

EXHIBIT 1-A



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT
FISCAL YEAR 2007-08 PROPOSED BUDGET**



May 31, 2007 Budget Workshop

**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT
2007-08 BUDGET**

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**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
ADOPTING THE BUDGET FOR FISCAL YEAR 2007-08**

WHEREAS, the General Manager has proposed a budget for Fiscal Year 2007-08, a copy of which is on file at the District's office.

WHEREAS, the Board of Directors has examined, and deliberated on, the budget during meetings held on May 31 and June 18, 2007.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Monterey Peninsula as follows:

1. That the said budget as approved at the June 18, 2007 Board of Directors Meeting is hereby approved and adopted as the budget for the Monterey Peninsula Water Management District for Fiscal Year 2007-08.
2. That the General Manager may delegate the authority to implement this resolution to the Administrative Services Manager/Chief Financial Officer.
3. That the General Manager is authorized and directed to transfer funds from one activity to another within a given fund, and from one Division to another Division, as such times are appropriate, in accordance with generally-accepted accounting principles and consistent with the objectives outlined in the approved budget.
4. That the budget maintains a general operating reserve for economic uncertainties, which is not less than 5% of the budget.
5. That any contract for professional services, or other expenditures for procuring equipment, supplies or services, included in the budget that exceeds \$2,000 shall be executed by the General Manager only upon approval by the Board of Directors at a meeting of the Board of Directors.

On a motion by Director _____ and seconded by Director _____ the foregoing resolution is duly adopted this 18th day of June 2007 by the following votes:

Ayes:

Nays:

Absent:

I, Arlene Tavani, Deputy Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 18th day of June 2007.

Witness my hand and seal of the Board of Directors this ___th day of June 2007.

Arlene Tavani
Deputy Secretary



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

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May 31, 2007

Chairman Pendergrass and Board Members
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, California 93940

Dear Chairman Pendergrass and Board Members:

Budget Overview

This letter transmits the proposed budget for Fiscal Year 2007-08. The budget document has been developed consistent with the strategy adopted by the Board in January 2005, which was to develop balanced annual budgets, while preserving existing services and enabling the District to carry out its legislative mission and the Board's strategic vision. After compilation of the original requests from all Divisions for the 2007-08 budget, requested expenditures totaled \$8,617,000 and projected revenues, including \$127,600 from the capital equipment reserve and \$1,703,000 in bond proceeds for completion of the Phase 1 Aquifer Storage and Recover (ASR) project, totaled \$8,685,300. This would have resulted in a hypothetical contribution to general operating reserves of \$68,300. Subsequently, the General Manager and Division Managers held a half-day budget session and identified several expenditure adjustments resulting in a reduction of \$112,500 which reduced total proposed expenditures to \$8,504,500. This results in a proposed budget contribution to general operating reserves of \$180,800.

Budget Development - Expenditures

Table I attached to this transmittal compares the 2006-07 expenditure budget as amended at the February 22, 2007 Board meeting, the 2007-08 expenditure budget as originally requested by staff and the proposed 2007-08 expenditure budget as amended by the General Manager and Division Managers. The table also shows the percentage change from the 2006-07 budget to the 2007-08 proposed budget. As the table indicates, the expenditure budget totals \$8,504,500 which is \$82,300, or less than 1% more than the current fiscal year's budget.

The proposed 2007-08 expenditure budget includes \$1,703,000 for completion of the District's ASR Phase 1 Project, as well as \$85,000 for debt service on financing for the Project. Also included in the Facility Maintenance line item of the expenditure budget is \$25,000 to paint the exterior of the District's office building.

As mentioned in the overview section of this memorandum, the General Manager and Division

Managers held a half-day budget session and identified several expenditure adjustments resulting in a net reduction of \$112,500 bringing total proposed expenditures down to \$8,504,500. These expenditure adjustments are listed in the table below. The service level impacts of the line-item changes have been ranked according to the following categories:

None – The reduction has no impact on service levels

Low – The reduction will have a minimal impact on services levels

Moderate – The reduction will have a somewhat greater, but not a significant, impact on service levels

<u>Division</u>	<u>Category</u>	<u>Change Detail</u>	<u>Service Level Impact</u>	<u>Adjustment</u>
P&E	Project Expenditures - Project 1-2-1-6	Expanded ASR Environmental & Technical Services	None - Budget includes \$50,000 to cover potential District expenditures for project expansion being jointly developed with CAW	\$(50,000)
WRD	Project Expenditures - Project 2-3-1-H	Sleepy Hollow Pump Repairs	None – Repairs needed only if project to upgrade not completed. If so, can be covered by funds budgeted for upgrade	\$(12,500)
ASD	Services & Supplies	Legal Services	None – No impact unless significant unanticipated legal costs incurred	\$(50,000)
			Total Reduction	\$(112,500)

It is important to note that the current Memorandum of Understandings with the District's three bargaining units, which expire on June 30, 2007, are currently being renegotiated for Fiscal Year 2007-08. Because the amount of any increases to employee compensation is unknown, no funds have been included in the proposed expenditure budget; and any agreed upon amounts will need to be added upon Board approval.

As requested at the September 2005 Strategic Planning Workshop, a Capital Improvement Project Forecast has again been included in the proposed Fiscal Year 2007-08 budget.

Budget Development – Revenues

The proposed revenue budget totals \$8,685,300, including \$127,600 from the capital equipment reserve and \$1,703,000 in financing proceeds for completion of the Phase 1 ASR project. This is \$224,400, or 2.7%, more than the current fiscal year's budget.

User fee revenues for the proposed 2007-08 budget, which were projected based on recent rate increases and additional surcharges granted to California American Water (CAW) by the California Public Utilities Commission, are anticipated to increase by \$215,000, or 8.2%. Property tax revenues are anticipated to increase by approximately \$109,000, or 8.6%, due to increased assessed valuations within the District. Projected revenues from reimbursements increased by \$951,800, or about 169%, due to anticipated additional conservation reimbursements from CAW and potential outside funding for the Sleepy Hollow intake retrofit project included in the expenditure side of the budget.

Reserves

As discussed earlier in this transmittal, the strategy used to prepare the proposed 2007-08 budget was to balance the budget without the use of general operating reserves. The 2007-08 proposed budget would actually increase general operating reserves by \$180,800. However, as discussed earlier, any adjustments for employee compensation will change this amount.

Based on the mid-year adjustment to the 2006-07 budget, the total estimated general operating reserve carryover to Fiscal Year 2007-08 is about \$1,438,400, or approximately 17.1% of the 2006-07 budget.

This amount, which is reflected in the proposed 2007-08 budget, will vary depending on actual vs. anticipated revenues and expenditures over the remainder of the Fiscal Year 2006-07.

When combining the estimated general operating reserve carryover from Fiscal Year 2006-07 of about \$1,438,400 and the estimated carryover of \$180,800 in the proposed 2007-08 budget, the general operating reserve balance as of June 30, 2008 would be about \$1,619,200, or approximately 19% of the 2007-08 operating budget. This is well above the 5% to 10% minimum adopted by the Board in January 2005.

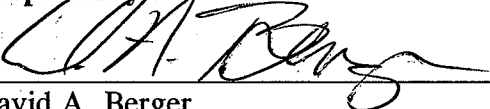
Summary

The proposed 2007-08 budget was prepared using the strategies adopted in January 2005 to balance the budget. The budget allows the District to maintain, or improve, service levels currently provided by the District, and sustains its ability to achieve the objectives in the District's Strategic Plan, including Mission and Vision Statements.

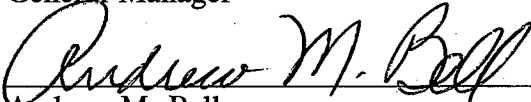
Budgeted expenditures are \$8,504,500 and budgeted revenues are \$8,685,300 resulting in an increase of \$180,800 to the general operating reserve.

This budget process has been one of extraordinary partnership – with the Board of Directors, the District Management Team and other District employees. They have made a direct contribution to the development of a balanced budget without depending on the use of reserves for the third consecutive year, and we acknowledge their efforts.

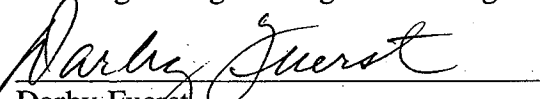
Respectfully submitted:



David A. Berger
General Manager



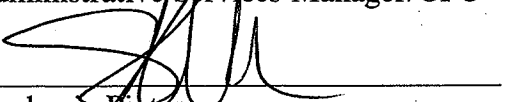
Andrew M. Bell
Planning & Eng. Manager/Dist. Engineer



Darby Fuerst
Water Resources Manager



Rick L. Dickhaut
Administrative Services Manager/CFO



Stephanie Vintar
Water Demand Manager

Table I

	2006-07 <u>Budget</u>	2007-08 <u>Requested</u>	2007-08 <u>Proposed</u>	Percentage <u>Change</u>
<u>PERSONNEL</u>				
Salaries	\$2,068,000	\$2,060,600	\$2,060,600	-0.36%
Retirement	361,300	360,500	360,500	-0.22%
Auto Allowance	3,600	3,600	3,600	0.00%
Temporary Personnel	500	500	500	0.00%
Workers' Comp.	57,700	55,300	55,300	-4.16%
Employee Insurance	355,100	367,700	367,700	3.55%
Medicare & FICA Taxes	25,400	25,700	25,700	1.18%
Personnel Recruitment	5,600	5,600	5,600	0.00%
Pre-Employment Physicals	600	600	600	0.00%
Staff Development	41,300	43,100	43,100	4.36%
Subtotal	\$2,919,100	\$2,923,200	\$2,923,200	0.14%
<u>SERVICES & SUPPLIES</u>				
Board Member Comp	\$33,100	\$30,000	\$30,000	-9.37%
Board Expenses	6,900	10,400	10,400	50.72%
Telephone	31,400	31,500	31,500	0.32%
Insurance	49,500	54,200	54,200	9.49%
Facility Maint.	22,000	53,500	53,500	143.18%
Membership Dues	9,200	12,000	12,000	30.43%
Miscellaneous	800	1,000	1,000	25.00%
Bank Charges	2,000	2,000	2,000	0.00%
Office Supplies	27,100	30,800	30,800	13.65%
Courier Expense	5,000	5,000	5,000	0.00%
Meeting Expenses	15,200	14,700	14,700	-3.29%
Printing/Duplicating/Binding	9,000	8,800	8,800	-2.22%
Data Processing	72,100	65,600	65,600	-9.02%
Professional Fees	28,100	33,300	33,300	18.51%
Legal Notices	5,000	5,000	5,000	0.00%
Utilities	28,300	27,500	27,500	-2.83%
Rent	18,600	19,900	19,900	6.99%
Legal Services	500,000	450,000	400,000	-20.00%
Travel	21,500	30,100	30,100	40.00%
Transportation	40,000	44,300	44,300	10.75%
Operating Supplies	11,800	15,600	15,600	32.20%
Subtotal	\$936,600	\$945,200	\$895,200	-4.42%
Fixed Assets	154,700	244,800	244,800	58.24%
Program Expenditures	4,167,000	4,187,600	4,125,100	-1.01%
Debt Service	126,500	85,000	85,000	-32.81%
Capital Equipment Reserve	43,300	43,200	43,200	-0.23%
Election Expense	0	113,000	113,000	#DIV/0!
Contingency	75,000	75,000	75,000	0.00%
Expenditure Total	\$8,422,200	\$8,617,000	\$8,504,500	0.98%

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT (MPWMD)
STRATEGIC PLAN (FINAL)
 April 19, 2007 through September 30, 2007
 Adopted May 21, 2007

MISSION STATEMENT

The mission of the Monterey Peninsula Water Management District (MPWMD) is to manage, augment and protect water resources for the benefit of the community and the environment.

VISION STATEMENT

The MPWMD:

- 1) will strive to serve as a catalyst in collaboration with public and private entities for environmentally responsible solutions that result in a reliable and legal water supply; and*
- 2) shall be a fiscally responsible, professionally and publicly respected leader in managing water resources.*

CORE VALUES

(Not in priority order)

MPWMD values...

Collaboration and teamwork

Ethical behavior

Environmental responsibility

Fiscal responsibility

Quality service internally and externally

Professionalism

Technical accuracy

A positive attitude

THREE-YEAR GOALS

(2006-2009 * Not in priority order)

Establish respectful and effective relationships among the District, public, CAW, jurisdictions and the Watermaster

Determine and participate in long-term water supply solution(s)

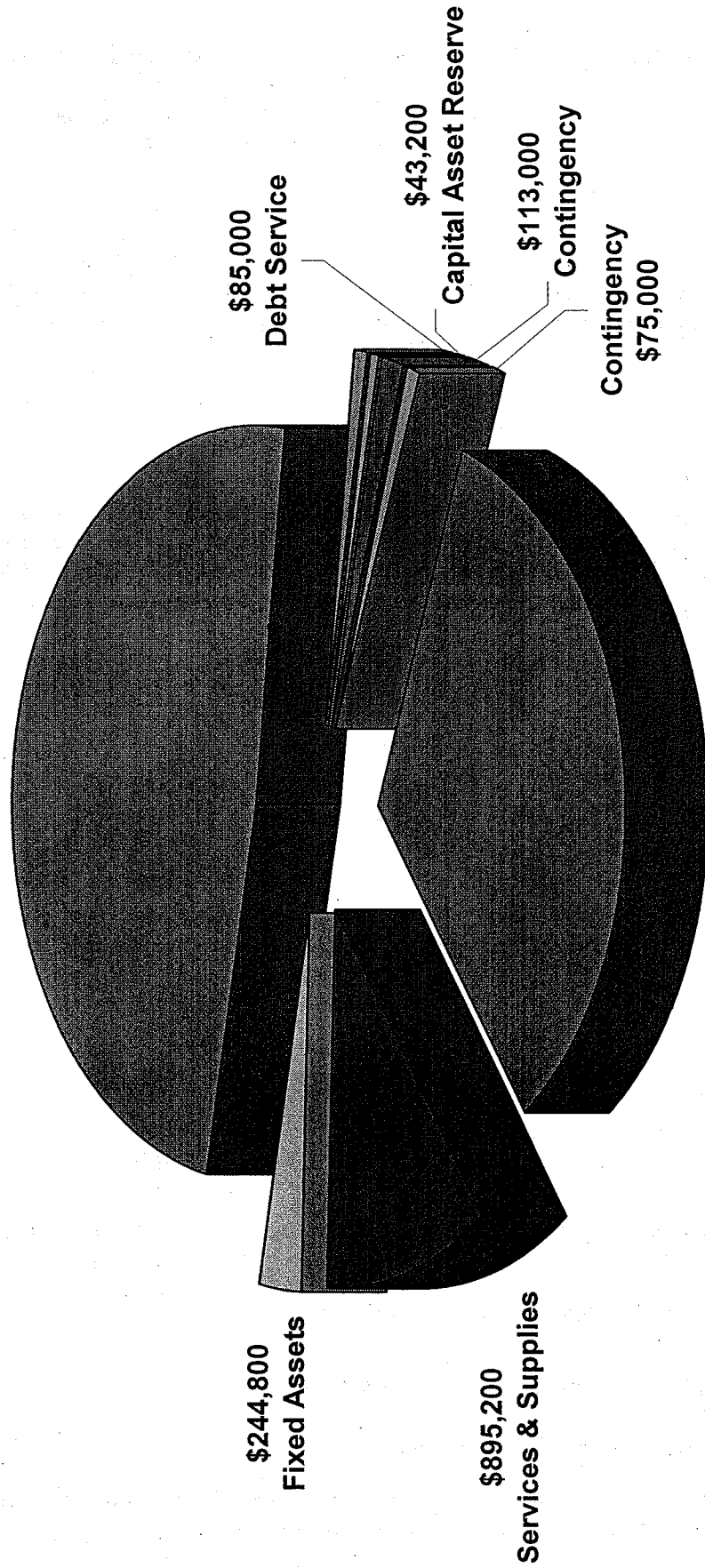
Complete ASR Phase 1 and expanded ASR Project(s)

Enhance revenue from external resources

Enhance and protect the water resources of the Carmel River and the Seaside Ground Water Basin for the benefit of the environment and the community

EXPENDITURE SUMMARY
Fiscal Year 2007-08 Budget
\$8,504,500

\$4,125,100
Project Expenditures



\$2,923,200
Personnel

**Monterey Peninsula Water Management District
Expenditures Comparison by Year
Fiscal Year 2007-08 Budget**

	FY 2005-06 Revised	FY 2006-07 Revised	FY 2007-08 Proposed	Change From Previous Year	Percentage Change
<u>PERSONNEL</u>					
Salaries	\$1,948,000	\$2,068,000	\$2,060,600	(\$7,400)	-0.36%
Retirement	309,300	361,300	360,500	(800)	-0.22%
Unemployment Comp.	0	0	0	0	#DIV/0!
Auto Allowance	3,600	3,600	3,600	0	0.00%
Temporary Personnel	0	500	500	0	0.00%
Workers Comp. Ins.	70,700	57,700	55,300	(2,400)	-4.16%
Employee Insurance	314,900	355,100	367,700	12,600	3.55%
Medicare & FICA Taxes	23,700	25,400	25,700	300	1.18%
Personnel Recruitment	0	5,600	5,600	0	0.00%
Pre-Employment Physical	0	600	600	0	0.00%
Staff Development	30,100	41,300	43,100	1,800	4.36%
Contingency	0	0	0	0	#DIV/0!
Subtotal	\$2,700,300	\$2,919,100	\$2,923,200	\$4,100	0.14%
<u>SERVICES & SUPPLIES</u>					
Board Member Comp.	\$27,500	\$33,100	\$30,000	(\$3,100)	-9.37%
Board Expenses	3,200	6,900	10,400	3,500	50.72%
Telephone	31,400	31,400	31,500	100	0.32%
Insurance	47,100	49,500	54,200	4,700	9.49%
Facility Maint.	15,600	22,000	53,500	31,500	143.18%
Membership Dues	7,000	9,200	12,000	2,800	30.43%
Miscellaneous	1,000	800	1,000	200	25.00%
Bank Charges	0	2,000	2,000	0	0.00%
Office Supplies	29,500	27,100	30,800	3,700	13.65%
Courier Expense	4,000	5,000	5,000	0	0.00%
Meeting Expenses	20,400	15,200	14,700	(500)	-3.29%
Printing/Duplicating/Binding	9,100	9,000	8,800	(200)	-2.22%
Data Processing	35,700	72,100	65,600	(6,500)	-9.02%
Professional Fees	22,300	28,100	33,300	5,200	18.51%
Legal Notices	6,000	5,000	5,000	0	0.00%
Utilities	24,200	28,300	27,500	(800)	-2.83%
Rent	18,600	18,600	19,900	1,300	6.99%
Legal Services	1,522,500	500,000	400,000	(100,000)	-20.00%
Travel	11,300	21,500	30,100	8,600	40.00%
Transportation	33,900	40,000	44,300	4,300	10.75%
Operating Supplies	7,200	11,800	15,600	3,800	32.20%
Subtotal	\$1,877,500	\$936,600	\$895,200	(\$41,400)	-4.42%
FIXED ASSETS	\$68,600	\$154,700	\$244,800	\$90,100	58.24%
PROJECT EXPENDITURES	1,501,500	4,167,000	4,125,100	(41,900)	-1.01%
DEBT SERVICE	0	126,500	85,000	(41,500)	-32.81%
FLOOD/DROUGHT RESERVE	0	0	0	0	#DIV/0!
CAPITAL EQUIP. RESERVE	0	43,300	43,200	(100)	-0.23%
ELECTION EXPENSE	118,600	0	113,000	113,000	#DIV/0!
CONTINGENCY	100,000	75,000	75,000	0	0.00%
EXPENDITURE TOTAL	\$6,366,500	\$8,422,200	\$8,504,500	\$82,300	0.98%

Monterey Peninsula Water Management District
Expenditures by Operating Fund
Fiscal Year 2007-08 Budget

	<u>Mitigation</u>	<u>Capital Projects</u>	<u>Conservation</u>	<u>Total</u>
<u>PERSONNEL</u>				
Salaries	\$1,236,400	\$453,300	\$370,900	\$2,060,600
Retirement	216,300	79,300	64,900	360,500
Auto Allowance	2,200	800	600	3,600
Temporary Personnel	300	100	100	500
Workers Comp. Ins.	33,100	12,200	10,000	55,300
Employee Insurance	220,600	80,900	66,200	367,700
Medicare & FICA Taxes	15,400	5,700	4,600	25,700
Personnel Recruitment	3,400	1,200	1,000	5,600
Pre-Employment Physical	400	100	100	600
Staff Development	25,800	9,500	7,800	43,100
Subtotal	\$1,753,900	\$643,100	\$526,200	\$2,923,200
<u>SERVICES & SUPPLIES</u>				
Board Member Comp.	\$18,000	\$6,600	\$5,400	\$30,000
Board Expenses	6,200	2,300	1,900	10,400
Telephone	18,900	6,900	5,700	31,500
Insurance	32,500	11,900	9,800	54,200
Facility Maint.	32,100	11,800	9,600	53,500
Membership Dues	7,200	2,600	2,200	12,000
Miscellaneous	600	200	200	1,000
Bank Charges	1,200	400	400	2,000
Office Supplies	18,500	6,800	5,500	30,800
Courier Expense	3,000	1,100	900	5,000
Meeting Expenses	8,900	3,200	2,600	14,700
Printing/Duplicating/Binding	5,300	1,900	1,600	8,800
Data Processing	39,400	14,400	11,800	65,600
Professional Fees	20,000	7,300	6,000	33,300
Legal Notices	3,000	1,100	900	5,000
Utilities	16,400	6,100	5,000	27,500
Rent	11,900	4,400	3,600	19,900
Legal Services	75,000	270,000	55,000	400,000
Travel	18,100	6,600	5,400	30,100
Transportation	26,600	9,700	8,000	44,300
Operating Supplies	9,400	3,400	2,800	15,600
Subtotal	\$372,200	\$378,700	\$144,300	\$895,200
FIXED ASSETS	172,500	34,800	37,500	244,800
PROJECT EXPENDITURES	3,261,800	88,000	775,300	4,125,100
DEBT SERVICE	85,000	0	0	85,000
FLOOD/DROUGHT RESERVE	0	0	0	0
CAPITAL EQUIP. RESERVE	17,300	24,400	1,500	43,200
ELECTION EXPENSE	67,800	24,900	20,300	113,000
CONTINGENCY	45,000	16,500	13,500	75,000
EXPENDITURE TOTAL	\$5,775,500	\$1,210,400	\$1,518,600	\$8,504,500

**Monterey Peninsula Water Management District
Labor Allocation by Operating Funds
Fiscal Year 2007-08 Budget**

	<u>Mitigation</u>	<u>Capital Projects</u>	<u>Conservation</u>	<u>Total</u>
<u>General Manager's Office</u>				
General Manager	30%	40%	30%	100%
Chief Technology Officer	33%	33%	34%	100%
Executive Assistant	30%	40%	30%	100%
Engineering Tech - Graphics	33%	33%	34%	100%
<u>Administrative Services</u>				
ASD Mgr/CFO	61%	21%	17%	99%
Accountant	61%	21%	17%	99%
Human Resources Analyst	61%	21%	17%	99%
Senior Office Specialist	61%	21%	17%	99%
Office Specialist II	61%	21%	17%	99%
<u>Planning & Engineering</u>				
P&E Mgr/District Engineer	40%	60%	0%	100%
Project Mgr/Public Relations	60%	40%	0%	100%
Water Resources Engineer	85%	15%	0%	100%
Riparian Projects Coordinator	85%	15%	0%	100%
River Maintenance Specialist	100%	0%	0%	100%
River Maintenance Worker	100%	0%	0%	100%
<u>Water Demand</u>				
Water Demand Manager	65%	15%	20%	100%
Conservation Rep II	10%	75%	15%	100%
Conservation Rep II	5%	10%	85%	100%
Conservation Rep I	45%	5%	50%	100%
Conservation Rep I (new)	0%	0%	100%	100%
Conservation Technician	65%	0%	35%	100%
<u>Water Resources</u>				
Water Resources Manager	60%	40%	0%	100%
Senior Hydrogeologist	65%	35%	0%	100%
Hydrography Programs Coordinator	90%	10%	0%	100%
Associate Hydrologist	85%	15%	0%	100%
Senior Fisheries Biologist	75%	25%	0%	100%
Associate Fisheries Biologist	95%	5%	0%	100%
Assistant Fisheries Biologist	95%	5%	0%	100%
Average Percentage	60%	22%	18%	100%

**Monterey Peninsula Water Management District
Expenditures by Division
Fiscal Year 2007-08 Proposed Budget**

	<u>General Manger's Office</u>	<u>Administrative Services</u>	<u>Planning & Engineering</u>	<u>Water Demand</u>	<u>Water Resources</u>	<u>Total</u>
PERSONNEL						
Salaries	\$356,100	\$328,900	\$480,600	\$345,700	\$549,300	\$2,060,600
Retirement	62,500	57,700	84,300	59,600	96,400	360,500
Unemployment Compensation	0	0	0	0	0	0
Auto Allowance	3,600	0	0	0	0	3,600
Temporary Personnel	0	500	0	0	0	500
Workers' Comp.	2,500	2,500	16,700	2,700	30,900	55,300
Employee Insurance	52,500	68,200	83,000	75,100	88,900	367,700
Medicare & FICA Taxes	4,800	4,800	5,700	4,900	5,500	25,700
Personnel Recruitement	0	5,600	0	0	0	5,600
Pre-Employment Physicals	0	600	0	0	0	600
Staff Development	8,000	12,500	7,000	8,000	7,600	43,100
Contingency	0	0	0	0	0	0
Subtotal	\$490,000	\$481,300	\$677,300	\$496,000	\$778,600	\$2,923,200
SERVICES & SUPPLIES						
Board Member Comp	\$0	\$30,000	\$0	\$0	\$0	30,000
Board Expenses	\$10,400	\$0	0	\$0	\$0	10,400
Telephone	0	31,500	0	0	0	31,500
Insurance	0	54,200	0	0	0	54,200
Facility Maint.	0	53,500	0	0	0	53,500
Membership Dues	1,700	2,000	2,000	4,300	2,000	12,000
Miscellaneous	0	500	500	0	0	1,000
Bank Charges	0	2,000	0	0	0	2,000
Office Supplies	0	28,800	200	1,800	0	30,800
Courier Expense	0	5,000	0	0	0	5,000
Meeting Expenses	9,200	5,500	0	0	0	14,700
Printing/Duplicating/Binding	0	7,500	500	0	800	8,800
Data Processing	63,800	1,800	0	0	0	65,600
Professional Fees	8,800	24,500	0	0	0	33,300
Legal Notices	0	5,000	0	0	0	5,000
Utilities	0	27,500	0	0	0	27,500
Rent	0	19,900	0	0	0	19,900
Legal Services	0	400,000	0	0	0	400,000
Travel	10,600	7,000	4,000	5,000	3,500	30,100
Transportation	0	0	12,000	10,300	22,000	44,300
Operating Supplies	2,400	2,000	5,000	6,000	200	15,600
Subtotal	\$106,900	\$708,200	\$24,200	\$27,400	\$28,500	\$895,200
FIXED ASSETS	158,100	0	65,000	9,000	12,700	244,800
PROJECT EXPENDITURES	700	17,000	444,000	769,500	2,893,900	4,125,100
DEBT SERVICE		85,000				85,000
FLOOD/DROUGHT RESERVE	0	0	0	0	0	0
CAPITAL EQUIPMENT RES.	0	8,500	12,200	0	22,500	43,200
ELECTION EXPENSE	113,000	0	0	0	0	113,000
CONTINGENCY	0	75,000	0	0	0	75,000
Expenditure Total	\$868,700	\$1,375,000	\$1,222,700	\$1,301,900	\$3,736,200	\$8,504,500

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROJECT EXPENDITURES
FISCAL YEAR 2007-08 BUDGET

AUGMENT WATER SUPPLY

OBJECTIVE	MILESTONE	TOTAL	ACCOUNT	DIVISION	FUNDED
Operations Modeling					
1-1-1 CVSIM Update/Assistance	June	3,000	5-7829	WRD	
1-1-2 CVSIM Quality Control	June	3,000	5-7829	WRD	
Water Supply Projects					
1-2-1 Evaluate non-dam alternatives					
A. Seaside Basin ASR Project					
1. Second ASR well at existing MWTIW site					
a. Permitting (MCHD, Army, Seaside, SWRCB, CDHS, etc.)	Fall	15,000	4-7860.04	WRD	Bond Proceeds
b. Backflush pit, site grading, fencing	Winter	75,000	4-7860.04	WRD	Bond Proceeds
c. Well construction, pump, motor, downhole FCV	Winter	286,000	4-7860.04	WRD	Bond Proceeds
d. PG&E coordination/service upgrade to 750 KVA	Winter	50,000	4-7860.04	WRD	Bond Proceeds
e. Monitor well construction	Winter	7,000	4-7860.04	WRD	Bond Proceeds
f. Engineering and construction management	Winter	50,000	4-7860.04	WRD	Bond Proceeds
g. Contingency (20%)	Winter	97,000	4-7860.04	WRD	Bond Proceeds
2. ASR Facilities (i.e., on-site facilities)					
a. Chemical/electrical building (1,200 sq. ft.)	Winter	225,000	4-7860.04	WRD	Bond Proceeds
b. Permanent piping and instrumentation	Spring	100,000	4-7860.04	WRD	Bond Proceeds
c. Electrical System	Spring	250,000	4-7860.04	WRD	Bond Proceeds
d. Engineering and construction management	Spring	200,000	4-7860.04	WRD	Bond Proceeds
e. Contingency (20%)	Spring	150,000	4-7860.04	WRD	Bond Proceeds
3. ASR facilities (additional)					
a. Access road improvements	Spring	65,000	4-7860.04	WRD	Bond Proceeds
b. Disinfection treatment system	Spring	55,000	4-7860.04	WRD	Bond Proceeds
c. Engineering & construction management	Spring	45,000	4-7860.04	WRD	Bond Proceeds
d. Contingency (20%)	Spring	33,000	4-7860.04	WRD	Bond Proceeds
4. ASR Operations and Maintenance					
a. Power	Ongoing	55,000	4-7860.04	WRD	Cal-Am
b. Site Maintenance	Ongoing	10,000	4-7860.04	WRD	Cal-Am
5. ASR Temporary Water Rights Permit	Fall	12,000	4-7860.04	WRD	Cal-Am
6. Evaluate Expanded ASR Project	June	50,000	5-7860.04	P&E	
Long-Term Water Supply					
1-3-1 Maintain viability of permits (SWRCB & Corps of Engineers)	Ongoing	2,000	5-7812	P&E	
AUGMENT WATER SUPPLY TOTAL		<u><u>1,838,000</u></u>			

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROJECT EXPENDITURES
FISCAL YEAR 2007-08 BUDGET

PROTECT ENVIRONMENTAL QUALITY

OBJECTIVE		TOTAL	ACCOUNT	DIVISION	FUNDED
Riparian Mitigations					
2-1-1 Irrigation Program					
A. Operate and maintain 4 well systems	Ongoing	7,000	4-7850.11	P&E	
B. Operate and maintain District project systems	Ongoing	20,000	4-7850.12	P&E	
2-1-2 Riparian Corridor Management					
A. Maintain and diversify plantings at District projects					
1. Seed collection and propagation	Ongoing	1,000	4-7870.30	P&E	
2. Supplemental planting	Ongoing	1,500	4-7870.33	P&E	
B. Riparian corridor maintenance projects	Ongoing	1,000	4-7870.80	P&E	
C. Provide project assistance to property owners					
2-1-3 Riparian Monitoring Program					
A. Vegetation and soil moisture monitoring equipment purchase & maintenance	Ongoing	2,000	4-7870.21	P&E	
B. Wildlife monitoring	August & May	5,000	4-7870.22	P&E	
C. Field Biology Assistants	Ongoing	38,000	4-7870.21	P&E	
2-1-4 Address vegetation hazards; remove trash from channel	Ongoing	12,000	4-7870.40	P&E	
Erosion Protection					
2-2-1 Repair bank damage at District restoration projects					
A. Maintain erosion protection projects	June	2,500	4-7895.90	P&E	
B. Construct lower Carmel River restoration project (\$60,000 Reimbursable)	June	100,000	4-7895.41	P&E	Property Owners
2-2-2 Maintain long-term MOU with CDFG for District river activities (quarterly reporting)	June	1,500	4-7870.90	P&E	
2-2-3 Survey Carmel River - Profile and cross-sections (new)	June	30,000	4-7895.90	P&E	
Aquatic Resources Fisheries					
2-3-1 Sleepy Hollow Facility Operations					
A. General operations and maintenance	Ongoing	41,400	4-7858.13	WRD	
B. Power	Ongoing	48,700	4-7858.13	WRD	
C. Road maintenance	June	3,600	4-7858.13	WRD	
D. Replacement of standby generator fuel	Ongoing	700	4-7858.13	WRD	
E. Generator maintenance service	Ongoing	6,000	4-7858.13	WRD	
F. Purchase automatic fish grader	June	11,000	4-7858.13	WRD	
G. Purchase water chiller for 8 new rearing tanks	June	5,100	4-7858.12	WRD	
H. Additional sand & silt filtration system for intake	June	100,000	4-7858.12	WRD	
I. Intake retrofit	June	684,000	4-7858.12	WRD	O/S Funding
J. Consulting services (Dettman)	Ongoing	29,000	4-7858.11	WRD	
2-3-2 Conduct juvenile rescues					
A. Oxygen, chemicals, medication	Ongoing	1,600	4-7858.13	WRD	
B. Water Resources Assistants	Ongoing	42,600	4-7858.14	WRD	
C. Seasonal Fish Rescue Worker	Ongoing	16,100	4-7858.14	WRD	
D. Recalibrate Electrofishing Backpack Units	Ongoing	900	4-7858.13	WRD	
E. Purchase waders	Ongoing	1,000	4-7858.13	WRD	
F. Surveys of steelhead in lagoon	Ongoing	4,000	4-7858.71	WRD	
G. Purchase Backpack Electroshocker	June	5,000	4-7858.12	WRD	
2-3-3 Rescue & Transport smolts					
A. Smolt rescue supplies	Ongoing	1,500	4-7858.33	WRD	
2-3-4 Monitoring of adult steelhead counts at San Clemente Dam					
A. Supplies fo San Clemente Dam fish counter	Ongoing	3,000	4-7858.51	WRD	
2-3-5 Adult Rescue and Transport					
A. Misc. supplies	Ongoing	1,000	4-7859	WRD	
2-3-6 Bioassessment sampling	Oct. & April	4,000	4-7858.60	WRD	
2-3-7 Supplies, Chemicals, Temperature Sensors	Ongoing	2,000	4-7858.70	WRD	

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROJECT EXPENDITURES
FISCAL YEAR 2007-08 BUDGET

Lagoon Mitigation Activities

2-4-1	Monitoring				
	A. Sediment & Vegetation	Ongoing	3,000	4-7858.70	P&E
	B. Biological Assessment	June	1,500	4-7822.01	P&E

Hydrologic

2-5-1	Carmel Valley				
	A. Monitor Carmel River near Carmel (USGS)	Ongoing	10,500	5-7856	WRD
	B. Water quality chemical analyses	Ongoing	3,000	4-7815	WRD
	C. Miscellaneous maintenance	Ongoing	500	4/5-7855.02	WRD

2-5-2 Seaside Basin

A. Water Quality Chemical Analyses	Ongoing	32,000	4-7815	WRD	Watermaster
B. Regional Ground Water Management Program					
1. InSitu LevelTrolls & Communications Cable	June	2,200	5-7855-02	WRD	Watermaster
C. Miscellaneous monitor well maintenance	Ongoing	3,000	5-7855.02	WRD	Watermaster
D. Retrofit Seaside Basin wells to use as monitor wells	June	3,000	5-7855.02	WRD	Watermaster

2-5-3 District Wide

A. Stream flow monitoring program					
1. Miscellaneous equipment	Ongoing	2,500	4/5-7856.03	WRD	
2. Datalogger support software upgrade & 2 additional licenses	June	1,300	4/5-7856.03	WRD	
3. Data line rental - 7 sites	Ongoing	4,200	4/5-7856.03	WRD	
4. Purchase cellular digital modem for Los Padres Reservoir gaging station	June	1,100	4/5-7856.32	WRD	
5. Purchase cellular digital modem for Carmel River below L.P.R. gaging station	June	1,200	4/5-7856.31	WRD	

2-5-4 Water level and water quality data management

June	0	4/5-7815.10	WRD
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2-5-5 Water Distribution System Permitting

A. Processing assistance	Ongoing	20,000	4-7855.03	P&E	Direct Bill
B. Purchase Aquitestsolve software	June	1,200	4-7815.10	WRD	
C. Hydrogeologic analysis assistance	Ongoing	25,000	4-7855.03	WRD	Direct Bill
D. Develop Implementation Guidelines	June	5,000	4-7855.03	P&E	

Evaluation and Reporting

2-6-1	Prepare & distribute annual Mitigation Program Report for FY 2005-06	January	1,000	4-7811.25	P&E
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Integrated Regional Water Management

2-7	Develop Integrated Water Management Plan (Prop. 50 Grant)		145,000	4-7855.05	P&E	Grant Funds
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PROTECT ENVIRONMENTAL QUALITY TOTAL

1,499,900

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
 PROJECT EXPENDITURES
 FISCAL YEAR 2007-08 BUDGET

IMPROVE COMMUNICATION

OBJECTIVE		TOTAL	ACCOUNT	FUNDED
3-1-1 Annual Report	March	17,000	99-7811.20	ASD
3-1-2 Annual Open House	February	700	99-7811.50	GMO
IMPROVE COMMUNICATION TOTAL		17,700		

WATER DEMAND

OBJECTIVE		TOTAL	ACCOUNT	FUNDED
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Demand Management

4-1-2 Implement Demand Management Ordinances				
A. Administer Water Permit Program				
(1). Print Forms and Obtain Other Related Materials	Ongoing	4,500	26-7813	WDD
4-1-3 Database Project Programming	June	180,000	26-7811.80	WDD
4-1-4 Policy and Procedures Manual Completion	June	40,000	26-7811.89	WDD

Water Conservation

4-2-1 Promote Best Management Practices					
A. Ryan Ranch Conservation - ET Controllers (new)	Ongoing	50,000	26-7811.55	WDD	Cal-Am
B. School Education Program (new)	Ongoing	5,000	26-7811.55	WDD	Cal-Am
C. ET Controller Promotion & Rebates (new)	Ongoing	125,000	26-7811.55	WDD	Cal-Am
4-2-2 Educate Public and Enforce Water Waste Rules					
A. Provide Education Materials, Showerheads, Aerators, Hose Nozzles to the Public	Ongoing	15,000	26-7811.55	WDD	
4-2-3 Implement Standby Rationing - Regulation 15					
A. Advertising to Promote Program	Ongoing	50,000	26-7811.55	WDD	Cal-Am
B. Print Forms and Obtain Other Related Materials	Ongoing	8,000	26-7811.55	WDD	Cal-Am
C. Garden Soft Project Software	Ongoing	2,000	26-7811.55	WDD	Cal-Am
D. Irrigation Auditor Training (new)	Ongoing	12,000	26-7811.55	WDD	Cal-Am
4-2-4 Retrofit Rebates					
A. Promote Program - Advertising, etc	Ongoing	75,000	26-7814.30	WDD	
B. Printing - Brochures, Hand-outs, etc	Ongoing	3,000	26-7814.30	WDD	
C. Rebate Fund (Reimbursable up to 50%)	Ongoing	200,000	26-7814.10	WDD	Cal-Am

WATER DEMAND TOTAL

769,500

PROJECT EXPENDITURES TOTAL

4,125,100

Expenditures in shaded boxes are reimbursable, bond funded or grant funded

projectexpenditures

5/17/2007

**Monterey Peninsula Water Management District
Capital Asset Purchases
Fiscal Year 2007-08 Budget**

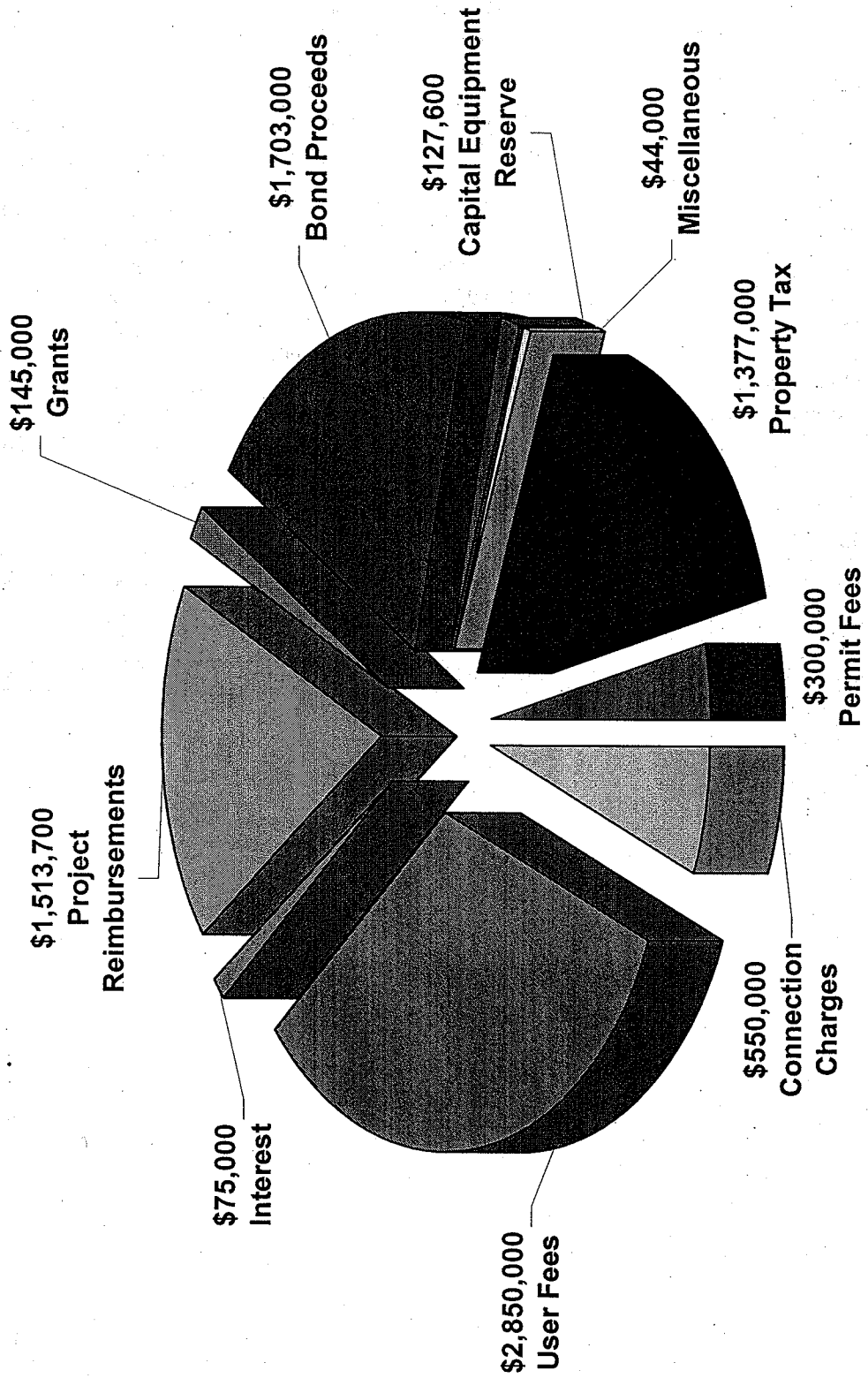
	<u>Cost</u>	<u>Account Number</u>	
<u>Computer Equipment</u>			
Moosepoint Database Integration Application	\$3,300	99-9160	
ArcMIS Web-Based Mapping Application	12,600	99-9160	
EDRAS Photogrammetry Suite Upgrade	5,200	99-9160	
ArcView 9.2 (1 license repurchase)	2,700	99-9160	
Air Conditioning Unit for Computer Room	8,000	99-9160	
Laptop - Staff General Use	2,200	99-9160	
Lab-Server for Virtual Systems & Support	4,300	99-9160	
Orthoimagery Data Update	55,000	99-9160	
Tablet PC for WDD Database	2,200	99-9160	
Windows 2003 Server Software for 6 Servers (4)	3,300	99-9160	[1]
Windows 2003 CAL 40 Licenses (30)	1,000	99-9160	[1]
Windows 2003/2007 Standard or Enterprise	800	99-9160	[1]
Windows 2003/2007 CAL 40 Licenses (30)	2,000	99-9160	[1]
Backup Software Upgrades	2,500	99-9160	[1]
Office 2007 Upgrade (36)	7,700	99-9160	[1]
Backup Server Hardware	2,700	99-9160	[1]
Active Directory Backup Server Hardware Upgrade	2,700	99-9160	[1]
Antivirus Server Hardware Upgrade	2,700	99-9160	[1]
File Server Hardware Upgrade	2,700	99-9160	[1]
Workstation Replacements (30wks, 3 lap)	34,500	99-9160	[1]
Subtotal	\$158,100		
<u>Office Equipment</u>			
Workstation for Conservation Rep I (currently vacant)	9,000	26-9120	
Subtotal	\$9,000		
<u>Machinery & Equipment</u>			
Fish Video Components	12,700	24-9130	
Subtotal	\$12,700		
<u>Vehicles</u>			
1/2 Ton Pickup - Unit 10 (replaces 1995 Ford)	30,000	24-9140	[1]
1 Ton Pickup - Unit 6 (replaces 1997 Chevrolet)	35,000	24-9140	[1]
Subtotal	\$65,000		
Total Capital Assets	\$244,800		

[1] Funded from Capital Asset Replacement Reserve

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
CAPITAL ASSET REPLACEMENT SCHEDULE
FISCAL YEAR 2007-08 BUDGET**

<u>Item</u>	<u>Unit Cost</u>	<u>Qty.</u>	<u>Total Cost</u>	<u>Purchase In Fiscal Year</u>	<u>Years to Purchase</u>	<u>Prior Years Accrual</u>	<u>Accrual This Fiscal Year</u>	<u>Remarks</u>
1/2 Ton Pickup	\$30,000	1	\$30,000	2007-08	0	\$30,000	\$0	Unit 10, '95 F150 4x4
1 Ton Pickup	\$35,000	1	\$35,000	2007-08	0	\$35,000	\$0	Unit 6, '96 F350 4x4
Information System	\$65,500	1	\$65,500	2007-08	0	\$65,500	\$0	In Service 06/02
Telephone System	\$51,000	1	\$51,000	2010-11	3	\$25,500	\$8,500	Nortel IS 3-00
1 Ton Pickup	\$36,600	1	\$36,600	2008-09	1	\$24,400	\$12,200	Unit 3, '97 3500 4x4
1/2 Ton Pickup	\$33,000	1	\$33,000	2008-09	1	\$22,000	\$11,000	Unit 7, '97 F150 4x4
1 Ton Pickup	\$34,500	1	\$34,500	2009-10	2	\$0	\$11,500	Unit 4, '99 F150 4x4
Totals			\$285,600			\$202,400	\$43,200	

REVENUE SUMMARY
Fiscal Year 2007-08 Budget
\$8,685,300



**Monterey Peninsula Water Management District
Revenues Comparison by Year
Fiscal Year 2007-08 Budget**

	FY 2005-06 <u>Revised</u>	FY 2006-07 <u>Revised</u>	FY 2007-08 <u>Proposed</u>	Change From <u>Previous Year</u>	Percentage <u>Change</u>
Property Tax	\$1,017,000	\$1,268,000	\$1,377,000	\$109,000	8.60%
Permit Fees	275,000	275,000	300,000	25,000	9.09%
Connection Charges	515,500	550,000	550,000	0	0.00%
User Fees	2,370,900	2,635,000	2,850,000	215,000	8.16%
Recording Fees	14,000	14,000	13,000	(1,000)	-7.14%
Interest	60,000	80,000	75,000	(5,000)	-6.25%
Project Reimbursements	234,600	561,900	1,513,700	951,800	169.39%
Legal Fee Reimbursements	28,000	28,000	22,000	(6,000)	-21.43%
Grants	500,000	450,000	145,000	(305,000)	-67.78%
Other	10,000	10,000	9,000	(1,000)	-10.00%
Subtotal	<u>\$5,025,000</u>	<u>\$5,871,900</u>	<u>\$6,854,700</u>	<u>\$982,800</u>	<u>16.74%</u>
Bond Proceeds - ASR	0	2,550,000	1,703,000	(847,000)	-33.22%
From Capital Equip. Reserve	5,000	39,000	127,600	88,600	227.18%
From Fund Balance	1,340,000	(38,700)	(180,800)	(142,100)	367.18%
Revenue Totals	<u><u>\$6,370,000</u></u>	<u><u>\$8,422,200</u></u>	<u><u>\$8,504,500</u></u>	<u><u>\$82,300</u></u>	<u><u>0.98%</u></u>

**Monterey Peninsula Water Management District
Revenues by Operating Fund
Fiscal Year 2007-08 Budget**

	<u>Mitigation</u>	<u>Capital Projects</u>	<u>Conservation</u>	<u>Total</u>
Property Tax	\$575,000	\$525,000	\$277,000	\$1,377,000
Permit Fees	0	0	300,000	300,000
Connection Charges	0	550,000	0	550,000
User Fees	2,470,000	0	380,000	2,850,000
Recording Fees	0	0	13,000	13,000
Interest	45,000	16,500	13,500	75,000
Project Reimbursements	821,000	190,200	502,500	1,513,700
Legal Fee Reimbursements	0	0	22,000	22,000
Grants	145,000			145,000
Other	5,400	2,000	1,600	9,000
Subtotal	<u>\$4,061,400</u>	<u>\$1,283,700</u>	<u>\$1,509,600</u>	<u>\$6,854,700</u>
Bond Proceeds	1,703,000			1,703,000
From Capital Equip. Reserve	102,500	13,800	11,300	127,600
(To)/From Fund Balance	(91,400)	(87,100)	(2,300)	(180,800)
Revenue Totals	<u><u>\$5,775,500</u></u>	<u><u>\$1,210,400</u></u>	<u><u>\$1,518,600</u></u>	<u><u>\$8,504,500</u></u>

Monterey Peninsula Water Management District
Analysis of Reserves
Fiscal Year 2007-08 Budget

<u>Total Reserves as of 07/01/06</u>	<u>Mitigation</u> <u>Fund</u>	<u>Capital Projects</u> <u>Fund</u>	<u>Conservation</u> <u>Fund</u>	<u>Totals</u>
Prepaid Expenses	\$0	\$24,400	\$600	\$25,000
Litigation Reserve	66,740	171,354	11,906	250,000
Capital Equipment Reserve	99,481	60,835	8,283	168,599
Flood/Drought Reserve	613,944	0	0	613,944
General Operating Reserve	417,994	672,872	347,514	1,438,380
Totals	\$1,198,159	\$929,461	\$368,303	\$2,495,923

General Operating Reserve Analysis

07/01/06 Balance	\$417,994	\$672,872	\$347,514	\$1,438,380
Fiscal Year 2006-07 Budgeted	91,400	87,100	2,300	180,800
06/30/07 Estimated Balance	\$509,394	\$759,972	\$349,814	\$1,619,180

Monterey Peninsula Water Management District
Budget Program Categories and Descriptions
Fiscal Year 2007-08 Budget

- General and Administrative – General and administrative type activities that cannot be reasonably allocated to other service program categories, i.e., general supervision, completion of evaluations, meeting attendance, etc.
- Budgeting and Financial Reporting – Activities and programs related to development and maintenance of all budgeting and financial activities including recordkeeping, investment of funds and safeguarding of assets.
- Personnel Services – Activities and programs related to recruitment and maintenance of an effective workforce, including establishment and administration of employee insurance, benefit and other related programs.
- Risk Management and Safety – Activities and programs related to evaluation and selection of appropriate property and other insurance to minimize exposure to loss; and activities and programs to evaluate, develop and administer required and voluntary safety programs.
- Support Services – Activities and programs to provide support for all District functions including mail processing, copying services, Board & Committee packet production, records development & retention and other support activities as required.
- Information Technology – Activities and programs to provide and maintain computer hardware, software and network infrastructure, and provide required support for all District financial and technical applications including payroll records, financial statements, water demand data, stream gage/fisheries monitoring and the geographic information system.
- Environmental Protection – Activities and programs designed to protect the water resources within the District. Activities including protection of fisheries, riparian vegetation, stream banks, lagoon habitat, streamflow gaging groundwater level and water quality. Environmental protection is included in the Mitigation Program for the District's Water Allocation Program.
- Water Supply – Activities and projects to augment the area's water supply. Activities include evaluation of water supply needs, completion of technical and environmental studies of water supply projects, conducting Board and public workshops and interaction with representatives of the eight jurisdictions and other agencies and interested parties.

- Water Resources Management – Activities and programs designed to manage and track water resources within the District. Activities include development of basin management plans, tracking of the Seaside Basin adjudication process, Cal-Am PUC rate cases, participation in agreements for operation of Cal-Am's water production facilities and preparing formal reviews of development proposals.
- Water Use & Permitting – Activities and programs related to demand management including processing applications and issuing permits for water use within the District. Activities include evaluation of applications for Water Permits and Water Distribution System Permits, collection of application and permit fees and collection and reporting of water use data.
- Water Conservation – Activities and programs that promote reductions in consumptive use of water within the District. Activities include verification and tracking of District retrofit requirements, rebate program, public education and awareness, landscape audits and budgets and water rationing.

**Monterey Peninsula Water Management District
Expenditures by Program
Fiscal Year 2006-07 Budget**

	General & Administration	Budgeting/Fin. Reporting	Personnel Service	Risk Mgmt. & Safety	Support Services	Information Technology	Environmental Protection	Water Supply	Water Resources Management	Water Use & Permitting	Water Conservation	Totals
PERSONNEL												
Salaries	\$259,700	\$146,100	\$64,100	\$4,600	\$97,800	\$166,400	\$594,300	\$202,200	\$126,600	\$205,500	\$193,300	\$2,060,600
Retirement	37,000	23,900	12,700	800	25,900	27,400	116,000	26,700	18,600	37,700	33,800	360,500
Unemployment Comp.	0	0	0	0	0	0	0	0	0	0	0	0
Auto Allowance	400	200	100	100	300	300	1,100	300	200	400	200	3,600
Temporary Personnel	500	0	0	0	0	0	0	0	0	0	0	500
Workers Comp. Ins.	5,700	3,700	1,900	100	4,000	4,200	17,700	4,100	2,900	5,800	5,200	55,300
Employee Insurance	37,700	24,400	12,900	800	26,400	27,900	118,400	27,300	19,000	38,400	34,500	367,700
Medicare & FICA Taxes	2,600	1,700	900	100	1,800	2,000	8,200	1,900	1,300	2,700	2,500	25,700
Personnel Recruitment	600	400	200	0	400	400	1,800	400	300	600	500	5,600
Pre-Employment Physical	600	0	0	0	0	0	0	0	0	0	0	600
Staff Development	4,400	2,900	1,500	100	3,100	3,300	13,700	3,200	2,200	4,500	4,200	43,100
Subtotal	349,200	203,300	94,300	6,600	159,700	231,900	871,200	266,100	171,100	295,600	274,200	2,923,200
SERVICES & SUPPLIES												
Board Member Comp.	3,100	2,000	1,100	100	2,200	2,300	9,700	2,200	1,600	3,100	2,600	30,000
Board Expenses	1,100	700	400	0	700	800	3,300	800	500	1,100	1,000	10,400
Telephone	3,200	2,100	1,100	100	2,300	2,400	10,100	2,300	1,600	3,000	3,000	31,500
Insurance	5,600	3,600	1,900	100	3,900	4,100	17,500	4,000	2,800	5,700	5,000	54,200
Facility Maint.	5,500	3,600	1,900	100	3,800	4,100	17,200	4,000	2,800	5,600	4,900	53,500
Membership Dues	1,200	800	400	100	900	900	3,900	900	600	1,300	1,000	12,000
Miscellaneous	100	100	0	0	100	100	300	100	0	100	100	1,000
Bank Charges	200	200	100	100	100	200	300	200	200	200	200	2,000
Office Supplies	3,200	2,000	1,100	100	2,200	2,300	9,900	2,300	1,600	3,200	2,900	30,800
Courier Expense	500	300	200	0	400	400	1,600	300	300	500	500	5,000
Meeting Expenses	1,500	1,000	500	0	1,100	1,100	4,700	1,100	800	1,500	1,400	14,700
Printing/Duplicating/Binding	900	600	300	0	600	700	2,800	700	500	900	800	8,800
Data Processing	6,700	4,400	2,300	200	4,700	5,000	21,100	4,900	3,400	6,900	6,000	65,600
Professional Fees	3,400	2,200	1,200	100	2,400	2,500	10,700	2,500	1,700	3,500	3,100	33,300
Legal Notices	500	300	200	0	400	400	1,600	400	300	500	400	5,000
Utilities	2,800	1,800	1,000	100	2,000	2,100	8,900	2,000	1,400	2,900	2,500	27,500
Rent	2,000	1,300	700	0	1,400	1,500	6,400	1,500	1,000	2,100	2,000	19,900
Legal Services	41,200	26,600	14,100	900	28,700	30,400	128,800	29,700	20,700	41,800	37,100	400,000
Travel	3,100	2,000	1,100	100	2,200	2,300	9,700	2,200	1,600	3,100	2,700	30,100
Transportation	4,500	2,900	1,600	100	3,200	3,400	14,300	3,300	2,300	4,600	4,100	44,300
Operating Supplies	1,600	1,000	500	0	1,100	1,200	5,000	1,200	800	1,600	1,600	15,600
Subtotal	91,900	59,500	31,700	2,200	64,400	68,200	287,800	66,600	46,500	93,500	82,900	895,200
FIXED ASSETS												
PROJECT EXPENDITURES	25,100	16,300	8,600	600	17,600	18,600	78,800	18,200	12,700	25,600	22,700	244,800
DEBT SERVICE	423,400	274,000	145,000	9,500	296,000	313,200	1,328,400	306,000	213,300	431,200	385,100	4,125,100
FLOOD/DROUGHT RESERVE	8,700	5,600	3,000	200	6,100	6,500	27,400	6,300	4,400	8,900	7,900	85,000
CAPITAL EQUIP. RESERVE	0	0	0	0	0	0	0	0	0	0	0	0
ELECTION EXPENSE	4,400	2,900	1,500	100	3,100	3,300	13,900	3,200	2,200	4,500	4,100	43,200
CONTINGENCY	11,600	7,500	4,000	300	8,100	8,600	36,400	8,400	5,800	11,800	10,500	113,000
EXPENDITURE TOTAL	7,700	5,000	2,600	200	5,400	5,700	24,200	5,600	3,900	7,800	6,900	75,000
TOTAL	922,000	574,100	290,700	19,700	560,400	656,000	2,668,100	680,400	459,900	878,900	794,300	8,504,500

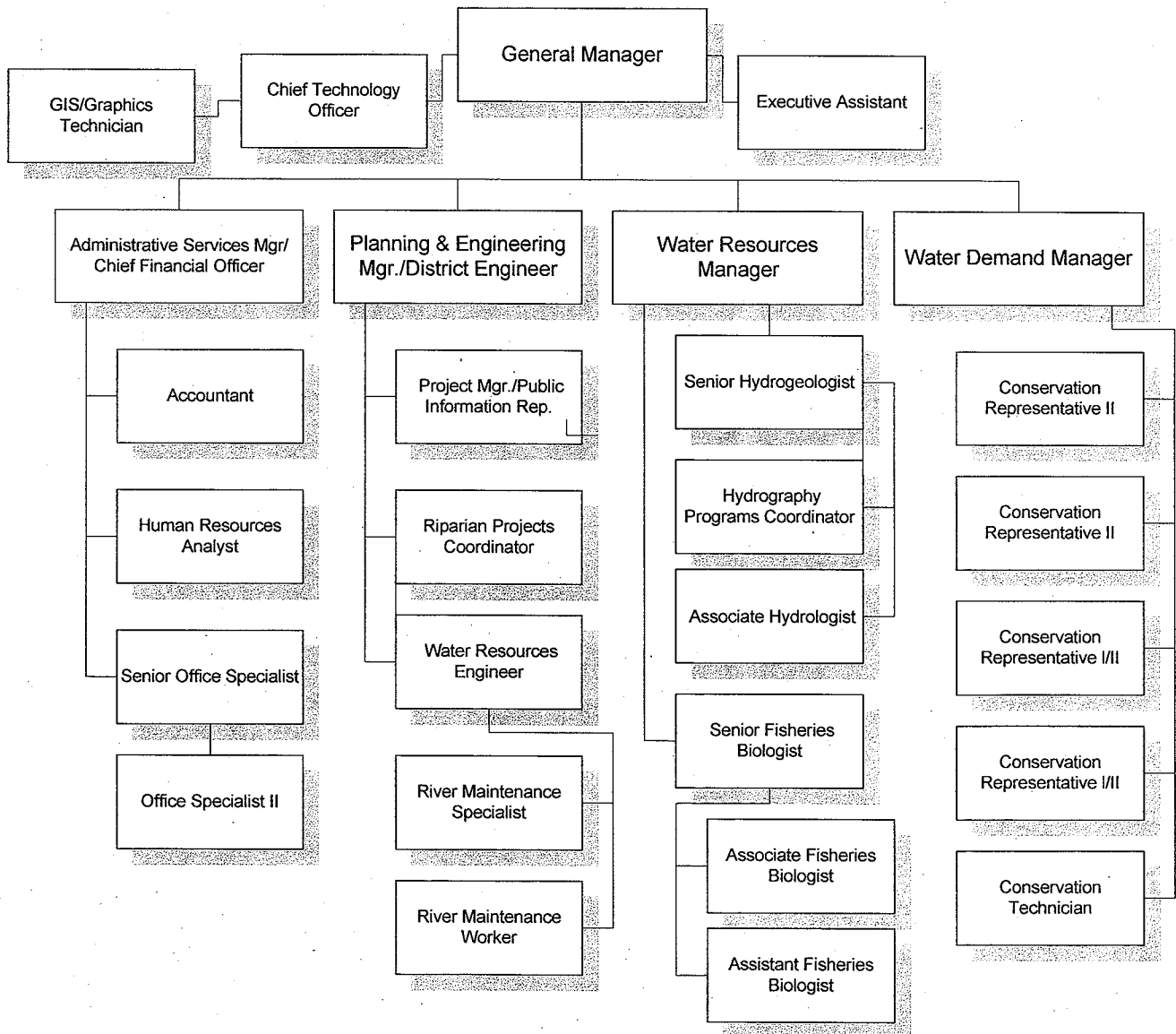
Monterey Peninsula Water Management District
 Labor Allocation by Program Category
 Fiscal Year 2006-07 Budget

Salary	General & Administration	Budgeting/Fin. Reporting	Personnel Service	Risk Mgmt. & Safety	Support Services	Information Technology	Environmental Protection	Water Supply	Water Resources Management	Water Use & Permitting	Water Conservation
General Manager's Office											
135,000	99,022	192	1,054	0	0	287	4,934	11,593	9,485	7,473	958
94,920	0	0	0	0	0	94,920	0	0	0	0	0
59,592	59,592	0	0	0	0	66,600	0	0	0	0	0
66,600	0	0	0	0	0	66,600	0	0	0	0	0
356,112	158,614	192	1,054	0	0	161,807	4,934	11,593	9,485	7,473	958
Administrative Services											
116,484	17,108	78,659	11,900	1,354	7,464	0	0	0	0	0	0
60,720	0	60,720	0	0	0	0	0	0	0	0	0
59,592	0	6,418	50,757	2,417	0	0	0	0	0	0	0
48,132	3,794	0	0	0	44,338	0	0	0	0	0	0
43,932	0	0	0	0	43,932	0	0	0	0	0	0
328,860	20,902	145,797	62,657	3,771	95,734	0	0	0	0	0	0
Planning & Engineering											
122,256	12,592	0	0	0	0	0	23,216	86,449	0	0	0
90,516	24,698	0	0	0	0	0	433	18,166	1,134	46,086	0
84,300	2,415	0	0	0	0	0	81,245	640	0	0	0
80,400	214	0	0	0	0	107	80,080	0	0	0	0
52,776	0	0	0	0	0	0	52,776	0	0	0	0
50,388	0	0	0	0	0	0	50,388	0	0	0	0
480,636	39,919	0	0	0	0	107	288,136	105,255	1,134	46,086	0
Water Demand											
81,204	12,942	0	0	0	0	0	0	449	4,562	46,368	16,883
57,900	231	0	0	0	0	0	0	0	404	44,695	12,569
53,872	0	0	0	0	0	0	0	0	0	15,868	40,004
48,682	0	0	0	0	0	0	0	0	0	8,316	40,366
47,945	0	0	0	0	0	0	0	0	0	0	47,945
48,132	2,120	0	0	0	0	1,628	0	0	0	16,069	28,314
339,735	15,293	0	0	0	0	1,628	0	449	4,966	131,318	186,081
Water Resources											
100,788	6,600	0	0	0	0	0	1,167	37,960	54,405	292	365
90,516	11,855	0	0	0	0	469	5,498	36,946	26,602	9,145	0
77,847	0	0	0	418	0	0	75,131	1,671	627	0	0
71,448	3,770	95	143	48	1,957	2,339	21,048	5,336	25,296	11,216	0
76,394	2,690	0	274	319	137	46	66,090	2,781	4,058	0	0
71,448	0	0	0	0	0	0	71,448	0	0	0	0
60,811	0	0	0	0	0	0	60,811	0	0	0	0
549,252	24,916	95	417	785	2,094	2,853	301,192	84,895	110,988	20,653	365
MPWMD Total											
2,054,595	259,643	146,084	64,128	4,555	97,827	166,396	594,263	202,192	126,573	205,530	187,404

**Monterey Peninsula Water Management District
Capital Improvement Project Forecast
Fiscal Year 2007-08 Budget**

<u>Division</u>	<u>Project Description</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>
P&E	Lower Carmel River Restoration Project	100,000		
P&E	Unspecified Bank Restoration Project		125,000	150,000
WRD	Aquifer Storage & Recovery - Phase 1	1,703,000		
WRD	Sleepy Hollow Facility - Intake Retrofit	684,000		
WRD	Los Padres Reservoir - Cooling Tower		250,000	
WRD	Sleepy Hollow Facility - Backup Intake Pipe		55,000	
WRD	Lower Carmel Valley Well Pump - CR Lagoon			150,000
ASD	Office Maintenance - Exterior Painting, Etc.	25,000		
ASD	Office Maintenance - Interior Paint/Carpet, Etc.		20,000	20,000
		2,512,000	450,000	320,000

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ORGANIZATION CHART FY 2007-2008



PERFORMANCE MEASURES SUMMARY

GENERAL MANAGER'S OFFICE

Program Category	Performance Measure	Measurement Intent	FY 2005-06 Actual	FY 2006-07 *Estimated	FY 2007-08 Target
General and Administrative	Citizen/Customer Written Inquiry Response Time	Service level target: Citizen/customer letters and other inquiries requiring District response acknowledged in writing within 96 hours (changed from 48 hours in previous fiscal year to a more realistic goal); and full response provided normally within two weeks	16%	13% in 48 hours 87% in 2 weeks	90%
General and Administrative	Board and Committee Meeting Minutes Completion	Service level target: Draft minutes of regular Board and Committees meetings submitted with next regular meeting packet	Board 83% Committee 100%	Board 100% Committee 90%	Board 100% Committee 90%
General and Administrative	Board Meeting Agenda Packet Delivery	Service level target: Deliver agenda packets to Directors by Wednesday preceding each regular Monday meeting; and not less than five days prior to special Board meetings	100%	100%	100%
Information Technology	Technical Support	Ensure effective support of computer hardware within four hours of requests during working hours	95%	95%	100%
Information Technology	Security and High Availability	Maintain secure and reliable electronic environments at all times	100%	100%	100%
Information Technology	Backup	Ensure full backup of all District computer records and data on a daily basis	100%	100%	100%

* Actual performance through March 2007

PERFORMANCE MEASURES SUMMARY

ADMINISTRATIVE SERVICES DIVISION

Program Category	Performance Measure	Measurement Intent	FY 2005-06 Actual	FY 2006-07 *Estimated	FY 2007-08 Target
Budgeting and Financial Reporting	Significant External Audit Findings	Ensure Compliance with audit requirements as evidenced by no significant external audit findings	0	0	0
Budgeting and Financial Reporting	Timely Financial Reporting	Complete all financial reports and accounting functions within identified target deadlines	90%	95%	95%
Budgeting and Financial Reporting	Timely Payment of Invoices	Ensure invoices are paid in a timely manner to maintain good relations with suppliers and the public	98%	100%	100%
Personnel Services	Prompt Employee Recruitments	Maintain efficiency and responsiveness of the recruitment process to insure timely staffing of vacant positions	100%	100%	100%
Personnel Services	Prompt Responses to Requests for Information	Provide timely responses to employee requests for information	95%	95%	95%

Risk Management & Safety	Mandated Training Completion Rate	Ensure employees receive and attend training for all mandated courses on time	100%	100%	100%
Risk Management & Safety	Maintain Appropriate Insurance	Maintain appropriate insurance levels to minimize exposures to loss	100%	100%	100%
Support Services	Timely Mail Distribution	Ensure distribution of incoming and outgoing mail on a daily basis	98%	98%	98%
Support Services	File Maintenance	Ensure daily maintenance of District files for use by the Board, public, staff and legal counsel	94%	95%	96%

* Actual performance through April 2007

PERFORMANCE MEASURES SUMMARY

PLANNING AND ENGINEERING DIVISION

Program Category	Performance Measure	Measurement Intent	FY 2005-06 Actual	FY 2006-07 *Estimated	FY 2007-08 Target
Information Technology	Make IRWM Plan and supporting documents available over the world wide web	Work with General's Manager's office to place documents on MPWMD web site	N/A	100%	100%
Environmental Protection	Report vegetation moisture stress, soil moisture, depth to groundwater, and irrigation water use for environmental protection.	Satisfy mitigation reporting requirements for the 1990 Water Allocation Program EIR Mitigation Program	100%	100%	100%
Environmental Protection	Monitor stream bank stability and restore riparian corridor functions and values.	Ensure compliance with Mitigation Program requirements; successfully protect habitat and property	Emergency work completed successfully	Annual monitoring and irrigation completed. Planted riparian vegetation.	Complete planning of long-term restoration project
Environmental Protection	Write Mitigation Program Annual Report and distribute to agencies and the public.	Educate agencies and the public about MPWMD compliance with 1990 Water Allocation Program EIR Mitigation and Monitoring Program; transmit information on the status of water resources and habitat.	100%	100%	100%

Environmental Protection	Complete Integrated Regional Water Management Plan	Integrate water resource management strategies across Region: Carmel Bay, Monterey Peninsula, & South Monterey Bay	10%	85%	100%
Water Supply	Evaluate water augmentation alternatives as directed by the MPWMD Board.	Carry out Board policy direction on technical and environmental review of water supply options proposed by MPWMD and others.	100%	100%	100%
Water Supply	Obtain and protect water rights for MPWMD projects	File permits with SWRCB; respond to other filings in accordance with SWRCB requirements	100%	100%	100%
Water Supply	Integrate ASR planning into IRWM Plan	Assist Water Resources Division with preliminary site plans for Phase I ASR Project	N/A	100%	100%
Water Resources Management	Participate in CPUC proceedings relating to Cal-Am	Evaluate Cal-Am filings; prepare testimony and participate in hearings in accordance with CPUC requirements	N/A	100%	100%
Water Resources Management	Integrate Seaside Groundwater Basin Monitoring and Management Plan into IRWM Plan	Assist Water Resources Division with work to complete a monitoring plan	N/A	100%	100%
Water Resources Management	Evaluate projects that may affect water resources within the District	Review and comment on environmental documents, such as Draft EIRs, for projects that may affect water resources and associated habitat within the District	100%	100%	100%

Water Use and Permitting	Evaluate applications for Water Distribution System permits in accordance with applicable laws.	Determine whether application meets approval criteria in MPWMD Rules and Regulations and within State Permit Streamlining Act.	100%	100%	100%
Water Conservation	Integrate recommendations for conservation activities into IRWM Plan	Assist Water Demand Division with work to complete an evaluation of conservation activities	N/A	75%	100%

*Actual performance through April 2007

PERFORMANCE MEASURES SUMMARY

WATER DEMAND DIVISION

Program Category	Performance Measure	Measurement Intent	FY 2005-06 Actual	FY 2006-07 *Estimated	FY 2007-08 Target
Permitting	Tabulate debits to each jurisdiction's allocations and provide the jurisdictions with monthly status reports.	Annual tracking and reporting is required by District Rule 31.	100%	100%	100%
Conservation	Collect and maintain water permit information and water records for properties utilizing the "Second Bathroom Protocol"	Second Bathroom Protocol requires participants to authorize access to property water records prior to and after the second bathroom is added. In 2006, the district is to undertake a thorough review of the "special fixture unit accounting" and the before and after picture will determine the future of the program.	95% of permits issued are logged.	95% of permits issued are logged.	Request consumption records for 95% of maintained list.
Permitting	Maintain accurate records of properties receiving water from the Pebble Beach entitlement.	Ordinance No. 109 requires the District to issue and maintain records of properties receiving water from Pebble Beach Company's entitlement.	100% tracking	100% tracking	100% tracking

Conservation	Verify compliance of properties subject to the District's conservation requirements.	District Rules 142 and 144 require specific conservation fixtures.	80%	85%	90%
Conservation	Report water savings associated with retrofit program.	Water Allocation Program EIR set 15 percent long-term per capita water conservation goal for the year 2020.	100% percent monthly reporting	92 % monthly reporting	100% monthly reporting
Conservation	Participate as a member of the Water Awareness Committee of Monterey County	Regional water conservation forum depends on participation for success.	100% attendance	100% attendance	100% attendance

*Actual performance through April 2007

PERFORMANCE MEASURES SUMMARY

WATER RESOURCES DIVISION

Program Category	Performance Measure	Measurement Intent	FY 2005-06 Actual	FY 2006-07 *Estimated	FY 2007-08 Target
Water Supply	Phase 1 ASR Project	Complete Phase 1 ASR Project improvements by start of next injection season, i.e. December 1, 2007	N/A	N/A	Meet target
Water Supply	SWRCB ASR permit reporting	Complete daily compliance report by SWRCB-requested timeline, i.e. September 1, 2007	100%	WY 2006 report delayed	Meet target
Water Supply	Surface flow monitoring	Collect and process streamflow and water level data from 18 gaging stations for Water Year 2007 within schedule for District reports, i.e. December 31, 2007	100%	100%	Meet targets
Water Supply	Groundwater level monitoring	Collect groundwater level data by monthly and quarterly end dates to support District reports and contracts	90%	100%	Meet targets
Environmental Protection	Steelhead rescues	Rescue steelhead from drying reaches of the Carmel River, with goal of 2% or less mortality	On Goal (<5%) 0.2% mortality	On goal (<1%) 0.2% mortality	Meet goal (<2%)

Environmental Protection	Steelhead rearing	Rear steelhead at Sleepy Hollow Facility, with goal of 40% or greater survival	On goal (>40%) survival 42%	On goal (>40%) survival 57%	Meet goal (>40%)
Environmental Protection	Lagoon vegetation monitoring	Conduct annual vegetation transects and bathymetric surveys, with goal of 100% annual coverage	100%	100%	Meet target
Water Resources Management	Carmel River Low-Flow MOA	Develop MOA between District, CDFG and CAW Carmel River Reservoir operations for approval by May Board meeting	1 mo. delay	On target	Meet target
Water Resources Management	Seaside Groundwater Basin Watermaster	Participate in all required meetings and prepare documents within target timelines as per Watermaster contract	N/A	On target	Meet targets
Water Resources Management	CPUC rate cases	Prepare materials (inquires, testimony, etc.) by target timelines and participate in hearings as per CPUC schedules	On target	On target	Meet target
Water Use & Permitting	Annual Well Production Reporting	Collect, analyze and report data, bring report to Board by February	2 mo. delay	1 mo. delay	Meet target

* Actual performance through April 2007



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
BUDGET PROCESS CALENDAR
FISCAL YEAR 2007-08**

<u>Target Date</u>	<u>Action</u>	<u>Responsibility</u>
February 27, 2007	Budget memorandum and forms distributed	Administrative Services
March 30, 2007	Budget request forms due to ASD	Division Managers
April 16, 2007	CFO produces/rolls-up initial draft budget	Administrative Services
April 17-27, 2007	Draft budget reviewed and modified	Team Management
May 1, 2007	Budget revisions due to ASD	Division Managers
May 25, 2007	Proposed budget submitted to Board	General Manager
May 31, 2007	Board workshop on proposed budget	Board of Directors
June 18, 2007	Board adopts Budget Board sets appropriation limit Board approves any fund transfers	Board of Directors

Glossary

Fiscal Year:

The fiscal year is the twelve-month period beginning July 1 and ending June 30 of the following year. The District uses the fiscal year as the basis for reporting financial information a twelve-month accounting period.

Program Categories:

Program Categories are major service programs that have been identified. All expenditures, including labor costs, are allocated to each program category in order to identify what each program actually costs.

Performance Measures:

Performance Measures have been developed for various program categories to evaluate the level of services provided within the categories.

Budget Assumptions:

The budget assumptions are generally accepted statements, which if untrue, would materially alter the financial planning and budget of the agency.

Revenues:

Revenues are derived from various sources and allocated to each operating fund. Property taxes, permits fees, water connection charges, user fees, interest on investments, reimbursements to the District for projects carried-out by the District and grants are the principal revenue sources. Revenues may include a portion of the prior-year fund balance used to offset expenditures. A pie chart graphically shows percentages of revenues according to source.

Article XIII (B):

Article XIII (B) is a section of the California State Constitution relating to the amount of a public entities tax revenues that may be expended in a given fiscal year. In the instance of the MPWMD, the article limits the amount of property tax revenue that may be spent in a fiscal year. It is calculated based upon the prior year's limit multiplied by a factor representing annual growth in population and consumer prices. The latter is furnished by the State Treasurer's Office. The calculation, required since the passage of Proposition 13 in 1978, is contained in each District budget and is identified as "Property Tax Appropriation."

Expenditures:

Expenditures are associated with each operating fund, as well with each program category. Personnel costs, services and supplies, capital assets and project expenditures are the principal categories. A pie chart graphically shows percentages of expenditures by line item.

Capital Assets:

Capital assets are equipment and components that have a useful life greater than one year and with an initial, individual cost of more than \$1,000 for equipment and \$5,000 for facilities and improvements.

Project Expenditures:

The Summary of Project Expenditures is a listing of costs for the coming year that are projected as a result of specific projects and programs carried-out by the staff, consultants and contractors. Project expenditures do not include staff compensation for regular employees.

Contingency:

The contingency is a nominal amount budgeted for expenditure for unforeseen emergencies or special purposes requiring Board approval.

Designated Reserves:

Designated reserves are funds set aside by the Board for specific, restricted uses. Examples include capital equipment, litigation, flood/drought, and pre-paid expenses.

General Operating Reserves:

General operating reserves are the balances in each operating fund of the District that remain after all budgeted expenses are paid. Normally, the general operating reserve balance is carried forward from one fiscal year to the next. The value is verified annually by the independent auditor and reported in the annual audit report.

Labor Allocation by Operating Funds:

The Labor Allocation by Operating Funds is a budget schedule that relates employee output to the three operating funds. It shows the output of each employee as a percentage of total time by operating fund. This percentage is used throughout the budget as the basis of allocating general and administrative (overhead) costs to the operating funds.

Labor Allocation by Program Category:

The Labor Allocation by Program Category is a budget schedule that relates employee output to the budgeted program categories. It shows the output of each employee as a percentage of total time by program category. This percentage is used throughout the budget as the basis of allocating general and administrative (overhead) costs to the program categories.