

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month. The meetings begin at 7:00 PM.



AGENDA

Regular Meeting and Closed Session Board of Directors Monterey Peninsula Water Management District

Monday, December 14, 2015,

6:15 pm Closed Session

7:00 pm Regular Meeting

Conference Room, Monterey Peninsula Water Management District
5 Harris Court, Building G, Monterey, CA

Staff notes will be available on the District web site at
<http://www.mpwmd.net/asd/board/boardpacket/2015>
by 5 PM on Friday, December 11, 2015.

Brenda Lewis will participate by telephone from 1758 Broadway Avenue, Seaside, CA 93955

The 7 PM Meeting will be televised on Comcast Channels 25 & 28. Refer to broadcast schedule on page 3.

6:15 PM – CLOSED SESSION

As permitted by Government Code Section 54956 et seq., the Board may adjourn to closed or executive session to consider specific matters dealing with pending or threatened litigation, certain personnel matters, or certain property acquisition matters.

PUBLIC COMMENT – Members of the public may address the Board on the item or items listed on the Closed Session agenda.

ADJOURN TO CLOSED SESSION

1. **Public Employee Performance Evaluation (Gov. Code 54957) – General Manager**

ADJOURN TO 7 PM SESSION

7 PM REGULAR MEETING

CALL TO ORDER/ROLL CALL

Board of Directors

Jeanne Byrne, Vice Chair – Division 4
Brenda Lewis – Division 1
Andrew Clarke - Division 2
Molly Evans – Division 3
Robert S. Brower, Sr. – Division 5
David Pendergrass, Mayoral Representative
David Potter, Monterey County Board of Supervisors Representative

General Manager

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Thursday, December 10, 2015. Staff reports regarding these agenda items will be available for public review on 12/11/15, at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District office during normal business hours, and posted on the District website at <http://www.mpwmd.net/asd/board/boardpacket/2015>. Documents distributed at the meeting will be made available in the same manner. The next regular meeting of the Board of Directors is scheduled for January 27, 2016 at 7 pm.

PLEDGE OF ALLEGIANCE

ADMINISTER OATH OF OFFICE TO ANDREW CLARKE, DIVISION 2; MOLLY EVANS, DIVISION 3; JEANNE BYRNE, DIVISION 4; AND ROBERT S. BROWER, SR., DIVISION 5

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

CONSENT CALENDAR: The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes.

1. Consider Adoption of Minutes of the November 16, 2015 Regular Board Meeting
2. Adopt Board Meeting Schedule for 2016
3. Implementation of GASB Statement No. 54 and Resolution No. 2015-22 Adopting Fund Balance Policy
4. Authorize a Change to the Organization Chart Replacing the Water Resources Engineer Position with a Senior Water Resources Engineer
5. Consider Approval of Expenditure for Purchase of Ford F350 4X4 Auto Crane/Dump Truck
6. Consider Adoption of Resolution 2015-24 In Support of Filing an Application to the California Department of Fish and Wildlife, Steelhead Report and Restoration Card Program
7. Approve Lawn Removal Rebate Request from Monterey Peninsula Unified School District
8. Consider Adoption of Resolution No. 2015-25 – Amending Table XIV-1, Rebate Amounts (Rule 141.B)
9. Consider Adoption of Treasurer's Report for October 2015

PRESENTATIONS

10. Presentation to Michael Boles upon his retirement after 11 Years of Service to the MPWMD

GENERAL MANAGER'S REPORT

11. Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision
12. Update on Development of Water Supply Projects
13. Report on Drought Response
14. Receive Report on GASB 68 Reporting Requirements

ATTORNEY'S REPORT

15. Report from District Counsel on 6:15 pm Closed Session of the Board

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

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

PUBLIC HEARINGS – Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

17. **Consider Second Reading and Adoption of Ordinance No. 166 Amending Rule 11 and Adding Rule 23.8 to Establish a Water Entitlement for D.B.O. Development No. 30, A California Limited Liability Company**

Action: The Board will consider second reading and adoption of an ordinance authorizing an entitlement to D.B.O. Development No. 30 to allow use of a Seaside Groundwater Basin Water Right on other Cal-Am Sites.

18. **Consider Urgency Ordinance No. 167 – An Ordinance Amending Rule 141, Water Conservation Rebates; Rule 142, Water Efficiency Standards; and Rule 143, Water Efficiency Standards for Existing Non-Residential Uses**
Action: The Board will consider adoption of an urgency ordinance that would be effective on December 15, 2015.
19. **Consider First Reading of Ordinance No. 168 - Amending Rule 11, and Adding Rule 23.9 to Establish a Water Entitlement for the City of Pacific Grove**
Action: The Board will receive public comment and consider first reading of Ordinance No. 168.
20. **Consider Adoption of January through March 2016 Quarterly Water Supply Strategy and Budget**
Action: The Board will consider approval of a proposed production strategy for the California American Water Distribution Systems for the three-month period of January through March 2016. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water systems.

ACTION ITEMS – Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

21. **Consider Approval of Ground Lease with City of Seaside for Santa Margarita ASR Site Expansion**
Action: The Board will provide direction to the General Manager regarding execution of the ground lease with the City of Seaside.
22. **Consider Adoption of Resolution No. 2015-23 Authorizing an Exception to the CalPERS 180-Day Wait Period for Hiring a Retiree**
Action: The Board will consider approval of a resolution to allow hiring a retiree, on a 6-month, part-time employment contract, before the end of the required 180-day waiting period.
23. **Select Appointees to Ordinance No. 152 Oversight Panel**
Action: The Board will select two panel members from lists of potential appointees submitted by Monterey County Association of Realtors and Monterey Peninsula Taxpayers Association.
24. **Receive Fiscal Year 2014-2015 Financial Statements and Independent Audit Report**
Action: The Board will review and consider acceptance of the Audit Report for Fiscal Year 2014-2015.
25. **Conduct Election of Board Officers for 2016**
Action: The Board will conduct an election for the positions of Board Chair, Vice Chair, Secretary, and Treasurer.

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

26. Letters Received Supplemental Letter Packet
27. Committee Reports
28. Monthly Allocation Report
29. Water Conservation Program Report
30. Quarterly Water Use Credit Transfer Status Report
31. Carmel River Fishery Report
32. Monthly Water Supply and California American Water Production Report for December 2015

ADJOURNMENT

Board Meeting Broadcast Schedule – Comcast Channels 25 & 28

View Live Webcast at Ampmedia.org

Ch. 25, Sundays, 7 PM	Monterey
Ch. 25, Mondays, 7 PM	Monterey, Del Rey Oaks, Pacific Grove, Sand City, Seaside
Ch. 28, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Fridays, 9 AM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside

Upcoming Board Meetings

Wed. January 27, 2016	Regular Board Meeting	7:00 pm	District conference room
Wed. February 17, 2016	Regular Board Meeting	7:00 pm	District conference room

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by 5:00 PM on Thursday, December 10, 2015. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

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EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
November 16, 2015**

The meeting was called to order at 7:05 p.m. in the Water Management District conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Kristi Markey – Chair, Division 3
Jeanne Byrne – Vice Chair, Division 4
Brenda Lewis – Division 1
Andrew Clarke – Division 2
Robert S. Brower, Sr. – Division 5
David Pendergrass – Mayoral Representative
David Potter – Monterey County Board of Supervisors Representative

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No comments were directed to the Board during Oral Communications.

ORAL COMMUNICATIONS

On a motion by Byrne and second of Pendergrass, the Consent Calendar was approved unanimously on a vote of 7 – 0 by Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter.

CONSENT CALENDAR

Approved.

1. Consider Adoption of Minutes of the October 19, 2015 Regular Board Meeting

Approved.

2. Consider Adoption of Resolution 2015-20 Update to Rule 24, Table 3, Capacity Fee History

Approved.

3. Consider Approval of Revised Deed Restriction Template No. 1.8 –Notice and Deed Restriction Regarding Limitation on Use of Water on a Property with Sub-Metering

Approved.

4. **Consider Adoption of Resolution No. 2015 – 21 Expressing Appreciation to Kristi Markey for Twelve Years of Service as Division 3 Director**

Approved.

5. **Consider Approval of First Quarter Fiscal Year 2015-2016 Investment Report**

Approved.

6. **Consider Adoption of Treasurer's Report for September 2015**

Byrne presented a gift to Markey along with a framed resolution of appreciation signed by the Directors. Potter recognized Markey for her invaluable leadership. Brower said that he was proud to have worked with her. Lewis stated that Markey had been a wonderful mentor and friend. Clarke expressed appreciation for Markey's candor and wisdom. Pendergrass acknowledged Markey for uniting the Board and facilitating respectful discussion. Markey stated that 12 years was enough time to become familiar with the issues and to accomplish some goals. She congratulated Molly Evans for her election to Division 3 and stated that democracy is about bringing fresh perspectives forward.

PRESENTATIONS

7. **Presentation to Outgoing Director Division 3 – Kristi Markey**

Stoldt presented a gift to Stern. He noted that she was committed to public service, had left an indelible mark on the District and would be missed. Stern noted that she cared deeply about the environment, the community and the goals of the District and felt privileged to have worked at the District for 30 years. Potter acknowledged Stern for her dedication to the organization.

8. **Presentation to Henrietta Stern Upon Her Retirement after 30 Years of Service to the MPWMD**

David Chandler, Coordinator of Renewable Energy and Conservation at the Monterey Peninsula Unified School District, addressed the Board. A summary of his presentation can be viewed on the Water Management District website. Chandler reported that since 2012, water use in the school district was reduced by 46.8%. A six-year conservation plan was developed that included installation of cisterns, smart controllers, field retrofits, and implementation of professional drought tolerant landscape plans. Money saved through conservation measures was placed in a fund to be used for completion of additional conservation projects. He thanked the Board for providing funding and support to enable achievement of water savings.

9. **Presentation from Monterey Peninsula Unified School District on Recent Water Conservation Successes**

A summary of General Manager Stoldt's report is on file at the Water Management District office and can be viewed on the agency website. Stoldt reported that the community is below the water production targets set as a result of SWRCB Order 2009-0060.

GENERAL MANAGER'S REPORT

10. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**

Stoldt stated that he anticipates that the EIR/EIS for the California American Water (Cal-Am) desalination project should be released for public review in April or May 2016. A summary of his report can be reviewed on the Water Management District website.

Stoldt reported that water use within the Water Management District was 16.4% below the 2013 base-year. The water use reduction target established by the State was 8%. Stoldt reported that 80% of the state is considered to be in extreme or exceptional drought.

Oliver reported that the Water Management District and Cal-Am staff were prepared to begin injection/recovery activities when flow conditions allow for commencement of the program. Improvements to the system include: rehabilitation of wells that are key to project operation; installation of heating elements on the most vulnerable wells so they will not freeze in cold weather; and new protocols were developed for reconfiguration of valves in the Seaside area. The earliest date that injection could occur is December 1, 2015, if flow at the Highway 1 gage is sufficient.

No report. Deferred to December 14, 2015 Board meeting.

Counsel reported that for closed session item 1, a status report was provided to the Board and negotiating parameters were given to the General Manager. Therefore, item 23 of the open-session agenda was not ready for action and should be pulled from the agenda. As for closed session item 2, the Board was provided background information and would discuss and consider taking action on a recommendation under item 19 of the open session.

On a motion by Potter and second of Brower, open session agenda item 23 was continued to a future meeting of the Board of Directors. The motion was approved on a unanimous vote of 7 – 0 by Brower, Byrne, Clarke, Lewis, Markey, Pendergrass and Potter.

11. Update on Development of Water Supply Projects

12. Report on Drought Response

13. Report on Readiness for Aquifer Storage and Recovery Activities

14. Report on GASB 68 Reporting Requirements

ATTORNEY'S REPORT

15. Report from District Counsel on 5:45 PM Closed Session of the Board

1. Conference with Real Property Negotiators (Gov. Code 54956.8)

A. Address: 1910 General Jim Moore Blvd., Seaside, CA 93955

Agency Negotiator: David J. Stoldt, General Manager
Under Negotiation: Price and Terms

2. Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))

A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO

Clarke reported that he attended the November 11 – 13, 2015 Conference of the California Water Association. He was impressed by several thought provoking presentations, including a speech by Assemblyperson Alejo. Lewis attended the October 20, 2015 meeting of the Monterey County Special Districts Association. She advised the Board that the Association will be requesting contributions from member district's to fund the organization.

Potter offered a motion that was seconded by Byrne to approve the first reading of Ordinance No. 166. The motion was approved unanimously on a roll-call vote by Potter, Byrne, Brower, Clarke, Lewis, Markey and Pendergrass. No public comment was directed to the Board during the public hearing on this item.

Item 18 was considered prior to item 17.

On a motion by Potter and second by Pendergrass, the Board voted unanimously to: (a) Approve MPWMD Findings of Approval for Application #WDS-20150922DBO; (b) Approve Application #WDS-20150922DBO and authorize issuance of MPWMD Permit #M15-07-L3 for the CAW/DBO Amendment with Conditions of Approval specified in Exhibit 18-E; and (c) direct staff to file a Notice of Exemption with the County Clerk. The motion was approved on a vote of 7 – 0 by Potter, Pendergrass, Brower, Byrne, Clarke, Markey and Lewis.

During the public hearing on this item, David Sweigert, representing the applicants, stated that they had no comments.

Ex Parte Communications: Potter and Pendergrass reported that the applicant did speak with them prior to the hearing concerning agenda items 17 and 18.

On a motion by Brower and second of Potter, the Board authorized the General Manager to sign the Application for Order Modifying State Water Board Order WRO 2009-0060, subject to non-substantive changes to be determined by District counsel, on behalf of the Board. The motion was approved unanimously on a vote of Brower, Potter, Byrne, Clarke, Markey, Lewis and Pendergrass.

The following comments were directed to the Board during the public hearing on this item. (a) **George Riley** expressed concern that Cal-Am is responsible to meet milestones, but the penalty for not meeting the milestones is tighter rationing on the community. He asked if the Water Management District would join with the Monterey Peninsula Regional Water Authority to defend Cal-Am should they miss a milestone. *Stoldt responded*

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

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

PUBLIC HEARINGS

**17. Consider First Reading of
Ordinance No. 166 Amending
Rule 11 and Adding Rule 23.8 to
Establish a Water Entitlement for
D.B.O. Development No. 30, A
California Limited Liability
Company**

**18. Consider Approval of Application
#WDS-20150922 DBO to Amend
California American Water
Distribution System – Transfer of
D.B.O. Development Water Rights
in Seaside Basin, APN 011-011-
051 (Donor Parcel), Sand City**

**19. Consider Approval of Application
to Amend State Water Resources
Control Board Cease and Desist
Order 2009-0060**

that the State maintains that the milestones outlined in the agreement create a risk of dire consequences that will force the community to take action. Under pressure from environmental interests who will be requesting a lower diversion limit from the Carmel River, the Water Management District will increase mitigation measures on the river. The concern is that the diversion rates could be set so low that the community would be placed at risk for the imposition of conservation rates and penalties. Laredo stated that the Water Management District maintained the right to petition the State for relief under the order. **(b) Jody Hanson**, President and CEO of the Monterey Peninsula Chamber of Commerce, expressed support for the recommendation to authorize the General Manager to sign the Application.

Stoldt reviewed the status of criteria listed in the staff report on this project. In response to a question from the Board he reported that a change petition for the Salinas Industrial Ponds has been noticed; the permit for the Blanco Drain and Reclamation Ditch waters may not be processed for six months to a year; and the El Estero Lake diversion will be included as part of a future phase of the recycled water project so there are no plans at this time to file for a permit on that project. Brower advised that the Water Supply Planning Committee has been monitoring action on Pure Water Monterey project for a year: he encouraged interested persons to attend the committee meetings. No comments were directed to the Board during the public comment period on this item.

Stoldt reviewed the risks associated with sections 12, 13, 14, 16, 19, 26 and 27 of the agreement as outlined in the staff note. The agreement will be brought before the Board for action at a future meeting.

During the public comment period on this item, George Riley expressed appreciation for the thorough discussion on risk. He explained that this was the first time he had heard such a complete description of risk by a public agency.

On a motion by Brower and second of Byrne, the Board voted to authorize an expenditure of \$1.8 million in unbudgeted funds for design-bid components and preparation of bid packets for construction manager at risk components. The motion was approved unanimously on a vote of 7 – 0 by Brower, Byrne, Clarke, Markey, Lewis, Pendergrass and Potter.

The following comments were directed to the Board during the public comment period on this item. **(a) Molly Evans** inquired as to the estimated construction cost of the Pure Water Monterey Project. *Stoldt responded that the construction costs will be approximately \$72.5 million, with an additional \$13 million in reimbursable pre-construction costs.* **(b) Jody Hanson** submitted a letter signed by John Narigi, Chair of the Coalition of Peninsula Businesses. The letter outlined comments on

DISCUSSION ITEMS

20. Discussion of Pure Water Monterey Project California Public Utilities Commission Settlement Agreement Criteria

21. Discussion of Pure Water Monterey Project Water Purchase Agreement Risks and Performance Obligations

ACTION ITEMS

22. Authorize Expenditure of Unbudgeted Funds for Pure Water Monterey Project Design Bid Packages

agenda items 20 and 21, and requested that action on item 22 be deferred until a source of funding has been identified. (c) **George Riley** encouraged the Board to take action to authorize the \$1.8 million expenditure.

Deferred by motion to a future meeting of the Board. See agenda item 15.

On a motion by Potter and second by Lewis, the Board voted to recommend approval of an \$85,000 grant to the City of Monterey to co-fund the Monterey Regional Water Recovery Study. This would require a mid-year budget adjustment. The motion was approved on a vote of 6 – 1 by Potter, Lewis, Brower, Byrne, Clark and Pendergrass. Markey was opposed. No comments were directed to the Board during the public comment period on this item.

There was no discussion of the Informational Items/Staff Reports.

The meeting was adjourned at 9:25 pm.

- 23. **Consider Approval of Ground Lease with City of Seaside for Santa Margarita ASR Site Expansion**
- 24. **Consider Distribution of Funds for Local Project Grant Funding**

INFORMATIONAL ITEMS/STAFF REPORTS

- 25. **Letters Received**
- 26. **Committee Report**
- 27. **Monthly Allocation Report**
- 28. **Water Conservation Program Report**
- 29. **Quarterly Water Use Credit Transfer Status Report**
- 30. **Carmel River Fishery Report**
- 31. **Receive and File First Quarter Financial Activity Report for Fiscal Year 2015-16**

ADJOURNMENT

ITEM: CONSENT CALENDAR**2. ADOPT BOARD MEETING SCHEDULE FOR 2016****Meeting Date: December 14, 2015** **Budgeted: N/A****From: David J. Stoldt** **Program/ N/A**
General Manager **Line Item No.:****Prepared By: Arlene Tavani** **Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: N/A**

SUMMARY: Attached as **Exhibit 2-A** is a proposed Board meeting schedule for the months of January 2016 through February 2017. This schedule includes the regular monthly Board meetings and a budget workshop. The regular Board meeting in January 2016 is set for the fourth Wednesday of the month due to a conflict with the Martin Luther King Jr. Birthday holiday. The February 2016 meeting is set for the third Wednesday due to the Presidents' Day holiday and a conflict with the ACWA DC Conference the fourth week of February. The November 2016 meeting is set for the second Monday due to the Thanksgiving holiday. The Board meetings will be conducted in the District's conference room unless there is a need to meet in another location. Changes to a meeting time or location will be noticed on the meeting agenda and the Water Management District website.

RECOMMENDATION: Review and adopt the 2016 MPWMD Board meeting schedule.

BACKGROUND: The meeting dates were selected in coordination with the Monterey Regional Water Pollution Control Agency to insure that our meeting dates do not conflict with their Board's meeting schedule.

EXHIBIT**2-A Proposed Board Meeting Schedule for 2016**



EXHIBIT 2-A

**MPWMD Board Meeting Schedule
January 2016 through February 2017**

Meetings begin at 7 PM in the District Conference Room unless noted otherwise.

	Day of Week	Date	Time	Type of Meeting
2016	Wednesday	January 27	7 PM	Regular
	Wednesday	February 17	7 PM	Regular
	Monday	March 21	7 PM	Regular
	Monday	April 18	7 PM	Regular
	Monday	May 16	7 PM	Regular
	Monday	May 23	7 PM	Workshop – FY 2016/2017 Budget
	Monday	June 20	7 PM	Regular
	Monday	July 18	7 PM	Regular
	Monday	August 15	7 PM	Regular
	Monday	September 19	7 PM	Regular
	Monday	October 17	7 PM	Regular
	Monday	November 14	7 PM	Regular
	Monday	December 19	7 PM	Regular
2017	Wednesday	January 25	7 PM	Regular
	Wednesday	February 22	7 PM	Regular

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ITEM: CONSENT CALENDAR**3. IMPLEMENTATION OF GASB STATEMENT NO. 54 AND RESOLUTION NO. 2015-22 ADOPTING FUND BALANCE POLICY**

Meeting Date:	December 14, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: The Administrative Committee reviewed this item on December 7, 2015 and recommended approval.****CEQA Compliance: N/A**

SUMMARY: In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to address issues related to how fund balance was being reported in governmental financial statements. The intent of the Statement is to bring greater transparency and consistency to fund balance reporting in the governmental sector. The District complied by implementing GASB Statement No. 54 for the Fiscal Year ending June 30, 2011, however, a formal fund balance policy was not adopted.

This new standard does not change the total amount of a given fund balance, but it substantially alters the categories and terminology used to describe the components of a fund balance. The new categories and terminology reflect an approach that focuses, not on financial resources available for appropriation within a fund, but on the extent to which the District is bound to honor constraints on the use of the funds. In the past, fund balances have been classified into three separate components: Reserved, Designated, and Undesignated. There are almost always important limitations on the purpose for which all or a portion of the resources can be used. The force of these limitations can vary significantly depending on their source. The various components of the new fund balance reporting standard are designed to indicate the extent to which the District is bound by these limitations placed upon the resources.

GASB Statement No. 54 defines five new components of fund balance that will replace the current existing three components. The five new components are:

Nonspendable Fund Balance. The portion of a fund balance that cannot be spent because they are either: (a) not in a spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment. This category was traditionally reported as a “reserved” fund balance under the old statement.

Restricted Fund Balance. The portion of a fund balance that has constraints placed on the use of resources that are either: (a) externally imposed by creditors (such as through debt covenants),

grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. This category was traditionally reported as a “reserved” fund balance under the old standard.

Committed Fund Balance. The portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District and remain binding unless removed in the same manner. This category was traditionally reported as a “designated” fund balance under the old statement.

Assigned Fund Balance. The portion of a fund balance that includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are neither Restricted nor Committed. Such intent needs to be established either by the District or by an official designated for that purpose. This category was traditionally reported as a “designated” fund balance under the old standard.

Unassigned Fund balance. The portion of a fund balance that includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category of fund balance. This category was traditionally reported as an “undesigned” fund balance under the old standard.

Part of the District’s implementation of this statement for is the formal adoption of a fund balance policy. The policy explains the five components of fund balance and formally delegates to the Administrative Services Manager/Chief Financial Officer, as required by GASB Statement No. 54, the authority to assign fund balances for specific purposes for inclusion in the annual financial reports. Prior to GASB Statement No. 54, these amounts were reported by the Administrative Services Manager/Chief Financial Officer as Reserved, Designated, and Undesignated and did not require Board delegation.

The District’s independent auditor, Hayashi & Wayland, has reviewed the draft Policy and concurs with its recommendations.

RECOMMENDATION: District staff recommends that the Board adopt Resolution approving the Fund Balance Policy implementing GASB Statement No. 54.

EXHIBITS

3-A Proposed Resolution and Attachment 1, Proposed GASB 54 Fund Balance Policy



EXHIBIT 3-A

RESOLUTION NO. 2015-22

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
ADOPTING THE FUND BALANCE POLICY**

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood; and,

WHEREAS, the Monterey Peninsula Water Management District desires to classify the various components of fund balance reported by District as defined in the Governmental Accounting Standards Board Statement No. 54; and,

WHEREAS, the Board of Directors has considered the Administrative Policy entitled Fund Balance Policy which outlines the policy and procedures enacted to accurately categorize the various components of fund balance; and,

WHEREAS, the District approves and defines the policy and procedures enacted to accurately categorize and report fund balance as stated in the attached policy, as Attachment 1.

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

1. The attached policy titled Fund Balance Policy is accepted and approved.
2. The District designates the Administrative Services Manager/Chief Financial Officer to determine and define the amounts of those components of fund balance that are classified as Assigned Fund Balance.

On a motion by Director _____ and seconded by Director _____ the foregoing resolution is duly adopted this 14th day of December 2015 by the following votes:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 14th day of December 2015.

Witness my hand and seal of the Board of Directors this 14th day of December 2015.

David J. Stoldt
Secretary to the Board

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DRAFT

Attachment 1

Fund Balance Policy For the Monterey Peninsula Water Management District

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It is also intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget.

The Fund Balance Policy should be established based upon a long-term perspective. The main objective of establishing and maintaining a Fund Balance Policy is for the agency to be in a strong fiscal position that will allow the District to be in a better position financially to weather negative economic trends.

The Fund Balance consists of five categories: Non-spendable, Restricted, Committed, Assigned, and Unassigned.

Non-spendable Fund Balance consists of funds that cannot be spent due to their form (e.g. inventories/supplies, loans receivable and prepaid items) or funds that legally or contractually must be maintained intact.

Restricted Fund Balance consists of funds that are mandated for a specific purpose by externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance consists of funds that include amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established by the governing body itself or a body (a budget or finance committee, for example) or by the official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned Fund Balance consist of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resource necessary to meet unexpected expenditures and revenue shortfalls.

Attachment 1

Non-spendable and Restricted Funds

Non-spendable funds are those funds that cannot be spent because they are either:

- 1) Not in spendable form (e.g. inventories and prepaid)
- 2) Legally or contractually required to be maintained intact. It is the responsibility of the Administrative Services Manager/Chief Financial Officer to report all non-spendable funds appropriately in the District's Financial Statements.

Restricted funds are those funds that have constraints placed on their use either by:

- 1) External creditors, grantors, contributors, laws, regulations or other governments
- 2) Law through constitutional provisions or enabling legislation. It is the responsibility of the Administrative Services Manager/Chief Financial Officer to report all Restricted Funds appropriately in the District's Financial Statements.

Classifying Fund Balance Amounts

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last, unless the governing board has provided otherwise in its commitment or assignment actions.

Authority to Commit Funds

The District's governing board has the authority to set aside funds for a specific purpose. Any funds set aside as committed Fund Balance requires the passage of a resolution by a simple majority vote. The passage of a resolution must take place prior to June 30th; the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Authority to Assign Funds

Upon passage of the Fund Balance Policy, authority is given to the Administrative Services Manager/Chief Financial Officer to assign funds for specific purposes. Any funds set aside as Assigned Fund Balance must be reported to the District's governing board at their next regularly scheduled meetings. The governing board has the authority to remove or change the assignment of the funds with a simple majority vote.

The District's governing board has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

Unassigned Fund Balance

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It

Attachment 1

represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

Unassigned Fund Balance may be accessed in the event of unexpected expenditures upon approval of a budget revision by the District's governing board. In the event of projected revenue shortfalls, it is the responsibility of the Administrative Services Manager/Chief Financial Officer to report the projections to the District board on a quarterly basis and shall be recorded in the minutes.

ITEM: CONSENT CALENDAR**4. AUTHORIZE A CHANGE TO THE ORGANIZATION CHART REPLACING THE WATER RESOURCES ENGINEER POSITION WITH A SENIOR WATER RESOURCES ENGINEER**

Meeting Date: December 14, 2015 **Budgeted:** Not in the FY 2015-2016 Budget. Will be addressed in Mid-Year Budget Adjustment

From: David J. Stoldt,
General Manager **Program/
Line Item No.:** N/A

Prepared By: Cynthia Schmidlin **Cost Estimate:** \$5,607

General Counsel Approval: N/A

Committee Recommendation: The Administrative Committee reviewed this item on December 7, 2015 and recommended approval.

CEQA Compliance: N/A

SUMMARY: At the September 2015 Board Meeting, the organization chart was changed to replace the unfunded Senior Water Resources position with a new funded Water Resources Engineer position, effective January 1, 2016. The Water Resources Engineer position was placed in Range 43 on the District Salary Schedule. It was expected that the District could attract a journey-level engineer with relevant experience to the Water Resources Engineer position, while leaving room for professional development to the Senior Water Resources Engineer level.

In October and early November of this year, the District conducted extensive recruitment for the Water Resources Engineer. Despite one month of advertisement on multiple government, private industry and professional websites, as well as in related publications, this recruitment resulted in only three applications. Two applicants were interviewed. However, a highly qualified candidate, willing to accept the District's salary and benefits package was not found.

The interview process clarified that with several upcoming critical projects the District has committed to, the District needs a senior water resources engineer who has experience with planning, design, and construction management related to well construction, water pipeline construction, water quality testing and the use of recycled water. Projects that the Planning and Engineering and Water Resources Divisions are responsible for include:

- Pure Water Monterey
- A long-term plan for the Los Padres Dam
- Expansion of the District's Aquifer Storage
- Improvements at the Sleepy Hollow Steelhead Rearing Facility
- Development of the Carmel River Basin Study
- Coordination on a Stormwater Resource Plan for the District

- Development of a Drought Contingency Plan for North Monterey County
- A linked surface water and groundwater model for the Carmel Valley
- Completion of an Instream Flow Incremental Method Study in the Carmel River
- Developing and submitting grant applications for Proposition 1 funds
- Administering grant funds
- Coordinating with other Central Coast regions on Integrated Regional Water Management
- Satisfying requirements of the recently enacted Sustainable Groundwater Management Act for the Carmel Valley Basin
- Other Mitigation Program activities along the Carmel River

A Senior Water Resources Engineer would lead or participate in many of these projects. A revised job description, **Exhibit 4-A**, is attached.

In September, the Board authorized placement of the Water Resources Engineer position in Range 43 on the District Salary Schedule, as a reflection of comparable salaries of journeymen engineer positions at local government agencies. After review of area senior-level engineer position compensation, it has been determined that the District's Senior Water Resources Engineer position should be placed in Range 51 of the salary schedule. The range placement would result in an 11% differential between the salaries of the Planning and Engineering Manager and Senior Water Resources Engineer. This would be the same internal relationship as that between the Water Resources Manager and Senior Hydrogeologist positions.

RECOMMENDATION: Authorize a change from the current District Organization Chart, **Exhibit 4-B**, to the proposed Organization Chart, attached as **Exhibit 4-C**, replacing the Water Resources Engineer position with a Senior Water Resources Engineer position.

IMPACTS TO STAFF/RESOURCES: The cost to the District for the higher level position, with an April 1, 2016 start date, would be approximately \$5,607 greater for the remainder of the fiscal year than current budgeted. The annualized cost would be approximately \$22,427 greater than the Project Manager position, which will remain unfunded until such time as the District has a need to fill that position.

EXHIBITS

- 4-A** Senior Water Resources Engineer Job Description
- 4-B** Current Organization Chart
- 4-C** Proposed Organization Chart

SENIOR WATER RESOURCES ENGINEER

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

DEFINITION

To manage, oversee and participate in comprehensive planning efforts to document and manage regional water resources, representing the District in related negotiations and agreements with public agencies and private organizations. To perform professional engineering duties involving hydrologic and environmental research, analysis, interpretation and program development; to implement major engineering and environmental management programs across the District; and to perform a variety of technical tasks relative to assigned area of responsibility.

DISTINGUISHING CHARACTERISTICS

This is the senior journey level of professional engineering job classes. Positions at this level are characterized by the performance of the most technically-advanced, professional-level research studies, and/or management of the more complex District projects. Employees at this level are expected to conduct in-depth analysis and understand complex principles and theories, laws and regulations and structures of other related governmental agencies which regularly interact with the District. Incumbents may solicit and administer grants, serve as District representative and technical advisor to committees, and exercise full first-level supervision over professional and technical staff. This position is distinguished from the Planning and Engineering Manager/District Engineer by the latter position's management responsibility for assigned services and activities of the Planning and Engineering Division including supervision of professional staff and responsibility for the division budget.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Planning and Engineering Manager/District Engineer; coordinates activities of other District staff, consultants, and contract employees on special projects.

ESSENTIAL AND MARGINAL FUNCTION STATEMENTS

The following duties are typical for positions in this classification. Any single position may not perform all of these duties and/or may perform similar related duties not listed here:

Essential Functions:

1. Conduct field and office engineering studies related to the planning, design, and construction of civil engineering projects and confer with other District staff and consultants to coordinate projects and activities. Such projects include, but are not limited to well construction, water pipeline construction, water quality testing, use of recycled water, use of recirculating aquaculture systems, construction of fish passage facilities, reservoir maintenance, modification of stream banks, or riparian enhancement projects.
2. Manage, oversee and participate in engineering projects identified in paragraph 1, including the preparation of plans, specifications, cost and quantity estimates; secure appropriate permits; prepare bid documents; maintain accurate records, and prepare periodic and special reports; negotiate terms and fees; approve contractor and consultant pay requests.
3. Plan, prioritize, assign, supervise and review the work of consultants responsible for projects identified in paragraph 1 above.
4. Participate in construction field activities including mark and layout field work locations; interpret plans and resolve problems during construction; enforce permit conditions; prepare and review as-built plans to ensure compliance with original plans and specifications; perform long-term monitoring including photo documentation, surveys, and prepare periodic reports.
5. Participate and/or coordinate District actions to obtain grant funds from Federal and State grant programs; coordinate project solicitations within the District; administer grant funding.
6. Provide technical assistance to private property owners regarding stream bank stabilization and repair; coordinate authorizations and permits from Federal, State, and local regulatory agencies for new stream restoration projects.
7. Review applications for river work permits and make recommendations to the Planning & Engineering Manager regarding conformance to District standards; inspect authorized work; make recommendations to permittee and/or the Planning and

Engineering Manager regarding conformance with river work permits.

8. Gather and interpret hydrologic data including photos, cross-sections, profiles and sediment transport.
9. Inspect the Carmel River to identify and document erosion hazards, riparian ordinance violations, and opportunities for enhancement; make recommendations to the Planning and Engineering Manager regarding appropriate corrective projects and actions.
10. Make presentations to public agencies and private groups concerning projects.
11. Prepare drafts of the following documents: requests for proposals and calls for bids; contract plans and specifications; review contract bids and proposals; participate in the review of contractor work activities.
12. Maintain constant awareness of progress on assigned projects to ensure compliance with designated time and cost schedules for project completion.
13. Inspect construction projects and perform a full range of construction contract administration duties; document onsite conditions; represent the District on site; provide reports and recommendations to senior staff as required to complete project construction.
14. Participate in budget preparation; prepare cost estimates for project budget recommendations; monitor and control expenditures on assigned projects.
15. Establish schedules and methods for providing assigned services; identify resource needs; review needs with appropriate management staff; allocate resources accordingly.
16. Coordinate and manage the District's Water Distribution System Permit program.
17. Represent the District to other governmental and regulatory agencies, professional and community groups and others; answer questions and provide information to the public; investigate complaints and recommend corrective actions as necessary to resolve complaints.
18. Perform related duties and responsibilities as required.

QUALIFICATIONS

Knowledge of:

Civil engineering principles and practices related to one or more of the following activities: planning, design, construction, and construction management skills relevant and applicable to well construction, water pipeline construction, water quality testing, use of recycled water, use of recirculating aquaculture systems, construction of fish passage facilities, reservoir maintenance projects, stream bank stabilization, repair, and other streamside corridor enhancement projects, river mechanics, or fluvial geomorphology.

Principles and practices of project and construction management.

Principles and practices of engineering design.

Principles and practices of engineering surveying.

Terminology, methods, practices, and techniques used in technical civil engineering report preparation.

Principles and practices of budget preparation and control.

Principles of mathematics as applied to engineering work.

Recent developments, current literature, and sources of information regarding civil engineering of stream and river restoration projects, construction of new and recycled water supply projects, and projects to enhance anadromous fisheries.

Modern office procedures, methods, and computer software and hardware as related to the solution of engineering problems.

Pertinent federal, state, and local laws, codes, and regulations governing civil engineering, construction, and water quality including Section 401 and 404 of the federal Clean Water Act, the federal and state Endangered Species Acts, the California Environmental Quality Act, the California Department of Fish and Wildlife Code, and Monterey County Ordinances.

Ability to:

Plan, organize, and supervise the work of technical staff and consultants.

Manage complex engineering projects.

Administer and coordinate various projects and activities simultaneously.

Ensure project compliance with appropriate federal, state, and local rules, laws, and regulations.

Coordinate phases of construction projects and prepare progress reports.

Analyze problems, identify alternative solutions, project consequences of proposed actions, and²⁵ implement recommendations in support of goals.
Conduct comprehensive engineering studies and develop appropriate recommendations.
Perform technical research and solve difficult engineering problems.
Prepare and maintain technical civil engineering records and prepare comprehensive reports.
Compile rough technical data and prepare statistical and narrative reports from field studies.
Develop, review and modify civil engineering plans, designs, and specifications.
Exercise professional engineering judgment to achieve results consistent with objectives.
Identify threatened and endangered species in the field.
Understand pertinent sections of the federal and state Endangered Species Acts.
Incorporate measures to protect threatened species into project designs and project maintenance.
Use sophisticated word processing, spreadsheet, modeling, and graphical design programs.
Communicate clearly and concisely, both orally and in writing.
Establish and maintain effective working relationships with those contacted in the course of work.
Maintain physical condition appropriate to the performance of assigned duties and responsibilities.

Experience and Training Guidelines — *Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

Experience

Six years of increasingly responsible professional civil engineering experience one year of project management responsibility.

Training

Equivalent to a Bachelor's degree from an accredited college or university with major course work in civil engineering or closely related field.

License or Certificate:

Possession of or ability to obtain a valid certificate of registration as a Professional Civil Engineer in the State of California within 18 months of hire, or possession of a certificate of registration by any state or Board for Professional Engineers.

Possession of, or the ability to obtain, an appropriate, valid driver's license.

WORKING CONDITIONS

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

Environmental Conditions:

Office and field environment; travel from site to site; exposure to atmospheric conditions; work around moving water; work with computers.

Physical Conditions:

Essential functions may require maintaining physical condition necessary for sitting, standing and walking for prolonged periods of time in and around river beds; operating motorized vehicles.

Vision:

See in the normal visual range with or without correction; vision sufficient to read small print, computer screens and other printed documents.

Hearing:

Hear in the normal audio range with or without correction.

EXHIBIT 4-B

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
CURRENT ORGANIZATION CHART
December 2015**

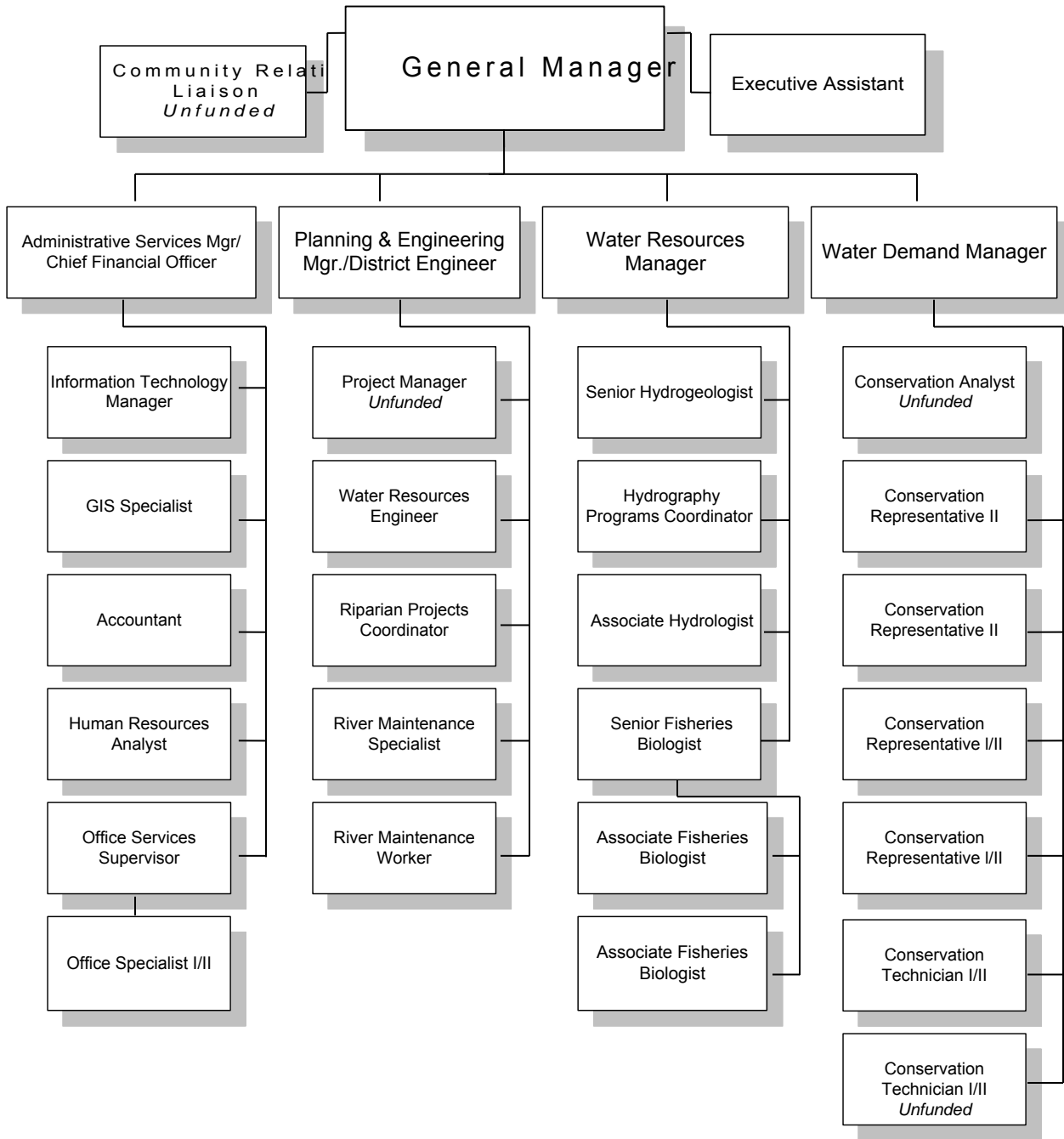
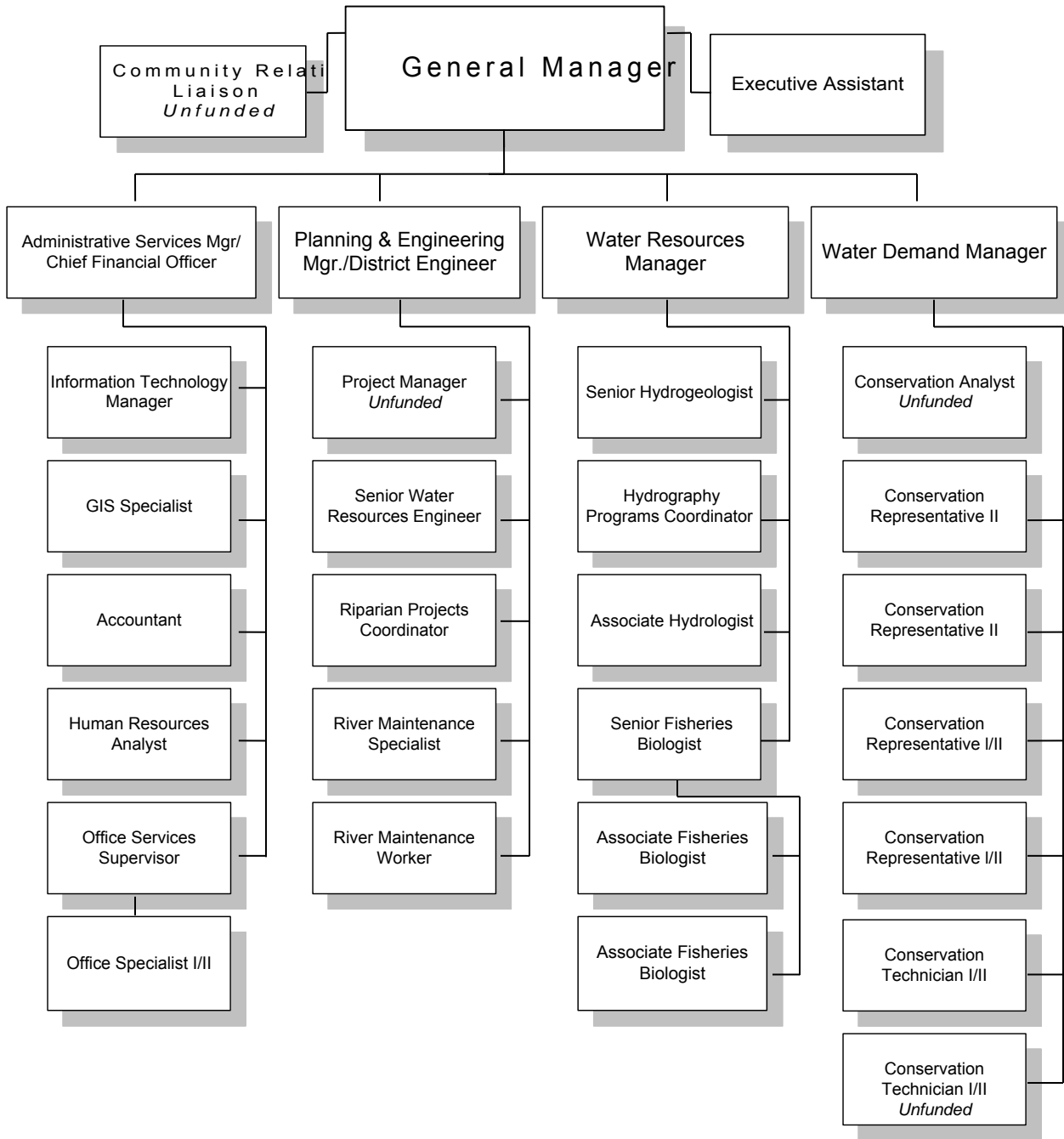


EXHIBIT 4-C

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROPOSED ORGANIZATION CHART
December 2015**



this truck were previously accrued in the Capital Reserve Fund. This purchase will also require trading in two old vehicles. Unit 3 is a 1997 Chevrolet Dump truck, and Unit #7 is a 1997 Ford F-150 truck which was replaced last year with another Ford F-150 truck.

EXHIBITS

5-A Truck proposals

5-B Customized Body Drawing

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FI9C0I

Purchase Information Screen

CCF-FI

Deal #:	58148	17) TOUCH OF CLASS:	
1) Contract Date:	10/26/15	18) Total We/Owes:	
2) Fin Inst:	ANY	19) Svc. Contract:	
3) Customer:		20) Elect.Filing:	
4) Stock #:		21) Sales Tax:	8.6250% \$ 5,433.15
5) CASH PRICE:	\$ 62,993.00	22) GAP/MAINT INS (w) :	
6) Rebate:		23) Term:	1
7) Cash Down:		24) APR/Add on:	.00%
8) Trade:		25) Days to/1st Pymt Da 30	11/25/15
TOTAL DOWN:		26) **** PAYMENT ****:	\$ 68,434.90
9) Total Pickup Paymt:		g:	
10) Doc Fee:		Sale Subtotal:	\$ 62,993.00
11) Total DMV FEES:		Total Financed:	\$ 68,434.90
12) Smog Certificate:		Finance Charge:	
13) Smog Pd. to Seller:		Total Other Charges:	
14) Smog Impact Fee:		Total of Payments:	\$ 68,434.90
15) CALIF TIRE FEE:	\$ 8.75	Deferred Price:	\$ 68,434.90
16) THEFT REGISTRATION:		Unpaid Balance:	\$ 68,434.90
Command:			

F1=Help F2=Home F3=Save F4=Cancel SF8=Fee/Tax

ATTN Superst 6449560



EXHIBIT 5-A

CNGP530

VEHICLE ORDER CONFIRMATION

04/20/15 20:16:46

Dealer: F72426

Page: 1 of 2

2016 F-SERIES SD

Order No: 5001 Priority: F4 Ord FIN: KP251 Order Type: 5B Price Level: 615
Ord PEP: 610A Cust/Flt Name: MONEREY PO Number:

	RETAIL		RETAIL
F3B F350 4X4SDR/CSR	\$36080	Single Rear Wheel	10800# GVWR PKG
137" WHEELBASE		41P SKID PLATES	100
Z1 OXFORD WHITE		425 50 STATE EMISS	NC
1 CLTH 40/20/40	100	512 SPARE TIRE/WHL2	295
S STEEL		585 AMFM/CD/CLK	275
610A PREF EQUIP PKG		JACK	
.XL TRIM		62D STRG WHL CNTLS	70
.TRAILER TOW PKG		AUX AUDIO INPUT	
572 .AIR CONDITIONER	NC		
99T 6.7L V8 DIESEL	8480	TOTAL BASE AND OPTIONS	46655
44W 6-SPEED AUTO	NC	TOTAL	46655
TBK .LT245 BSW AS 17		*THIS IS NOT AN INVOICE*	
X3H 3.31 ELOCKING	390		
66D LESS PICKUP BOX	(625)	* MORE ORDER INFO NEXT PAGE *	

CNGP530

VEHICLE ORDER CONFIRMATION

04/20/15 20:16:51

Dealer: F72426

Page: 2 of 2

2016 F-SERIES SD

Order No: 5001 Priority: F4 Ord FIN: KP251 Order Type: 5B Price Level: 615
Ord PEP: 610A Cust/Flt Name: MONEREY PO Number:

	RETAIL
91M SYNC SYSTEM	\$295
SP DLR ACCT ADJ	
SP FLT ACCT CR	
FUEL CHARGE	
B4A NET INV FLT OPT	NC
DEST AND DELIV	1195

TOTAL BASE AND OPTIONS 46655
TOTAL 46655

THIS IS NOT AN INVOICE

Chassis	\$ 32,446
Body + Trim	\$ 21,453
	<u>\$53,899</u>
Doc fee	80
Tire fee	875
Tax	<u>4,648.78</u>
	<u>58,556.53</u>

Bobbie

831-419-1602



Salinas Valley Ford Commercial
 1100 Auto Center Circle, Salinas,
 California, 93907
 Office: 831-444-4444

2016 F-350 Chassis
 4x4 SD Regular Cab 141" WB SRW XL(F3F) Stock
 Number: ORDER

Pricing

SUBTOTAL	MSRP
Vehicle Price	36,240.00
Options	10,345.00
Upfitting	28,938.00
Fuel Charge	0.00
FDAF Assessment	0.00
Destination Charge	1,195.00
Total	76,718.00
Pre-Tax Adjustments	
Government Price Concession and Salinas Valley Ford Discount	(12,378.00)
Total Pre-Tax Adjustments	(12,378.00)
Pre-Tax Total	64,340.00
Sales Taxes	
2015 California Sales Tax	5,549.33
Total Sales Tax Adjustments	5,549.33
Sales Tax Total	69,889.33
Post-Tax Adjustments	
DOC FEE	80.00
Total Post-Tax Adjustments	80.00
Post Tax Total	69,969.33
Single Vehicle Total 1 (Number of Vehicles)	69,969.33
Grand Total	69,969.33

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

Prepared For: Mr. PRASAD, MONTEREY PENINSULA WATER MANAGEMENT DISTRICT Prepared By: Michael Sandberg Date: 04/08/2015 |
 Price Level: 615 Quote ID: 20150408A



Scelzi Enterprises, Inc.
Custom Truck Body Manufacturing

Annadale Office, 2316 E. Annadale, Fresno, CA 93706
Phone: 559-237-5541 Fax: 559-237-5554 Toll Free: (800) 858-2883

WORK ORDER / ESTIMATE

103539

Page 1 of 2

Customer: CYPRESS COAST FORD
Address: MONTEREY PENINSULA
#4 GEARY PLAZA
SEASIDE, CA 93956

Date: 04/16/15
Phone: (831) 899-8300 FAX: (831) 899-2814
Contact: MIKE CURTICE
Terms: Net 10

Make	Year	Model	Vehicle Info	Type	VIN #
	2016	CUSTTRUCK	FORD, F350, WHITE, REG CAB, DSL, SRW, 56 CA	Customer	

Quantity	Part No / Description	Price
----------	-----------------------	-------

**PAINT BODY WHITE
MID-SHIP TANK
DEF TANK SETUP FOR HOSES & BEZEL**

- 1 EA SB-98-79-49-38-V
SERVICE BODY SRW 56CA-98 LONG, 79 WIDE, 49 FLOOR WIDTH, 38 TALL
VERTICAL CLOSED TOP \$30,537.00/EA
- 1EA - SCELZI 10 GAUGE 2 YARD DUMP INSERT
- 1EA - RUGBY LR3510 ELECTRONIC OVER HYDRAULIC SINGLE ACTING UNDER
BODY HOIST WITH BODY SAFETY PROP. BODY UP WARNING LIGHT AND
CRYSTEEL #108129 REAR HINGE
- 1EA - 3000LB CRANE REINFORCEMENT IN PASSENGER REAR COMPARTMENT
- 1EA - AUTO CRANE 3203 PRX HW WITH 10,000 FT LB CAPACITY AND 360 DEGREE
CONTINUOUS HYDRAULIC POWER ROTATION, HYDRAULIC POWER BOOM
ELEVATION AND BOOM EXTENSION TO 11' MANUAL EXTENSION TO 15' (PART
#320989002)
- 1EA - BOOM REST FOR CLOSED TOP
- 1EA - FOLD DOWN OUTRIGGERS
- 1EA - AUXILLARY BATTERY 12 VOLT DEEP CYCLE SET UP FOR ELECTRIC CRANE
INCLUDES BATTERY BOX AND IN LINE BATTERY ISOLATOR, MOUNT PASSENGER
REAR COMPARTMENT
- 1EA - HORN, HORN BUTTON AND ALL WARNING STICKERS REQUIRED BY OSHA,
AND FIRE EXTINGUISHER
- 1EA - SPRING REINFORCEMENT CURBSIDE REAR TO BRING TRUCK TO LEVEL
- 1 EA BUMPER - BUMPERETTES
SET OF BUMPERETTES - PAINTED WHITE \$0.00/EA
- 1EA - CLASS 4 RECEIVER HITCH WITHOUT INSERT

RECEIVED

OCT 26 2015

MPWMD



Scelzi Enterprises, Inc.
Custom Truck Body Manufacturing

Annadale Office, 2316 E. Annadale, Fresno, CA 93706
Phone: 559-237-5541 Fax: 559-237-5554 Toll Free: (800) 858-2883

WORK ORDER / ESTIMATE

103539

Page 2 of 2

Customer: CYPRESS COAST FORD
Address: MONTEREY PENINSULA
#4 GEARY PLAZA
SEASIDE, CA 93955

Date: 04/16/15
Phone: (831) 899-8300 FAX: (831) 899-2814
Contact: MIKE CURTICE
Terms: Net 10

Make	Year	Model	Vehicle Info	Type	VIN #
	2016	CUSTRUCK	FORD, F350, WHITE, REG CAB, DSL, SRW, 56 CA	Customer	
Quantity	Part No / Description			Price	

	1EA - 7 PIN PLUG #12063				
1 EA	HWD FEE HAZARDOUS WASTE DISPOSAL FEE				\$25.00/EA
1 EA	WEIGHT CERTIFICATE WEIGHT CERTIFICATE OF COMPLETED UNIT				\$28.00/EA
1 EA	TRANSPORTATION ONE WAY TO SEASIDE, CA				\$347.00/EA
CONTACT: MIKE CURTICE 831-899-8300					

Disclaimer: SCELZI ENTERPRISES INC, DOES NOT GUARANTEE A PERFECT COLOR MATCH
DUE TO INCONSISTENCIES IN FACTORY PAINTS AND PROCEDURES

**REVISIONS AFTER APPROVAL DATE ARE
SUBJECT TO ADDITIONAL CHARGES**

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

THIS WORK
AUTHORIZED BY: _____

DATE: _____

Payment in full on completion of job if credit arrangements have not been made in advance.

Total: \$30,937.00

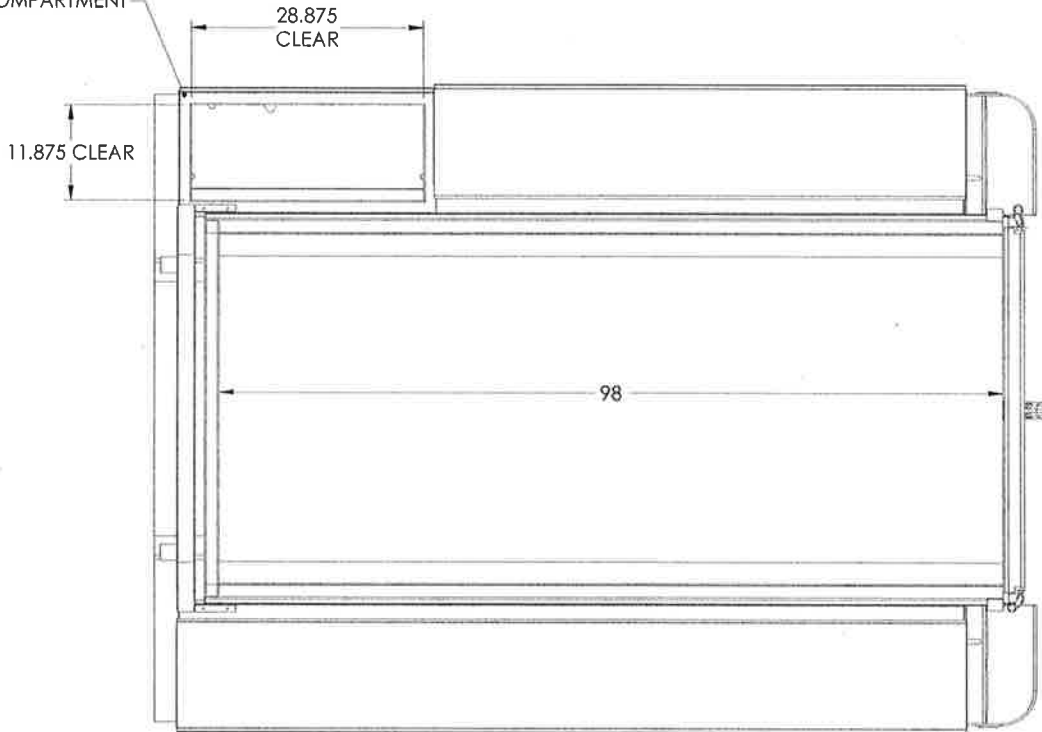
The above quotation is submitted according to specifications submitted by customer. Any
iterations or changes increasing production costs will be charged for accordingly.

ESTIMATE
PREPARED BY: CORTINAS, SCOTT
SALESMAN: SCOTT / KEVIN O.

TOTAL P.02

101897 - 98" SERVICE BODY WITH DUMP INSERT

1 1/2" TUBING REINFORCEMENT
ON TOP OF COMPARTMENT



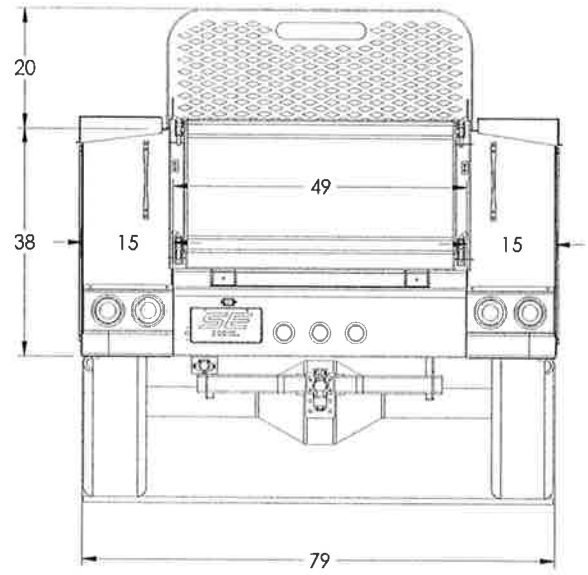
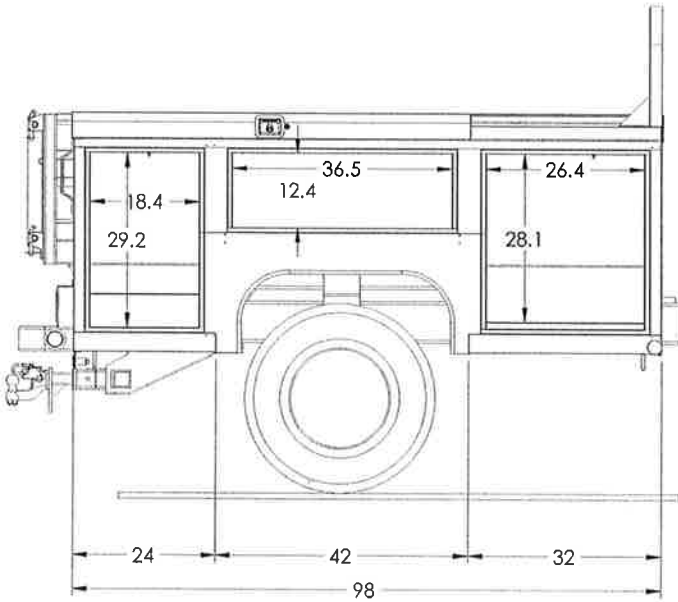
CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APP'D BY:
0	---	DRAWING CREATED	3/30/2015	KDO

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<p>SCELZI ENTERPRISES, INC. 2772 S. CHERRY AVE., FRESNO, CA 93706</p>				PART NO:
DRAWN BY: ERV	YEAR: 2015	CA: 56"		
DATE: 4/1/2015	MAKE: FORD			
SCALE: 1:18	MODEL: F-250 REG CAB	WORK ORDER: 101897		
LAYOUT: 3 OF 3	DWG NAME: DIM LAYOUT			
SHEET SIZE: A	101897			
DEALER: DOWNTOWN FORD	CUSTOMER: CITY OF WALNUT CREEK - PARKS DIV.			
DESCRIPTION: 98" SERVICE BODY WITH DUMP INSERT				

101897 - 98" SERVICE BODY WITH DUMP INSERT



CUSTOMER SIGNATURE X _____

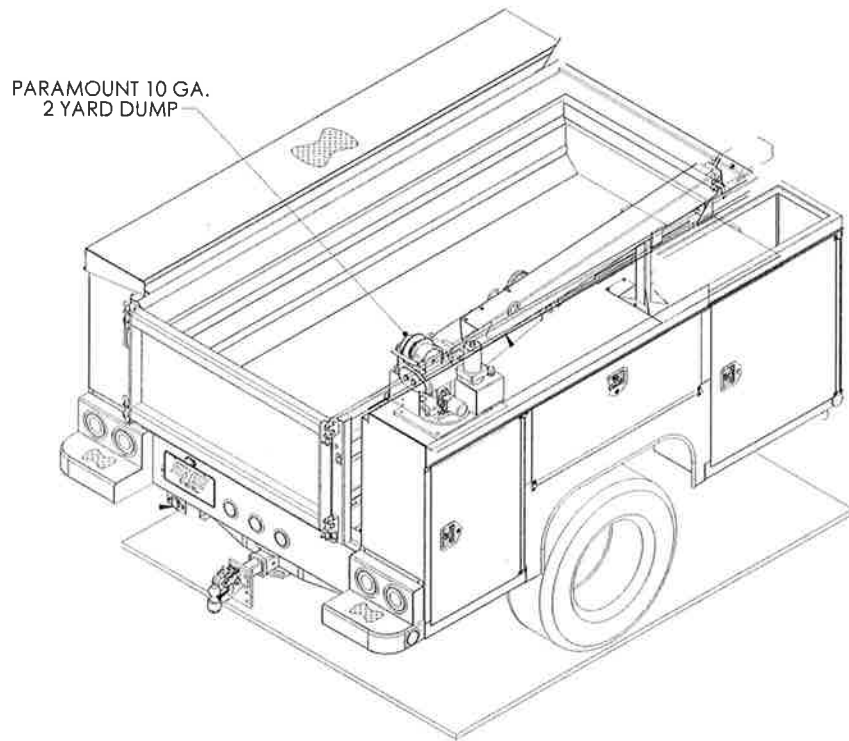
REV.	ECO.	DESCRIPTION OF REVISION	DATE	APP'VD BY:
0	---	DRAWING CREATED	3/30/2015	KDO

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SE SCELZI ENTERPRISES, INC.
 2772 S. CHERRY AVE., FRESNO, CA 93706

DRAWN BY: ERV	YEAR: 2015	CA: 56"	PART NO:
DATE: 4/1/2015	MAKE: FORD		
SCALE: 1:24	MODEL: F-250 REG CAB		WORK ORDER:
LAYOUT: 2 OF 3	DWG NAME: BOM LAYOUT		101897
SHEET SIZE: A	101897		

DEALER: DOWNTOWN FORD | CUSTOMER: CITY OF WALNUT CREEK - PARKS DIV.
 DESCRIPTION: 98" SERVICE BODY WITH DUMP INSERT



CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APP'VD BY:
0	---	DRAWING CREATED	3/30/2015	KDO

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SE SCELZI ENTERPRISES, INC.		2772 S. CHERRY AVE., FRESNO, CA 93706	
DRAWN BY: ERV	YEAR: 2015	CA: 56"	PART NO:
DATE: 4/1/2015	MAKE: FORD		
SCALE: 1:24	MODEL: F-250 REG CAB		
LAYOUT: 1 OF 3	DWG NAME: BOM LAYOUT		
SHEET SIZE: A	101897		
DESCRIPTION:			
98" SERVICE BODY WITH DUMP INSERT			

ITEM: CONSENT CALENDAR**6. CONSIDER ADOPTION OF RESOLUTION 2015-24 IN SUPPORT OF FILING AN APPLICATION TO THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE, STEELHEAD REPORT AND RESTORATION CARD PROGRAM**

Meeting Date: December 14, 2015 **Budgeted:** N/A

From: David Stoldt,
General Manager **Program/
Line Item No.:** N/A

Prepared By: Kevan Urquhart **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee reviewed this item on December 7, 2015 and recommended approval.

CEQA Compliance: N/A

SUMMARY: The California Department of Fish and Wildlife (CDFW) Steelhead Report and Restoration Card (SHRCC) program is soliciting proposals for projects that monitor anadromous steelhead in the coastal watersheds of California. The Monterey Peninsula Water Management District (MPWMD or District) was previously co-funded by the CDFW Fisheries Restoration Grants Program in 2012 to install and operate a dual frequency identification sonar (DIDSON) imaging system to count adult steelhead immigrating into the Carmel River watershed. Applications for grant funds to help support continued operation of the DIDSON were due to CDFW on or before November 13, 2015, and submitted on November 12, 2015. Authorization from the District Board is required to enter into a contract with CDFW (see **Exhibit 6-A**, Resolution 2015-24).

RECOMMENDATION: If this item is approved as part of the Consent Calendar, the Board will adopt Resolution 2015-24 in support of applying for grant funding from the CDFW SHRCC Program and will authorize the General Manager to enter into a contract with the CDFW to receive grant funds.

BACKGROUND: In late 2015, CDFW acquired additional funding to expand grants made from this dedicated fund account, and issued a second Proposal Solicitation Notice for 2015 on October 19, 2015, with a due date of November 13, 2015. The Fisheries Program Supervisor responded to this solicitation with a proposal to fund the cost of supplies and labor by Water Resources Assistants to review the incoming data sets and develop the annual counts of steelhead passing the monitoring station. For the second solicitation of 2015, MD-Monitoring Status and Trends was one of the focus areas to be funded. Statewide applications for funds are in the process of being judged on a competitive basis, with a final decision scheduled for January 2016.

Reinstallation, Operation and Maintenance of a Sonic Fish Counting Device in the Lower Carmel River. Steelhead migrating upstream were historically counted at the San Clemente Dam

fish ladder at RM 18.6 and Los Padres Dam at RM 24.8. San Clemente Dam was removed this year, precluding any further data collection there by prior methods. Additionally, an unknown but potentially significant number of fish (estimated at more than 40% of the annual run) may spawn in the lower river below the San Clemente Dam ladder and were not historically counted as part of the annual run. A DIDSON device is installed annually at a location in the lower three to eight miles of the Carmel River to count immigrating adult steelhead in the Lower Carmel River. This DIDSON installation allows the District to enumerate the entire Carmel River steelhead run. Ongoing monitoring with this technology can: a) prove whether or not there is a significant amount of spawning occurring below Los Padres Dam, b) conclusively document increased utilization of and spawning in the Lower Carmel River that likely resulted from decades of the District's riparian and stream restoration projects, and c) document progress towards Endangered Species Act Recovery goals.

IMPACT ON FISCAL AND STAFF RESOURCES: No cash funds are proposed to be used by MPWMD as a local match in grant applications. However, several District staff are involved on an ongoing basis in annual reinstallation, operation and maintenance of the DIDSON; as well as data review, report writing, and managing grant contracts if the District is successful in obtaining grants. The costs for their time will be documented and reported for credit as the local funding match. In addition, the District may be eligible for reimbursement of up to 15% of the requested amount of grant funding for administrative overhead.

EXHIBIT

6-A MPWMD Board Resolution 2015-24



EXHIBIT 6-A

RESOLUTION NO. 2015-24

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TO APPLY FOR STEELHEAD REPORT AND RESTORATION CARD PROGRAM FUNDING
AND AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH THE
CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE**

Resolved by the Board of Directors of the Monterey Peninsula Water Management District, that application be made to the California Department of Fish and Wildlife to obtain Steelhead Report and Restoration Card Program funds for an ongoing project that monitors the anadromous steelhead population in the Carmel River. The General Manager of the Monterey Peninsula Water Management District is hereby authorized and directed to prepare the necessary data, conduct investigations, file such applications, and enter into an agreement to receive a grant for such Project and to execute a grant agreement with California Department of Fish and Wildlife.

On a motion by Director _____ and seconded by Director _____ the foregoing resolution is duly adopted this 14th day of December 2015 by the following votes:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 14th day of December 2015.

Witness my hand and seal of the Board of Directors this 14th day of December 2015.

David J. Stoldt, Secretary to the Board

ITEM: CONSENT CALENDAR**7. CONSIDER LAWN REMOVAL REBATE REQUEST FROM MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT**

Meeting Date:	December 14, 2015	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	4-2-4 Rebate Program 26-05-781412
Prepared By:	Stephanie Locke	Cost Estimate:	\$56,642

General Counsel Review: N/A**Committee Recommendation: The Water Demand Committee recommended approval on November 4, 2015. The Administrative Committee reviewed this item on December 7, 2015 and recommended approval.****CEQA Compliance: N/A**

SUMMARY: Monterey Peninsula Unified School District (MPUSD) has enacted a District Wide Master Water Conservation Plan which includes the removal of large quantities of irrigated turf area across the District. They are requesting a rebate of \$56,642 for removal of 56,642 square-feet of irrigated Lawn. MPUSD's goal is to reduce ornamental turf by 65% and to retrofit every field with water efficient irrigation systems by 2021. The estimated savings is more than 1.65 Million Gallons/year or 5 Acre-Feet.

The following is a summary of the work to be done during the turf removal projects:

- Del Rey Woods Elementary
 - \$53,142 requested for the removal of 53,142 sqft of turf from 5 areas
 - The replacement will include bio swales, cisterns, vegetable planters, benches, a class amphitheater, and drought tolerant plants
 - The turf removal will save an estimated 1,547,711 gallons/year
 - MPUSD's proposed portion of the cost is \$0
- Monte Vista Elementary
 - \$3,500 requested for the removal of 3,500 sqft of turf
 - The replacement will include a bio swales, cisterns, benches, a class amphitheater, and drought tolerant plants
 - The turf removal will save an estimated 101,419 gallons/year
 - MPUSD's proposed portion of the cost is \$7,000

During 2015-2016 MPUSD is implementing a 5th grade Eco-Ambassador program in partnership with Return of the Natives, Pacific Grove Museum and the Monterey Art Council. The goals of the program include educating the students about water conservation, create a native plant garden, and install active rainwater catchment. The Eco-Ambassador program is tied into the lawn conversion project. The designs for the new gardens were inspired by the professional

landscape designs created for Ord Terrace Elementary who received a grant from MPWMD in 2014.

FUNDING SOURCE: The total rebate amount requested for two Cal-Am schools is \$56,642. This is reimbursable through the PUC approved Conservation Rebate Budget. The Lawn removal Rebate at a Public facility may exceed the square-footage limitation of Rule 143 (i.e., 2,500 sf) subject to Board approval.

RECOMMENDATION: The Water Demand Committee reviewed MPUSD's request at its November 4, 2015 meeting and recommended the Board approve the rebate.

EXHIBIT

None

ITEM: CONSENT CALENDAR**8. CONSIDER ADOPTION OF RESOLUTION NO. 2015-25 – AMENDING TABLE XIV-1, REBATE AMOUNTS (RULE 141.B)****Meeting Date: December 14, 2015** **Budgeted: N/A****From: David J. Stoldt,**
General Manager **Program/
Line Item No.:****Prepared By: Stephanie Locke** **Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: N/A**

SUMMARY: Attached as **Exhibit 8-A** is Resolution 2015-25 that amends Table XIV-1, Rebate Amounts, to delete Rebates for High Efficiency Urinals. Revisions to California Title 20, Public Utilities and Energy, have changed the Urinal standards for California as of January 1, 2016. After that date, it is unlawful to purchase or install High Efficiency Urinals.

RECOMMENDATION: District staff recommends that the Board adopt Resolution 2015-25, a Resolution of the Board of Directors of the Monterey Peninsula Water Management District amending Table XIV-1, Rebate Amounts.

EXHIBIT**8-A** Resolution No. 2015-25 Amending Table XIV-1, Rebate Amounts



EXHIBIT 8-A

RESOLUTION NO. 2015-25

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
AMENDING TABLE XIV-1, REBATE AMOUNTS**

WHEREAS, the Monterey Peninsula has severe water use restrictions on its two sources of supply, the Carmel River and the Seaside Groundwater Basin; and

WHEREAS, residents of the Monterey Peninsula are among the lowest water consumers in the state, but protection of our limited water resources requires additional water conservation be achieved through an aggressive Rebate Program; and

WHEREAS, Rebate Amounts of the Monterey Peninsula Water Management District (MPWMD) are set forth in Regulation XIV of the MPWMD Rules and Regulations; and

WHEREAS, Ordinance 163, the 2015 Rationing and Rebate Programs Amendment Ordinance, created Table XIV-1 to allow Rebate amounts to be amended by Board resolution;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Monterey Peninsula Water Management District hereby amends Table XIV-1, Rebate Amounts, as set forth in **Attachment 1** to this Resolution; and that these changes shall become effective on June 1, 2015.

On a motion by Director _____ and seconded by Director _____ the foregoing resolution is duly adopted this 14th day of December 2015 by the following votes:

Ayes:

Nays:

Absent:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 14th day of December 2015.

Witness my hand and seal of the Board of Directors this _____ day of December 2015.

David J. Stoldt, Secretary to the Board



**Table XIV-1
Rebate Amounts**

Qualifying Device	Maximum Rebate
High Efficiency Toilet	\$100
Ultra High Efficiency Toilet	\$150
Toilet Flapper	\$15
Pint Urinal	\$250
Zero Water Consumption Urinal	\$250
High Efficiency Dishwasher (Residential)	\$125
High Efficiency Clothes Washer (Residential)	\$500
Instant-Access Hot Water System (per Qualifying Property)	\$200
On-demand hot water pump or point of source water heater (maximum of two per Qualifying Property)	\$100
Graywater Irrigation System supplied by one Clothes Washer	\$100
Graywater Irrigation System supplied by one or more Bathrooms that have a Bathtub/Shower connected to a Graywater Irrigation System. Residential limit: 4.	\$100 per Bathroom
Smart Controller	\$100 for up to four stations. An additional \$10 shall be available per station up to twenty (20) stations
Soil Moisture Sensor(s) on a conventional automatic Irrigation System (gypsum block Soil Moisture Sensors shall not qualify for Rebate)	\$25
Cistern water tanks installed on Sites supplied with water from the Monterey Peninsula Water Resource System (per Qualifying Property)	\$50 per 100 gallons for the first 500 gallons and \$25 per 100 gallons of water storage capacity to a maximum storage capacity of 25,000 gallons
Lawn removal and replacement with low water use plants or permeable surfaces (Prequalification required - See MPWMD Rule 141-F)	\$1.00 per square-foot to a maximum of 2,500 square-feet

Rotating Sprinkler Nozzle (minimum purchase and installation of ten)	\$4 each
Water Broom	\$150
Commercial High Efficiency Clothes Washer. <i>A Multi-Family Residential Qualifying Property with a Common Laundry Room shall be considered a Non-Residential use.</i>	\$1,000
Commercial Ozone Laundry System	\$1,000
Cooling Tower Conductivity Controller	\$1,000
Cooling Tower Conductivity/pH Controller	\$2,500
CEE Tier II Water Efficient Ice Machine	\$500
High Efficiency Connectionless Food Steamer (per compartment)	\$1,500
Commercial Waterless Wok Stove	\$5,000
Water Efficient Commercial Steam or Combi Oven	\$2,500
High Efficiency Commercial Dishwasher	
Under counter model	\$1,000
Single tank door type model	\$1,500
Single tank conveyor	\$2,000
Multi-tank conveyor	\$2,500
Non-Residential Graywater Irrigation System	Inquire
X-ray film processor recirculation system	\$2,500
Medical equipment steam sterilizer retrofit with a water tempering device	\$1,500
Dry Vacuum Pump (per 0.05 HP to a limit of 4 HP)	\$200

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ITEM: CONSENT CALENDAR**9. CONSIDER APPROVAL OF OCTOBER 2015 TREASURER'S REPORT**

Meeting Date:	December 14, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation:** The Administrative Committee considered this item on December 7, 2015 and recommended approval.**CEQA Compliance:** N/A

SUMMARY: Exhibit 9-A comprises the Treasurer's Report for October 2015. Exhibit 9-B, Exhibit 9-C and Exhibit 9-D are listings of check disbursements for the period October 1-31, 2015. Check Nos. 23405 through 23671, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$711,977.23. That amount included \$24,444.00 for conservation rebates. Exhibit 9-E reflects the unaudited version of the financial statements for the month ending October 31, 2015.

RECOMMENDATION: District staff recommends adoption of the October 2015 Treasurer's Report and financial statements, and ratification of the disbursements made during the month. The Administrative Committee reviewed this item at its December 7, 2015 meeting and voted 3 to 0 to recommend approval.

EXHIBITS

- 9-A** Treasurer's Report
- 9-B** Listing of Cash Disbursements-Regular
- 9-C** Listing of Cash Disbursements-Payroll
- 9-D** Listing of Other Bank Items
- 9-E** Financial Statements

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR OCTOBER 2015**

<u>Description</u>	<u>Checking</u>	<u>MPWMD Money Market</u>	<u>L.A.I.F.</u>	<u>Wells Fargo Investments</u>	<u>MPWMD Total</u>	<u>PB Reclamation Money Market</u>
Beginning Balance	\$160,858.16	\$74,318.84	\$595,483.41	\$2,268,127.02	3,098,787.43	\$604,881.75
Transfer to/from LAIF		200,000.00	(200,000.00)		0.00	
Fee Deposits		417,155.37			417,155.37	623,539.29
Interest		4.21	941.50	3,218.80	4,164.51	5.17
Transfer-Money Market to Checking	640,296.76	(640,296.76)			0.00	
Transfer-Money Market to W/Fargo					0.00	
W/Fargo-Investment Purchase					0.00	
Transfer Ckg to MPWMD M/Mrkt					0.00	
MoCo Tax & WS Chg Installment Pymt					0.00	
Transfer to CAWD					0.00	(1,218,000.00)
Voided Cks					0.00	
Bank Corrections/Reversals/Errors					0.00	
Bank Charges /Rtn'd Deposits/Other	(374.05)	(147.00)			(521.05)	(50.00)
Payroll Tax Deposits	(42,988.00)				(42,988.00)	
Payroll Checks/Direct Deposits	(203,727.97)				(203,727.97)	
General Checks	(464,887.21)				(464,887.21)	
Prepaid Exp-Automatic Bank Pymt					0.00	
Ending Balance	\$89,177.69	\$51,034.66	\$396,424.91	\$2,271,345.82	\$2,807,983.08	\$10,376.21

Check Report

By Check Number

Date Range: 10/01/2015 - 10/31/2015



Monterey Peninsula Water Mgmt District

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
00254	MoCo Recorder	10/01/2015	Regular	0.00	29.00	23407
00254	MoCo Recorder	10/01/2015	Regular	0.00	61.00	23408
00254	MoCo Recorder	10/01/2015	Regular	0.00	61.00	23409
00254	MoCo Recorder	10/01/2015	Regular	0.00	29.00	23410
00254	MoCo Recorder	10/01/2015	Regular	0.00	61.00	23411
00254	MoCo Recorder	10/01/2015	Regular	0.00	61.00	23412
00254	MoCo Recorder	10/01/2015	Regular	0.00	29.00	23413
00254	MoCo Recorder	10/01/2015	Regular	0.00	61.00	23414
00254	MoCo Recorder	10/01/2015	Regular	0.00	29.00	23415
00254	MoCo Recorder	10/01/2015	Regular	0.00	32.00	23416
00249	A.G. Davi, LTD	10/06/2015	Regular	0.00	395.00	23423
00767	AFLAC	10/06/2015	Regular	0.00	1,477.76	23424
00236	AT&T Long Distance	10/06/2015	Regular	0.00	5.15	23425
00036	Bill Parham	10/06/2015	Regular	0.00	650.00	23426
00028	Colantuono, Highsmith, & Whatley, PC	10/06/2015	Regular	0.00	3,282.47	23427
00281	CoreLogic Information Solutions, Inc.	10/06/2015	Regular	0.00	9,950.00	23428
00046	Delay & Laredo	10/06/2015	Regular	0.00	18,174.50	23429
00267	Employment Development Dept.	10/06/2015	Regular	0.00	4,098.28	23430
00285	Gabby Ayala	10/06/2015	Regular	0.00	34.11	23431
00072	Goodin,MacBride,Squeri,Day,Lamprey	10/06/2015	Regular	0.00	495.00	23432
00993	Harris Court Business Park	10/06/2015	Regular	0.00	721.26	23433
00083	Hayashi & Wayland Accountancy Corp.	10/06/2015	Regular	0.00	8,450.00	23434
08929	HDR Engineering, Inc.	10/06/2015	Regular	0.00	20,566.76	23435
00768	ICMA	10/06/2015	Regular	0.00	6,030.41	23436
06745	KBA Docusys - Lease Payments	10/06/2015	Regular	0.00	1,120.33	23437
00769	Laborers Trust Fund of Northern CA	10/06/2015	Regular	0.00	28,184.00	23438
00254	MoCo Recorder	10/06/2015	Regular	0.00	50.00	23439
04361	OneSource Office Systems	10/06/2015	Regular	0.00	534.82	23440
00225	Palace Office Supply	10/06/2015	Regular	0.00	129.59	23441
01020	Paula Soto	10/06/2015	Regular	0.00	372.91	23442
00154	Peninsula Messenger Service	10/06/2015	Regular	0.00	759.00	23443
00256	PERS Retirement	10/06/2015	Regular	0.00	28,845.98	23444
00282	PG&E	10/06/2015	Regular	0.00	2,713.89	23445
00282	PG&E	10/06/2015	Regular	0.00	560.89	23446
06000	Potter's Electronics	10/06/2015	Regular	0.00	97.63	23447
00159	Pueblo Water Resources, Inc.	10/06/2015	Regular	0.00	24,736.65	23448
00262	Pure H2O	10/06/2015	Regular	0.00	64.49	23449
00251	Rick Dickhaut	10/06/2015	Regular	0.00	1,031.00	23450
00228	Ryan Ranch Printers	10/06/2015	Regular	0.00	201.16	23451
00176	Sentry Alarm Systems	10/06/2015	Regular	0.00	125.50	23452
00766	Standard Insurance Company	10/06/2015	Regular	0.00	1,744.90	23453
03973	Stephanie Kister	10/06/2015	Regular	0.00	166.66	23454
01349	Suresh Prasad	10/06/2015	Regular	0.00	271.02	23455
00207	Universal Staffing Inc.	10/06/2015	Regular	0.00	1,622.40	23456
00221	Verizon Wireless	10/06/2015	Regular	0.00	501.99	23457
06009	yourservicesolution.com	10/06/2015	Regular	0.00	1,375.00	23458
00254	MoCo Recorder	10/07/2015	Regular	0.00	61.00	23459
00254	MoCo Recorder	10/07/2015	Regular	0.00	29.00	23460
00254	MoCo Recorder	10/07/2015	Regular	0.00	61.00	23461
00254	MoCo Recorder	10/07/2015	Regular	0.00	53.00	23462
00254	MoCo Recorder	10/07/2015	Regular	0.00	92.00	23463
00254	MoCo Recorder	10/07/2015	Regular	0.00	26.00	23464
00253	AT&T	10/09/2015	Regular	0.00	403.67	23465
00253	AT&T	10/09/2015	Regular	0.00	374.56	23466

EXHIBIT 9-B**Check Report**

Date Range: 10/01/2015 - 10/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
00252	Cal-Am Water	10/09/2015	Regular	0.00	97.24	23467
00252	Cal-Am Water	10/09/2015	Regular	0.00	558.23	23468
00252	Cal-Am Water	10/09/2015	Regular	0.00	95.79	23469
00243	CalPers Long Term Care Program	10/09/2015	Regular	0.00	40.56	23470
00237	Chevron	10/09/2015	Regular	0.00	566.94	23471
00230	Cisco WebEx, LLC	10/09/2015	Regular	0.00	253.00	23472
00224	City of Monterey	10/09/2015	Regular	0.00	697.75	23473
04724	City of Monterey -DWR Grant	10/09/2015	Regular	0.00	26,066.93	23474
06826	County of Monterey	10/09/2015	Regular	0.00	5,420.00	23475
00758	Fed-Ex	10/09/2015	Regular	0.00	39.51	23476
08929	HDR Engineering, Inc.	10/09/2015	Regular	0.00	16,139.73	23477
00094	John Arriaga	10/09/2015	Regular	0.00	2,500.00	23478
00222	M.J. Murphy	10/09/2015	Regular	0.00	204.84	23479
00259	Marina Coast Water District	10/09/2015	Regular	0.00	196.15	23480
04034	Monterey County Tax Collector	10/09/2015	Regular	0.00	378.88	23481
07998	Monterey Peninsula Regional Park District	10/09/2015	Regular	0.00	6,000.00	23482
00274	MRWPCA	10/09/2015	Regular	0.00	146.11	23483
00274	MRWPCA	10/09/2015	Regular	0.00	52.06	23484
00274	MRWPCA	10/15/2015	Regular	0.00	-52.06	23484
00225	Palace Office Supply	10/09/2015	Regular	0.00	93.29	23485
00755	Peninsula Welding Supply, Inc.	10/09/2015	Regular	0.00	54.00	23486
00256	PERS Retirement	10/09/2015	Regular	0.00	14,794.77	23487
04736	Pitney Bowes Global Financial Svc, LLC	10/09/2015	Regular	0.00	387.80	23488
04736	Pitney Bowes Global Financial Svc, LLC	10/09/2015	Regular	0.00	43.28	23489
07627	Purchase Power	10/09/2015	Regular	0.00	500.00	23490
01351	Staples Credit Plan	10/09/2015	Regular	0.00	140.95	23491
04720	Teletec Communications, Inc.	10/09/2015	Regular	0.00	405.00	23492
00254	MoCo Recorder	10/15/2015	Regular	0.00	50.00	23549
00254	MoCo Recorder	10/15/2015	Regular	0.00	26.00	23550
00254	MoCo Recorder	10/15/2015	Regular	0.00	29.00	23551
00254	MoCo Recorder	10/15/2015	Regular	0.00	29.00	23552
00254	MoCo Recorder	10/15/2015	Regular	0.00	73.00	23553
00254	MoCo Recorder	10/15/2015	Regular	0.00	29.00	23554
00254	MoCo Recorder	10/15/2015	Regular	0.00	61.00	23555
00254	MoCo Recorder	10/15/2015	Regular	0.00	16.00	23556
00254	MoCo Recorder	10/15/2015	Regular	0.00	16.00	23557
00763	ACWA-JPIA	10/16/2015	Regular	0.00	546.04	23558
01188	Alhambra	10/16/2015	Regular	0.00	187.82	23559
00224	City of Monterey	10/16/2015	Regular	0.00	1,301.90	23560
00028	Colantuono, Highsmith, & Whatley, PC	10/16/2015	Regular	0.00	995.00	23561
00761	Delores Cofer	10/16/2015	Regular	0.00	397.00	23562
00267	Employment Development Dept.	10/16/2015	Regular	0.00	4,722.69	23563
04717	Inder Osahan	10/16/2015	Regular	0.00	1,083.00	23564
05371	June Silva	10/16/2015	Regular	0.00	356.08	23565
00259	Marina Coast Water District	10/16/2015	Regular	0.00	52.06	23566
00118	Monterey Bay Carpet & Janitorial Svc	10/16/2015	Regular	0.00	1,000.00	23567
00256	PERS Retirement	10/16/2015	Regular	0.00	14,794.72	23568
00282	PG&E	10/16/2015	Regular	0.00	67.63	23569
00282	PG&E	10/16/2015	Regular	0.00	17.16	23570
00282	PG&E	10/16/2015	Regular	0.00	20.20	23571
06746	POSTMASTER	10/16/2015	Regular	0.00	500.00	23572
00987	SDRMA - Prop & Liability Pkg	10/16/2015	Regular	0.00	125.00	23573
00283	SHELL	10/16/2015	Regular	0.00	718.53	23574
04709	Sherron Forsgren	10/16/2015	Regular	0.00	653.20	23575
03979	Special Districts Association of Monterey County	10/16/2015	Regular	0.00	60.00	23576
03973	Stephanie Kister	10/16/2015	Regular	0.00	168.96	23577
00258	Thomas Brand Consulting, LLC	10/16/2015	Regular	0.00	14,441.25	23578
00207	Universal Staffing Inc.	10/16/2015	Regular	0.00	1,622.40	23579
00271	UPEC, Local 792	10/16/2015	Regular	0.00	1,013.74	23580
00254	MoCo Recorder	10/22/2015	Regular	0.00	32.00	23581
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23582

EXHIBIT 9-B**Check Report**

Date Range: 10/01/2015 - 10/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23583
00254	MoCo Recorder	10/22/2015	Regular	0.00	50.00	23584
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23585
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23586
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23587
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23588
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23589
00254	MoCo Recorder	10/22/2015	Regular	0.00	61.00	23590
00254	MoCo Recorder	10/22/2015	Regular	0.00	68.00	23591
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23592
00254	MoCo Recorder	10/22/2015	Regular	0.00	29.00	23593
00010	Access Monterey Peninsula	10/23/2015	Regular	0.00	200.00	23594
03966	ACWA (Memberships/Conferences/Publications)	10/23/2015	Regular	0.00	445.00	23595
00760	Andy Bell	10/23/2015	Regular	0.00	794.00	23596
00253	AT&T	10/23/2015	Regular	0.00	47.31	23597
00253	AT&T	10/23/2015	Regular	0.00	90.91	23598
00243	CalPers Long Term Care Program	10/23/2015	Regular	0.00	40.56	23599
06268	Comcast	10/23/2015	Regular	0.00	204.30	23600
00050	Dave Potter	10/23/2015	Regular	0.00	1,168.64	23601
00046	Delay & Laredo	10/23/2015	Regular	0.00	29,463.44	23602
00192	Extra Space Storage	10/23/2015	Regular	0.00	680.00	23603
00083	Hayashi & Wayland Accountancy Corp.	10/23/2015	Regular	0.00	16,000.00	23604
05832	HydroPoint Data Systems, Inc.	10/23/2015	Regular	0.00	216.00	23605
09982	Kyle Smith	10/23/2015	Regular	0.00	407.25	23606
00117	Marina Backflow Company	10/23/2015	Regular	0.00	120.00	23607
09983	Maryan Gonnerman	10/23/2015	Regular	0.00	409.43	23608
00242	MBAS	10/23/2015	Regular	0.00	7,475.00	23609
00078	Michael Hutnak	10/23/2015	Regular	0.00	1,680.00	23610
04729	Monterey Commercial Property Owners Associati	10/23/2015	Regular	0.00	1,050.00	23611
09986	Monterey Peninsula Airport District	10/23/2015	Regular	0.00	14,500.00	23612
00282	PG&E	10/23/2015	Regular	0.00	13,381.95	23613
00282	PG&E	10/23/2015	Regular	0.00	4,849.62	23614
00752	Professional Liability Insurance Service	10/23/2015	Regular	0.00	40.12	23615
00272	Red Shift Internet Services	10/23/2015	Regular	0.00	604.95	23616
00228	Ryan Ranch Printers	10/23/2015	Regular	0.00	409.06	23617
00176	Sentry Alarm Systems	10/23/2015	Regular	0.00	125.50	23618
03973	Stephanie Kister	10/23/2015	Regular	0.00	186.49	23619
00286	Stephanie L. Locke	10/23/2015	Regular	0.00	814.65	23620
04719	Telit Wireless Solutions	10/23/2015	Regular	0.00	125.70	23621
00207	Universal Staffing Inc.	10/23/2015	Regular	0.00	1,622.40	23622
09461	Water District jobs	10/23/2015	Regular	0.00	175.00	23623
09382	Workin.com	10/23/2015	Regular	0.00	259.20	23624
08105	Yolanda Munoz	10/23/2015	Regular	0.00	540.00	23625
00254	MoCo Recorder	10/23/2015	Regular	0.00	29.00	23626
00254	MoCo Recorder	10/28/2015	Regular	0.00	61.00	23635
00254	MoCo Recorder	10/28/2015	Regular	0.00	29.00	23636
00254	MoCo Recorder	10/28/2015	Regular	0.00	29.00	23637
00254	MoCo Recorder	10/28/2015	Regular	0.00	32.00	23638
00254	MoCo Recorder	10/28/2015	Regular	0.00	61.00	23639
00254	MoCo Recorder	10/28/2015	Regular	0.00	29.00	23640
00254	MoCo Recorder	10/28/2015	Regular	0.00	61.00	23641
00254	MoCo Recorder	10/28/2015	Regular	0.00	29.00	23642
00254	MoCo Recorder	10/28/2015	Regular	0.00	29.00	23643
00254	MoCo Recorder	10/28/2015	Regular	0.00	29.00	23644
00253	AT&T	10/30/2015	Regular	0.00	2,135.20	23645
00253	AT&T	10/30/2015	Regular	0.00	98.95	23646
00236	AT&T Long Distance	10/30/2015	Regular	0.00	13.65	23647
09987	Bruce and Kathleen Shaw	10/30/2015	Regular	0.00	104.00	23648
00024	Central Coast Exterminator	10/30/2015	Regular	0.00	104.00	23649
00230	Cisco WebEx, LLC	10/30/2015	Regular	0.00	49.00	23650
00267	Employment Development Dept.	10/30/2015	Regular	0.00	4,091.66	23651

EXHIBIT 9-B

Check Report

Date Range: 10/01/2015 - 10/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
00072	Goodin,MacBride,Squeri,Day,Lamprey	10/30/2015	Regular	0.00	495.00	23652
00073	Grindstone Sharpening	10/30/2015	Regular	0.00	125.49	23653
00993	Harris Court Business Park	10/30/2015	Regular	0.00	721.26	23654
00768	ICMA	10/30/2015	Regular	0.00	6,030.41	23655
00084	Iverson Tree Service	10/30/2015	Regular	0.00	2,200.00	23656
06828	Jobs Available	10/30/2015	Regular	0.00	390.00	23657
06999	KBA Docusys	10/30/2015	Regular	0.00	1,225.83	23658
06745	KBA Docusys - Lease Payments	10/30/2015	Regular	0.00	946.13	23659
09983	Maryan Gonnerman	10/30/2015	Regular	0.00	89.12	23660
09985	Merrill Gardens at Monterey, LLC	10/30/2015	Regular	0.00	1,140.00	23661
00275	Monterey County Herald	10/30/2015	Regular	0.00	579.77	23662
00225	Palace Office Supply	10/30/2015	Regular	0.00	66.37	23663
00256	PERS Retirement	10/30/2015	Regular	0.00	14,794.71	23664
00251	Rick Dickhaut	10/30/2015	Regular	0.00	1,031.00	23665
00286	Stephanie L. Locke	10/30/2015	Regular	0.00	878.29	23666
04353	Thomas Christensen	10/30/2015	Regular	0.00	52.29	23667
00269	U.S. Bank	10/30/2015	Regular	0.00	11,133.53	23668
	Void	10/30/2015	Regular	0.00	0.00	23669
00207	Universal Staffing Inc.	10/30/2015	Regular	0.00	811.20	23670
00254	MoCo Recorder	10/30/2015	Regular	0.00	32.00	23671

Payment Type	Bank Code APBNK		Summary	
	Payable Count	Payment Count	Discount	Payment
Regular Checks	267	194	0.00	440,495.27
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-52.06
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	267	196	0.00	440,443.21

EXHIBIT 9-B

63

Check Report

Date Range: 10/01/2015 - 10/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-02-Rebates: Use Only For Rebates						
09742	Helaine Tregenza	10/13/2015	Regular	0.00	-130.00	22944
09957	ABBY KEHR	10/09/2015	Regular	0.00	500.00	23493
09948	ALBERT GROSNICK	10/09/2015	Regular	0.00	500.00	23494
09943	BARBARA JACKSON	10/09/2015	Regular	0.00	100.00	23495
09977	BRADLEY F & ERICA O GIANNINI	10/09/2015	Regular	0.00	1,656.00	23496
09975	Bradley Kieth, MD	10/09/2015	Regular	0.00	125.00	23497
09960	BRYCE CRAFT	10/09/2015	Regular	0.00	500.00	23498
09972	BUENA VISTA LAND COMPANY	10/09/2015	Regular	0.00	100.00	23499
09969	CARA WILSON	10/09/2015	Regular	0.00	25.00	23500
09935	CLYDE KLAUMANN	10/09/2015	Regular	0.00	300.00	23501
09950	Daniel Wiens	10/09/2015	Regular	0.00	500.00	23502
09970	DAVID GOUPIL & LORI LIETZKE	10/09/2015	Regular	0.00	210.00	23503
09941	DIANE DAVENPORT	10/09/2015	Regular	0.00	100.00	23504
09934	DON BASSERI	10/09/2015	Regular	0.00	325.00	23505
09946	DOUGLAS CONLIN	10/09/2015	Regular	0.00	125.00	23506
09931	ELAINE S. EWEN	10/09/2015	Regular	0.00	100.00	23507
09973	Fatima Shake	10/09/2015	Regular	0.00	500.00	23508
09961	FLORENCE BUCHENROTH	10/09/2015	Regular	0.00	500.00	23509
09962	GEORGE NIMRI	10/09/2015	Regular	0.00	500.00	23510
09951	IAN CROOKS	10/09/2015	Regular	0.00	500.00	23511
09938	J RITCHIE DUN	10/09/2015	Regular	0.00	100.00	23512
09937	JAMES BRYAN MERRILL	10/09/2015	Regular	0.00	100.00	23513
09978	JAMES H BRILL & MAUREEN BRILL	10/09/2015	Regular	0.00	876.00	23514
09959	JAMES HUDSON	10/09/2015	Regular	0.00	500.00	23515
09958	JENNY LE	10/09/2015	Regular	0.00	500.00	23516
09928	JOHN & CHARLOTTE GILMORE	10/09/2015	Regular	0.00	100.00	23517
09967	JOHN R SANDERS	10/09/2015	Regular	0.00	200.00	23518
09936	JOSE RAMIREZ	10/09/2015	Regular	0.00	100.00	23519
09945	JUDITH PERRY	10/09/2015	Regular	0.00	125.00	23520
09932	KAREN SONNERGREN	10/09/2015	Regular	0.00	100.00	23521
09964	KAY CLINE	10/09/2015	Regular	0.00	500.00	23522
09955	KEN NELSON	10/09/2015	Regular	0.00	500.00	23523
09940	KHING HAN	10/09/2015	Regular	0.00	100.00	23524
09949	Kristina Poulter	10/09/2015	Regular	0.00	500.00	23525
09974	Lori Paisley	10/09/2015	Regular	0.00	150.00	23526
09965	Matthew T. Johnson	10/09/2015	Regular	0.00	500.00	23527
09930	Michael & Kate Lach	10/09/2015	Regular	0.00	100.00	23528
09979	MICHAEL & MARY QUIRIT	10/09/2015	Regular	0.00	2,500.00	23529
09929	MICHAEL A CERVI	10/09/2015	Regular	0.00	800.00	23530
09944	MICHELLE OVERWESER	10/09/2015	Regular	0.00	625.00	23531
09981	PAULA ANNE ANDERSON	10/09/2015	Regular	0.00	342.00	23532
09942	RICHARD STILES	10/09/2015	Regular	0.00	100.00	23533
09933	ROBERT & MARY BROWNRIGG	10/09/2015	Regular	0.00	100.00	23534
09954	ROBERT GOODWIN	10/09/2015	Regular	0.00	500.00	23535
09976	SANDRA J BERMAN	10/09/2015	Regular	0.00	1,432.00	23536
09971	SHARON K WALLER	10/09/2015	Regular	0.00	1,375.00	23537
09947	SHARON PETITT	10/09/2015	Regular	0.00	125.00	23538
09952	STEVE PAYSON	10/09/2015	Regular	0.00	500.00	23539
09968	SUN B PARK	10/09/2015	Regular	0.00	55.00	23540
09980	VOIJTACHILD NATHAN	10/09/2015	Regular	0.00	2,074.00	23541
09963	WANDA MARTINEZ	10/09/2015	Regular	0.00	500.00	23542
09966	WARREN & PENNY WOOD	10/09/2015	Regular	0.00	130.00	23543
09939	WILLIAM & CHRISTINA ZIMMERMAN	10/09/2015	Regular	0.00	200.00	23544
09953	WILLIAM C MATHEWSON	10/09/2015	Regular	0.00	499.00	23545

EXHIBIT 9-B

Check Report

Date Range: 10/01/2015 - 10/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
09956	WILLIAM KAMINSKI	10/09/2015	Regular	0.00	500.00	23546

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	54	54	0.00	24,574.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-130.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	54	55	0.00	24,444.00

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	10/2015	464,887.21
			<hr/>
			464,887.21

EXHIBIT 9-C

Payroll Bank Transaction Report - MPWMD



Monterey Peninsula Water Mgmt District

By Payment Number

Date: 10/1/2015 - 10/31/2015

Payroll Set: 01 - Monterey Peninsula Water Management District

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
1779	10/02/2015	Regular	1024	Stoldt, David J	0.00	5,678.74	5,678.74
1780	10/02/2015	Regular	1025	Tavani, Arlene M	0.00	1,881.24	1,881.24
1781	10/02/2015	Regular	1006	Dudley, Mark A	0.00	2,876.11	2,876.11
1782	10/02/2015	Regular	1039	Flores, Elizabeth	0.00	1,999.65	1,999.65
1783	10/02/2015	Regular	1018	Prasad, Suresh	0.00	3,586.27	3,586.27
1784	10/02/2015	Regular	1019	Reyes, Sara C	0.00	1,845.21	1,845.21
1785	10/02/2015	Regular	1020	Sandoval, Eric J	0.00	1,933.25	1,933.25
1786	10/02/2015	Regular	1021	Schmidlin, Cynthia L	0.00	1,789.19	1,789.19
1787	10/02/2015	Regular	1022	Soto, Paula	0.00	1,340.45	1,340.45
1788	10/02/2015	Regular	1002	Bekker, Mark	0.00	1,626.52	1,626.52
1789	10/02/2015	Regular	1005	Christensen, Thomas T	0.00	2,547.85	2,547.85
1790	10/02/2015	Regular	1008	Hampson, Larry M	0.00	3,204.52	3,204.52
1791	10/02/2015	Regular	1013	Lyons, Matthew J	0.00	1,640.79	1,640.79
1792	10/02/2015	Regular	1023	Stern, Henrietta L	0.00	2,146.05	2,146.05
1793	10/02/2015	Regular	6028	Atkins, Daniel N	0.00	729.85	729.85
1794	10/02/2015	Regular	1004	Chaney, Beverly M	0.00	2,127.73	2,127.73
1795	10/02/2015	Regular	1007	Hamilton, Cory R	0.00	2,026.50	2,026.50
1796	10/02/2015	Regular	1009	James, Gregory W	0.00	2,929.71	2,929.71
1797	10/02/2015	Regular	1011	Lear, Jonathan P	0.00	2,727.57	2,727.57
1798	10/02/2015	Regular	1012	Lindberg, Thomas L	0.00	2,156.46	2,156.46
1799	10/02/2015	Regular	1016	Oliver, Joseph W	0.00	2,612.53	2,612.53
1800	10/02/2015	Regular	1026	Urquhart, Kevan A	0.00	1,865.34	1,865.34
1801	10/02/2015	Regular	1001	Ayala, Gabriela D	0.00	1,652.92	1,652.92
1802	10/02/2015	Regular	1003	Boles, Michael T	0.00	1,768.93	1,768.93
1803	10/02/2015	Regular	1041	Gonnerman, Maryan C	0.00	1,460.42	1,460.42
1804	10/02/2015	Regular	1010	Kister, Stephanie L	0.00	1,766.80	1,766.80
1805	10/02/2015	Regular	1017	Locke, Stephanie L	0.00	2,682.65	2,682.65
1806	10/02/2015	Regular	1014	Martin, Debra S	0.00	1,894.98	1,894.98
1807	10/02/2015	Regular	7005	Markey, Kristina A	0.00	304.75	304.75
1808	10/16/2015	Regular	1024	Stoldt, David J	0.00	5,683.80	5,683.80
1809	10/16/2015	Regular	1025	Tavani, Arlene M	0.00	2,149.21	2,149.21
1810	10/16/2015	Regular	1006	Dudley, Mark A	0.00	2,986.86	2,986.86
1811	10/16/2015	Regular	1039	Flores, Elizabeth	0.00	2,121.64	2,121.64
1812	10/16/2015	Regular	1018	Prasad, Suresh	0.00	3,691.55	3,691.55
1813	10/16/2015	Regular	1019	Reyes, Sara C	0.00	1,981.82	1,981.82
1814	10/16/2015	Regular	1020	Sandoval, Eric J	0.00	2,351.20	2,351.20
1815	10/16/2015	Regular	1021	Schmidlin, Cynthia L	0.00	2,095.74	2,095.74
1816	10/16/2015	Regular	1022	Soto, Paula	0.00	1,381.87	1,381.87
1817	10/16/2015	Regular	1002	Bekker, Mark	0.00	1,880.48	1,880.48
1818	10/16/2015	Regular	1005	Christensen, Thomas T	0.00	2,750.36	2,750.36
1819	10/16/2015	Regular	1008	Hampson, Larry M	0.00	3,592.94	3,592.94
1820	10/16/2015	Regular	1013	Lyons, Matthew J	0.00	1,780.45	1,780.45
1821	10/16/2015	Regular	1023	Stern, Henrietta L	0.00	2,976.21	2,976.21
1822	10/16/2015	Regular	6028	Atkins, Daniel N	0.00	794.39	794.39
1823	10/16/2015	Regular	1004	Chaney, Beverly M	0.00	2,452.23	2,452.23
1824	10/16/2015	Regular	1007	Hamilton, Cory R	0.00	2,199.09	2,199.09
1825	10/16/2015	Regular	1009	James, Gregory W	0.00	2,976.88	2,976.88
1826	10/16/2015	Regular	1011	Lear, Jonathan P	0.00	3,148.82	3,148.82
1827	10/16/2015	Regular	1012	Lindberg, Thomas L	0.00	2,410.81	2,410.81
1828	10/16/2015	Regular	1016	Oliver, Joseph W	0.00	3,351.97	3,351.97
1829	10/16/2015	Regular	1026	Urquhart, Kevan A	0.00	2,627.87	2,627.87
1830	10/16/2015	Regular	1001	Ayala, Gabriela D	0.00	2,040.19	2,040.19
1831	10/16/2015	Regular	1003	Boles, Michael T	0.00	1,828.67	1,828.67
1832	10/16/2015	Regular	1041	Gonnerman, Maryan C	0.00	1,502.08	1,502.08
1833	10/16/2015	Regular	1010	Kister, Stephanie L	0.00	1,848.26	1,848.26
1834	10/16/2015	Regular	1017	Locke, Stephanie L	0.00	2,888.84	2,888.84
1835	10/16/2015	Regular	1014	Martin, Debra S	0.00	1,988.75	1,988.75

EXHIBIT 9-C

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
1836	10/30/2015	Regular	1024	Stoldt, David J	0.00	5,678.74	5,678.74
1837	10/30/2015	Regular	1025	Tavani, Arlene M	0.00	1,881.25	1,881.25
1838	10/30/2015	Regular	1006	Dudley, Mark A	0.00	2,876.11	2,876.11
1839	10/30/2015	Regular	1039	Flores, Elizabeth	0.00	1,999.64	1,999.64
1840	10/30/2015	Regular	1018	Prasad, Suresh	0.00	3,586.27	3,586.27
1841	10/30/2015	Regular	1019	Reyes, Sara C	0.00	1,845.21	1,845.21
1842	10/30/2015	Regular	1020	Sandoval, Eric J	0.00	1,933.24	1,933.24
1843	10/30/2015	Regular	1021	Schmidlin, Cynthia L	0.00	1,789.19	1,789.19
1844	10/30/2015	Regular	1022	Soto, Paula	0.00	1,340.44	1,340.44
1845	10/30/2015	Regular	1002	Bekker, Mark	0.00	1,626.52	1,626.52
1846	10/30/2015	Regular	1005	Christensen, Thomas T	0.00	2,547.85	2,547.85
1847	10/30/2015	Regular	1008	Hampson, Larry M	0.00	3,204.52	3,204.52
1848	10/30/2015	Regular	1013	Lyons, Matthew J	0.00	1,640.80	1,640.80
1849	10/30/2015	Regular	1023	Stern, Henrietta L	0.00	2,146.08	2,146.08
1850	10/30/2015	Regular	6028	Atkins, Daniel N	0.00	772.88	772.88
1851	10/30/2015	Regular	1004	Chaney, Beverly M	0.00	2,127.74	2,127.74
1852	10/30/2015	Regular	1007	Hamilton, Cory R	0.00	2,026.49	2,026.49
1853	10/30/2015	Regular	1009	James, Gregory W	0.00	2,929.72	2,929.72
1854	10/30/2015	Regular	1011	Lear, Jonathan P	0.00	2,727.57	2,727.57
1855	10/30/2015	Regular	1012	Lindberg, Thomas L	0.00	2,156.46	2,156.46
1856	10/30/2015	Regular	1016	Oliver, Joseph W	0.00	2,612.53	2,612.53
1857	10/30/2015	Regular	1026	Urquhart, Kevan A	0.00	1,865.33	1,865.33
1858	10/30/2015	Regular	1001	Ayala, Gabriela D	0.00	1,652.92	1,652.92
1859	10/30/2015	Regular	1003	Boles, Michael T	0.00	1,768.93	1,768.93
1860	10/30/2015	Regular	1041	Gonnerman, Maryan C	0.00	1,460.42	1,460.42
1861	10/30/2015	Regular	1010	Kister, Stephanie L	0.00	1,766.80	1,766.80
1862	10/30/2015	Regular	1017	Locke, Stephanie L	0.00	2,682.65	2,682.65
1863	10/30/2015	Regular	1014	Martin, Debra S	0.00	1,894.98	1,894.98
1864	10/30/2015	Regular	7005	Markey, Kristina A	0.00	203.17	203.17
23405	10/02/2015	Regular	6033	Suwada, Joseph	579.50	0.00	579.50
23406	10/02/2015	Regular	1040	Smith, Kyle	1,417.38	0.00	1,417.38
23417	10/02/2015	Regular	7006	Brower, Sr., Robert S	203.17	0.00	203.17
23418	10/02/2015	Regular	7007	Byrne, Jeannie	507.92	0.00	507.92
23419	10/02/2015	Regular	7013	Clarke, Andrew	203.17	0.00	203.17
23420	10/02/2015	Regular	7003	Lewis, Brenda	101.58	0.00	101.58
23421	10/02/2015	Regular	7001	Pendergrass, David K	304.75	0.00	304.75
23422	10/02/2015	Regular	7004	Potter, David L	406.34	0.00	406.34
23547	10/16/2015	Regular	6033	Suwada, Joseph	399.20	0.00	399.20
23548	10/16/2015	Regular	1040	Smith, Kyle	1,459.05	0.00	1,459.05
23627	10/30/2015	Regular	6033	Suwada, Joseph	377.53	0.00	377.53
23628	10/30/2015	Regular	1040	Smith, Kyle	1,417.38	0.00	1,417.38
23629	10/30/2015	Regular	7006	Brower, Sr., Robert S	101.58	0.00	101.58
23630	10/30/2015	Regular	7007	Byrne, Jeannie	406.34	0.00	406.34
23631	10/30/2015	Regular	7013	Clarke, Andrew	203.17	0.00	203.17
23632	10/30/2015	Regular	7003	Lewis, Brenda	203.17	0.00	203.17
23633	10/30/2015	Regular	7001	Pendergrass, David K	304.75	0.00	304.75
23634	10/30/2015	Regular	7004	Potter, David L	101.58	0.00	101.58
Totals:					8,697.56	195,030.41	203,727.97



Monterey Peninsula Water Mgmt District

Bank Transaction Report

Transaction Detail

Issued Date Range: 10/01/2015 - 10/31/2015

Cleared Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
Bank Account: 111 - Bank of America Checking - 0000 8170 8210							
10/02/2015	10/31/2015	DFT0000635	I.R.S.	Accounts Payable	Cleared	Bank Draft	-11,108.12
10/02/2015	10/31/2015	DFT0000636	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,309.78
10/02/2015	10/31/2015	DFT0000637	I.R.S.	Accounts Payable	Cleared	Bank Draft	-199.14
10/02/2015	10/31/2015	DFT0000639	I.R.S.	Accounts Payable	Cleared	Bank Draft	-63.84
10/02/2015	10/31/2015	DFT0000640	I.R.S.	Accounts Payable	Cleared	Bank Draft	-272.80
10/15/2015	10/31/2015	SVC0000063	To post Oct/2015 bank charge	General Ledger	Cleared	Service Charge	-374.05
10/16/2015	10/31/2015	DFT0000642	I.R.S.	Accounts Payable	Cleared	Bank Draft	-12,692.69
10/16/2015	10/31/2015	DFT0000643	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,357.18
10/16/2015	10/31/2015	DFT0000644	I.R.S.	Accounts Payable	Cleared	Bank Draft	-179.74
10/30/2015	10/31/2015	DFT0000646	I.R.S.	Accounts Payable	Cleared	Bank Draft	-11,076.01
10/30/2015	10/31/2015	DFT0000647	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,303.60
10/30/2015	10/31/2015	DFT0000648	I.R.S.	Accounts Payable	Cleared	Bank Draft	-172.62
10/30/2015	10/31/2015	DFT0000650	I.R.S.	Accounts Payable	Cleared	Bank Draft	-47.88
10/30/2015	10/31/2015	DFT0000651	I.R.S.	Accounts Payable	Cleared	Bank Draft	-204.60
Bank Account 111 Total: (14)							-43,362.05
Report Total: (14)							-43,362.05

EXHIBIT 9-D

Bank Transaction Report

Issued Date Range: 10/01/2015 - 10/31/2015

Cleared Date Range: -

70

Summary

Bank Account	Count	Amount
111 Bank of America Checking - 0000 8170 8210	14	-43,362.05
Report Total:	14	-43,362.05

Cash Account	Count	Amount
99 99-10-100100 Pool Cash Account	14	-43,362.05
Report Total:	14	-43,362.05

Transaction Type	Count	Amount
Bank Draft	13	-42,988.00
Service Charge	1	-374.05
Report Total:	14	-43,362.05



Monterey Peninsula Water Mgmt District

Statement of Revenue Over Expense - No Decimals
Group Summary

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Revenue								
R100 - Water Supply Charge	0	283,220	-283,220	0.00 %	-1,528	3,400,000	-3,401,528	0.04 %
R110 - Mitigation Revenue	0	200,920	-200,920	0.00 %	0	2,412,000	-2,412,000	0.00 %
R120 - Property Taxes Revenues	0	130,781	-130,781	0.00 %	0	1,570,000	-1,570,000	0.00 %
R130 - User Fees	4,403	6,248	-1,844	-70.48 %	16,834	75,000	-58,166	-22.45 %
R140 - Connection Charges	19,568	14,578	4,991	-134.23 %	64,146	175,000	-110,854	-36.65 %
R150 - Permit Processing Fee	9,578	14,578	-5,000	-65.70 %	53,799	175,000	-121,201	-30.74 %
R160 - Well Registration Fee	150	167	-17	-90.04 %	350	2,000	-1,650	-17.50 %
R180 - River Work Permit Application	0	0	0	0.00 %	50	0	50	0.00 %
R190 - WDS Permits Rule 21	3,600	4,665	-1,065	-77.17 %	31,936	56,000	-24,064	-57.03 %
R200 - Recording Fees	650	666	-16	-97.54 %	4,504	8,000	-3,496	-56.30 %
R210 - Legal Fees	342	1,250	-908	-27.37 %	969	15,000	-14,031	-6.46 %
R220 - Copy Fee	9	0	9	0.00 %	36	0	36	0.00 %
R230 - Miscellaneous - Other	15	1,250	-1,235	-1.20 %	6,564	15,000	-8,436	-43.76 %
R240 - Insurance Refunds	0	0	0	0.00 %	1,352	0	1,352	0.00 %
R250 - Interest Income	4,165	1,250	2,915	-333.29 %	6,315	15,000	-8,685	-42.10 %
R260 - CAW - ASR	0	23,566	-23,566	0.00 %	0	282,900	-282,900	0.00 %
R265 - CAW - Los Padres Reimbursement	0	49,980	-49,980	0.00 %	0	600,000	-600,000	0.00 %
R270 - CAW - Rebates	80,725	58,310	22,415	-138.44 %	212,884	700,000	-487,116	-30.41 %
R280 - CAW - Conservation	0	19,326	-19,326	0.00 %	0	232,000	-232,000	0.00 %
R290 - CAW - Miscellaneous	0	583	-583	0.00 %	0	7,000	-7,000	0.00 %
R300 - Watermaster	0	5,848	-5,848	0.00 %	0	70,200	-70,200	0.00 %
R305 - City of Seaside - Rebates	0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R310 - Other Reimbursements	0	5,415	-5,415	0.00 %	0	65,000	-65,000	0.00 %
R320 - Grants	99,500	22,908	76,593	-434.36 %	109,971	275,000	-165,029	-39.99 %
R510 - Operating Reserve	0	270,009	-270,009	0.00 %	0	3,241,400	-3,241,400	0.00 %
Total Revenue:	222,705	1,117,178	-894,473	-19.93 %	508,182	13,411,500	-12,903,318	-3.79 %

EXHIBIT 9-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	186,076	197,838	11,761	94.06 %	746,657	2,375,000	1,628,343	31.44 %
1110 - Manager's Auto Allowance	462	500	38	92.34 %	2,077	6,000	3,923	34.61 %
1120 - Manager's Deferred Comp	600	650	50	92.34 %	2,700	7,800	5,100	34.62 %
1130 - Unemployment Compensation	0	250	250	0.00 %	670	3,000	2,330	22.34 %
1140 - Insurance Opt-Out Supplemental	1,288	1,583	295	81.39 %	6,067	19,000	12,933	31.93 %
1150 - Temporary Personnel	3,245	5,914	2,670	54.86 %	24,384	71,000	46,616	34.34 %
1160 - PERS Retirement	18,392	33,811	15,420	54.40 %	250,967	405,900	154,933	61.83 %
1170 - Medical Insurance	13,468	25,865	12,396	52.07 %	101,253	310,500	209,247	32.61 %
1180 - Medical Insurance - Retirees	5,394	4,798	-596	112.43 %	18,349	57,600	39,251	31.86 %
1190 - Workers Compensation	3,278	3,524	246	93.02 %	14,709	42,300	27,591	34.77 %
1200 - Life Insurance	457	458	2	99.64 %	1,806	5,500	3,694	32.84 %
1210 - Long Term Disability Insurance	600	1,166	566	51.43 %	4,083	14,000	9,917	29.17 %
1220 - Short Term Disability Insurance	119	250	131	47.65 %	795	3,000	2,205	26.49 %
1260 - Employee Assistance Program	35	100	65	35.30 %	268	1,200	932	22.35 %
1270 - FICA Tax Expense	415	400	-15	103.76 %	1,496	4,800	3,304	31.17 %
1280 - Medicare Tax Expense	2,386	2,907	521	82.08 %	10,187	34,900	24,713	29.19 %
1290 - Staff Development & Training	180	2,716	2,536	6.63 %	4,134	32,600	28,466	12.68 %
1300 - Conference Registration	545	267	-278	204.46 %	1,570	3,200	1,630	49.06 %
1310 - Professional Dues	106	225	119	47.13 %	530	2,700	2,170	19.63 %
1320 - Personnel Recruitment	1,904	417	-1,488	457.19 %	3,226	5,000	1,774	64.51 %
Total Level1: 100 - Personnel Costs:	238,950	283,636	44,687	84.25 %	1,195,929	3,405,000	2,209,071	35.12 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	3,850	3,082	-768	124.91 %	7,150	37,000	29,850	19.32 %
2020 - Board Expenses	30	333	303	9.00 %	30	4,000	3,970	0.75 %
2040 - Rent	1,725	1,966	241	87.75 %	6,505	23,600	17,095	27.56 %
2060 - Utilities	3,558	3,199	-359	111.22 %	12,989	38,400	25,411	33.83 %
2120 - Insurance Expense	3,517	3,749	231	93.83 %	14,069	45,000	30,931	31.26 %
2130 - Membership Dues	7,712	2,291	-5,421	336.66 %	8,098	27,500	19,402	29.45 %
2140 - Bank Charges	528	292	-236	180.96 %	1,744	3,500	1,756	49.84 %
2150 - Office Supplies	1,555	1,358	-197	114.53 %	4,881	16,300	11,419	29.94 %
2160 - Courier Expense	626	666	40	93.94 %	2,733	8,000	5,267	34.16 %
2170 - Printing/Photocopy	0	750	750	0.00 %	182	9,000	8,818	2.02 %
2180 - Postage & Shipping	1,497	333	-1,164	449.36 %	3,093	4,000	907	77.32 %
2190 - IT Supplies/Services	2,741	8,780	6,039	31.21 %	43,496	105,400	61,904	41.27 %
2200 - Professional Fees	43,854	11,246	-32,608	389.97 %	95,809	135,000	39,191	70.97 %
2220 - Equipment Repairs & Maintenance	1,226	583	-643	210.23 %	3,012	7,000	3,988	43.03 %
2235 - Equipment Lease	1,377	1,250	-128	110.22 %	4,603	15,000	10,397	30.69 %
2240 - Telephone	4,164	3,615	-549	115.18 %	11,444	43,400	31,956	26.37 %
2260 - Facility Maintenance	4,099	2,899	-1,200	141.40 %	10,952	34,800	23,848	31.47 %
2270 - Travel Expenses	5,869	2,682	-3,187	218.81 %	10,257	32,200	21,943	31.85 %

EXHIBIT 9-E

73

Statement of Revenue Over Expense - No Decimals**For Fiscal: 2015-2016 Period Ending: 10/31/2015**

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	6,584	1,883	-4,702	349.74 %	11,717	22,600	10,883	51.84 %
2300 - Legal Services	11,788	33,320	21,532	35.38 %	104,655	400,000	295,345	26.16 %
2380 - Meeting Expenses	339	600	261	56.46 %	1,038	7,200	6,162	14.41 %
2420 - Legal Notices	580	358	-222	161.86 %	580	4,300	3,720	13.48 %
2460 - Public Outreach	1,100	417	-683	264.10 %	1,143	5,000	3,857	22.86 %
2480 - Miscellaneous	0	417	417	0.00 %	1,023	5,000	3,977	20.46 %
2500 - Tax Administration Fee	0	1,666	1,666	0.00 %	0	20,000	20,000	0.00 %
2900 - Operating Supplies	558	1,741	1,183	32.04 %	12,127	20,900	8,773	58.02 %
Total Level1: 200 - Supplies and Services:	108,875	89,473	-19,403	121.69 %	373,328	1,074,100	700,772	34.76 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	146,027	658,095	512,068	22.19 %	871,526	7,900,300	7,028,774	11.03 %
4000 - Fixed Asset Purchases	2,427	12,037	9,610	20.16 %	7,280	144,500	137,220	5.04 %
5000 - Debt Service	0	19,159	19,159	0.00 %	0	230,000	230,000	0.00 %
5500 - Election Expenses	0	18,992	18,992	0.00 %	0	228,000	228,000	0.00 %
6000 - Contingencies	0	6,248	6,248	0.00 %	0	75,000	75,000	0.00 %
6500 - Reserves	0	29,538	29,538	0.00 %	0	354,600	354,600	0.00 %
Total Level1: 300 - Other Expenses:	148,454	744,069	595,615	19.95 %	878,806	8,932,400	8,053,594	9.84 %
Total Expense:	496,279	1,117,178	620,899	44.42 %	2,448,063	13,411,500	10,963,437	18.25 %
Report Total:	-273,574	0	-273,574		-1,939,881	0	-1,939,881	

EXHIBIT 9-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Fund Summary

Fund	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	-92,719	0	-92,719		-595,818	0	-595,818	
26 - CONSERVATION FUND	-34,501	0	-34,501		-302,808	0	-302,808	
35 - WATER SUPPLY FUND	-146,354	0	-146,354		-1,041,256	0	-1,041,256	
Report Total:	-273,574	0.08	-273,574		-1,939,881	0	-1,939,881	

**Statement of Revenue Over Expense - No Decimals
Group Summary**

For Fiscal: 2015-2016 Period Ending: 10/31/2015



Monterey Peninsula Water Mgmt District

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 24 - MITIGATION FUND								
Revenue								
R110 - Mitigation Revenue	0	200,920	-200,920	0.00 %	0	2,412,000	-2,412,000	0.00 %
R130 - User Fees	3,717	6,248	-2,530	-59.50 %	14,212	75,000	-60,788	-18.95 %
R160 - Well Registration Fee	150	167	-17	-90.04 %	350	2,000	-1,650	-17.50 %
R180 - River Work Permit Application	0	0	0	0.00 %	50	0	50	0.00 %
R190 - WDS Permits Rule 21	3,600	4,665	-1,065	-77.17 %	31,936	56,000	-24,064	-57.03 %
R230 - Miscellaneous - Other	0	1,250	-1,250	0.00 %	443	15,000	-14,557	-2.95 %
R250 - Interest Income	145	541	-396	-26.85 %	596	6,500	-5,904	-9.17 %
R290 - CAW - Miscellaneous	0	583	-583	0.00 %	0	7,000	-7,000	0.00 %
R310 - Other Reimbursements	0	4,582	-4,582	0.00 %	0	55,000	-55,000	0.00 %
R320 - Grants	99,500	22,908	76,593	-434.36 %	109,971	275,000	-165,029	-39.99 %
R510 - Operating Reserve	0	10,579	-10,579	0.00 %	0	127,000	-127,000	0.00 %
Total Revenue:	107,113	252,441	-145,328	-42.43 %	157,558	3,030,500	-2,872,942	-5.20 %

EXHIBIT 9-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	76,463	83,308	6,845	91.78 %	315,704	1,000,100	684,396	31.57 %
1110 - Manager's Auto Allowance	92	100	8	92.34 %	415	1,200	785	34.61 %
1120 - Manager's Deferred Comp	120	133	13	90.04 %	540	1,600	1,060	33.75 %
1130 - Unemployment Compensation	0	108	108	0.00 %	288	1,300	1,012	22.16 %
1140 - Insurance Opt-Out Supplemental	332	421	88	79.02 %	1,585	5,050	3,465	31.38 %
1150 - Temporary Personnel	0	42	42	0.00 %	4,695	500	-4,195	938.95 %
1160 - PERS Retirement	7,700	14,461	6,761	53.25 %	108,349	173,600	65,251	62.41 %
1170 - Medical Insurance	5,546	11,262	5,716	49.25 %	44,029	135,200	91,171	32.57 %
1180 - Medical Insurance - Retirees	2,320	2,066	-254	112.28 %	7,890	24,800	16,910	31.81 %
1190 - Workers Compensation	1,992	2,107	116	94.51 %	9,019	25,300	16,281	35.65 %
1200 - Life Insurance	195	196	1	99.36 %	770	2,350	1,580	32.77 %
1210 - Long Term Disability Insurance	253	516	263	49.06 %	1,773	6,200	4,427	28.60 %
1220 - Short Term Disability Insurance	50	108	58	46.44 %	344	1,300	956	26.47 %
1260 - Employee Assistance Program	14	42	27	34.27 %	114	500	386	22.76 %
1270 - FICA Tax Expense	279	192	-87	145.54 %	1,244	2,300	1,056	54.07 %
1280 - Medicare Tax Expense	1,024	1,241	217	82.52 %	4,531	14,900	10,369	30.41 %
1290 - Staff Development & Training	77	841	764	9.20 %	1,073	10,100	9,027	10.62 %
1300 - Conference Registration	234	117	-118	200.95 %	441	1,400	959	31.48 %
1310 - Professional Dues	0	83	83	0.00 %	75	1,000	925	7.53 %
1320 - Personnel Recruitment	952	175	-777	544.27 %	952	2,100	1,148	45.34 %
Total Level1: 100 - Personnel Costs:	97,644	117,520	19,875	83.09 %	503,832	1,410,800	906,968	35.71 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	1,656	1,324	-331	124.99 %	3,075	15,900	12,826	19.34 %
2020 - Board Expenses	13	142	129	9.11 %	13	1,700	1,687	0.76 %
2040 - Rent	815	908	93	89.75 %	3,062	10,900	7,838	28.09 %
2060 - Utilities	1,547	1,383	-164	111.88 %	5,645	16,600	10,955	34.00 %
2120 - Insurance Expense	1,512	1,608	95	94.07 %	6,049	19,300	13,251	31.34 %
2130 - Membership Dues	3,316	833	-2,483	398.10 %	3,316	10,000	6,684	33.16 %
2140 - Bank Charges	166	125	-41	132.73 %	541	1,500	959	36.05 %
2150 - Office Supplies	493	583	90	84.51 %	1,943	7,000	5,057	27.76 %
2160 - Courier Expense	264	283	20	93.07 %	1,170	3,400	2,230	34.40 %
2170 - Printing/Photocopy	0	233	233	0.00 %	78	2,800	2,722	2.80 %
2180 - Postage & Shipping	645	142	-503	455.48 %	1,359	1,700	341	79.92 %
2190 - IT Supplies/Services	1,178	3,790	2,612	31.09 %	18,703	45,500	26,797	41.11 %
2200 - Professional Fees	18,616	4,831	-13,784	385.31 %	40,149	58,000	17,851	69.22 %
2220 - Equipment Repairs & Maintenance	527	250	-277	210.92 %	1,295	3,000	1,705	43.17 %
2235 - Equipment Lease	592	533	-59	111.08 %	1,979	6,400	4,421	30.93 %
2240 - Telephone	1,744	1,558	-186	111.97 %	5,024	18,700	13,676	26.87 %
2260 - Facility Maintenance	1,763	1,258	-505	140.13 %	4,709	15,100	10,391	31.19 %
2270 - Travel Expenses	575	900	325	63.90 %	1,585	10,800	9,215	14.68 %

EXHIBIT 9-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	2,722	733	-1,989	371.33 %	6,683	8,800	2,117	75.94 %
2300 - Legal Services	0	7,497	7,497	0.00 %	11,806	90,000	78,194	13.12 %
2380 - Meeting Expenses	146	225	79	64.74 %	451	2,700	2,249	16.71 %
2420 - Legal Notices	0	150	150	0.00 %	0	1,800	1,800	0.00 %
2460 - Public Outreach	468	175	-293	267.63 %	468	2,100	1,632	22.29 %
2480 - Miscellaneous	0	183	183	0.00 %	440	2,200	1,760	19.99 %
2900 - Operating Supplies	208	283	76	73.29 %	393	3,400	3,007	11.56 %
Total Level1: 200 - Supplies and Services:	38,965	29,930	-9,035	130.19 %	119,937	359,300	239,363	33.38 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	62,179	59,043	-3,136	105.31 %	126,476	708,800	582,324	17.84 %
4000 - Fixed Asset Purchases	1,043	5,581	4,538	18.70 %	3,130	67,000	63,870	4.67 %
5500 - Election Expenses	0	8,163	8,163	0.00 %	0	98,000	98,000	0.00 %
6000 - Contingencies	0	2,666	2,666	0.00 %	0	32,000	32,000	0.00 %
6500 - Reserves	0	29,538	29,538	0.00 %	0	354,600	354,600	0.00 %
Total Level1: 300 - Other Expenses:	63,223	104,991	41,769	60.22 %	129,606	1,260,400	1,130,794	10.28 %
Total Expense:	199,831	252,441	52,609	79.16 %	753,376	3,030,500	2,277,124	24.86 %
Total Revenues	107,113	252,441	-145,328	-42.43 %	157,558	3,030,500	-2,872,942	-5.20 %
Total Fund: 24 - MITIGATION FUND:	-92,719	0	-92,719		-595,818	0	-595,818	

EXHIBIT 9-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 26 - CONSERVATION FUND								
Revenue								
R120 - Property Taxes Revenues	0	90,131	-90,131	0.00 %	0	1,082,000	-1,082,000	0.00 %
R130 - User Fees	686	0	686	0.00 %	2,623	0	2,623	0.00 %
R150 - Permit Processing Fee	9,578	14,578	-5,000	-65.70 %	53,799	175,000	-121,201	-30.74 %
R200 - Recording Fees	650	666	-16	-97.54 %	4,504	8,000	-3,496	-56.30 %
R210 - Legal Fees	342	1,250	-908	-27.37 %	969	15,000	-14,031	-6.46 %
R230 - Miscellaneous - Other	0	0	0	0.00 %	217	0	217	0.00 %
R250 - Interest Income	462	333	129	-138.77 %	1,447	4,000	-2,553	-36.17 %
R270 - CAW - Rebates	80,725	58,310	22,415	-138.44 %	212,884	700,000	-487,116	-30.41 %
R280 - CAW - Conservation	0	19,326	-19,326	0.00 %	0	232,000	-232,000	0.00 %
R305 - City of Seaside - Rebates	0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R310 - Other Reimbursements	0	833	-833	0.00 %	0	10,000	-10,000	0.00 %
R510 - Operating Reserve	0	2,666	-2,666	0.00 %	0	32,000	-32,000	0.00 %
Total Revenue:	92,444	189,757	-97,314	-48.72 %	276,442	2,278,000	-2,001,558	-12.14 %

EXHIBIT 9-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	47,879	44,749	-3,130	106.99 %	184,292	537,200	352,908	34.31 %
1110 - Manager's Auto Allowance	92	100	8	92.34 %	415	1,200	785	34.61 %
1120 - Manager's Deferred Comp	120	133	13	90.04 %	540	1,600	1,060	33.75 %
1130 - Unemployment Compensation	0	58	58	0.00 %	161	700	539	22.97 %
1140 - Insurance Opt-Out Supplemental	332	421	88	79.02 %	1,585	5,050	3,465	31.38 %
1150 - Temporary Personnel	3,245	5,848	2,603	55.49 %	16,086	70,200	54,114	22.91 %
1160 - PERS Retirement	4,494	7,755	3,262	57.94 %	59,654	93,100	33,446	64.08 %
1170 - Medical Insurance	4,146	6,656	2,510	62.29 %	27,676	79,900	52,224	34.64 %
1180 - Medical Insurance - Retirees	1,295	1,150	-145	112.62 %	4,404	13,800	9,396	31.91 %
1190 - Workers Compensation	184	175	-9	105.24 %	742	2,100	1,358	35.34 %
1200 - Life Insurance	123	133	10	92.17 %	489	1,600	1,111	30.54 %
1210 - Long Term Disability Insurance	161	262	101	61.36 %	1,012	3,150	2,138	32.12 %
1220 - Short Term Disability Insurance	32	58	26	54.81 %	200	700	500	28.54 %
1260 - Employee Assistance Program	11	25	14	43.26 %	73	300	227	24.41 %
1270 - FICA Tax Expense	57	42	-16	137.53 %	106	500	394	21.28 %
1280 - Medicare Tax Expense	687	650	-37	105.70 %	2,727	7,800	5,073	34.96 %
1290 - Staff Development & Training	43	1,200	1,156	3.60 %	2,276	14,400	12,124	15.81 %
1300 - Conference Registration	131	50	-81	261.70 %	791	600	-191	131.83 %
1310 - Professional Dues	106	50	-56	212.08 %	397	600	203	66.17 %
1320 - Personnel Recruitment	0	100	100	0.00 %	1,300	1,200	-100	108.33 %
Total Level1: 100 - Personnel Costs:	63,137	69,614	6,477	90.70 %	304,926	835,700	530,774	36.49 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	924	741	-183	124.63 %	1,716	8,900	7,184	19.28 %
2020 - Board Expenses	7	83	76	8.64 %	7	1,000	993	0.72 %
2040 - Rent	163	258	95	63.20 %	653	3,100	2,447	21.06 %
2060 - Utilities	835	758	-77	110.15 %	3,080	9,100	6,020	33.84 %
2120 - Insurance Expense	844	900	56	93.83 %	3,376	10,800	7,424	31.26 %
2130 - Membership Dues	1,851	808	-1,043	229.07 %	2,237	9,700	7,463	23.06 %
2140 - Bank Charges	95	67	-28	142.21 %	304	800	496	38.00 %
2150 - Office Supplies	684	325	-359	210.58 %	1,480	3,900	2,420	37.94 %
2160 - Courier Expense	160	167	6	96.11 %	666	2,000	1,334	33.29 %
2170 - Printing/Photocopy	0	342	342	0.00 %	44	4,100	4,056	1.07 %
2180 - Postage & Shipping	360	83	-277	432.17 %	722	1,000	278	72.24 %
2190 - IT Supplies/Services	658	2,058	1,400	31.97 %	10,263	24,700	14,437	41.55 %
2200 - Professional Fees	10,390	2,699	-7,691	384.98 %	22,409	32,400	9,991	69.16 %
2220 - Equipment Repairs & Maintenance	294	142	-153	207.75 %	723	1,700	977	42.52 %
2235 - Equipment Lease	342	300	-42	114.10 %	1,128	3,600	2,472	31.34 %
2240 - Telephone	1,096	800	-297	137.08 %	2,569	9,600	7,032	26.76 %
2260 - Facility Maintenance	984	641	-342	153.38 %	2,628	7,700	5,072	34.14 %
2270 - Travel Expenses	4,789	1,033	-3,756	463.64 %	6,685	12,400	5,715	53.92 %

EXHIBIT 9-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	3,691	417	-3,274	886.14 %	4,578	5,000	422	91.56 %
2300 - Legal Services	0	4,998	4,998	0.00 %	9,608	60,000	50,392	16.01 %
2380 - Meeting Expenses	81	200	119	40.65 %	247	2,400	2,153	10.29 %
2420 - Legal Notices	0	92	92	0.00 %	0	1,100	1,100	0.00 %
2460 - Public Outreach	269	100	-169	268.76 %	269	1,200	931	22.39 %
2480 - Miscellaneous	0	100	100	0.00 %	245	1,200	955	20.46 %
2500 - Tax Administration Fee	0	658	658	0.00 %	0	7,900	7,900	0.00 %
2900 - Operating Supplies	337	1,216	879	27.73 %	11,604	14,600	2,996	79.48 %
Total Level1: 200 - Supplies and Services:	28,855	19,984	-8,871	144.39 %	87,241	239,900	152,659	36.37 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	34,371	92,588	58,217	37.12 %	185,190	1,111,500	926,310	16.66 %
4000 - Fixed Asset Purchases	582	1,491	909	39.06 %	1,893	17,900	16,007	10.57 %
5500 - Election Expenses	0	4,582	4,582	0.00 %	0	55,000	55,000	0.00 %
6000 - Contingencies	0	1,499	1,499	0.00 %	0	18,000	18,000	0.00 %
Total Level1: 300 - Other Expenses:	34,953	100,160	65,207	34.90 %	187,082	1,202,400	1,015,318	15.56 %
Total Expense:	126,945	189,757	62,813	66.90 %	579,250	2,278,000	1,698,750	25.43 %
Total Revenues	92,444	189,757	-97,314	-48.72 %	276,442	2,278,000	-2,001,558	-12.14 %
Total Fund: 26 - CONSERVATION FUND:	-34,501	0	-34,501		-302,808	0	-302,808	

EXHIBIT 9-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 35 - WATER SUPPLY FUND								
Revenue								
R100 - Water Supply Charge	0	283,220	-283,220	0.00 %	-1,528	3,400,000	-3,401,528	0.04 %
R120 - Property Taxes Revenues	0	40,650	-40,650	0.00 %	0	488,000	-488,000	0.00 %
R140 - Connection Charges	19,568	14,578	4,991	-134.23 %	64,146	175,000	-110,854	-36.65 %
R220 - Copy Fee	9	0	9	0.00 %	36	0	36	0.00 %
R230 - Miscellaneous - Other	15	0	15	0.00 %	5,904	0	5,904	0.00 %
R240 - Insurance Refunds	0	0	0	0.00 %	1,352	0	1,352	0.00 %
R250 - Interest Income	3,557	375	3,182	-948.84 %	4,272	4,500	-228	-94.94 %
R260 - CAW - ASR	0	23,566	-23,566	0.00 %	0	282,900	-282,900	0.00 %
R265 - CAW - Los Padres Reimbursement	0	49,980	-49,980	0.00 %	0	600,000	-600,000	0.00 %
R300 - Watermaster	0	5,848	-5,848	0.00 %	0	70,200	-70,200	0.00 %
R510 - Operating Reserve	0	256,764	-256,764	0.00 %	0	3,082,400	-3,082,400	0.00 %
Total Revenue:	23,148	674,980	-651,831	-3.43 %	74,181	8,103,000	-8,028,819	-0.92 %

EXHIBIT 9-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	61,734	69,780	8,046	88.47 %	246,661	837,700	591,039	29.44 %
1110 - Manager's Auto Allowance	277	300	23	92.34 %	1,246	3,600	2,354	34.62 %
1120 - Manager's Deferred Comp	360	383	23	93.95 %	1,620	4,600	2,980	35.22 %
1130 - Unemployment Compensation	0	83	83	0.00 %	221	1,000	779	22.11 %
1140 - Insurance Opt-Out Supplemental	623	741	118	84.08 %	2,897	8,900	6,003	32.55 %
1150 - Temporary Personnel	0	25	25	0.00 %	3,603	300	-3,303	1,200.98 %
1160 - PERS Retirement	6,199	11,595	5,397	53.46 %	82,963	139,200	56,237	59.60 %
1170 - Medical Insurance	3,777	7,947	4,170	47.52 %	29,548	95,400	65,852	30.97 %
1180 - Medical Insurance - Retirees	1,780	1,583	-197	112.47 %	6,055	19,000	12,945	31.87 %
1190 - Workers Compensation	1,102	1,241	140	88.76 %	4,948	14,900	9,952	33.21 %
1200 - Life Insurance	139	129	-10	107.78 %	548	1,550	1,002	35.34 %
1210 - Long Term Disability Insurance	185	387	202	47.87 %	1,298	4,650	3,352	27.92 %
1220 - Short Term Disability Insurance	37	83	46	44.21 %	251	1,000	749	25.10 %
1260 - Employee Assistance Program	10	33	23	30.62 %	81	400	319	20.30 %
1270 - FICA Tax Expense	79	167	88	47.27 %	146	2,000	1,854	7.31 %
1280 - Medicare Tax Expense	675	1,016	341	66.45 %	2,929	12,200	9,271	24.01 %
1290 - Staff Development & Training	59	675	615	8.80 %	785	8,100	7,315	9.69 %
1300 - Conference Registration	180	100	-80	179.92 %	338	1,200	862	28.19 %
1310 - Professional Dues	0	92	92	0.00 %	58	1,100	1,042	5.25 %
1320 - Personnel Recruitment	952	142	-810	672.34 %	973	1,700	727	57.26 %
Total Level1: 100 - Personnel Costs:	78,168	96,503	18,335	81.00 %	387,171	1,158,500	771,329	33.42 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	1,271	1,016	-254	125.02 %	2,360	12,200	9,841	19.34 %
2020 - Board Expenses	10	108	98	9.14 %	10	1,300	1,290	0.76 %
2040 - Rent	747	800	53	93.40 %	2,790	9,600	6,810	29.06 %
2060 - Utilities	1,176	1,058	-118	111.13 %	4,264	12,700	8,436	33.58 %
2120 - Insurance Expense	1,161	1,241	81	93.51 %	4,643	14,900	10,257	31.16 %
2130 - Membership Dues	2,545	650	-1,895	391.69 %	2,545	7,800	5,255	32.63 %
2140 - Bank Charges	267	100	-167	267.10 %	900	1,200	300	74.96 %
2150 - Office Supplies	378	450	72	84.07 %	1,458	5,400	3,942	27.00 %
2160 - Courier Expense	202	217	14	93.40 %	898	2,600	1,702	34.52 %
2170 - Printing/Photocopy	0	175	175	0.00 %	60	2,100	2,040	2.86 %
2180 - Postage & Shipping	492	108	-384	454.58 %	1,012	1,300	288	77.81 %
2190 - IT Supplies/Services	904	2,932	2,028	30.84 %	14,529	35,200	20,671	41.28 %
2200 - Professional Fees	14,848	3,715	-11,133	399.65 %	33,251	44,600	11,349	74.55 %
2220 - Equipment Repairs & Maintenance	405	192	-213	211.14 %	994	2,300	1,306	43.22 %
2235 - Equipment Lease	443	417	-26	106.32 %	1,496	5,000	3,504	29.92 %
2240 - Telephone	1,324	1,258	-66	105.23 %	3,851	15,100	11,249	25.51 %
2260 - Facility Maintenance	1,353	1,000	-353	135.32 %	3,614	12,000	8,386	30.12 %
2270 - Travel Expenses	505	750	245	67.38 %	1,986	9,000	7,014	22.07 %

EXHIBIT 9-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Level...	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	171	733	562	23.39 %	455	8,800	8,345	5.17 %
2300 - Legal Services	11,788	20,825	9,037	56.60 %	83,241	250,000	166,759	33.30 %
2380 - Meeting Expenses	112	175	63	63.88 %	340	2,100	1,760	16.17 %
2420 - Legal Notices	580	117	-463	497.14 %	580	1,400	820	41.41 %
2460 - Public Outreach	363	142	-222	256.44 %	406	1,700	1,294	23.89 %
2480 - Miscellaneous	0	133	133	0.00 %	338	1,600	1,262	21.10 %
2500 - Tax Administration Fee	0	1,008	1,008	0.00 %	0	12,100	12,100	0.00 %
2900 - Operating Supplies	13	242	229	5.38 %	130	2,900	2,770	4.47 %
Total Level1: 200 - Supplies and Services:	41,056	39,559	-1,497	103.78 %	166,149	474,900	308,751	34.99 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	49,477	506,464	456,987	9.77 %	559,860	6,080,000	5,520,140	9.21 %
4000 - Fixed Asset Purchases	801	4,965	4,164	16.13 %	2,257	59,600	57,343	3.79 %
5000 - Debt Service	0	19,159	19,159	0.00 %	0	230,000	230,000	0.00 %
5500 - Election Expenses	0	6,248	6,248	0.00 %	0	75,000	75,000	0.00 %
6000 - Contingencies	0	2,083	2,083	0.00 %	0	25,000	25,000	0.00 %
Total Level1: 300 - Other Expenses:	50,278	538,918	488,640	9.33 %	562,117	6,469,600	5,907,483	8.69 %
Total Expense:	169,502	674,980	505,477	25.11 %	1,115,437	8,103,000	6,987,563	13.77 %
Total Revenues	23,148	674,980	-651,831	-3.43 %	74,181	8,103,000	-8,028,819	-0.92 %
Total Fund: 35 - WATER SUPPLY FUND:	-146,354	0	-146,354		-1,041,256	0	-1,041,256	
Report Total:	-273,574	0	-273,574		-1,939,881	0	-1,939,881	

EXHIBIT 9-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 10/31/2015

Fund Summary

Fund	October Activity	October Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	-92,719	0	-92,719		-595,818	0	-595,818	
26 - CONSERVATION FUND	-34,501	0	-34,501		-302,808	0	-302,808	
35 - WATER SUPPLY FUND	-146,354	0	-146,354		-1,041,256	0	-1,041,256	
Report Total:	-273,574	0.08	-273,574		-1,939,881	0	-1,939,881	

PRESENTATION

14. RECEIVE REPORT ON GASB 68 REPORTING REQUIREMENTS

Meeting Date:	December 14, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee reviewed this item on November 9, 2015 and recommended approval.

CEQA Compliance: N/A

SUMMARY: In June 2012, the Government Accounting Standards Board (GASB) approved a new reporting statement, GASB Statement No. 68 (GASB 68), that improved the financial reporting of pensions by local governments. GASB 68, formally titled *Accounting and Financial Reporting for Pensions*, establishes new accounting and financial reporting standards for local governments that provide their employees with pensions. The new standard requires government agencies to report pension information to increase transparency about pension costs to help decision makers factor in the financial impact of total pension obligations. GASB 68 must be implemented by June 30, 2015 and the District will comply with this requirement with the upcoming FY 2014-2015 Annual Financial Report, which presented at the December 14, 2015 Board meeting.

RECOMMENDATION: District staff recommends that the Board receive the GASB 68 Accounting Valuation Report prepared by CalPERS.

BACKGROUND: Local governments with pensions have a total pension liability, which is the obligation to pay deferred pension benefits in the future. When the total pension liability is greater than the pension plan's assets there is a net pension liability, also known as unfunded pension liability. GASB 68 now requires governments to report their net pension liability on their government-wide financial statements, as well as in the proprietary fund statements, in the Annual Financial Report. Government-wide financial statements report information about the government as a whole without displaying individual funds or fund types. Prior to GASB 68 the net pension liability was reported in the annual actuarial report provided by CalPERS, but not in the government agency Annual Financial Report.

The new GASB 68 reporting requirements will impact the Annual Financial Report on an annual basis going forward. As with past practice, the District will continue to pay the annual required contribution for the pension liabilities as identified in the annual CalPERS actuarial report. The next actuarial report, which informs the District of its FY 2016-2017 pension payments and rates, is scheduled to be released late October/early November 2015. There will be a small discrepancy between the reports since the GASB 68 reports are based on actuarial analysis using employee

census data that is two years in arrears while the October actuarial reports are based on current calendar year employee census data.

The District's outside auditing firm, Hayashi & Wayland, provided staff with guidance on how to conform to the GASB 68 requirements. Hayashi & Wayland will provide a final opinion on the appropriateness of the GASB 68 allocation that will be presented in the FY 2014-2015 Annual Financial Report.

District's Net Pension Liability as of June 30, 2014 is estimated at \$3,410,615 as per the attached CalPERS GASB 68 Valuation Report. It is to be noted that the Net Pension Liability can change significantly from year to year based on the market conditions and the position of the District's Fiduciary Net Position (District's Market Value of Assets). For example, if the actual CalPERS investment earnings rate increases over the projected annual rate of investment return (currently set at 7.5%), then for the same future pension obligations, the unfunded Net Pension Liability would go down.

The pension liability reported in the Annual Financial Report for GASB 68 purposes does not impact the budget. The District's annual budget process will continue to use the pension liability figures that are provided by CalPERS in the actuarial valuation report in the October timeframe each year. This report provides the employer contribution rate that is used to determine the annual pension cost for the District.

The annual contribution rate prescribed by CalPERS includes amortization of the unfunded Net Pension Liability. Other strategies to reduce the unfunded liability might include a borrowing to increase the District's Market Value of Assets, which would require annual debt repayments, or increased annual contributions over and above the annual contribution calculated by CalPERS. Neither approach would ensure the unfunded liability would not continue to vary in its calculation going forward. In the simplest terms, if all employees retired tomorrow and the District dissolved, individual employee's pension benefits would not be affected, and the unfunded liability would be spread across the larger CalPERS pool.

Staff will be bringing a report relative to funding strategies to the Board in 2016 to address the GASB 68 liabilities and GASB 45 (Other Postemployment Benefits) liabilities.

EXHIBIT

14-A GASB 68 Accounting Valuation Report



GASB 68 ACCOUNTING VALUATION REPORT

**(CalPERS ID: 5697484945)
Rate Plan Identifier: 1322**

**Prepared for the
MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT
MISCELLANEOUS PLAN,
a Cost-Sharing Multiple-Employer Defined
Benefit Pension Plan**

Measurement Date of June 30, 2014

TABLE OF CONTENTS

Actuarial Certification	1
Introduction	2
Purpose of the Report	3
Summary of Significant Accounting Policies	4
General Information about the Pension Plan	4
Changes in the Miscellaneous Risk Pool Net Pension Liability	8
Pension Expense and Deferred Outflows and Deferred Inflows	10
Schedules of Required Supplementary Information	12

APPENDIX A – RISK POOL DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

Schedule of Differences between Expected and Actual Experience	A-1
Deferred Outflows of Resources and Deferred Inflows of Resources for Differences between Expected and Actual Experience	A-2
Schedule of Changes of Assumptions	A-3
Deferred Outflows of Resources and Deferred Inflows of Resources for Changes of Assumptions	A-4
Schedule of Differences between Projected and Actual Earnings on Pension Plan Investments	A-5
Deferred Outflows of Resources and Deferred Inflows of Resources for Differences between Projected and Actual Earnings on Pension Plan Investments	A-6
Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources	A-7

APPENDIX B – PLAN DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO DIFFERENCES IN PROPORTIONS

Schedule of Effects of Adjustment Due to Differences in Proportions	B-1
Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences in Proportions	B-2

APPENDIX C – TOTAL INTEREST, TOTAL PROJECTED EARNINGS AND TOTAL PENSION EXPENSE/(INCOME)

Risk Pool Interest on Total Pension Liability and Total Projected Earnings	C-1
Risk Pool and Plan's Proportionate Share of Pension Expense/(Income)	C-2

APPENDIX D – DEVELOPMENT OF THE PLAN'S PROPORTIONS

Plan's Total Pension Liability, Fiduciary Net Position and Net Pension Liability Proportions	D-1
Miscellaneous Risk Pool Aggregate Balances and Data	D-2
Summary of PERF C Balances	D-2

APPENDIX E – SCHEDULE OF AGGREGATE PENSION AMOUNTS

Schedule of Aggregate Pension Amounts for the Miscellaneous Risk Pool	E-1
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ACTUARIAL CERTIFICATION

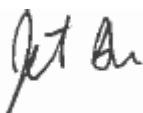
This report provides disclosure and reporting information as required under Governmental Accounting Standards Board Statement 68 (GASB 68) for the MISCELLANEOUS PLAN of the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT (the “Plan”), a Cost-Sharing Multiple-Employer Defined Benefit Pension Plan participating in the California Public Employees’ Retirement System (CalPERS), for the measurement period ended June 30, 2014. This information should be used for the fiscal year beginning after June 15, 2014 and ending on or before June 30, 2015.

Determinations for purposes other than financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This accounting valuation report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2013 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2013 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2013 liabilities used for this accounting valuation are based on the actuarial assumptions recommended by the CalPERS Chief Actuary and adopted by the CalPERS Board in February 2014 as laid out in the 2014 report titled “CalPERS Experience Study and Review of Actuarial Assumptions.” These liabilities were validated as part of the June 30, 2013 funding valuation that included the estimated impact of the change in actuarial assumptions on contribution requirements. The undersigned is relying upon these prescribed assumptions and methods and is not able to render an opinion on their reasonability, as this would require a substantial amount of additional work beyond the scope of this report. This report also relies on asset information for the measurement period as supplied by the CalPERS Financial Office. The fiduciary net position of the Public Agency Cost-Sharing Multiple-Employer Plan as of June 30, 2014 was audited by CalPERS’ independent auditors, Macias Gini & O’Connell LLP, as part of CalPERS’ financial statement audit.

With the provided liability and asset information, the total pension liability, net pension liability and pension expense were developed for the measurement period using standard actuarial techniques. In addition, the results are based on CalPERS’ understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in GASB 68. The information in this report is not intended to supersede the advice and interpretations of the employer’s auditor. This report may not provide all the information necessary to complete the required disclosures under GASB 68. The employer should supplement and update the information in this report with its own financial data as necessary to complete the disclosure information required by GASB 68.

The undersigned is familiar with the near-term and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.



JET AU, ASA

Introduction

This is the GASB 68 Accounting Valuation Report to be used for your fiscal year beginning after June 15, 2014 and ending on or before June 30, 2015 for your MISCELLANEOUS PLAN (Plan). GASB 68 replaced the requirements of GASB 27 effective for fiscal years beginning after June 15, 2014.

Statement 68 was issued by GASB in June 2012, requiring public employers to comply with new accounting and financial reporting standards. Statement 68 outlines a different approach to the recognition and calculation of pension obligations. Under the new GASB standards, employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position.

Net pension liability is the plan's total pension liability based on entry age normal actuarial cost method less the plan's fiduciary net position. This may be a negative liability (net pension asset).

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. This may be a negative expense (pension income).

Deferred outflows and deferred inflows of resources related to pensions are certain changes in total pension liabilities and fiduciary net position that are to be recognized in future pension expense.

Under the new GASB standards, each participating cost-sharing employer is required to report its proportionate share of the collective net pension liability, pension expense, and deferred outflows/deferred inflows of resources in their financial statements, determined in conformity with either paragraph 48 or paragraph 49 of GASB 68. To assist public agency cost-sharing employers and their auditors as they prepare to implement the standards, CalPERS has calculated the employer's share of net pension liability, pension expense, and deferred outflows/inflows of resources according to paragraph 49 of GASB 68, which states:

“To the extent that different contribution rates are assessed based on separate relationships that constitute the collective net pension liability...the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those separate relationships.”

The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. This report provides the collective (**hereinafter referred to as “aggregate”**) net pension liability, pension expense, deferred outflows/inflows of resources, and fiduciary net position of the Miscellaneous Risk Pool. This report also documents pension expense components and proportionate shares for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT.

This report may not provide all the information necessary to complete the required disclosures under GASB 68. **The employer should supplement and update the information in this report with its own financial data as necessary to complete the disclosure information required by GASB 68.** For example, no adjustments have been made for any differences between actual contributions made by the employer and the employer's proportionate share of the risk pool's total contributions. Adequate treatment of any such difference is the responsibility of the employer; CalPERS recommends that the employer consult with its auditor regarding any such adjustments.

Purpose of the Report

The Plan participates in the CalPERS Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. This GASB 68 report provides accounting and financial reporting for pensions, to be used in the employer's financial reports. The pension expense is for the measurement period of 2013-14 and the net pension liability is measured as of June 30, 2014. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2013 and were rolled forward to June 30, 2014. Fiduciary net position is based on fair value of investments as of June 30, 2014. Since GASB 68 allows a measurement date of up to 12 months before the employer's fiscal year-end, this report can be used for fiscal years beginning after June 15, 2014 and ending on or before June 30, 2015.

The following pension information is disclosed in this report:

- Summary of Significant Accounting Policies
- General Information about the Pension Plan
 - Plan Description, Benefits Provided and Employees Covered
 - Contribution Description
 - Actuarial Methods and Assumptions
 - Discount Rate
 - Pension Plan Fiduciary Net Position
 - Allocation of Net Pension Liability and Pension Expense to Individual Plans
- Changes in the Aggregate and Plan Net Pension Liability
 - Sensitivity of the Net Pension Liability
 - Subsequent Events
 - Recognition of Gains and Losses
- Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Schedules of Required Supplementary Information (10-Year History¹)
 - Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
 - Schedule of Plan Contributions
 - Notes to Schedule

The use of this report for other purposes may be inappropriate.

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2013
Measurement Date (MD)	June 30, 2014
Measurement Period (MP)	July 1, 2013 to June 30, 2014

General Information about the Pension Plan

Plan Description, Benefits Provided and Employees Covered

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2013 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), the active employee contribution rate is 6.891 percent of annual pay, and the average employer's contribution rate is 13.532 percent of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. Both the June 30, 2013 total pension liability and the June 30, 2014 total pension liability were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

¹ The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes. Refer to page 9 of this report, which provides information on the sensitivity of the net pension liability to changes in the discount rate.

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10¹	Real Return Years 11+²
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

¹An expected inflation of 2.5% used for this period

²An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

Allocation of Net Pension Liability and Pension Expense to Individual Plans

A key aspect of GASB 68 pertaining to cost-sharing employers is the establishment of an approach to allocate the net pension liability and pension expense to the individual employers within the risk pool. Paragraph 49 of GASB 68 indicates that for pools where contribution rates within the pool are based on separate relationships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relationships through the plans they sponsor within the risk pool. Plan liability and asset-related information are used where available, and proportional allocations of individual plan amounts as of the valuation date are used where not available.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the Miscellaneous Risk Pool (risk pool) as a whole on the valuation date (June 30, 2013). The risk pool's fiduciary net position (FNP) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2014). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date.

Note: for purposes of FNP in this step (2) and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2013-14).

- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4).

The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Please refer to the CalPERS Public Agency Cost-Sharing Allocation Methodology Report that can be obtained at CalPERS' website under the GASB 68 section, and see Appendix D of this report for the calculation of the plan's proportionate share of TPL and FNP.

The plan's proportion of aggregate employer contributions is equal to the plan's proportion of FNP calculated in (4).

The plan's proportionate share of risk pool pension expense is developed as the sum of the related proportionate shares of the components of the aggregate pension expense (see Appendix C). **To complete the disclosure information required by GASB 68 the employer will need to use this information to calculate its total recognized employer pension expense.**

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

Changes in the Miscellaneous Risk Pool Net Pension Liability

The following table is intended for informational purposes only and is not a required GASB 68 disclosure for employers participating in cost-sharing plans. The table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous Risk Pool.

Total pension liability and fiduciary net position amounts for the 1959 Survivor plans and the Safety Risk Pool are excluded from these figures, but are included in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C) totals in the Comprehensive Annual Financial Report. For a summary of the beginning and ending balances of PERF C, including the 1959 Survivor plans and the Safety Risk Pool, please see Appendix D-2.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2013 (VD)¹	\$ 12,374,543,647	\$ 9,097,875,216	\$ 3,276,668,431
Changes Recognized for the Measurement Period:			
• Service Cost	338,829,351		338,829,351
• Interest on the Total Pension Liability	921,162,366		921,162,366
• Changes of Benefit Terms	0		0
• Differences between Expected and Actual Experience	0		0
• Changes of Assumptions	0		0
• Contributions from the Employers ²		316,207,965	(316,207,965)
• Contributions from Employees		159,834,203	(159,834,203)
• Net Investment Income ³		1,589,130,702	(1,589,130,702)
• Benefit Payments, including Refunds of Employee Contributions	(523,586,912)	(523,586,912)	0
Net Changes During 2013-14	\$ 736,404,805	\$ 1,541,585,958	\$ (805,181,153)
Balance at: 6/30/2014 (MD)¹	\$ 13,110,948,452	\$ 10,639,461,174	\$ 2,471,487,278

¹ The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. As described on Page 6, this may differ from the plan assets reported in the funding actuarial valuation report.

² Also includes all contributions made towards side funds.

³ Net of administrative expenses. For details, see note in Appendix C-2.

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2013 (VD)	\$ 14,909,900	\$ 10,621,079	\$ 4,288,821
Balance at: 6/30/2014 (MD)	\$ 15,797,183	\$ 12,386,568	\$ 3,410,615
Net Changes during 2013-14	\$ 887,283	\$ 1,765,489	\$ (878,206)

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability/(Asset)	\$ 5,506,312	\$ 3,410,615	\$ 1,671,385

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of participants (active, inactive and retired) in PERF C.

The EARSL for the 2013-14 measurement period is 3.8 years, which was obtained by dividing the total service years 460,700 (the sum of remaining service lifetimes of the active employees) by 122,789 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also, note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows

Paragraph 137 of GASB 68 and Questions 267 and 268 of the GASB 68 Implementation Guide set forth guidance on implementation. The employer should use this guidance for the adjusting entries concerning the net pension obligation and the initial net pension liability/(asset). As of the start of the measurement period (July 1, 2013), the net pension liability/(asset) for the plan is \$4,288,821 (The net pension liability of the Miscellaneous Risk Pool as of June 30, 2013 is \$3,276,668,431).

For the measurement period ended June 30, 2014 (the measurement date), the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT incurred a pension expense/(income) of \$314,926 for the Plan (the pension expense for the risk pool for the measurement period is \$239,824,465). See Appendix C-2 for the complete breakdown of the proportionate share of plan pension expense and the development of the risk pool pension expense.

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2014, the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions	0	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	0	(850,816)
Adjustment due to Differences in Proportions	0	(7,363)
Total	\$ 0	\$ (858,179)

The amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense.

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

In addition to the figures shown in the table above, each employer is required to recognize an employer-specific expense item and a deferred outflow or deferred inflow of resources related to pensions. This is derived from the difference between actual contributions made by the employer and the employer's proportionate share of the risk pool's total contributions (as defined in Paragraph 55 of GASB 68).

This deferral and the corresponding amortization amount will need to be calculated separately by each employer. The employer's pension expense needs to be adjusted for the amortization of this additional type of deferral. This item is required to be amortized over the expected average remaining service lifetime (EARSL). See page 10 for details on the EARSL.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions, other than the employer-specific item, will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2015	\$ (215,333)
2016	(215,333)
2017	(214,809)
2018	(212,704)
2019	0
Thereafter	0

The deferred outflows and deferred inflows and schedules of future amortizations for the Risk Pool in aggregate are summarized in Appendix A.

Schedules of Required Supplementary Information

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

As described on Page 7, net pension liability and fiduciary net position are allocated to the plan based on its proportion of the Miscellaneous Risk Pool. However, GASB 68 requires that employers report certain proportions as a percentage of the total plan (PERF C, excluding the 1959 Survivors Risk Pool), which includes both the Miscellaneous and Safety Risk Pools. All cost-sharing public agency plans, are categorized as either Miscellaneous or Safety within PERF C. Therefore, to assist employers in meeting the requirements of GASB 68, proportions shown in the table below represent the plan's proportion of PERF C, excluding the 1959 Survivors Risk Pool, and not its proportion of the Miscellaneous Risk Pool. In addition, a summary of the PERF C fiduciary net position and total pension liability is presented in Appendix D-2.

	<u>6/30/2014¹</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.05481%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$3,410,615
Plan's Covered-Employee Payroll ²	\$2,339,955
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	145.76%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.41%
Plan's Proportionate Share of Aggregate Employer Contributions ^{3,4}	\$334,953

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

³ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

⁴ This data is not required to be displayed by GASB 68 for employers participating in cost-sharing plans, but it is being shown here because it is used in the calculation of the Plan's pension expense.

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

Schedule of Plan Contributions¹

	<u>Fiscal Year 2013-14</u>
Actuarially Determined Contribution ²	304,484
Contributions in Relation to the Actuarially Determined Contribution ²	(304,484)
Contribution Deficiency (Excess)	<u>\$0</u>
Covered-Employee Payroll ^{3,4}	\$2,339,955
Contributions as a Percentage of Covered-Employee Payroll ³	13.01%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year (\$2,271,801) was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Change in Assumptions: None

APPENDICES

- **APPENDIX A – RISK POOL DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**
- **APPENDIX B – PLAN DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO DIFFERENCES IN PROPORTIONS**
- **APPENDIX C – TOTAL INTEREST, TOTAL PROJECTED EARNINGS AND TOTAL PENSION EXPENSE/(INCOME)**
- **APPENDIX D – DEVELOPMENT OF THE PLAN'S PROPORTIONS**
- **APPENDIX E – SCHEDULE OF AGGREGATE PENSION AMOUNTS**

APPENDIX A

RISK POOL DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

- **SCHEDULE OF DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE**
- **DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES FOR DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE**
- **SCHEDULE OF CHANGES OF ASSUMPTIONS**
- **DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES FOR CHANGES OF ASSUMPTIONS**
- **SCHEDULE OF DIFFERENCES BETWEEN PROJECTED AND ACTUAL EARNINGS ON PENSION PLAN INVESTMENTS**
- **DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES FOR DIFFERENCES BETWEEN PROJECTED AND ACTUAL EARNINGS ON PENSION PLAN INVESTMENTS**
- **SUMMARY OF RECOGNIZED DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

GASB 68 ACCOUNTING VALUATION REPORT

Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

CalPERS ID: 5697484945

Miscellaneous Risk Pool

Schedule of differences between expected and actual experience

**Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects
of Differences between Expected and Actual Experience
(Measurement Periods)**

Measurement Period	Differences between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience (Measurement Periods)						
			2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Thereafter
2013-14	\$0	3.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Increase (Decrease) in Pension Expense			\$0	\$0	\$0	\$0	\$0	\$0	\$0

GASB 68 ACCOUNTING VALUATION REPORT

Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

CalPERS ID: 5697484945

Miscellaneous Risk Pool

Deferred outflows of resources and deferred inflows of resources arising from differences between expected and actual experience

Measurement Period	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2014 (c)	Balances at June 30, 2014	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2013-14			\$0	\$0	\$0

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

Miscellaneous Risk Pool
 Schedule of changes of assumptions

**Increase (Decrease) in Pension Expense Arising from the Recognition
 of the Effects of Changes of Assumptions
 (Measurement Periods)**

Measurement Period	Changes of Assumptions	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions (Measurement Periods)						
			2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Thereafter
2013-14	\$0	3.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Increase (Decrease) in Pension Expense			\$0	\$0	\$0	\$0	\$0	\$0	\$0

GASB 68 ACCOUNTING VALUATION REPORT

Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

CalPERS ID: 5697484945

Miscellaneous Risk Pool

Deferred outflows of resources and deferred inflows of resources arising from changes of assumptions

Measurement Period	Increases in Total Pension Liability (a)	Decreases in Total Pension Liability (b)	Amounts Recognized in Pension Expense Through June 30, 2014 (c)	Balances at June 30, 2014	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2013-14			\$0	\$0	\$0

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

Miscellaneous Risk Pool

Schedule of differences between projected and actual earnings on pension plan investments

**Increase (Decrease) in Pension Expense Arising from the Recognition of Differences
 between Projected and Actual Earnings on Pension Plan Investments
 (Measurement Periods)**

Measurement Period	Differences between Projected and Actual Earnings on Pension Plan Investments	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments (Measurement Periods)						
			2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Thereafter
2013-14	\$(910,997,066)	5.0	\$(182,199,413)	\$(182,199,413)	\$(182,199,413)	\$(182,199,413)	\$(182,199,414)	\$0	\$0
Net Increase (Decrease) in Pension Expense			\$(182,199,413)	\$(182,199,413)	\$(182,199,413)	\$(182,199,413)	\$(182,199,414)	\$0	\$0

GASB 68 ACCOUNTING VALUATION REPORT

Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

CalPERS ID: 5697484945

Miscellaneous Risk Pool

Deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual earnings on pension plan investments

Measurement Period	Investment earnings less than projected (a)	Investment earnings greater than projected (b)	Amounts Recognized in Pension Expense Through June 30, 2014 (c)	Balances at June 30, 2014	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2013-14		\$(910,997,066)	\$(182,199,413)		\$(728,797,653)
				\$0	\$(728,797,653)

GASB 68 ACCOUNTING VALUATION REPORT

Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

CalPERS ID: 5697484945

Miscellaneous Risk Pool

Summary of recognized deferred outflows of resources and deferred inflows of resources

	Net Increase (Decrease) in Pension Expense (Measurement Periods)						
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Thereafter
Differences between Expected and Actual Experience	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Changes of Assumptions	0	0	0	0	0	0	0
Differences between Projected and Actual Earnings on Pension Plan Investments	(182,199,413)	(182,199,413)	(182,199,413)	(182,199,413)	(182,199,414)	0	0
Grand Total	\$(182,199,413)	\$(182,199,413)	\$(182,199,413)	\$(182,199,413)	\$(182,199,414)	\$0	\$0

APPENDIX B

PLAN DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO DIFFERENCES IN PROPORTIONS

- **SCHEDULE OF EFFECTS OF ADJUSTMENT DUE TO DIFFERENCES IN PROPORTIONS**
- **DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES
ARISING FROM DIFFERENCES IN PROPORTIONS**

GASB 68 ACCOUNTING VALUATION REPORT

Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

CalPERS ID: 5697484945

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

Schedule of effects of adjustment due to differences in proportions

This adjustment captures the changes in proportions that result from CalPERS allocation methodology. Rather than a single proportionate share applied to all components of pension expense, the CalPERS method applies different employer proportions to various pension-related items such as assets, liabilities and service cost. This adjustment reconciles the differences in proportions for these various items with the employer's change in net pension liability during the measurement period.

The recognition in the pension expense is reflected over the expected average remaining service lifetime of the PERF C membership as of the Valuation Date, with the first portion recognized in pension expense in the year measured.

Measurement Period	Effects of Adjustment due to Differences in Proportions	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of Effects of Adjustment Due to Differences in Proportions (Measurement Periods)						
			2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Thereafter
2013-14	\$ (9,992)	3.8	\$ (2,629)	\$ (2,629)	\$ (2,629)	\$ (2,105)	\$ 0	\$ 0	\$ 0
Net Increase (Decrease) in Pension Expense			\$ (2,629)	\$ (2,629)	\$ (2,629)	\$ (2,105)	\$ 0	\$ 0	\$ 0

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

Deferred outflows of resources and deferred inflows of resources arising from differences in proportions

Measurement Period	Outflows (a)	Inflows (b)	Amounts Recognized in Pension Expense Through June 30, 2014 (c)	Balances at June 30, 2014	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2013-14		\$(9,992)	\$(2,629)		\$(7,363)
					\$(7,363)

APPENDIX C

TOTAL INTEREST, TOTAL PROJECTED EARNINGS AND TOTAL PENSION EXPENSE/(INCOME)

- **RISK POOL INTEREST ON TOTAL PENSION LIABILITY AND TOTAL PROJECTED EARNINGS**
- **RISK POOL AND PLAN'S PROPORTIONATE SHARE OF PENSION EXPENSE/(INCOME)**

GASB 68 ACCOUNTING VALUATION REPORT

Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

CalPERS ID: 5697484945

Risk Pool Interest on Total Pension Liability and Total Projected Earnings

Total Interest on the Total Pension Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total Pension Liability (a) X (b) X (c)
Beginning Total Pension Liability	\$12,374,543,647	100%	7.50%	\$928,090,774
Service Cost	338,829,351	50%	7.50%	12,706,101
Benefit Payments, including Refunds of Employee Contributions	(523,586,912)	50%	7.50%	(19,634,509)
Total Interest on the Total Pension Liability				\$921,162,366

Total Projected Earnings on Pension Plan Investments	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) X (b) X (c)
Beginning Plan Fiduciary Net Position excluding Receivables ¹	\$9,065,554,168	100%	7.50%	\$679,916,563
Employer Contributions	316,207,965	50%	7.50%	11,857,799
Employee Contributions	159,834,203	50%	7.50%	5,993,783
Benefit Payments, including Refunds of Employee Contributions	(523,586,912)	50%	7.50%	(19,634,509)
Total Projected Earnings				\$678,133,636

¹ Contributions receivable for employee service buybacks, totaling \$32,321,048 as of June 30, 2013, are excluded for purposes of calculating projected earnings on pension plan investments.

GASB 68 ACCOUNTING VALUATION REPORT

Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN

CalPERS ID: 5697484945

Risk Pool and Plan's Proportionate Share of Pension Expense/(Income) For Measurement Period Ended June 30, 2014

The MONTEREY PENINSULA WATER MANAGEMENT DISTRICT's share of the Miscellaneous Risk Pool pension expense for the plan is developed in the table below. In order to complete the disclosure information required by GASB 68 the employer will need to use this information to calculate total recognized employer pension expense. Total recognized employer pension expense for this plan will be the sum of (1) the proportionate share of pension expense/(income) shown below and (2) the net amortization of the employer-specific deferral described on page 11.

Pension Expense Component	Risk Pool Amounts	Plan's Share	Plan's Share as Percentage of Risk Pool
Service Cost	\$338,829,351	\$370,813	0.10944%
Interest on the Total Pension Liability	921,162,366	1,109,895	0.12049%
Recognized Differences between Expected and Actual Experience	0	0	N/A
Recognized Changes of Assumptions	0	0	N/A
Employee Contributions ¹	(159,834,203)	(158,779)	0.09934%
Projected Earnings on Pension Plan Investments	(678,133,636)	(791,670)	0.11674%
Recognized Differences between Projected and Actual Earnings	(182,199,413)	(212,704)	0.11674%
Other Changes in Fiduciary Net Position	0	0	N/A
Recognized Portion of Adjustment due to Differences in Proportions	0	(2,629)	N/A
Subtotal: Expense Components	\$239,824,465	\$314,926	0.13132%
Changes of Benefit Terms	0	0	
Pension Expense/(Income)	\$239,824,465	\$314,926	

¹ This line represents the plan's share of the risk pool's total employee contributions. This figure may not match the actual contributions made by employees participating in the plan.

Note: Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment return of 7.50 percent is net of administrative expenses, administrative expenses are excluded from the above table, but implicitly included as part of investment earnings.

APPENDIX D

DEVELOPMENT OF THE PLAN'S PROPORTIONS

- **PLAN'S TOTAL PENSION LIABILITY, FIDUCIARY NET POSITION AND NET PENSION LIABILITY PROPORTIONS**
- **MISCELLANEOUS RISK POOL AGGREGATE BALANCES AND DATA**
- **SUMMARY OF PERF C BALANCES**

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

Plan's Total Pension Liability, Fiduciary Net Position and Net Pension Liability Proportions

Miscellaneous Risk Pool	
At the valuation date: 6/30/2013	
1. Aggregate TPL	\$12,374,543,647
2. Aggregate FNP	9,097,875,216
3. Aggregate NPL [(1)-(2)]	3,276,668,431
At the measurement date: 6/30/2014	
4. Aggregate TPL	\$13,110,948,452
5. Aggregate FNP	10,639,461,174
6. Aggregate NPL [(4)-(5)]	2,471,487,278
7. Additional Side Fund Payments During 2013-14	29,291,579
8. FNP Excluding Additional Side Fund Payments [(5)-(7)]	10,610,169,595
Proportions for MONTEREY PENINSULA WATER MANAGEMENT DISTRICT MISCELLANEOUS PLAN	
At the valuation date: 6/30/2013	
9. Plan TPL	\$14,909,900
10. Plan FNP	10,621,079
11. Plan NPL [(9)-(10)]	4,288,821
12. Plan TPL % [(9)/(1)]	0.12049%
13. Plan FNP % [(10)/(2)]	0.11674%
At the measurement date: 6/30/2014	
14. Plan TPL [(12)x(4)]	\$15,797,183
15. Additional Side Fund Payments During 2013-14	0
16. Plan FNP [(13)x(8) + (15)]	12,386,568
17. Plan NPL [(14)-(16)]	3,410,615
18. NPL% [(17)/(6)]	0.13800%

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT –
 MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

Miscellaneous Risk Pool Aggregate Balances and Data

	Measurement Date 6/30/2013	Measurement Date 6/30/2014
Aggregate Deferred Outflows of Resources		
Differences between Expected and Actual Experience	NA	\$0
Changes of Assumptions	NA	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	NA	0
Aggregate Deferred Inflows of Resources		
Differences between Expected and Actual Experience	NA	\$0
Changes of Assumptions	NA	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	NA	(728,797,653)
Aggregate Net Pension Liability		
1% Decrease (6.5%)	NA	\$4,210,821,479
Current Discount Rate (7.5%)	NA	2,471,487,278
1% Increase (8.5%)	NA	1,028,005,074
Aggregate Employer Contributions	NA	316,207,965

Summary of PERF C Balances

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
As of June 30, 2013			
Miscellaneous Risk Pool	\$12,374,543,647	\$9,097,875,216	\$3,276,668,431
Safety Risk Pool	16,899,165,531	12,114,843,971	4,784,321,560
1959 Survivors Risk Pool	173,324,986	292,138,980	(118,813,994)
Total PERF C¹	\$29,447,034,164	\$21,504,858,167	\$7,942,175,997
As of June 30, 2014			
Miscellaneous Risk Pool	\$13,110,948,452	\$10,639,461,174	\$2,471,487,278
Safety Risk Pool	17,719,018,179	13,968,041,341	3,750,976,838
1959 Survivors Risk Pool	178,280,463	332,417,694	(154,137,231)
Total PERF C¹	\$31,008,247,094	\$24,939,920,209	\$6,068,326,885

¹ Includes new plans that are not accounted for in PERF C at the time of publication of the CAFR.

APPENDIX E

SCHEDULE OF AGGREGATE PENSION AMOUNTS

- **SCHEDULE OF AGGREGATE PENSION AMOUNTS FOR THE MISCELLANEOUS RISK POOL**

GASB 68 ACCOUNTING VALUATION REPORT
 Prepared for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT – MISCELLANEOUS PLAN
 CalPERS ID: 5697484945

Schedule of Aggregate Pension Amounts for the Miscellaneous Risk Pool As of the Measurement Date June 30, 2014

Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources				Aggregate Plan Pension Expense
	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Outflows of Resources Excluding Employer Specific Amounts ¹	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Inflows of Resources Excluding Employer Specific Amounts ¹	
\$2,471,487,278	\$0	\$0	\$0	\$0	\$0	\$0	\$(728,797,653)	\$(728,797,653)	\$239,824,465

¹ No adjustments have been made for employer specific amounts such as changes in proportion, differences between employer contributions and proportionate share of contributions, and contributions to the Plan subsequent to the measurement date as defined in paragraphs 54, 55, and 57 of GASB 68. Adequate treatment of such amounts is the responsibility of the employer.

ITEM: PUBLIC HEARING**17. CONSIDER SECOND READING AND ADOPTION OF ORDINANCE NO. 166 AMENDING RULE 11 AND ADDING RULE 23.8 TO ESTABLISH A WATER ENTITLEMENT FOR D.B.O. DEVELOPMENT NO. 30, A CALIFORNIA LIMITED LIABILITY COMPANY****Meeting Date:** December 14, 2015 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Stephanie Locke **Cost Estimate:** N/A**General Counsel Review:** Yes**Committee Recommendation:** N/A**CEQA Compliance:** MPWMD has determined that a Statutory Exemption applies as defined in CEQA Guidelines Section 15268 (Ministerial Projects), based on previous environmental determinations by the Courts.

SUMMARY: Ordinance No. 166 (**Exhibit 17-A**) establishes a Water Entitlement for the D.B.O. Development No. 30, a California Limited Liability Company (D.B.O. Development No. 30) of 13.95 Acre-Feet Annually (AFA) (15 AFA of production water) to be used for new and intensified water uses by properties located within the California American Water service area and supplied with water from the Seaside Groundwater Basin.

A Water Entitlement is a discrete quantity of water designated by a District ordinance to a specified Water Entitlement Holder for new or Intensified Water Use. A Water Entitlement Holder assigns water to its subscribers via Assignment Documents that the subscribers then use to obtain Water Use Permits from the District. The Water Use Permit can then be used to permit new or intensified water use up to the amount specified.

CEQA: MPWMD has followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Section 15000, *et seq.* Specifically, the MPWMD has determined that a Statutory Exemption applies as defined in CEQA Guidelines Section 15268 (Ministerial Projects), based on previous environmental determinations by the Courts. The Monterey County Superior Court concluded that its Adjudication Decision included environmental determinations related to the Seaside Basin and adjudication of the rights therein. The MPWMD action is also consistent with the May 11, 2009 Court Order as confirmed by the Sixth District Court of Appeal, which limits CEQA review of water-related issues to areas other than the Seaside Basin.

RECOMMENDATION: Staff recommends the Board approve the second reading and adoption of Ordinance No. 166, establishing a Water Entitlement for D.B.O. Development No. 30, LLC, conditioned on approval of the amendment to the California American Water Company

Water Distribution System Permit. Staff should be directed to file a Notice of Exemption with the County Clerk.

EXHIBIT

17-A Draft Ordinance No. 166

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EXHIBIT 17-A

ORDINANCE NO. 166
AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
AMENDING RULE 11 AND ADDING RULE 23.8
TO ESTABLISH A WATER ENTITLEMENT FOR
D.B.O. DEVELOPMENT NO. 30

FINDINGS

1. The Monterey Peninsula Water Management District (MPWMD or District) is charged under the Monterey Peninsula Water Management District Law with the integrated management of all ground and surface water resources in the Monterey Peninsula area.
2. The Monterey Peninsula Water Management District Law grants MPWMD general and specific powers to cause sufficient water to be available for present and future beneficial use or uses of lands or inhabitants within the District. MPWMD Rule 30 requires the District to establish a specific Allocation for each Jurisdiction and provides that the District also may establish Water Entitlements as necessary to manage water supplies throughout the District.
3. D.B.O. Development No. 30, a California Limited Liability Company (DBO), is the current owner of Assessor's Parcel Number (APN) 011-011-051, referred to herein as the "Donor Parcel." A portion of the water rights associated with the Donor Parcel is being transferred to California-American Water Company (California American Water or CAW), for future service to unspecified recipient properties in the Seaside Groundwater Basin designated by DBO.
4. DBO holds adjudicated rights, including rights to a Standard Production Allocation of water totaling at least 15.0 Acre-Feet per Year (AFY) from the Seaside Groundwater Basin, after accounting for triennial 10% reductions through year 2021 as ordered by the Monterey County Superior Court in the Seaside Basin Adjudication Decision (as amended). The Donor Parcel was previously owned by D.B.O. Development No. 27, which is named in that Decision.
5. DBO's water rights are based on the historical production from a Well that is located within the Edgewater Shopping Center complex on a Parcel currently identified as APN 011-011-043. The Well is currently a Monitor Well. The Well Parcel is owned by

Dayton Hudson Corporation (Target), but the deed specifies that all water rights shall be retained by DBO. The Adjudication Decision allows parties to exercise their water rights anywhere in the Seaside Basin, and extractions are not limited to the location of historical use. Thus, DBO's water rights are not confined to the Well Parcel, and may be produced from another Seaside Basin Well, owned by another entity, and delivered to recipient parcels within the Seaside Basin.

6. Based on District staff analysis of the application, the CAW production limit from the Coastal Subareas of the Seaside Basin is increased by 15.0 AFY to meet the water needs of the unspecified recipient properties that would benefit from the Donor Parcel specified in Finding #3. This is equivalent to metered sales (customer water consumption) of 13.95 AFY that would be approved via MPWMD Water Permits for use on the recipient properties, based on an assumed system loss factor (unaccounted for water) of seven percent (7%). This factor is considered as reasonable in light of the 7% goal set in the MPWMD Rules & Regulations, the CPUC goal of 9% maximum system losses set in July 2009, and other CPUC approvals to replace and repair water mains.
7. The Monterey County Superior Court, Seaside Groundwater Basin Watermaster, and Sixth District Court of Appeal have confirmed (Order After Hearing on SNG's Motion to Enforce and Clarify the Amended Decision, Case #M66343, filed by the Monterey County Superior Court (Judge Roger Randall) on May 11, 2009 (referred to herein as "Court Order"); Sixth District Court of Appeal Decision, Case #H034335, dated April 1, 2010 (referred to herein as the "Appeal Decision")) that all or a portion of DBO's 15.0 AFY Standard Production Allocation water rights may be delivered to recipient properties in the Seaside Basin from offsite CAW Well(s) located in the Seaside Basin.
8. This ordinance establishes a Water Entitlement for DBO that California American Water will convey through California American Water's Water Distribution System to DBO Water Use Permit subscribers.
9. This ordinance shall allow for new Connections and modifications of existing Connections to the California American Water System to provide Potable water service in specific annual quantities (expressed in Acre-Feet) for the use on and benefit of property located within the California Public Utilities Commission (CPUC)-recognized Service Area of the California American Water Water Distribution System.
10. This ordinance authorizes DBO, on terms and conditions set forth in this ordinance, to separately sell and convey portions of the Water Entitlement established by this

ordinance within the CPUC-recognized Service Area of the California American Water Water Distribution System and supplied with water from the Seaside Groundwater Basin.

11. This ordinance provides that water use authorized by Water Use Permits issued under this ordinance shall be subject to the water efficiency and conservation rules of MPWMD under its Regulation XIV and the rationing rules of MPWMD under its Regulation XV.
12. This ordinance amends Rule 11 (Definitions) and adds Rule 23.8 (D.B.O. Development No. 30 Water Entitlement) to the Rules and Regulations of the Monterey Peninsula Water Management District.
13. MPWMD has followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Section 15000, *et seq.* Specifically, the MPWMD has determined that a Statutory Exemption applies as defined in CEQA Guidelines Section 15268 (Ministerial Projects), based on previous environmental determinations by the Courts. The Monterey County Superior Court concluded that its Adjudication Decision included environmental determinations related to the Seaside Basin and adjudication of the rights therein. The MPWMD action is also consistent with the May 11, 2009 Court Order as confirmed by the Sixth District Court of Appeal, which limits CEQA review of water-related issues to areas other than the Seaside Basin.

NOW THEREFORE, be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the D.B.O. Development No. 30 (D.B.O. Development No. 30) Water Entitlement Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

This ordinance establishes a D.B.O. Development No. 30 Water Entitlement for use in the Service Area of the California American Water Water Distribution System.

Section Three: Amendment of Rule 11, Definitions

The following definitions in Rule 11 shall be amended as shown in bold italics (*bold italics*) and strikeout (~~strike through~~).

WATER ENTITLEMENT HOLDER – “Water Entitlement Holder” shall refer to one of the following entities: The Pebble Beach Company (Ordinance Nos. 39 and 109), Hester Hyde Griffin Trust (Ordinance No. 39), Lohr Properties Inc. (Ordinance No. 39), the City of Sand City (Ordinance Nos. 132), Cypress Pacific Investors LLC (Water Distribution System Permit approved September 15, 2014), ~~and~~ Malpasos Water Company LLC (Ordinance No. 165), *and D.B.O. Development No. 30, a California Limited Liability Company (Ordinance No. 166).*

Section Four: Addition of Rule 23.8, D.B.O. Development No. 30, Water Entitlement

The following text shall be added as Rule 23.8 –D.B.O. Development Water Entitlement:

RULE 23.8 – D.B.O. DEVELOPMENT NO. 30 WATER ENTITLEMENT

A. D.B.O. DEVELOPMENT NO. 30, WATER ENTITLEMENT

1. The D.B.O. Development No. 30, a California Limited Liability Company (D.B.O. Development No. 30) Water Entitlement confers on D.B.O. Development No. 30 a Water Entitlement of 13.95 AFA through the California American Water Company Water Distribution System.

2. Benefited Properties of the D.B.O. Development No. 30 Water Entitlement shall mean all properties that are supplied with water from the Seaside Groundwater Basin and that are located within the California American Water Company Water Distribution System.
3. D.B.O. Development No. 30 is authorized to separately sell, transfer and convey to owners of Benefited Properties for such consideration and upon such terms and conditions as D.B.O. Development No. 30 in its discretion may determine, such portions of the D.B.O. Development No. 30 Water Entitlement as it may choose. Any portion of the D.B.O. Development No. 30 Water Entitlement conveyed to the owner of a Benefited Property by an Assignment Document shall vest in the owner of the Benefited Property, and become appurtenant to title to the particular Benefited Property, at the time the Water Use Permit is issued as evidence of such conveyance.
4. The D.B.O. Development No. 30 Water Entitlement shall be separate and distinct from any other Allocations provided in Rule 30. The existence of the D.B.O. Development No. 30 Water Entitlement shall not affect any existing use of water in the County of Monterey or any City, or any existing Allocation to the County of Monterey or any City.
5. For purposes of collecting Capacity Fees and tracking the use of a Water Entitlement, the projected increase in Water Use Capacity of a Benefited Property shall be calculated in the manner set forth in Rule 24, as it may be amended from time to time.
6. Each Water Use Permit issued pursuant to this Rule shall represent a vested property interest upon issuance and shall not be subject to Revocation or cancellation except as expressly set forth in subparagraph B below.
7. The portion of the D.B.O. Development No. 30 Water Entitlement granted by each Water Use Permit shall not be subject to reallocation pursuant to MPWMD Rule 30, nor shall the setting of meters for the California American Water system be terminated or diminished by reason of a water emergency, water moratorium or other curtailment on the setting of meters with the exception of a water emergency, water moratorium or other

curtailment that affects the use of water by all Users of the Coastal Subarea of the Seaside Groundwater Basin.

B. REVOCAION, TERMINATION, OR MODIFICATION OF WATER USE PERMITS

1. Each Water Use Permit which, on or after January 1, 2075, embodies an annual Water Entitlement in excess of requirements for planned land uses on the Benefited Property, or which purports to authorize usage in excess of the constitutional limitation (California Constitution, article 10, Section 2) to reasonable and beneficial use, shall be subject to modification, Revocation, or termination in the sole discretion of MPWMD, such that the water usage authorized thereby shall not exceed such requirements and limitations.
2. Prior to any modification, termination or Revocation pursuant to this subparagraph B, the holder of the Water Use Permit shall be entitled to notice and a hearing, and any termination, Revocation, or modification shall be subject to appeal to the Board pursuant to Rule 70 of the MPWMD Rules and Regulations.

Section Five: Effective Date and Sunset

This ordinance shall take effect at 12:01 a.m. on the 30th day after it has been enacted on second reading.

This Ordinance shall not have a sunset date.

Section Six: Severability

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion by Director _____, and second by Director _____, the foregoing ordinance is adopted upon this ___ day of _____, 2015 by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of an ordinance duly adopted on the ___ day of _____ 2015.

Witness my hand and seal of the Board of Directors this ___ day of _____ 2015.

David J. Stoldt, Secretary to the Board

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DRAFT

ITEM: PUBLIC HEARING**18. CONSIDER URGENCY ORDINANCE NO. 167 -- AMENDING RULE 141, WATER CONSERVATION REBATES; RULE 142, WATER EFFICIENCY STANDARDS; AND RULE 143, WATER EFFICIENCY STANDARDS FOR EXISTING NON-RESIDENTIAL USES****Meeting Date: December 14, 2015 Budgeted: N/A****From: David J. Stoldt, Program/ N/A
General Manager Line Item No.:****Prepared By: Stephanie Locke Cost Estimate: N/A****General Counsel Review: Completed****Committee Recommendation: The Water Demand Committee reviewed and approved the proposed amendments on September 23, 2015.****CEQA Compliance: N/A**

SUMMARY: Ordinance No. 167 (**Exhibit 18-A**) is an urgency ordinance to amend Rule 141 (Water Conservation Rebates), Rule 142 (Water Efficiency Standards), and Rule 143 (Water Efficiency Standards for Existing Non-Residential Uses). Urgency exists to make these changes so the District's rules match the California Energy Commission approved standards for water appliances that are effective January 1, 2016. The ordinance also makes minor changes to the new and refurbished Landscaping requirements to comply with the Model Water Efficiency Landscape Ordinance, as amended this past summer that will be effective in 2016. As an urgency ordinance is only valid for one year, staff will incorporate these changes in an ordinance for permanent adoption that the Board is scheduled to review in January or February 2016.

Starting in January 2016, retailers will not be allowed to sell showerheads, toilets, urinals, bathroom and kitchen faucets and other appliances that violate the new standards. Kitchen faucets will not be permitted to use more than 1.8 gallons per minute, although they can temporarily allow a slightly higher flow to fill pots and pans. Urinals are limited to one pint of water per flush, down from one-half gallon. Similarly, the new bathroom faucet standard is 1.2 gallons per minute, down from 2.2 gallons per minute. The rule applies to new appliances sold within California, unless they are sold by wholesalers for retail sale outside the state or are designed for exclusive use in vehicles.

This ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301, Existing Facilities, as these amendments relate to replacement of existing facilities with less water intensive uses.

RECOMMENDATION: The Board should receive public comment and adopt the ordinance. Adoption of an urgency ordinance requires approval by at least five (5) members of the Board and takes effect immediately. Urgency ordinances are valid for one year.

EXHIBIT

18-A Urgency Ordinance No. 166 Amending Rule 141, Water Conservation Rebates; Rule 142, Water Efficiency Standards; and Rule 143, Water Efficiency Standards for Existing Non-Residential Uses

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EXHIBIT 18-A

URGENCY ORDINANCE NO. 167

**AN URGENCY ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AMENDING RULE
141, WATER CONSERVATION REBATES, RULE 142, WATER EFFICIENCY
STANDARDS, AND RULE 143, WATER EFFICIENCY STANDARDS FOR EXISTING
NON-RESIDENTIAL USES**

FINDINGS

1. The Monterey Peninsula Water Management District (District or Water Management District) is charged under the Monterey Peninsula Water Management District Law with the integrated management of the ground and surface water resources in the Monterey Peninsula area.
2. The Water Management District has general and specific power to cause and implement water conservation activities as set forth in Sections 325 and 328 of the Monterey Peninsula Water Management District Law.
3. The Water Management District has enacted certain rules to bring about efficient water use, both indoors and out. These rules are codified in District Regulations XIV and XV.
4. Changes in appliance standards adopted by the California Energy Commission in April 2015 that will be implemented on January 1, 2016, and that contradict MPWMD Rules 142 and 143 necessitate revision to the District's water efficiency standards.
5. Updates to the California Model Water Efficient Landscape Ordinance adopted by the California Water Commission in July 2015 necessitate amendment to the District's irrigation efficiency rules.
6. District staff is developing a comprehensive revision to the District Rules and Regulations to replace the urgency ordinance in early 2016. The delay in bringing forth a permanent ordinance during 2015 to enact these amendments necessitates adoption of urgency measures at this time.

7. This ordinance is enacted with urgency and shall take effect on December 15, 2015, following a single reading provided it is approved by at least five (5) members of the Board.
8. This ordinance shall expire after one year.
9. The following District Rules shall be amended by this ordinance: Rule 141 (Water Conservation Rebates), Rule 142 (Water Efficiency Standards), and Rule 143 (Water Efficiency Standards for Existing Non-Residential Uses)
10. This urgency ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301, Existing Facilities, for modifications to Rule 141, as these amendments relate to replacement of existing facilities with less water intensive uses.

NOW THEREFORE be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the 2015 California Code Update Urgency Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

This ordinance amends the District's water efficiency standards for faucets and Urinals as adopted on April 8, 2015, by the California Energy Commission and updates irrigation efficiency requirements to meet the California Model Water Efficient Landscape Ordinance approved by the California Water Commission on July 15, 2015.

Section Three: Amendments to Rule 141

Rule 141 shall be amended to delete any reference to "High Efficiency Urinal" as of January 1, 2016. Rebate applications for High Efficiency Urinals purchased before January 1, 2016, shall be processed.

Section Four: Amendment to Rule 142

Rule 142 shall be amended as shown below, with added language as shown in *bold italic* type

face, and deleted language shown in ~~strikeout~~ type face.

RULE 142 - WATER EFFICIENCY STANDARDS

A. Water Efficiency Standards.

1. All New Construction of New Structures shall install and maintain plumbing fixtures and conservation standards as set forth in this Rule.
2. No plumbing fixture ~~or standard~~ shall be replaced with fixtures which allow greater water use.
3. *All new and replacement water fixtures shall comply with current California plumbing and energy standards/codes when more restrictive than the District's.*

B. Former Rules. Water Permits issued prior to January 1, ~~2010~~2013, ~~shall be were~~ subject to requirements of former Rule 142 summarized below:

1. ~~Former~~ Rule 142 *prior to January 1, 2010*, required all New Construction, Remodels and Additions to install maximum 2.5 gallons-per-minute Showerheads and 2.2 gallons-per-minute faucet aerators.
2. New Construction of New Structures *prior to January 1, 2010*, also required installation of Instant-Access Hot Water Systems and installation of Drip Irrigation where appropriate.
3. Water Permits issued between January 1, 2010 and December 31, 2012, ~~shall be were~~ subject to the rules in effect on the date of issuance as stated on the Water Permit and on any associated deed restriction(s).

C. Residential Water Efficiency Standards for New Structures.

All Residential New Structures receiving a Water Permit on or after January 1, 2010, shall meet or exceed the following standards:

1. High Efficiency or Ultra-High Efficiency Toilets shall be installed;

2. Urinals, when installed in a Residential use, shall be designed to flush with one (1) gallon of water. ***On and after January 1, 2016, newly installed Urinals shall flush with no more than 0.125 gallon per flush;***
3. Showerheads, Rain Bars, or Body Spray Nozzles shall be installed that were designed and manufactured to emit a maximum of 2.0 gallons per minute of water;
4. All shower fixtures should be equipped with scald protection valves rated for 2.0 gallons per minute Showerheads;
5. High Efficiency Clothes Washer(s) and High Efficiency Dishwasher(s) shall be required when installed in a Residential use;
6. Lavatory Sink faucets shall emit a maximum of ~~2.2~~ ***1.2*** gallons of water per minute at 60 psi;
7. Kitchen Sink, Utility Sink, and Bar Sink faucets shall emit a maximum of ~~2.2~~ ***1.8*** gallons of water per minute at 60 psi. ***Faucets may have the capability to temporarily increase flow to 2.2 gallons per minute for filling pots and pans, but must default back to a maximum flow rate of 1.8 gallons per minute measured at 60 psi.;***
8. Instant-Access Hot Water Systems shall be installed;
9. All hot water pipes shall be insulated;
10. Sodium chloride (salt) water softeners shall be discouraged in New Construction. Alternate technologies such as potassium chloride shall be recommended. When a sodium chloride water softener is to be installed within the MPWMD, the unit shall use demand-initiated regeneration which senses when the resin must be recharged, either electronically or with a meter that measures and calculates usage. This requirement shall be specified on the Construction Drawings.
11. Landscaping.
 - a. All New Construction shall install and maintain Landscaping that complies with the California Model Water Efficient Landscape

Ordinance as revised (California Code of Regulations, Title 23, Water, Division 2, Department of Water Resources, Chapter 2.7, Model Water Efficient Landscape Ordinance) or with local or District Landscape requirements if more restrictive.

- b. Plants shall be grouped in hydrozones.

12. Irrigation System Efficiency.

- a. Weather-Based Irrigation System Controllers (e.g. Smart Controllers) shall be installed, used and maintained on Sites where there is an Irrigation System.
- b. Weather-Based Irrigation System Controllers shall include functioning Soil Moisture Sensors and a Rain Sensor as components of the system.
- c. Drip Irrigation shall be utilized for watering all non-turf irrigated plantings.
- d. Rotating Sprinkler Nozzles shall be utilized for turf irrigation.
- e. Overhead spray irrigation shall not be used to water non-turf Landscaping, including trees and shrubs.
- f. Irrigation Systems shall operate with at least ~~70~~ **75** percent efficiency *for overhead spray devices and at least 81 percent for drip systems*.
- g. Rainwater collection/irrigation systems are encouraged to supplement irrigation for new Landscaping. New Structures shall be encouraged to include one or more rainwater Cisterns and a system to provide at least 75 percent of exterior irrigation during normal rainfall years. Systems must be compliant with local catchment system standards.
- h. Graywater collection/irrigation systems are encouraged to supplement irrigation for new Landscaping. Systems must be

compliant with local catchment system standards, including Monterey County Department of Environmental Health.

- i. All Sites utilizing a Graywater reuse system shall install and maintain a backflow prevention device as required by any Water Distribution System Operator that supplies water to the Site.

D. Non-Residential Water Efficiency Standards for New Structures.

All Non-Residential New Structures receiving a Water Permit on or after January 1, 2010, shall meet or exceed the following standards:

1. High Efficiency or Ultra High Efficiency Toilets shall be installed;
2. Urinals shall be Pint Urinals or Zero Water Consumption Urinals and shall be clearly specified on the final Construction Drawings. Zero Water Consumption Urinals shall be encouraged in settings where there is a regular maintenance staff;
3. Showerheads, Rain Bars, or Body Spray Nozzles shall be installed that were designed to emit a maximum of 2.0 gallons per minute of water;
4. All shower fixtures should be equipped with scald protection valves rated for 2.0 gallons per minute Showerheads;
5. Installation of multiple Showerheads in one stall shall require timers for each Showerhead, Rain Bar, or Body Spray Nozzle. No timer shall operate with greater than a three (3) minute operating increment;
6. Public Washbasins shall emit a maximum of 0.5 gallon of water per minute at 60 psi. Private Washbasins (e.g., hotel or motel guest rooms and hospital patient rooms) shall emit a maximum of ~~1.5~~ 1.2 gallons of water per minute at 60 psi. All other sinks shall emit a maximum of 2.2 gallons of water per minute at 60 psi unless higher flow is required by Health and Safety Code;

7. Public Lavatory Sinks equipped with automatic shut off devices or sensor faucets shall operate with a maximum flow of 0.25 gallons per cycle;
8. High Efficiency Clothes Washers shall be installed when a Clothes Washer is installed in a New Structure permitted under this Regulation;
9. High Efficiency Dishwashers or High Efficiency Commercial Dishwashers shall be installed and maintained on the Site when a Dishwasher is installed in a New Structure permitted by a Water Permit;
10. Instant-Access Hot Water System(s) shall be installed for hot water access points to ensure that hot water is available within ten (10) seconds;
11. All hot water pipes shall be insulated;
12. Sodium chloride (salt) water softeners shall be discouraged in New Construction. Alternate technologies, such as potassium chloride shall be recommended. When a sodium chloride water softener is to be installed within the MPWMD, the unit shall use demand-initiated regeneration which senses when the resin must be recharged, either electronically or with a meter that measures and calculates usage. This requirement shall be specified on the Construction Drawings;
13. Water Efficient Pre-Rinse Spray Valves shall be utilized when a pre-rinse spray valve is installed;
14. There shall be no single-pass water use systems in ice machines, hydraulic equipment, refrigeration condensers, X-ray processing equipment, air compressors, vacuum pumps, etc. Air-cooled or better technology shall be installed when available;
15. Water cooled refrigeration equipment shall be prohibited when there is alternative cooling technology available at the time the Water Permit is issued;

16. Cooling Towers shall be equipped with conductivity controllers that are used to increase the number of cycles that can be achieved;
17. Boilerless steamers or connectionless steamers shall be installed in place of boiler-based steamers when a steamer is installed in New Construction;
18. Landscaping.
 - a. All New Construction shall install and maintain Landscaping that complies with the California Model Water Efficient Landscape Ordinance as revised (California Code of Regulations, Title 23, Water, Division 2, Department of Water Resources, Chapter 2.7, Model Water Efficient Landscape Ordinance) or with local or District Landscape requirements if more restrictive.
 - b. Plants shall be grouped in hydrozones.
19. Irrigation System Efficiency.
 - a. Weather-Based Irrigation System Controllers shall be installed, used and maintained on Sites where there is an Irrigation System.
 - b. Weather-Based Irrigation System Controllers shall include functioning Soil Moisture Sensors and a Rain Sensor as components of the system.
 - c. Drip Irrigation shall be utilized for watering all non-turf irrigated plantings.
 - d. Rotating Sprinkler Nozzles shall be utilized for turf irrigation.
 - e. Overhead spray irrigation shall not be used to water non-turf Landscaping, including trees and shrubs.

- f. Irrigation Systems shall operate with at least ~~70~~ 75 percent efficiency *for overhead spray devices and at least 81 percent for drip systems.*
 - g. Rainwater collection/irrigation systems are encouraged to supplement irrigation for new Landscaping. New Structures shall be encouraged to include one or more rainwater Cisterns and a system to provide at least 75 percent of exterior irrigation during normal rainfall years. Systems must be compliant with local catchment system standards.
 - h. Graywater collection/irrigation systems are encouraged to supplement irrigation for new Landscaping. Systems must be compliant with local catchment system standards, including Monterey County Department of Environmental Health.
 - i. All Sites utilizing a Graywater reuse system shall install and maintain a backflow prevention device as required by any Water Distribution System Operator that supplies water to the Site.
- 20. The implementation of water conservation Best Management Practices shall be integrated into construction and operation of the project to the extent possible.
 - 21. The use of Alternative Water Sources for indoor toilet flushing and other uses allowed by the Jurisdiction shall be encouraged.
- E. Residential and Non-Residential Change of Ownership, Change of Use, and Expansion of Use Water Efficiency Standards

Sites that have a Change of Ownership, Change of Use or Expansion of Use on or after January 1, 2010, shall meet or exceed the following standards:

- 1. High Efficiency or Ultra High Efficiency Toilets shall be installed;

2. Urinals shall be ~~High Efficiency Urinals~~, Pint Urinals, or Zero Water Consumption Urinals. Zero Water Consumption Urinals shall be encouraged in settings where there is a regular maintenance staff;
3. Showerhead flow rates shall meet or exceed New Construction standards;
4. Bathroom faucet flow rates shall meet or exceed New Construction standards;
5. Kitchen faucet flow rates shall meet or exceed New Construction standards;
6. Remodels or relocations of water fixtures or appliances that involve hot water shall be encouraged to install an Instant-Access Hot Water System and insulate all new hot water pipes;
7. Pre-rinse spray valves shall meet or exceed the District's definition for Water Efficient Pre-Rinse Spray Valves;
8. Changes of Use and Expansions of Use that require a Water Permit shall not install any single-pass water use systems in ice machines, hydraulic equipment, refrigeration condensers, X-ray processing equipment, air compressors, vacuum pumps, etc. Air-cooled or better technology shall be installed when available;
9. Changes of Use and Expansions of Use that require a Water Permit shall not install any water cooled refrigeration equipment when there is alternative water efficient cooling technology available at the time the Water Permit is issued;
10. Automatic Irrigation Systems, with the exception of Weather-Based Irrigation Systems, shall be retrofit to include a Rain Sensor;
11. The implementation of Non-Residential Best Management Practices shall be integrated into construction and operation of Non-Residential uses to the extent possible.

Section Five: **Amendment to Rule 143**

Rule 143 shall be amended as shown below, with added language as shown in *bold italic* type face, and deleted language shown in ~~strikeout~~ type face.

RULE 143 - WATER EFFICIENCY STANDARDS FOR EXISTING NON-RESIDENTIAL USES

- A. All Non-Residential Water Users within the District shall meet or exceed the following water efficiency standards before December 31, 2013:
1. Showerheads, Rain Bars, or Body Spray Nozzles shall be designed and manufactured to emit a maximum of 2.0 gallons per minute of water;
 2. Public Washbasins shall emit a maximum of 0.5 gallon of water per minute;
 3. Public Washbasins equipped with automatic shut off devices or sensor faucets shall operate with a maximum flow of 0.25 gallons per cycle;
 4. Private Washbasins (e.g., Washbasins in hotel or motel guest rooms and hospital patient rooms) shall emit a maximum of 1.5 gallons of water per minute. ***Replacement faucets or aerators shall not exceed a maximum flow rate of 1.2 gallons per minute at 60 psi;***
 5. All other sinks shall be restricted to flow at a maximum of 2.2 gallons per minute;
- B. All existing Visitor-Serving Facilities shall be retrofitted exclusively with Ultra-Low Flush Toilets, except as provided by Rule 146 (Discretionary Exemptions).
- C. Replacement of toilets shall be with High Efficiency or Ultra High Efficiency Toilets. ***On and after January 1, 2016, newly installed and replacement Urinals shall flush with no more than 0.125 gallon per flush.***
- D. All Visitor-Serving Facilities shall, by December 31, 2013, be retrofitted exclusively with High Efficiency Urinals, High Efficiency Clothes Washers, and Water Efficient Ice Machines. There shall be an exception to this Rule when the Clothes Washer meets Energy Star specifications and was purchased and installed

between December 31, 2006 and December 31, 2012: These appliances must comply with this provision by December 31, 2019.

- E. All Non-Residential structures shall be retrofitted exclusively with High Efficiency Toilets and High Efficiency Urinals by December 31, 2013, except as provided by Rule 146 (Discretionary Exemptions).
 - 1. All Visitor-Serving Facilities that retrofit to 1.6 gallons-per-flush toilets pursuant to Rule 143-B shall be exempt from this toilet retrofit requirement.
 - 2. All Non-Residential uses with Ultra Low Flush Toilets installed prior to December 31, 2012, shall be exempt from this toilet retrofit requirement.
- F. All Clothes Washers installed in Non-Residential uses within the District shall meet the definition of High Efficiency Clothes Washers rated with a Water Factor of 5.0 or below by December 31, 2013. There shall be an exception to this Rule when the existing appliance was purchased between December 31, 2005, and December 31, 2012, and rates a Water Factor of 5.1-6.0.
- G. Non-Residential Car Washes. By December 31, 2013, all Non-Residential car wash facilities shall recycle and reuse a minimum of 50 percent of the water used in the wash and rinse cycles.
- H. Mobile Water Distribution Systems shall use water meters at the Source of Supply. Records of the location and quantity of water delivered shall be provided by the Owner or Operator to MPWMD upon request of the General Manager.
- I. Any or all portable Water-Measuring Device usage information, including the name of the User, the amount of water used, and the location of use shall be provided by the Water Distribution System Owner or Operator to MPWMD upon request.
- J. All pre-rinse spray valves shall meet or exceed the Rule 11 definition of Water Efficient Pre-Rinse Spray Valve by July 1, 2010.
- K. Newly installed medical or laboratory photographic and/or X-ray processing systems shall include a recirculation system for the rinse process. The use of digital systems is highly encouraged.

- L. The installation of a Rain Sensor and Soil Moisture Sensors on automatic Irrigation Systems that are not operated by a Weather-Based Irrigation System shall be encouraged.

Section Six: **Publication and Application**

The provisions of this ordinance shall not cause the republication and amendment of the permanent Rules and Regulations of the Monterey Peninsula Water Management District. Water Permit applicants shall receive a copy of the urgency language attached to the Water Permit.

Section Seven: **Effective Date and Sunset**

This ordinance shall be adopted with urgency effect and take effect at 12:01 a.m. on December 15, 2015. Insofar as this Ordinance has been enacted as an urgency measure, it shall have no force or effect after December 14, 2016.

Section Eight: **Severability**

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion by Director _____, and second by Director _____, the foregoing urgency ordinance is adopted upon this _____ day of _____, 2015, by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing ordinance was duly adopted on the 14th day of December 2015.

Witness my hand and seal of the Board of Directors this _____ day of _____ 2015.

David J. Stoldt, Secretary to the Board

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DRAFT

ITEM: PUBLIC HEARING**19. CONSIDER FIRST READING OF ORDINANCE NO. 168 -- AMENDING RULE 11, AND ADDING RULE 23.9 TO ESTABLISH A WATER ENTITLEMENT FOR THE CITY OF PACIFIC GROVE****Meeting Date: December 14, 2015** **Budgeted: N/A****From: David J. Stoldt,** **Program/ N/A**
General Manager **Line Item No.:****Prepared By: David J. Stoldt** **Cost Estimate: N/A****General Counsel Review: Yes****Committee Recommendation:****CEQA Compliance: District is a Responsible Agency relying on an EIR and Supplemental EIR certified by the City of Pacific Grove**

SUMMARY: Ordinance No. 168 (**Exhibit 19-A**) establishes a Water Entitlement for the City of Pacific Grove (the City) of 66 Acre-Feet Annually (AFA) to be used for new water uses by properties located within the California American Water service area.

A Water Entitlement is a discrete quantity of water designated by a District ordinance to a specified Water Entitlement Holder for new or Intensified Water Use. Water Entitlement Holders established by previous MPWMD ordinances include the Pebble Beach Company and the other fiscal sponsors of the CAWD/PBCSD Wastewater Reclamation Project, the City of Sand City, Cypress Pacific Investors LLC, Malpasso Water LLC, and DBO Development No.30. For the City of Pacific Grove Water Entitlement, the Water Entitlement Holder assigns water to its subscribers via Assignment Documents that the subscribers then use to obtain Water Use Permits from the District. The Water Use Permit can then be used to permit new water use up to the amount specified.

The development of existing legal lots of record in California American Water's service area is currently constrained by a lack of available MPWMD Allocations and Water Credits, and State Water Board Order WR 2009-0060, which prohibits California American Water from diverting water from the Carmel River for new service Connections or increased uses of water at existing service addresses resulting from changes in zoning or use. The City's project (Project) is intended to create non-potable recycled water supply of up to 125 acre-feet annually (AFA) to meet irrigation needs on the City-owned Pacific Grove Golf Links and El Carmelo Cemetery and will thereby reduce potable water metered demand on the California American Water Company (Cal-Am) water system. The Project includes a new Satellite Reclaimed Water Treatment Plant facility with a design flow capacity of 0.25 million gallons per day, and will recycle a portion of the City's municipal wastewater at the Point Pinos Wastewater Treatment Plant. Potable water freed by reason of Project operations shall be available for re-use. The Ordinance establishes 66 AFA for the Entitlement, 9 AFA (10%) reserved by the District for its exclusive use for

allocation to other jurisdictions, and a 13 AFA remainder (15%) will be conserved and permanently suspended from use for the benefit of the Carmel River system.

Because the Entitlement is derived from conserved water, under District rules the conserved water would normally be made available for new uses immediately, because such use would not be an increase in existing demand at the time of the creation of the Entitlement. However, in the funding of a low-cost State Revolving Fund loan for the Project, the State Water Resources Control Board has added a condition to the loan which states:

“The City shall apply recycled water produced by the Project to service of existing uses and shall use the ensuing demand reductions to offset deliveries from Cal-Am until such time as the City receives consent from the State Water Board’s Executive Director to apply the Project’s recycled water to new service connections to increased uses at existing service addresses resulting from a change in zoning or use”

The City will have to address this condition in its subscription process.

CEQA: The MPWMD is a responsible agency under the California Environmental Quality Act (CEQA). As a CEQA responsible agency, the MPWMD may rely on the City’s CEQA compliance for the Ordinance.

The City certified an Environmental Impact Report (EIR) for the Project on November 19, 2014, in accord with the California Environmental Quality Act (CEQA). In certifying this EIR, the City made specific findings which, by this reference, are made an integral part of this ordinance, as if set forth in full. The City thereafter prepared and certified a Supplemental EIR (SEIR) on modification to the PG Local Water Project (SCH# 2014021058) which examined impacts that might result from implementation of this ordinance. The Project will not have a significant effect on the environment, based on information contained in the SEIR. Mitigation measures are not made as conditions of approval by MPWMD for this action.

RECOMMENDATION: The Board should approve the first reading of Ordinance No. 168, establishing a Water Entitlement for the City of Pacific Grove, and direct staff to bring it back for a second reading at the January Board meeting.

EXHIBIT

19-A Draft Ordinance No. 168

EXHIBIT 19-A

**ORDINANCE NO. 168
AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
AMENDING RULE 11 AND ADDING RULE 23.9
TO ESTABLISH A WATER ENTITLEMENT FOR
THE CITY OF PACIFIC GROVE**

FINDINGS

1. The Monterey Peninsula Water Management District (MPWMD or District) is charged under the Monterey Peninsula Water Management District Law with the integrated management of all ground and surface water resources in the Monterey Peninsula area.
2. The Monterey Peninsula Water Management District Law grants MPWMD general and specific powers to cause sufficient water to be available for present and future beneficial use or uses of lands or inhabitants within the District. MPWMD Rule 30 requires the District to establish a specific Allocation for each Jurisdiction and provides that the District also may establish Water Entitlements as necessary to manage water supplies throughout the District.
3. The City of Pacific Grove (City) committed to construct the Pacific Grove Local Water Project (Project) within the City. The Project is intended to create non-potable recycled water supply of 125 acre-feet annually (AFA) to meet irrigation needs on the City-owned Pacific Grove Golf Links and El Carmelo Cemetery and will thereby reduce potable water metered demand on the California American Water Company (Cal-Am) water system. The Project includes a new Satellite Reclaimed Water Treatment Plant facility with a design flow capacity of 0.25 million gallons per day, and will recycle a portion of the City's municipal wastewater at the Point Piños Wastewater Treatment Plant. Potable water freed by reason of Project operations shall be available for re-use; a remainder will be conserved and permanently suspended from use for the benefit of the Carmel River system.
4. The City certified an Environmental Impact Report (EIR) for the Project on November 19, 2014, in accord with the California Environmental Quality Act (CEQA). In certifying this EIR, the City made specific findings which, by this reference, are made an integral part of this ordinance, as if set forth in full. The City thereafter prepared and certified a Supplemental EIR (SEIR) on modification to the PG Local Water Project (SCH#

2014021058) which examined impacts that might result from implementation of this ordinance.

5. A key purpose for the Project is to assist the City, the District, and Cal-Am to meet requirements of State Water Resources Control Board (SWRCB) Order WR 95-10, whereby the SWRCB concluded Cal-Am was diverting approximately 10,730 acre-feet per year of water from the Carmel River system without a valid basis of right. Order WR 95-10 directed Cal-Am to terminate unlawful diversions from the Carmel River system. The Project reduces metered demand and Cal-Am production requirements from the Carmel River system. The Project is scheduled to be fully on line and delivering up to 125 afy on or before December 31, 2016.
6. This ordinance suspends use of a portion of the potable water previously diverted by Cal-Am and used by the City to irrigate its Golf Links and El Carmelo Cemetery, during that period before Cal-Am is able to cease diverting water from the Carmel River system without a valid basis of right.
7. This ordinance establishes a Water Entitlement for the City by which Cal-Am may convey water through its distribution system to City subscribers based upon a Water Use Permit, and adds water to Jurisdictional Allocations under Rule 33. This ordinance also establishes procedures under which City subscribers may apply to the District for Water Use Permits receive and use water diverted by Cal-Am.
8. This ordinance amends Rule 11 (Definitions) and adds Rule 23.9 (City of Pacific Grove Water Entitlement) to the Rules and Regulations of the Monterey Peninsula Water Management District.
9. Significant portions of the water made available by the Project shall assist Cal-Am's efforts to comply with SWRCB Order WR 95-10, and Cease & Desist Order 2009-060.
10. The MPWMD is a responsible agency under CEQA. As a CEQA responsible agency, the MPWMD may rely on the City's CEQA compliance for this ordinance. Pursuant to CEQA Sections 15091 and 15092, the MPWMD Board finds that the Project will not have a significant effect on the environment, based on information contained in the SEIR. Mitigation measures are not made as conditions of approval by MPWMD for this action.

NOW THEREFORE, be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the Pacific Grove Recycled Water Supply Entitlement Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

The purpose of this ordinance create a process to confirm and quantify replacement of existing Potable water use with Recycled Water by reason of the Pacific Grove Local Water Project, to quantify the portion of replaced water supply retired from use during the period before California American Water is able to cease diverting water from the Carmel River system without a valid basis of right, and to confirm how the remainder portion of water may be re-used by the City of Pacific Grove and the District via deliveries from California American Water from its various sources, including water from the Carmel River system.

Section Three: Amendment of Rule 11, Definitions

The following definition in Rule 11 shall be amended as shown in bold italics (*bold italics*) and strikeout (~~strikethrough~~).

WATER ENTITLEMENT HOLDER – “Water Entitlement Holder” shall refer to one of the following entities: The Pebble Beach Company (Ordinance Nos. 39 and 109), Hester Hyde Griffin Trust (Ordinance No. 39), Lohr Properties Inc. (Ordinance No. 39), the City of Sand City (Ordinance Nos. 132), Cypress Pacific Investors LLC (Water Distribution System Permit approved September 15, 2014), ~~and~~ Malpas Water Company LLC (Ordinance No. 165), ~~and~~ D.B.O. Development No. 30, a California Limited Liability Company (Ordinance No. 166), *and the City of Pacific Grove (Ordinance No. 168).*

Section Four: Addition of Rule 23.9, City of Pacific Grove Water Entitlement

The following text shall be added as Rule 23.9 –City of Pacific Grove Water Entitlement:

RULE 23.9 – CITY OF PACIFIC GROVE WATER ENTITLEMENT**A. CITY OF PACIFIC GROVE WATER ENTITLEMENT**

1. The City of Pacific Grove Water Entitlement confers on the City of Pacific Grove, a vested property right to release up to 66 AFA of water for consumption from the California American Water Company Water Distribution System.
2. 13 AFA of metered water demand previously used by the City of Pacific Grove to irrigate its Golf Links and El Carmelo Cemetery shall be permanently suspended from use in order to provide lasting benefits to the Carmel River system.
3. Benefited Properties of the City of Pacific Grove Water Entitlement shall mean all properties that are located within the City of Pacific Grove.
4. City of Pacific Grove is authorized to separately sell, transfer and convey to owners of Benefited Properties for such consideration and upon such terms and conditions as City of Pacific Grove in its discretion may determine, such portions of the City of Pacific Grove Water Entitlement as it may choose. Any portion of the City of Pacific Grove Water Entitlement conveyed to the owner of a Benefited Property by an Assignment Document shall vest in the owner of the Benefited Property, and become appurtenant to title to the particular Benefited Property, at the time the Water Use Permit is issued as evidence of such conveyance.
5. The City of Pacific Grove Water Entitlement shall be separate and distinct from any other Allocations provided in Rule 30.
6. For purposes of collecting Capacity Fees and tracking the use of a Water Entitlement, the projected increase in Water Use Capacity of a Benefited Property shall be calculated in the manner set forth in Rule 24, as it may be amended from time to time.
7. Each Water Use Permit issued pursuant to this Rule shall represent a vested property interest upon issuance and shall not be subject to Revocation or cancellation except as expressly set forth in subparagraph B below.

8. The portion of the City of Pacific Grove Water Entitlement granted by each Water Use Permit shall not be subject to reallocation pursuant to MPWMD Rule 30.

B. REVOCATION, TERMINATION, OR MODIFICATION OF WATER USE PERMITS

1. Each Water Use Permit which, on or after January 1, 2075, embodies an annual Water Entitlement in excess of requirements for planned land uses on the Benefited Property, or which purports to authorize usage in excess of the constitutional limitation (California Constitution, article 10, section 2) to reasonable and beneficial use, shall be subject to modification, Revocation, or termination in the sole discretion of MPWMD, such that the water usage authorized thereby shall not exceed such requirements and limitations.
2. Prior to any modification, termination or Revocation pursuant to this subparagraph E, the holder of the Water Use Permit shall be entitled to notice and a hearing, and any termination, Revocation, or modification shall be subject to appeal to the Board pursuant to Rule 70 of the MPWMD Rules and Regulations.

Section Five: Designation of 9 Acre-Feet of Water Savings to MPWMD

Simultaneous with the creation of the Pacific Grove Water Entitlement pursuant to Rule 23.9, the District shall reserve 9 AFA of conserved water for its exclusive use for future Jurisdictional Allocation pursuant to Rule 30 or to be held in reserve.

Section Six: Effective Date and Sunset

This ordinance shall take effect upon completion of the Pacific Grove Local Water Project and verification of disconnection from the California American Water Water Distribution System of all irrigation and irrigation Connections to the Pacific Grove Municipal Golf Links and the El Carmelo Cemetery.

This Ordinance shall not have a sunset date.

Section Seven: Severability

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion by Director _____, and second by Director _____, the foregoing ordinance is adopted upon this ___ day of _____, 2016 by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of an ordinance duly adopted on the ___ day of _____ 2016.

Witness my hand and seal of the Board of Directors this ___ day of _____ 2016.

David J. Stoldt, Secretary to the Board

ITEM: PUBLIC HEARING**20. CONSIDER ADOPTION OF JANUARY THROUGH MARCH 2016 QUARTERLY WATER SUPPLY STRATEGY AND BUDGET**

Meeting Date:	December 14, 2015	Budgeted:	N/A
From:	Dave Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Kevan Urquhart & Jonathan Lear	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: N/A****CEQA Compliance: Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1)****ESA Compliance: Consistent with the September 2001 and February 2009 Conservation Agreements between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River and Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2009-0060.**

SUMMARY: The Board will accept public comment and take action on the January through March 2016 Quarterly Water Supply Strategy and Budget for California American Water's (Cal-Am's) Main and Laguna Seca Subarea Water Distribution Systems (WDS), which are within the Monterey Peninsula Water Resources System (MPWRS). The proposed budget, which is included as **Exhibits 20-A and 20-B**, shows monthly production by source of supply that is required to meet projected customer demand in Cal-Am's Main and Laguna Seca Subarea systems, i.e., Ryan Ranch, Bishop, and Hidden Hills, during the January through March 2016 period. The proposed strategy and budget is designed to maximize the long-term production potential and protect the environmental quality of the Seaside Groundwater and Carmel River Basins.

Exhibit 20-A shows the anticipated production by Cal-Am's Main system for each production source and the actual production values for the water year to date through the end of November 2015. Please note that the anticipated production values assume that Cal-Am's annual Main system production for Water Year (WY) 2016 will not exceed 11,954 acre-feet (AF), including 2,251 AF from the Coastal Subareas of the Seaside Groundwater Basin, 0 AF from ASR Phase 1 and 2 recovery, 300 AF from the Sand City Desalination Plant, and 9,403 AF from the Carmel River Basin. The total from the Carmel River Basin is consistent with State Water Resources Control Board (SWRCB) Order Nos. 95-10, 98-04, 2002-0002, and 2009-0060, and the total from the Seaside Groundwater Basin is consistent with the Seaside Basin adjudication decision. Both of these limits are subject to change, pending future regulatory actions. Cal-Am is also allowed to produce water for in-basin use under its "Table 13 Water Rights", when bypass flows are adequate to do so. These production amounts may be up to 38, 52, and 56 AF, respectively in each of the three consecutive months of this quarter. In compliance with WRO 2009-0060, any water diverted under these rights must be used to reduce unlawful diversion from the Carmel River Basin.

Exhibit 20-B shows the anticipated production by Cal-Am's Laguna Seca Subarea systems for each production source, and the actual production values for WY 2016 to date through the end of November 2015. Please note that the anticipated production values assume that Cal-Am's annual Laguna Seca Subarea systems' production will not exceed 48 AF. This total is consistent with the Seaside Basin adjudication decision.

RECOMMENDATION: The Board should receive public input, close the Public Hearing, and discuss the proposed quarterly water supply budget. District staff recommends adoption of the proposed budget. The budget is described in greater detail in **Exhibit 20-C**, Quarterly Water Supply Strategy Report: January – March 2016.

BACKGROUND: The Quarterly Water Supply Strategy and Budget pertains to production within Cal-Am's Main and Laguna Seca Subarea systems for the three-month period of January, February, and March 2016. Staff from the District, Cal-Am, the National Marine Fisheries Services (NMFS), and the State Water Resources Control Board's Division of Water Rights (SWRCB-DWR) cooperatively developed this strategy on December 8, 2015. The California Department of Fish and Wildlife (CDFW) was unable to attend, but was consulted afterwards.

To meet customer demand in its main system, Cal-Am will target production of approximately 0 AF of groundwater from its wells in the Upper Carmel Valley during January, February, and March 2016. Similarly, Cal-Am will target production of approximately 938, 992, and 1,123 AF of groundwater from its wells in the Lower Carmel Valley during January, February, and March 2016, respectively. The permitted diversion season for ASR began again on December 1, which is during this first quarter of WY 2016. Diversions to storage for ASR Phase 1 and 2 have not yet begun, but will be initiated whenever flows in the river are legally adequate to do so. For planning purposes, staff have scheduled diversions to ASR storage based on the long-term average diversion rate predicted by the Carmel Valley Simulation Model (CVSIM) for each month, and so have scheduled 230, 320, and 345 AF for the three months of the second quarter, respectively.

It was also agreed that, subject to rainfall and runoff conditions in the Carmel River Basin, Cal-Am would continue to produce water from the Coastal Subareas of the Seaside Basin during this period, if necessary to meet system demand and facilitate ASR diversions to storage. Cal-Am projected production of native groundwater from the Seaside Basin was 100 AF in each of the months of January, February, and March 2016, respectively. There was also a projected goal of producing an additional 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months. Cal-Am may also produce 38, 52, and 56 AF in each of the consecutive three months of this quarter, respectively, under Table 13 Water Rights for in-basin use within Carmel Valley. In addition, it was also agreed that Cal-Am's projected production of groundwater from its wells in the Laguna Seca Subarea for its customers in the Ryan Ranch, Bishop, and Hidden Hills systems would be 3, 2, and 3 AF during January, February, and March 2016, respectively. Lastly, it was agreed that Cal-Am will operate its wells in the Lower Carmel Valley in a downstream-to-upstream order. If actual natural river inflows are less than projected for the budget period, the group will reconvene and adjust the LPD release rates accordingly. Rule 101, Section B of the District Rules and Regulations requires that a Public Hearing be held at the time of determination of the District water supply management strategy. Adoption of the quarterly water supply strategy and budget is categorically exempt from the California

Environmental Quality Act (CEQA) requirements as per Article 19, Section 15301 (Class 1). A Notice of Exemption will be filed with the Monterey County Clerk's office, pending Board action on this item.

EXHIBITS

- 20-A** Quarterly Water Supply Strategy and Budget for Cal-Am Main System: January – March 2016
- 20-B** Quarterly Water Supply Strategy and Budget for Cal-Am Subsystems: January – March 2016
- 20-C** Quarterly Water Supply Strategy and Budget Report: January – March 2016

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**California American Water Main Distribution System
Quarterly Water Supply Strategy and Budget: January - March 2016**

Proposed Production Targets by Source in Acre-Feet

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jan-16	Feb-16	Mar-16	Oct-15 - Nov-15	% of YTD	% of Annual Budget
Source						
Carmel Valley Aquifer						
Upper Subunits (Service)	0	0	0	0	0%	0%
Lower Subunits (Service)	670	620	722	1,047	86%	14%
ASR Diversion	230	320	345	0		
Table 13 Diversion	<u>38</u>	<u>52</u>	<u>56</u>	0		
Total	938	992	1,123			
Seaside Groundwater Basin						
Coastal Subareas	100	100	100	423	100%	3%
Phase 1 and 2 ASR Recovery	0	0	0	0	0%	0%
Sand City Desalination	<u>25</u>	<u>25</u>	<u>25</u>	11	22%	4%
Total	125	125	125	435		
Use						
Customer Service	795	745	847	1,481		
Phase 1 and 2 ASR Storage	230	320	345	0		
Table 13 In Basin use	<u>38</u>	<u>52</u>	<u>56</u>	0		
Total	1,063	1,117	1,248	1,481		

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
2. Total monthly production for "Customer Service" in CAW's main system was calculated by multiplying total annual production (11,954 AF) times the average percentage of annual production for January, February and March (6.6%, 6.2%, and 7.1%, respectively). According to District Rule 162, the annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed 2,251 AF and production from Carmel River sources, without adjustments for water produced from water resources projects, would not exceed 9,703 AF in WY 2016. The average production percentages were based on monthly data for customer service from WY 2006 to 2013.
3. Anticipated production for ASR injection is based on an average diversion rate of approximately 4,500 gallons per minute (gpm) or 19.9 AF per day from CAW's sources in the Carmel River Basin. "Total" monthly CAW "Use" includes water for customer service and water for injection into the Seaside Basin.
4. The production targets for CAW's wells in the Upper Subunits of the Carmel Valley Aquifer are set at 0, based on CAW's goal to avoid use of these wells, year round. However, production could be higher under existing State water rights and interagency operating agreements.
5. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the assumption that sufficient flow will occur in the Carmel River at the targeted levels, to support ASR injection. It is planned that Coastal Subarea pumping will not occur, or will be proportionally reduced, if ASR injection does not occur at targeted levels.
6. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation during WY 2016 to be in compliance with SWRCB WRO No. 95-10.
7. It should be noted that monthly totals for Carmel Valley Aquifer sources may be different than those shown in MPWMD Rule 162, Table XV-3. These differences result from monthly target adjustments needed to be consistent with SWRCB WRO 98-04, which describes how Cal-Am Seaside Wellfield is to be used to offset production in Carmel Valley during low-flow periods. Adjustments are also made to the Quarterly Budgets to ensure that compliance is achieved on an annual basis with MPWMD Rule 162 totals.
8. Table 13 values reflect source/use estimates based on SWRCB Permit 21330, which allows diversions from the CVA for "In Basin use" (3.25 AFD) when flows in the River exceed threshold values.

**California American Water Highway 68 Distribution Systems
Quarterly Water Supply Strategy and Budget: January - March 2016**

Proposed Production Targets by Source and Projected Use in Acre-Feet

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jan-16	Feb-16	Mar-16	Oct-15 - Nov-15	% of YTD	% of Annual Budget
Source						
Seaside Groundwater Basin						
Laguna Seca Subarea	3	2	3	52	644.9%	107.5%
Other	0	0	0	0		
Use						
Customer Service	3	2	3			
Total	3	2	3	52		

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
2. Total monthly production for "Customer Service" in CAW's Highway 68 systems was calculated by multiplying total annual production (48 AF) times the average percentage of annual production for January, February, and March (5.3%, 4.9%, and 5.9%, respectively). The annual production total was based on the assumption that production from the Laguna Seca Subarea of the Seaside Groundwater Basin would not exceed 48 AF. The average production percentages were based on monthly data for customer service from WY 2006 to 2013. The 48 AF annual production limit is based on procedures specified in the Seaside Basin Adjudication Decision.
3. It should be noted that, based on recent historical use, actual monthly use will likely exceed the proposed monthly production targets. In this context, the production targets represent the maximum monthly production that should occur so that CAW remains within its Standard Production Allocation for the Laguna Seca Subarea specified in the Seaside Decision. Accordingly, actual production beyond these production targets will be subject to replenishment assessment by the Seaside Basin Watermaster.
4. "Other" production sources refer to supplies transferred to Highway 68 customers from CAW's Carmel River sources, water rights acquired from other producers in the Seaside Basin, or supplies transferred from other systems outside of the Laguna Seca Subarea to produce additional water.
5. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation during WY 2016 to be in compliance with SWRCB WRO No. 95-10.
6. Year to date production numbers are estimated pending finalization of CAW production data.
7. As approved by MPWMD Board on 8/17/2015, an allocation of 3.41 AF production (3.17 AF metered sales) is transferred to CHOMP within the Ryan Ranch Unit of CalAm (in the Laguna Seca Sub-Area) from Cypress Pacific Standard Producer in the Coastal Sub-Area.

EXHIBIT 20-C

Quarterly Water Supply Strategy and Budget Report California American Water Main Water Distribution System: January – March 2016

1. Management Objectives

The Monterey Peninsula Water Management District (District) desires to maximize the long-term production potential and protect the environmental quality of the Carmel River and Seaside Groundwater Basins. In addition, the District desires to maximize the amount of water that can be diverted from the Carmel River Basin and injected into the Seaside Groundwater Basin while complying with the instream flow requirements recommended by the National Marine Fisheries Service (NMFS) to protect the Carmel River steelhead population. To accomplish these goals, a water supply strategy and budget for production within California American Water's (Cal-Am's) Main and Laguna Seca Subarea water distribution systems is reviewed quarterly to determine the optimal strategy for operations, given the current hydrologic and system conditions, and legal constraints on the sources and amounts of water to be produced.

2. Quarterly Water Supply Strategy: January - March 2016

On December 8, 2015, staff from the District, Cal-Am, the National Marine Fisheries Services (NMFS), and the State Water Resources Control Board's Division of Water Rights (SWRCB-DWR) met and discussed the proposed water supply strategy and related topics for the remainder of December 2015 and the January-March 2016 period. The California Department of Fish and Wildlife (CDFW) could not attend, but were consulted afterwards. Currently, flow in the Carmel River is regulated by releases from Los Padres Dam (LPD). Los Padres Reservoir (LPR) has not yet filled and spilled. The San Clemente Reservoir (SCR) has been removed and will no longer be referred to in future reports. The LPD notch flashboard will remain in place from now on, as the new smolt passage facility has been installed to enhance smolt emigration. Flow in the Carmel River is not yet continuous to the lagoon, and the mouth has not yet reopened, after being closed since summer of 2015. Rainfall and unimpaired runoff information for Water Year (WY) 2016 to date, through November 2015 was 3.99 inches and 263 acre-feet (AF), respectively. These values are 40% above and 14% of the mean year-to-date, respectively, through November of the Water Year.

Carmel River Basin Cal-Am will operate its wells in the Lower Carmel Valley in a downstream-to-upstream sequence, as needed to meet customer demand. For this quarterly water budget, it was agreed that Cal-Am would endeavor to avoid producing groundwater from its wells in the Upper Carmel Valley during January through March 2016. If sufficient flow in the Carmel River at the District's Don Juan Bridge gage in Garland Park, i.e., consecutive days of 20 or more cubic feet per second (cfs), occurs to justify operations allowed under the less restrictive high-flow period, Cal-Am could operate these wells if needed. In addition, it was projected that Cal-Am would produce approximately 938, 992, and 1,123 AF of groundwater from its wells in the Lower Carmel Valley during January, February, and March 2016, respectively.

EXHIBIT 20-C

Quarterly Water Supply Strategy and Budget Report California American Water Main Water Distribution System: January – March 2016

Releases from LPR have averaged 3.24 CFS for the first 8 days of December, and are being increased to match reservoir inflow and stabilize storage and lake elevations on a weekly basis, as inflow improves. As of December 7, 2015, LPR was at 1,007.02 feet of surface elevation, 32.76 feet below the spillway. The Fish Ladder that serves the Trap and Truck, Fish Passage Facility at LPD is not operational, and unimpaired fish passage became feasible past the historic SCD site, due to its removal this year. As of December 7, 2015, flow levels in the Carmel River have not yet provided adequate downstream passage flows for juvenile steelhead between Carmel Valley Village and the lagoon or to the ocean. There has not yet been any continuous surface flow to improve lagoon water quality and minimal volume. Flows for adult and juvenile passage below LPD through December 8, 2015 have continued to be marginal or inadequate. November flow at the Sleepy Hollow Weir [RM 12.69] and Don Juan Bridge in Garland Park [RM 10.78] averaged 3.14 and 1.12 cfs, respectively, which was not enough to re-water the reaches that dried last summer, or to provide additional flow and habitat in the lower Carmel River for resident juvenile steelhead. Due to the severely depressed flows of WY 2015, this fourth year of drought, the District's Sleepy Hollow Steelhead Rearing Facility was not operated, and all rescued fish were released upstream of RM 9.

Lastly, it was assumed that 230, 320, and 345 AF of groundwater would be diverted from the Carmel River Basin and injected into the Seaside Groundwater Basin for ASR during January, February, and March 2016, respectively. Because of the uncertainty in predicting future rainfall and runoff amounts, this assumption is subject to change in practice.

Seaside Groundwater Basin It was also agreed that, subject to rainfall and runoff conditions in the Carmel River Basin, Cal-Am would continue to produce water from the Coastal Subareas of the Seaside Basin during this period, if necessary to meet system demand and facilitate ASR diversions to storage. Cal-Am was projected to produce 100 AF of native groundwater from the Seaside Basin in each of the months of January, February, and March 2016, respectively. There was also a projected goal of producing an additional 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months. Due to groundwater quality problems, this target has not yet been met this year, and will be unlikely to be met until significant rain recharges and dilutes the source basin in the Sand City area. It was also agreed that Cal-Am would schedule to produce only 3, 2, and 3 AF of groundwater from its wells in the Laguna Seca Subarea of the Seaside Basin for customers in the Ryan Ranch, Bishop, and Hidden Hills systems during January, February, and March 2016, respectively. It is recognized that, based on recent historical use, Cal-Am's actual production from the Laguna Seca Subarea during this period will likely exceed the proposed monthly targets, which are based on Cal-Am's allocation specified in the Seaside Basin Adjudication Decision. For example, in the January through March 2015 period, Cal-Am produced 24, 20, and 26 AF from the Laguna Seca Subarea to meet customer demand in the Ryan Ranch, Bishop, and Hidden Hills systems. In this context,

EXHIBIT 20-C**Quarterly Water Supply Strategy and Budget Report
California American Water
Main Water Distribution System: January – March 2016**

the production targets represent the maximum monthly production that should occur so that Cal-Am remains within its adjudicated allocation for the Laguna Seca Subarea. Under the amended Seaside Basin Decision, Cal-Am is allowed to use production savings in the Coastal Subareas to offset over-production in the Laguna Seca Subarea. However, it is not likely that any production savings will be available with the restrictions imposed on Carmel River diversions by the State Water Resources Control Board's Water Rights Order No. 2009-0060, and the continued rampdown requirements of the Seaside Basin Decision; no such savings were available in the last Water Year, 2015.

ITEM: ACTION ITEM**21. CONSIDER APPROVAL OF GROUND LEASE WITH CITY OF SEASIDE FOR SANTA MARGARITA ASR SITE EXPANSION**

Meeting Date:	December 14, 2015	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Water Supply Projects 1-2-1 A i
Prepared By:	David J. Stoldt	Cost Estimate:	\$22,000 (Initial Lease Fee)

General Counsel Review: N/A**Committee Recommendation: N/A****CEQA Compliance: N/A**

SUMMARY: At its July 20, 2015 meeting, the Monterey Peninsula Water Management District (District or MPWMD) Board reviewed a ground lease with the City of Seaside for the Santa Margarita Aquifer Storage and Recovery (ASR) site located at 1910 General Jim Moore Boulevard in Seaside. The purpose for entering the lease with Seaside is to allow a modest expansion of the existing Phase 1 ASR site so that pipelines and equipment can be installed at the site to accommodate treatment and distribution of water from other existing and planned additional ASR sites per current long-term water supply augmentation plans.

The District raised 19 concerns over the City's first draft, 17 of which were addressed in the District's favor. The two areas that the City did not agree to were a rent discount due to our existing easement and mediation as a dispute resolution. The City's response to our request for consideration of the existing easement was: *"The position of the city and that of FORA is that the easement is invalid. The easement violates the Army's agreement with FORA and therefore the land was deeded to FORA unencumbered. The city was not provided the opportunity to comment or consider a more suitable location for these facilities that would provide less of an obstacle to our future economic development. The revenue generated under this agreement is minimal in comparison to the obstacle that this facility places on future development opportunities in the surrounding areas. Furthermore, FORA is required to approve the agreement between the City and MPWMD and in my consultation with them I was informed that the agreement would not be approved unless it provided fair market consideration for the entire easement area not just the expansion of the site."*

MPWMD believes it has a valid possessory interest in the Santa Margarita Easement. The U.S. Army granted an express easement to MPWMD through September 30, 2050, which was subsequently recorded. Said easement is for 1.09 acres of the 1.9 acre site or 57.4%. MPWMD believes the appraiser erred in not recognizing the easement and market rate should have been reduced through the term of the easement. Seaside and FORA assert the easement is invalidated by FORA's agreement with the U.S. Army. However, MPWMD believes it may assert a claim for a prescriptive or equitable easement and could perfect this right.

The General Manager met with representatives of Seaside and FORA, and was asked to present alternatives for Seaside negotiators to consider. Additionally, at its October meeting the District

Board approved a Local Water Project Grant for the City of Seaside. As a result of that meeting, the District presented three alternatives to the City:

Alternative 1: Seaside and FORA agree with MPWMD. Market-based rent is reduced by 57.4% through 2050 and annual rent becomes \$6,978. After 2050, the rent returns to \$16,380 plus escalation to that time.

Alternative 2: Seaside and FORA recognize some value to existing easement and agrees to a negotiated market-based rent of \$11,680 which splits the difference in the two values in Alternative 1. City may also determine such rent is market-based due to in lieu contributions from the Local Water Project Grant.

Alternative 3: Seaside and FORA seek judicial decision invalidating the easement and prevail. Annual market-based rent remains \$16,380.

The City has agreed to alternative 2.

RECOMMENDATION: The General Manager recommends the Board approve the form of ground lease contained in Exhibit 1-A and authorize the General Manager to execute the ground lease with the City of Seaside on behalf of the Board, provided there are no additional substantive changes.

BACKGROUND: The District began negotiations in 1999 with the U.S. Army for an easement on former Fort Ord property to install and test a full-scale ASR well in the Seaside Groundwater Basin. In 2000, the Army granted a 0.23 acre easement, which was amended to 1.09 acres in 2007 to allow an expansion area for a second well and facility building as part of the first phase of a permanent ASR project. Since then, plans have been developed to utilize this site for treatment and distribution of water delivered from additional ASR sites in the basin, in coordination with long-term water supply project planning with California American Water (Cal-Am). Expansion of the existing easement area to 1.90 acres is required in order to accommodate the space needs for the planned use of the site. .

Currently, this portion of the former Fort Ord land is under the jurisdiction of the FORA. Per an agreement between FORA and Seaside, these entities must coordinate on this proposed property transaction, as the land is intended for future transfer to Seaside. The ground lease will also be subject to FORA's review and concurrence per this agreement. The District has been working on this matter with both Seaside and FORA since 2010. The current ground lease reflects the multiple staff-level discussions and reviews that have taken place in order to get to closure on the site expansion issue.

IMPACTS ON STAFF/RESOURCES: A significant staff effort has been expended in planning, coordinating, analyzing and overseeing work on the District's ASR program, as reflected in the District's Strategic Plan. It is expected that District staff will continue this level of effort as part of the ongoing development of the ASR program in the Seaside Basin.

EXHIBIT

21-A Draft Ground Lease

EXHIBIT 21-A

GROUND LEASE

between

CITY OF SEASIDE,
a municipal corporation
("Landlord")

and the

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT,
a California public entity organized under the
California Water Code
("Tenant")

_____, 2015

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TABLE OF CONTENTS

	<u>Page</u>
1. Initial Fee; “AS-IS” Condition.....	1
1.1 Initial Lease Fee	1
1.2 AS-IS Condition.....	1
2. Term of Lease; Termination of Existing Easement	1
2.1 Term; Extensions	1
2.2 Termination of Easement	2
3. Rent.....	2
3.1 Base Rent	2
3.2 Annual Adjustment of Base Rent	2
3.3 Place for Payment	2
4. Utilities.....	2
5. Net Lease; Possessory Interest Tax.....	2
6. Use; Hazardous Materials; Compliance with Laws; Inspections	3
6.1 Use of Property	3
6.2 Hazardous Materials	3
6.3 Compliance with Applicable Requirements	7
7. Construction and Installation of Improvements.....	7
7.1 The Work	7
7.2 Construction Contracts.....	7
7.3 Review of Plans and Permits	7
7.4 Compliance with Law and Quality	7
7.5 First Source Hiring.....	8
7.6 Notices of Nonresponsibility	8
7.7 Mechanics’ Liens	8

TABLE OF CONTENTS (cont.)

	<u>Page</u>
7.8 Ownership of Improvements.....	8
8. Maintenance and Repairs	9
8.1 Maintenance by Tenant.....	9
8.2 Requirements of Governmental Agencies	9
8.3 Tenant’s Duty to Restore Property	10
8.4 Application of Insurance Proceeds	10
8.5 Landlord’s Rights of Entry	11
9. Indemnity and Insurance.....	11
9.1 Exculpation of Landlord	11
9.2 Indemnity	11
9.3 Liability Insurance	12
9.4 Increase in Insurance Coverage	12
9.5 Evidence of Insurance.....	12
9.6 Notice of Cancellation of Insurance	12
9.7 Different Insurer.....	12
10. Condemnation.....	12
10.1 Total Condemnation.....	13
10.2 Partial Condemnation.....	13
10.3 Termination for Partial Taking	13
10.4 Condemnation Award	13
10.5 Allocation of Award Between Land and Improvements	14
10.6 Abatement of Base Rent for Partial Taking.....	15
10.7 Voluntary Conveyance in Lieu of Eminent Domain	16
11. Assignment and Subletting	16

TABLE OF CONTENTS (cont.)

	<u>Page</u>
11.1 Landlord's Consent Required	16
11.2 Additional Provisions Regarding Assignment and Subletting.....	16
12. Default and Remedies	19
12.1 Events of Default by Tenant	19
12.2 Landlord Event of Default	19
12.3 Remedies.....	20
12.4 Landlord's Performance of Tenant's Obligations.....	21
12.5 Remedies Cumulative	21
12.6 Waiver of Breach	21
13. Miscellaneous	21
13.1 Tenant's Duty to Surrender Property	21
13.2 Holding Over	21
13.3 Survival.....	22
13.4 Force Majeure Delays.....	22
13.5 Interest on Overdue Payments	22
13.6 Attorneys' Fees	22
13.7 Estoppel Certificates by Tenant	23
13.8 Limitation on Landlord's Liability	23
13.9 Subordination; Attornment; Non-Disturbance.....	23
13.10 Consents.....	24
13.11 Reservations by Landlord	24
13.12 Authority.....	25
13.13 Jurisdiction and Governing Law.....	25
13.14 Quiet Enjoyment	25

TABLE OF CONTENTS (cont.)

	<u>Page</u>
13.15 Notices	25
13.16 Successors and Assigns.....	26
13.17 Time of Essence	26
13.18 Memorandum of Lease	26
13.19 Counterparts	26
13.20 Partial Invalidity.....	26
13.21 Entire Agreement	26
13.22 Amendments	26
13.23 Construction of Lease	26
13.24 Effect of Delivery	27
13.25 Landlord as Governmental Entity	27

TABLE OF EXHIBITS

EXHIBIT "A"	DESCRIPTION OF LAND
EXHIBIT "B"	DESCRIPTION OF THE WORK/IMPROVEMENTS
EXHIBIT "C"	FORM OF MEMORANDUM OF GROUND LEASE

GROUND LEASE

THIS GROUND LEASE (the "Lease") is dated as of _____, 2015 [TO BE DATED AS OF LANDLORD/CITY COUNCIL APPROVAL], and is entered into by and between the CITY OF SEASIDE, a municipal corporation ("Landlord"), and the MONTEREY PENINSULA WATER DISTRICT, a California public entity organized under the California Water Code ("Tenant"). [TO BE SIGNED BY TENANT FIRST, THEN DELIVERED TO LANDLORD FOR APPROVAL AND EXECUTION]

RECITALS

A. Landlord has certain rights to acquire the land described in Exhibit "A" attached hereto (the "Property") and it is anticipated that Landlord will acquire the Property.

B. On the terms and conditions set forth in this Lease, Tenant desires to lease the Property from Landlord for use in connection with an underground reservoir, and desires to construct certain improvements thereon necessary for the reservoir, and thereafter maintain and operate such improvements.

NOW THEREFORE, in consideration of the mutual promises contained herein, Landlord and Tenant agree as follows:

1. Initial Fee; "AS-IS" Condition.

1.1 Initial Lease Fee. In consideration of this Lease, and concurrently with its execution and delivery of the Lease, Tenant shall pay to Landlord, the sum of Twenty-Two Thousand and no/100 Dollars (\$22,000.00), which shall be non-refundable.

1.2 AS-IS Condition. Tenant acknowledges that Tenant currently occupies and uses the Property under the easement described in Section 2.2 below, and that Tenant has inspected the Property and title thereto and is familiar with the condition of and title to the Property. Tenant accepts the Property in its existing condition, "AS IS", without representation or warranty (express or implied) and subject to all defects and conditions, whether patent or latent, all recorded matters affecting title, all matters affecting title that would be visible upon a physical inspection of the Property, all legal requirements (including possessory interest taxes, assessments, zoning, permit requirements and building codes), and based solely on Tenant's own inspections, analyses and evaluations and not in reliance on any information provided by or on behalf of Landlord.

2. Term of Lease; Termination of Existing Easement.

2.1 Term; Extensions. The term of this Lease shall commence on the date on which the City acquires title to the Property and shall continue until the date that is forty (40) years thereafter. Landlord will inform Tenant in writing of the commencement of the Term. Tenant may extend the Term in five (5) year increments for as long as the Property is used for underground reservoir purposes or for equipment relating thereto by giving Landlord written notice of the applicable extension at least six (6) months prior to the end of the then-current term. The initial term, as so extended, is hereinafter referred to as the "Term".

2.2 Termination of Easement. Upon the commencement of the Term, that certain Easement No. DALA05-9-02-605 granted by the Department of the Army shall, as between Landlord and Tenant, be deemed terminated and of no force or effect, it being the intent of the parties that the Lease shall govern and prevail.

3. Rent.

3.1 Base Rent. During the Term, Tenant shall pay to Landlord, without prior notice or demand and without abatement, deduction, offset or credit, as rent for the Property (“Base Rent”), in lawful money of the United States at the time of payment, on the first day of September each year, in advance, the sum of Eleven Thousand Six Hundred Eighty and no/100 Dollars (\$11,680.00) per calendar year (prorated for any partial calendar year during the Term), subject to annual increases as set forth in Section 3.2 below; provide, however, that the first such payment shall also include payment for any portion of calendar year at the beginning of the Term.

3.2 Annual Adjustment of Base Rent. The Base Rent shall be adjusted every five (5) years on the anniversary of the commencement of the Term (each, an “Adjustment Date”) by the percentage increase or decrease, as applicable, in the Index (as hereinafter defined and described). In order to determine the adjustment, the then-current Base Rent shall be multiplied by a fraction, the numerator of which shall be the Index (as defined below) last published before the applicable Adjustment Date and the denominator of which shall be the Index last published before the previous Adjustment Date (or in the case of the first adjustment, the Index last published prior to the commencement of the Term). The term “Index” shall mean the Consumer Price Index for All Urban Consumers, All Items, San Francisco-Oakland San Jose CMSA, utilizing a base of 1982-1984 = 100, as published by the United States Department of Labor, Bureau of Labor Statistics (the “Index”); provided, however, that if during the Term a later base year replaces the base year, then such later base year shall be used in determining the Index, and if the Index is discontinued or revised during the Term, subsequent adjustments to the Base Rent shall be computed on the basis of any replacement index published by the Bureau of Labor Statistics or any successor agency, or, if no replacement index is published, on the basis of any index published by any governmental or non-governmental agency or entity that generally measures changes in the purchasing power of the U.S. dollar, as selected by Landlord in its good faith discretion.

3.3 Place for Payment. All Base Rent and other sums that become payable by Tenant to Landlord under this Lease (collectively, “Rent”) shall be paid to Landlord on or before the due date in lawful currency of the United States at Landlord’s offices located at 440 Harcourt Avenue, Seaside, California 93955, Attention: Accounting/Finance, or at any other place or places that Landlord may designate by written notice to Tenant.

4. Utilities. Tenant shall obtain, at Tenant’s expense, and thereafter pay for all electricity, gas, potable water, fire suppression water, sewer, waste water services and other utilities provided to the Property during the Term.

5. Net Lease; Possessory Interest Tax. This Lease is a “triple-net” lease; all Rent shall be paid to Landlord absolutely net of all costs, taxes and expenses. Without limiting the

generality of the foregoing, Tenant shall be responsible for all aspects of maintaining and operating the Property, including the payment when and as due of all property taxes and assessments from time to time assessed against the Property or Tenant's possessory interest therein, and of all charges for gas, electricity, telephone service, water, sewer service, trash removal and other utilities and services furnished to the Property during the Term; provided, however, that Landlord may at any time, in its discretion, pay any such taxes, assessments and charges that Tenant fails to pay when and as due, including, in Landlord's discretion, any fees, penalties and charges assessed by reason of Tenant's failure to make timely payment, in which case Tenant shall reimburse Landlord within thirty (30) days after Landlord delivers written request for reimbursement. Tenant shall indemnify and hold Landlord Landlord's property, including the Property and any improvements now or hereafter on the Property, free and harmless from any liability, loss, or damage resulting from any taxes, assessments, or other charges required by this Lease to be paid by Tenant and from all interest, penalties, and other sums imposed thereon and from any sales or other proceedings to enforce collection of any such taxes, assessments, or other charges.

LANDLORD HEREBY GIVES TENANT NOTICE, AND TENANT ACKNOWLEDGES RECEIPT OF SUCH NOTICE, AS REQUIRED PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 107.6, THAT THE LEASEHOLD INTEREST CREATED BY THIS LEASE MAY RESULT IN A POSSESSORY INTEREST TAX BEING LEVIED AGAINST THE PROPERTY AND/OR TENANT'S LEASEHOLD INTEREST, AND THAT IN SUCH EVENT TENANT SHALL BE OBLIGATED TO PAY SUCH TAX. (TENANT MAY BE EXEMPT FROM SUCH TAX IF TENANT APPLIES AND QUALIFIES FOR AN APPLICABLE EXEMPTION.)

6. Use; Hazardous Materials; Compliance with Laws; Inspections.

6.1 Use of Property. Tenant may use the Property for the development, construction, operation and maintenance of the improvements described on Exhibit "B"; provided, however, that: (a) Tenant shall not use or permit the Property or any portion of the Property to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of any federal, state or local law, ordinance, or regulation; and (b) Tenant shall not maintain, commit or permit the maintenance or commission of any fire or health hazards, or any nuisance, or the Property.

6.2 Hazardous Materials.

(a) Definitions.

"Hazardous Materials" shall mean any substance that now or in the future requires investigation or remediation under, or is regulated or defined as a hazardous waste or hazardous substance, by any governmental authority or instrumentality or any law, regulation, rule or order, or any amendment thereto, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 et seq. and the Resource Conservation and Recovery Act, 42 U.S.C. § 9601 et seq., or that is otherwise toxic, explosive, corrosive, flammable, infectious, mutagenic, radioactive, carcinogenic, a pollutant or a

contaminant, including gasoline, diesel, petroleum hydrocarbons, polychlorinated biphenyls (PCBs), asbestos, radon and urea formaldehyde foam insulation.

“Environmental Requirements” shall mean all present and future governmental laws, regulations, rules, orders, permits, licenses, approvals, authorizations and other requirements of any kind applicable to Hazardous Materials, including common law tort principles (such as public and private nuisance and strict liability for conducting abnormally dangerous activities).

“Handle,” “Handled” or “Handling” shall mean any installation, handling, generation, storing, treatment, use, disposal, discharge, release, manufacture, refinement, emission, abatement, removal, transportation, presence or migration of any Hazardous Materials brought on the Property by Tenant or Tenant’s Representatives, or any other activity or any type in connection with or involving Hazardous Materials.

“Tenant’s Representatives” shall mean all Tenant’s officers, employees, contractors, representatives, assignees, sublessees, licensees, agents, invitees, and any trespassers on the Property.

(b) Indemnification by Tenant. In addition to, and not in derogation of any other indemnification contained in this Lease, Tenant agrees to indemnify, defend and hold harmless Landlord, its successors and assigns, and its and their directors, officers, shareholders, employees, agents and affiliates from all costs, expenses, damages, liabilities, claims, fines, penalties, interest, judgments, and losses of any kind arising from or in any way related to Tenant’s or Tenant’s Representatives’ Handling of Hazardous Materials during the Term or failure to comply in full with this Section 6.2 (collectively, “Environmental Losses”), including consequential damages, damages for personal or bodily injury, property damage, damage to natural resources occurring on or off the Property, encumbrances, liens, costs and expenses of investigations, monitoring, clean up, removal or remediation of Hazardous Materials, defense costs of any claims (whether or not such claim is ultimately defeated), good faith settlements, attorneys’ and consultants’ fees and costs, and losses attributable to the diminution of value, loss or use or adverse effects on marketability or use of any portion of the Property, whether or not such Environmental Losses are contingent or otherwise, matured or unmatured, foreseeable or unforeseeable. If Landlord is ever made a party to any action or proceeding by reason of a matter for which Tenant is obligated to indemnify Landlord, then Tenant, upon notice from Landlord, shall, at Landlord's option, either defend that action or proceeding on behalf of Landlord at Tenant's expense with counsel satisfactory to Landlord or reimburse Landlord for all defense costs Landlord actually incurs in defending against such action or proceeding, whether or not the action or proceeding is ultimately defeated. This indemnity is intended by the parties to be as broad and comprehensive as possible under law and shall apply regardless of the fault (including active or passive negligence) of either Tenant or Landlord.

(c) Delivery of Certain Documents to Landlord. Concurrently with the execution of this Lease, and in any event upon request by Landlord, Tenant shall deliver to Landlord copies of all permits, authorizations, plans and reports, and supporting documentation therefor, including any Hazardous Materials Management Plan, which are required by law or by any governmental authority with respect to Tenant’s use or proposed use of the Property, including any Handling of Hazardous Materials. The provisions of this Section 6.2 shall apply to

all Hazardous Materials, whether or not Landlord has given Tenant its consent to Handle such Hazardous Materials. Tenant's and Tenant's Representatives' Handling of all Hazardous Materials shall comply at all times with all Environmental Requirements and Tenant shall, at its own expense, promptly take all actions required by any governmental authority in connection with Tenant's or Tenant's Representatives Handling of Hazardous Materials at or about the Property. Tenant notify Landlord in writing as soon as possible after any spill, release, discharge or emission of Hazardous Materials in, on or about the Property.

(d) Compliance Program. Tenant shall maintain, at its own expense, a written program to ensure and monitor Tenant's continued compliance with this Section 6.2 and all Environmental Requirements. At Landlord's request, Tenant shall provide Landlord with a copy of such program, including monitoring results; provided, however, that Tenant acknowledges that such program will be supplied to Landlord solely for informational purposes, and that Landlord shall have no obligation to review the information provided, shall not be deemed to have approved or consented to any matter set forth therein, and shall have no liability for any deficiencies therein. Landlord agrees not to disclose to any third parties the contents of any such written program provided by Tenant, unless Tenant consents to such disclosure; provided, however, Landlord may disclose such information on a confidential basis to its attorneys, property managers or its other agents, or as required in connection with the procurement of insurance or financing, or as required by law.

(e) Lease Closure. Prior to the expiration or termination of this Lease, Tenant shall, at its sole expense, promptly remove from the Property, using the then best available technology, all Hazardous Materials Handled by Tenant or Tenant's Representatives during the Term (collectively, "Lease Closure"), notwithstanding any lesser standard of removal or remediation which might be allowable under applicable law or governmental policies, and perform or cause to be performed all actions necessary, as determined by Landlord in its reasonable business judgment, to ensure that Lease Closure has been completed, including inspection, testing and post-Lease Closure monitoring. Tenant, at its sole expense, shall repair any damage caused by such work and unless otherwise requested by Landlord, shall close, at the completion of all testing and monitoring, in accordance with applicable law, any and all monitoring and extraction wells and boreholes installed as a result of or in connection with Tenant's occupancy of the Property or otherwise installed by Tenant, or at Tenant's direction. All consultants or contractors performing work on behalf of Tenant pursuant to this Section 6.2 shall be qualified and licensed to undertake the applicable work and shall be selected by Tenant; provided that Landlord shall be notified of the selected consultant(s) at least 10 business days prior to the commencement of any work by such consultant(s) (except in an emergency, in which case Landlord shall be notified within one business day after the selection of the consultant(s)) and Landlord shall have the right to disapprove the use of such consultant(s) in the exercise of Landlord's reasonable business judgment. All work required to be performed under this Section 6.2, and Tenant's and Tenant's Representatives' Handling of all Hazardous Materials, shall be performed in a good, safe and workmanlike manner and in a manner that will not interfere with the use, operation, leasing or sale of the Property.

(f) Tenant Representatives. Tenant shall be responsible and liable for the compliance with all of the provisions of this Section 6.2 by Tenant's Representatives.

(g) Discharge of Liens. Tenant shall discharge and remove at its own expense, by bond or otherwise, all liens or charges of any kind filed or recorded against the Property in connection with Tenant's or Tenant's Representatives' Handling of Hazardous Materials, within ten (10) business days after the filing or recording of such lien or charge, and if Tenant fails to do so, Landlord shall have the right, but not the obligation, to remove the lien or charge at Tenant's expense in any manner Landlord deems expedient.

(h) Landlord's Rights. Landlord and its representatives and consultants shall have the right, but not the obligation, to enter the Property at any reasonable time upon 72 hours' prior notice and in the presence of a Tenant representative but only if Tenant timely makes the representative available (except that no notice or tenant representative shall be required in the case of an emergency) (i) to confirm Tenant's compliance with the provisions of this Section 6.2, including the right to physically investigate the condition of the Property and review all permits, reports, plans, and other documents regarding the Handling of Hazardous Materials, and (ii) to perform Tenant's obligations under Section 6.2(c), (g) and/or (e) as applicable if Tenant has failed to timely do so. Tenant shall pay the costs of Landlord's consultants' fees and all other costs incurred by Landlord pursuant to clause (i) above if such investigation is undertaken because Tenant has failed to provide full and complete information regarding any release, discharge or other Handling of Hazardous Materials and shall pay, in any case, all such costs incurred pursuant to clause (ii) above. Landlord shall use reasonable efforts to minimize any interference with Tenant's sublessees caused by Landlord's entry into the Property, but Landlord shall not be responsible for any interference caused thereby.

(i) Environmental Audit. Landlord shall have the right, but not the obligation, to require, no more often than once every three (3) calendar years and again within five (5) business days after the termination or expiration of the Term, that a detailed review ("Environmental Audit") be undertaken to determine whether the Property and Tenant and Tenant's Representatives' Handling of all Hazardous Materials comply with this Section 6.2. Tenant shall pay all costs incurred in connection with any Environmental Audit required by Landlord, including without limitation, the costs and expenses of all consultants and sampling and analysis, in the event that (i) as a result of the Environmental Audit, it is determined that the Property or Tenant's or Tenant's Representatives' Handling of all Hazardous Materials do not comply with this Paragraph 6.2, or (ii) the Environmental Audit is undertaken at the termination or expiration of the Term. In all other cases, Landlord shall pay the costs of any Environmental Audit it requires pursuant to this Section 6.2. The Environmental Audit shall be conducted by independent, qualified, licensed environmental consultants selected by Tenant and acceptable to Landlord. If the consultants chosen by Tenant are unacceptable to Landlord, Landlord shall be entitled to engage its own consultants to conduct the Environmental Audit, and Tenant shall pay Landlord's consultants' fees and all costs incurred by Landlord in performing the Environmental Audit. The Environmental Audit shall include an inspection of the Property, interviews with the occupants of the Property and any other matters which the consultants believe, in the exercise of their professional judgment, are necessary to ascertain whether the Property are in compliance with this Section 6.2, including the installation of monitoring wells, and soils and water testing. Tenant shall fully cooperate with the consultants and comply with all information requests. After the completion of the Environmental Audit, a written report shall be prepared and copies shall be distributed to both Landlord and Tenant.

(j) Release of Hazardous Materials. In the event of any release, discharge or other event caused or contributed to by the acts or omissions of the Tenant or Tenant's Representatives which poses a threat of damage or contamination to the Property or the environment, whether discovered by Landlord or Tenant, Tenant shall fully document the facts relating to the event, including the circumstances existing prior to and after the occurrence of the event, the precise nature of the release, discharge or event, including specific compounds and quantities involved, and all actions Tenant has taken and will take to remediate the release, discharge or event. Tenant shall provide such documentation to Landlord promptly after the occurrence in question. Tenant shall pay the reasonable costs and fees charged by Landlord's environmental consultants to review such documentation and provide peer review confirming the adequacy of the measures, past and future, taken by Tenant to remediate the problem.

6.3 Compliance with Applicable Requirements. Tenant, shall, at Tenant's sole expense, fully, diligently and in a timely manner, comply with all applicable laws, building codes, regulations, ordinances, rules, directives, covenants, or restrictions of record, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Landlord's engineers and/or consultants which relate in any manner to the Property (collectively, "Applicable Requirements"), without regard to whether such Applicable Requirements are now in effect or become effective hereafter. Tenant shall, within ten (10) days after receipt of Landlord's written request, provide Landlord with copies of all permits and other documents, and other information evidencing Tenant's compliance with any Applicable Requirements specified by Landlord, and shall immediately upon receipt, notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Tenant or the Property to comply with any Applicable Requirements.

7. Construction and Installation of Improvements.

7.1 The Work. At no cost to Landlord, Tenant may cause to be performed all construction, alterations, additions, installations, repairs and refurbishment required to complete the work and install the improvements described on Exhibit "B" (collectively, the "Work"). Tenant shall not alter the Work or install or construct any other improvements or fixtures without the prior written consent of Landlord.

7.2 Construction Contracts. All Work shall be performed only by competent and qualified contractors duly licensed under the laws of the State of California pursuant to written contracts requiring the payment of prevailing wages under California Labor Code § 1720, et seq.

7.3 Review of Plans and Permits. Landlord shall not be deemed to have reviewed any plans, drawings or specifications from an engineering or technical standpoint, and Landlord shall have no liability whatsoever to Tenant or any third party based on or arising out of any patent or latent defect in the design or construction of the Work, whether or not such defect is actually known or apparent to Landlord.

7.4 Compliance with Law and Quality. Tenant shall pay, or cause to be paid, the prevailing rates of wages for all work and shall comply with Section(s) 1720 et seq. of the

California Labor Code and related regulations. Tenant shall cause the Work and any other construction, alterations, additions, installations, repairs and refurbishment at any time undertaken on or in the Property to be performed (a) in a workmanlike manner with only new and high quality building materials, (b) in compliance with all applicable building codes and other applicable laws, ordinances, regulations, and orders of Landlord and of all federal, state, county, and local governmental agencies or entities having jurisdiction over the Property, and (c) in compliance with all applicable insurance requirements. Without limiting the generality of the foregoing provisions, Tenant shall not permit any component of the Work to be commenced until all required building permits and other governmental permits, licenses and approvals required in connection with such component of the Work have been issued.

7.5 First Source Hiring. [INTENTIONALLY OMITTED]

7.6 Notices of Nonresponsibility. Landlord shall, at any and all times during the Term, have the right to post and maintain on the Property and to record as required by law any notice or notices of nonresponsibility provided for by the mechanics' lien laws of the State of California. Tenant shall give Landlord not less than thirty (30) days' written notice prior to the commencement of any Work (including site preparation work) or the delivery of building materials to the Property.

7.7 Mechanics' Liens. At all times during the Term, Tenant shall keep the Property and all building and improvements now or hereafter located on the Property free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Property. Should Tenant fail to pay and discharge or cause the Property to be released from any such lien or claim of lien within thirty (30) days after service on Tenant of written request from Landlord to do so, Landlord may pay, adjust, compromise and discharge any such lien or claim of lien on such terms and manner as Landlord may deem appropriate. In such event, Tenant shall, on or before the first day of the next calendar month following any such payment by Landlord, reimburse Landlord for the full amount paid by Landlord in paying, adjusting, comprising, and discharging such lien or claim of lien, including any attorneys' fees and other costs expended by Landlord, together with interest as provided in Section 13.5 from the date of payment by Landlord to the date of repayment by Tenant.

7.8 Ownership of Improvements. Any and all buildings and improvements placed or erected on the Property as well as any and all other alterations, additions, improvements and fixtures (except for improvements that are excluded from the Property and also except for Tenant's furniture and trade fixtures) made or placed in or on the Property by Tenant shall be owned by Tenant until the expiration or any earlier termination of this Lease, or if Tenant removes the same and restores the Property during the term of this Lease. Any such improvements that remain on the expiration or any earlier termination of this Lease shall become the sole property of Landlord or, if Landlord so elects and upon written notice to Tenant given written ninety (90) days prior to or after the expiration or any earlier termination of this Lease, shall be promptly demolished and removed by Tenant from the Property at Tenant's sole expense or else Landlord may do so and Tenant shall reimburse Landlord for the cost thereof within thirty (30) days after written demand. Tenant shall not remove any improvements from the Property, commit or permit any waste, or destroy or modify any improvements on the Property except as

expressly permitted by this Lease. This Section 7.8 shall survive the expiration and any earlier termination of this Lease.

8. Maintenance and Repairs.

8.1 Maintenance by Tenant. At all times during the Term, Tenant shall, at Tenant's own cost and expense, keep and maintain the Property and all improvements thereon (including all structural, non-structural, interior, exterior, landscaped areas, systems, equipment, facilities, driveways, parking lots, fences, and signs) in good order, condition and repair (whether or not the portion of the Property or improvements requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such portion). Tenant's maintenance obligations shall include restorations, replacements and renewals when necessary to keep the Property and all improvements thereon in good order, condition and repair. Tenant shall, during the Term, keep the exterior appearance of the Property and all improvements in a first-class condition consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, exterior repainting. In keeping the Property in good order, condition and repair, Tenant shall exercise and perform good maintenance practices, specifically including the procurement and maintenance at Tenant's expense of service contracts for HVAC equipment, any boiler and pressure vessels, fire protection systems, landscaping and irrigation systems, the roof and drains, and asphalt and parking lots, each with a contractor specializing and experienced in the maintenance of the applicable equipment or improvements. Tenant shall provide Landlord with a complete and correct copy of each such service contract and any amendments thereto. Tenant's maintenance obligations under this Section shall not be construed as limiting any right or requirement expressly provided for elsewhere in this Lease for Tenant to alter, modify, demolish, remove or replace any improvement. No deprivation, impairment or limitation of use resulting from any event or work contemplated by this Section shall entitle Tenant to any offset, abatement or reduction in rent nor to any termination or extension of the Term.

8.2 Requirements of Governmental Agencies. At all times during the Term, Tenant shall, at Tenant's own cost and expense:

(a) make all alterations, additions, or repairs to the Property (including the improvements and facilities on the Property) required by any law, ordinance, statute, order, or regulation now or hereafter made or issued by any federal, county, local, or other governmental agency or entity;

(b) observe and comply with all laws, ordinances, statutes, orders, and regulations now or hereafter made or issued respecting the Property by any federal, county, local, or other governmental agency or entity; and

(c) indemnify, defend and hold Landlord and the property of Landlord, including the Property, free and harmless from any and all claims, liabilities, losses, damages, fines, penalties, claims, and actions resulting from Tenant's failure to comply with the requirements of this Section 8.

8.3 Tenant's Duty to Restore Property. Should, at any time during the Term, any buildings or improvements now or hereafter on the Property be destroyed in whole or in part by fire, theft, the elements, or any other cause not the fault of Landlord, and Tenant reasonably determines that operation of the restored improvements would no longer be economically feasible and delivers to Landlord a written explanation thereof (with reasonable supporting documentation) within sixty (60) days after the damage, then Tenant may in such written notice terminate this Lease (in which case Tenant shall promptly remove the improvements and restore the Premises at Tenant's cost, and if Tenant fails to do so, Landlord may do so and Tenant shall reimburse Landlord for Landlord's costs thereof within thirty (30) days after written demand and Tenant's obligations hereunder shall survive the termination of this Lease). If this Lease is not so terminated, then Tenant, at Tenant's own cost and expense, shall repair and restore the damaged or destroyed buildings or improvements according to the original final plans and specifications therefore or according to any modified plans and specifications that provide for improvements consistent in terms of size, design and quality with the original buildings and improvements. If the work of repair and restoration does not require the issuance of any building permit or other permit from governmental authorities or the preparation of plans, then such work shall be commenced by Tenant within sixty (60) days after the damage or destruction occurs and shall be completed as soon as possible and in any event within nine (9) months after such work is commenced. If the work of repair and restoration requires the issuance of any building permit or other permit from governmental authorities or the preparation of plans, then such work shall commence within ninety (90) days after the last to occur of obtaining of the necessary permit or permits or the preparation of plans and shall be completed as soon as possible and in any event within one year after such work is commenced. The Parties agree that events or conditions may preclude in some instances the immediate making of permanent repairs. The Parties agree that in those instances Tenant shall make interim repairs that will protect the improvements from further deterioration and permit the continued use of the Property to the extent possible for the purposes for which they were demised. In such event Tenant, upon demand, shall provide Landlord sufficient information for Landlord to satisfy itself that the time for making permanent repairs must be extended as reasonable beyond the time limits specified hereinbefore. In all other respects, the work of repair and restoration shall be done in accordance with the requirements for the original Work set forth in Section 7. No deprivation, impairment or limitation of use resulting from any event or work contemplated by this Section shall entitle Tenant to any offset, abatement or reduction in Rent or to any termination or extension of the Term.

8.4 Application of Insurance Proceeds. Any and all fire or other insurance proceeds that become payable at any time during the Term because of damage to or destruction of any buildings or improvements on the Property shall be paid to Tenant's lender or to Landlord and shall be used toward the repair, restoration and replacement of damaged or destroyed buildings or improvements in the manner required by Section 8.3; provided, however, that any fire or other insurance proceeds remaining after the repair, restoration, reconstruction and/or replacement of the damaged or destroyed buildings or improvements has been completed to the satisfaction of Landlord (the "Remaining Insurance Proceeds") shall be allocated between Tenant and Landlord as follows:

(a) that percentage of the Remaining Insurance Proceeds which equals the percentage of the unexpired portion of the Term, at the time the repair, restoration,

reconstruction and/or replacement of the damaged or destroyed buildings has been completed, shall belong to and be the sole property of Tenant; and

(b) that percentage of the Remaining Insurance Proceeds which equals the percentage of the expired portion of the Term, at the time the repair, restoration, reconstruction and/or replacement of the damaged or destroyed buildings has been completed, shall belong to and be the sole property of Landlord.

8.5 Landlord's Rights of Entry. Landlord and Landlord's agents shall have the right to enter after prior notice (except in an emergency) of the time and place of entry into and upon said portions of the Property as necessary for the purpose of ascertaining that the improvements on the Property are kept and maintained in good condition and repair as provided for in this Section 8 and that the terms of this Lease are observed, provided that Tenant shall have the right to have a representative of Tenant accompany the inspecting person(s) if Tenant makes such representative available at the applicable time and place.

9. Indemnity and Insurance.

9.1 Exculpation of Landlord. Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's property for any cause, except for any damage to Tenant or Tenant's property resulting from the gross negligence and willful misconduct of Landlord or its authorized representatives. Tenant waives all claims against Landlord for damage to person or property arising, or asserted to have arisen, for any reason, except that Landlord shall be liable to Tenant for any damage to Tenant resulting from the gross negligence or willful misconduct of Landlord, provided that under no circumstances shall Landlord be liable for any injury to Tenant's business or for any loss of income or profit. Subject to the foregoing provisions, Landlord agrees to, defend, indemnify and hold Tenant and its officers, directors, employees, agents and affiliates and their respective assets free and harmless against and from any and all liabilities, claims, losses, damages, and expenses (including attorneys' fees and court costs) resulting from or arising out of Landlord's failure to perform any of Landlord's obligations under this Lease when and as required by the terms hereof.

9.2 Indemnity. Tenant agrees to, and does hereby defend, indemnify and hold Landlord and its officers, directors, employees, agents and affiliates and their respective assets, including the Property and all improvements now or hereafter on the Property, free and harmless against and from any and all liabilities, claims, losses, damages, and expenses (including attorneys' fees and court costs) resulting from or arising out of Tenant's occupation and use of the Property, specifically including any liability, claim, loss, damage, or expense arising by reason of:

(a) The death or injury of any person, including any person who is an employee or agent of Tenant, or the damage to or destruction of any property, including property owned by Tenant or by any person who is an employee or agent of Tenant, from any cause whatsoever while such person or property is on the Property;

(b) Any work performed on the Property or materials furnished to the Property at the instance or request of Tenant or any person or entity acting for or on behalf of Tenant; or

(c) Tenant's failure to comply with any requirement of law or any requirement imposed on Tenant or the Property by any governmental agency or authority;

(d) Tenant's failure to perform any of Tenant's obligations under this Lease when and as required by the terms hereof; or

(e) The inaccuracy of any representation made by Tenant to Landlord in this Lease.

9.3 Liability Insurance. Tenant shall, at Tenant's own cost and expense, secure promptly after execution of this Lease and maintain during the entire Term a general liability insurance policy issued by Special District Risk Management Authority ("SDRMA") or ACWA JPIA, or as permitted under Section 9.7, insuring Tenant and Landlord against loss or liability caused by or connected with Tenant's occupation, use, disuse, or condition of the Property under this Lease in an amount not less than \$2,500,000 per occurrence.

9.4 Increase in Insurance Coverage. Not more frequently than each five (5) years, if, in the reasonable opinion of Landlord, the amount of public liability and property insurance coverage at that time is not adequate, Tenant shall increase the insurance coverage as reasonably required by Landlord.

9.5 Evidence of Insurance. Prior to entering the Premises for any purpose, Tenant shall deliver to Landlord an insurance certificate showing that Tenant has obtained and is maintaining the insurance required by this Section 9. Upon written request of Landlord, Tenant shall deliver to Landlord a complete and correct copy of each insurance policy required by this Section 9. All insurance policies required by express provisions of this Lease shall be nonassessable and shall contain language to the effect that (a) any loss shall be payable notwithstanding any act or negligence of Landlord that might otherwise result in the forfeiture of the insurance, (b) that the insurer waives the right of subrogation against Landlord, and (c) the policies are primary and non-contributing with any insurance that may be carried by Landlord.

9.6 Notice of Cancellation of Insurance. Each insurance policy required by this Section 9 shall contain a provision that it cannot be cancelled or materially changed for any reason unless 30 days' prior written notice of such cancellation or change is given to Landlord in the manner required by this Lease for service of notices on Landlord by Tenant.

9.7 Different Insurer. If the then-existing insurer ceases to exist or no longer issues such insurance, or if Tenant desires to obtain such insurance from a different insurer, Tenant may obtain such insurance from an insurance company authorized to issue insurance in California and having a rate of at least "A-13" in the then-current Best's Insurance Guides, provided Tenant delivers a new insurance certificate to Landlord reflecting the insurance required hereunder.

10. Condemnation.

10.1 Total Condemnation. Should, during the Term, title to the Property be taken under the power of eminent domain by any public or quasi-public agency or entity, this Lease shall terminate as of 12:01 A.M. of, whichever first occurs, (a) the date legal title to the Property becomes vested in or (b) actual physical possession of the Property is taken by the agency or entity exercising the power of eminent domain, and both Landlord and Tenant shall thereafter be released from all future obligations under this Lease, except those specified in Sections 10.4 and 10.5.

10.2 Partial Condemnation. Should, during the Term, title of only a portion of the leased Property be taken under the power of eminent domain by any public or quasi-public agency or entity, all compensation and damages payable by reason the taking by eminent domain of any improvements (but not land) shall be available to and used, to the extent reasonably needed, by Tenant to replace the improvements so taken to the extent practicable under then existing laws and conditions with improvements of the same type on the remaining portion of the Property. Tenant shall submit to Landlord conceptual plans for the replacement improvements and shall consult with Landlord and keep Landlord informed concerning development and construction of replacement improvements; provided, however, that should the improvements taken by eminent domain result in a net loss of one-half or more of the total area of Tenant's improvements, after taking into consideration such improvements that could be reasonably constructed on the remaining portion of the Property, Tenant may terminate this Lease in the manner prescribed by Section 10.3.

10.3 Termination for Partial Taking. Tenant may terminate this Lease for the reasons stated in Section 10.2 by serving written notice of termination on Landlord within ninety (90) days after Tenant has been deprived of actual physical possession of the portion of the Property taken by eminent domain. This Lease shall terminate as of 12:01 A.M. of the first day of the calendar month following the calendar month in which the notice of termination described in this Section is served on Landlord. Upon any termination of this Lease pursuant to this Section, all subleases and subtenancies in or on the Property or any portion or portions of the Property created by Tenant under this Lease shall also terminate and the Property shall be delivered to Landlord free and clear of all such subleases and subtenancies; provided, however, that Landlord may, at Landlord's option, by mailing written notice to a subtenant allow any subtenant to attorn to Landlord and continue the subtenant's occupancy of the Property as a tenant of Landlord. On termination of this Lease pursuant to this Section, however, both Landlord and Tenant shall be released from all future obligations under this Lease except those specified in Sections 10.4 and 10.5.

10.4 Condemnation Award. Any compensation or damages awarded or payable because of the taking of all or any portion of the Property by eminent domain shall be allocated between Landlord and Tenant as follows:

(a) All compensation or damages awarded or payable for the taking by eminent domain of any land that is part of the Property shall be paid to and be the sole property of Landlord free and clear of any claim of Tenant or any person claiming rights to the Property through or under Tenant.

(b) All compensation or damages awarded or payable for the taking by eminent domain of any improvements located on the Property where only a portion of the Property is taken by eminent domain and Tenant is not entitled to or does not terminate this Lease, shall be applied in the manner specified in Section 10.2 toward the replacement of such improvements with equivalent new improvements on the remaining portions of the Property.

(c) All compensation or damages awarded or payable for the taking by eminent domain of any improvements located on the Property where this Lease is terminated because of such taking, whether all or only a portion of the Property is taken, shall be allocated between Tenant and Landlord as follows:

(i) That portion of the compensation or damages awarded or payable for the taking of improvements in existence on the date of this Lease shall belong to and be the sole property of Landlord.

(ii) That percentage of the compensation or damages awarded or payable for the taking of improvements not in existence on the date of this Lease which equals the percentage of the expired portion of the Term at the time of the taking shall belong to and be the sole property of Landlord.

(iii) That portion of the compensation or damages awarded or payable for the taking of improvements not in existence on the date of this Lease which equals the percentage of the unexpired portion of the Term at the time of the taking shall belong to and be the sole property of Tenant.

(iv) The term "time of taking" as used in this subparagraph shall mean 12:00 A.M. of, whichever shall first occur, the date title or the date physical possession of the portion of the Property on which the improvements are located is taken by the agency or entity exercising the eminent domain power.

(v) Any severance damages awarded or payable because only a portion of the Property is taken by eminent domain shall be the sole property of Tenant during the first fifteen (15) years of the Term and shall be the sole and separate property of Landlord thereafter.

10.5 Allocation of Award Between Land and Improvements. For purposes of this Section any compensation or damages awarded or payable because of the taking by eminent domain of all or any portion of the Property shall be allocated between the land and any improvements so taken in accordance with any allocation made by the court in any eminent domain proceeding. If the court does not make any such allocation, or if Landlord should voluntarily convey title to all or a portion of the Property pursuant to Section 10.7, then that portion of any compensation or damages awarded which is equal to the then fair market value of any land within the Property that is taken by eminent domain (the "Land Value") shall be deemed compensation or damages awarded for the taking of such land, and the remainder of any compensation or damages awarded shall be deemed to be compensation or damages awarded for the taking of any improvements constructed or located on the Property taken by eminent domain.

The Land Value shall be determined as though the Property were not subject to this Lease or any other lease or encumbrance and shall be established as follows:

(a) Landlord and Tenant shall attempt in good faith to agree on the Land Value. If Landlord and Tenant do not agree on the Land Value within ten business days after such taking, the Land Value shall be determined by appraisal in accordance with paragraphs (b) through (e) below.

(b) Within ten (10) business days after any taking, each party hereto shall deliver to the other a written notice appointing as such party's appraiser a disinterested person with at least 10 years' experience as a real estate appraiser, who shall be a member of a recognized society of real estate appraisers and shall have had experience in appraising industrial properties in Sacramento, California and its environs.

(c) Within ten (10) business days after the appointment of the second of the two appraisers, the two appraisers shall jointly appoint a third appraiser whose qualifications meet the standards set forth above.

(d) Within thirty (30) days after the appointment of the second appraiser, the first two appraisers shall make their respective determinations of the Land Value and shall submit their appraisal reports to Landlord and Tenant.

(e) The Land Value shall be conclusively deemed to the arithmetic average of the two fair market values shown in the appraisal reports submitted by the first two appraisers; provided, however, that if within thirty (30) days after the appointment of the second appraiser only one appraisal report shall have been submitted, the Land Value shall be conclusively deemed to the fair market value shown in such appraisal report; and provided further that if two appraisal reports are submitted within thirty (30) days after the appointment of the second appraiser and if the difference between the two appraised values is greater than 10% of the higher appraised value, then upon the written request of either Landlord or Tenant made within five business days after the submission of the second appraisal report, the third appraiser shall be instructed to select as the Land Value one of the appraised values determined by the first two appraisers. The value so selected shall be conclusively deemed to be the Land Value.

10.6 Abatement of Base Rent for Partial Taking. Should, during the Term, title and possession of only a portion of the Property be taken under the power of eminent domain by any public or quasi-public agency or entity and Tenant does not or cannot under Section 10.2 terminate this Lease, then this Lease shall terminate as to the portion of the Property taken under eminent domain as of 12:01 A.M. of, whichever first occurs, the date title is taken or the date actual physical possession of the portion taken by eminent domain is taken by the agency or entity exercising the eminent domain power. Furthermore, the Base Rent payable under this Lease shall, as of that time, be reduced in the same proportion that the value of the portion of the Property taken by eminent domain bears to the full value of the Property at that time as reasonably determined by Landlord; provided, however, that subject to the provision of Sections 10.2 and 10.3, Tenant shall replace any improvements or facilities with equivalent new facilities on the remaining portion of the Property and do all other acts, at Tenant's own cost and expense,

required by the eminent domain taking to make the remaining portion of the Property fit for the uses specified in this Lease.

10.7 Voluntary Conveyance in Lieu of Eminent Domain. Landlord reserves the right in its sole discretion to voluntarily convey title to all or a portion of the Property to a public or quasi-public agency or entity in lieu of and under threat by such agency or entity to take the same by eminent domain proceedings, provided that Landlord shall give Tenant prior notice of intent or willingness to voluntarily convey title. Such voluntary conveyance by Landlord of title to all or a portion of the Property to a public or quasi-public agency or entity in lieu of and under threat by such agency or entity to take the same by eminent domain proceedings shall be considered a taking of title to all or such portion of the Property under the power of eminent domain subject to the provisions of this Section 10.

11. Assignment and Subletting.

11.1 Landlord's Consent Required. Provided Tenant notifies Landlord in writing in advance of the name, address and qualifications of the operator, Tenant may hire a reputable operator with respect to Tenant's leasehold interest hereunder and the Property. Tenant shall not voluntarily or by operation of law assign, encumber or otherwise transfer its leasehold estate under this Lease or any right or interest in this Lease or the Property, or (except for the operator described above) permit all or any portion of the Property to be occupied by anyone other than Tenant, or sublet all or any part of the Property, without the express prior written consent of Landlord, which shall not be unreasonably withheld. Any such assignment or subletting without the prior written consent of Landlord, whether voluntary or involuntary, by operation of law or otherwise, shall be void and shall constitute a non-curable Event of Default. A consent by Landlord to any one assignment or subletting shall not be deemed to be a consent to any subsequent assignment or subletting. Without limiting the matters that may be considered by Landlord in determining whether to consent to any requested assignment or subletting, Landlord may take into account the proposed assignee's or subtenant's financial strength and ability to perform all of the obligations of Tenant under this Lease. No assignment of this Lease shall be effective unless and until the proposed assignee shall have executed and delivered to Landlord a written agreement in form and content satisfactory to Landlord pursuant to which the proposed assignee shall assume and agree to perform when due all of Tenant's obligations under this Lease.

11.2 Additional Provisions Regarding Assignment and Subletting.

(a) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Landlord's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including the intended use and/or required modification of the Property, if any, together with a fee of \$300.00 (as increased on each anniversary of the date of this Lease by the percentage increase in the Index over the year ending on the applicable anniversary, as determined in good faith by Landlord) to compensate Landlord for considering and processing such request. Tenant shall also reimburse Landlord for Landlord's reasonable attorneys' fees incurred in connection with any such assignment or subletting for which Landlord's consent is required. Tenant agrees to

provide Landlord with such other or additional information and documentation as may be reasonably requested.

(b) Landlord may accept Rent or performance of Tenant's obligations from any person other than Tenant pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Landlord's right to exercise its remedies for Tenant's default.

(c) Landlord's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) Following any assignment of this Lease, the assigning Tenant shall remain fully liable for the full and timely performance and observance of each obligation of the "Tenant" under this Lease, as it may be amended from time to time. Such continuing liability shall be primary and concurrent with that of the successor Tenant, and shall not be affected by any amendment of this Lease entered into between Landlord and the successor Tenant after the date of the assignment. Upon any Event of Default, Landlord may proceed directly against the assigning Tenant or anyone else responsible for the performance of Tenant's obligations under this Lease, including any assignee, without first exhausting Landlord's remedies against any other person or entity responsible therefor, or any security held by Landlord.

(e) Any assignee of this Lease shall, by reason of accepting such assignment, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Tenant during the term of said assignment, other than such obligations as are contrary to or inconsistent with provisions of an assignment to which Landlord has specifically consented to in writing.

(f) No assignee or sublessee shall have a right further to assign or sublet without complying with this Section 11.

(g) Any payments and other economic consideration received by Tenant (whether before or after the date of such adjustment) as a result of any assignment or subletting shall be remitted to Landlord after Tenant has recovered from such payments and consideration the actual brokerage commissions and reasonable attorneys' fees incurred in the assignment or subletting, and as shown by reasonable evidence delivered to Landlord prior to the effective date of the assignment, and in the case of a subletting, after deduction of the rent paid by Tenant to Landlord under this Lease. Such remittance shall be payable to Landlord as additional Rent under this Lease (i) in the case of an assignment, when the payment/consideration is received by the Tenant; and (ii) in the case of a sublease, on a monthly basis (i.e., sublease profit shall be calculated on a monthly basis, and only the Lease rent for the month in question shall be deducted from that month's sublease rent).

(h) The term of any sublease shall not extend beyond the Term.

(i) Each sublease shall by its own terms be expressly subject to all of the terms, covenants and conditions of this Lease, and Tenant shall remain fully liable to Landlord for the payment of rents and performance of all other obligations under this Lease.

(j) Each sublease shall contain a provision, satisfactory to Landlord, that upon the termination of this Lease for any reason, at Landlord's election either (i) the sublease shall terminate or (ii) the sublessee shall attorn to Landlord and pay rent and perform all of the other obligations of the sublessee under its sublease directly to Landlord.

(k) Each sublease shall contain a provision, satisfactory to Landlord, prohibiting the payment of rent more than three months in advance.

(l) Each sublease shall contain a provision, satisfactory to Landlord, that if Tenant defaults under this Lease and fails to deliver to Landlord any security deposit or prepaid rent paid to Tenant by a subtenant under such sublease, then (i) Landlord shall have no obligation or liability to such subtenant for the return of any security deposit or prepaid rent paid to Tenant, (ii) such subtenant shall be solely responsible to pursue its rights and remedies against Tenant for recovery of any security deposit or prepaid rent paid to Tenant, and (iii) such subtenant shall deliver to Landlord, within thirty (30) days after demand by Landlord, a security deposit in the same amount as set forth in such sublease, and notwithstanding any prepayment by such subtenant of rent to Tenant, shall be obligated to pay to Landlord rent set forth in such sublease commencing upon termination of this Lease and notice thereof to such subtenant by Landlord.

(m) Promptly after execution of any sublease or an amendment to any sublease, Tenant shall deliver to Landlord a complete and correct copy of the fully executed and effective sublease or amendment, including all exhibits and attachments.

(n) Tenant hereby assigns and transfers to Landlord all of Tenant's interest in all rent payable to Tenant under any sublease, and Landlord may collect such rent and apply same toward Tenant's obligations under this Lease; provided, however, that until an Event of Default shall have occurred under this Lease, Tenant may collect such rent, subject to Section 11.2(g). Landlord shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of any rent thereunder, be deemed liable to the sublessee for any failure of Tenant to perform and comply with any of Tenant's obligations to such sublessee. Tenant hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Landlord stating that an Event of Default exists under this Lease, to pay to Landlord all rent due and to become due under the sublease. The sublessee shall rely upon any such notice from Landlord and shall pay such rent to Landlord without any obligation or right to inquire as to whether such Event of Default exists, notwithstanding any claim from Tenant to the contrary.

(o) Upon the occurrence of any Event of Default under this Lease, Landlord may, at its option, require sublessee to attorn to Landlord, in which event Landlord shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, that Landlord shall not be liable for any prepaid rent or security deposit paid by such sublessee (except to the extent actually paid over to Landlord) or for any prior defaults of such sublessor.

12. Default and Remedies.

12.1 Events of Default by Tenant. Any of the following events shall constitute an “Event of Default” under this Lease:

- (a) Tenant fails to make any payment of money called for by any provision of this Lease (whether to Landlord or any third party) within fifteen (15) days after delivery of written notice by Landlord that the payment is past due; or
- (b) Tenant fails to perform fully and when due any of its other covenants, conditions or obligations under this Lease and after written notice from Landlord specifying the nature of such failure of Tenant, Tenant: (i) does not promptly commence taking all necessary and appropriate actions to remedy such failure, or (ii) does not thereafter diligently and continuously pursue all such remedial actions, or (iii) does not fully cure such failure within the minimum period of time reasonably required under the circumstances to achieve a cure, but in any event within ninety (90) days after Landlord’s written notice of such failure, time being strictly of the essence; provided, however, that Tenant shall not be entitled to cure the breach of any covenant that is “non-curable”; or
- (c) any voluntary or involuntary assignment, transfer, encumbrance or subletting of this Lease occurs in violation of Section 11; or
- (d) any material statement or disclosure made by Tenant to Landlord in order to induce Landlord to enter into this Lease is false or misleading; or
- (e) any right or interest of Tenant is subjected to attachment, execution, or other levy, or to seizure under legal process, which is not released within sixty (60) days; or
- (f) a receiver is appointed to take possession or control of the Property, the leasehold estate of Tenant under this Lease, or Tenant’s operations on the Property for any reason, including assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings; or
- (g) Tenant makes a general assignment for the benefit of creditors or a voluntary or involuntary petition is filed by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt, or for extending time for payment, adjustment or satisfaction of Tenant’s liabilities, or for reorganization, dissolution or arrangement on account of or to prevent bankruptcy or insolvency, unless such assignment or proceeding, and all consequent orders, adjudications, custodies and supervisions are dismissed, vacated or otherwise permanently stayed or terminated within sixty (60) days after such assignment, filing or other initial event.

12.2 Landlord Event of Default. The following shall constitute a “Landlord Event of Default” under this Lease:

Landlord fails to perform of its obligations under this Lease after written notice from Tenant specifying the nature of such failure of Landlord, and Landlord: (i) does not thereafter commence taking all necessary and appropriate actions to remedy such failure with

reasonable diligence, or (ii) does not thereafter pursue all such remedial actions with reasonable diligence.

12.3 Remedies. Upon the occurrence of any Landlord Event of Default, Tenant shall have all of its rights and remedies at law or in equity. Upon the occurrence of any Event of Default by Tenant, and without the giving of any additional notice not otherwise required hereunder or by law, Landlord may exercise the following rights and remedies in addition to all other rights and remedies provided by law or equity, either cumulatively (to the extent permitted by applicable law) or in the alternative:

(a) Terminate Tenant's right to possession of the Property by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Property to Landlord. In such event Landlord shall be entitled to recover from Tenant: (i) the unpaid Rent that had been earned at the time of termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent that would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus (iv) any other amounts necessary to compensate Landlord for all the detriment approximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including the cost of recovering possession of the Property, expenses of reletting, including necessary renovation and alteration of the Property, reasonable attorneys' fees, and that portion of any leasing commission paid by Landlord in connection with this Lease applicable to the unexpired Term. The worth at the time of award of the amount referred to in clause (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Landlord shall have the right to recover in such proceeding any unpaid Base Rent, Percentage Rent and damages as are recoverable therein, or Landlord may reserve the right to recover all or any part thereof in a separate suit. If any notice required under Section 12.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Tenant under the unlawful detainer statute shall also be deemed to constitute the notice required by Section 12.1. In such case, any applicable grace period required by Section 12.1 and the unlawful detainer statute shall run concurrently, and the failure of Tenant to cure the Event of Default within the greater of the two such grace periods shall constitute both an unlawful detainer and an Event of Default entitling Landlord to the remedies provided for in this Lease and/or by said statute.

(b) Maintain this Lease and Tenant's right to possession of the Property in effect and continue to enforce all of Landlord's rights and remedies hereunder, including the remedy described in California Civil Code Section 1951.4 (granting a landlord the right to continue a lease in effect after a tenant's breach and abandonment and to recover all rent as it becomes due if the tenant has the right to sublet or assign, subject only to reasonable limitations) provided that upon Landlord's election of such remedy, Landlord shall not and may not unreasonably withhold its consent to any assignment or subletting. Acts of maintenance or preservation or efforts to relet the Property or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of this

Lease or Tenant's right to possession unless written notice of termination is given by Landlord to Tenant.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the State of California. The expiration or termination of this Lease and/or the termination of Tenant's right to possession shall not relieve Tenant from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the Term or by reason of Tenant's occupancy of the Property.

12.4 Landlord's Performance of Tenant's Obligations. If Tenant fails to perform any affirmative duty or obligation under this Lease within five (5) business days after written notice (or in case of an emergency, without notice), the Landlord may, at its option, perform such duty or obligation on Tenant's behalf, including the obtaining of reasonably required bonds, insurance policies, or governmental permits, licenses and approvals. The costs and expenses of any such performance by Landlord shall be due and payable by Tenant upon Landlord's written demand. If any check given to Landlord by Tenant shall not be honored by the bank upon which it is drawn, Landlord, at its option, may require that all future payments by Tenant to Landlord be made by bank cashier's check.

12.5 Remedies Cumulative. To the extent permitted by applicable law, the remedies of each party shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law or provided in this Lease.

12.6 Waiver of Breach. The waiver of any breach of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or a different provision of this Lease. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel or otherwise. The subsequent acceptance of rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default in the payment of the particular rental payment so accepted, regardless of Landlord's knowledge of the preceding breach at the time of accepting the rent, nor shall acceptance of rent or any other payment after termination constitute a reinstatement, extension or renewal of the Term or revocation of any notice or other act by Landlord.

13. Miscellaneous.

13.1 Tenant's Duty to Surrender Property. At the expiration or any earlier termination of the Term, Tenant shall surrender to Landlord the possession of the Property and, subject to Section 7.8, all improvements and fixtures installed or constructed by or for Tenant thereon free and clear of all claims to or against them by Tenant or any third person or party. Tenant shall defend, indemnify and hold Landlord harmless from any and all claims, losses, damages, liabilities and expense resulting from the delay or failure to surrender or failure to comply with Section 7.8, including claims made by any succeeding tenant or any purchaser or prospective purchaser founded on or resulting from any such delay or failure.

13.2 Holding Over. This Lease shall terminate without further notice at the expiration of the Term. Notwithstanding Landlord's acceptance of Rent after expiration or any

earlier termination of the Term, any holding over by Tenant shall not constitute a renewal or extension of the Term or give Tenant any rights in or to the Property. In the event that Tenant holds over, then the Base Rent shall be increased to one hundred and fifty percent (150%) of the Base Rent applicable during the month immediately preceding the expiration or earlier termination of the Term. Nothing contained herein shall be construed as a consent by Landlord to any holding over by Tenant.

13.3 Survival. Each obligation of Tenant's obligations under this Lease that, by its nature, is to be, or may need to be, performed after the expiration or any earlier termination of this Lease shall survive such expiration or termination. Without limiting the generality of the preceding sentence, Tenant's indemnification and defense obligations under this Lease shall survive the expiration or termination of this Lease.

13.4 Force Majeure Delays. Except as otherwise expressly provided in this Lease, should the performance of any act required by this Lease to be performed by either Landlord or Tenant be prevented or delayed by reason of any act of God, strike, war, lockout, labor trouble, or inability to secure materials (but not by reason of delay in the issuance of any required governmental permit, license or approval), the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused; provided, however, that nothing contained in this Section shall excuse the full payment when due of any Rent payable by Tenant or the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act; and provided further that any such extension of the time for performance shall not affect the commencement or expiration of the Term.

13.5 Interest on Overdue Payments. All Rent and other sums of any nature that Tenant fails to pay to Landlord when due under any provision of this Lease or that Landlord pays to any third party on behalf of Tenant pursuant to any provision of this Lease shall bear interest from the date due to Landlord or paid by Landlord, as applicable (the "Due Date"), at the lesser of the rate of 10% per annum, accruing daily but not compounded, or the maximum rate permitted by law. Such interest shall be payable immediately and without the necessity of any demand by Landlord. The fact that Landlord is entitled to interest under this Section shall not be construed to excuse or mitigate any default by Tenant.

13.6 Attorneys' Fees. In the event either party brings a suit, action or other proceeding against the other party that in any way relates to or arises out of this Lease, the prevailing party (meaning the party that obtains substantially the relief sought by it) shall be entitled to have and recover from the other party all costs and expenses of the suit, action or proceeding, including attorneys' fees, from the commencement of the suit, action or proceeding through the entry of judgment. The trial court shall determine which party is the prevailing party as well as the amount of attorneys' fees and costs to be awarded immediately following the entry of judgment (and without awaiting any appeal) in a post-trial proceeding such as is conducted when a cost bill is submitted. If an appeal is timely filed and if the awarding or amount of attorneys' fees and costs is at issue in the appeal, then the appellate court (or the trial court, acting pursuant to an order of the appellate court) shall determine such issue, and the recoverable attorneys' fees and costs shall include those incurred through the entry of final judgment following the appeal. In the event that Landlord shall be a party to any legal proceedings

instituted in connection with or arising out of this Lease where Tenant is named as a defendant, Tenant agrees to pay to Landlord all sums paid or incurred by Landlord as costs and expenses in such legal proceedings, including Landlord's reasonable attorneys' fees.

13.7 Estoppel Certificates by Tenant. Tenant shall within ten (10) days after written notice from Landlord execute, acknowledge and deliver to Landlord an estoppel certificate in writing, in form similar to the then most current "Tenancy Statement" form published by the American Industrial Real Estate Association, plus such additional information, confirmation and statements as may be reasonably requested by Landlord. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Property. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct. If Tenant does not deliver such statement to Landlord within such 10-day period, Landlord and any prospective purchaser or encumbrancer may conclusively presume that: (a) the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (b) this Lease has not been canceled or terminated except as otherwise represented by Landlord; (c) not more than one month's Base Rent has been paid in advance; and (d) Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of any such presumption. If Landlord desires to finance, refinance, or sell the Property or any part thereof, Tenant shall deliver to any potential lender or purchaser designated by Landlord such financial statements as may be reasonably required by such lender or purchaser, including Tenant's financial statements for the past three years. All such financial statements shall be received by Landlord and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

13.8 Limitation on Landlord's Liability. The obligations of Landlord under this Lease shall not constitute personal obligations of Landlord or its councilmembers, officers, employees or affiliates, and Tenant shall look to the Property, and not to any other assets of Landlord, for the satisfaction of any liability of Landlord with respect to this Lease, and shall not seek recourse against Landlord or its individual directors, officers, employees or affiliates, or any of their personal assets for such satisfaction.

13.9 Subordination; Attornment; Non-Disturbance.

(a) Subordination. This Lease shall be subject and subordinate to any deed of trust or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed by Landlord upon the Property, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof.

(b) Attornment. Subject to the non-disturbance provisions of paragraph (c) below, Tenant agrees to attorn to any lender or any other party who acquires ownership of the Property by reason of a foreclosure of a Security Device, and in the event of such foreclosure, such new owner shall not (i) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership, (ii) be subject to any offsets or defenses that Tenant might have against any prior lessor, or (iii) be bound by any prepayment of more than one calendar quarter's Base Rent.

(c) Non-Disturbance. With respect to Security Devices entered into by Landlord after the execution of this Lease, Tenant's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the lender to the effect that Tenant's possession of the Property shall not be disturbed so long as Tenant is not in default hereunder and attorns to the record owner of the Property.

(d) Self-Executing. The agreements contained in this Section 13.9 shall be effective without the execution of any further documents; provided, however, that, upon the written request of Landlord or any lender in connection with a sale, financing or refinancing of the Property, Tenant and Landlord shall execute such further writings as may be reasonably required to separately document the subordination, attornment and Non-Disturbance Agreement provided for herein.

13.10 Consents. Whenever the consent, approval, judgment or determination of Landlord is required or permitted under any provision of this Lease, Landlord may exercise its good faith business judgment in granting or withholding such consent or approval or in making such judgment or determination without reference to any extrinsic standard of reasonableness, unless the provision for such consent, approval, judgment or determination specifies that Landlord's consent or approval is not to be unreasonably withheld, or that such judgment or determination is to be reasonable, or otherwise specifies the standards under which Landlord may withhold its consent. If it is determined that Landlord failed to give its consent where it was required to do so under this Lease, Tenant shall be entitled to specific performance but not to monetary damages for such failure. Landlord's actual reasonable costs and expenses (including architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Tenant for any Landlord consent, including consents to an assignment, a subletting or the presence or use of a Hazardous Materials, shall be paid by Tenant upon receipt of an invoice and supporting documentation therefor. Landlord's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Event of Default by Tenant of this Lease exists, nor shall such consent be deemed a waiver of any then existing Event of Default, except as may be otherwise specifically stated in writing by Landlord at the time of such consent. The failure to specify herein any particular condition to Landlord's consent shall not preclude the imposition by Landlord at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. The review or approval by Landlord of any item to be reviewed or approved by Landlord under the terms of this Lease shall not impose upon Landlord any liability for accuracy or sufficiency of any such item or the quality or suitability of such item for its intended use. Any such review or approval is for the sole purpose of protecting Landlord's interest in the Property or under this Lease, and no third parties, including Tenant or the representatives and visitors or Tenant or any person or entity claiming by, through or under Tenant, shall have any rights hereunder.

13.11 Reservations by Landlord. Landlord reserves to itself the right, from time to time and without the consent or joinder of Tenant, to grant such easements, rights and dedications as Landlord may deem necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Property by Tenant. Tenant agrees to sign any

documents reasonably requested by Landlord to effectuate any such easement rights, dedication, map or restrictions.

13.12 Authority. Each individual executing this Lease on behalf of Landlord or Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on such party's behalf. Each party shall, within thirty (30) days after written request, deliver to the other party satisfactory evidence of such authority.

13.13 Jurisdiction and Governing Law. Any action brought by Landlord against Tenant in connection with this Lease or any matter that in any way relates to the transactions contemplated by this Lease may be brought by Landlord in any court in Monterey County or in any other court of competent jurisdiction, wherever located, having personal jurisdiction over Tenant. The judgment in any such action may be enforced by any court of competent jurisdiction wherever located. Without limiting the generality of the foregoing, Tenant hereby submits to the jurisdiction and venue of any court in Monterey County, California. In connection with any action brought by either party hereto against the other party, Landlord may take depositions in the State of California or in any other locations worldwide in which Tenant maintains an office or records; Tenant shall take depositions only in the State of California. Regardless of who initiates an action or the jurisdiction and venue in which such action is brought, this Lease and all matters that in any way relate to the transactions contemplated by this Lease shall be governed by the laws of the State of California.

13.14 Quiet Enjoyment. Subject to Tenant's compliance with the terms of this Lease, Tenant shall and may peacefully and quietly have, hold and enjoy the Property hereby demised, for the Term, on the terms and subject to the conditions contained in this Lease.

13.15 Notices. All notices required or permitted by this Lease shall be in writing and may be delivered by overnight courier or may be sent by certified mail, with postage prepaid, and shall be deemed sufficiently given if served in a manner specified in this Section. Until changed by a notice given in accordance with the provisions of this Section, the respective addresses of Landlord and Tenant for the purpose of receiving notices required or permitted by this Lease are as follows:

Landlord:

City of Seaside
440 Harcourt Avenue
Seaside, CA 93955
Attn: City Manager

Tenant:

Monterey Peninsula Water Management District
P. O. Box 85
Monterey, CA 93942-0085
Attn: _____

Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. Notices delivered by overnight courier that guarantee next day delivery shall be deemed given on the next business day after delivery of the same to the courier. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

13.16 Successors and Assigns. This Lease shall be binding on and enforceable by, and shall inure to the benefit of, Landlord and Tenant and their respective successors, and assigns, subject to the provisions of Section 11.

13.17 Time of Essence. Time is expressly declared to be the essence of each provision of this Lease in which time is a factor.

13.18 Memorandum of Lease. Concurrently with its execution of this Lease, Tenant shall execute and deliver to Landlord a memorandum of this Lease in the form of Exhibit "C", duly acknowledged. Upon the commencement of the Term (i.e., after Landlord has acquired title to the Property), Landlord shall execute the memorandum and cause it to be recorded in the Official Records of Monterey County.

13.19 Counterparts. This Lease may be executed in counterparts, all of which together shall constitute one and the same document.

13.20 Partial Invalidity. Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

13.21 Entire Agreement. This instrument constitutes the sole and only agreement between Landlord and Tenant regarding the subject matter of this Lease. Any agreements or representations respecting the Property, their leasing to Tenant by Landlord, or any other matter discussed in this Lease not expressly set forth in this instrument, are hereby superseded and are null and void.

13.22 Amendments. This Lease may be modified only by a written instrument signed by the parties in interest at the time of the modification. Tenant agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a lender in connection with any financing or refinancing of the Property, provided that such modifications do not materially change Tenant's obligations hereunder.

13.23 Construction of Lease. This Lease shall be construed fairly as to all parties and not in favor of or against any party, regardless of which party prepared this Lease. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections and paragraphs of this Lease are for convenience only and do not define or limit any terms or provisions. Unless otherwise specifically provided, references in this Lease to sections, paragraphs and exhibits shall be to sections, paragraphs and exhibits of or to this Lease. All exhibits hereto are incorporated herein by the references thereto in this Lease. The use in this Lease of the word "include" or any derivative thereof shall be construed as providing examples or illustration only and shall not limited the generality of any provision in which it is used. As

used in this Lease, the term "business day" means any day on which commercial banks are open for business in the State of California, and the term "day" means a calendar day when not expressly stated to be a business day. If any period or deadline specified in this Lease ends or falls on a day that is not a business day, such period or deadline shall be extended to end or fall on the next succeeding business day. Wherever used in this Lease, the symbol "\$" refers to dollars in currency of the United States of America.

13.24 Effect of Delivery. The delivery of any unexecuted draft of this Lease shall not constitute an offer by the delivering party or otherwise bind the delivering party or create any enforceable rights in favor of the other party. This Lease shall not be binding or enforceable unless and until it is executed and delivered by both Landlord and Tenant.

13.25 Landlord as Governmental Entity. Although Landlord is a governmental entity, none of Landlord's consents, approvals or performance of obligations under this Lease shall constitute consents, approvals or acts in the Landlord's governmental capacity, but shall only constitute consents, approvals and acts by Landlord in its proprietary capacity as the landlord under this Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first above written.

LANDLORD:

CITY OF SEASIDE,
a municipal corporation

By: _____
Print Name: _____
Title: _____

ATTEST:

_____, City Clerk

TENANT:

MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT,
a California public entity organized under the
California Water Code

By: _____
Print Name: _____
Title: _____

EXHIBIT "A"**DESCRIPTION OF LAND**

THE FOLLOWING LAND IN THE CITY OF SEASIDE, COUNTY OF MONTEREY, STATE OF CALIFORNIA:

The portion of Parcel 1, as shown on the map filed for record on September 7, 1994 on Sheet 4 in Volume 19, "Record of Surveys", Page 1, Records of Monterey County, described as follows:

Beginning at a point, from which Corner #1, whose state plane coordinates are North 2121541.64 feet, East 5734939.34 feet (NAD 83 CA Zone IV), as shown on said Record of Survey, bears North 8°24'58" East, 650.64 feet; thence, from said Point of Beginning,

- 1) North 30°46'34" East, 42.00 feet; thence,
- 2) North 22°59'46" West, 41.18 feet; thence,
- 3) North 26°21'19" East, 139.15 feet; thence,
- 4) South 67°34'40" East, 209.16 feet; thence,
- 5) North 47°21'20" East, 158.12 feet; thence,
- 6) South 24°28'06" East, 124.07 feet; thence,
- 7) South 41°12'42" West, 177.06 feet; thence,
- 8) South 54°39'09" West, 128.63 feet; thence,
- 9) West, 149.81 feet; thence,
- 10) North, 66.56 feet; thence,
- 11) North 63°48'00" West, 63.34 feet to the Point of Beginning.

Containing an area of 1.90 Acres, more or less. (Bearings refer to Grid Meridian NAD 83 CA Zone IV)

EXHIBIT "B"

DESCRIPTION OF THE WORK/IMPROVEMENTS

DRAFT

EXHIBIT "C"

FORM OF MEMORANDUM OF GROUND LEASE

(Attached.)

DRAFT

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Seaside
440 Harcourt Avenue
Seaside, California 93955
Attn: _____

[Space Above For Recorder's Use Only]

The undersigned Lessor declares that this Memorandum of Ground Lease is exempt from Recording Fees pursuant to California Government Code Section 27383.

Documentary Transfer Tax is \$0.00; exempt conveyance to a public entity (City of Seaside, County of Monterey).

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (this "**Memorandum**") is dated as of _____, 2015 and is entered into by and between the CITY OF SEASIDE, a municipal corporation ("**Landlord**") and the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT, a California public entity organized under the California Water Code ("**Tenant**").

RECITALS

A. Landlord and Tenant executed that certain Ground Lease dated _____, 2015 (the "**Lease**") affecting the land described on Exhibit "A" (the "Property") prior to Landlord's acquisition of the Property.

B. Landlord has acquired the Property, and Landlord and Tenant therefore desire to record this Memorandum in order to, among other things, comply with law requiring that municipal leases be recorded, and to give constructive notice of the existence of the Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Ground Lease.** Landlord has leased the Property to Tenant, and Tenant has leased the Property from Landlord, upon and subject to the terms and conditions set forth in the Lease. The Lease is hereby incorporated herein by this reference.

2. **Term.** The term of the Lease commenced on _____, 201_ and expires forty (40) years thereafter, subject to extension by Tenant in five year increments for up to 15 years (such that the term could be extended to 55 years).

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date and year first above written.

LANDLORD:

CITY OF SEASIDE,
a municipal corporation

By: _____
Print Name: _____
Title: _____

ATTEST:

_____, City Clerk

TENANT:

MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT

By: _____
Print Name: _____
Title: _____

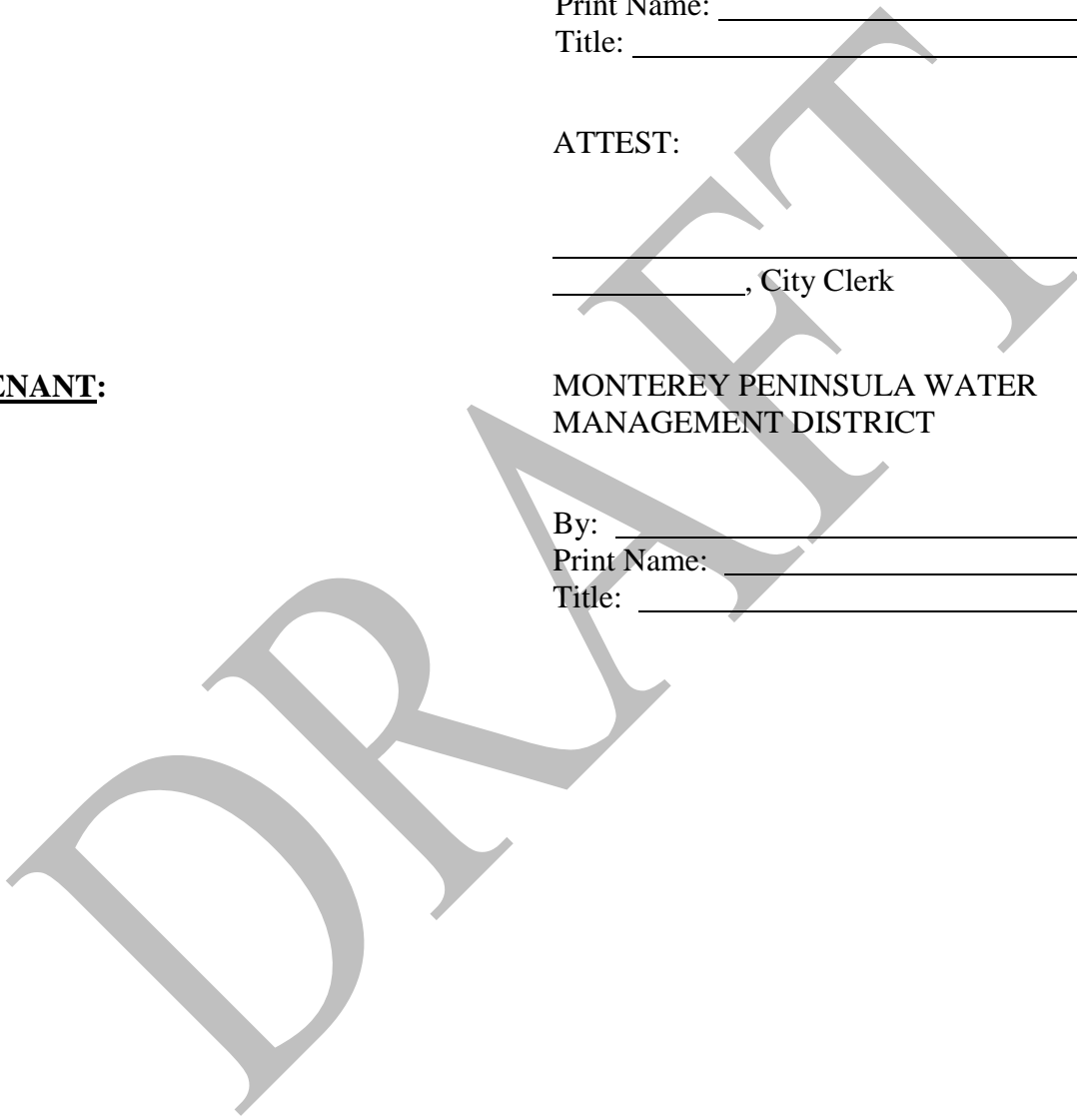


EXHIBIT A TO MEMORANDUM OF LEASE

DESCRIPTION OF LAND

THE FOLLOWING LAND IN THE CITY OF SEASIDE, COUNTY OF MONTEREY, STATE OF CALIFORNIA:

The portion of Parcel 1, as shown on the map filed for record on September 7, 1994 on Sheet 4 in Volume 19, "Record of Surveys", Page 1, Records of Monterey County, described as follows:

Beginning at a point, from which Corner #1, whose state plane coordinates are North 2121541.64 feet, East 5734939.34 feet (NAD 83 CA Zone IV), as shown on said Record of Survey, bears North 8°24'58" East, 650.64 feet; thence, from said Point of Beginning,

- 1) North 30°46'34" East, 42.00 feet; thence,
- 2) North 22°59'46" West, 41.18 feet; thence,
- 3) North 26°21'19" East, 139.15 feet; thence,
- 4) South 67°34'40" East, 209.16 feet; thence,
- 5) North 47°21'20" East, 158.12 feet; thence,
- 6) South 24°28'06" East, 124.07 feet; thence,
- 7) South 41°12'42" West, 177.06 feet; thence,
- 8) South 54°39'09" West, 128.63 feet; thence,
- 9) West, 149.81 feet; thence,
- 10) North, 66.56 feet; thence,
- 11) North 63°48'00" West, 63.34 feet to the Point of Beginning.

Containing an area of 1.90 Acres, more or less. (Bearings refer to Grid Meridian NAD 83 CA Zone IV)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Monterey)

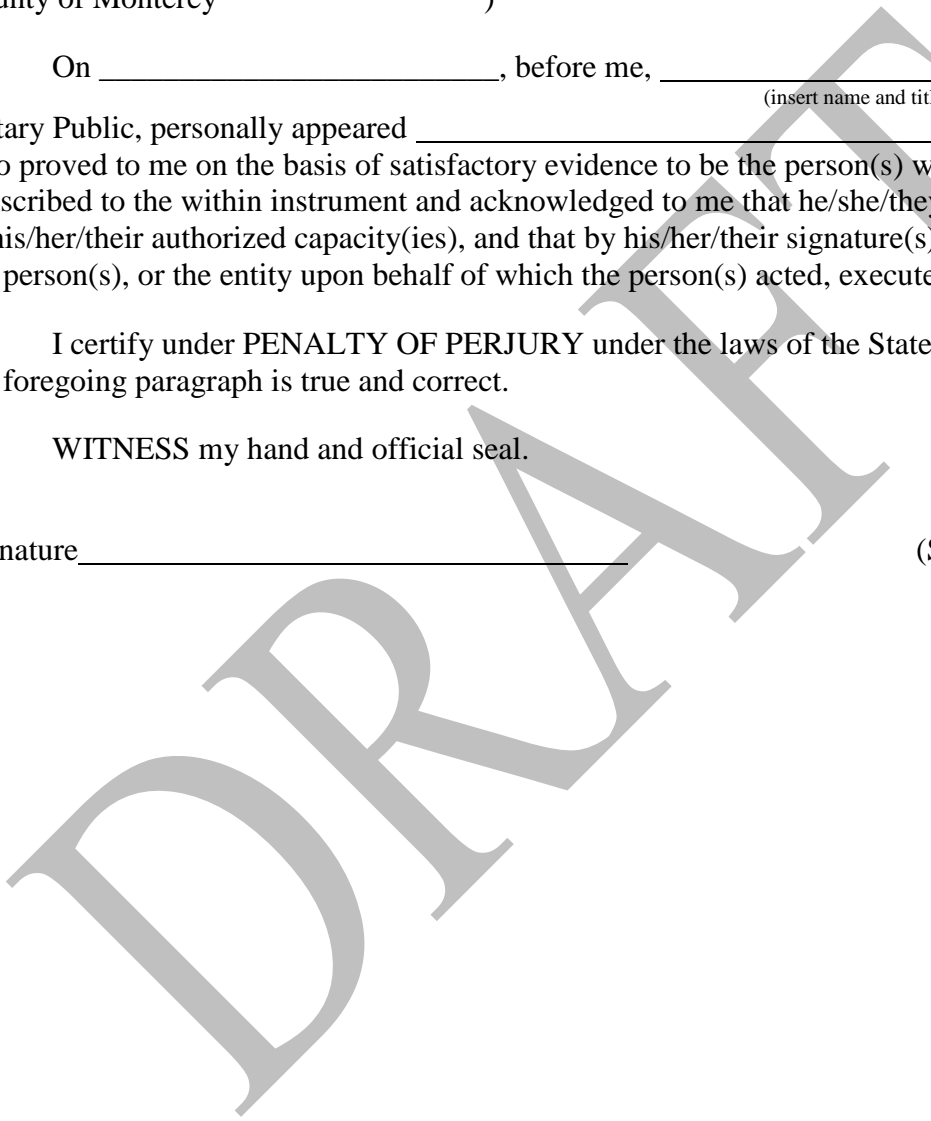
On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Monterey)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ITEM: ACTION ITEM**22. CONSIDER ADOPTION OF RESOLUTION 2015-23 AUTHORIZING AN EXCEPTION TO THE CALPERS 180-DAY WAIT PERIOD FOR HIRING A RETIREE**

Meeting Date: December 14, 2015 **Budgeted:** Not in the FY 2014-2015 Budget. Will be addressed in Mid-Year Budget Adjustment

From: David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:

Prepared By: Cynthia Schmidlin **Cost Estimate:** \$28,210

General Counsel Approval: N/A

Committee Recommendation: The Administrative Committee reviewed this item on December 7, 2015 and recommended approval.

CEQA Compliance: N/A

SUMMARY: The Board approved a change to the organization chart at the September Board meeting that eliminated funding for the Project Manager position, as of December 31, 2015. Over time, there have been fewer project management responsibilities, and an emphasis on water distribution system permit review and approval. This time-consuming permit process was recently streamlined and simplified by the Board, with the majority of permit requests handled in a much more routine manner.

Project Manager, Henrietta Stern, retired on December 5, 2015. Her duties will be transferred to existing District staff. However, there is a need for training on the basic permit process, as well as for providing assistance to the public regarding more complex permits. There is also a need for work on the Planning and Engineering file room reorganization project that involves going through file cabinets and determining those documents that will be selected to be converted digital format, streamlining the reference process and eliminating unnecessary and redundant materials. Ms. Stern's unique experience and historical knowledge, after 30 years with the District, make her the best qualified individual to carry out these functions. It would greatly benefit the District if she could be offered a limited-term, part-time contract as a retired annuitant. The contract would be for Ms. Stern to act as a Project Manager at her former hourly rate of \$50.22, for up to 520 hours from January 4, 2016 through June 30, 2016. She would not receive any benefits, other than those mandated by state and federal law.

The California Public Retirement System (CalPERS) requires that the governing body of any agency wishing to hire a retiree prior to 180-days following their retirement date, pass a resolution to that effect. The resolution must be presented and considered in open session, not on the consent calendar.

RECOMMENDATION: That the Board adopt Resolution 2015-23, **Exhibit 22-A**, authorizing an exception to the CalPERS 180-day wait period to hire Henrietta Stern as a part-time, limited-term employee.

IMPACTS TO STAFF/RESOURCES: The cost to the District for a six-month, part-time contract would not exceed \$28,210. Some of the work on water distribution system permits would be reimbursable from the applicants.

EXHIBIT

22-A Resolution 2015-23



EXHIBIT 22-A

RESOLUTION NO. 2015-23

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANGEMENT DISTRICT REGARDING
AUTHORIZING AN EXCEPTION TO THE 180-DAY WAIT
PERIOD GC sections 7522.56 & 21224**

The Board of Directors of the Monterey Peninsula Water Management District, hereby adopts the following Resolution:

WHEREAS, in compliance with Government Code section 7522.56 the Monterey Peninsula Water Management District must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

WHEREAS, Henrietta Stern, CalPERS ID 6058960741, retired from the Monterey Peninsula Water Management District in the position of Project Manager, effective December 5, 2015; and

WHEREAS, section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is June 3, 2016 without this certification resolution; and

WHEREAS, section 7522.56 provides that this exception to the 180 day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the Monterey Peninsula Water Management District Board of Directors, the Monterey Peninsula Water Management District, and Henrietta Stern certify that Henrietta Stern has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Monterey Peninsula Water Management District Board of Directors hereby appoints Henrietta Stern as an extra help retired annuitant to perform the duties of Project Manager for the Monterey Peninsula Water Management District under Government Code section (21224 or 21227 or 21229 specify which), effective January 4, 2016; and

WHEREAS, the entire employment agreement, contract or appointment document between Henrietta Stern and the Monterey Peninsula Water Management District has been reviewed by this body and is attached herein, as Attachment A; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$8,704.03 per month and the hourly equivalent is \$50.22, and the minimum base salary for this position is \$7,218.34 and the hourly equivalent is \$41.65; and

WHEREAS, the hourly rate paid to Henrietta Stern will be \$50.22; and

WHEREAS, Henrietta Stern has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate;

THEREFORE, BE IT RESOLVED THAT the Monterey Peninsula Water Management District Board hereby certifies the nature of the appointment of Henrietta Stern as described herein and detailed in the attached employment agreement/contract/appointment document, and that this appointment is necessary to fill the critically needed position of Project Manager for the Monterey Peninsula Water Management District by January 4, 2016, because there is a need for training staff on the basic water distribution permit process, as well as for providing assistance to the public regarding more complex permits; and a need for utilizing historical knowledge of the Planning and Engineering Division for the purpose of the Planning and Engineering File Room reorganization project.

On motion of Director _____, and second by Director _____, the foregoing resolution is duly adopted this 14th day of December, 2015, by the following votes:

AYES:

NAYES:

ABSENT:

Presiding Officer

Monterey Peninsula Water Management District

I, David J. Stoldt, Secretary of the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted on the ____ day of _____, 2015.

Witness my hand and seal of the Board of Directors, this ____ day of _____, 2015.

David J. Stoldt, Secretary to the Board

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ITEM: ACTION ITEM**23. SELECT APPOINTEES TO ORDINANCE NO. 152 OVERSIGHT PANEL****Meeting Date:** December 14, 2015 **Budgeted:** N/A**From:** David Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Arlene Tavani **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** N/A

SUMMARY: Ordinance 152 created a nine member “Ordinance 152 Citizen’s Oversight Panel” as an advisory group to the Board of Directors on expenditures from the Connection Charge adopted in June 2012. The ordinance specifies that the Board will appoint two members of the panel from names submitted by the Monterey County Association of Realtors (MCAR) and the Monterey Peninsula Taxpayers Association (MPTA). The appointees serve for a two-year term ending January 1, 2018.

By letter dated October 29, 2015, MCAR and MPTA were asked to submit the names of three proposed appointees, so that the Board could select one representative from each organization to serve on the panel. Shown below are the proposed appointees submitted by the two organizations. MCAR submitted the name of its current representative, Christine Monteith. MPTA submitted three names, including the current representative Paul Bruno.

The seven remaining panel members will be appointed at the January 27, 2016 Board meeting, after each Director has submitted the name of a community member to participate on the panel.

RECOMMENDATION: The Board should by motion select one appointee from MCAR and one from MPTA.

List of Proposed Appointees	
MCAR	MPTA
Christine Monteith	Paul Bruno Richards J. Heuer Thomas J. Rowley, Jr.

EXHIBITS**23-A** November 4, 2015 Letter from Scott Dick, MCAR**23-B** November 13, 2015 Letter from Ronald J. Pasquinelli, MPTA

MCAR

MONTEREY COUNTY ASSOCIATION OF REALTORS®

November 4, 2015

David J. Stoldt
Monterey Peninsula Water Management District
5 Harris Court, Bldg. G
Monterey, CA 93940

RECEIVED
NOV 10 2015
MPWMD

Subject: Re-appointment of Christine Monteith to Ordinance Number 152 Oversight Panel

Dear Mr. Stoldt,

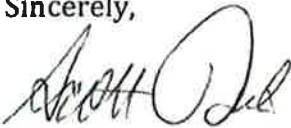
Christine Monteith is our selection to continue on the Ordinance No. 152 Oversight Panel.

Please submit her name to continue membership on the panel.

Also in the first paragraph of your letter dated October 29, 2015 the last sentence reads "...requests your cooperation in selection of a representative from the MTA for the upcoming two-year term."

I am not sure that was intended for our office here at MCAR.

Sincerely,



Scott Dick
Government Affairs Director





November 13, 2015

RECEIVED

NOV 20 2015

MPWMD

Mr. David Stoldt, General Manager, and Members of the
Board of Directors
Monterey Peninsula Water Management District
PO Box 85
Monterey, CA 93942-0085

Mr. David Stoldt, General Manager, and Members of the
Board of Directors:

In answer to your letter of October 29, 2015 requesting nominees to serve on the Ordinance 152 Oversight Panel beginning in January 2016, The Monterey Peninsula Taxpayers Association (MPTA) nominates the following MPTA members:

Mr. Paul Bruno (Current Panel member)
411 Miradore Ct.
Monterey, CA 93940
Work phone 384-4081

Mr. Richards J. Heuer
552 Fremont Street
Monterey, CA 93940
Work phone 655-0109

Mr. Thomas J. Rowley Jr.
2004 Marsala Circle
Monterey, CA 93940
Work phone 648-7271

Sincerely,

Ronald J. Pasquinelli

Ronald J. Pasquinelli
President

ITEM: ACTION ITEM**24. RECEIVE FISCAL YEAR 2014-2015 FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS REPORT**

Meeting Date:	December 14, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A
Committee Recommendation: None.
CEQA Compliance: N/A

SUMMARY: A draft copy of the District's Comprehensive Annual Financial Report (CAFR) is provided for review. Draft of the Independent Auditors' Report and Board Communication Letter (required communication letter from the Auditors to the Board) for the fiscal year ending June 30, 2015 has been received from the District's auditors, Hayashi & Wayland. The audit documents will also be posted on the District's website after it has been accepted by the Board. Hayashi & Wayland has been the District auditors since 1989.

This is the first year that the District has prepared a CAFR. A CAFR is a set of government financial statements comprising the financial report of a municipality that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). GASB provides standards for the content of a CAFR in its annually updated publication. A CAFR is compiled by the governmental accounting staff and audited by an external certified accounting firm utilizing GASB requirements. A CAFR is composed of three sections:

Introductory section – includes transmittal letter.

Financial section – includes the independent auditor's report and contains management's discussion and analysis, government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, combining financial statements, and schedules.

Statistical section – includes additional financial, economic, and demographic information.

The auditors have issued a clean opinion on the District's CAFR. The audit did not identify any deficiencies in the internal control that the auditors consider to be material weaknesses. Representatives from Hayashi and Wayland will be available at the meeting to review the Independent Auditors' Report and the Board Communication Letter.

A Management Letter may be issued in conjunction with the Report to offer constructive suggestions for improvements on matters that came to the auditors' attention in connection with

the audit, however, such letter was not deemed necessary by Hayashi & Wayland in connection with the audit for this fiscal year.

RECOMMENDATION: District staff recommends that the Board review and receive the Financial Statements and Independent Auditors' Report for the year ending June 30, 2015.

EXHIBITS

24-A Comprehensive Annual Financial Report for FY 2014-2015 and Independent Auditors' Report (will be provided separately)

24-B Board Communication Letter (will be provided separately)

ITEM: ACTION ITEM**25. CONDUCT ELECTION OF BOARD OFFICERS FOR 2016****Meeting Date: December 14, 2015** **Budgeted: N/A****From: David J. Stoldt,
General Manager** **Program/
Line Item No.: N/A****Prepared By: Arlene Tavani** **Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: N/A**

SUMMARY: Rule 2 of the MPWMD Board Meeting Rules states that in December of each year, the Board will elect a Chair, Vice-Chair, Treasurer, and Secretary. Rule 2.5 specifies the rotation of Directors into the position of Chair and Vice-Chair. The rules also specify that election of officers shall be the final item on the December meeting agenda. The officers elected at the meeting will assume their offices immediately following the December Board meeting. The term of office is twelve months.

It has been the Board's past practice to elect the General Manager to serve as Secretary and the Administrative Services Division (ASD) Manager to serve as Treasurer. Therefore, staff recommends that the Board elect General Manager David Stoldt to serve as Secretary and Suresh Prasad ASD Manager to serve as Treasurer in 2016.

RECOMMENDATION: The Board should elect the Board Chair and Vice Chair according to Meeting Rules 2 and 2.5. In addition, staff recommends that the General Manager be elected to serve as Secretary and the ASD Manager be elected to the position of Treasurer for 2016.

EXHIBITS

None

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**26. LETTERS RECEIVED****Meeting Date:** December 15, 2015 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Arlene Tavani **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** N/A

A list of letters that were submitted to the Board of Directors or General Manager and received between November 4, 2015 and December 8, 2015 is shown below. The purpose of including a list of these letters in the Board packet is to inform the Board and interested citizens. Copies of the letters are available for public review at the District office. If a member of the public would like to receive a copy of any letter listed, please contact the District office. Reproduction costs will be charged. The letters can also be downloaded from the District's web site at www.mpwmd.net.

Author	Addressee	Date	Topic
Luke Coletti	David Stoldt	12/9/15	Entitlement for Pacific Grove
John Narigi	MPWMD Board	11/16/15	Agenda Items 20, 21, 22 from 11/16/15 Board Meeting
Claudio Valenzuela	MPWMD	11/13/15	Appointment of Nominee in Lieu of Election
Claudio Valenzuela	MPWMD	11/13/15	Certificate of the Registrar of Voters for the MPWMD

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**27. COMMITTEE REPORTS**

Meeting Date: December 14, 2015 **Budgeted:** N/A

From: David J. Stoldt, **Program/** N/A
 General Manager **Line Item No.:**

Prepared By: Arlene Tavani **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: N/A

Attached for your review as **Exhibits 27-A through 26-C** are final minutes of the committee meetings listed below.

EXHIBITS

27-A Final Minutes of November 9, 2015 Administrative Committee Meeting

27-B Final Minutes of September 15, 2015 Monterey Peninsula Water Supply Project
Governance Committee

27-C Final Minutes of June 25, 2015 Public Outreach Committee Meeting



EXHIBIT 27-A

FINAL MINUTES
Monterey Peninsula Water Management District
Administrative Committee
November 9, 2015

Call to Order

The meeting was called to order at 3:31 PM in the District Conference Room.

Committee members present: Andrew Clarke
David Pendergrass

Committee members absent: Brenda Lewis

Staff present: David Stoldt, General Manager
Suresh Prasad, Administrative Services Manager/Chief Financial Officer
Larry Hampson, Planning & Engineering Division Manager
Sara Reyes, Office Services Supervisor

Oral Communications

None

1. Approve Minutes of October 12, 2015 Committee Meeting

On a motion by Pendergrass and second by Clarke, the minutes of the October 12, 2015 meeting were approved on a vote of 2 to 0.

Items on Board Agenda for November 16, 2015

2. Consider Distribution of Funds for Local Project Grant Funding

On a motion by Pendergrass and second by Clarke, the committee voted 2 to 0 to recommend the Board consider a mid-year budget increase and grant approval of \$85,000 to the City of Monterey.

3. Consider Approval of First Quarter Fiscal Year 2015-2016 Investment Report

On a motion by Clarke and second by Pendergrass, the committee voted 2 to 0 to recommend the Board approve the First Quarter Fiscal Year 2015-2016 Investment Report.

4. Consider Adoption of Treasurer’s Report for September 2015

On a motion by Pendergrass and second by Clarke, the committee voted 2 to 0 to recommend the Board adopt the September 2015 Treasurer’s Report and financial statements and ratify the disbursements made during the month.

5. Receive and File First Quarter Financial Activity Report for Fiscal Year 2015-2016

On a motion by Clarke and second by Pendergrass, the committee voted 2 to 0 to recommend the Board receive and file the First Quarter Financial Activity Report for Fiscal Year 2015-2016.

6. Receive New Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Valuation Report

On a motion by Pendergrass and second by Clarke, the committee voted 2 to 0 to recommend the Board receive the Government Accounting Standards Board 68 Accounting Valuation Report prepared by CalPERS.

Other Business

7. Review First Quarter Legal Services Activity Report for Fiscal Year 2015-2016

The committee received the report and made no changes.

8. Review Draft November 16, 2015 Board Meeting Agenda

The committee made no changes to the agenda.

Adjournment

The meeting was adjourned at 4:18 PM.

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**GOVERNANCE COMMITTEE
FOR THE
MONTEREY PENINSULA WATER SUPPLY PROJECT**

California American Water • Monterey County Board of Supervisors
Monterey Peninsula Regional Water Authority • Monterey Peninsula Water Management District

**FINAL MINUTES
Regular Meeting
Governance Committee
for the
Monterey Peninsula Water Supply Project
September 16, 2015**

Call to Order: The meeting was called to order at 2:05 pm in the conference room of the Monterey Peninsula Water Management District offices.

Members Present: Jeanne Byrne, representative for Monterey Peninsula Water Management District (alternate to Robert S. Brower, Sr.)
Bill Kampe, representative for Monterey Peninsula Regional Water Authority (alternate to Jason Burnett)
Robert MacLean, representative for California-American Water

Members Absent: David Potter, Monterey County Board of Supervisors
Robert S. Brower, Sr., Monterey Peninsula Water Management District
Jason Burnett, Monterey Peninsula Regional Water Authority

Pledge of Allegiance: The assembly recited the Pledge of Allegiance.

Public Comments: No comments presented to the committee.

Presentations

1. Progress Report from California-American Water on the Monterey Peninsula Water Supply Project Including Updates on Production from Test Slant Well; Desalination Project Design; and Design and Procurement of Conveyance Facilities

Ian Crooks, Engineering Manager, California-American Water (Cal-Am), presented the progress report. A summary of his presentation is on file at the Water Management District office and can be viewed on the Governance Committee web site. He reported the following. The California Coastal Commission (CCC) will conduct a hearing on the amended application for slant test wells on October 7 through 9, 2015 in Long Beach. The California Public Utilities Commission (CPUC) issued a Notice of Preparation for a joint CEQA/NEPA analysis of the Monterey Peninsula Water Supply Project (MPWSP) to be prepared by the CPUC and the Monterey Bay National Marine Sanctuary (MBNMS). Preparation of the NEPA analysis will not change the project schedule. The draft EIR/EIS document should be released in March or April 2016. The CPUC decision on the water supply project is expected in September or October 2016. In response to questions from the committee members, Crooks stated that he believes the CCC is giving positive consideration to the amended application. He noted that well maintenance activities will be undertaken in October, while the test slant well is out of

operation. MacLean stated that the National Oceanic and Atmospheric Administration waited until after the draft EIR was released before it determined that MBNMS should prepare the EIS. The CPUC has determined that development of a joint EIR/EIS document will be faster than preparation of two separate documents.

Action Items

2. Review California American Water Notification (CAN) #9 – Draft Request for Proposals (RFP) and Draft Construction Contract Monterey Peninsula Water Supply Project Source Water Slant Wells – Develop a Recommendation to California American Water Concerning the RFP and Contract

Crooks presented the item. He stated that comments received from the Governance Committee on previous requests for proposals and contracts have been incorporated into the draft documents presented with CAN #9. He explained that it is important to identify a contractor according to the schedule due to all the planning that must be completed before Cal-Am has received authorization from the CPUC to begin construction. The ratepayers have limited exposure to pre-construction costs, as the contract is limited to \$40,000 for planning activities – not construction. For example, the \$40,000 covers meetings with Cal-Am before construction begins, but any tooling or construction costs prior to issuance of the notice to proceed would be borne by the contractor. MacLean noted that the contract may be modified after committee review, but it would be brought before the Governance Committee for review before it is awarded to a contractor.

Public Comment: Jim Cullum, Executive Director, Monterey Peninsula Regional Water Authority (MPRWA), requested that the Governance Committee remand its recommendation on the Draft RFP and Contract to the MPRWA Technical Advisory Committee for review and comment. If the MPRWA TAC disagreed with the Governance Committee recommendation or identified additional considerations that should be incorporated into the RFP or Contract, they could be presented to the MPRWA Board in October and then brought back before the Governance Committee for consideration. Cullum requested that this project be LEED certified or LEED like, as was specified in the design/build contract. He recommended that Envision, a sustainable infrastructure rating system, could be used to evaluate the source well project so that it could be recognized for sustainability. Cullum stated that a sustainable advantage might be that slant well technology will be utilized; or that the discharge line is to be co-located; or there could be design and maintenance considerations. He noted that there are experts who could identify the opportunities for sustainability, and that planning for sustainability must begin early in the process.

Byrne stated that she did not support LEED Certification due to the high cost of paperwork associated with certification, but she did support LEED-like project components. Kampe stated that sustainability is a good quest, but the challenge is to be sure there is a payoff. The benefit must be quantifiable, such as cost savings over the long term. It must be clear how the project is improved as a result of sustainable factors. MacLean stated that Cal Am should consider the comments re sustainability and the Envision methodology, and decide if it makes sense to incorporate this into the RFP and contract. The RFP and contract would not be delayed by sending the CAN #9 to the MPRWA TAC, because the draft documents are subject to change before they are finalized. The Governance Committee will review the documents before they are final, likely in December 2015.

Kampe offered a motion to approve the draft RFP as presented noting that the MPRWA TAC will review the documents and provide comments at the next meeting. Further, there should be consideration of sustainable aspects that can improve life-cycle costs or other factors according to some well recognized criteria. The motion was seconded by Byrne and approved on a unanimous vote of 2 – 0 by Kampe and Byrne.

3. Adopt Minutes of August 26, 2015 Governance Committee Meeting

On a motion by Kampe and second of Byrne, the minutes were accepted with one correction. On page 5 of the minutes, the first sentence under the heading Suggest Items to be Placed on Future Agendas, delete the reference to "October 16" and replace it with "September 16". The motion was approved on a vote of 2 – 0 by Kampe and Byrne.

Discussion Items

5. Suggest Items to be Placed on Future Agendas

October – if the MPRWA TAC identifies a critical issue related to the RFP and Contract on Source Water Slant Wells, the item could be brought to the committee again in October.

December – 2 items - results of the RFP on Source Water Slant Wells and also procurement of pipelines.

Adjournment: The meeting was adjourned at 2:30 pm.



Arlene M. Tavani,
Clerk to the MPWSP Governance Committee



EXHIBIT 27-C

FINAL MINUTES

**Monterey Peninsula Water Management District
Public Outreach Committee
June 25, 2015**

Call to Order

The meeting was called to order at 2:05 pm in the Water Management District conference room.

Committee members present: Jeanne Byrne, Chair, (Arrived at 3:15 pm)
 Kristi Markey
 Dave Pendergrass (alternate)

Committee members absent: Brenda Lewis

District staff members present: David Stoldt, General Manager
 Stephanie Pintar, Water Demand Manager
 Arlene Tavani, Executive Assistant

Others present: Steve Thomas, Thomas Brand Consulting

Comments from the Public: No comments presented.

Action Items

1. Consider Adoption of Minutes of May 11, 2015 Committee Meeting
On a motion by Pendergrass and second of Markey, the committee approved the May 11, 2015 minutes on a vote of 2 – 0. Bryne was absent.

2. Develop Recommendation to the Board on Awarding \$125.00 Scholarships for ARCOSA Attendance to Residents/Professionals Within the MPWMD Boundaries
On a motion by Pendergrass and second of Markey, the committee recommended approval of the staff recommendation to issue \$125 scholarships in an amount not-to-exceed \$2,100 for attendance at the American Rainwater Harvesting and Accreditation 200 Level Workshop.

Director Byrne joined the meeting at 3:15 pm during discussion of item 3.

3. Review Scope for Public Outreach and Communication Services with Thomas Brand Consulting for Fiscal Year 2015-2016
Pendergrass offered a motion to recommend that the Board of Directors approve the scope of services and contract with Thomas Brand Consulting for a not-to-exceed amount of \$49,200. The motion was seconded by Markey and approved unanimously on a vote of 3 – 0 by Pendergrass, Markey and Byrne.

Discussion Items

4. Discuss Outreach Plan for 2015-16
The committee reviewed the proposed outreach plan. There was consensus to support the plan presented.

5. **Review Materials Presented at May 29, 2015 Tour for SWRCB Member, Tam Dudoc**
On May 29, 2015, a tour of water facilities in the Monterey Peninsula and Salinas area was conducted for Tam Dudoc of the SWRCB. The goal of the tour was to demonstrate progress on water supply; success on water conservation over the years; and highlight environmental mitigation that has been accomplished. Stoldt reviewed with the committee informational documents that were provided to the tour participants.
6. **Review Public Outreach Related to Draft Monterey Peninsula Water Conservation and Rationing Plan**
No report. The plan will be presented to the Water Demand Committee for review. The Public Outreach Committee will be responsible for outreach activities related to the plan.
7. **Provide Direction on Continued Use of Terms “Water Project 1 (ASR)”, “Water Project 2 (ASR2)” and “Water Project 3”**
The committee expressed a preference for the terms ASR Wells Phase 1, and ASR Wells Phase 2.

Schedule Next Meeting Date

The meeting was scheduled for July 29, 2015 at 1:30 pm.

Adjournment

The meeting was adjourned at 5:20 pm.

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ITEM: INFORMATIONAL ITEM/STAFF REPORTS**28. MONTHLY ALLOCATION REPORT**

Meeting Date:	December 14, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program:	N/A
		Line Item No.:	
Prepared By:	Gabriela Ayala	Cost Estimate:	N/A

General Counsel Review: N/A
Committee Recommendation: N/A
CEQA Compliance: N/A

SUMMARY: As of November 30, 2015, a total of **25.830** acre-feet (**7.5%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.861** acre-feet is available to the Jurisdictions, and **30.479** acre-feet is available as public water credits.

Exhibit 28-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in November 2015 (“changes”), and the quantities remaining. The Paralta Allocation had no debits in November 2015.

Exhibit 28-A also shows additional water available to each of the Jurisdictions and the information regarding the Community Hospital of the Monterey Peninsula (Holman Highway Facility). Additional water from expired or canceled permits that were issued before January 1991 are shown under “PRE-Paralta.” Water credits used from a Jurisdiction’s “public credit” account are also listed. Transfers of Non-Residential Water Use Credits into a Jurisdiction’s Allocation are included as “public credits.” **Exhibit 28-B** shows water available to Pebble Beach Company and Del Monte Forest Benefited Properties, including Macomber Estates, Griffin Trust. Another table in this exhibit shows the status of Sand City Water Entitlement.

BACKGROUND: The District’s Water Allocation Program, associated resource system supply limits, and Jurisdictional Allocations have been modified by a number of key ordinances. These key ordinances are listed in **Exhibit 28-C**.

EXHIBITS

- 28-A** Monthly Allocation Report
- 28-B** Monthly Entitlement Report
- 28-C** District’s Water Allocation Program Ordinances

EXHIBIT 28-A

MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of November 2015

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.410	0.000	1.397	1.081	0.000	1.081	0.910	0.000	0.182	2.660
Del Rey Oaks	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.320	0.000	0.203	50.659	0.000	0.030	38.121	0.000	3.661	3.894
Monterey County	87.710	0.000	10.284	13.080	0.000	0.000	7.827	0.000	1.891	12.175
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.312	15.874	0.000	0.228	0.540
Sand City	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.450	0.000	8.749	34.438	0.000	34.438	2.693	0.000	1.144	44.331
TOTALS	342.720	0.000	25.830	101.946	0.000	35.861	90.142	0.000	30.479	92.170

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.237	0.763
Water West	12.760	0.000	8.395	4.365

* Does not include 15.280 Acre-Feet from the District Reserve prior to adoption of Ordinance No. 73.

EXHIBIT 28-B

**MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of November 2015**

Recycled Water Project Entitlements

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
Pebble Beach Co. ¹	240.110	0.100	11.736	228.374
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	124.890	0.594	40.760	84.130
Macomber Estates	10.000	0.000	9.595	0.405
Griffin Trust	5.000	0.000	4.809	0.191
CAWD/PBCSD Project Totals	380.000	0.694	66.900	313.100

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	165.00	0.000	3.572	161.428

Increases in the Del Monte Forest Benefited Properties Entitlement will result in reductions in the Pebble Beach Co. Entitlement.

EXHIBIT 28-C

District's Water Allocation Program Ordinances

Ordinance No. 1 was adopted in September 1980 to establish interim municipal water allocations based on existing water use by the jurisdictions. Resolution 81-7 was adopted in April 1981 to modify the interim allocations and incorporate projected water demands through the year 2000. Under the 1981 allocation, Cal-Am's annual production limit was set at 20,000 acre-feet.

Ordinance No. 52 was adopted in December 1990 to implement the District's water allocation program, modify the resource system supply limit, and to temporarily limit new uses of water. As a result of Ordinance No. 52, a moratorium on the issuance of most water permits within the District was established. Adoption of Ordinance No. 52 reduced Cal-Am's annual production limit to 16,744 acre-feet.

Ordinance No. 70 was adopted in June 1993 to modify the resource system supply limit, establish a water allocation for each of the jurisdictions within the District, and end the moratorium on the issuance of water permits. Adoption of Ordinance No. 70 was based on development of the Paralta Well in the Seaside Groundwater Basin and increased Cal-Am's annual production limit to **17,619** acre-feet. More specifically, Ordinance No. 70 allocated 308 acre-feet of water to the jurisdictions and 50 acre-feet to a District Reserve for regional projects with public benefit.

Ordinance No. 73 was adopted in February 1995 to eliminate the District Reserve and allocate the remaining water equally among the eight jurisdictions. Of the original 50 acre-feet that was allocated to the District Reserve, 34.72 acre-feet remained and was distributed equally (4.34 acre-feet) among the jurisdictions.

Ordinance No. 74 was adopted in March 1995 to allow the reinvestment of toilet retrofit water savings on single-family residential properties. The reinvested retrofit credits must be repaid by the jurisdiction from the next available water allocation and are limited to a maximum of 10 acre-feet. This ordinance sunset in July 1998.

Ordinance No. 75 was adopted in March 1995 to allow the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities. Fifteen percent of the savings are set aside to meet the District's long-term water conservation goal and the remainder of the savings are credited to the jurisdictions allocation. This ordinance sunset in July 1998.

Ordinance No. 83 was adopted in April 1996 and set Cal-Am's annual production limit at **17,621** acre-feet and the non-Cal-Am annual production limit at **3,046** acre-feet. The modifications to the production limit were made based on the agreement by non-Cal-Am water users to permanently reduce annual water production from the Carmel Valley Alluvial Aquifer in exchange for water service from Cal-Am. As part of the agreement, fifteen percent of the historical non-Cal-Am production was set aside to meet the District's long-term water conservation goal.

Ordinance No. 87 was adopted in February 1997 as an urgency ordinance establishing a community benefit allocation for the planned expansion of the Community Hospital of the Monterey Peninsula (CHOMP). Specifically, a special reserve allocation of 19.60 acre-feet of production was created exclusively for the benefit of CHOMP. With this new allocation, Cal-Am's annual production limit was increased to **17,641** acre-feet and the non-Cal-Am annual production limit remained at **3,046** acre-feet.

Ordinance No. 90 was adopted in June 1998 to continue the program allowing the reinvestment of toilet retrofit water savings on single-family residential properties for 90-days following the expiration of Ordinance No. 74. This ordinance sunset in September 1998.

Ordinance No. 91 was adopted in June 1998 to continue the program allowing the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities.

Ordinance No. 90 and No. 91 were challenged for compliance with CEQA and nullified by the Monterey Superior Court in December 1998.

Ordinance No. 109 was adopted on May 27, 2004, revised Rule 23.5 and adopted additional provisions to facilitate the financing and expansion of the CAWD/PBCSD Recycled Water Project.

Ordinance No. 132 was adopted on January 24, 2008, established a Water Entitlement for Sand City and amended the rules to reflect the process for issuing Water Use Permits.

ITEM: INFORMATIONAL ITEM/STAFF REPORTS**29. WATER CONSERVATION PROGRAM REPORT**

Meeting Date: December 14, 2015 **Budgeted:** N/A

From: David J. Stoldt,
General Manager **Program/
Line Item No.:** N/A

Prepared By: Michael Boles **Cost Estimate:** N/A

Committee Recommendation: N/A

CEQA Compliance: N/A

I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM

District Regulation XIV requires the retrofit of water fixtures upon Change of Ownership or Use with High Efficiency Toilets (HET) (1.28 gallons-per-flush), 2.0 gallons-per-minute (gpm) Showerheads, 2.2 gpm faucet aerators, and Rain Sensors on all automatic Irrigation Systems. Property owners must certify the Site meets the District's water efficiency standards by submitting a Water Conservation Certification Form (WCC), and a Site inspection is often conducted to verify compliance.

A. Changes of Ownership

Information is obtained monthly from *Realquest.com* on properties transferring ownership within the District. The information is entered into the database and compared against the properties that have submitted WCCs. Details on **139** property transfers that occurred in November 2015 were entered into the database.

B. Certification

The District received **36** WCCs between November 1, 2015 and November 30, 2015. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

In November, **121** properties were certified to verify compliance with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **121** inspections certified, **103 (85%)** were in compliance. **None** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards.

District inspectors are tracking toilet replacement with High Efficiency Toilets (HET) in place of ULF toilets. These retrofits are occurring in remodels and new construction, and are the toilet of choice for Rule 144 compliance. State law mandated the sale and installation of HET by January 1, 2014, with a phase-in period that began in 2010. The majority of toilets sold in California are HET.

Savings Estimate

Water savings from HET retrofits triggered by Rule 144 verified in November 2015 are estimated at **0.180** acre-feet annually (AFA). Water savings from retrofits that exceeded requirements (i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.350** AFA (35 toilets). Year-to-date estimated savings occurring as a result of toilet retrofits is **10.507** AFA.

D. CII Water Efficiencies

Effective January 1, 2014, all Non-Residential properties are required to meet Water Efficiency Requirements. To assist the community in meeting Commercial, Industrial and Institutional (CII) requirements, property owners and businesses are sent notification of the requirements and a date that inspectors will be on site to verify compliance. District inspectors performed **59** inspections. For the month of November 2015, **49** inspections were in compliance and **10** were in non-compliance. Non-compliant properties receive follow-up letters and inspections to confirm total compliance.

E. Water Waste Enforcement

In response to the State's drought emergency conservation regulation effective October 1, 2014, the District has increased its Water Waste enforcement. The District has a Water Waste Hotline 831-658-5653 or an online form to report Water Waster occurrences at www.mpwmd.net or www.montereywaterinfo.org. There were **four** Water Waste responses during the past month. There were **no** repeated incidents that resulted in a fine.

II. WATER DEMAND MANAGEMENT

A. Permit Processing

District Rule 23 requires a Water Permit application for all properties that propose to expand or modify water use on a Site, including New Construction and Remodels. District staff processed and issued **36** Water Permits in November 2015. **Four** Water Permits were issued using water entitlements (Macomber, Pebble Beach Company, Griffin Estates, etc). No Water Permit involved a debit to a Public Water Credit Account.

All Water Permits have a disclaimer informing applicants of the Cease and Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water. All Water Permit recipients with property supplied by a California American Water Distribution System will continue to be provided with the disclaimer.

District Rule 24-3-A allows the addition of a second Bathroom in an existing Single-Family Dwelling on a Single-Family Residential Site. Of the **36** Water Permits issued in November, **none** were issued under this provision.

B. Permit Compliance

District staff completed **68** Water Permit final inspections during November 2015. **Fifteen** of the final inspections failed due to unpermitted fixtures. Of the **48** properties that were in compliance, **48** passed on the first visit. In addition, **five** pre-inspection were conducted in response to Water Permit applications received by the District.

C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy regarding the processing of deed restrictions. In the month of November, the District prepared **32** deed restrictions. Of the **36** Water Permits issued in November, **23 (64%)** required deed restrictions. District staff provided Notary services for **56** Water Permits with deed restrictions.

III. JOINT MPWMD/CAW REBATE PROGRAM

The Water Conservation Rebate Program is available for purchase of Qualifying Devices.

Participation in the rebate program is detailed in the following chart. The table below indicates the program summary for California American Water Company.

REBATE PROGRAM SUMMARY		November-2015				2015 YTD	1997 - Present	
		Number of devices	Rebate Paid	Estimated AF	Gallons Saved	YTD Quantity	YTD Paid	YTD Est AF
I. Application Summary								
A.	Applications Received	159				1923	20668	
B.	Applications Approved	128				1521	16232	
C.	Single Family Applications	149				1784	18619	
D.	Multi-Family Applications	10				101	1043	
E.	Non-Residential Applications	0				38	251	
II. Type of Devices Rebated								
A.	High Efficiency Toilet (HET)	18	1800.00	0.751464	244865.296	247	33195.90	10.311756
B.	Ultra Low Flush to HET	28	2800.00	0.280000	91238.280	510	34400.20	5.1
C.	Ultra HET	6	883.59	0.060000	19551.060	82	11146.42	0.82
D.	Toilet Flapper	0	0.00	0.000000	0.000	3	31.95	0
E.	High Efficiency Dishwasher	18	2125.00	0.054000	17595.954	196	24375.00	0.588
F.	High Efficiency Clothes Washer	40	19952.48	0.644000	209848.044	581	289978.34	9.3541
G.	Instant-Access Hot Water System	3	600.00	0.000000	0.000	22	4337.09	0
H.	On Demand Systems	0	0.00	0.000000	0.000	9	900.00	0
I.	Zero Use Urinals	0	0.00	0.000000	0.000	1	300.00	0.02
J.	High Efficiency Urinals	0	0.00	0.000000	0.000	0	0.00	0
K.	Pint Urinals	0	0.00	0.000000	0.000	2	492.12	0.04
L.	Cisterns	10	6232.50	0.000000	0.000	58	31800.75	0
M.	Smart Controllers	4	440.00	0.000000	0.000	12	1680.00	0
N.	Rotating Sprinkler Nozzles	0	0.00	0.000000	0.000	88	352.00	0
O.	Moisture Sensors	0	0.00	0.000000	0.000	0	0.00	0
P.	Lawn Removal & Replacement	6	7226.00	0.674500	219786.500	37	50477.00	4.439276
Q.	Graywater	1	100.00	0.000000	0.000	3	300.00	0
R.	Ice Machines	0	0.00	0.000000	0.000	0	0.00	0
III. Totals: Month; AF; Gallons; YTD		134	42159.57	2.463964	802,885.133	1851	483,766.77	30.673132
						2015 YTD	1997 - Present	
IV. Total Rebated: YTD; Program						483,766.77	4,894,293.06	
V. Estimated Water Savings in Acre-Feet Annually*						30.673132	484.736965	

* Retrofit savings are estimated at 0.041748 AF/HET; 0.01 AF/UHET; 0.01 AF/ULF to HET; 0.003 AF/dishwasher, 0.0161 AF/residential washer; 0.116618 AF/commercial washer; 0.0082 AF/100 square feet of lawn removal.

ITEM: INFORMATIONAL ITESM/STAFF REPORTS**30. QUARTERLY WATER USE CREDIT TRANSFER STATUS REPORT****Meeting Date: December 14, 2015** **Budgeted: N/A****From: David J. Stoldt,** **Program/ N/A**
General Manager **Line Item No.:****Prepared By: Gabriela Ayala** **Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: N/A**

Information about Water Use Credit transfer applications will be reported as applications are received. There are no pending Water Use Credit transfer applications.

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**31. CARMEL RIVER FISHERY REPORT FOR NOVEMBER 2015****Meeting Date: December 21, 2015** **Budgeted: N/A****From: David J. Stoldt,** **Program/ N/A**
General Manager **Line Item No.:****Prepared By: Beverly Chaney** **Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: N/A**

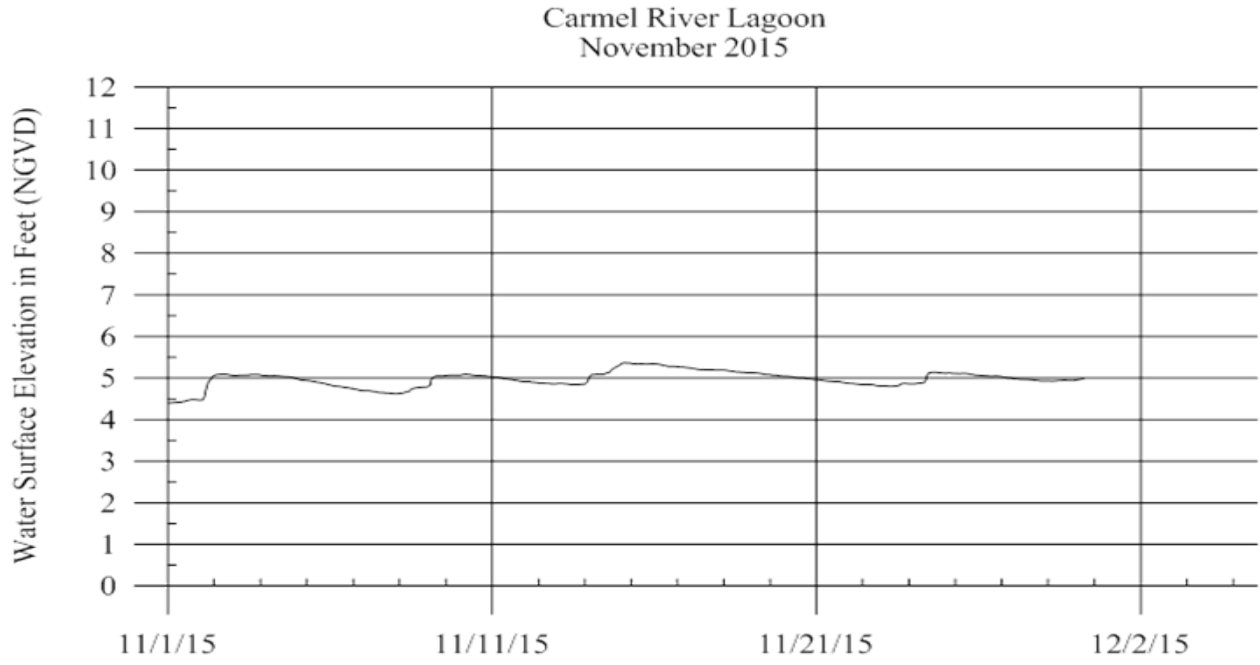
AQUATIC HABITAT AND FLOW CONDITIONS: During November 2015, flow conditions in the lower Carmel River were inadequate for migration of all steelhead life stages. Two small storms led to brief localized streamflow at the MPWMD Highway 1 (HW 1) gage but the river was never connected to the lagoon. Mean daily streamflow was 0.0 – 1.4 cubic feet-per-second (cfs) with 3.0 total acre-feet (AF) of runoff, while flow at the Sleepy Hollow Weir ranged from 2.3 to 4.8 cfs (mean 3.3 cfs) and 194 AF of runoff.

By the end of November, the lower Carmel River remained mostly dry to California American Water's (Cal-Am) Berwick Wells in mid-valley, at river mile (RM) 8.2. The 1.1 mile reach between Boronda Road Bridge (RM 12.7) and DeDampierre Park is still dry, but the river has rewetted the reach between upper DeDampierre Park and Rosie's Bridge (Esquiline Road, RM 14.45). All major tributaries below San Clemente Dam (SCD) remained dry at their confluences with the Carmel River.

During November, 3.10 inches of rainfall were recorded at Cal-Am's SCD gauge. The rainfall total for WY 2016 (which started on October 1, 2015) is 3.99 inches, or 140% of the long-term year-to-date average of 2.86 inches.

CARMEL RIVER LAGOON: On December 12, 2014, the lagoon filled and opened to the sea for the first time since May 24, 2013. After a final breaching in late March 2015, the beach berm built up and the lagoon started slowly filling. The lagoon's water-surface elevation (WSE) in November ranged from 4.4 to 5.3 feet above mean sea level (see graph below).

Water-quality profiles were conducted in mid-November at five lagoon sites. Overall, conditions remained "fair" for steelhead rearing with water temperatures dropping to the low 50s degrees Fahrenheit, dissolved oxygen (DO) ranging from 0.1 - 11 mg/L, and salinity levels ranging from 3 - 19 parts per thousand (ppt).



ITEM: INFORMATIONAL ITEMS/STAFF REPORT**32. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT****Meeting Date:** December 14, 2015 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/
Line Item No.:** N/A**Prepared By:** Jonathan Lear **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** N/A





Exhibit 32-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **December 1, 2015**. This system includes the surface water resources in the Carmel River Basin, the groundwater resources in the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin. **Exhibit 32-A** is for Water Year (WY) 2015 and focuses on four factors: rainfall, runoff, storage, and steelhead. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at San Clemente Dam.

Water Supply Status: As shown, rainfall through **November** 2015 totaled **3.1 inches** and brings the cumulative rainfall total for WY 2016 to **3.99 inches**, which is **140%** of the long-term average through **November**. Estimated unimpaired runoff during **November** 2015 totaled **243 acre-feet (AF)** and brings the cumulative runoff total for WY 2016 to **263 AF**, which is **14%** of the long-term average through **November**. Usable storage, which includes surface and groundwater, was **26,490**, or **90%** of the long-term average through **November**. This storage equates to **70%** of system capacity. In addition, **0 adult steelhead** were counted in the fish ladder at San Clemente Dam through **November**.

Production Compliance: Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2009-0060, California American Water (Cal-Am) is allowed to produce no more than 9,703 AF of water from the Carmel River in WY 2016. In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 2,251AF of water from the Coastal Subareas and 48 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2016. Altogether, Cal-Am is currently allowed to produce 11,954 AF from Carmel River and Seaside Coastal sources for customers in its main Monterey system and 48 AF from the Laguna Seca Subarea for customers in Ryan Ranch, Hidden Hills, and Bishop Systems (not adjusted for ASR recovery or Sand City Desalination). For WY 2016 through **November**, Cal-Am has produced **1,533 AF** from the Carmel River, Seaside Basin, Sand City Desalination, and ASR recovery, for customer use. This water production is **446 AF** or **22.5 % less** than the target specified for Cal-Am's production from the MPWRS for WY 2016 through **November**. A breakdown of Cal-Am's production for WY 2016 through **November** is included as **Exhibit 32-B**. Cal-Am's production from the Carmel River Basin is reduced for diversions that are made for injection into the Seaside Basin; Cal-Am's "native" Seaside Basin production is reduced for injected water recovery. For WY 2016 through **November**, **0 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use. **Exhibit 32-C** shows production breakdown from all sources for all uses. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data.

EXHIBITS**32-A** Water Supply Status: **December 1, 2015****32-B** Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: Water Year 2016**32-C** Monthly Cal-Am production by source: WY 2016

EXHIBIT 32-A

Monterey Peninsula Water Management District Water Supply Status December 1, 2015					
Factor	Water Year 2016 Oct - Nov	Average To Date	Percent of Average	Water Year 2015 Oct - Nov	
	Rainfall (Inches)	3.99	2.85	140%	1.57
	Runoff (Acre-Feet)	263	1,827	14%	155
	Storage (Acre-Feet)	26,490	27,480	90%	24,840
	Steelhead (Adults) (Juveniles)	0	1 ---	0% ---	0 --

Notes:

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at the former San Clemente Dam site average 21.1 inches and 67,400 acre-feet, respectively. Annual values are based on the water year that runs from October 1 to September 30 of the following calendar year. The rainfall and runoff averages at the San Clemente Dam site are based on records for the 1922-2015 and 1902-2015 periods, respectively.
2. The rainfall and runoff totals are based on measurements through **November 2015**.
3. Storage estimates refer to usable storage in the Monterey Peninsula Water Resources System (MPWRS) that includes surface water in Los Padres Reservoir and groundwater in the Carmel Valley Alluvial Aquifer and in the Coastal Subareas of the Seaside Groundwater Basin. The storage averages are end-of-month values and are based on records for the 1989-2015 period. The storage estimates are end-of-month values for **November 2015**.
4. The maximum usable storage capacity for the MPWRS at this time, with the flashboard in at Los Padres Dam and no capacity at San Clemente Dam, is 37,639 acre-feet.
5. The adult steelhead count refers to the number of sea-run adults (> 15 inches) that have migrated up the Carmel River in Water Year 2016. The juvenile count refers to the number of juveniles that were rescued by District staff from drying reaches of the Carmel River and its tributaries in Water Year 2016. The adult count average is based on records for the 1994-2015 period.

EXHIBIT 32-B

California American Water Production Distributed by Associated Water Rights: Water Year 2016

(All Values in Acre-Feet)

	Carmel River Water Diverted by Cal-Am for Customer Service Under 95-10 Rights ¹	Seaside Groundwater Diverted by Cal-Am from Coastal Subareas for Customer Service Under Adjudicated Rights ⁴	Seaside Groundwater Diverted by Cal-Am from Laguna Seca Subarea for Customer Service Under Adjudicated Rights ⁴	Total Seaside Basin Adjudicated Diversions for Customer Service ⁴	Total Production Under 95-10 Rights and Seaside Basin Adjudicated Rights ^{1,3}	Carmel River Water Diverted by Cal-Am for ASR Injection Under 20808A and C Rights ²	Carmel River Water Diverted by Cal-Am under Table 13 Rights	Seaside Groundwater Recovered by Cal-Am for Customer Service Under ASR Rights ⁴	Desalinated Water from Sand City Plant
	Limit: 9,692 acre-feet ²	Limit: 2,251 acre-feet	Limit: 48 acre-feet	Limit: 2,299 acre-feet	Limit: 11,991 acre-feet	Limit: 5,326 acre-feet	Limit: acre-feet	Target: 215 acre-feet	Target: 300 acre-feet
Oct-15	568	258	31	288	856	0	0	0	11
Nov-15	479	166	21	187	665	0	0	0	0
Dec-15									
Jan-16									
Feb-16									
Mar-16									
Apr-16									
May-16									
Jun-16									
Jul-16									
Aug-16									
Sep-16									
Total	1,047	423	52	475	1,522	0	0	0	11

California American Water Limit Adjustments to Comply with Associated Water Rights : Water Year 2016

(All Values in Acre-Feet)

	Carmel River Water Diverted by Cal-Am for Customer Service Under 95-10 Rights ¹	Carmel River Water Diverted by Cal-Am for ASR Injection Under 20808 Rights ³	Carmel River Water Consumed in Basin according to Table 13 Rights	Total Water Diverted from Carmel River for Customer Service and Injection	Seaside Groundwater Recovered by Cal-Am for Customer Service Under ASR Rights ⁵	Desalinated Water from Sand City Plant ²	Total Adjustment to 95-10 Water Right	95-10 Water Right Adjusted Monthly	Total Production for Customer Service from MPWRS and Sand City Desal
	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-15	568	0	0	568	0	11	11	9,692	867
Nov-15	479	0	0	479	0	0	0	9,692	666
Dec-15									
Jan-16									
Feb-16									
Mar-16									
Apr-16									
May-16									
Jun-16									
Jul-16									
Aug-16									
Sep-16									
Total	1,047	0	0	1,047	0	11	11	9,692	1,533

Notes:

- "95-10 Rights" refer to water rights that were recognized by the State Water Resources Control Board (SWRCB) in Order No. WR95-10 in July 1995 and assigned to California American Water. The rights total 3,376 acre-feet annually (AFA).
- "20808A Rights" refer to water rights that are held jointly by MPWMD and Cal-Am for the Phase 1 ASR project. "ASR" refers to Aquifer Storage and Recovery. "20808A" refers to Water Right Permit 20808A that was issued by the SWRCB in November 2007, for a maximum annual diversion of 2,426 AF. "20808C" refers to water rights permit 20808C, issued in November 2011 for a maximum annual diversion of 2,900AF.
- "Adjudicated Rights" refer to groundwater rights determined by the Superior Court of Monterey County in March 2006 and amended in February 2007. These limits are subject to change by action of the Seaside Basin Watermaster

EXHIBIT 32-B
Quarterly Water Budget Targets vs. Rule 162: Water Year 2016
 (All Values in Acre Feet)

Quarterly Budget											Rule 162		
95-10 Monthly Budget	ASR Diversion for Injection	Table 13 Diversion and consumption	Total Carmel River Diversions for Customer Service ASR Injection and Table 13	Seaside Adjudication Monthly Budget (Coastal)	Seaside Adjudication Monthly Budget (Laguna Seca)	Seaside Adjudication Monthly Budget Combined	ASR Recovery Budget	Sand City Desal Budget	Monthly Production for Customer Use Target ⁵	End of Month Production Adopted	End of Month Cumulative to date		
acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet		
1st Qtr	Oct-15 Nov-15 Dec-15	646 575	0 0	0 0	646 575	400 300	5 3	405 303	0 0	25 25	1,076 903	1,076 903	1,076 1,980 2,776
2nd Qtr	Jan-16 Feb-16 Mar-16												3,572 4,320 5,170
3rd Qtr	Apr-16 May-16 Jun-16												6,084 7,196 8,353
4th Qtr	Jul-16 Aug-16 Sep-16												9,611 10,850 12,001

California American Water Production vs. Water Budget and Water Right Limits: Water Year 2016

(All Values in Acre Feet)

Cal-Am Production vs. Quarterly Water Budget Targets											Cal-Am Production vs. EOM Totals			
95 - 10 Production for Customer Use vs. Monthly Targets		Seaside Coastal		Laguna Seca		Seaside Combined		Sand City Desal		Cal-Am Production vs. Rule 162				
Monthly Comparison		Monthly Comparison		Monthly Comparison		Monthly Comparison		Monthly Comparison		Year to Date				
acre-feet under	% Under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under			
1st Qtr	Oct-15 Nov-15 Dec-15	78 96	0 0	142 134	1 1	-26 -18	-5 -6	117 116	0 0	14 25	1 1	209 237	19.4% 26.3%	
2nd Qtr	Jan-16 Feb-16 Mar-16													
3rd Qtr	Apr-16 May-16 Jun-16													
4th Qtr	Jul-16 Aug-16 Sep-16													
Annual Statistics	AF Remaining	% Remaining	AF Remaining	% Remaining	AF Remaining	% Remaining	AF Remaining	% Remaining	AF Remaining	% Remaining	AF Remaining	% Remaining	446	22.5%
	8,645	89.2%	1,828	81.2%	-4	-7.5%	1,824	79.3%	289	96.3%				

4. "Target" refers to the maximum amount of water that Cal-Am will try to recover each year for customer service as part of the Phase 1 and 2 ASR Project. The actual amount of water that is recovered will depend on the amount injected during a particular water year and previous water years.
5. Monthly Budget Target numbers from Quarterly Budget Meetings.
6. Budget Target vs. Rule 162 used for the purpose of tracking compliance with MPWMD water rationing rules.
7. Water Production vs. Water Budget and Water Rights Limits are tracked for compliance with Order 2009-0060 and Seaside Adjudication.
8. Production from ASR and Sand City Desalination plant reduce 95-10 water right.

California American Water Production by Source: Water Year 2016

	Carmel Valley Wells ¹						Seaside Wells ²						Total Wells			Sand City Desal		
	Actual		Anticipated ³		Under Target		Actual		Anticipated		Under Target		Actual	Anticipated	Acre-Feet Under Target	Actual	Anticipated	Under Target
	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-15	0	568	0	646	0	78	258	31	400	5	142	-26	856	1,051	195	11	25	14
Nov-15	0	479	0	575	0	96	166	21	300	3	134	-18	665	878	213	0	25	25
Dec-15																		
Jan-16																		
Feb-16																		
Mar-16																		
Apr-16																		
May-16																		
Jun-16																		
Jul-16																		
Aug-16																		
Sep-16																		
To Date	0	1047	70	9366	0	174	423	52	2083	43	277	-44	1522	1929	407	11	275	39

Total Production: Water Year 2016

	Actual	Anticipated	Acre-Feet Under Target
Oct-15	867	1,076	209
Nov-15	666	903	237
Dec-15			
Jan-16			
Feb-16			
Mar-16			
Apr-16			
May-16			
Jun-16			
Jul-16			
Aug-16			
Sep-16			
To Date	1,533	1,979	446

1. Carmel Valley Wells include upper and lower valley wells. Anticipate production from this source includes monthly production volumes associated with SBO 2009-60, 20808A, and 20808C water rights. Under these water rights, water produced from the Carmel Valley wells is delivered to customers or injected into the Seaside Groundwater Basin for storage.
2. Seaside wells anticipated production is associated with pumping native Seaside Groundwater (which is regulated by the Seaside Groundwater Basin Ajudication Decision) and recovery of stored ASR water (which is prescribed in a MOA between MPWMD, Cal-Am, California Department of Fish and Game, National Marine Fisheries Service, and as regulated by 20808C water right).
3. Current "anticipated" water budget reflects "Normal" Carmel River inflow conditions and monthly distribution of production based on long-term averages for the Cal-Am system.



Supplement to 12/14/2015 MPWMD Board Packet

Attached are copies of letters received between November 4, 2015 and December 9, 2015. These letters are listed in the November 16, 2015 Board packet under Letters Received.

Author	Addressee	Date	Topic
Luke Coletti	David Stoldt	12/9/15	Entitlement for Pacific Grove
John Narigi	MPWMD Board	11/16/15	Agenda Items 20, 21, 22 from 11/16/15 Board Meeting
Claudio Valenzuela	MPWMD	11/13/15	Appointment of Nominee in Lieu of Election
Claudio Valenzuela	MPWMD	11/13/15	Certificate of the Registrar of Voters for the MPWMD

U:\staff\Boardpacket\2015\20151214\LtrPkt\LetterPacket.docx

Arlene Tavani

From: Dave Stoldt
Sent: Wednesday, December 9, 2015 4:02 PM
To: Arlene Tavani
Subject: FW: Entitlement for Pacific Grove.

RECEIVED

DEC - 9 2015

Please include as correspondence to the Board.

MPWMD

From: Luke Coletti [<mailto:ljc@groknet.net>]
Sent: Wednesday, December 09, 2015 12:13 PM
To: Dave Stoldt
Cc: robert.maclean@amwater.com; Richard.Svindland@amwater.com; Eric.Sabolsice@amwater.com; bjleneve@att.net
Subject: Entitlement for Pacific Grove.

Hello Dave,

Apparently, at the Dec 14 meeting the MPWMD will be going forward with an entitlement for Pacific Grove. I oppose the inclusion of any past use of unlawful water (diverted by Cal-Am) for the purpose of determining an entitlement amount. In this case, I believe Pacific Grove is only entitled to the lawful portion of any past historic use. Therefore, I believe Pacific Grove is only entitled to roughly 1/3 of any past use at the golf course and cemetery. The median demand over the last ten years is approx. 79 afy for both the golf course and cemetery.

I intend to advocate this position as part of the upcoming Cal-Am CDO extension hearings at the SWRCB, where the question of MPWMD entitlements will surely be discussed.

http://www.waterboards.ca.gov/waterrights/water_issues/projects/california_american_water_company/index.shtml

Thank you for your consideration,

Luke Coletti
Pacific Grove

Submitted by Jody Hansen
at 11/16/15 Board meeting
Item 22

Coalition of Peninsula Businesses

A coalition to resolve the Peninsula water challenge to
comply with the CDO a a reasonable cost

*Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners Association,
Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce,
Monterey County Association of Realtors, Community Hospital of the Monterey Peninsula,
Associated General Contractors – Monterey District, Pebble Beach Company*

November 16, 2015

Kristi Markey, Chair, and Members of Board of Directors
Monterey Peninsula Water Management District
5 Harris Court, Bldg G
Monterey, California 93940

Delivered by hand at Board meeting

Re: Agenda Items 20, 21, 22

Dear Ms Markey and Board Members:

Points on items 20, 21, 22 on MPWMD agenda 11-16-15

The Coalition of Peninsula Businesses - which comprises all the organizations and entities listed above - was a participant in the 2013 settlement agreements that established the size of the Monterey Peninsula Water Supply Project (MPWSP) and more importantly established the nine criteria Groundwater Recharge (GWR) must satisfy in order to be considered a part of MPWSP and reduce the size of the desal plant portion of MPWSP.

Since Item 22 is the only item requested actions, we strongly recommend deferring any action or budgeting authorization until 1) all the questions surrounding GWR have been answered and 2) a source of funding has been identified to pay for additional costs on the GWR project.

We are most concerned at this point about the ninth criteria which says: "(9) the revenue requirement for the combination smaller plant/GWR is just and reasonable compared with the larger plant. A revenue requirement premium for the combination smaller plant/GWR may be just and reasonable if the combination affords significant benefits (including scheduling, diversification of water supply, and environmental benefits) over the larger plant." The draft Water Purchase Agreement (included as an exhibit with Item 21), which is nowhere near complete or finalized, mentions no costs or other important details, especially the costs for water to be delivered to consumers. As written, the WPA constitutes a "blank check" from Cal Am to cover all GWR capital and operational costs. How can this possibly be consistent with the ninth criteria?

Item 20 mentions that the required cost comparison "prepared by the District" was shared with Cal Am prior to today and will be shared with MPRWA TAC and MPWMD Board tonight. How can the interested public provide any meaningful comments or analysis on a cost comparison they did not see until a few minutes ago? Further, Item 20 states the so-called "triple

bottom line” study of the estimated monetary value of various GWR “externalities” is not expected to be done until “the end of the year.” How can any cost comparison be made if the study of the estimated value of externalities is not available?

Item 21 includes a discussion of water availability/delivery guarantees (WPA sections 12 and 13). Based on the draft Water Purchase Agreement, the minimum annual water available to Cal Am for use by customers is 2,800 AF. Does this mean the desal plant will be sized to avoid water shortages in the event the new minimum of 2,800 is available? Or for the one-year minimum of 1,800 AF? What assurance does anyone have that the source water flows into the GWR plant will be sufficient and sustainable to meet the drinking water availability guarantee? What assurances does anyone have that the reserves the District intends to create can, in fact, be created and in the time frame mentioned?

Item 21 also deals with the possibility of breach (WPA section 19), failure of PUC approval (WPA section 26) and insurance (WPA section 27). There are a number of unanswered questions regarding failure to perform and how GWR capital costs and operating costs will be covered in the event of any failure, whether through insurance or additional taxes. Without answers to these important questions, meaningful comment is impossible except to note this: if anything goes wrong, the residents and businesses on the Peninsula will be stuck with the bill no matter what. That directly contradicts the ninth GWR criteria in the settlement agreement which seeks to assure the ratepayers will not have to shoulder any unnecessary financial burden associated with GWR.

Item 22 asks the Board for permission to spend “unbudgeted funds” to accelerate GWR progress from “unidentified” sources. It would be the height of irresponsibility and fiscal folly to do this.

Thank you for your consideration of our concerns. The Coalition has always supported the GWR project as a stand-alone, supplemental water supply project.

Very truly yours,



John Narigi, Chair

MONTEREY COUNTY ELECTIONS

PO Box 4400
Salinas, CA 93912

1370-B South Main Street
Salinas, CA 93901

831-796-1499 Phone
831-755-5485 Fax

www.MontereyCountyElections.us

elections@co.monterey.ca.us

Claudio Valenzuela
Registrar of Voters

Gina Martinez
Assistant Registrar of Voters



RECEIVED

NOV 23 2015

MPWMD

November 13, 2015

Monterey Peninsula Water Management District
Attention: District Secretary
PO BOX 85
Monterey, CA 93940

Subject: Appointment of Nominees per EC 10515

Enclosed for your reference is the Order of the Monterey County Board of Supervisors under Elections Code section 10515 approving the appointments of qualified nominees in Lieu of the Election held on November 3, 2015. Also enclosed are the individual Certificates of Election for each nominee appointed by the Board of Supervisors, as prepared by the Registrar of Voters.

Sincerely,

Claudio Valenzuela
Registrar of Voters

Enclosures

CERTIFICATE OF THE REGISTRAR OF VOTERS

State of California }
County of Monterey } ss.

I, **Claudio Valenzuela**, Registrar of Voters of the County of Monterey, State of California, do hereby certify that:

WHEREAS, the number of nominees did not exceed the number of offices required by law to be filled at the Election held on the 3rd day of November, 2015 within the boundaries of your district;

NOW, THEREFORE the Registrar of Voters hereby requests the supervising authority to appoint the following qualified person or persons as listed below:

Andrew Clarke, Division 2 - 2 year term

Jeanne C. Byrne, Division 4 - 4 year term

Bob Brower Sr., Division 5 - 4 year term

IN WITNESS WHEREOF, I have affixed my hand and official seal this Friday, November 13, 2015.

Claudio Valenzuela

Registrar of Voters





File ID 15-1072 No. 23

Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Upon motion of Supervisor Potter, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

- a. Appointed candidates to governing boards of various districts where the number of persons who filed a declaration of candidacy do not exceed the number of offices to be filled at the November 3, 2015 election, as set forth in the attached Exhibits; and
- b. Solicited candidates for appointment of qualified persons to governing board member positions where no person has filed a declaration of candidacy.

PASSED AND ADOPTED on this 13th day of October 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 78 for the meeting on October 13, 2015.

Dated: October 13, 2015
File ID: 15-1072

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

MONTEREY COUNTY ELECTIONS

PO Box 4400
Salinas, CA 93912

1370-B South Main Street
Salinas, CA 93901

831-796-1499 Phone
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www.MontereyCountyElections.us

elections@co.monterey.ca.us

Claudio Valenzuela
Registrar of Voters

Gina Martinez
Assistant Registrar of Voters



RECEIVED

NOV 23 2015

MPWMD

November 13, 2015

Monterey Peninsula Water Management District
Attention: District Secretary
PO BOX 85
Monterey, CA 93940

Subject: Certificate of the Registrar of Voters for the **Monterey Peninsula Water Management District**.

Attached hereto is the Certificate of the Registrar of Voters in connection with the November 3, 2015 Election.

Sincerely,

Claudio Valenzuela
Registrar of Voters

Enclosures

CERTIFICATE OF THE REGISTRAR OF VOTERS

In the **Matter** of the CANVASS OF VOTE CAST)
at the Monterey Peninsula Water Management District)
November 3, 2015 Election)

I, **Claudio Valenzuela**, Registrar of Voters of the County of Monterey, State of California hereby certify;

THAT an election was held within the boundaries of the Monterey Peninsula Water Management District, Division 3 on November 3, 2015 for the purpose of electing one Director to the Monterey Peninsula Water Management District, and; I caused to have processed and recorded the votes from the canvass of all ballots cast at said election within the boundaries of the Monterey Peninsula Water Management District Division 3.

I **HEREBY FURTHER CERTIFY** that the record of votes cast at said election is set forth in Exhibit "A" attached hereto and incorporated herein by reference as though fully set forth at length.

IN WITNESS WHEREOF, I hereunto affix my hand and seal this Friday, November 13, 2015 and file this date with the Monterey Peninsula Water Management District.



Claudio Valenzuela
Registrar of Voters

CITY/SCHOOL/SPECIAL DISTRICT ELECTION

November 3, 2015

Summary Report

COUNTY OF MONTEREY

Final Official Report

Registration & Turnout	93,961	Voters	San Ardo Union Elem. Sch. Dist. (2yr) (c)	1/1	100.00%
PP Turnout	2,616	2.78%	- TIFFINI MOORE	48	64.86%
MBP Turnout	1,589	1.69%			
VBM Turnout	13,292	14.15%	Total ...	74	100.00%
Total ...	17,497	18.62%	Soledad Unified School District	6/6	100.00%
Monterey County Brd. of Edu., TA 4	21/21	100.00%	- GLORIA VASQUEZ LEDESMA	320	12.93%
- RUBY NARANJO	614	25.11%	- MARIE DUENAS BERLANGA	361	14.59%
- PHILLIP G. TABERA	883	36.11%	- FABIAN M. BARRERA	358	14.47%
- JANET WOHLGEMUTH	948	38.77%	- JOSEFINA PEREZ AGUILERA	671	27.12%
Total ...	2,445	100.00%	- JAVIER GALVAN	764	30.88%
			Total ...	2,474	100.00%
Hartnell Comm. College Dist., TA 1	26/26	100.00%	Mtry. Pen. Unif. School Dist., TA 3	13/13	100.00%
- DEMETRIO PRUNEDA	1,080	38.82%	- DARRICK A.H. JORY	503	18.48%
- MANUEL M. OSORIO	1,702	61.18%	- JON HILL	2,219	81.52%
Total ...	2,782	100.00%	Total ...	2,722	100.00%
Hartnell Comm. College Dist., TA 2	14/14	100.00%	North Mtry. Co. Unif. Sch. Dist., TA 5	3/3	100.00%
- BILL FREEMAN	885	48.87%	- ELIZABETH G. SAMUELS	391	68.96%
- AURELIO SALAZAR, JR.	926	51.13%	- JENNIFER SKIDGEL-CLARKE	176	31.04%
Total ...	1,811	100.00%	Total ...	567	100.00%
Hartnell Comm. College Dist., TA 4	11/11	100.00%	Salinas Un. High Sch. Dist., TA 1 (2yr)	19/19	100.00%
- IRMA C. LOPEZ	627	34.68%	- CARLOS LEON RUBIO	750	51.33%
- DAVID GOMEZ SERENA	1,181	65.32%	- JOHN FICKAS	711	48.67%
Total ...	1,808	100.00%	Total ...	1,461	100.00%
Gonzales Unified School District	8/8	100.00%	Salinas Union High School Dist., TA 2	12/12	100.00%
- YOLANDA JIMENEZ-ALMANZAR	424	37.59%	- RAYMOND SCOTT BEASLEY	506	29.49%
- SONIA P. JARAMILLO	362	32.09%	- PATTY PADILLA-SALSBERG	1,210	70.51%
- REBECCA "BECKI" RANGEL HADLEY	342	30.32%	Total ...	1,716	100.00%
Total ...	1,128	100.00%	Salinas Union High School Dist., TA 4	7/7	100.00%
Greenfield Union School District (4yr)	6/6	100.00%	- JOHN "TONY" VILLEGAS	482	45.51%
- MAYRA PEREZ DIAZ	448	25.15%	- KATHRYN RAMIREZ	577	54.49%
- PAUL DAKE	343	19.26%	Total ...	1,059	100.00%
- YANELY MARTINEZ	265	14.88%	Santa Rita Union School District	15/15	100.00%
- SONIA MARTINEZ-HEREDIA	396	22.23%	- NEIL PATEL	658	27.35%
- LAURA CABALLERO	329	18.47%	- ANGIE MORFIN VARGAS	187	7.77%
Total ...	1,781	100.00%	- SARAH TURNER	561	23.32%
Greenfield Union School District (2yr)	6/6	100.00%	- JON INGRAHAM	268	11.14%
- BEATRIZ VALENZUELA DIAZ	463	45.98%	- AIDEE FARIAS	228	9.48%
- LETICIA MARTINEZ ARGUETA	544	54.02%	- THOMAS J. SPENCER	504	20.95%
Total ...	1,007	100.00%	Total ...	2,406	100.00%
San Ardo Union Elem. Sch. Dist. (2yr)	1/1	100.00%	Spreckels Union School District	10/10	100.00%
- WILLIAM S. LOPEZ	26	35.14%	- STEVE MCDOUGALL	534	36.43%
			- CHRISTOPHER R. CUDA	380	25.92%

CITY/SCHOOL/SPECIAL DISTRICT ELECTION

November 3, 2015

Summary Report

COUNTY OF MONTEREY

Final Official Report

Spreckels Union School District (cont'd.)	10/10 100.00%	Spreckels Memorial District (cont'd...)	2/2 100.00%
- PETER OPPENHEIM	552 37.65%	- BILL KEMPLE	47 11.01%
Total ...	1,466 100.00%	Total ...	427 100.00%
Alisal Union School District, TA 1	2/2 100.00%	Measure V - City of Greenfield	3/3 100.00%
- FERNANDO MERCADO	209 79.47%	YES	681 69.70%
- ELVIN IBARRA	54 20.53%	NO	296 30.30%
Total ...	263 100.00%	Total ...	977 100.00%
Alisal Union School District, TA 4	5/5 100.00%	Measure W - City of Greenfield	3/3 100.00%
- ADELLA LUJAN	100 28.09%	YES	588 60.56%
- ROGELIO PEREZ	13 3.65%	NO	383 39.44%
- GUADALUPE RUIZ GILPAS	243 68.26%	Total ...	971 100.00%
Total ...	356 100.00%		
Chualar Union Elem. School Dist, TA 3	1/1 100.00%		
- ROSALBA M. MORENO	28 35.44%		
- JOEL G. AVILA	51 64.56%		
Total ...	79 100.00%		
Salinas City Elem. School Dist., TA 2	10/10 100.00%		
- MANUEL P. RIVERA	111 11.72%		
- FRANCISCO JAVIER ESTRADA	500 52.80%		
- EVERETT P. SIVILS	336 35.48%		
Total ...	947 100.00%		
Salinas City Elem. School Dist., TA 4	9/9 100.00%		
- JANET VIVIAN BARNES	425 14.31%		
- AMY A. ISH	1,236 41.63%		
- STACEY WILSON	504 16.98%		
- FRANK GARDEN	804 27.08%		
Total ...	2,969 100.00%		
Monterey Pen. Water Mgmt. Dist., Dv 3	8/8 100.00%		
- MOLLY EVANS	1,209 54.17%		
- JEFFREY WESTON GORMAN	1,023 45.83%		
Total ...	2,232 100.00%		
Spreckels Community Services District	1/1 100.00%		
- CATHY MCDOUGALL	128 43.24%		
- RON EASTWOOD	126 42.57%		
- AMANDA R. ANTLE	42 14.19%		
Total ...	296 100.00%		
Spreckels Memorial District	2/2 100.00%		
- CATHY MCDOUGALL	103 24.12%		
- RON EASTWOOD	107 25.06%		
- LIZ WILLIAMS	77 18.03%		
- JILL KRAMM	93 21.78%		