

EXHIBIT 13-A

Summary of Status of 2017 District Strategic Goals

Adopted Strategic 1-Year Goals

Goal Area	Status
<p>1. Continue to Advance Water Supply Projects</p> <p>The District has made progress over the past year to secure contracts and funding for water supply projects. Continued progress would entail the following:</p> <ul style="list-style-type: none"> • Break ground and begin construction of Pure Water Monterey; Project-manage injection well construction; Develop coordination plan for well operations; Determine projected cost of water and take actions as necessary; Develop plan for payment of treatment cost for reserve water. • Support completion of final EIR for the Cal-Am desalination project; Supervise compliance with Mitigation Monitoring and Reporting Program; Further develop Financing Order and timing for the “Ratepayer Relief Bonds” public contribution; • Complete Santa Margarita ASR Site – Enhanced backflush pond, redefine easement, enter into agreements with City of Seaside and FORA, complete construction. • Cease and Desist Order – Continue to seek clarity on Condition 2 as it relates to existing service connections. • Pursue Proposition 1 (including IRWM) and Federal funding opportunities. • Local Projects – Work with jurisdictions to advance planning and development of local supplies. Includes City of Monterey/MRWPCA stormwater management plan, seeking a market for Monterey Regional Airport non-potable supply, Pacific Grove local project, and Pebble Beach Company Del Monte Golf Course. 	<ul style="list-style-type: none"> • ✓ Accomplished • ✓ Accomplished, except Financing Order delayed • In progress • In progress • ✓ Accomplished • ✓ Accomplished and Ongoing
<p>2. Scenario Analysis – Delay or Failure of Large Water Supply to Advance</p> <p>Evaluate options under a delay in the water supply project:</p> <ul style="list-style-type: none"> • Identify costs and timelines of alternatives. • Develop action plan to implement Conservation and Rationing Plan • Address rule changes to create additional supplies in short term (reestablish District Reserve, expand use of water entitlements, ease transfers, identify unused credits, Malpaso temporary urgency change petition, etc) • Examine health and safety needs of institutions and residences 	<ul style="list-style-type: none"> • ✓ Accomplished • ✓ Accomplished • Delayed awaiting resolution of Condition 2 • ✓ Accomplished

3. Establish Clear Requirements for Water Distribution Systems within the District

The District could benefit by more clearly stating its expectations and requirements from large Water Distribution Systems within its boundaries with respect to the following:

- Reporting production and consumption and other reporting requirements
- Posting current rates and charges
- Posting other consumer-oriented information
- Rules on annexations
- Ensure District revenues appropriately collected (e.g. User Fee in Canada Woods territory; Water Supply Charge in satellite systems; Revisit Capacity Fee discount for non-Main territory)
- Examine compliance with water pressure requirements
- Consider aligning District Boundaries more closely to underlying systems (LAFCO process)
- Other

- incomplete
- ✓ Accomplished
- ✓ Accomplished
- incomplete
- ✓ Accomplished

- Examined; incomplete
- ✓ Accomplished; No action desired

4. Raise Profile of District at Local, State, and Federal Level

- Develop ongoing outreach and visibility plan (e.g. monthly in print, quarterly on radio)
- Annual update of District website
- Obtain CSDA “Transparency Certificate”;
- Continue to achieve Government Finance Officer Association award for Comprehensive Annual Financial Report (CAFR)
- More interaction with local NGOs
- Continue speaking and sponsorship opportunities
- Enhance State and Federal regulators’ understanding of District role
- Pursue State and Federal funding opportunities

- ✓ Accomplished
- ✓ Accomplished
- Incomplete
- ✓ Accomplished

- ✓ Accomplished
- ✓ Accomplished
- ✓ Accomplished
- ✓ Accomplished

5. Fiscal Sustainability and Long-Term Financial Planning

As large-scale out-of-pocket costs for water supply projects begins to decline, the District should examine its requirements for long-term fiscal strength, including:

- Reserves and investments
- Strategies for funding PERS and OPEB liabilities
- Ongoing maintenance and replacement of District assets
- Water Supply Charge plan for sunset/suspension/reduction; Need for new rate study?
- User Fee status and uses

- ✓ Accomplished
- ✓ Accomplished; Ongoing
- ✓ Accomplished
- Need to do more

- Plan for retirement of Rabobank Loan
- Plan for paying for Pure Water Monterey reserves

6. Develop Long-Term Information Technology Plan

- Evaluate aging infrastructure; Develop replacement schedule
- Replace Water Demand Database
- Identify District data assets; Develop greater accessibility
- Plan for replacement of District phone system
- Digitize District maps, aerial photos, documents
- Improve field personnel technology and access
- Formalize plan for upkeep of District Website
- Improve search function for District server and District website

7. Organizational Issues

The Board may seek to direct staff to review its essential services and staffing levels, as well as succession plans. This review may include actions related to the following:

- Adopt and implement new annual performance evaluation tool
- Addition of new staff to meet changing District priorities
- Examine succession planning
- Consider employee team-building or morale-building events each year
- Ensure appropriate staff training (active shooter, customer service, CPR, confined space, etc)
- Finish reorganization
- Develop revised file retention policy and email retention policy; Reduce physical files

- ✓ Accomplished
- ✓ Accomplished
- ✓ Accomplished

- ✓ Accomplished
- In progress
- Incomplete
- ✓ Accomplished
- In progress
- ✓ Accomplished
- ✓ Accomplished
- Incomplete

- ✓ Accomplished
- ✓ Accomplished
- Incomplete
- In progress
- ✓ Accomplished
- Incomplete
- In progress

Adopted Strategic 3-Year Goals

Goal Area	Status
<p>8. Establish a Long-Term Strategy for Los Padres Dam</p> <p>The National Marine Fisheries Service has indicated that permanent removal of Los Padres Dam is a priority for restoration of the Steelhead in the Central Coast. However, many fisheries experts believe that a regulated river would be a better long-term solution for the Steelhead. Further, an unregulated river might radically affect the water rights and businesses of property owners along the river. The District, jointly with Cal-Am and a team of consultants, will address the following:</p> <ul style="list-style-type: none"> • Instream Flow Incremental Method (IFIM) study to evaluate habitat from dam removal, expanded reservoir capacity, and/or changed operations. • Carmel River Basin Hydrologic Model to evaluate water availability under various alternatives. • Los Padres Dam upstream fish passage feasibility study • Los Padres Dam Alternatives and Sediment Management Study • Overall feasibility and cost considerations • Liability and management issues • Extending District river work permit jurisdiction upriver to extend regulatory authority <p>9. Develop Comprehensive Strategy for Permit 20808-B</p> <p>The District has successfully reassigned portions of the original New Los Padres Reservoir permit 20808 to Phases 1 and 2 of ASR (20808-A and 20808-C.) However, permit conditions for each are different. The remainder permit 20808-B, without an approved extension, could be revoked by the SWRCB if water is not put to authorized use by the year 2020. ASR operations are constrained by the season of diversion, points of injection and extraction, and out-of-date instream flow requirements. A strategy for the remainder will include:</p> <ul style="list-style-type: none"> • Identification of two to three potential new injection and recovery sites, both in the Seaside Basin and the Carmel Valley • Possible source well rehabilitation and/or expansion in Carmel Valley; Potential treatment capacity expansion. May require EIR. • Develop strategy for direct diversion component of water right. • Amend existing permits and conform all permits to same standards; Attempt to create greater operating flexibility such that any injection well can inject any water and wells can be used for both recovery and production. • Undertake CEQA for a possible increase to season of diversion. • Complete a water availability analysis and an IFIM study to revise permit conditions. 	<ul style="list-style-type: none"> • In progress • In progress • In progress • In progress • Incomplete • Incomplete • In progress <ul style="list-style-type: none"> • In progress; Hampson memorandum under review; progress; Should be 1-year goal for 2019

10. Prepare for Allocation of “New Water”

The 1990 Allocation EIR resulted in the District developing a process for the allocation of water to the jurisdictions. The process was very interactive with jurisdiction participation. The District will need to be proactive to develop fair and equitable mechanisms for allocation of such water to the jurisdictions. Policies need to be considered for:

- In FY 2017-18, meet with jurisdictions to agree on future parameters
- The almost 1,800 acre-feet for legal lots of record
- Local projects such as Pacific Grove that free-up potable supplies within jurisdictions
- Future ASR, Table 13, Odello, changes in permit conditions, and so on may create additional supplies
- Use of any “excess” supplies in the early years of the project, before allocation to full build-out of Pebble Beach or legal lots of record
- Update and evaluation of the jurisdiction’s general plan needs
- Clean up the District rules regarding Water Credit transfers, sales, and categories.

11. Reform Rules and Regulations

Some Board members have expressed a desire to allow the addition of a half bathroom beyond a second bathroom. This may be part of a broader examination of all residential restrictions and a determination of what policies can be revised without an intensification of water use while the CDO remains in effect, as well as what direction policy should take for the future when the CDO is lifted.

- Consider change to second-bathroom protocol
- Develop credit for innovative technology
- Examine conservation off-set program
- Refine Group I, Group II, and Group III distinctions
- Reestablish District Reserve
- Expand use of water entitlements and ease water credit transfers
- Develop metering standard for non-Cal-Am pumpers on land use reporting method in the Carmel Valley Alluvial Aquifer
- General clean-up

12. Carmel River Mitigation Program

Determine direction for the District’s Carmel River mitigation activities as a result of removal of San Clemente Dam and the assumption that a new water supply comes on line.

- Deferred due to lack of progress on water supply project; Should be 3-year goal for 2019

- In progress in some areas; Should be 3-year goal for 2019

<p>Near term:</p> <ul style="list-style-type: none"> • Remove damaged bridge and footing from 1995 flood • Restore area downstream of Rancho San Carlos Road bridge damaged in 2017 • Invest in data collection to support future actions (PIT tagging, construction and staffing of a weir for fish counts, etc) • Promote strategies for addressing the striped bass issue • Secure outside funding for habitat restoration <p>Long term:</p> <ul style="list-style-type: none"> • Develop Mitigation Program “Endgame” Plan • What will be future Cal-Am operations? • What will be role of Cal-Am, NMFS, CDFW, non-Cal-Am pumpers? • How will a baseline be established? • What data will be needed? How will it be collected? For how long? 	<ul style="list-style-type: none"> • ✓ Accomplished • ✓ Accomplished • ✓ Accomplished • ✓ Accomplished • Incomplete <ul style="list-style-type: none"> • Should be 3-year goal for 2019
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