

EXHIBIT 16-B

MPWMD User Fee and Water Supply Charge 8 Year Forecast Scenario: No attempt to reduce shortfalls

3/30/2016

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
GENERAL USER FEE PROGRAMS								
Sources								
Estimated Cal-Am Revenue (Note 1)	57,000,000	58,710,000	60,471,300	103,285,439	106,384,002	109,575,522	112,862,788	116,248,672
Less Undercollection at 11%	50,730,000	52,251,900	53,819,457	91,924,041	94,681,762	97,522,215	100,447,881	103,461,318
Potential General (7.125%) User Fee	3,614,513	3,722,948	3,834,636	6,549,588	6,746,076	6,948,458	7,156,912	7,371,619
Uses								
Mitigation Program (Note 2)	2,580,129	2,631,732	2,684,366	2,738,054	2,792,815	2,848,671	2,905,644	2,963,757
Conservation Surcharge Program (Note 2)	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606
Water Demand Database Replacement	600,000							
Drought Contingency Plan Grant	125,000	100,000						
Sleepy Hollow Intake Project	-	200,000	-	-	-	-	-	-
Total Uses	3,605,129	3,237,732	2,996,486	3,056,416	3,117,544	3,179,895	3,243,493	3,308,363
Excess/(Shortfall)	9,383	485,216	838,150	3,493,172	3,628,531	3,768,563	3,913,418	4,063,256
ASR USER FEE PROGRAMS								
Sources								
Potential ASR (1.20%) User Fee	608,760	627,023	645,833	1,103,088	1,136,181	1,170,267	1,205,375	1,241,536
Uses								
ASR - Phase 1 (Note 3)	505,000	22,000	11,680	11,914	12,152	12,395	12,643	12,896
ASR - Future Phases (Note 4)	50,000	50,000		260,000	260,000	520,000	520,000	520,000
Rabobank Loan Debt Service	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Rabobank Loan Sinking Fund (Note 5)			504,738	504,738	504,738	504,738	504,738	504,738
Total Uses	<u>785,000</u>	<u>302,000</u>	<u>746,418</u>	<u>1,006,652</u>	<u>1,006,890</u>	<u>1,267,133</u>	<u>1,267,381</u>	<u>1,037,634</u>
Excess/(Shortfall)	(176,240)	325,023	(100,585)	96,437	129,291	(96,866)	(62,006)	203,902
WATER SUPPLY PROGRAMS								
Sources								
Water Supply Charge	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
Uses								
Repay Reserves used for GWR	335,000	335,000	335,000					
Groundwater Replenishment Project	1,200,000	400,000						
GWR Operating Reserve (Note 6)			894,000	223,500	223,500	223,500		
GWR Drought Reserve (Note 7)				217,242	217,242	217,242	217,242	217,242
Cal-Am Desalination	510,000	400,000						
Local Water Projects	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Carmel River/Los Padres (Note 8)	400,000	500,000	350,000	100,000	50,000	50,000	50,000	50,000
Water Allocation Process		900,000	400,000					
Water Supply Staff	1,152,000	1,175,040	1,198,541	1,222,512	1,246,962	1,271,901	1,297,339	1,323,286
Services and Supplies	477,600	487,152	496,895	506,833	516,970	527,309	537,855	548,612
Total Uses	4,274,600	4,397,192	3,874,436	2,470,087	2,454,673	2,489,952	2,302,436	2,339,140
Excess/(Shortfall)	(874,600)	(997,192)	(474,436)	929,913	945,327	910,048	1,097,564	1,060,860
SUMMARY								
Total Revenues Available	7,623,273	7,749,971	7,880,470	11,052,676	11,282,257	11,518,724	11,762,286	12,013,155
Total Uses	8,664,729	7,936,924	7,617,340	6,533,154	6,579,108	6,936,980	6,813,310	6,685,137
Excess/(Shortfall)	(1,041,457)	(186,953)	263,130	4,519,522	4,703,149	4,581,744	4,948,976	5,328,018

NOTES:

- (1) Assumes 3.0% annual growth and \$41 million addition in 2020
- (2) Assumes 2.0% annual growth
- (3) Current draft of Seaside lease agreement
- (4) 2 well pairs; 1 in 2019, 1 in 2021; Does not include Carmel Valley well capacity
- (5) \$3,105,159 due in 2023
- (6) \$894 per AF @1000 AF in year 1; @250 AF per year three years after
- (7) \$894 per AF @243 AF/yr for 5 years
- (8) IFIM and GSFlow; Insurance; No capital included