EXHIBIT 1-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

FISCAL YEAR 2008-09 PROPOSED BUDGET

May 22, 2008 Budget Workshop

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
2008-09 BUDGET

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RESOLUTION NO. 2008-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINUSULA WATER MANAGEMENT DISTRICT ADOPTING THE BUDGET FOR FISCAL YEAR 2008-09

WHEREAS, the General Manager has proposed a budget for Fiscal Year 2008-09, 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 22 and June 16, 2008.

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 16, 2008 Board of Directors Meeting is hereby approved and adopted as the budget for the Monterey Peninsula Water Management District for Fiscal Year 2008-09.

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 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 16th day of June 2008 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 16th day of June 2008.

Witness my hand and seal of the Board of Directors this __th day of June 2008.

_____
Arlene Tavani
Deputy Secretary

MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT

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May 22, 2008

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

Dear Chairperson Lehman and Board Members:

Budget Overview

This letter transmits the proposed budget for Fiscal Year (FY) 2008-09. The budget document has been prepared consistent with the strategy adopted by the Board in January 2005. This strategy was to develop balanced future annual budgets, while maintaining a minimum general operating reserve level of 5% to 10%, and planning for re-establishing general operating reserves to a prudent level of approximately 50% of budget over the following five years; all while preserving existing services and enabling the District to carry out its legislative mission and the Board's strategic vision. Despite the strategy to adopt a balanced budget, it should be noted that the FY 2008-09 budget includes use of reserves, and a general operating reserve drawdown to less than 5%, due to two exceptions to the strategy that were recently approved by the Board. First, at its November 2007 meeting, the Board authorized the use of general operating reserves to fund the completion of the Phase 1 Aquifer Storage and Recovery (ASR) Project on a pay-as-you-go basis. Also, at its April 2008 meeting, the Board authorized use of the flood/drought reserve to fund approximately $170,000 of preliminary costs relating to the District's 95-10 Desalination Project.

After compilation of the original requests from all Divisions for the FY 2008-09 budget, and a detailed review and numerous adjustments by Division Managers and the General Manager, proposed expenditures total $8,209,500. Projected revenues also total $8,209,500, including the use of general operating Reserves in the amount of $1,139,500 and flood/drought reserves of $57,000 for the projects mentioned above. Included in the proposed budget is $1,479,500 for completion of the Phase 1 ASR Project. It should be noted that if the District was not funding the ASR project on a pay-as-you-go basis, the proposed budget would actually replenish the general operating reserve by $340,000 rather than using the $1,139,500 as stated above.

Expenditures

As shown in the expenditures portion of the FY 2008-09 budget, total proposed expenditures of $8,209,500 increased by only 1.88% over the amount budgeted in FY 2007-08. The major expenditure in the FY 2008-09 budget is $1,479,500 for completion of the Phase 1 ASR Project. The amount to be spent for this project in FY 2008-09 is higher than the amount previously reported due to the shifting of some expenditures from FY 2007-08 to FY 2008-09, and recently revised estimates that indicate the cost of completing the ASR Project will be about 21% more than the amount that was projected several years ago before construction began. The expenditure budget also includes $211,200, not including labor, for operation of the ASR Project during the year. This amount, plus related labor costs, will be reimbursed by California American Water (CAW) pursuant to the Management and Operations agreement between the District and CAW. Also included in the budget is $75,000 to evaluate an expanded ASR project.

Other one-time large expenditure items include $57,000 for the FY 2008-09 portion of authorized preliminary work on the District's 95-10 Desalination Project, $105,000 for upgrade of the water intake at the Sleepy Hollow Steelhead Rearing Facility, $288,000 to complete the Water Demand Division database programming project, $450,000 for landscape irrigation audits related to potential water rationing and $200,000 for water conservation rebates. The latter two amounts are also reimbursable by CAW. The expenditure budget also includes $236,400 for the purchase of capital assets, comprised mostly of computer related equipment and software and three vehicle replacements.

As requested at the September 2005 Strategic Planning Workshop, a Capital Improvement Project Forecast is again included in the Fiscal Year 2008-09 budget.

Revenues

The FY 2008-09 revenue budget totals $8,209,500, including $98,000 from the capital equipment reserve, $57,000 from the flood/drought reserve, and $1,139,500 from the general operating reserve. As mentioned previously, the last two amounts are for preliminary work on the District's 95-10 Desalination Project and completion of the Phase 1 ASR project, respectively.

The District's largest revenue source is the User Fee which is currently collected at a rate of 8.325% on CAW's water billings. Total User Fee revenues are projected to be $3,670,400 in FY 2008-09. This proposed amount was developed based on current revenue data obtained from CAW, and by including about one-half of CAW's current rate increase request of over 80% that is pending before the California Public Utilities Commission. Property tax revenues, the District's second largest revenue source, are anticipated to increase by approximately $55,000 in FY 2008-09. Projected revenues from reimbursements are $1,499,500, consisting largely of amounts to be received from CAW for ASR and water conservation expenditures. Also included is $50,000 for services provided to the Seaside Basin Watermaster and $65,000 for billings related to water distribution system permitting.

Reserves

As discussed earlier in this transmittal, the strategy used to prepare the FY 2008-09 budget was to balance the budget without the use of general operating reserves. If it were not for the previously mentioned one-time use of reserves approved by the Board for completion of the Phase 1 ASR Project and preliminary

work on the 95-10 Desalination Project, the amount available towards replenishment of the General Operating Reserve would be $340,000.

Based on the mid-year adjustment to the FY 2007-08 budget, the total estimated general operating reserve carryover to the FY 2008-09 is about $631,300, or approximately 7.8% of the FY 2007-08 budget. The actual amount will vary depending on actual vs. anticipated revenues and expenditures over the remainder of the FY 2007-08. It is anticipated that the final carryover will be larger.

When combining the estimated general operating reserve carryover reflected in the FY 2007-08 budget of about $631,300 with the Board authorized estimated use of $1,139,500 in the FY 2008-09 budget, the general operating reserve balance as of June 30, 2009, is estimated to be a deficit amount of $508,000. As noted earlier, the Board authorized going below the 5% minimum in November 2007 when it approved funding Phase 1 ASR Project on a pay-as-you-go basis. In addition to the General Operating Reserve, it is also estimated that the District will have other designated reserves of approximately $950,000 on June 30, 2009.

Summary

The 2008-09 budget was prepared using the strategies adopted in January 2005 to balance the budget, after taking into account one-time use of reserves specifically authorized by the Board. 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. 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 on-going expenditures and we acknowledge their efforts.

Respectfully submitted:

Darby Fuerst
General Manager

Rick L. Dickhaut
Administrative Services Manager/CFO

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

Stephanie Pintar
Water Demand Manager

Joe Oliver
Water Resources Manager

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MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

STRATEGIC PLAN

February 13, 2008 through August 7, 2008

Adopted February 28, 2008

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

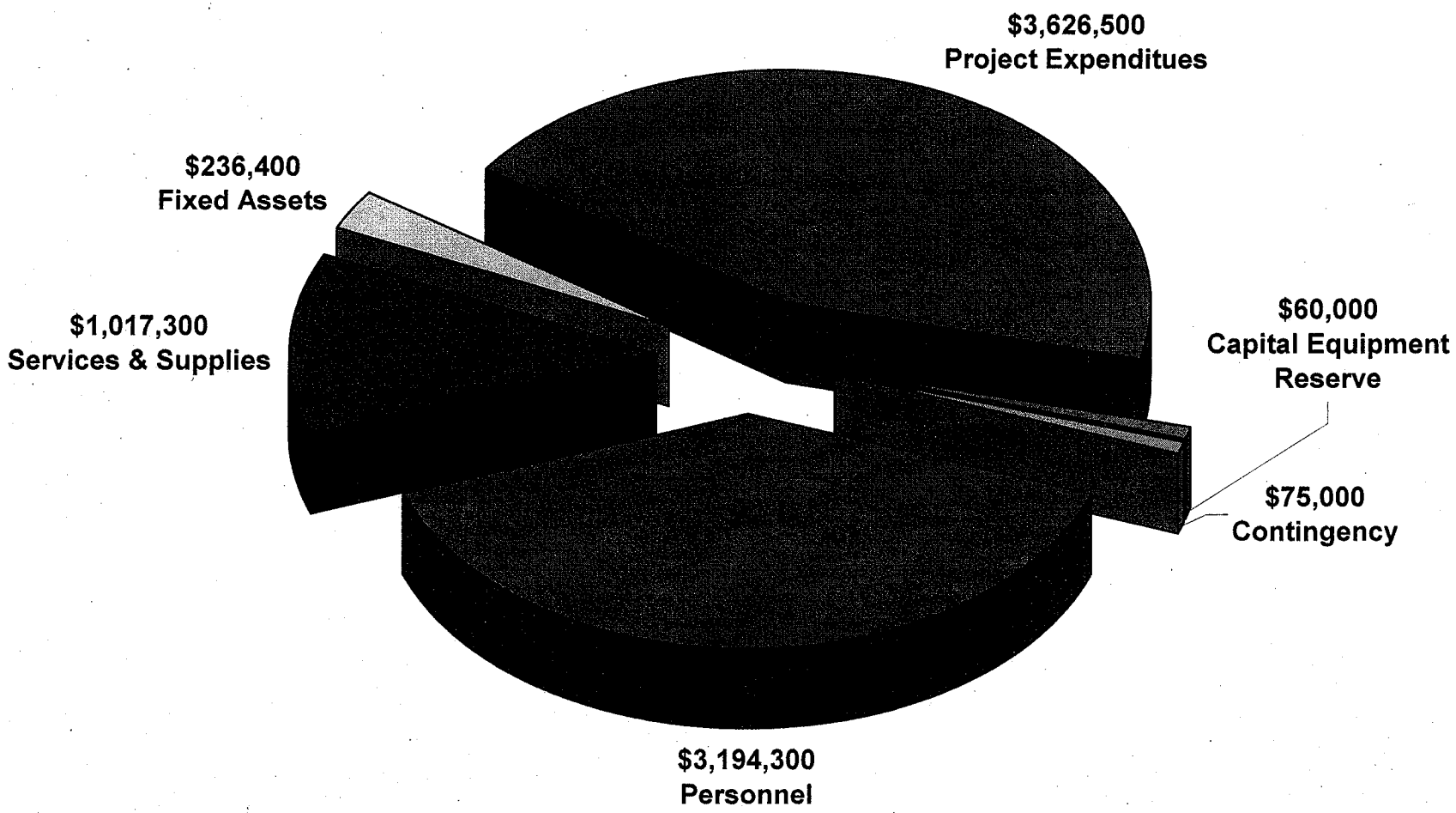
Determine and participate in long-term water supply solution(s)

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 Groundwater Basin for the benefit of the environment and the community

EXPENDITURE SUMMARY
Fiscal Year 2008-09 Budget
$8,209,500



Monterey Peninsula Water Management District
Expenditures Comparison by Year
Fiscal Year 2008-09 Budget

	FY 2006-07 Revised	FY 2007-08 Revised	FY 2008-09 Proposed	Change From Previous Year	Percentage Change
PERSONNEL					
Salaries	$2,068,000	$2,138,000	$2,190,100	$52,100	2.44%
Retirement	361,300	368,300	416,000	47,700	12.95%
Unemployment Compensation	0	0	6,500	6,500	#DIV/0!
Auto Allowance	3,600	3,600	3,600	0	0.00%
Temporary Personnel	500	500	500	0	0.00%
Workers Comp. Ins.	57,700	56,500	52,700	(3,800)	-6.73%
Employee Insurance	355,100	377,000	425,400	48,400	12.84%
Medicare & FICA Taxes	25,400	26,600	26,700	100	0.38%
Personnel Recuruitment	5,600	7,500	5,600	(1,900)	-25.33%
Pre-Employment Physical	600	600	1,500	900	150.00%
Staff Development	41,300	48,400	65,700	17,300	35.74%
Subtotal	$2,919,100	$3,027,000	$3,194,300	$167,300	5.53%
SERVICES & SUPPLIES					
Board Member Comp.	$33,100	$30,000	$31,500	$1,500	5.00%
Board Expenses	6,900	10,400	10,700	300	2.88%
Telephone	31,400	31,500	38,000	6,500	20.63%
Insurance	49,500	54,200	52,000	(2,200)	-4.06%
Facility Maint.	22,000	53,500	53,500	0	0.00%
Membership Dues	9,200	12,300	8,000	(4,300)	-34.96%
Miscellaneous	800	1,000	2,000	1,000	100.00%
Bank Charges	2,000	2,000	2,000	0	0.00%
Office Supplies	27,100	30,800	26,300	(4,500)	-14.61%
Courier Expense	5,000	5,000	8,000	3,000	60.00%
Meeting Expenses	15,200	14,700	14,800	100	0.68%
Printing/Duplicating/Binding	9,000	8,800	5,000	(3,800)	-43.18%
Data Processing	72,100	68,100	91,500	23,400	34.36%
Professional Fees	28,100	33,300	85,300	52,000	156.16%
Legal Notices	5,000	5,000	4,000	(1,000)	-20.00%
Utilities	28,300	27,500	26,000	(1,500)	-5.45%
Rent	18,600	19,900	19,900	0	0.00%
Legal Services	500,000	425,000	425,000	0	0.00%
Travel	21,500	32,600	35,600	3,000	9.20%
Transportation	40,000	44,300	52,500	8,200	18.51%
Operating Supplies	11,800	15,600	25,700	10,100	64.74%
Subtotal	$936,600	$925,500	$1,017,300	$91,800	9.92%
FIXED ASSETS	$154,700	262,800	236,400	($26,400)	-10.05%
PROJECT EXPENDITURES	4,167,000	3,611,200	3,626,500	15,300	0.42%
DEBT SERVICE	126,500	0	0	0	#DIV/0!
CAPITAL EQUIP. RESERVE	43,300	43,200	60,000	16,800	38.89%
ELECTION EXPENSE	0	113,000	0	(113,000)	-100.00%
CONTINGENCY	75,000	75,000	75,000	0	0.00%
EXPENDITURE TOTAL	$8,422,200	$8,057,700	$8,209,500	$151,800	1.88%

Monterey Peninsula Water Management District
Expenditures by Operating Fund
Fiscal Year 2008-09 Budget

	Mitigation	Capital Projects	Conservation	Total
PERSONNEL				
Salaries	$1,270,300	$481,800	$438,000	$2,190,100
Retirement	241,300	91,500	83,200	416,000
Unemployment Compensation	3,800	1,400	1,300	6,500
Auto Allowance	2,100	800	700	3,600
Temporary Personnel	300	100	100	500
Workers Comp. Ins.	30,600	11,600	10,500	52,700
Employee Insurance	246,700	93,600	85,100	425,400
Medicare & FICA Taxes	15,500	5,900	5,300	26,700
Personnel Recuruitment	3,300	1,200	1,100	5,600
Pre-Employment Physical	900	300	300	1,500
Staff Development	38,100	14,500	13,100	65,700
Subtotal	$1,852,900	$702,700	$638,700	$3,194,300
SERVICES & SUPPLIES				
Board Member Comp.	$18,300	$6,900	$6,300	$31,500
Board Expenses	6,200	2,400	2,100	10,700
Telephone	22,000	8,400	7,600	38,000
Insurance	30,200	11,400	10,400	52,000
Facility Maint.	31,000	11,800	10,700	53,500
Membership Dues	4,600	1,800	1,600	8,000
Miscellaneous	1,200	400	400	2,000
Bank Charges	1,200	400	400	2,000
Office Supplies	15,200	5,800	5,300	26,300
Courier Expense	4,600	1,800	1,600	8,000
Meeting Expenses	8,500	3,300	3,000	14,800
Printing/Duplicating/Binding	2,900	1,100	1,000	5,000
Data Processing	53,100	20,100	18,300	91,500
Professional Fees	49,400	18,800	17,100	85,300
Legal Notices	2,300	900	800	4,000
Utilities	15,100	5,700	5,200	26,000
Rent	11,500	4,400	4,000	19,900
Legal Services	190,000	115,000	120,000	425,000
Travel	20,700	7,800	7,100	35,600
Transportation	30,400	11,600	10,500	52,500
Operating Supplies	14,900	5,700	5,100	25,700
Subtotal	$533,300	$245,500	$238,500	$1,017,300
FIXED ASSETS	180,200	29,100	27,100	236,400
PROJECT EXPENDITURES	2,399,000	132,000	1,095,500	3,626,500
DEBT SERVICE	0	0	0	0
FLOOD/DROUGHT RESERVE	0	0	0	0
CAPITAL EQUIP. RESERVE	39,600	10,700	9,700	60,000
ELECTION EXPENSE	0	0	0	0
CONTINGENCY	43,500	16,500	15,000	75,000
EXPENDITURE TOTAL	$5,048,500	$1,136,500	$2,024,500	$8,209,500

Monterey Peninsula Water Management District
Labor Allocation by Operating Funds
Fiscal Year 2008-09 Budget

	Mitigation	Capital Projects	Conservation	Total
General Manager's Office				
General Manager	30%	40%	30%	100%
Chief Technology Officer	33%	33%	34%	100%
Executive Assistant	30%	40%	30%	100%
GIS Specialist	33%	33%	34%	100%
Administrative Services				
ASD Mgr/CFO	58%	22%	20%	100%
Accountant	58%	22%	20%	100%
Human Resources Analyst	58%	22%	20%	100%
Office Services Supervisor	58%	22%	20%	100%
Office Specialist II	58%	22%	20%	100%
Planning & Engineering				
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%
Water Demand				
Water Demand Manager	15%	15%	70%	100%
Conservation Rep II	10%	75%	15%	100%
Conservation Rep I	5%	10%	85%	100%
Conservation Rep I	45%	5%	50%	100%
Conservation Rep I	0%	0%	100%	100%
Conservation Technician II	65%	0%	35%	100%
Water Resources				
Water Resources Manager	65%	35%	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	**58%**	**22%**	**20%**	**100%**

Monterey Peninsula Water Management District
Expenditures by Division
Fiscal Year 2008-09 Proposed Budget

	General Manger's Office	Administrative Services	Planning & Engineering	Water Demand	Water Resources	Total
PERSONNEL						
Salaries	$382,600	$356,200	$516,500	$357,500	$577,300	$2,190,100
Retirement	73,200	68,200	98,900	65,200	110,500	416,000
Unemployment Compensation	0	6,500	0	0	0	6,500
Auto Allowance	3,600	0	0	0	0	3,600
Temporary Personnel	0	500	0	0	0	500
Workers' Comp.	2,500	2,300	16,200	2,500	29,200	52,700
Employee Insurance	59,700	77,400	100,700	79,700	107,900	425,400
Medicare & FICA Taxes	4,600	5,200	6,100	5,100	5,700	26,700
Personnel Recruitment	0	5,600	0	0	0	5,600
Pre-Employment Physicals	0	1,500	0	0	0	1,500
Staff Development	16,200	21,500	7,000	13,400	7,600	65,700
Subtotal	$542,400	$544,900	$745,400	$523,400	$838,200	$3,194,300
SERVICES & SUPPLIES						
Board Member Comp	$0	$31,500	$0	$0	$0	31,500
Board Expenses	10,700	0	0	0	0	10,700
Telephone	1,000	31,000	2,000	2,000	2,000	38,000
Insurance	0	52,000	0	0	0	52,000
Facility Maint.	0	53,500	0	0	0	53,500
Membership Dues	0	4,000	2,000	2,000	0	8,000
Miscellaneous	0	500	500	1,000	0	2,000
Bank Charges	0	2,000	0	0	0	2,000
Office Supplies	0	25,800	500	0	0	26,300
Courier Expense	0	8,000	0	0	0	8,000
Meeting Expenses	7,600	7,200	0	0	0	14,800
Printing/Duplicating/Binding	0	3,000	1,000	0	1,000	5,000
Data Processing	91,000	500	0	0	0	91,500
Professional Fees	59,800	25,500	0	0	0	85,300
Legal Notices	0	4,000	0	0	0	4,000
Utilities	0	26,000	0	0	0	26,000
Rent	0	19,900	0	0	0	19,900
Legal Services	0	425,000	0	0	0	425,000
Travel	16,000	7,500	4,000	5,000	3,100	35,600
Vehicle Expense	0	0	15,000	12,300	25,200	52,500
Operating Supplies	9,700	3,000	5,000	7,500	500	25,700
Subtotal	$195,800	$729,900	$30,000	$29,800	$31,800	$1,017,300
FIXED ASSETS	131,900	2,000	66,500	0	36,000	236,400
PROJECT EXPENDITURES	55,600	18,000	246,700	1,078,000	2,228,200	3,626,500
DEBT SERVICE		0				0
FLOOD/DROUGHT RESERVE	0	0	0	0	0	0
CAPITAL EQUIPMENT RES.	40,000	8,500	0	0	11,500	60,000
ELECTION EXPENSE		0	0	0	0	0
CONTINGENCY	0	75,000	0	0	0	75,000
Expenditure Total	$965,700	$1,378,300	$1,088,600	$1,631,200	$3,145,700	$8,209,500

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROJECT EXPENDITURES
FISCAL YEAR 2008-09 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 Phase 1site					
a. Site grading/fencing	Summer/Fall	70,000	4-7860.04	WRD	
b. PG&E coordination (service upgrade to 750 KVA)	Summer/Fall	60,000	4-7860.04	WRD	
c. Engineering & construction management	Summer/Fall	200,000	4-7860.04	WRD	
d. Contingency (10%)	Summer/Fall	33,000	4-7860.04	WRD	
2. ASR Facilities (i.e., on-site facilities)					
a. Chemical/electrical building construction (1,200 Sq. Ft.)	Winter/Spring	285,000	4-7860.04	WRD	
b. Permanent piping & instrumentation	Winter/Spring	165,000	4-7860.04	WRD	
c. Electrical System	Winter/Spring	440,000	4-7860.04	WRD	
d. Engineering and construction management	Winter/Spring	125,000	4-7860.04	WRD	
e. Contingency (10%)	Winter/Spring	101,500	4-7860.04	WRD	
4. ASR Operations and Maintenance					
a. Permitting (e.g., RWQCB)	Ongoing	50,000	4-7860.04	WRD	CAW
b. Support	Ongoing	90,000	4-7860.04	WRD	CAW
c. Power	Ongoing	40,000	4-7860.04	WRD	CAW
d. Site Maintenance	Ongoing	12,000	4-7860.04	WRD	CAW
e. Contingency (10%)	Ongoing	19,200	4-7860.04	WRD	CAW
6. Evaluate Expanded ASR Project	June	75,000	5-7860.04	WRD	
B. MPWMD 95-10 Desalination Project	July	57,000	5-7860.05	P&E	
1-3-1 Maintain Viability of New Los Padres Project Permits	Ongoing	2,000	5-7812	P&E	
AUGMENT WATER SUPPLY TOTAL		**1,830,700**			

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROJECT EXPENDITURES
FISCAL YEAR 2008-09 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. Reprint and mail River Care Guide	June	2,000	4-7870.50	P&E	
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	5,700	4-7870.22	P&E	
C. Field Biology Assistants	Ongoing	21,000	4-7870.21	P&E	
D. GS Flow (groundwater drawdown model development)	June	5,000	4-7820.21	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. Lower Carmel River restoration project - design and permitting	June	15,000	4-7895.41	P&E	
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 Monitor lower Carmel River sediment transport changes	June	15,000	4-7895.90	P&E	
Aquatic Resources Fisheries					
2-3-1 Sleepy Hollow Facility Operations					
A. General operations and maintenance	Ongoing	45,500	4-7858.13	WRD	
B. Power	Ongoing	49,100	4-7858.13	WRD	
C. Road maintenance	June	3,600	4-7858.13	WRD	
D. Replacement of standby generator fuel	Ongoing	2,300	4-7858.13	WRD	
E. Generator maintenance service	Ongoing	5,300	4-7858.13	WRD	
F. Re-evaluate intake system	Fall	22,000	4-7858.11	WRD	
G. Intake water sediment and sand filter	March-May	105,000	4-7858.12	WRD	
H. Intake pumps maintenance	March-May	14,800	4-7858.13	WRD	
I. Consulting services (DHD)	Ongoing	8,000	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	40,600	4-7858.14	WRD	
C. Seasonal Fish Rescue Worker	Ongoing	14,900	4-7858.14	WRD	
D. Recalibrate Electrofishing Backpack Units	Ongoing	1,000	4-7858.13	WRD	
E. Purchase waders	Ongoing	1,200	4-7858.13	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 for 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	3,000	4-7858.70	WRD	
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	
C. Bi-Annual steelhead survey (new)	July & Dec	3,000	4-7858.71	WRD	
D. Evaluate alternatives for lagoon supplemental water	Fall	20,000	4-7822.03	WRD	

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROJECT EXPENDITURES
FISCAL YEAR 2008-09 BUDGET

Hydrologic						
2-5-1	Carmel Valley					
	A. Monitor Carmel River near Carmel (USGS)	Ongoing	14,600	5-7856	WRD	
	B. Water quality chemical analyses	Ongoing	3,000	4-7815	WRD	
	C. Miscellaneous maintenance	Ongoing	500	4/5-7855.02	WRD	
	D. Monitoring well maintenance	Ongoing	1,500	5-7855.02	WRD	
2-5-2	Seaside Basin Watermaster					
	A. Phase 2 MMP Implementation (non-labor portion only)	Ongoing	30,000	5-7860.03	WRD	Watermaster
	B. Phase 3 MMP Implementation (non-labor portion only)	Ongoing	20,000	5-7860.03	WRD	Watermaster
2-5-3	District Wide					
	A. Stream flow monitoring program					
	1. Miscellaneous equipment	Ongoing	3,000	4/5-7856.03	WRD	
	2. Data line rental - 7 sites	Ongoing	3,500	4/5-7856.03	WRD	
Evaluation and Reporting						
2-6-1	Prepare & distribute annual Mitigation Program Report	January	1,000	4-7811.25	P&E	
Integrated Regional Water Management						
2-7	Prepare Proposition 50, 84 & 1E grant applications	December	10,000	4-7855.05	P&E	
Water Distribution System Permitting						
2-8-1	Permit processing assistance	Ongoing	40,000	4-7855.03	P&E	Direct Bill
2-8-2	Hydrogeologic impact review	Ongoing	25,000	4-7855.03	WRD	Direct Bill
2-8-3	Permit process streamlining and public outreach	June	15,000	4-7855.03	P&E	
2-8-4	Document management/file scanning	June	5,000	4-7855.03	P&E	
2-8-5	Integration with well database & monitoring compliance	Ongoing	5,000	4-7855.03	WRD	
	PROTECT ENVIRONMENTAL QUALITY TOTAL		**644,200**			

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROJECT EXPENDITURES
FISCAL YEAR 2008-09 BUDGET

PUBLIC OUTREACH

	OBJECTIVE		TOTAL	ACCOUNT		FUNDED
3-1-1	Annual Report	March	18,000	99-7811.20	ASD	
3-1-2	Annual Open House	February	600	99-7811.50	GMO	
3-1-3	Trade Show Booth	August	10,000	99-7811.50	WDD	
3-1-4	Public Outreach Assistance (MRWPCA)	June	30,000	99-7811.50	GMO	
3-1-5	Website Upgrade	June	25,000	99-7811.50	GMO	
	PUBLIC OUTREACH TOTAL		**83,600**			

WATER DEMAND

	OBJECTIVE		TOTAL	ACCOUNT		FUNDED
Demand Management						
4-1-2	Implement Demand Management Ordinances					
	A. Administer Water Permit Program					
	(1). Print Forms and Obtain Other Related Materials	Ongoing	6,500	26-7813	WDD	
	B. Update Commercial Water Factors	November	50,000	26-7813	WDD	
4-1-3	Database Project Programming	March	288,000	26-7811.80	WDD	
Water Conservation						
4-2-1	Promote Best Management Practices					
	A. Certified Landscape Irrigation Audits	Ongoing	450,000	26-7811.55	WDD	CAW
	B. Materials, advertising, etc.	Ongoing	5,000	26-7811.55	WDD	
4-2-2	Educate Public and Enforce Water Waste Rules					
	A. Public Outreach Materials	Ongoing	20,000	26-7811.55	WDD	
	B. Cease & Desist Order Consultant Support	June	20,000	26-7811.55	WDD	
4-2-3	Implement Standby Rationing - Regulation 15					
	A. Stage 2 to 7 brochures	October	25,000	26-7811.55	WDD	CAW
4-2-4	Retrofit Rebates					
	A. Printing - Rebate forms	Ongoing	3,500	26-7814.30	WDD	
	B. Rebate Fund	Ongoing	200,000	26-7814.10	WDD	CAW
	WATER DEMAND TOTAL		**1,068,000**			
	PROJECT EXPENDITURES TOTAL		**3,626,500**			

Expenditures in shaded boxes are reimbursable

projects_rev1
5/12/2008

Monterey Peninsula Water Management District
Capital Asset Purchases
Fiscal Year 2008-09 Budget

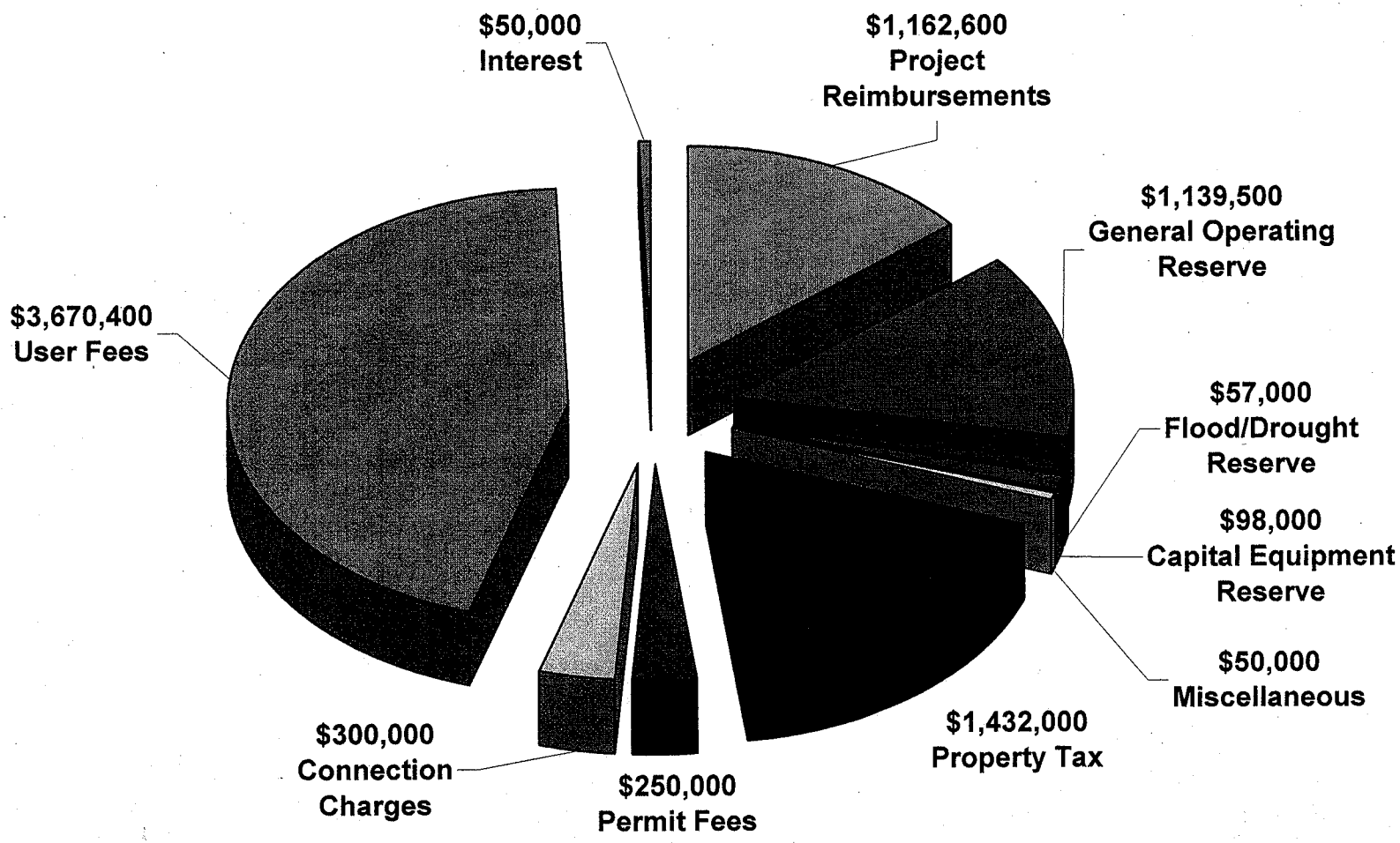
	Cost	Account Number	
Computer Equipment			
Orthoimagery Data Update	$39,600	99-9160	
Freelance IMS Tool	$7,700	99-9160	
Feature Analysis Software	$6,500	99-9160	
ArcEditor (2 licenses)	$10,600	99-9160	
Geostatistical Analyst & Primer	$2,900	99-9160	
Goedatabase Server	$2,200	99-9160	
42" Large Plotter (replacement)	$15,000	99-9160	
49" Large Format Scanner	$8,600	99-9160	
Tablet PC for WDD Database	$2,700	99-9160	
Network Storage - 1.6 TB	$2,200	99-9160	
Laptop for General Staff Use	$2,200	99-9160	
Labserver for Virtual Systems & Support	$5,400	99-9160	
WDD Database Application & Database Server	$4,300	99-9160	
WDD Document Imaging Color Scanner	$11,400	99-9160	
Printer Replacements (4)	$8,600	99-9160	
Fixed Asset Software Module	$2,000	99-9160	
Subtotal	$131,900		
Office Building & Equipment			
Sign for Board/Conference Room Wall	2,000	99-9180	
Automated External Defibrillator (Field Office)	1,500	24-9120	
Automated External Defibrillator (Sleepy Hollow Office)	1,500	24-9120	
Subtotal	$5,000		
Machinery & Equipment			
Automated External Defibrillator (Fish Truck)	1,500	24-9130	
Subtotal	$1,500		
Vehicles			
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]
1/2 Ton Pickup - Unit 7 (replaces 1997 Ford)	33,000	24-9140	[1]
Subtotal	$98,000		
Total Capital Assets	$236,400		

[1] Funded from Capital Asset Replacement Reserve

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
CAPITAL ASSET REPLACEMENT SCHEDULE
FISCAL YEAR 2008-09 BUDGET

Item	Unit Cost	Qty.	Total Cost	Purchase In Fiscal Year	Years to Purchase	Prior Years Accrual	Accrual This Fiscal Year	Remarks
1/2 Ton Pickup	$30,000	1	$30,000	2008-09	0	$30,000	$0	Unit 10, '95 F150 4x4
1 Ton Pickup	$35,000	1	$35,000	2008-09	0	$35,000	$0	Unit 6, '96 F350 4x4
1/2 Ton Pickup	$33,000	1	$33,000	2008-09	0	$33,000	$0	Unit 7, '97 F150 4x4
1 Ton Pickup	$36,600	1	$36,600	2009-10	1	$36,600	$0	Unit 3, '97 3500 4x4
1 Ton Pickup	$34,500	1	$34,500	2010-11	2	$11,500	$11,500	Unit 4, '99 F150 4x4
Telephone System	$51,000	1	$51,000	2010-11	2	$34,000	$8,500	Nortel IS 3-00
Information System	$120,000	1	$120,000	2011-12	3	$0	$40,000	In Service 06/08
Totals	$340,100		$340,100			$180,100	$60,000	

REVENUE SUMMARY
Fiscal Year 2008-09 Budget
$8,209,500



Monterey Peninsula Water Management District
Revenues Comparison by Year
Fiscal Year 2008-09 Budget

	FY 2006-07 Revised	FY 2007-08 Revised	FY 2008-09 Proposed	Change From Previous Year	Percentage Change
Property Tax	$1,268,000	$1,377,000	$1,432,000	$55,000	3.99%
Permit Fees	275,000	300,000	250,000	(50,000)	-16.67%
Connection Charges	550,000	550,000	300,000	(250,000)	-45.45%
User Fees	2,635,000	3,030,000	3,670,400	640,400	21.14%
Recording Fees	14,000	13,000	12,000	(1,000)	-7.69%
Interest	80,000	75,000	50,000	(25,000)	-33.33%
Project Reimbursements	561,900	1,499,500	1,162,600	(336,900)	-22.47%
Legal Fee Reimbursements	28,000	22,000	30,000	8,000	36.36%
Grants	450,000	304,900	0	(304,900)	-100.00%
Other	10,000	9,000	8,000	(1,000)	-11.11%
Subtotal	$5,871,900	$7,180,400	$6,915,000	($265,400)	-3.70%
Bond Proceeds - ASR	2,550,000	0	0	0	#DIV/0!
From Capital Equip. Reserve	39,000	127,600	98,000	(29,600)	-23.20%
From Flood/Drought Reserve	0	0	57,000	57,000	#DIV/0!
From Fund Balance	(38,700)	749,700	1,139,500	389,800	51.99%
Revenue Totals	$8,422,200	$8,057,700	$8,209,500	$151,800	1.88%

Monterey Peninsula Water Management District
Revenues by Operating Fund
Fiscal Year 2008-09 Budget

	Mitigation	Capital Projects	Conservation	Total
Property Tax	$932,000	$300,000	$200,000	$1,432,000
Permit Fees	0	0	250,000	250,000
Connection Charges	0	300,000	0	300,000
User Fees	3,181,000	0	489,400	3,670,400
Recording Fees	0	0	12,000	12,000
Interest	29,000	11,000	10,000	50,000
Project Reimbursements	304,300	114,200	744,100	1,162,600
Legal Fee Reimbursements	0	0	30,000	30,000
Grants	0	0	0	0
Other	4,600	1,800	1,600	8,000
Subtotal	$4,450,900	$727,000	$1,737,100	$6,915,000
Bond Proceeds	0	0	0	0
From Capital Equip. Reserve	98,000	0	0	98,000
From Flood/Drought Reserve	0	57,000	0	57,000
(To)/From General Operating Reserve	499,600	352,500	287,400	1,139,500
Revenue Totals	$5,048,500	$1,136,500	$2,024,500	$8,209,500

Monterey Peninsula Water Management District
Analysis of Reserves
Fiscal Year 2008-09 Budget

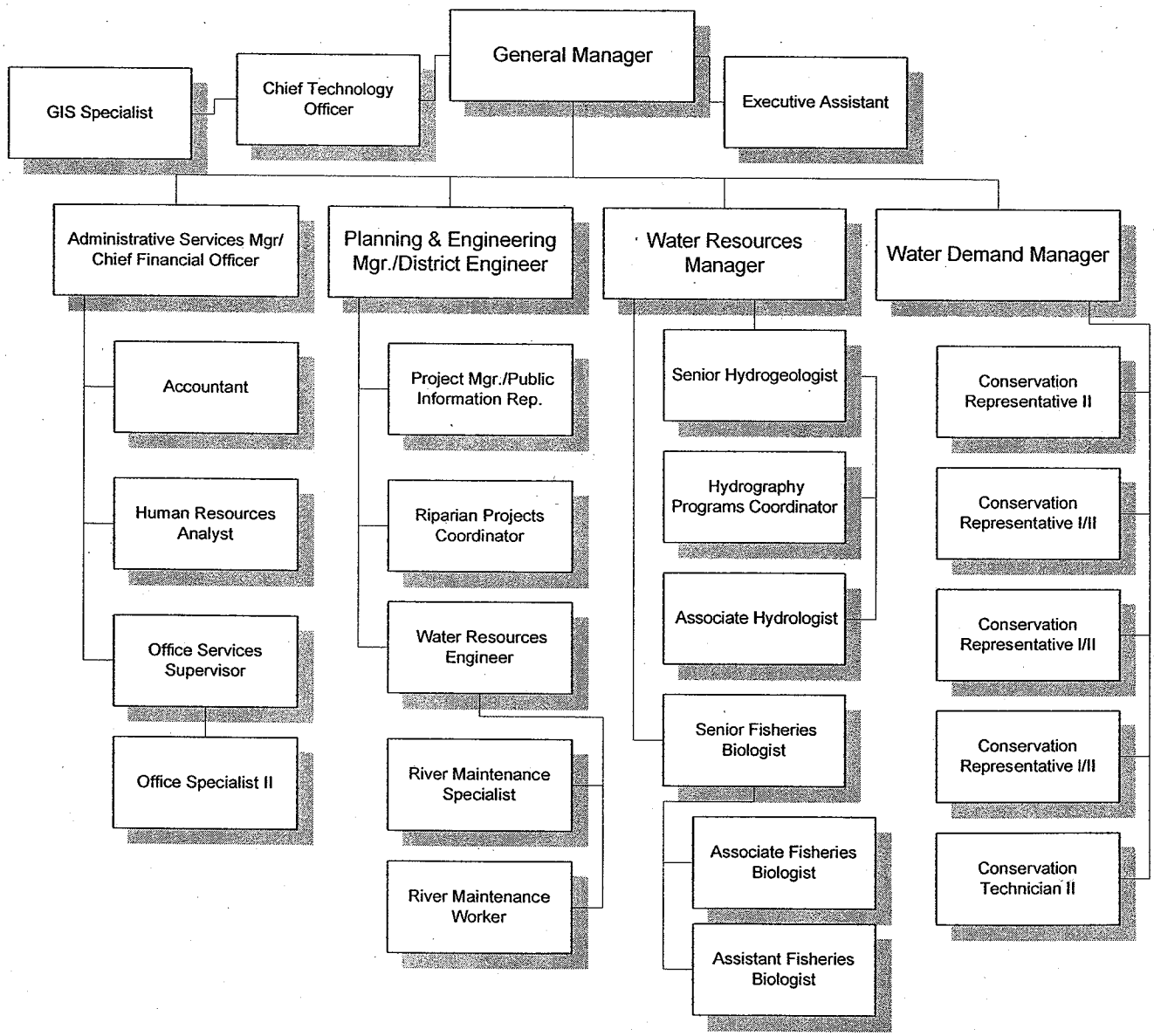
Reserves as of 07/01/08 (estimted)	Mitigation Fund	Capital Projects Fund	Conservation Fund	Totals
Prepaid Expenses	$0	$34,300	$700	$35,000
Litigation Reserve	66,740	171,354	11,906	250,000
Capital Equipment Reserve	14,300	67,500	2,400	84,200
Flood/Drought Reserve	443,944	0	0	443,944
General Operating Reserve	(319,503)	539,614	411,208	631,319
Totals	$205,481	$812,768	$426,214	$1,444,463

General Operating Reserve Analysis				
07/01/07 Balance	($319,503)	$539,614	$411,208	$631,319
Fiscal Year 2007-08 Budgeted	(499,600)	(352,500)	(287,400)	(1,139,500)
06/30/08 Estimated Balance	($819,103)	$187,114	$123,808	($508,181)

Monterey Peninsula Water Management District
Capital Improvement Project Forecast
Fiscal Year 2008-09 Budget

Division	Project Description	FY 08-09	FY 09-10	FY 10-11	FY 11-12
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	1,479,500			
WRD	Sleepy Hollow - Intake Water Sediment & Sand Filter	105,000			
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 - Interior Paint/Carpet, Etc.	20,000	20,000	10,000	10,000
		1,604,500	425,000	285,000	160,000

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
ORGANIZATION CHART
FY 2008-2009



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
BUDGET PROCESS CALENDAR
FISCAL YEAR 2008-09

Target Date	*Action*	*Responsibility*
February 25, 2008	Budget memorandum and forms distributed	Administrative Services
March 31, 2008	Budget request forms due to ASD	Division Managers
April 18, 2008	Draft Budget distributed	Administrative Services
April 25, 2008	Budget review session	Team Management
May 2, 2008	Budget revisions due to ASD	Division Managers
May 16, 2008	Proposed budget submitted to Board	General Manager
May 22, 2008	Board workshop on proposed budget	Board of Directors
June 16, 2008	Board adopts Budget Board sets appropriation limit Board approves any fund transfers	Board of Directors

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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.