

We're committed to caring for
the water resources that sustain
the Monterey Peninsula.

CONSERVE AND SUSTAIN.

2024 ANNUAL REPORT

Pure Water Monterey to Deliver 60% of the Peninsula's Water

The Pure Water Monterey (PWM) project, funded and built by Monterey One Water, MPWMD (District), and Marina Coast Water, currently provides 38% of the Peninsula's water. Construction of a 2,250 acre-feet-per-year (AFY) expansion was initiated in 2024 and is expected to be completed in late 2025. The PWM Expansion project will provide close to 60% of the Peninsula's drinking water needed for housing, jobs, growth, and drought for years to come.

"We look forward to expanding our commitment with the completion of the Pure Water Monterey Expansion," said Dave Stoldt, General Manager of the Water Management District.

Surplus Rain Results in Record Injection Into the Seaside Basin

In its third-best year, the District injected 1,519 AF (acre-feet) of surplus rainwater from the Carmel River into the Seaside Groundwater Basin via the Aquifer Storage and Recovery Project (ASR). That's enough water to meet 16% of annual demand for the Monterey Peninsula.

At the end of the year, the District had 2,189 AF stored in the Pure Water Monterey Operating Reserve and 3,677 AF in the Aquifer Storage and Recovery banked storage.

Customer demand for 2024 resulted in a total production of 8,972 AF of drinking water for the year, the lowest demand since 1957. Water supply sources included 3,355 AF from Pure Water Monterey, 3,347 AF from the Carmel River, 1,682 AF from Seaside Groundwater sources, 105 AF from the Sand City Desalination Facility, and 482 AF from other sources.





Groundwork Laid for Lifting the CDO

Construction of the Pure Water Monterey Expansion project is expected to be completed in late 2025. The PWM Expansion will bring a long-term replacement water supply (see previous page) to meet the Peninsula's needs for decades or act as a bridge until a desalination plant is fully permitted and built. In 2024, the District started taking the necessary steps to lift the State's Cease and Desist Order (CDO) imposed on Cal-Am that would eliminate the moratorium on service connections for new housing.

As a result of Cal Am's over-drafting of the Carmel River, the California State Water Board issued a CDO in 2009 that continues to prevent water from being used for new projects. As of December 31, 2021, the new water supply from PWM ended Cal Am's over-drafting, but the State still has not lifted the CDO.

The District is in the process of allocating a portion of the PWM Expansion water supply to each city and the unincorporated county to meet growth needs over the next 25 years. Lifting the CDO is not required for these allocations, however they will require an existing service connection to receive the allocations. The recent adoption of Ordinance 197 allows the Water District to undertake the allocation process.

District Manages Grants for New Peninsula Projects

MPWMD continues to manage grants for 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 2024, two grants were expended by the District for the benefit of the PWM Expansion project: 1) an Urban Community Drought Relief Grant from the Department of Water Resources for \$11,935,200. and 2) a Directed Assistance Grant coordinated by the State Water Resources Control Board for \$4,800,000.

Also, in 2024, the District managed an Integrated Regional Water Management (IRWM) Implementation Round 2 Grant for the Monterey Peninsula region for \$1,488,961. The two project recipients are: 1) Carmel River Floodplain Restoration and Environmental Enhancement (Carmel River FREE), sponsored by Monterey County, and 2) the Olivier Street Stormwater Diversion Project, sponsored by the City of Monterey.

An IRWM Implementation Round 1 Grant from 2021 will be used in 2025 to construct the West End Stormwater Improvement Project located in a disadvantaged community and sponsored by the City of Sand City.



Free Webinars Share Conservation and Landscaping Tips

The District hosted 13 online webinars jointly with Cal-Am on conservation topics, including rainwater capture, composting, landscape design, greywater, protecting trees, irrigation basics, and removing lawns. For the 2025 schedule, see montereywaterinfo.org/events/. Staff distributed water conservation devices at various community events, including the Carmel Valley Fiesta, Monterey County Fair, and the West End Celebration. The District posted regular updates on Facebook and Instagram to keep the community informed. As a partner with the Water Awareness Committee for Monterey County, the District participated in presentations at local schools.

Public Outreach Keeps Community Educated and Informed

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.

Rebates, Permits, Inspections and Amendments

The District approved 1,080 rebate applications for \$318,467 for quantifiable annual savings of 7.6 AF of water. Properties transferring ownership continued to self-certify compliance with the water efficiency requirements, and the District verified with Certifications of Compliance.

The District issued 731 Water Permits and 94 Water Use Permits to Benefited Properties (i.e., properties eligible to receive a portion of a Water Entitlement).

Staff completed 511 property inspections to verify compliance with water efficiency standards for changes of ownership and use and 1,177 inspections to verify compliance with Water Permits. Staff mailed notices to



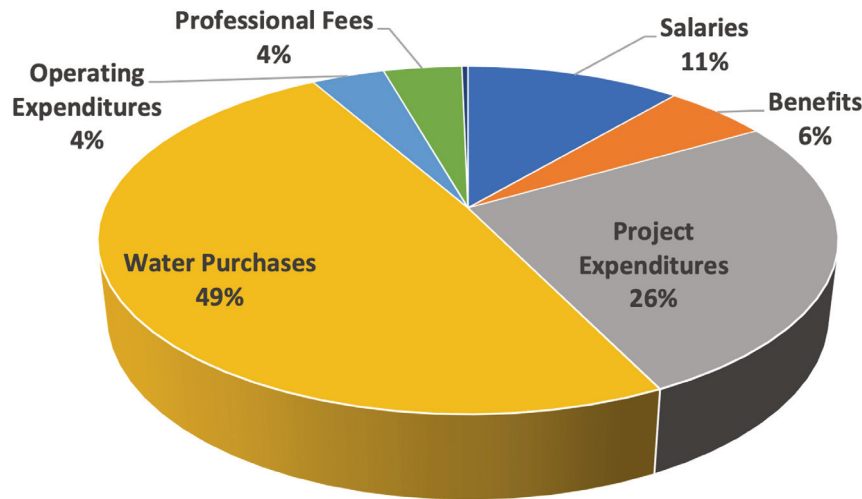
property owners and businesses and conducted 47 Non-Residential property inspections to verify compliance with water efficiency standards. As the regional entity responsible for compliance with State landscaping regulations, the District issued 48 Water Permits for new and refurbished landscapes. A total of 625,284 square feet of new landscape area was permitted. The rehabilitated area totaled 349,578 square feet.

The District also approved three Water Distribution System Permit amendments. The Main Cal-Am System was amended to produce 13.0 acre-feet annually of the City of Seaside's stored water credit under Seaside's In-Lieu Groundwater Storage Program for the Ascent housing project, now known as "Seagrove." The second amendment was to increase the number of Connections for five Accessory Dwelling Units and irrigation at Wolters Farm Way in Carmel Valley. The third amendment was to set System Limits and add a Residential Use to the Scarlett WDS Permit. Eleven Confirmation of Exemptions from the Water Distribution System permit requirements were issued for private properties that met the criteria.

Summer Splash Challenge Gives Away High-Efficiency Prizes

Entries matched the previous year for the 2024 Summer Splash Challenge, a fun family-oriented conservation game sponsored by the District in partnership with Cal-Am. Prizes included a High-Efficiency Clothes Washer, High-Efficiency Dishwashers, an iPad, Home Depot Gift Cards, and VISA Gift Cards.

The District launched the game in the summer when children were out of school. The Challenge was to complete an educational gameboard where participants visited the event website and watched water efficiency videos to find the answers to gameboard questions. Look for the 2025 Challenge this summer!



Certificate of Financial Excellence Awarded

Clifton Larson Allen, an independent auditing firm, conducted the fiscal year 2023-2024 audit. The District received a clean financial audit report with no material weaknesses or deficiencies. The District included the audit in its tenth consecutive Annual Comprehensive Financial Report (ACFR). The report consists of a set of government financial statements that comply with the accounting requirements promoted by the Government Accounting Standards Board and include relevant statistical information about the District.

In 2024, the Government Finance Officers Association (GFOA) awarded the District a Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the 2022-2023 fiscal year. The District has received the ACFR award for nine consecutive years.

Total revenues in Fiscal Year 2023-2024 were \$31,502,222, while expenditures (shown above) totaled \$27,085,599, generating an increase in fund balance of \$4,416,623. As of June 30, 2024, the District's total fund balance was \$26,100,573. The Fiscal Year 2024-2025 revised budget anticipates revenues and reimbursements of \$43,816,818 and expenditures of \$44,810,168, with the difference as a contribution from general reserves.

New Purchasing Policy

The District revamped its purchasing policy to further facilitate a cost-effective, compliant, and efficient purchasing

function. The new policy clarifies accountability guidelines for procurement activities and raises purchasing thresholds for the District's informal and formal solicitations. It provides guidelines for restricted purchases and allows the use of various types of contracts such as Standing Supply, Master Services, Public Works, Goods and General Services, and Cooperative Purchasing agreements.

Among other changes, the policy incorporates the California Uniform Construction Cost Accounting Act requirements for the District's Public Contracts, which permits simplified bidding and expedited contracting based on project size.

Other Financial Highlights

The District negotiated and implemented new collective bargaining agreements with its three unions. The new union contracts amended district salaries based on peer-review salary surveys and included cost of living adjustments. These new agreements will also assist in reducing liabilities by introducing eligibility requirements for retiree healthcare reimbursements.

As part of its efforts to increase resiliency, the District began procuring a backup power generator to ensure that District servers and critical systems continue to function during an outage.

The District is in the final phase of reaching a settlement with the Monterey Peninsula Taxpayers Association regarding its collection of the Water Supply charge. Following a court ruling in September 2024, staff successfully worked with the County to rescind the Water Supply Charge from the 2024-25 property tax bills in time.

Taking Care of the River and the Wild Things Within

In 2024, the District completed its Mitigation Program required by the 1990 Water Allocation Environmental Impact Report. This program is designed to preserve the ecological integrity of the Carmel River by alleviating impacts associated with water extraction for water supply. The program includes river restoration activities, monitoring, and rescuing threatened steelhead from drying portions of the Carmel River and tributaries. This comprehensive program tracks changes in the riparian corridor, steelhead population, depth to groundwater and river flow, and the lagoon.

The District continued to monitor dry-back conditions due to impacts from groundwater withdrawal and successfully rescued 5,633 juvenile steelhead from the Carmel River Basin in 2024. The fish were released into the Carmel River in perennial waters. Rescued fish were implanted with passive integrated transponder (PIT) tags before their release to track their migration and survival.

Staff also conducted late-season surveys of redds or steelhead nests. However, high flows in late winter and early spring hindered the crew from starting surveys during the optimum timeframe for spawning, and only 21 redds in 18 miles of river were observed. Although this was not the optimum timeframe for spawning steelhead, it was for Pacific Lamprey, which yielded a record of 632 lamprey redds. This could be an indication of a rebounding Pacific Lamprey run in the Carmel River watershed.

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 is based on tagged fish from NMFS studies, District fall population surveys, and rescued fish from both the District and the Carmel River Steelhead Association. This effort included installing tag detection stations (arrays) from the lower valley to below Los Padres Reservoir. District fall population densities trended at just above average this season, and 1,290 fish were implanted with PIT tags to support these studies and help describe long-term trends in steelhead survival.

Staff continued long-term efforts to monitor water quality conditions and fish passage in the Carmel River Basin to assess impacts on habitat from municipal and private pumping along the Carmel River. The District also carried out a wetland survey of the Carmel River lagoon area to track long-term trends associated with water extracted for community use.

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 authorized through 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 back encroaching vegetation and reducing the hazard of downed trees by cutting them into smaller sections in preparation for winter flows. In addition, our crews removed the trash and plastic from the active channel of the river before winter rain washed them into the ocean. The District also assisted property owners along the Carmel River by evaluating streambanks for stability after high erosive stream flows and recommended protective measures.



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