees and increased allocation of property taxes. The decrease in the fund balance for the Mitigation Fund is due to reduced allocation of user fees, combined with an increase in professional fees.

The District uses an enterprise fund to account for the CAWD/PBCSD Wastewater Reclamation Project. At the end of the current fiscal year, the District's enterprise fund reported a net position of $37.48 million.

During the current fiscal year, the net position of the District's enterprise fund decreased by $0.68 million.

BUDGET HIGHLIGHTS/VARIANCES

This section provides information on budgetary adjustments and results for the District's main operating fund – the water supply fund.

Original Budget Compared to Final Budget – During the year, the District made modifications to its original budget for the water supply, conservation, and mitigation fund, leading to a final budget of $33.59 million (excluding reserves budget), a decrease of $2.84 million compared to the original budget. After a review of six months of revenues and appropriations, modifications were made to the revenue line items based on more realistic projections for the remainder of the year. These included decreases to estimated revenues for water sales and Pure Water Monterey grants, along with an increase in projected investment and connection charges (Capacity fees). Final budgeted expenditures for the Water Supply Fund were decreased by $2.84 million as a result of reduced water purchases and PWM grant disbursements. The reduction in water purchases was offset by an increase in capital outlay of $2.08 million to purchase additional water for the PWM operating and drought reserves.

Final Budget Compared to Actual Results – Actual revenues for the Water Supply Fund were $32.73 million and final expenditures were $32.58 million, with the actual expenditures being approximately $1.01 million lower than the final budget. The difference in budgeted expenditures was mostly attributable to reduced reimbursable project expenditures related to the PWM Grants, as well as the Aquifer Storage & Recovery operations, and Measure J-related expenditures for the acquisition of the water system. Additional information is available in the Required Supplementary Information of this report.

For the District's enterprise fund, an annual budget is adopted by the Reclamation Management Committee (RMC) for management purposes. Budget information is reported to the RMC and adjustments to the budget may only be made by resolution of the committee.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation/amortization, at June 30, 2026 totaled $54.98 million. This amount represents a net increase, including additions and disposals, net of depreciation/amortization, of approximately $1.18 million or 2.20% from June 30, 2025.

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

• Pure Water Monterey water operating reserve	$ 2,278,188
• Pure Water Monterey water drought reserve	$ 871,200
• Forest Lake Strainers (PBCSD - Project)	$ 278,845
• Tertiary Influent Pump #732 Rebuild (CAWD -Project)	$ 78,609
• 3-Way Inlet Valve Box-Elec Operator (PBCSD - Project)	$ 33,430
• Polyblend Unit (CAWD - Project)	$ 32,799
• Reclaim Pump #733 Rebuild (CAWD - Project)	$ 32,498

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

Additional information on the District's capital assets is provided in Note 5 on pages 53-54 of this report.

Capital Assets
(Net of Depreciation/Amortization)

	2026	2025
Governmental Activities		
Office Equipment	$ 10,312	$ 48,139
Computer Equipment	340,251	448,223
Operating Equipment	-	6,766
Transportation Equipment	37,671	61,892
Project Equipment	99,374	116,202
Building and Improvements	634,449	680,604
ASR Facilities	7,604,189	7,969,113
Fish Rearing Facility	2,699,105	2,795,540
Water Reserves	9,338,603	7,060,415
Drought reserve	871,200	-
Subtotal	21,635,154	19,186,894
Business-Type Acitivities:		
Water Resale Rights	32,689,407	33,993,944
Construction in Progress	661,649	621,397
Subtotal	33,351,056	34,615,341
Total	$ 54,986,210	$ 53,802,235

Debt Administration

The District does not currently carry debt from external entities, but reports liabilities for compensated absences, other postemployment benefits, and pension expenses.

Additional information on the District's long-term liabilities is provided in Note 7, Note 10 and Note 11 on pages 55, 56-63 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In developing the fiscal year (FY) 2026–2027 budget, the staff and management considered several factors that would impact the District's finances, including expected increases in water sale revenues, user fees, and property tax, which could be offset by the reduction in reimbursable grant revenues. FY 2026-27 budget includes reductions in PWM grant disbursements as the PWM expansion project has come to a close in FY 2025- 26, as well as reductions in purchases of water from the Pure Water Monterey Expansion Project as the District's PWM operating reserve requirements were met in FY 2025-26. The FY 2026-27 original budget has been developed and balanced using expected revenue to cover continuing operating expenditure levels, using fees to fully recover service costs, as well as a one-time use of fund balance to cover one-time capital projects such as redrilling of Seaside Basin monitoring wells and purchase of additional drought reserve. The original budget assumes continued user fees collected from Cal-Am ratepayers and property tax revenue derived from individual property owners. The budget includes a full year of PWM water sales (5,286 acre-feet) and assumes that the PWM Expansion will continue operations supplying an additional 2,250 acre-feet of recycled water annually.

On November 6, 2018, the public voted on Measure J to instruct the District to undertake a feasibility study on the public takeover of California American Water's Monterey Water System. The measure passed with the electorate voting 55.81% to 44.19% in favor of the measure. The District has spent about $4.05 million for the initial phases of the acquisition, which included the feasibility study (Phase 1), the Local Agency Formation Commission office's approval (Phase 2), appraisal through resolution of necessity (Phase 3), and eminent domain proceedings through bench trial (Phase 4). The District has budgeted an additional $1.8 million in FY 2026-27 for continuation of phase four of the eminent domain proceedings.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Chief Financial Officer, Monterey Peninsula Water Management District, 5 Harris Ct., Bldg G, Monterey, California 93940.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Monterey Peninsula Water Management District
Statement of Net Position
June 30, 2026
(With Comparative Totals for June 30, 2025)

	Governmental Activities	Business-Type Activities	2026 Total	2025 Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 4,957,731	$ 1,994,462	$ 6,952,193	$ 7,237,820
Investments	26,683,442	1,545,503	28,228,945	28,332,605
Receivables	3,433,249	1,174,064	4,607,313	6,261,866
Prepaid expenses and deposits	-	-	-	1,200
Internal balances	122,281	(122,281)	-	-
Total current assets	35,196,703	4,591,748	39,788,451	41,833,491
Non-current assets:				
Capital assets, net:				
Water rights	-	32,689,407	32,689,407	33,993,944
Non-depreciable	10,209,803	661,649	10,871,452	7,681,812
Depreciable	11,425,351	-	11,425,351	12,126,479
Total capital assets	21,635,154	33,351,056	54,986,210	53,802,235
Total non-current assets	21,635,154	33,351,056	54,986,210	53,802,235
Total assets	56,831,857	37,942,804	94,774,661	95,635,726
DEFERRED OUTFLOWS OF RESOURCES:				
Pension-related	1,840,561	-	1,840,561	2,187,047
OPEB-related	368,525	-	368,525	406,677
Total deferred outflows of resources	2,209,086	-	2,209,086	2,593,724
LIABILITIES				
Current liabilities:				
Accounts payable	5,433,800	465,232	5,899,032	5,812,556
Accrued liabilities	64,157	-	64,157	74,875
Settlement liability	49,858	-	49,858	3,353,245
Compensated absences - due within one year	214,215	-	214,215	255,222
Total current liabilities	5,762,030	465,232	6,227,262	9,495,898
Non-current liabilities:				
Compensated absences - due in more than one year	691,580	-	691,580	739,231
Net pension liability	6,696,604	-	6,696,604	7,536,683
Total OPEB liability	4,885,562	-	4,885,562	4,833,572
Total non-current liabilities	12,273,746	-	12,273,746	13,109,486
Total liabilities	18,035,776	465,232	18,501,008	22,605,384
DEFERRED INFLOWS OF RESOURCES:				
Pension-related	1,091,908	-	1,091,908	258,987
OPEB-related	748,578	-	748,578	707,911
Total deferred inflows of resources	1,840,486	-	1,840,486	966,898
NET POSITION:				
Investment in capital assets	21,635,154	33,351,056	54,986,210	53,802,235
Unrestricted	17,529,527	4,126,516	21,656,043	20,854,933
Total net position	$ 39,164,681	$ 37,477,572	$ 76,642,253	$ 74,657,168

See accompanying Notes to the Basic Financial Statements.

Monterey Peninsula Water Management District
Statement of Activities
For the Year Ended June 30, 2026
(With Comparative Totals for June 30, 2025)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	2026 Total	2025 Total
Governmental activities:							
Water Supply	$ 29,981,999	$ 25,162,815	$ 5,795,080	$ 975,896	$ -	$ 975,896	$ (2,604,424)
Conservation	2,869,286	1,987,645	-	(881,641)	-	(881,641)	(807,661)
Mitigation	3,183,095	1,537,617	86,620	(1,558,858)	-	(1,558,858)	(1,091,696)
Total governmental activities	36,034,380	28,688,077	5,881,700	(1,464,603)	-	(1,464,603)	(4,503,781)
Business-type activities:							
Reclamation Project	5,527,855	4,783,831	-	-	(744,024)	(744,024)	(283,822)
Total business-type activities	5,527,855	4,783,831	-	-	(744,024)	(744,024)	(283,822)
Total	$ 41,562,235	$ 33,471,908	$ 5,881,700	(1,464,603)	(744,024)	(2,208,627)	(4,787,603)
General revenues:							
Taxes				3,044,149	-	3,044,149	2,910,734
Investment earnings				1,080,171	60,413	1,140,584	1,232,860
Miscellaneous				7,126	1,853	8,979	13,893
Total general revenues				4,131,446	62,266	4,193,712	4,157,487
Changes in net position				2,666,843	(681,758)	1,985,085	(630,116)
Net position - beginning of year				36,497,838	38,159,330	74,657,168	75,287,284
Net position - end of year				$ 39,164,681	$ 37,477,572	$ 76,642,253	$ 74,657,168

See accompanying Notes to the Basic Financial Statements.

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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Monterey Peninsula Water Management District
Balance Sheet
Governmental Funds
June 30, 2026
(With Comparative Totals for June 30, 2025)

	Water Supply	Conservation	Mitigation	2026 Total	2025 Total
ASSETS					
Cash and cash equivalents	$ 510,383	$ 2,267,027	$ 2,180,321	$ 4,957,731	$ 5,975,410
Investments	12,141,248	6,191,481	8,350,713	26,683,442	26,393,955
Receivables	3,079,826	181,966	171,457	3,433,249	5,224,151
Due from Reclamation Project	59,208	17,705	45,368	122,281	122,281
Due from other funds	-	500,000	500,000	1,000,000	-
Total assets	$ 15,790,665	$ 9,158,179	$ 11,247,859	$ 36,196,703	$ 37,715,797
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	5,089,670	149,464	194,666	5,433,800	5,238,851
Accrued liabilities	40,379	10,070	13,708	64,157	74,875
Settlement liability	49,858	-	-	49,858	3,353,245
Due to other funds	1,000,000	-	-	1,000,000	-
Total liabilities	6,179,907	159,534	208,374	6,547,815	8,666,971
Deferred inflows of resources:					
Unavailable revenue	47,403	-	-	47,403	52,510
Total deferred inflows of resources	47,403	-	-	47,403	52,510
Fund balances:					
Assigned:					
Insurance/litigation	171,354	11,906	66,740	250,000	250,000
Asset Replacement	766,016	382,633	1,115,451	2,264,100	1,938,100
Flood/drought emergencies	-	-	500,000	500,000	500,000
Pension/OPEB	552,000	452,000	596,000	1,600,000	1,400,000
Compensated absences	79,257	72,464	74,728	226,449	-
Capital reserve	433,129	396,004	408,379	1,237,512	-
Water Supply Reserve	-	-	-	-	3,363,928
Project expenditures	7,561,599	7,683,638	8,278,187	23,523,424	21,544,288
Total assigned	9,563,355	8,998,645	11,039,485	29,601,485	28,996,316
Total fund balances	9,563,355	8,998,645	11,039,485	29,601,485	28,996,316
Total liabilities, deferred inflows of resources, and fund balances	$ 15,790,665	$ 9,158,179	$ 11,247,859	$ 36,196,703	$ 37,715,797

See accompanying Notes to the Basic Financial Statements.

Monterey Peninsula Water Management District
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
Total fund balances of governmental funds:	$ 29,601,485	$ 28,996,316
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,635,154	19,186,894
Unavailable revenue is not available to pay for current-period expenditures and therefore is deferred in the funds.	47,403	52,510
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Total OPEB liability	(4,885,562)	(4,833,572)
Net pension liability	(6,696,604)	(7,536,683)
Compensated absences	(905,795)	(994,453)
	(12,487,961)	(13,364,708)
Deferred outflows and inflows of resources related to the net pension liability and total OPEB liability are applicable to future periods, and therefore, are not reported in the funds:		
Pension-related deferred outflows	1,840,561	2,187,047
Pension-related deferred inflows	(1,091,908)	(258,987)
OPEB-related deferred outflows	368,525	406,677
OPEB-related deferred inflows	(748,578)	(707,911)
	368,600	1,626,826
Net position of governmental activities	$ 39,164,681	$ 36,497,838

See accompanying Notes to the Basic Financial Statements.

Monterey Peninsula Water Management District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2026
(With Comparative Totals for June 30, 2025)

	Water Supply	Conservation	Mitigation	2026 Total	2025 Total
Revenues:					
Property taxes	$ 1,390,633	$ 826,758	$ 826,758	$ 3,044,149	$ 2,910,734
Water sales	19,610,102	-	-	19,610,102	14,619,500
User fees	4,457,249	1,472,997	1,537,617	7,467,863	7,661,639
Connection charges, net of refunds	810,760	100	-	810,860	491,694
Permit fees	-	274,981	-	274,981	203,865
Project reimbursements	289,812	163,424	-	453,236	1,088,503
Investment income	367,308	356,456	356,406	1,080,170	1,172,124
Legal fee reimbursements	-	7,424	-	7,424	16,498
Recording fees	-	68,718	-	68,718	57,210
Grants	5,795,080	-	86,620	5,881,700	9,774,109
Miscellaneous	2,511	2,256	2,360	7,127	8,458
Total revenues	32,723,455	3,173,114	2,809,761	38,706,330	38,004,334
Expenditures:					
Personnel:					
Salaries	1,621,147	1,095,481	1,191,589	3,908,217	3,425,553
Employee benefits and other personnel	796,672	557,271	653,888	2,007,831	1,787,838
Services and supplies:					
Project expenditures	6,704,619	449,318	360,116	7,514,053	9,186,672
Water purchases	19,610,102	-	-	19,610,102	14,619,500
Operating expenditures	372,475	343,813	358,054	1,074,342	1,068,635
Professional fees	303,888	235,090	264,655	803,633	844,247
Settlement expense	-	-	-	-	3,353,245
Capital outlay	3,167,694	7,502	7,787	3,182,983	822,901
Total expenditures	32,576,597	2,688,475	2,836,089	38,101,161	35,108,591
NET CHANGE IN FUND BALANCES	146,858	484,639	(26,328)	605,169	2,895,743
FUND BALANCES:					
Beginning of year	9,416,497	8,514,006	11,065,813	28,996,316	26,100,573
End of year	$ 9,563,355	$ 8,998,645	$ 11,039,485	$ 29,601,485	$ 28,996,316

See accompanying Notes to the Basic Financial Statements.

Monterey Peninsula Water Management District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
Net change in fund balances	$ 605,169	2,895,743
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:		
Capital outlay not capitalized	(33,595)	(10,108)
Capital outlay	3,182,983	822,901
Depreciation expense	(701,128)	(694,980)
	2,448,260	117,813
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(5,107)	(2,715,031)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated absences	88,658	(210,645)
OPEB costs	(130,809)	(74,928)
Current year pension cost difference	(339,328)	(425,417)
	(381,479)	(710,990)
Change in net position	$ 2,666,843	$ (412,465)

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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Monterey Peninsula Water Management District
Statement of Net Position - Proprietary Fund
CAWD/PBCSD Wastewater Reclamation Project
June 30, 2026
(With Comparative Totals for June 30, 2025)

ASSETS	2026	2025
Current assets:		
Cash and cash equivalents	$ 1,994,462	$ 1,931,397
Investments	1,545,503	1,269,663
Accounts receivable - water sales	1,145,127	1,016,061
Accounts receivable - other	28,937	21,654
Total current assets	4,714,029	4,238,775
Noncurrent assets:		
Deposits	-	1,200
Capital assets, net:		
Water resale rights	32,689,407	33,993,944
Construction-in-progress	661,649	621,397
Total capital assets	33,351,056	34,615,341
Total noncurrent assets	33,351,056	34,616,541
Total assets	38,065,085	38,855,316
LIABILITIES		
Current liabilities:		
Accounts payable - trade	246,701	180,390
Accounts payable - affiliates	218,531	393,315
Due to other funds	122,281	122,281
Total current liabilities	587,513	695,986
Total liabilities	587,513	695,986
NET POSITION:		
Investment in capital assets	33,351,056	34,615,341
Unrestricted	4,126,516	3,543,989
Total net position	$ 37,477,572	$ 38,159,330

See accompanying Notes to the Basic Financial Statements.

Monterey Peninsula Water Management District
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
CAWD/PBCSD Wastewater Reclamation Project
For the Year Ended June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
OPERATING REVENUES:		
Water sales	$ 3,823,685	$ 3,297,991
Fixed cost charge	960,146	1,741,250
Total operating revenues	4,783,831	5,039,241
OPERATING EXPENSES:		
Plant operating costs	2,703,373	2,636,935
Distribution costs	567,572	502,271
General and administration	353,122	304,697
Potable water purchases	6,158	5,238
MPWMD fee	82,156	71,221
Amortization	1,815,474	1,802,701
Total operating expenses	5,527,855	5,323,063
OPERATING (LOSS)	(744,024)	(283,822)
NONOPERATING INCOME (EXPENSES):		
Investment earnings	60,413	60,736
Other nonoperating revenues	1,853	5,435
Total nonoperating income	62,266	66,171
Change in net position	(681,758)	(217,651)
NET POSITION:		
Beginning of year	38,159,330	38,376,981
End of year	$ 37,477,572	$ 38,159,330

See accompanying Notes to the Basic Financial Statements.

Monterey Peninsula Water Management District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 4,647,482	$ 5,061,984
Cash payments for operating expenses	(3,819,654)	(3,314,767)
Net cash provided by operating activities	827,828	1,747,217
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Other non-operating income	1,853	5,435
Net cash provided by noncapital financing activities	1,853	5,435
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Construction in progress - capital additions	(551,189)	(1,065,512)
Net cash (used in) capital and related financing activities	(551,189)	(1,065,512)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment earnings	60,413	60,736
Purchase of investments	(275,840)	(38,927)
Net cash provided by (used in) investing activities	(215,427)	21,809
Net change in cash and cash equivalents	63,065	708,949
CASH AND CASH EQUIVALENTS:		
Beginning of year	1,931,397	1,222,448
End of year	$ 1,994,462	$ 1,931,397
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	(744,024)	(283,822)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Amortization	1,815,474	1,802,701
(Increase)/decrease in:		
Receivables	(136,349)	22,743
Deposits	1,200	(3)
Increase (decrease) in:		
Accounts payable	(108,473)	195,713
Due to other funds	-	9,885
Net cash provided by operating activities	$ 827,828	$ 1,747,217
Supplemental disclosure of noncash investing and financing activities		
Unrealized gains (losses) on investments	$ (1,379)	$ 8,068

See accompanying Notes to the Basic Financial Statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Monterey Peninsula Water Management District
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For the Year Ended June 30, 2026

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Note 1 – Summary of Significant Accounting Policies

A. Abbreviations Used

ASR	Aquifer Storage & Recovery
CAW	California–American Water Company
CAWD	Carmel Area Wastewater District
COP	Certificates of participation
O&M	Operations and maintenance
PBCo.	Pebble Beach Company
PBCSD	Pebble Beach Community Services District
Project	CAWD/PBCSD Reclamation Project
PWM	Pure Water Monterey

B. Description of the Reporting Entity

The Monterey Peninsula Water Management District (the "District") was created by Chapter 527, Statutes of 1977 (Assembly Bill No. 1329) of the California Legislature, on September 2, 1977. The District was created to provide integrated management of ground and surface water supplies, and to exercise regulatory control over the collection, storage, distribution, and delivery of water and wastewater within its jurisdiction including, but not limited to, such functions as management and regulation of the use, reuse, reclamation and conservation of water, and bond financing of public works projects. Water service is principally supplied by other entities, but the District has the power to acquire public or private water systems. The District also has the power to levy and collect real estate taxes. Operations were commenced during the fiscal year beginning July 1, 1978.

The District has a seven-member board of directors. Five directors are elected every four years on a staggered basis. Of the other two directors, one must be a member of the Monterey County Board of Supervisors and the other must be a chief executive officer, mayor, or member of the governing body of a city member unit. The Board of Directors has continuing oversight responsibility for the District.

The geographic jurisdiction of the District approximates the Monterey Peninsula and the Carmel River watershed including all of the cities (except Marina) and the unincorporated communities therein.

The District has no component units, blended or discretely presented, for which it is financially accountable or whose exclusion would cause the financial statements to be misleading.

The accompanying financial statements conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to governments. The following is a summary of the more significant accounting policies used by the District:

C. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Conservation, Mitigation or Water Supply) or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. The District allocates indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity; 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or identifiable activity; and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function) is normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds. The District has one proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if they are collected within ninety days of the end of the current fiscal year.

Property taxes that have been levied and are due on or before year-end are recognized as revenue if they have been collected within ninety days after year-end. Water supply charges, connection charges and permit fees are considered to be measurable when they have been collected and are recognized as revenue at that time. Investment earnings are recorded as earned since they are measurable and available.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, and claims and judgments are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Proprietary fund level financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Nonoperating revenues and expenses include subsidies received and provided, revenues and expenses related to financing, resources from the disposal of capital assets, and investment income. All other revenues and expenses are reported as operating. The Project's operating revenues consist of reclaimed water sales and fixed cost charges billed to the Project's users under the Project's rate structure. Operating expenses include plant operating costs, distribution costs, general and administrative expenses, and amortization of water resale rights. The Project did not have any noncapital subsidies for the year ended June 30, 2026.

The following major funds are used by the District:

Governmental Funds

The following is a description of the Governmental Funds of the District:

Water Supply Fund – acts as the District's general fund. It accounts for all financial resources of the District except those required to be accounted for in another fund, including water supply activities, related staff support, and acquisition or construction of water supply capital facilities.

Conservation Fund – a special revenue fund. It accounts for resources used for water conservation activities mandated by District legislation. Through its Water Demand Division, the District provides information and programs to achieve efficient water use and maximize available supplies, including community education and outreach, incentive and training programs, and permitting and enforcement of conservation regulations.

Mitigation Fund – a special revenue fund. It accounts for resources used to finance work along the Carmel River under the Mitigation Program, which was designed to address impacts identified in the District's Allocation Program Environmental Impact Report.

The District has no non-major funds.

Proprietary Fund

The following is a description of the Proprietary Fund of the District:

Enterprise Fund – accounts for the activity of the CAWD/PBCSD Reclamation Project.

E. Basis of Presentation and Accounting

1. Cash Equivalents

The District considers all highly liquid assets which have an original term of less than ninety days to maturity when purchased as cash equivalents.

2. Pooled Cash

Cash accounts including those for (Reclamation) which essentially operate as demand deposit accounts are maintained by the District and Monterey County Treasurer's Office. Available cash balances are controlled and invested in pooled investment funds in order to provide safety, liquidity, and high investment returns for all funds. Interest earnings from these funds are generally credited to the District's account on a quarterly basis.

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation and Accounting (Continued)

2. Pooled Cash (Continued)

The District and Monterey County Treasurer's Investment policy is in compliance with Section 53635 of the Government Code of the State of California which permits investments in certain securities and participation in certain investment trading techniques or strategies.

3. Investments

Resolution 83-17 adopted September 12, 1983, authorized investment of the District's monies with the State Treasurer for deposit in the Local Agency Investment Fund (LAIF). Money in the fund is invested by the State Treasurer to realize the maximum return consistent with prudent treasury management. All earnings of the fund, less a reimbursement of management costs incurred not to exceed one quarter of one percent of earnings, are distributed to the contributing agencies in their relative shares each quarter. The balances of funds in LAIF are stated at fair value.

The types of investments the District may purchase are not limited by legal or contractual provisions, but the Board has established policies on investments and consistent with State guidelines.

The Reclamation Project does not have a specific investment policy but generally follows the guidelines of the County of Monterey's Investment Policy. All funds invested are managed to meet the guidelines stated in both California Code Section 53600, et. seq. and the County's investment policy.

4. Receivables and Deferred Inflows of Resources

Receivables are amounts due representing revenues earned or accrued in the current period. Receivables which have not been remitted within ninety days subsequent to year end are offset by deferred inflows of resources, and accordingly have not been recorded as revenue in the governmental fund. When the revenue becomes available, the revenue is recognized in the governmental fund. Deferred inflows are detailed on the balance sheet.

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The allowance is based on an assessment of the current status of individual accounts. At June 30, 2026, no allowance for doubtful accounts is provided because management believes all receivables are collectible.

5. Prepaid Items

Prepaid items are capitalized and amortized ratably over the period of benefit.

6. Capital Assets

Property, facilities, and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed capital assets are recorded at acquisition value at the time received. Capital assets are defined by the District as assets with an estimated useful life in excess of one year and an initial, individual cost of more than $5,000 for equipment, land, facilities, and improvements.

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation and Accounting (Continued)

6. Capital Assets (Continued)

Property, facilities, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Equipment	3 to 20 Years
Building and improvements	5 to 39 Years
Monitoring stations	5 to 10 Years
ASR facilities	30 to 40 Years
Fish rearing facility	5 to 40 Years
Leasehold improvements	10 to 40 Years

7. Water Reserves

The water reserves account has two sub-accounts: the operating reserve and the drought reserve. The District allocates all excess water into either the operating reserve or the drought reserve as it shall determine in its sole discretion. The District owns any water in the reserve account, until such time as operating reserve water or drought reserve water is used to satisfy the water availability guarantee at which point it shall become Company water and be owned by California American Water. The water reserves are capitalized as an intangible asset with an indefinite life and therefore are not subject to amortization.

8. Water Resale Rights

Proceeds from the issuance of the Certificates of Participation were used to construct facilities for wastewater reclamation and distribution. The District does not own these facilities, but instead owns the rights to the reclaimed water for resale. The Project capitalizes the costs incurred in order to obtain these water rights in accordance with generally accepted accounting principles for intangible assets. As a result, capital outlays have been capitalized into this account. These rights are presented net of accumulated amortization.

9. Amortization

The water resale rights are amortized using the straight-line method over the expected useful life of the reclamation plant, which is forty years, in accordance with GASB Statement No. 51*, Accounting and Reporting for Intangible Assets*, which specifies that an intangible asset shall be amortized over its useful life, unless that life is determined to be indefinite.

10. Deferred Outflows/Inflows of Resources

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation and Accounting (Continued)

11. Compensated Absences

The District accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is recognized for leave benefits (such as vacation and sick leave) when the benefits are attributable to services already rendered, accumulate for use in future periods, and are more likely than not to be used or paid. The liability is measured using the employee's pay rate in effect at the financial statement date and includes salary-related payments.

12. Interfund Activity

During the course of operations, transactions occur between individual funds that result in amounts owed between funds, which are classified as "due to/from other funds." Eliminations have been made on the government-wide statements for amounts due to/from within the governmental funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for services to business-type activities of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

13. Pensions

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

For this report, the following timeframes are used:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

14. Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when currently due and payable in accordance with the benefit terms.

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation and Accounting (Continued)

14. Other Postemployment Benefits (OPEB) (Continued)

U.S. GAAP require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2025
Measurement Date	June 30, 2026
Measurement Period	July 1, 2025 to June 30, 2026

15. Net Position

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

- *Investment in capital assets* consists of capital assets, net of accumulated depreciation and amortization.
- *Restricted* results when constraints placed on net positions use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

16. Fund Balances

Fund balance classifications are based primarily on the extent to which the District is bound to honor constraints on the use of resources reported in each governmental fund.

The District reports the following classifications:

- *Nonspendable* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid expenses and long-term receivables or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
- *Restricted* – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Board. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking some type of action (passage of a resolution). Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Board. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions or enabling legislation.

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation and Accounting (Continued)

16. Fund Balances (Continued)

- Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purpose but are neither restricted nor committed. Intent is expressed by (a) the General Manager or (b) the Board. The Board has the authority to remove or change the assignment of the funds with a simple majority vote.

- Unassigned – This fund balance is the residual fund balance of the Water Supply Fund (the District's general fund) and includes all spendable amounts not contained in the other classifications. In other governmental funds, unassigned is used only to report a negative fund balance resulting from expenditures for specific purposes that exceed the amounts restricted, committed, or assigned to those purposes.

When restricted and other fund balance resources are available for use, it is the District's policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

17. Property Taxes

The County of Monterey is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions, including the District. Secured property taxes for each year ended June 30 are payable in equal installments, November 1, and February 1, and become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year. Property taxes are accounted for as collected and remitted by the County in the governmental funds. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid on August 31.

The term "Unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes are recorded when received by the District and recognized as revenue if received with ninety days of the end of the fiscal year. Current year revenues are those collected within the current period or soon enough thereafter to pay current liabilities, generally within ninety days of year-end. No allowance is provided for delinquent taxes as the lien is considered an enforceable legal obligation.

18. Permit Fees

Permit fee revenue is recorded as permits are issued. The District is required to refund permit fees if the permit is not used or to grant an extension of time upon a reasonable request. If a refund is issued, the refunded party also relinquishes any water rights associated with the permit. It is the District's policy to record such refunds as they become payable.

19. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation and Accounting (Continued)

20. Implementation of New GASB Pronouncements for the Year Ended June 30, 2026

GASB Statement No. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

Implementation did not affect beginning net position or fund balance, but it did change the presentation of the financial statements and required supplementary information, as follows:

- The budgetary comparison schedules for the Water Supply Fund and the major special revenue funds now present variances between the original and final budgets, in addition to variances between the final budget and actual results. Explanations of significant variations are included in the notes to the required supplementary information.
- Management's discussion and analysis has been revised to follow the content requirements of the Statement.
- Proprietary fund revenues and expenses are classified as operating or nonoperating using the Statement's revised definitions.

GASB Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets.* This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement 96, *Subscription-Based Information Technology Arrangements,* also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The District implemented this Statement for the fiscal year ended June 30, 2026. The District has no lease, public-private or public-public partnership, or subscription assets, and its other intangible assets (water reserves and water resale rights) were already disclosed separately by major class in Note 5. Accordingly, implementation had no effect on the District's financial statements or note disclosures.

21. Upcoming Government Accounting Standards Implementations

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 105

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. Application of this statement is effective for the District's fiscal year ending June 30, 2027.

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation and Accounting (Continued)

22. Summarized Financial Information

The basic financial statements include certain prior year summarized comparative information in total but not by activities or fund. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

Note 2 – The CAWD/PBCSD Reclamation Project

The CAWD/PBCSD Reclamation Project (the Project) is a cooperative effort involving the District, the Carmel Area Wastewater District (CAWD), the Pebble Beach Community Services District (PBCSD), and the Pebble Beach Company (PBCo.). This cooperative effort did not create a new or separate legal entity. Therefore, the Project is a proprietary (enterprise) fund of the District, the issuer of the Certificates of Participation which financed the Project's first construction project.

The Project provides treated wastewater to irrigate golf courses and open space areas in the Pebble Beach community, which freed up potable water previously used for irrigation. The original Project involved the construction of a new tertiary treatment plant and laboratory facilities located on the site of the existing CAWD secondary wastewater treatment plant, the construction of a new reclaimed distribution system, including a 2.5 million gallon storage tank and irrigation system improvements. Construction of the original Project began in January 1993 and was completed in October 1994. The tertiary treatment plant produces water which meets Title 22 standards specified by the California Department of Health Services, which is a quality acceptable for human contact.

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

- Assets owned by CAWD: (1) a tertiary treatment plant, (2) secondary process improvements, (3) laboratory facilities, (4) a reclaimed water pump station, (5) related computer equipment and, (6) a small portion of the reclaimed water pipeline.

- Assets owned by PBCSD: (1) approximately seven miles of reclaimed water distribution system pipeline, (2) the Forest Lake Reservoir, (3) a 2.5 million gallon storage tank, and (4) a potable water pump station.

The original Project was financed by Certificates of Participation (COP) which were executed and delivered at the direction of the District in December 1992 in the amount of $33,900,000. The District provided the funds necessary to construct and operate the Project and then obtained ownership of the reclaimed water for the purpose of resale. PBCo. guaranteed payment of construction costs of the Project as well as any operating deficiencies.

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

Note 2 – The CAWD/PBCSD Reclamation Project (Continued)

Subsequent to the completion of the original facilities, the Project has been expanded to increase the quantity and quality of reclaimed water. The expanded project utilizes the Forest Lake Reservoir located in Pebble Beach which provides up to 115 million gallons of storage capacity. The Reservoir is filled with reclaimed water during winter months when there is excess production at the treatment plant. The stored water is used during summer months when the daily irrigation demand exceeds treatment plant production capacity. In 1998, PBCSD purchased the Reservoir from California-American Water Company. The rehabilitation and reservoir expansion was completed in 2009 in accordance with State Water Resources Division of Safety of Dams requirements. The construction costs of approximately $13 million were financed by the sale of Pebble Beach Company water entitlements.

The Microfiltration/Reverse Osmosis (MF/RO) phase of the project (phase II), located at the CAWD treatment plant site, began design in 2006 and construction was completed in 2009. The intent of the MF/RO phase is to reduce the sodium content of the tertiary reclaimed water from 150 mg/l to less than 55 mg/l to reduce the stress on the golf greens and eliminate the need for flushing the courses with potable water. The design capacity for the MF/RO is 1.5 million gallons with an expected blend of 80% RO water and 20% MF water. The cost of the MF/RO construction project was approximately $21 million were financed through the sale of water entitlements owned by the PBCo. to residential property owners within the Pebble Beach community.

Note 3 – Cash and Investments

Cash and Cash Equivalents

Balances in cash and cash equivalents consist of bank accounts insured by the Federal Depository Insurance Corporation (FDIC) or Securities Investment Protection Corporation (SIPC) or collateralized by the pledging institution under the California Government Code.

The District had the following cash and investments at June 30, 2026:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 4,957,731	$ 1,994,462	$ 6,952,193
Investments	26,683,442	1,545,503	28,228,945
	$ 31,641,173	$ 3,539,965	$ 35,181,138

The District's cash and investment at June 30, 2026, in more detail:

Cash on hand	$ 600
Deposits with financial institution	6,453,083
Monterey County Investment Pool	1,511
Mutual Funds	497,000
Total cash	6,952,194
Investments	28,228,945
Total investments	28,228,945
Total cash and investments	$ 35,181,139

Note 3 – Cash and Investments (Continued)

Investments

The District's investments consist of obligations of the United States government and its agencies and instrumentalities, municipal obligations, corporate obligations, certificates of deposit, money market accounts, and the State Treasurer's Local Agency Investment Fund. All investments are recorded at fair value. The California Government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The investment of state pooled funds is governed by state law, by policies adopted by the Pooled Money Investment Board (PMIB) and by accepted norms for prudent fiduciary management of investments. PMIB funds may be invested in a wide range of interest-bearing securities, such as Treasury notes, prime commercial paper, certain California municipal and agency obligations, highly rated corporate bonds, obligations of such agencies as FannieMae, and negotiable certificates of deposit. Also allowed are time deposits in California banks, savings and loans, and credit unions that have not less than a "satisfactory" CRA rating. The value of each participating dollar equals the fair value divided by the amortized cost. The District's fair value of the position in the pool is the same as the value of the pool shares.

Investments at June 30, 2026 consisted of the following:

Governmental Activities:		
Local Agency Investment Fund	$	14,756,414
Money Market Funds		1,059,910
Certificates of Deposit		9,134,112
US Treasury Securities		509,375
U.S. Government Bonds		1,223,631
Subtotal Governmental Activities		26,683,442
Business-Type Activities:		
Certificates of Deposit		1,545,503
Subtotal Business-Type Activities		1,545,503
Total Investments	$	28,228,945

Note 3 – Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair value of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment by maturity as of June 30, 2026.

	Remaining Maturity (in Months)			
Investments Type	12 Months or Less	13 to 24 Months	25 to 60 Months	Total
Local Agency Investment Fund	$ 14,756,414	$ -	$ -	$ 14,756,414
Money Market Funds	1,059,910	-	-	1,059,910
Certificates of Deposit (Governmental Activities)	2,737,957	2,484,174	3,911,981	9,134,112
US Treasury Securities	-	-	509,375	509,375
U.S. Government Bonds	247,323	-	976,308	1,223,631
Certificates of Deposit (Business-Type Activities)	1,182,263	363,240	-	1,545,503
Total investments	$ 19,983,867	$ 2,847,414	$ 5,397,664	$ 28,228,945

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Pool does not have a rating provided by a nationally recognized statistical rating organization. The certificates of deposit are not rated.

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy that complies with the California Government Code commencing at Section 53630 (Public Deposits). As of June 30, 2026, $6,036,985 of the District's bank balances of $6,536,985 were exposed to custodial credit risk as uninsured but are collateralized by the pledging bank's trust department not in the District's name.

The difference between bank balances and the carrying amounts (book value) represents outstanding checks and deposits in transit.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that in the event of the failure of the counterparty (e.g. broker- dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Note 3 – Cash and Investments (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Fair Value Measurements

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

	Measurement Input			
Investments type	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized	Total
Certificates of Deposit (Governmental Activities)	$ -	$ 9,134,112	$ -	$ 9,134,112
US Treasury Securities	509,375	-	-	509,375
U.S. Government Bonds	-	1,223,631	-	1,223,631
Certificates of Deposit (Business-Type Activities)	-	1,545,503	-	1,545,503
Total Leveled Investments	509,375	11,903,246	-	12,412,621
Local Agency Investment Fund	-	-	14,756,414	14,756,414
Money Market Funds	-	-	1,059,910	1,059,910
Total Investments	$ 509,375	$ 11,903,246	$ 15,816,324	$ 28,228,945

Note 4 – Receivables

Receivables consist of the following at June 30, 2026:

	Water Supply	Conservation	Mitigation	Total
Governmental Activities:				
User fees	$ 453,622	$ 111,013	$ 89,337	$ 653,972
Reimbursements	2,523,046	21,867	-	2,544,913
Property taxes	48,663	-	-	48,663
Interest	50,574	49,086	49,086	148,746
Other	3,921	-	33,034	36,955
Total Governmental Activities	$ 3,079,826	$ 181,966	$ 171,457	3,433,249
Business-Type Activities:				
Water sales				1,145,127
Other				28,937
Total Business-Type Activities				1,174,064
Total				$ 4,607,313

Note 5 – Capital Assets

Summary of changes in governmental activities capital assets for the year ended June 30, 2026, are as follows:

Asset Description	Balance July 01, 2025	Additions	Transfers	Balance June 30, 2026
Governmental activities:				
Non-depreciable assets:				
Water reserve	$ 7,060,415	$ 2,278,188	$ -	$ 9,338,603
Drought reserve	-	871,200	-	871,200
Total non-depreciable assets	7,060,415	3,149,388	-	10,209,803
Depreciable assets:				
Equipment:				
Office	48,139	-	(35,951)	12,188
Computer	1,434,153	-	36,827	1,470,980
Operating	6,766	-	(6,766)	-
Transportation	497,089	-	-	497,089
Project	137,940	-	-	137,940
Phone	34,240	-	-	34,240
Total equipment	2,158,327	-	(5,890)	2,152,437
Building and improvements	1,984,996	-	5,890	1,990,886
Aquifer Storage & Recovery "ASR" facilities	11,428,101	-	-	11,428,101
Fish rearing facility	3,969,186	-	-	3,969,186
Leasehold improvements	14,861	-	-	14,861
Total depreciable assets	19,555,471	-	-	19,555,471
Less accumulated depreciation for:				
Equipment:				
Office	-	(1,876)	-	(1,876)
Computer	(985,930)	(144,799)	-	(1,130,729)
Transportation	(435,197)	(24,221)	-	(459,418)
Project	(21,738)	(16,828)	-	(38,566)
Phone	(34,240)	-	-	(34,240)
Total equipment	(1,477,105)	(187,724)	-	(1,664,829)
Building and improvements	(1,304,392)	(52,045)	-	(1,356,437)
Aquifer Storage & Recovery "ASR" facilities	(3,458,988)	(364,924)	-	(3,823,912)
Fish rearing facility	(1,173,646)	(96,435)	-	(1,270,081)
Leasehold improvements	(14,861)	-	-	(14,861)
Total accumulated depreciation	(7,428,992)	(701,128)	-	(8,130,120)
Total depreciable assets, net	12,126,479	(701,128)	-	11,425,351
Total governmental activities capital assets, net	$ 19,186,894	$ 2,448,260	$ -	$ 21,635,154

Note 5 – Capital Assets (Continued)

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

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

Water Supply	$ 439,578
Conservation	66,240
Mitigation	195,310
Total depreciation expense	$ 701,128

Summary of changes in business-type activities capital assets for the year ended June 30, 2026, are as follows:

Asset Description	Balance July 01, 2025	Additions	Deletions/ Transfers	Balance June 30, 2026
Business-type activities:				
Non-depreciable/amortizable assets:				
Construction in progress	$ 621,397	$ 319,096	$ (278,844)	$ 661,649
Total non-depreciable/amortizable assets	621,397	319,096	(278,844)	661,649
Depreciable/amortizable assets:				
Water resale rights	72,107,869	232,093	278,844	72,618,806
Less accumulated amortization for:				
Water resale rights	(38,113,925)	(1,815,474)	-	(39,929,399)
Total water resale rights, net	33,993,944	(1,583,381)	278,844	32,689,407
Total business-type activities capital assets, net	$ 34,615,341	$ (1,264,285)	$ -	$ 33,351,056

Amortization expense was charged to function of the business-type activity for the year-ended June 30, 2026 as follows:

Reclamation projects	$ 1,815,474
Total amortization expense	$ 1,815,474

Note 6 – Transactions with Related Organizations

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

At June 30, 2026, accounts receivable from these organizations were as follows:

Receivable from PBCo. and Affiliated Golf Courses:	
Water sales	$ 1,145,127
Total	$ 1,145,127

At June 30, 2026, accounts payable to these organizations were as follows:

Payable to PBCSD for operations and maintenance	$ 128,265
Payable to CAWD for operations and maintenance	90,266
Total	$ 218,531

Note 7 – Compensated Absences

Compensated absences activity for the year ended June 30, 2026 is as follows:

	Balance July 01, 2025	Increase / Decrease	Balance June 30, 2026	Due Within One Year	Due in More Than One Year
Governmental Activities:					
Compensated Absences *	$ 994,453	$ (88,658)	$ 905,795	$ 214,215	$ 691,580
Total Governmental Activities	$ 994,453	$ (88,658)	$ 905,795	$ 214,215	$ 691,580

* Presented as net change during the year ended June 30,2026.

Note 8 – Risk Management

The District is insured against various risks of loss related to torts, thefts of, damage to or destruction of assets; errors and omissions; work-related injuries to employees and natural disasters through participation in a joint venture under a joint powers agreement (JPA) with the Special District Risk Management Authority (SDRMA). The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes. The insurance carried by the District includes policies for workers' compensation, general liability, errors and omissions, and vehicular liability.

There have not been any significant reductions in insurance coverage as compared to the previous year. Settled claims from these risks have not exceeded commercial coverage in any of the past three years.

SDRMA was formed under a joint-powers agreement pursuant to California Government Code Section 6500 et seq. effective August 1, 1986 to provide general liability, comprehensive/collision liability and property damage, and errors and omissions risk financing for the member districts. SDRMA is administered by a Board of Directors, consisting of one member appointed by the California Special Districts Association and five members elected by the districts participating. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

The SDRMA did not have long-term debt outstanding at June 30, 2026, other than claims liabilities and lease obligations. The District's share of year-end assets, liabilities and risk margin has not been calculated by the SDRMA.

Note 9 – Deferred Compensation Plan

The District has a deferred compensation plan for its eligible employees wherein amounts earned by the employees are paid at a future date. This plan meets the requirements of Internal Revenue Code Section 457. All full-time, regular employees are permitted to participate in the plan beginning on the day of hire.

The employee may elect to make tax deferred contributions up to the limits established by the Internal Revenue Service for this type of plan. The employee is 100% vested in their contributions from the first date of participation. The plan does not provide for District contributions. The participant has a choice of investment options.

Note 9 – Deferred Compensation Plan (Continued)

The plan is administered by ICMA Retirement Corporation (International City Management Association). The assets of the plan are held in trust. The plan assets held in the ICMA Retirement Trust are held for the exclusive benefit of the plan participants and their beneficiaries. The assets shall not be diverted to any other purpose. The plan does not permit loans.

The District has no administrative involvement in the plan and does not control the plan's assets. In accordance with GASB Statement No. 84, *Fiduciary Activities,* and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the plan is not reported in the District's financial statements.

Note 10 – Postemployment Benefits Other than Pensions (OPEB)

Plan Descriptions

The District administers a single-employer defined-benefit postemployment healthcare plans (the Retiree Health Plans). Dependents are eligible to enroll, and benefits continue to surviving spouses for one year following the member's death. The Retiree Health Plans provide healthcare insurance for eligible retirees and dependents or survivors. Coverage to members of the General Staff Bargaining Unit is provided through the Association of California Water Agencies Health Benefit Authority Anthem Classic Plan, and coverage for the Management Staff Bargaining Unit members and the Confidential Staff Bargaining Unit members are provided through the Laborer's Trust Funds for Northern California Special Plan III. The Plans provide for continuation of medical insurance benefits for certain retirees and their dependents or survivors who meet the eligibility criteria established by the District and/or medical care providers. The Plans can be amended by action of the Board of Directors during negotiation of periodic Memorandums of Understanding with the different bargaining units. The Plans do not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plans.

Benefits Provided

Retirees are eligible for medical benefits if they retire at Age 50+. A retiree who was hired before July 1, 2013 and retires with 15+ years of service is eligible to receive a payment of $1,544.04 per month for fiscal-year end June 30, 2026. The amount of this payment increases 3% annually. All other retirees are eligible to receive $540 per month with no service requirements. There are no disability benefits.

Employees Covered by Benefit Terms

At June 30, 2025 (the valuation date), the benefit terms covered the following employees:

Active Employees	26
Inactive Employees, Spouses, or Beneficiaries	
Currently Receiving Benefit Payments	18
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-
	44

Note 10 – Postemployment Benefits other than Pensions (OPEB) (Continued)

Contributions

The contribution requirements of the District are based on a pay-as-you-go basis. For the fiscal year ended June 30, 2026, the District paid a total contributions of $185,587 for retiree health benefits. The District currently contributes enough money to the plans to satisfy current obligations on a pay-as- you-go basis. There are no assets accumulated in a qualifying trust.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2026, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary Increases	2.80% The salary increase is used to determine the growth in the aggregate payroll. Individual Salary Increases: 2021 CalPERS Merit Salary Increases.
Healthcare Trend Rate	8.63% in the first year, trending down to 4.00% over 51 years.

Mortality rates were based on CalPERS tables.

Discount Rate

The discount rate used to measure the total OPEB liability is 4.63%. The District's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the measurement date.

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability
Balance at July 1, 2025	$ 4,833,572
Changes Recognized for Measurement Period:	
Service Cost	89,653
Interest Cost	227,564
Difference Between Expected and Actual Experience	(240,262)
Changes of Assumptions	160,622
Benefit Payment	(185,587)
Net changes	51,990
Balance at June 30, 2026	$ 4,885,562

Note 10 – Postemployment Benefits other than Pensions (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate, for measurement period ended June 30, 2026:

	1% Decrease (3.63%)	Current Discount Rate (4.63%)	1% Increase (5.63%)
Total OPEB Liability	$ 5,515,205	$ 4,885,562	$ 4,360,941

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2026:

	1% Decrease (7.63%)	Current Healthcare Cost Trend Rate (8.63%)	1% Increase (9.63%)
Total OPEB Liability	$ 4,373,898	$ 4,885,562	$ 5,507,776

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

For the fiscal year ended June 30, 2026, the District recognized OPEB expense of $316,396. As of fiscal year ended June 30, 2026, the District reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 119,796	$ (312,126)
Changes of assumptions	248,729	(436,452)
Total	$ 368,525	$ (748,578)

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

For the Year Ending June 30,	Deferred Outflows/Inflows of Resources
2027	$ (9,077)
2028	(99,119)
2029	(99,119)
2030	(66,675)
2031	(78,672)
Thereafter	(27,391)
Total	$ (380,053)

Note 10 – Postemployment Benefits other than Pensions (OPEB) (Continued)

Change of Assumptions

The discount rate was changed from 4.71% on June 30, 2025 to 4.63% on June 30, 2026.

Note 11 – Pension Plan

General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

The Plans' provisions and benefits in effect at the measurement date, June 30, 2025, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	Current Year On or After January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 Years Service	5 Years Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	50 – 63	52-67
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	12.58%	7.96%
Payment of unfunded liability	$690,122	$6,244

Note 11 – Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2026, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous
Contributions	$ 1,027,904

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

As of June 30, 2026, the District reported net pension liabilities for its proportionate share of the net pension liability of the Miscellaneous Plan as $6,696,604.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (c)=(a)-(b)
Balance at June 30, 2024 (Measurement Date)	$ 28,525,069	$ 20,988,386	$ 7,536,683
Balance at June 30, 2025 (Measurement Date)	29,856,778	23,160,174	6,696,604
Net changes during 2024-25	1,331,709	2,171,788	(840,079)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2025, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2024 and 2025 was as follows:

	Miscellaneous
Proportion - June 30, 2024	0.15583%
Proportion - June 30, 2025	0.16787%
Change - increase (decrease)	0.01204%

Note 11 – Pension Plan (Continued)

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

For the year ended June 30, 2026, the District recognized pension expense of $1,367,232. Pension expense is allocated to the functions based on full time equivalents. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 802,411	$ -
Difference between projected and actual Investment earnings	-	(906,120)
Differences between employer's contributions and proportionate share of contributions	4,045	(42,734)
Change in employer's proportion	6,201	(143,054)
Pension contributions made subsequent to measurement date	1,027,904	-
Total	$ 1,840,561	$ (1,091,908)

Deferred outflows of resources in the amount of $1,027,904 were reported related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as of June 30 as follows:

Year Ended June 30	Amount
2027	$ 746,063
2028	(255,661)
2029	(423,748)
2030	(345,905)
Thereafter	-
Total	$ (279,251)

Note 11 – Pension Plan (Continued)

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2024
Measurement date	June 30, 2025
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality rate table	Derived using CalPERS' membership data for all funds (1)
Postretirement benefit increase	Contract COLA up to 2.30% Until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period 2000 to 2019, including updates to salary increase, mortality and retirement rates. The Experience Study can be found on the CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members will be made at the current member contribution rate and that the contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS takes into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employer will make their required contributions on time and as scheduled in all future years. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach.

Note 11 – Pension Plan (Continued)

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

Discount Rate (Continued)

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	Assumed Asset Allocation	Real Return (a) (b)
Global equity - cap-weighted	30%	4.54%
Global Equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

(a) An expected price inflation of 2.30% used for this period.
(b) Figures are based on the 2021-22 Asset Liability Management Study.

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

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net pension liability	$ 10,725,708	$ 6,696,604	$ 3,380,693

Pension Plan Fiduciary Net Position

Detailed information about the plan fiduciary net position is available in the separately issued CalPERS financial reports.

Note 12 – Commitments and Other Contingencies

As of June 30, 2026, the District has several ongoing projects with outstanding contracts as follows:

Vendor/Contractor	Project	Original Contract Date	Total Contract Amount	Amount Outstanding at June 30, 2026
City of Sand City	IRWM Round 1 Grant Reimbursement Remainder of Project*	11/2021	$ 1,084,323	$ 1,000,034
City of Monterey	IRWM Round 2 Grant Reimbursement*	05/2023	500,000	358,201
County of Monterey	IRWM Round 2 Grant Reimbursement*	05/2023	898,451	898,451
DUDEK	IRWM IR2 Grant Administration*	10/2022	90,510	67,988
DUDEK	IRWM IR1 Grant Administration*	12/2020	114,960	39,703
Montgomery & Associates	Groundwater Modeling Montgomery Contract	03/2023	55,000	55,000
Pueblo Water Resources, Inc.	SSAP Water quality Study - Amd #14	11/2006	94,438	47,155
			$ 2,837,682	$ 2,466,532

* The District acts as a pass-through on these projects. The District's outstanding commitment is limited to actual spending.

Note 13 – Interfund Transactions

Transfers In/Out – During the year, there were no transfers between governmental funds.

Due From/To Other Funds – At June 30, 2026, the district had the following due from/to other funds:

Due from Other Funds	Due to Other Funds	Amount
Conservation	Water Supply	$ 500,000
Mitigation	Water Supply	500,000
	Total	$ 1,000,000

The above amounts resulted from temporary reclassifications made at June 30, 2026 to cover cash shortfalls at the fund level.

Internal Balances – During the year, the Governmental funds charged the Reclamation Project for services provided and user fees. Interfund receivables and payables consist of the following at June 30, 2026:

Receivable Fund	Payable Fund	Amount
Water Supply	Reclamation Project	$ 59,208
Conservation	Reclamation Project	17,705
Mitigation	Reclamation Project	45,368
	Total interfund receivables/payables	$ 122,281

Note 14 – Contingent Liabilities

Due to the various activities of the District involving the Carmel River and actions to acquire the Monterey water system from Cal-Am pursuant to Measure J, several pending and threatened claims against the District are outstanding. No estimate of the amount of any potential liability to the District can reasonably be made at this time.

Water Supply Charge Litigation

In prior years, District implemented a Water Supply Charge pursuant to Article XIII D of the California Constitution (Proposition 218) to fund various water supply projects. In 2013, the Monterey Peninsula Taxpayers Association (MPTA) filed legal action challenging the validity of the charge, alleging that its continued collection violated statutory and constitutional requirements.

On December 14, 2023, the California Sixth District Court of Appeal issued a ruling in favor of the MPTA, determining that the Water Supply Charge was no longer valid and directing the District to cease collection and address refund claims. Following the court's decision, the District entered into a settlement agreement with MPTA and affected property owners on March 17, 2025.

The District recorded a settlement liability of $3,353,245 as of June 30, 2025. During the year ended June 30, 2026, the District paid $3,303,387 to members of the settlement class and plaintiffs' attorneys, and for administrative costs. The remaining settlement liability as of June 30, 2026, along with any uncashed reimbursement payments, represents amounts that will be remitted to the United Way Monterey County for Cal-Am's Hardship Benefit Program in FY 2026-27 as per the terms of the Settlement.

Note 15 – Reclassification

Change in Fund Balance Classification

During fiscal year 2026, management determined that $164,981 previously reported as committed fund balance at June 30, 2025, did not meet the criteria for classification as committed fund balance under GASB Statement No. 54*, Fund Balance Reporting and Governmental Fund Type Definitions*. Accordingly, the amount has been reclassified from committed fund balance to assigned fund balance for project expenditures. This reclassification affected only the presentation of fund balance classifications and had no effect on total fund balance, change in fund balance, or net position.

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REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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Monterey Peninsula Water Management District
Required Supplementary Information
Schedule of Revenues, Expenditures and Change in Fund Balances - Budget And Actual
Water Supply General Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budget	Actual Amounts	Variance with Final Budget - Actual Amounts
	Original	Final			
REVENUES:					
Property taxes	$ 900,000	$ 900,000	$ -	$ 1,390,633	$ 490,633
Water sales	20,963,250	19,284,012	(1,679,238)	19,610,102	326,090
User fees	4,680,000	4,680,000	-	4,457,249	(222,751)
Connection charges, net of refunds	450,000	600,000	150,000	810,760	210,760
Project reimbursements	535,038	535,038	-	289,812	(245,226)
Investment income	210,000	262,500	52,500	367,308	104,808
Grants	9,259,106	5,795,080	(3,464,026)	5,795,080	-
Miscellaneous	5,000	5,000	-	2,511	(2,489)
Total revenues	37,002,394	32,061,630	(4,940,764)	32,723,455	661,825
EXPENDITURES:					
Personnel:					
Salaries	1,515,000	1,584,432	69,432	1,621,147	(36,715)
Employee benefits and other personnel	818,435	818,435	-	796,672	21,763
Services and supplies:					
Project expenditures	10,682,819	7,371,593	(3,311,226)	6,704,619	666,974
Water purchases	20,963,250	19,284,012	(1,679,238)	19,610,102	(326,090)
Operating expenditures	569,400	566,250	(3,150)	372,475	193,775
Professional fees	355,900	363,950	8,050	303,888	60,062
Capital outlay	1,519,887	3,598,775	2,078,888	3,167,694	431,081
Total expenditures	36,424,691	33,587,447	(2,837,244)	32,576,597	1,010,850
NET CHANGE IN FUND BALANCE	577,703	(1,525,817)	(2,103,520)	146,858	1,672,675
FUND BALANCE:					
Beginning of year	9,416,497	9,416,497	-	9,416,497	-
End of year	$ 9,994,200	$ 7,890,680	$ (2,103,520)	$ 9,563,355	$ 1,672,675

Monterey Peninsula Water Management District
Required Supplementary Information
Schedule of Revenues, Expenditures and Change in Fund Balances - Budget And Actual
Conservation Special Revenue Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budget	Actual Amounts	Variance with Final Budget - Actual Amounts
	Original	Final			
REVENUES:					
Property taxes	$ 1,050,000	$ 1,050,000	$ -	$ 826,758	$ (223,242)
User fees	1,560,000	1,560,000	-	1,472,997	(87,003)
Connection charges, net of refunds	-	-	-	100	100
Permit fees	198,000	248,000	50,000	274,981	26,981
Project reimbursements	402,000	402,000	-	163,424	(238,576)
Investment income	198,000	247,500	49,500	356,456	108,956
Legal fee reimbursements	15,000	15,000	-	7,424	(7,576)
Recording fees	65,000	65,000	-	68,718	3,718
Miscellaneous	5,000	5,000	-	2,256	(2,744)
Total revenues	3,493,000	3,592,500	99,500	3,173,114	(419,386)
EXPENDITURES:					
Personnel:					
Salaries	1,126,000	1,242,220	116,220	1,095,481	146,739
Employee benefits and other personnel	663,924	663,924	-	557,271	106,653
Services and supplies:					
Project expenditures	1,010,500	1,020,500	10,000	449,318	571,182
Operating expenditures	512,800	509,920	(2,880)	343,813	166,107
Professional fees	184,200	191,560	7,360	235,090	(43,530)
Capital outlay	25,600	8,000	(17,600)	7,502	498
Total expenditures	3,523,024	3,636,124	113,100	2,688,475	947,649
NET CHANGE IN FUND BALANCE	(30,024)	(43,624)	(13,600)	484,639	528,263
FUND BALANCE:					
Beginning of year	8,514,006	8,514,006	-	8,514,006	-
End of year	$ 8,483,982	$ 8,470,382	$ (13,600)	$ 8,998,645	$ 528,263

Monterey Peninsula Water Management District
Required Supplementary Information
Schedule of Revenues, Expenditures and Change in Fund Balances - Budget And Actual
Mitigation Special Revenue Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budget	Actual Amounts	Variance with Final Budget - Actual Amounts
	Original	Final			
REVENUES:					
Property taxes	$ 1,050,000	$ 1,050,000	$ -	$ 826,758	$ (223,242)
User fees	1,560,000	1,560,000	-	1,537,617	(22,383)
Permit fees	-	2,000	2,000	-	(2,000)
Project reimbursements	87,655	87,655	-	-	(87,655)
Investment income	192,000	240,000	48,000	356,406	116,406
Grants	2,581,504	993,849	(1,587,655)	86,620	(907,229)
Miscellaneous	5,000	5,000	-	2,360	(2,640)
Total revenues	5,476,159	3,938,504	(1,537,655)	2,809,761	(1,128,743)
EXPENDITURES:					
Personnel:					
Salaries	1,212,000	1,216,148	4,148	1,191,589	24,559
Employee benefits and other personnel	686,030	686,030	-	653,888	32,142
Services and supplies:					
Project expenditures	3,383,524	1,770,024	(1,613,500)	360,116	1,409,908
Operating expenditures	539,000	536,030	(2,970)	358,054	177,976
Professional fees	248,100	255,690	7,590	264,655	(8,965)
Capital outlay	32,500	14,300	(18,200)	7,787	6,513
Total expenditures	6,101,154	4,478,222	(1,622,932)	2,836,089	1,642,133
NET CHANGE IN FUND BALANCE	(624,995)	(539,718)	85,277	(26,328)	513,390
FUND BALANCE:					
Beginning of year	11,065,813	11,065,813	-	11,065,813	-
End of year	$ 10,440,818	$ 10,526,095	$ 85,277	$ 11,039,485	$ 513,390

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Monterey Peninsula Water Management District
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2026

Budget and Budgetary Accounting

The District adopts an annual legal budget, which covers the Water Supply Fund (which acts as the District's general fund), Conservation Fund, and Mitigation Fund. Operating budgets lapse at fiscal year-end and then are re-budgeted for the coming fiscal year. The budgets are prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The level of budgetary control is at the division level.

A mid-year budget review is performed, and the budget is amended and adopted by the board of directors. The District must approve additional appropriations or interfund transfers not included in the amended budget resolution.

Monterey Peninsula Water Management District
Required Supplementary Information
Notes to the Budgetary Comparison Schedules (Continued)
For the Year Ended June 30, 2026

The following is explanation related to significant variations between original and final budget amounts and final budget amounts and actual results:

	Water Supply	Conservation	Mitigation
Budgetary Revenues			
Differences - Original budget to final Budget			
Water Sales			
Mid-year budget reduced Pure Water Monterey ("PWM ") water revenue and redirected them to meet the remaining PWM operating reserve requirement.	$ (1,679,238)	$ -	$ -
Grants			
The final budget was lowered to reflect decreased grant revenue associated with the Urban Community Drought and State Water Resources Control Board grants, both of which were anticipated to end in fiscal year 2026.	(3,464,026)	-	-
The final year budget was reduced by $1.5 million due to lower anticipated revenue from the Integrated Regional Water Management (IRWM) Grant Program.	-	-	(1,587,655)
Differences - Final budget to actual			
Property taxes			
Property tax revenue budgeted in Fund 26 was reduced due to lower funding needs resulting from decreased expenditure requirements.	-	(223,242)	(223,242)
User fees			
Actual collection of user fees was less than expected and budgeted.	-	(87,003)	-
Project reimbursements			
The decrease reflects lower-than-anticipated revenue from reimbursable rebates and Water Distribution System ("WDS") permits.	-	(238,576)	-
Budgeted revenue included FEMA grant funds from prior years to support the Sleepy Hollow Retrofit Project; however, the project did not utilize those funds as anticipated.	-	-	(87,655)
Investment income			
Investment income exceeded budget due to higher interest rates than anticipated in fiscal year 2026.	-	108,956	116,406
Grants			
Actual reimbursements from the Integrated Regional Water Management (IRWM) Grant Program were lower than anticipated in the budget.	-	-	(907,229)

The following is explanation related to significant variations between original and final budget amounts and final budget amounts and actual results:

	Water Supply	Conservation	Mitigation
Budgetary Expenditures			
Differences - Original budget to final Budget			
Personnel:			
Salaries			
Services and supplies:			
Project expenditures			
The final budget was reduced to reflect lower projected expenditures for projects funded by the Urban Community Drought Relief Grant, State Water Resources Control Board grants, and Integrated Regional Water Management (IRWM) grants.	$ (3,311,226)	$ -	$ -
The final year budget was reduced due to lower anticipated expenditures for Integrated Regional Water Management (IRWM) grant-funded projects and the Mitigation Program Review.	-	-	(1,613,500)
Water purchases			
Mid-year budget reduced PWM water purchases and redirected them to the meet the remaining PWM operating reserve requirement.	(1,679,238)		
Capital outlay			
The final (mid-year) budget was increased to reflect a higher planned purchase of Pure Water Monterey operating water and Drought Reserve water.	2,078,888	-	-
Differences - Final budget to actual			
Personnel:			
Salaries			
The budget assumed the retirement of two employees within the Division; however, only one employee retired, while the other postponed retirement to fiscal year 2027.	-	146,739	-
Employee benefits and other personnel			
Actual PERS and medical insurance costs in General Management and Operations were below budgeted levels.	-	106,653	-
Services and supplies:			
Project expenditures			
Actual expenditures were lower than budget primarily due to reduced spending on the Aquifer Storage and Recovery (ASR) project and other water supply projects, resulting from project timing and lower-than-anticipated project activity during the year.	666,974	-	-
Expenditures were lower than budgeted due to reduced spending on Measure J litigation, rebate programs, Water Distribution System (WDS) permits, and outreach activities.	-	571,182	-
Expenditures were lower than budgeted due to reduced spending on Integrated Regional Water Management (IRWM) grant-funded projects, Measure J activities, and the Sleepy Hollow Retrofit Project.	-	-	1,409,908
Operating expenditures			
Expenditures were lower than budgeted due to reduced spending on rebate programs, conservation devices, and Measure J-related litigation.	-	166,107	-
Expenditures were lower than budgeted due to reduced spending on insurance, maintenance, banking fees, rent, Board expenses, equipment lease and maintenance, and other miscellaneous operating costs.	-	-	177,976

Monterey Peninsula Water Management District
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2026

Measurement period	2026	2025	2024	2023
Total OPEB liability				
Service cost	$ 89,653	$ 87,211	$ 114,046	$ 116,685
Interest	227,564	207,317	193,515	188,280
Actual and expected experience difference	(240,262)	(45,911)	205,368	(120,643)
Changes of assumptions	160,622	(462,497)	(97,373)	(106,465)
Benefit payments	(185,587)	(162,285)	(144,551)	(142,235)
Implicit subsidy credit	-	(12,576)	(40,552)	-
Net change in total OPEB liability	51,990	(388,741)	230,453	(64,378)
Total OPEB liability - beginning	4,833,572	5,222,313	4,991,860	5,056,238
Total OPEB liability - ending (a)	$ 4,885,562	$ 4,833,572	$ 5,222,313	$ 4,991,860
Covered employee payroll	$ 3,925,770	$ 3,448,954	$ 2,556,431	$ 2,666,653
Total OPEB liability as a percentage of covered-employee payroll	124.45%	140.15%	204.28%	187.20%

Notes to schedule:

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

No assets have been accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

Monterey Peninsula Water Management District
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2026

Measurement period	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 131,401	$ 109,547	$ 148,363	$ 131,173	$ 127,662
Interest	88,212	101,994	144,980	155,268	140,378
Actual and expected experience difference	(120,671)	(5,585)	(411,131)	-	-
Changes of assumptions	565,999	337,730	(190,471)	249,320	-
Benefit payments	(142,655)	(126,446)	(117,237)	(98,542)	(92,380)
Implicit subsidy credit	-	-	-	-	-
Net change in total OPEB liability	522,286	417,240	(425,496)	437,219	175,660
Total OPEB liability - beginning	4,533,952	4,116,712	4,542,208	4,104,989	3,929,329
Total OPEB liability - ending (a)	$ 5,056,238	$ 4,533,952	$ 4,116,712	$ 4,542,208	$ 4,104,989
Covered employee payroll	$ 2,609,421	$ 2,574,004	$ 2,577,148	$ 2,508,173	$ 2,441,044
Total OPEB liability as a percentage of covered-employee payroll	193.77%	176.14%	159.74%	181.10%	168.17%

Notes to schedule:

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

No assets have been accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

Monterey Peninsula Water Management District
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2026
Last Ten Years

Measurement Period	Proportionate of the Net Pension Liability	Proportionate of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	Plan's Fiduciary Net Position	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.12945%	$ 4,496,774	$ 2,419,068	185.89%	$ 10,923,476,287	75.87%
2017	0.13198%	5,202,822	2,407,013	216.15%	12,074,499,781	75.39%
2018	0.13571%	5,114,656	2,531,145	202.07%	13,122,440,092	77.69%
2019	0.13886%	5,560,550	2,735,113	203.30%	13,979,687,268	77.73%
2020	0.14260%	6,015,062	2,625,596	229.09%	14,702,361,183	77.71%
2021	0.18603%	3,532,356	2,586,027	136.59%	18,065,791,524	90.49%
2022	0.15149%	7,088,608	2,707,728	261.79%	16,770,671,339	78.19%
2023	0.15182%	7,591,672	2,845,112	266.83%	17,692,895,076	77.97%
2024	0.15583%	7,536,683	2,799,531	269.21%	19,241,277,838	79.91%
2025	0.16787%	6,696,604	3,484,705	192.17%	21,492,366,084	84.34%

Notes to Schedule:

Benefit Changes

For 2016, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions

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

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

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

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

In 2022, the discount rate was changed from 7.15 percent to 6.9 percent.

Monterey Peninsula Water Management District
Required Supplementary Information
Schedules of Contributions - Pension
For the Year Ended June 30, 2026

Fiscal Year	Contractually Required Contributions (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2017	$ 361,981	$ 361,981	$ -	$ 2,407,013	15.04%
2018	386,341	386,341	-	2,531,145	15.26%
2019	458,759	458,759	-	2,735,113	16.77%
2020	516,231	516,231	-	2,625,596	19.66%
2021	583,756	583,756	-	2,586,027	22.57%
2022	656,243	656,243	-	2,707,728	24.24%
2023	738,908	738,908	-	2,845,112	25.97%
2024	750,603	750,603	-	2,799,531	26.81%
2025	893,900	893,900	-	3,484,705	25.65%
2026	1,027,904	1,027,904	-	4,442,999	23.14%

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

FYE 2016–2017	June 30, 2014	Funding valuation report
FYE 2017–2018	June 30, 2015	Funding valuation report
FYE 2018–2019	June 30, 2016	Funding valuation report
FYE 2019–2020	June 30, 2017	Funding valuation report
FYE 2020–2021	June 30, 2018	Funding valuation report
FYE 2021–2022	June 30, 2019	Funding valuation report
FYE 2022–2023	June 30, 2020	Funding valuation report
FYE 2023–2024	June 30, 2021	Funding valuation report
FYE 2024–2025	June 30, 2022	Funding valuation report
FYE 2025–2026	June 30, 2023	Funding valuation report

Actuarial Cost Method	Individual entry age normal
Amortization Method/Period	Level percentage of payroll and direct rate smoothing
Asset Valuation Method	Fair value of assets
Inflation	2.30%
Salary Increases	Varies, based on entry age and service
Payroll Growth	2.75%
Investment Rate of Return	6.90%
Retirement Age	The probabilities of retirement are based on results of an actuarial experience study for the period from 2000 to 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

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STATISTICIAL SECTION

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Monterey Peninsula Water Management District
Statistical Section

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Monterey Peninsula Water Management District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Governmental Activities										
Net investment in capital assets	$ 21,635,154	$ 19,186,894	$ 19,069,081	$ 18,378,993	$ 13,621,629	$ 12,777,097	$ 9,874,997	$ 5,391,484	$ 3,360,667	$ 3,279,341
Restricted for debt service	-	-	-	-	222,743	222,654	222,524	222,098	221,656	221,214
Unrestricted (deficit)	17,529,527	17,310,944	17,912,602	11,242,765	9,312,783	8,073,357	7,086,920	6,650,005	3,659,946	(2,942,603)
Total governmental activities net position	39,164,681	36,497,838	36,981,683	29,621,758	23,157,155	21,073,108	17,184,441	12,263,587	7,242,269	557,952
Business-type activities										
Net investment in capital assets	33,351,056	34,615,341	35,352,530	36,900,334	34,553,753	33,998,217	33,122,073	30,591,335	28,603,598	27,566,748
Restricted for debt service	-	-	-	-	1,175	1,176	1,176	1,164	1,144	1,136
Restricted for capital replacement	-	-	-	-	-	-	-	-	-	1,121,549
Unrestricted (deficit)	4,126,516	3,543,989	3,024,451	1,865,135	2,297,199	465,377	(1,182,948)	(1,221,936)	(919,550)	(3,165,974)
Total business-type activities net position	37,477,572	38,159,330	38,376,981	38,765,469	36,852,127	34,464,770	31,940,301	29,370,563	27,685,192	25,523,459
Primary government										
Net investment in capital assets	54,986,210	53,802,235	54,421,611	55,279,327	48,175,382	46,775,314	42,997,070	35,982,819	31,964,265	30,846,089
Restricted for debt service	-	-	-	-	223,918	223,830	223,700	223,262	222,800	222,350
Restricted for capital replacement	-	-	-	-	-	-	-	-	-	1,121,549
Unrestricted (deficit)	21,656,043	20,854,933	20,937,053	13,107,900	11,609,982	8,538,734	5,903,972	5,428,069	2,740,396	(6,108,577)
Total primary government net position	$ 76,642,253	$ 74,657,168	$ 75,358,664	$ 68,387,227	$ 60,009,282	$ 55,537,878	$ 49,124,742	$ 41,634,150	$ 34,927,461	$ 26,081,411

Notes:

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

Monterey Peninsula Water Management District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Expenses (by function) Governmental activities:										
Water supply	$29,981,999	$29,927,546	$21,423,221	$16,574,115	$16,122,277	$10,480,766	$ 4,008,834	$ 3,681,507	$ 3,878,083	$ 5,321,950
Conservation	2,869,286	2,718,508	2,333,306	1,938,053	1,982,677	1,952,205	1,961,978	2,022,792	2,101,343	1,881,138
Mitigation	3,183,095	3,055,714	3,005,536	2,916,434	3,396,714	2,923,021	3,160,250	3,374,595	2,584,965	2,343,392
Interest	-	-	-	134,558	52,215	122,731	125,979	128,961	132,183	137,086
Total Governmental Activities expenses	36,034,380	35,701,768	26,762,063	21,563,160	21,553,883	15,478,723	9,257,041	9,207,855	8,696,574	9,683,566
Business-type activities										
Reclamation Project	5,527,855	5,323,063	4,761,119	4,916,246	4,819,616	4,316,525	4,527,473	4,656,895	4,161,333	4,024,568
Total business-type activities expenses	5,527,855	5,323,063	4,761,119	4,916,246	4,819,616	4,316,525	4,527,473	4,656,895	4,161,333	4,024,568
Total Primary Government Expenses	41,562,235	41,024,831	31,523,182	26,479,406	26,373,499	19,795,248	13,784,514	13,864,750	12,857,907	13,708,134
Program Revenues (by function)										
Governmental activities:										
Charges for service:										
Water supply	25,162,815	20,125,243	19,467,108	18,923,523	15,148,901	11,258,871	5,950,297	5,319,088	10,377,339	4,543,983
Conservation	1,987,645	1,910,847	2,338,357	2,018,272	1,993,563	1,902,308	1,899,280	1,790,416	2,136,505	996,234
Mitigation	1,537,617	1,864,087	4,423,800	3,833,265	3,729,830	3,660,046	3,380,722	2,977,719	3,013,010	3,052,020
Operating grants and contributions	5,881,700	7,297,810	4,046,848	458,949	469,183	82,253	286,651	1,726,815	155,021	89,276
Total governmental activities program revenues	34,569,777	31,197,987	30,276,113	25,234,009	21,341,477	16,903,478	11,516,950	11,814,038	15,681,875	8,681,513
Business-type activities:										
Charges for services - Water sales	4,783,831	5,039,241	4,337,330	6,829,372	7,220,935	6,838,738	7,063,288	6,299,411	6,328,302	5,661,358
Total business-type activities revenue	4,783,831	5,039,241	4,337,330	6,829,372	7,220,935	6,838,738	7,063,288	6,299,411	6,328,302	5,661,358
Total Primary Government Program Revenues	39,353,608	36,237,228	34,613,443	32,063,381	28,562,412	23,742,216	18,580,238	18,113,449	22,010,177	14,342,871
Net (Expenses)/Revenue										
Governmental activities	(1,464,603)	(4,503,781)	3,514,050	3,670,849	(212,406)	1,424,755	2,259,909	2,606,183	6,985,301	(1,002,053)
Business-type activities	(744,024)	(283,822)	(423,789)	1,913,126	2,401,319	2,522,213	2,535,815	1,642,516	2,166,969	1,636,790
Total Primary Net (Expenses)/Revenue	$ (2,208,627)	$ (4,787,603)	$ 3,090,261	$ 5,583,975	$ 2,188,913	$ 3,946,968	$ 4,795,724	$ 4,248,699	$ 9,152,270	$ 634,737

Monterey Peninsula Water Management District
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes	$ 3,044,149	$ 2,910,734	$ 2,835,328	$ 2,584,391	$ 2,409,232	$ 2,316,662	$ 2,219,260	$ 2,075,081	$ 1,872,468	$ 1,811,861
Investment earnings	1,080,171	1,172,124	928,033	162,465	(193,430)	91,392	398,262	327,035	61,336	35,837
Miscellaneous	7,126	8,458	82,514	46,898	80,651	55,858	43,423	13,019	44,766	22,955
Total governmental activities	4,131,446	4,091,316	3,845,875	2,793,754	2,296,453	2,463,912	2,660,945	2,415,135	1,978,570	1,870,653
Business-type activities										
Investment earnings	60,413	60,736	35,301	216	(13,962)	2,256	33,923	42,855	(5,236)	3,326
Miscellaneous	1,853	5,435	-	-	-	-	-	-	-	-
Total business-type activities	62,266	66,171	35,301	216	(13,962)	2,256	33,923	42,855	(5,236)	3,326
Total Primary Government	4,193,712	4,157,487	3,881,176	2,793,970	2,282,491	2,466,168	2,694,868	2,457,990	1,973,334	1,873,979
Change in Net Position										
Governmental activities	2,666,843	(412,465)	7,359,925	6,464,603	2,084,047	3,888,667	4,920,854	5,021,318	8,963,871	868,600
Business-type activities	(681,758)	(217,651)	(388,488)	1,913,342	2,387,357	2,524,469	2,569,738	1,685,371	2,161,733	1,640,116
Total Primary Government	1,985,085	(630,116)	6,971,437	8,377,945	4,471,404	6,413,136	7,490,592	6,706,689	11,125,604	2,508,716
Net position - beginning of year	74,657,168	75,287,284	68,387,227	60,009,282	55,537,878	49,124,742	41,634,150	34,927,461	23,801,857	23,572,695
Net position - end of year	$76,642,253	$74,657,168	$75,358,664	$68,387,227	$60,009,282	$55,537,878	$49,124,742	$41,634,150	$34,927,461	$26,081,411

Notes:

Net position - beginning of the year for the fiscal year ended June 30, 2016 has been restated for implementation of GASB 82.

Net position - beginning of the year for the fiscal year ended June 30, 2018 has been restated for implementation of GASB 75.

Net position - beginning of the year for the fiscal year ended June 30, 2025 has been restated for implementation of GASB 101.

Monterey Peninsula Water Management District
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2026	2025	2024	2023	2022
Water Supply Fund*					
Restricted	$ -	$ -	$ -	$ -	$ 222,743
Committed	-	-	617,648	903,478	859,728
Assigned:					
Insurance/ litigation	171,354	171,354	171,354	171,354	171,354
Asset replacement	766,016	640,016	527,016	314,666	105,516
Flood/drought emergencies	-	-	-	-	-
Pension/OPEB	552,000	480,000	408,000	336,000	264,000
Compensated absences	79,257	-	-	-	-
Capital reserve	433,129	-	-	-	-
Debt service	-	-	-	-	500,000
Water Supply Reserve	-	3,363,928	3,213,888	-	-
Project expenditures	7,561,599	4,761,199	2,719,348	5,196,451	6,897,777
Unassigned (deficit)	-	-	-	-	-
Total Water Supply Fund Balances	$ 9,563,355	$ 9,416,497	$ 7,657,254	$ 6,921,949	$ 9,021,118
All Other Governmental Funds:					
Restricted	$ -	$ -	$ -	$ -	$ -
Committed	-	-	35,340	316,333	245,012
Assigned:					
Insurance/ litigation	78,646	78,646	78,646	78,646	78,646
Asset replacement	1,498,084	1,298,084	1,098,084	980,134	977,784
Flood/drought emergencies	500,000	500,000	500,000	328,944	328,944
Pension/OPEB	1,048,000	920,000	792,000	664,000	536,000
Compensated absences	147,192	-	-	-	-
Capital Reserve	804,383	-	-	-	-
Debt service	-	-	-	-	-
Water Supply Reserve	-	-	-	-	-
Project expenditures	15,961,825	16,783,089	15,939,249	12,393,944	10,196,870
Unassigned (deficit)	-	-	-	-	-
Total All Other Governmental Fund Balances	$ 20,038,130	$ 19,579,819	$ 18,443,319	$ 14,762,001	$ 12,363,256

* The Water Supply fund acts as the District's general fund.

Monterey Peninsula Water Management District
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2020	2019	2018	2017
Water Supply Fund*					
Restricted	$ 222,654	$ 222,524	$ 222,098	$ 221,656	$ 221,214
Committed	3,427,017	2,812,819	541,223	669,260	833,920
Assigned:					
Insurance/ litigation	171,354	171,354	171,354	171,354	-
Asset replacement	87,216	72,766	61,666	25,966	-
Flood/drought emergencies	-	-	-	-	-
Pension/OPEB	196,000	130,000	64,000	-	-
Compensated absences	-	-	-	-	-
Capital Reserve	-	-	-	-	-
Debt service	500,000	-	-	-	-
Water Supply Reserve	-	-	-	-	-
Project expenditures	3,865,441	5,097,130	7,524,615	6,245,339	-
Unassigned (deficit)	-	-	-	-	142,687
Total Water Supply Fund Balances	$ 8,469,682	$ 8,506,593	$ 8,584,956	$ 7,333,575	$ 1,197,821
All Other Governmental Funds:					
Restricted	$ -	$ -	$ -	$ -	$ -
Committed	478,743	668,440	821,194	270,526	-
Assigned:					
Insurance/ litigation	78,646	78,646	78,646	78,646	78,646
Asset replacement	751,784	508,734	470,334	306,034	140,334
Flood/drought emergencies	328,944	328,944	328,944	328,944	328,944
Pension/OPEB	404,000	270,000	136,000	-	-
Compensated absences	-	-	-	-	-
Capital Reserve	-	-	-	-	-
Debt service	-	-	-	-	-
Water Supply Reserve	-	-	-	-	-
Project expenditures	9,098,994	7,730,552	6,595,265	5,794,340	3,396,036
Unassigned (deficit)	-	-	-	-	-
Total All Other Governmental Fund Balances	$ 11,141,111	$ 9,585,316	$ 8,430,383	$ 6,778,490	$ 3,943,960

* The Water Supply fund acts as the District's general fund.

Monterey Peninsula Water Management District
Changes in Funds Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Revenues										
Property taxes	$ 3,044,149	$ 2,910,734	$ 2,818,416	$ 2,578,806	$ 2,403,905	$ 2,317,001	$ 2,215,716	$ 2,059,154	$ 1,924,320	$ 1,817,206
Water supply charge	-	-	3,363,928	3,394,345	3,393,516	3,422,117	3,355,193	3,410,398	3,405,008	3,391,354
Water sales	19,610,102	14,619,500	13,275,500	12,201,000	9,828,000	5,908,182	-	-	-	-
User fees	7,467,863	7,661,639	6,962,359	6,361,569	6,029,950	5,908,495	5,535,384	4,862,354	5,158,825	1,156,364
Connection charges, net of refunds	810,860	491,694	1,372,615	409,101	503,980	474,040	575,511	591,240	522,167	370,255
Permit fees	274,981	203,865	234,408	211,649	235,890	194,822	191,902	251,850	317,312	243,787
Project reimbursements	453,236	1,088,503	893,900	2,198,123	878,659	925,015	1,562,927	973,715	6,065,203	1,390,565
Investment income	1,080,170	1,172,124	928,033	162,465	(193,430)	91,392	398,262	327,035	61,336	35,837
Legal fee reimbursements	7,424	16,498	14,520	4,800	4,650	2,356	1,800	3,600	5,370	2,914
Recording fees	68,718	57,210	58,520	27,291	55,990	43,435	35,040	7,530	17,887	12,039
Mitigation revenue	-	-	-	-	-	-	-	-	-	2,039,912
Grants	5,881,700	9,774,109	1,570,549	458,949	469,183	82,253	286,651	1,726,815	155,021	89,276
Miscellaneous	7,127	8,458	9,474	14,807	20,011	10,067	6,583	1,889	21,509	8,002
Total revenues	38,706,330	38,004,334	31,502,222	28,022,905	23,630,304	19,379,175	14,164,969	14,215,580	17,653,958	10,557,511
Expenditures:										
Current:										
Water supply	29,408,903	29,235,446	22,077,271	18,688,163	15,965,592	13,222,603	7,927,006	4,279,219	3,647,937	5,114,480
Conservation	2,680,973	2,423,547	2,140,093	2,049,380	1,752,007	1,750,280	1,727,395	1,839,560	1,881,374	1,733,055
Mitigation	2,828,302	2,626,697	2,794,794	3,782,991	3,378,185	2,632,291	3,169,851	4,549,120	2,277,747	2,149,332
Capital outlay	3,182,983	822,901	73,441	348,311	151,371	35,981	45,011	425,271	372,106	114,821
Debt Service:										
Principal	-	-	-	2,719,926	557,353	96,405	93,157	90,175	86,953	83,881
Interest and other charges	-	-	-	134,558	52,215	122,731	125,979	128,961	132,183	137,086
Total expenditures	38,101,161	35,108,591	27,085,599	27,723,329	21,856,723	17,860,291	13,088,399	11,312,306	8,398,300	9,332,655
Excess (deficiency) of revenues over (under) expenditures	605,169	2,895,743	4,416,623	299,576	1,773,581	1,518,884	1,076,570	2,903,274	9,255,658	1,224,856
Other Financing Sources (Uses):										
Transfers in	-	-	1,054,540	2,057,484	345,222	226,047	270,102	1,900,758	1,924,320	1,137,571
Transfers out	-	-	(1,054,540)	(2,057,484)	(345,222)	(226,047)	(270,102)	(1,900,758)	(1,924,320)	(1,137,571)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	605,169	2,895,743	4,416,623	299,576	1,773,581	1,518,884	1,076,570	2,903,274	9,255,658	1,224,856
Fund balances - beginning of year	28,996,316	26,100,573	21,683,950	21,384,374	19,610,793	18,091,909	17,015,339	14,112,065	4,856,407	3,631,551
Fund balances - end of year	$ 29,601,485	$ 28,996,316	$ 26,100,573	$ 21,683,950	$ 21,384,374	$ 19,610,793	$ 18,091,909	$ 17,015,339	$ 14,112,065	$ 4,856,407
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	11.74%	2.93%	1.51%	2.67%	2.59%	2.79%	2.42%

Monterey Peninsula Water Management District
Major Revenue Sources
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Governmental Activities										
Property taxes	$ 3,044,149	$ 2,910,734	$ 2,835,328	$ 2,584,391	$ 2,409,232	$ 2,316,662	$ 2,219,260	$ 2,075,081	$ 1,872,468	$ 1,811,861
Water supply charge	-	-	3,362,507	3,393,618	3,395,815	3,410,671	3,364,575	3,408,064	3,463,347	3,391,354
Water sales	19,610,102	14,619,500	13,275,500	12,201,000	9,828,000	5,908,182	-	-	-	-
User fees	7,467,863	7,661,639	6,962,359	6,361,569	6,029,950	5,908,495	5,535,384	4,862,354	5,158,825	1,156,364
Mitigation revenue	-	-	-	-	-	-	-	-	-	2,039,912
Grant revenue	5,881,700	* 9,774,109	1,570,549	458,949	469,183	82,253	286,651	1,726,815	155,021	89,276
Business-type activities										
Water sales	3,823,685	3,297,991	4,337,330	6,829,372	7,220,935	6,838,738	7,063,288	6,299,411	6,328,302	5,661,358

Source: Monterey Peninsula Water Management District, Audited Financial Statements

* Grant revenues in FY 2024-25 were higher than prior fiscal year due to higher reimbursable revenues from the Urban Community Drought (UCD) Grant and the State Water Resources Control Grant for the Pure Water Expansion Project, as well as deferred UCD grant revenues of $2.8 million from FY 2023-24 to FY 2024-25 that were not received within the revenue recognition period of 60 days in FY 2023-24. The revenue recognition period for FY2024-25 has been increased to 90 days to allow recognition of grant revenues received in the following fiscal year.

Monterey Peninsula Water Management District
Ratio Of Outstanding Debt By Type
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Installment Purchase Agreement	Due to Pebble Beach Company	Certificates of Participation	Total	Personal Income (1)	As a Percentage of Personal Income
2026	$ -	$ -	$ -	$ -	**	**
2025	-	-	-	-	**	**
2024	-	-	-	-	**	**
2023	-	-	-	-	**	**
2022	2,719,926	552,000	2,600,000	5,871,926	28,189,179	21%
2021	3,277,279	1,104,000	5,100,000	9,481,279	27,747,802	34%
2020	3,373,684	1,656,000	7,500,000	12,529,684	26,504,847	47%
2019	3,466,841	2,208,000	9,800,000	15,474,841	25,973,189	60%
2018	3,357,016	2,760,000	11,900,000	18,017,016	24,477,179	74%
2017	3,643,969	3,312,000	13,900,000	20,855,969	23,819,797	88%

(1) Monterey County ACFR Report (Fiscal Year Ended June 30, 2025)
** Data not available for 2023-2026

Source: Monterey Peninsula Water Management District, Audited Financial Statements

Monterey Peninsula Water Management District
Debt Service Coverage
Last Ten Fiscal Years
(accrual basis of accounting)

	2026 [6]	2025 [6]	2024	2023	2022	2021	2020	2019	2018	2017
Governmental activities:										
Debt service coverage										
Water supply charges	$ -	$ -	$ 3,363,928	$ 3,394,345	$ 3,393,516	$ 3,422,117	$ 3,355,193	$ 3,410,398	$ 3,405,008	$ 3,391,354
Operating expenses (1)	-	-	(3,001,651)	(2,675,636)	(2,561,538)	(2,032,142)	(1,955,508)	(2,005,667)	(1,855,440)	(1,525,501)
Reserve funds available	-	-	1,106,370	822,020	1,263,613	1,177,224	596,644	519,118	418,976	396,234
Net available revenues	-	-	1,468,647	1,540,729	2,095,591	2,567,199	1,996,329	1,923,849	1,968,544	2,262,087
Debt Service:										
Principal	-	-	-	2,719,926	557,353	96,405	93,157	90,175	86,953	83,881
Interest	-	-	-	134,558	52,215	122,731	125,979	128,961	132,183	137,086
	-	-	-	2,854,484	609,568	219,136	219,136	219,136	219,136	220,967
Debt service coverage ratio (5)	N/A	N/A	N/A	N/A	3.44	11.72	9.11	8.78	8.98	10.24
Minimum coverage ratio (4)	N/A	N/A	N/A	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Business-type activities										
Debt service coverage										
Gross revenues (2)	-	-	4,337,330	6,829,588	7,220,935	6,840,994	7,097,211	6,342,266	6,324,764	5,664,684
Operating expenses (3)	-	-	(2,980,276)	(3,046,769)	(2,972,796)	(2,356,918)	(2,504,551)	(2,584,234)	(2,041,565)	(2,053,626)
Net available revenues	-	-	1,357,054	3,782,819	4,248,139	4,484,076	4,592,660	3,758,032	4,283,199	3,611,058
Total Primary Government	-	-	2,825,701	5,323,548	6,343,730	7,051,275	6,588,989	5,681,881	6,251,743	5,873,145
Debt Service:										
Principal:										
PBCO.	-	-	-	552,000	552,000	552,000	552,000	552,000	552,000	552,000
COPs	-	-	-	2,600,000	2,500,000	2,400,000	2,530,000	2,100,000	2,000,000	1,900,000
Interest	-	-	1,518	90,694	55,971	70,501	167,891	192,875	185,876	141,828
	-	-	1,518	3,242,694	3,107,971	3,022,501	3,249,891	2,844,875	2,737,876	2,593,828
Debt service coverage ratio (5)	N/A	N/A	N/A	N/A	1.37	1.48	1.41	1.32	1.56	1.39
Minimum coverage ratio (4)	N/A	N/A	N/A	1.25	1.25	1.25	1.25	1.25	1.25	1.25

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

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

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

(3) Operating expenses exclude depreciation and amortization.

(4) Minimum coverage ratio requirement per debt covenants.

(5) Debt service coverage ratio requirement is not applicable to fiscal years ended June 30, 2023 and after as the debt was fully paid off.

(6) Ratio is not relevant as the district has no debt in FY2025 and FY2026.

Source: Monterey Peninsula Water Management District, Audited Financial Statements

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

Fiscal Year Ended June 30	Secured Roll	Unsecured Roll	Exemptions	Net Assessed Valuations	MPWMD Property Tax Allocations*	Percentage Over Net Assessed Value
2026	$ -	$ -	$ -	$ -	$ -	0.0%
2025	92,171,251	4,937,854	(3,197,970)	93,911,135	2,910,734	3.1%
2024	87,910,416	4,533,551	(3,082,500)	89,361,467	2,818,416	3.2%
2023	83,402,624	3,924,155	(2,929,117)	84,397,662	2,578,806	3.1%
2022	77,334,476	3,444,722	(2,825,750)	77,953,448	2,403,905	3.1%
2021	74,781,274	2,938,769	(2,713,849)	75,006,194	2,317,001	3.1%
2020	71,183,662	3,617,496	(2,627,227)	72,173,931	2,215,716	3.1%
2019	67,593,587	2,557,084	(2,474,441)	67,676,230	2,059,154	3.0%
2018	63,625,023	2,475,907	(2,455,639)	63,645,291	1,924,320	3.0%
2017	60,242,461	2,370,771	(2,324,855)	60,288,377	1,817,206	3.0%

Source: Monterey County ACFR Report (Fiscal Year Ended June 30, 2025)
* Source: Monterey Peninsula Water Management District, Audited Financial Statements
https://www.countyofmonterey.gov/government/departments-a-h/auditor-controller/publications/current-past-publications
2026 data not available at time of print

Notes:
1. Secured property is generally the real property, which is defined as land, mineral, timber, and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the county and are assessed by the State Board of Equalization.
2. Unsecured property is generally personal property, including machinery, equipment, office tools, supplies, mobile homes, and aircraft.
3. Exempt properties include numerous full and partial exclusions/exemptions provided.
4. Article XIIIA, added to the California Constitution by Proposition 13 in 1978, fixed the based for valuation of property subject to taxes at the full cash value. Additionally, Proposition 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Monterey Peninsula Water Management District
Principal Property Taxpayers - Monterey County
For the Years Ended June 30, 2025 and June 30, 2016

Tax Payer	Type of Business	2025 Taxable Assessed Value ($'000)	2025 Rank	2025 Percentage of Total County Assessed Value	2016 Taxable Assessed Value ($'000)	2016 Rank	2016 Percentage of Total County Assessed Value
Pacific Gas & Electric Company	Utility	$ 1,147,774	1	1.28%	$ 550,188	2	1.01%
Pebble Beach Company	Tourism	1,014,471	2	1.14%	739,718	1	1.36%
Dynegy Moss Landing LLC	Utility	251,700	3	0.28%	351,273	4	0.64%
D'Arrigo Bros Co.	Agriculture	240,985	4	0.27%	-		-
California - American Water Company	Utility	215,738	5	0.24%	114,497	8	0.21%
Chevron USA Inc	Petroleum	146,060	6	0.16%	464,349	3	0.85%
Global AG Properties LLC	Agriculture	143,634	7	0.16%	-		-
VBS Propco LLS	Real Estate	138,383	8	0.15%	-		-
Bud Antle Inc.	Agriculture	136,667	9	0.15%	-		-
Scheid Vineyards California Inc	Agriculture	134,741	10	0.15%	96,676	10	0.18%
Aera Energy LLC	Utility	-		-	276,200	5	0.51%
Northridge Owner LP	Retail	-		-	123,436	6	0.23%
AAT Del Monte LLC	Retail	-		-	118,500	7	0.22%
Pacific Bell Telephone Company	Utility	-		-	101,738	9	0.19%
Ten Largest Taxpayers' Total		3,570,153		4.00%	2,936,575		5.39%
All Other Taxpayers' Total		85,791,314		96.00%	51,529,871		94.61%
Total		$ 89,361,467		100%	$ 54,466,446		100%

Source: Monterey County ACFR Report (Fiscal Year Ended June 30, 2025)
2026 data not available at time of print
Source: Monterey County ACFR June 30, 2025

Monterey Peninsula Water Management District
Demographic and Economic Statistics - Monterey County
Last Ten Calendar Years

Calendar Year	(1) Population	(2) Per Capita Income	(3) Total Personal Income	(4) Median Age	(5) School Enrollment	(6) Unemployment Rate
2024	436,251	$ 68,943	$ 29,695,203	36	72,224	7.30%
2023	430,723	68,943	29,695,203	36	72,875	7.00%
2022	446,229	65,123	28,189,179	37	73,643	18.10%
2021	434,283	63,449	27,747,802	38	74,700	14.00%
2020	434,172	61,510	26,504,847	38	75,668	6.60%
2019	434,061	59,838	25,973,189	35	77,381	7.80%
2018	435,594	56,193	24,477,179	35	77,923	4.70%
2017	437,907	54,395	23,819,797	34	77,954	7.20%
2016	435,232	52,448	22,827,059	34	77,517	7.60%
2015	433,898	49,836	21,623,627	34	76,768	8.10%

Source: Monterey County ACFR Report (Fiscal Year Ended June 30, 2025)
2026 & 2025 data not available at time of print
https://www.countyofmonterey.gov/home/showpublisheddocument/144323/639056252820470000

1. U.S. Census Bureau-As of July 1, 2024, Released September 2025
2. U.S. Department of Commerce, Bureau of Economic Analysis
3. U.S. Department of Commerce, Bureau of Economic Analysis (in thousands).
4. U.S. Census Bureau, American Community Survey
5. California Department of Education, Education Demographics Unit for 2023-24
6. California Employment Development; Labor Market Info Division

Notes:

Population data estimates are as of July 2024
Per capita personal income was computed using preliminary Census Bureau midyear population estimates.
Total personal income is in thousand of dollars
School enrollment data includes Kindergarten through grade 12

Monterey Peninsula Water Management District
Principal Employment by Industry - Monterey County
For the Years Ended June 30, 2025 and June 30, 2016

Industry	2025 Number of Employed	2025 Percent of Total	Industry	2016 Number of Employed	2016 Percent of Total
Agriculture	35,600	19.12%	Agriculture	31,500	18.91%
Natural Resources, Mining and Construction	7,700	4.14%	Natural Resources, Mining and Construction	6,100	3.54%
Manufacturing	4,900	2.63%	Manufacturing	5,100	3.06%
Wholesale Trade	5,800	3.11%	Wholesale Trade	5,200	3.18%
Retail Trade	16,900	9.08%	Retail Trade	17,200	10.44%
Transportation, Warehousing and Utilities	3,600	1.93%	Transportation, Warehousing and Utilities	3,700	2.22%
Information	900	0.48%	Information	1,100	0.78%
Financial Activities	4,200	2.26%	Financial Activities	4,200	2.52%
Professional and Business Services	13,900	7.47%	Professional and Business Services	13,200	7.98%
Educational and Health Services	24,400	13.10%	Educational and Health Services	19,100	11.10%
Leisure and Hospitality	25,900	13.91%	Leisure and Hospitality	23,800	13.99%
Other Services	5,500	2.95%	Other Services	5,100	3.06%
Government	36,900	19.82%	Government	32,000	19.21%

Source: State of California Employment Development Department, Industry Employment-Official Monthly Estimates (CES)
2026 data not available at time of print

Monterey Peninsula Water Management District
Full-Time Equivalent Employees by Department
Last Ten Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Department:										
General Manager's Office	3	3	2	2	2	2	2	2	2	2
Administrative Services Division	5	5	5	5	5	4	4	5	5	5
Environmental Resources Division	6	6	6	6	6	6	6	-	-	-
Planning & Engineering Division	*	*	*	*	*	*	*	5	5	5
Water Resources Division	5	5	5	5	5	5	5	6	7	7
Water Demand Division	7	7	7	7	6	6	6	6	6	6
Total	26	26	25	25	24	23	23	24	25	25

Source: Monterey Peninsula Water Management District
* Division reconfigured

Monterey Peninsula Water Management District
Water Consumption by Type (in Acre-Feet)
Last Ten Fiscal Years

	* 2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Use Type:										
Residential	-	4,254	4,133	4,059	4,591	4,488	4,067	4,242	4,384	4,560
Multi-Residential	-	1,236	1,256	1,203	1,358	1,359	1,293	1,367	1,410	1,418
Commercial	-	2,167	2,157	2,016	1,849	1,819	2,157	2,194	2,214	2,224
Industrial	-	-	-	-	-	-	-	-	-	-
Golf Course	-	85	125	96	109	99	108	169	168	185
Public Authority	-	593	551	530	600	593	589	585	617	560
Other	-	100	121	74	35	25	41	18	39	40
Non Revenue Metered	-	9	7	-	2	2	2	1	2	1
Total	-	8444	8350	7978	8,544	8,385	8,257	8,576	8,834	8,988

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

* Data for water-year ending. Water year spans from October 1 through September 30.

2026 data not available at time of print

Monterey Peninsula Water Management District
Connections by Type
Last Ten Fiscal Years

	*2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Use Type:										
Residential	-	34,167	33,436	33,815	32,502	32,442	32,371	32,332	32,355	31,801
Multi-Residential	-	1,848	1,829	1,828	1,745	1,739	1,734	1,732	1,696	1,706
Commercial	-	5,097	4,922	4,893	3,943	3,933	3,928	3,918	3,932	3,890
Industrial	-	-	-	-	-	-	-	-	-	-
Golf Course	-	4	4	4	4	4	4	4	4	4
Public Authority	-	517	495	557	470	532	543	544	545	537
Other	-	273	234	242	119	76	71	66	64	51
Non-Revenue Metered	-	20	19	6	5	5	6	6	6	6
Total	-	41,926	40,939	41,345	38,788	38,731	38,657	38,602	38,602	37,995

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

* Data for water-year ending. Water year spans from October 1 through September 30.

2026 data not available at time of print