REGULAR MEETING OF THE
MONTEREY PENINSULA AIRPORT DISTRICT
BOARD OF DIRECTORS

December 14, 2022 - 9:00 AM

Monterey Regional Airport
200 Fred Kane Drive, Suite 200

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the expiration of certain directives contained in the Governor's Declaration of Emergency for the State of California (Executive Order N-29-20), the Board of Directors of the Monterey Peninsula Airport District will return to hold meetings at the Airport Board Room, with in-person attendance.

Due to recent increase in the transmission of the Omicron variant of the Coronavirus, and, as a result of the directives issued by the State of California and the Monterey County Public Health Officer intended to prevent the transmission of the coronavirus, the Airport may utilize the procedures outlined in AB361 to utilize alternative measures related to the conduct of remote meetings and remote comments by members of the public.

Should the Board implement the measures outlined in AB 361, members of the public may participate in the Board meeting via Zoom video conference. Please visit www.zoom.us/join and enter the following Meeting ID: **831 7098 4092**. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID. Members of the public who wish to provide comment on an item on the agenda may do so during the meeting prior to the item being considered by the Board, as outlined below.

REMOTE PUBLIC COMMENTS
To make a public comment, the following options are available:

1. Before the Meeting via Email: Written comments can be emailed to info@montereyairport.com. Include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.
2. During the Meeting via Oral Comments: When the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Public comments may also be made in person. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment.

A. CALL TO ORDER/ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person may address the Monterey Peninsula Airport District Board at this time on any item that is **NOT** on today's agenda and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.

E. CONSENT AGENDA - ACTION ITEMS

The Consent Agenda consists of those items which are routine and for which a staff recommendation has been prepared. A Board member, member of the audience or staff may request that an item be placed on the deferred consent agenda for further discussion. One motion will cover all items on the Consent Agenda. The motion to approve will authorize the action or recommendation indicated.

Approve 1. Minutes of the Regular Board Meeting of November 16, 2022

Approve 2. Minutes of the Air Carrier Service – Marketing – Community Relations Committee Meeting of December 6, 2022

Adopt 3. Resolution No. 1816-11, A Resolution of the Board of Directors of the Monterey Peninsula Airport District Making Findings and Determinations Pursuant to AB 361 or Virtual Meetings and Authorizing Virtual Board Member and Other District Meetings

Adopt 4. Resolution No. 1834, A Resolution Amending and Approving an Update to MPAD Governance Manual, Director Remuneration and Expense Reimbursement Policy, and Employee Travel Policy Memorandum

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

G. REGULAR AGENDA - ACTION ITEMS

Appoint 1. Appoint Director Miller and Director Pick to Four-Year Terms and Administer the Oath of Office (Appointed in Lieu of Election)

Receive 2. Annual Financial and Compliance Report for the Fiscal Years Ended June 30, 2022 and 2021 (Audit Report from LSL)

Approve 3. Contract Amendment for Kimley Horn Associates, Inc. Design Services for the Well System Water Conveyance Project

Adopt 4. Resolution No. 1835, A Resolution Authorizing and Approving the Service Agreement Between the Monterey Peninsula Airport District and Bandit Systems

Appoint 5. Designate Appointees for 2023 MPWMD Policy and Technical Advisory Committees

H. BOARD COMMITTEE REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

Report on meetings attended by Board Members at Monterey Peninsula Airport District's expense -

AB1234. The board receives department reports which do not require any action by the board.

Standing Committees:

i. Budget and Finance	Directors Sabo & Leffel
ii. Air Service, Marketing, Community Relations	Director Miller & Pick
iii. Airport Property Development and Leases	Directors Sawhney & Miller

b. Ad-Hoc Committees:

i. Local Jurisdiction Liaison	Director Leffel and Miller

c. Liaison/Representatives:

i. Local Agency Formation Commission	Director Leffel	Alt: Sawhney
ii. Regional Taxi Authority	Director Leffel	Alt: Sawhney
iii. Transportation Agency for Monterey County	Director Sabo	Alt: Sawhney
iv. Special Districts Association Liaison	Director Leffel	Alt: Miller
v. Association of Monterey Bay Area Governments	Director Sawhney	Alt: Sabo

I. CLOSED SESSION

1. **POTENTIAL EXPOSURE TO LITIGATION (Government Code section 54956.9(d)(2))** The Board will meet with the Executive Director and District Counsel to discuss potential exposure to litigation - one case.

J. RETURN TO OPEN SESSION

K. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

L. DISCUSSION OF FUTURE AGENDAS

Any Board member may request the Board of Directors to instruct staff to report back to the Board at a future meeting concerning any matter or place a matter of business on a future agenda. Approval of such requests will be made by motion.

M. ADJOURNMENT

AGENDA DEADLINE

This is the final Agenda that has been posted on the bulletin board outside of the District Offices in the Terminal Building at the Monterey Regional Airport no less than 72 hours prior to the meeting.

All items submitted by the public for possible inclusion on the Board Agenda or in the Board packet must be received by 5:00 P.M. on the Friday before the first Wednesday of the month. This agenda is subject to revision and may be amended prior to the scheduled meeting.

Upon request and where feasible, the Monterey Peninsula Airport District will provide written agenda materials in appropriate alternate formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. To allow the District time within which to make appropriate arrangements, please submit a written request containing a brief description of the materials requested and preferred alternative format or auxiliary aid or service desired as far as possible in advance of the meeting. Requests should be sent to the District Secretary at 200 Fred Kane Drive, Suite 200, Monterey, California 93940.

MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

November 16, 2022 - 9:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

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Public comments may also be made in person. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment.

A. CALL TO ORDER/ROLL CALL

Chair Miller called to order the regular meeting of the Monterey Peninsula Airport District Board of Directors at 9:02 AM. Directors Pick, Sawhney, Leffel, and Sabo were present. Director Pick attended by Zoom videoconference. The following staff were present: Executive Director La Pier, District Counsel Huber, Acting District Secretary Adams, Deputy Director of Strategy & Development Morello, and Controller Wilson.

B. PLEDGE OF ALLEGIANCE

Director Sabo led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Deputy Director Morello reported on the recent Art at the Airport Reception which celebrated the unveiling of the "Grand Gatherings" exhibit. The exhibit depicts six different iconic events on the Monterey Peninsula and members of those event management teams attended the reception. Deputy Director Morello introduced Kathy Kopp, the curator of the exhibit, and expressed the Airport's appreciation for her talents. Board members echoed their thanks and congratulations on a job well done to Ms. Kopp.

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

E. CONSENT AGENDA - ACTION ITEMS

Approve 1. Minutes of the Air Carrier Service - Marketing - Community Relations Committee Meeting of October 17, 2022

Approve 2. Minutes of the Regular Board Meeting of October 19, 2022

Approve 3. Minutes of the Special Board Meeting of October 21, 2022

Approve 4. Minutes of the Special Board Meeting of November 4, 2022

Approve 5. Minutes of the Budget and Finance Committee Meeting of November 8, 2022

Approve 6. Minutes of the Air Carrier Service – Marketing – Community Relations Committee Meeting of November 08, 2022

Approve 7. Minutes of the Airport Property Development & Leases Committee Meeting of November 9, 2022

Adopt 8. Resolution No. 1816-10, A Resolution of the Board of Directors of the Monterey Peninsula Airport District Making Findings and Determinations Pursuant to AB 361 or Virtual Meetings and Authorizing Virtual Board Member and Other District Meetings

Director Leffel made a motion to approve Consent Agenda Items 1-8. Director Sabo seconded the motion. The motion carried by a roll call vote of 5-0.

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

None.

G. REGULAR AGENDA - ACTION ITEMS

Chair Miller skipped to Regular Agenda Item G.3 to accommodate Director Pick's schedule.

Adopt 3. Resolution No. 1832, A Resolution Authorizing and Approving the Creation of the Position of Deputy Executive Director, Eliminating the Positions of Deputy Director Strategy and Development and Deputy Executive Director Finance and Administration, and Amending the Fiscal Year 2023 Salary Schedule as Amended September 27, 2022 by Resolution No. 1830, Listing Salary Ranges for the Monterey Peninsula Airport District

Executive Director La Pier introduced Resolution No. 1832, stating items from the last meeting have been addressed: the title has been changed to Deputy Executive Director, and the job description articulates that this position will perform the duties of interim Acting Executive Director during the Executive Director's extended absence. Executive Director La Pier stated the HR consultant reviewed the job description and had no changes.

Director Sawhney asked if this position had a car allowance. Executive Director La Pier stated it did not. Director Sawhney noted none was listed on the Salary Schedule and yet Note 2 referred to Executive Management Positions. District Counsel Huber stated Note 2 on the Salary Schedule could be modified for clarity. The way it reads now allows for possible future additions. However, he suggested Note 2 be changed to read "Indicated Salary Rates Do Not Include Automobile Allowance for the Executive Director in the Amount of $750 per month".

Director Leffel made a motion to adopt Resolution No. 1832, with the modification to the Salary Schedule as noted above. Director Pick seconded the motion.

Directors discussed the organizational structure of the Airport and expressed a desire by the Board to better understand the long-term future staffing needs. There was a discussion about the Board's role and authority as it related to Organizational Charts. District Counsel Huber explained the Board approves the Position Creation and Job Description, the Salary Schedule, and the Budget.

Director Miller asked if this was a reclassification or an open position. District Counsel Huber answered it was a reclassification.

The motion carried by roll call vote of 4-1 with Director Sawhney abstaining.

Receive 1. Bierman Hydrogeologic Well Report Presentation

Executive Director La Pier introduced the subject and stated there is no Staff Report because there is no action needed; this is a report out. He turned the floor over to Deputy Director Morello who stated we intend to have the scope of work for a water delivery system ready for the Board next month. She introduced Pearse Melvin, Kimley-Horn, who gave a report on the recent well tests at 2801 Monterey Salinas and 2999 Monterey Salinas Highway. The report included specifics on gallons per minute, water quality, and recovery of drawdown. It was noted that the first expectation is to use 2801 well water as a source of non-potable water for the rental car wash facility and, with the higher-than-expected flow rate, it is possible it would be used as non-potable water for other facilities on the Airport. Directors asked if it would be possible to utilize either source as potable water. Mr. Melvin gave an overview of the process that would be necessary before we would know.

No action taken.

Chair Miller excused Director Pick at 9:45 AM saying he would be rejoining when he was able.

Approve 2. Professional Service Agreement Between Monterey Peninsula Airport District and Chris Chidlaw dba Chidlaw Marketing for Public Relations and Community-Media Outreach Services

Executive Director La Pier introduced Item G.2 stating the position of Public Relations Specialist has been advertised since it was created and there have not been any applicants with the appropriate skillset apply. As an alternative to filling the position of Public Relations Specialist, Staff proposes to contract the services of a Public Relations Specialist with Chidlaw Marketing.

Executive Director La Pier introduced Chris Chidlaw, of Chidlaw Marketing, who gave a presentation on a proposal for contract services that would combine his current Marketing / Advertising Consultant arrangement with the added services related to Public Relations. He stated his proposal includes Buzz PR services for press release circulation reach and social media monitoring.

Director Leffel asked the terms of the existing contract with Chidlaw Marketing and how advertisements were paid. Mr. Chidlaw stated there is no agreement; it is a month-to-month retainer for consulting *services and ad placement, plus invoices he gets from the media. He gets a percentage of the ad placement from the media outlet as a commission; the commission is paid by the media outlet.*

There was a discussion about the pricing structure and the contract wording. District Counsel Huber noted page 8 paragraph 20 of the agreement states that this agreement contains the entire understanding between the parties and that all prior agreements are merged into this Agreement and are of no further force. He further stated that Exhibit B could be amended to add that the District shall pay for all advertising placed by Consultant, with prior written approval of the District and that District understands and agrees that Consultant may receive a commission for advertising placement from media outlets.

Directors asked questions of Mr. Chidlaw regarding the specifics of his services. Director Sawhney expressed her concern at the approach to contract out these services instead of hiring an internal full-time person.

Director Leffel made a motion to approve the Professional Service Agreement Between Monterey Peninsula Airport District and Chris Chidlaw dba Chidlaw Marketing for Public Relations and Community-Media Outreach Services. Chair Miller seconded the motion. Counsel Huber asked to clarify if the motion included the amendment to Exhibit B proposed above. Director Leffel answered no.

Director Sabo asked Director Leffel to amend the motion to include the addition to Exhibit B that adds that the District shall pay for all advertising placed by Consultant, with prior written approval of the District and that District understands and agrees that Consultant may receive a commission for advertising placement from media outlets. Director Leffel agreed to amend her motion as stated. Chair Miller agreed to second the amended motion. The motion carried 3-2 by roll call vote with Director Pick absent and Director Sawhney voting no.

Adopt 3. Resolution No. 1832, A Resolution Authorizing and Approving the Creation of the Position of Deputy Executive Director, Eliminating the Positions of Deputy Director Strategy and Development and Deputy Executive Director Finance and Administration, and Amending the Fiscal Year 2023 Salary Schedule as Amended September 27, 2022 by Resolution No. 1830, Listing Salary Ranges for the Monterey Peninsula Airport District

Item G.3 was considered and adopted prior to Item G.1.

A break was taken from 10:59 AM to 11:10 AM.

Adopt 4. Resolution No. 1833, A Resolution Appointing A New Chief Financial Officer of the Association Which Controls the Common Area of the Properties Located at 2801 Monterey Salinas Highway, Monterey, CA Thereby Amending Resolution No. 1759

Executive Director La Pier introduced Item G.4 stating an appointment is necessary due to the retirement of the previous Chief Financial Officer of the Association which controls the Common Area of the properties located at 2801 Monterey. Staff recommends Mark Wilson, Controller, to fill the position.

Directors discussed the reason for the Association and the obligations required with keeping it.

Director Leffel made a motion to adopt Resolution No. 1833, A Resolution Appointing A New Chief Financial Officer of the Association Which Controls the Common Area of the Properties Located at 2801 Monterey Salinas Highway, Monterey, CA Thereby Amending Resolution No. 1759.

Director Pick rejoined the meeting at 11:27 AM.

Director Sabo seconded the motion. The motion carried by a roll call vote of 4-1 with Director Pick abstaining.

Adopt 5. Resolution No. 1834, A Resolution Amending and Approving an Update to MPAD Governance Manual, Director Remuneration and Expense Reimbursement Policy, and Employee Travel Policy Memorandum

District Counsel Huber introduced Item G.5 stating a revision to the MPAD Governance Manual has been contemplated due to statute changes, changes in Policy and Procedures, and the change to the General Manager's title to Executive Director; the revisions do not add or remove anything. He stated the Governance Manual refers to the Director Remuneration and Expense Reimbursement Policy and the Employee Travel Policy Memorandum, and changes are proposed to those documents to update them in the same manner. Those documents were all provided in "track changes" mode. The document MPAD Finance & Accounting Policies was included as reference but was updated in 2018 and there are no proposed changes to that document.

Directors asked questions of District Counsel Huber and suggested further changes to the documents.

There was a discussion about the organizational chart and a suggestion that it be included with future new position job descriptions so the Board would have a better understanding of the whole when they are contemplating adding positions.

Chair Miller proposed changing the way the Chair is selected saying we now can implement a District order to the appointments instead of the Chair Pro Temp being appointed at the prerogative of the Chair, although there tends to be a rotation order followed out of tradition. Directors discussed the idea.

Directors came to consensus on additions and subtractions to the documents.

There was a suggestion the Controller should review the MPAD Finance & Accounting Policies and recommend changes (if any) to the Finance Committee.

Action was tabled. It was agreed District Counsel Huber would incorporate newly agreed upon changes and put this Item on the Consent Agenda at the next regular Board meeting.

Chair Miller stated there would be a 10-minute break, after which the meeting would resume in Closed Session and the remainder of the open agenda would be continued after Closed Session. A break was taken at 1:20 PM.

I. CLOSED SESSION

1. **REAL PROPERTY NEGOTIATIONS** [Government Code Section 54956.8]. The Board will meet with Real Property Negotiators, Executive Director and District Counsel, regarding the properties identified as APN 013-221-020-000.

2. **QUARTERLY GOAL UPDATE** [Government Code Section 54957(b)]. The Board will meet with the Executive Director and District Counsel to consider the quarterly goal update related to the following position: Executive Director.

Directors entered Closed Session at 1:30 PM.

J. RETURN TO OPEN SESSION

The Board returned to Open Session at 4:26 PM. Chair Miller reported Director Sawhney had been excused at 3:45 PM and Director Pick was absent from Closed Session. There was no reportable action from Closed Session.

H. BOARD COMMITTEE REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

Standing Committees:

i.	Budget and Finance	Directors Sabo & Leffel
ii.	Air Service, Marketing, Community Relations	Director Miller & Pick
iii.	Airport Property Development and Leases	Directors Sawhney & Miller

b. Ad-Hoc Committees:

i.	Local Jurisdiction Liaison	Director Leffel and Miller

c. Liaison/Representatives:

i.	Local Agency Formation Commission	Director Leffel	Alt: Sawhney
ii.	Regional Taxi Authority	Director Leffel	Alt: Sawhney
iii.	Transportation Agency for Monterey County	Director Sabo	Alt: Sawhney
iv.	Special Districts Association Liaison	Director Leffel	Alt: Miller
v.	Association of Monterey Bay Area Governments	Director Sawhney	Alt: Sabo

Directors discussed Staff Reports.

Director Sabo reported for Budget and Finance Committee.

Chair Miller reported for the Air Service Committee.

Chair Miller reported for Lease Committee.

There was no Local Jurisdiction meeting.

There was no Regional Taxi Authority meeting.

Director Leffel reported on the LAFCO Budget & Finance Committee meeting and noted there was no LAFCO board meeting in November.

Director Sabo reported on the TAMC meeting.

Director Leffel reported Special Districts November and December meetings were cancelled.

Chair Miller reported for Director Sawhney on the AMBAG meeting, stating their next meeting will be in January.

I. CLOSED SESSION

3. **REAL PROPERTY NEGOTIATIONS** [Government Code Section 54956.8]. The Board will meet with Real Property Negotiators, Executive Director and District Counsel, regarding the properties identified as APN 013-221-020-000.

4. **QUARTERLY GOAL UPDATE** [Government Code Section 54957(b)]. The Board will meet with the Executive Director and District Counsel to consider the quarterly goal update related to the following position: Executive Director.

Closed Session was moved up in the agenda order to just after Open Session Item G. 5.

J. RETURN TO OPEN SESSION

Return to Open Session immediately followed Closed Session just after Open Session Item G. 5.

K. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

None.

L. DISCUSSION OF FUTURE AGENDAS

None.

M. ADJOURNMENT

The meeting adjourned at 5:05 PM.

Approved at the
Meeting of December 14, 2022

Carl M. Miller, Chair

A T T E S T

Michael La Pier, AAE
District Secretary

MINUTES OF THE AIR CARRIER SERVICE - MARKETING - COMMUNITY RELATIONS COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

December 6, 2022 – 10:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

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Members of the public may participate in the Board meeting via Zoom video conference. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **863 8600 2015**. The password for this meeting is: **20221206** If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

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Public comments may also be made in person. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment.

A. CALL TO ORDER

The meeting of the Air Carrier Service – Marketing – Community Relations Committee was called to order at 10:06 AM. Director Miller and Director Pick, Executive Director La Pier, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. Air Carrier & Charter Service Update

Executive Director La Pier shared the quarterly Air Service Update from our consultant, Landrum & Brown. He noted advance bookings are down and this is in large part because the number of seats *available in December and January are down with seasonally reduced service. Airfares are also up and that is reflected in the leakage report.*

There was a discussion about load factors and the higher capacity aircraft being brought on for the Dallas market. Executive Director La Pier stated we are promoting the upgraded aircraft next week and in January on boosted social media posts focused on Dallas. In promotional activity closer to home, we are sponsoring Christmas songs on KRML Radio. The Airport receives mention on the front end of the set and our advertisement is at the end of the set. The commercial will focus on the new aircraft to Dallas or on flying to Phoenix for Spring Training. The frequency will increase as it gets closer to the Holidays.

Executive Director La Pier showed a graph of the top 30 U.S. airports seat capacity change from December 2022 vs. December 2019. He noted most are down significantly and this shows that Monterey is not the only airport to be dealing with less seat availability.

Review 2. Air Carrier Service Development Update

Executive Director La Pier stated to improve leakage we need an ultra-low fare carrier. He reviewed the possible candidates and our efforts to date and answered questions from Directors. He stated he would continue to work with these carriers going forward.

Discussion 3. Local Marketing and Outreach Update

Executive Director La Pier reported on a meeting with Chidlaw Marketing, Buzz PR, our Social Media Specialist, and himself. He stated this was the first of planned monthly meetings where the focus is to blend public relations calendars and coordinate the messaging across all media.

There were no questions on the social media analytics.

Discussion 4. Passenger Comments, Services and Amenities Update

There was one complaint and Directors agreed that it should be discussed with the Police Commander.

Discussion 5. Community Noise Concerns Update

There was one noise complaint compared to 4 last year.

E. ADJOURNMENT

The meeting was adjourned at 10:45 AM.

Approved at the
Meeting of December 14, 2022

Carl M. Miller, Chair

A T T E S T

Michael La Pier, AAE
District Secretary

AGENDA ITEM: E-3
DATE: December 14, 2022

TO: Monterey Peninsula Airport District Board of Directors
FROM: Scott E. Huber, District Counsel
SUBJ: Resolution No. 1816-11, A Resolution of the Board of Directors of the Monterey Peninsula Airport District Making Findings and Determinations Pursuant to AB 361 or Virtual Meetings and Authorizing Virtual Board Member and Other District Meetings

BACKGROUND. It is recommended that the Board adopt Resolution No. 1816-11 making findings and determinations under AB 361 for the continuation of virtual meetings and authorizing virtual Board Meetings, and other committee and legislative body meetings pursuant to AB 361.

STAFF ANALYSIS. On March 17, 2020, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act to allow for local legislative bodies to conduct their meetings completely telephonically or by other electronic means. As the Board is aware, this allowed Board Member meetings to be conducted by Zoom with Board Members and staff all joining from remote locations.

The suspension of certain provisions of the Brown Act was further extended by the Governor on June 11, 2021, by the issuance of Executive Order N-08-21 which continued to allow for complete virtual Board (and other legislative body) meetings until September 30, 2021.

With the looming expiration of the Governor's Executive Order, along with the uncertainty that surrounded the Governor's potential recall, the Governor signed into law Assembly Bill 361. Effective October 1, 2021, AB 361 allows local government to continue to conduct remote virtual meetings so long as there is a state-proclaimed state of emergency and the legislative body makes mandatory findings.

AB 361 allows legislative bodies to meet virtually, provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees.

AB 361 preserves many of the provisions of the earlier executive orders, while also adding new requirements to the management of remote and teleconference public meetings in order to better achieve the levels of transparency that the Brown Act demands. Specifically, AB 361 imposes two new rules on remote public meetings:

1. Local governments and agencies hosting teleconference meetings in lieu of traditional in-person public meetings must permit direct public comment during the teleconference and must leave open the opportunity for public comment until the comment period for a given item is closed during the ordinary course of the meeting. The opportunity to

make public comment must be of a sufficient duration so as to allow actual public participation; and

2. Any action by the governing body during a public teleconference meeting must occur while the agency is actively and successfully broadcasting to members of the public through a call-in option or an internet-based service option. If a technical disruption within the agency's control prevents members of the public from either viewing the meeting of the public agency or prevents members of the public from offering public comment, the agency must cease all action on the meeting agenda until the disruption ends and the broadcast is restored. Action taken during an agency-caused disruption may be challenged as a violation of the Brown Act.

The Board previously implemented the above stated requirements for conducting public meetings and, going forward, the meetings would be in full compliance with AB 361, thus the prior procedures would be utilized again. Teleconference accessibility via an internet-based service option (via the Zoom Webinars platform) is listed on the published agenda for each meeting as well as on the Airport's website and the Board provides access for public comment opportunities in real time.

In order to continue to qualify for AB 361's waiver of in-person meeting requirements, the Board must, within thirty (30) days of its first meeting under AB 361, and every thirty (30) days thereafter, make findings that (a) state or local officials continue to recommend measures to promote social distancing, or that (b) an in-person meeting would constitute an imminent risk to the safety of attendees. The findings need not be in the form of a resolution, but a resolution is helpful in formalizing these findings.

The attached Resolution makes the required findings under AB 361, and if adopted, it will allow the Board to continue to offer teleconference accessibility for public meetings after September 30, 2021, to help mitigate the spread of COVID-19, as well as during other state-proclaimed emergencies where physical attendance may present a risk.

Lastly, it is important to note that having virtual meetings under the provisions of AB 361 is optional. If the Board desires, it may meet in person. In addition, hybrid meetings are permissible. Given the recent uptick in transmission of the Omicron variant of the Coronavirus, it seems prudent to have this resolution in place as a stopgap measure to ensure flexibility for holding legislative meetings remotely, if needed.

FISCAL IMPACT. None.

RECOMMENDATION. Adopt Resolution No. 1816-11, A Resolution of The Board of Directors of The Monterey Peninsula Airport District Making Findings and Determinations Under AB 361 for Virtual Meetings and Authorizing Virtual Board Member and Other District Meetings Pursuant to AB 361.

RESOLUTION NO. 1816-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT MAKING FINDINGS AND DETERMINATIONS UNDER AB 361 FOR VIRTUAL MEETINGS AND AUTHORIZING VIRTUAL BOARD MEMBER AND OTHER DISTRICT MEETINGS PURSUANT TO AB 361

The Board of Directors of the Monterey Peninsula Airport District does hereby find, order, and resolve as follows:

SECTION 1. ***Recitals.***

A. The Ralph M. Brown Act (Gov. Code § 54950 et seq.) generally requires local agencies meeting via teleconference, including through other virtual or electronic means, to provide public access at each location in which members of the legislative body are teleconferencing;

B. On September 16, 2021, the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees;

C. The Governor issued a proclamation declaring a state of emergency on March 4, 2020, due to the COVID-19 pandemic, pursuant to section 8625 of the California Emergency Services Act, and this proclaimed state of emergency currently remains in effect;

D. State or local officials continue to impose and recommend measures to promote social distancing and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

E. The Board has considered the circumstances of the state of emergency and finds that the continuation of virtual meetings will allow for full participation by members of the public until social distancing recommendations are lifted; and

F. The Board of Directors of the Monterey Peninsula Airport District desires to hold virtual meetings pursuant to AB 361 and Government Code section 54953(e).

SECTION 2. ***Teleconference Meetings*.**

Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that the Board and all other legislative bodies of the Monterey Peninsula Airport District created by the Board of Directors shall be authorized to meet virtually in accordance with Government Code section 54953(e) and without compliance with section 54953(b)(3) based upon the findings and determinations hereby made by the Board of Directors.

SECTION 3. ***Effective Date.***

This Resolution shall take effect immediately upon its adoption and remain in effect for 30 days or until such time as the Board of Directors reaffirms this resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors and all other legislative bodies of the Monterey Peninsula Airport District may continue to teleconference without compliance with Government Code §54953(b)(3).

SECTION 4. ***Severability***.

If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 14th day of December, 2022 by the following roll call vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSTAIN: DIRECTORS:
ABSENT: DIRECTORS:

Signed this 14th day of December, 2022

Carl M. Miller, Chair

A T T E S T

Michael La Pier, A.A.E.
Executive Director

Agenda Item E-4

All documents related to Consent Agenda Item E-4 may be delivered under separate cover prior to the Board meeting.

Agenda Item: G-1
December 14, 2022

CERTIFICATE OF REGISTRAR OF VOTERS

State of California
} ss
County of Monterey

I, **Gina Martinez**, Registrar of Voters of the County of Monterey, State of California hereby certify;

WHEREAS, the number of nominees did not exceed the number of offices required by law to be filled at the Election held on the 8th day of November 2022 within the boundaries of the **Monterey Peninsula Airport District, District 4 and District 5, Director**;

NOW, THEREFORE the Registrar of Voters hereby requests the supervising authority to appoint the following qualified person or persons as listed below:

Carl Miller, District 4, 4-year term

Dino Pick, District 5, 4-year term

IN WITNESS WHEREOF, I have hereunto affixed my hand and official seal this Tuesday, September 13, 2022 and filed this date with the **Monterey Peninsula Airport District**.

Gina Martinez
Registrar of Voters

MONTEREY PENINSULA AIRPORT DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

Focused on YOU

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MONTEREY PENINSULA AIRPORT DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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MONTEREY PENINSULA AIRPORT DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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MONTEREY PENINSULA
AIRPORT DISTRICT

Board of Directors
at June 30, 2022

Name	Office	Term Expires
Carl M. Miller	Chair	December 2022
Lisa Anne Sawhney	Vice-Chair	December 2024
William J. Sabo	Director	December 2024
Mary Ann Leffel	Director	December 2024
Danial D. Pick	Director	December 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Monterey Peninsula Airport District
Monterey, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Monterey Peninsula Airport District (the District), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors
Monterey Peninsula Airport District
Monterey, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the State Controller's Minimum Audit Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability – miscellaneous & safety risk pools, the schedule of Plan contributions – miscellaneous & safety risk pools, and the schedule of changes in the total OPEB liability and related ratios, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

To the Board of Directors
Monterey Peninsula Airport District
Monterey, California

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedule of passenger facility charge revenues and expenditures is presented for purposes of additional analysis as required by the Federal Aviation Administration and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the schedule of passenger facility charge revenues and expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of passenger facility charge revenues and expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Sacramento, California
October 6, 2022

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MONTEREY PENINSULA AIRPORT DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

The Management Discussion and Analysis (MD&A) is provided by the Monterey Peninsula Airport District (District) in compliance with requirements established by the Governmental Accounting Standards Board (GASB), Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB Statement No. 34). It is intended to serve as an introduction to the financial statements for the years ended June 30, 2022 (FY22) and 2021 (FY21). The information presented is to be read in conjunction with the financial statements, footnotes and supplementary information found in this report.

Mission Statement

The mission of the Monterey Regional Airport is to *provide the region convenient commercial and general aviation access to the national air transportation system, operate the airport in a safe, efficient, sustainable and fiscally responsible manner, and develop the airport to meet future needs, opportunities and challenges*.

Overview of the Monterey Peninsula Airport District

The District was created on March 22, 1941, by the passage of State Senate Bill No. 1300 that authorized an independent public airport district, which would qualify for federal funds. The District's enabling act was revised effective January 1, 2007; the revision updated the archaic language and provisions to allow the District to function more efficiently. The District is governed by five directors elected by voters residing in five voting districts in Monterey, Pacific Grove, Del Monte Forest, Pebble Beach, Carmel-by-the-Sea, greater Carmel, the west end of Carmel Valley, Del Rey Oaks, Sand City, and Seaside. The District employs an Executive Director as its Chief Executive and a Corporate Legal Counsel.

The Monterey Regional Airport (Airport), 507 acres, has two parallel, east-west runways. The primary runway, 10R/28L, is 7,175 feet long and 150 feet wide. It is used by commercial and business aircraft and is equipped for instrument landings with a Category I instrument landing system on runway 10R. The secondary runway, 10L/28R, is 3,503feet long and 60 feet wide, used solely by general aviation aircraft.

During FY22 and FY21, five commercial airlines served the airport with scheduled flights. Alaska, American Airlines, and United Express provided non-stop service to gateway hubs: Dallas, Denver, Los Angeles, Phoenix, San Diego, San Francisco, and Seattle. Allegiant operated non-stop service, two days per week, to Las Vegas and Portland. JetSuiteX (JSX) operates flights to Burbank and Santa Ana three to four days per week.

There is a strong general aviation presence on the airfield. Two full-service fixed-based operators, Del Monte Aviation and Monterey Jet Center, and other aviation tenants provide aircraft line services, fuel, aircraft storage, maintenance, flight instruction, and aircraft rentals.

The District is structured as an enterprise fund. District financial statements are prepared using the accrual basis of accounting; revenues are recognized when earned, and expenses are recognized when incurred. Costs are recovered through airport rents from tenants, landing and fuel fees, and other charges. Capital improvements are funded from three sources: (1) Federal grants from the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP) derived from a 10% tax on the airline tickets; (2) Passenger Facility Charges (PFC) collected for each enplaned passenger at the point of origin and one intermediate-stop; and (3) District contributed funds. Capital assets are capitalized and depreciated, except land and construction in progress, over their useful lives. Please refer to the notes to the basic financial statements for a summary of the District's significant accounting policies.

Overview of Fiscal Year 2022 Events

Impact of the COVID-19 National Health Emergency Subsides in late FY21 and FY22

On March 15, 2020, the District's operations were impacted by the COVID-19 national health emergency (COVID-19) which resulted in shelter in place orders by national, state and county health departments. The District implemented customer, tenant and staff safety procedures based on recommendations from the health departments and industry specialists.

The District's commercial and general aviation services decreased significantly, local transportation and parking services concessions followed the decrease in aviation services and initially terminal food concessions were instructed by the county health department to discontinue services.

In FY21 COVID-19 travel restrictions continued and various changes in the commercial and general aviation services emerged; safety procedures recommended by health departments and industry specialists became the operational standard for commercial airline services. During the first 6 months of FY21 the financial impact on the District was significant.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) was signed into law. The CRRSA Act includes nearly $2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic. The District received two CRRSA Act grants totaling $2,126,221.

The District used the previously awarded CARES and the new CRRSA Act grants to cover operating variances. By Spring of 2021 aviation activities started to improve and travel restrictions by federal and state governments were cancelled.

For FY22 the District prepared a budget fully recognizing forecasted improvements in passenger traffic and the airlines increase in scheduled flights. In December 2021 the FAA awarded the District two Airport Rescue Plan grants totaling $3,350,212. Enplanements increased from 103,309 in FY21 to 228,763 in FY22.

CARES, CRRSA and ARP Act Grant Draws and Balances

The District received the CARES Act grant award on May 14, 2020. The grant allowed the District to submit reimbursements for expenses back to February 20, 2020. The District submitted expense reimbursement requests totaling $1,279,673 in FY20, $2,539,459 in FY21 and $4,912,674 in FY22. CARES Act grant balance available as of June 30, 2022, is $3,932,219.

The District received the two CRRSA Act grant awards on March 22, 2021. During FY21 the District submitted reimbursements totaling $900,968 in FY21 and $1,175,144 in FY22. CRRSA Act grant balance available as of June 30, 2022, is $50,110.

The District received the two Airport Rescue Plan Act (ARPA) grant awards on September 12, 2021, and December 22, 2021, respectively. During FY22 the District submitted ARPA reimbursements totaling $3,149,773. ARPA Act grant balance available as of June 30, 2022, is $200,439.

Overview of District Financial Statements

The District's financial statements and supplemental schedules are presented after the MD&A. This information, taken collectively, is designed to provide readers with an understanding of the District's financial position.

The *Statements of Net Position* presents information on the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these balances as *Net Position*. The District implements changes adopted by Governmental Accounting Standards Board, which may require restatement of prior years' reported net position. The following financial information includes GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB 87 *Leases and Reporting*.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the District's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported for certain items in this statement may result in cash flows in future fiscal periods.

The *Statements of Cash Flows* relate to the flows of cash and cash equivalents. Only transactions that affect the District's cash and cash equivalents accounts are recorded in this statement. The reconciliation at the bottom of this statement indicates the difference between cash flows from operating activities and operating income.

The notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the financial statements.

Financial Highlights

✈ The assets and deferred outflows of resources of the District exceed liabilities and deferred inflows of resources by $88,209,351 and $74,367,781 on June 30, 2022 and 2021, respectively.

✈ In FY22 the District acquired and placed into service the capital assets listed below:
- NEPA/CEQA Safety Initiative ($2,646,170)
- Infield Safety Area Rehab Phase 1 ($8,560,458)
- Upgrades to Terminal FIDS Computer and Display Systems ($292,057)
- RSA Project Mitigation - Years 6 and 7 ($95,866)
- Installed Electric Vehicle DC Fast Chargers ($364,273)
- Completed Upgrades to District IT Systems ($40,774)
- Repaired 2801 Monterey Salinas Building A ($246,040)

✈ In FY21, the District acquired and placed into service the capital assets listed below:
- PG&E Lighting Upgrade Project 2801 Properties ($46,870)

✈ The District met its obligations and paid in full its taxable pension obligation bonds, continued payments on the California Energy Commission Loan principal to $2,342,089 (FY21 $2,497,206) and a decrease of the PG&E loan to $106,502 (FY21 $160,821).

Financial Highlights (Continued)

✈ In the airport industry, one standard measure of a commercial airport's size is the number of annual enplanements, i.e., passengers flying from the airport on commercial airlines. Enplaned passengers during the six-fiscal year period, FY17 through FY22, are presented below in Table I.

Table I

TOTAL ENPLANEMENTS: FISCAL YEARS 2017 - 2022											
FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		FY 2022	
7/16	17,679	7/17	18,068	7/18	16,262	7/19	22,109	7/20	5,606	7/21	20,920
8/16	17,589	8/17	16,450	8/18	15,537	8/19	21,823	8/20	5,816	8/21	20,459
9/16	17,304	9/17	16,374	9/18	14,630	9/19	20,961	9/20	6,667	9/21	19,971
10/16	17,856	10/17	17,151	10/18	17,933	10/19	21,245	10/20	7,871	10/21	21,768
11/16	16,444	11/17	15,576	11/18	17,071	11/19	19,507	11/20	7,160	11/21	22,123
12/16	16,275	12/17	15,740	12/18	15,477	12/19	19,350	12/20	6,102	12/21	17,575
1/17	14,802	1/18	13,302	1/19	14,284	1/20	16,088	1/21	3,521	1/22	12,309
2/17	15,102	2/18	13,758	2/19	15,242	2/20	16,222	2/21	5,052	2/22	14,721
3/17	18,986	3/18	15,758	3/19	17,533	3/20	8,726	3/21	9,379	3/22	17,914
4/17	17,677	4/18	16,400	4/19	19,159	4/20	601	4/21	12,618	4/22	19,758
5/17	18,832	5/18	15,622	5/19	20,760	5/20	1,623	5/21	15,434	5/22	19,312
6/17	18,359	6/18	15,857	6/19	21,774	6/20	3,499	6/21	18,083	6/22	21,933
	206,905		190,056		205,662		171,754		103,309		228,763

* Enplanements reported by commercial airlines include both revenue and nonrevenue passenger counts. Beginning FY 2019 the District removed nonrevenue passenger counts from financial reporting. Enplanements report before FY 2019 still include nonrevenue reported passengers.

✈ FY22 enplanements increased 121.4% compared to FY21 to 228,763 due to cancellation of Federal and State travel restrictions and airline improved flight schedules.

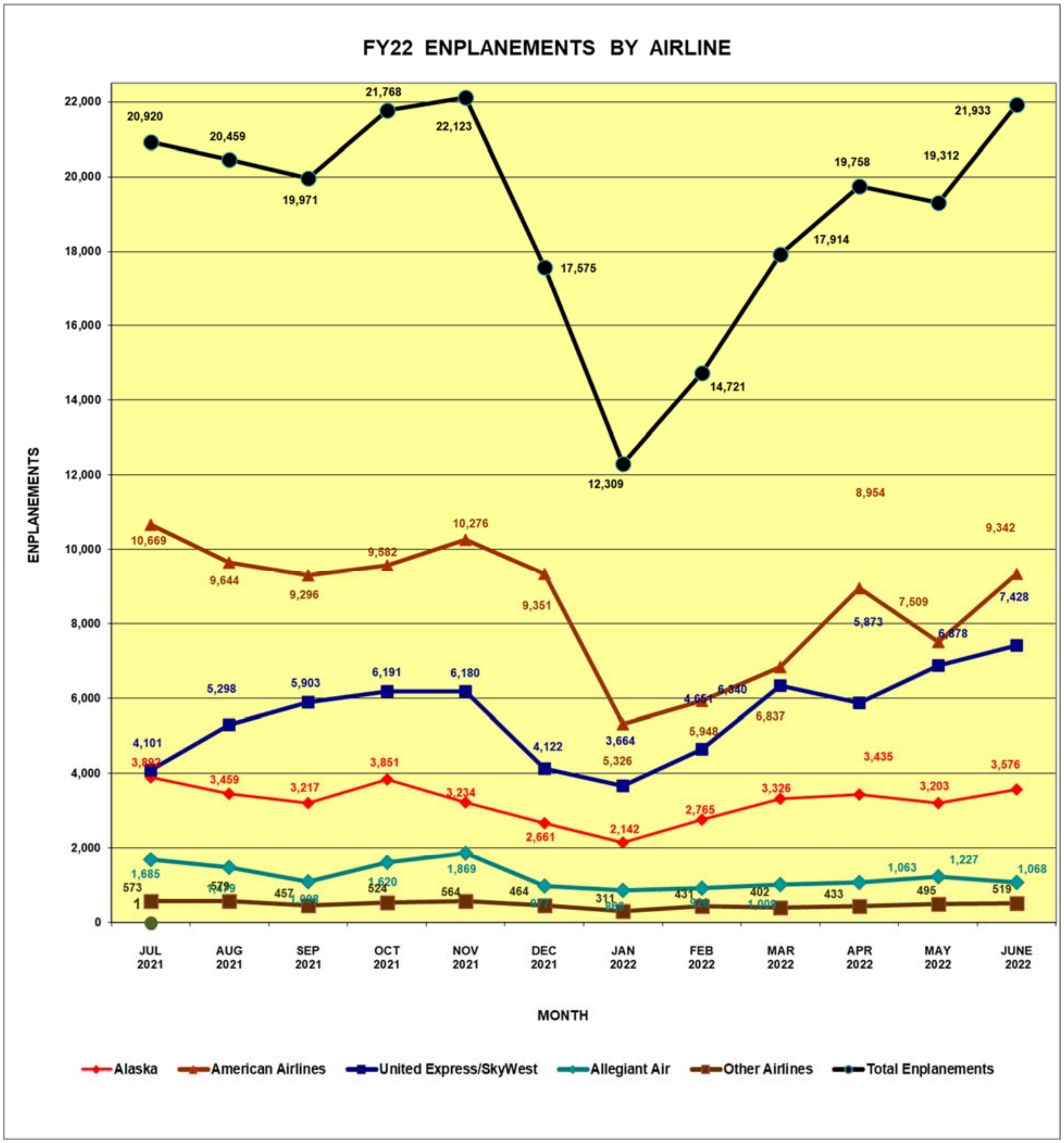
✈ FY21 enplanements decreased 39.9% compared to FY20 to 103,309 due to the COVID-19 national health emergency. Until March 2021 the District was on track to recognize less than 80,000 enplanements. Fortunately, the COVID-19 emergency began to subside and enplanements for the last 4 months of fiscal year 2021 totaled 55,514.

Charts A and B present the monthly enplanements for FY22 and FY21, respectively, in total and for the scheduled commercial airlines that serve the Airport.

MONTEREY PENINSULA AIRPORT DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

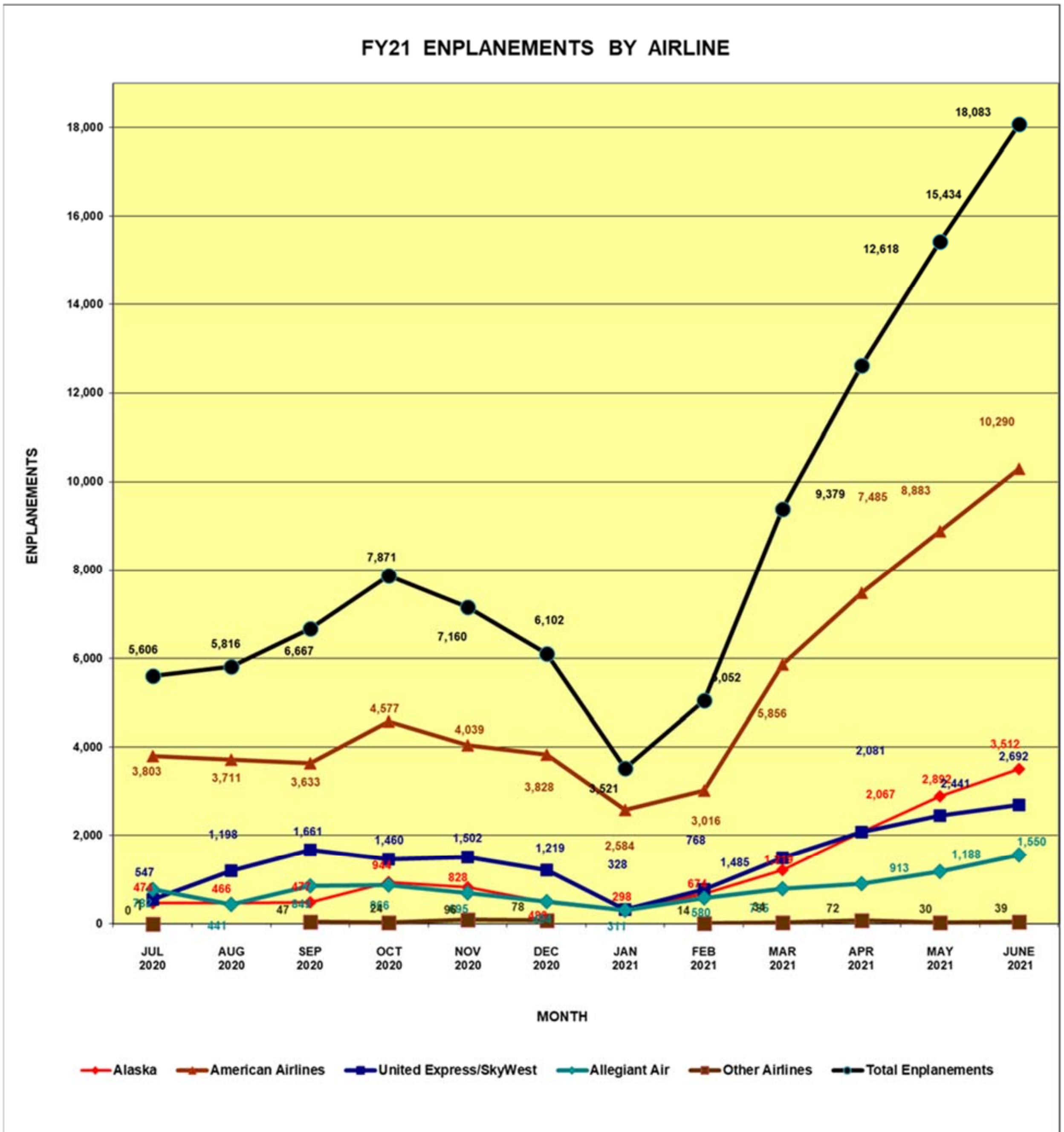
Financial Highlights (Continued)

Chart A



Financial Highlights (Continued)

Chart B



Summary of Net Position

Implementation of GASB Statement No. 87

The District implemented GASB Statement No. 87, *Accounting and Financial Reporting of Unregulated and Long-term Leases on July 1, 2019.*

GASB Statement No. 87, *Accounting and Financial Reporting of Unregulated and Long-term Leases* establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, the District, as a lessor, is required to recognize a lease receivable and a deferred lease revenue inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities.

The presentation of GASB 87 leases is similar to capital leases and the financial statement footnotes will provide the lease types, expected cash flows and revenue recognition. Regulated aviation leases (terminal, fixed based operators, hangars, aprons, etc.) and month-to-month leases are specifically excluded from GASB 87 requirements, but other regulated long term operating leases are still recognized in accordance with previous GASB statements and are included in the financial statement footnote 7.

The adoption of GASB 87 change in accounting principles impacts the presentation of both FY22 and FY21 financial statements. Included in the following financial statements are leases receivable, deferred inflows of lease revenues and lease interest income. See Note 7 for further detail.

Table II

A summarized comparison of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30 follows:

Net Position

	2022	% Change	2021	% Change	2020
Current and other assets	$ 28,996,618	16.4%	$ 24,908,569	-15.9%	$ 29,616,088
Capital assets, net	84,386,790	5.8%	79,783,310	5.7%	75,511,285
Total assets	113,383,408	8.3%	104,691,879	-0.4%	105,127,373
Deferred outflow of resources	6,605,365	196.6%	2,227,198	1.9%	2,185,393
Debt outstanding	2,448,591	-19.2%	3,029,027	-14.3%	3,533,826
Other liabilities	11,486,810	-26.2%	15,572,428	-1.5%	15,813,508
Total liabilities	13,935,401	-25.1%	18,601,455	-3.9%	19,347,334
Deferred inflow of resources	17,844,021	27.9%	13,949,841	-26.2%	18,910,501
Net investment in capital assets	81,250,853	6.4%	76,355,163	8.2%	70,559,889
Restricted - unspent					
Passenger Facilities Charges	1,568,379	21.0%	1,296,200	-32.2%	1,911,081
Cash Assets	881,507	-30.5%	1,268,956	32.7%	956,469
Unrestricted	4,508,612	-199.0%	(4,552,538)	4.1%	(4,372,508)
Total net position	$ 88,209,351	18.6%	$ 74,367,781	7.7%	$ 69,054,931

Net Position (Continued)

FY 22 Total Net Position of the District increased $13,841,570 from FY21. The District's FY22 Total Net Position increase resulted from AIP funded capital assets $12,341,365 that were offset by depreciation of capital assets $5,486,985, a $9,018,034 increase in the Unrestricted Net Position. The Unrestricted Net Position increase came from a $3,889,919 improvement of the Net Pension Liability, a $4,000,000 District pre-payment to the fund CalPERS Unfunded Account Liability and $1,128,115 from other operating income. See discussions below for changes in FY21 to FY22 revenues and expenses.

FY 21 Total Net Position of the District increased $5,312,851 from FY20. The District's FY21 Total Net Position increase resulted mostly from AIP funded capital assets ($11,358,077M) that were offset by depreciation of capital assets $5,562,803. See discussions below for changes in FY20 to FY21 revenues and expenses.

Conforming to requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* funds received from operating grants and PFCs are included in the financial statements, referred to as "Other Nonoperating Revenue" and grants restricted for capital purposes are reported as "Capital Contributions." In FY22, the District recognized $17,757,392 in grant income from FAA Airport Improvement Program- AIP ($7,467,396), CARES Act grant draws ($4,912,674), CRSSA Act grant draws ($1,175,481), ARPA grant draws ($3,149,773), TSA Law Enforcement grants ($116,800) and from PFCs receipts ($931,007). These grants funded capital project planning, engineering design, and construction costs, District capital purchases, police/law enforcement services and operating expenses. In FY21, the District recognized $12,032,849 from FAA Airport Improvement Program (AIP), $8,475,621, CARES Act grant draws $2,539,459, CRSSA Act grant draws $900,968, TSA Law Enforcement grants $116,800 and $522,134 from PFCs receipts to fund capital project planning, engineering design, and construction costs.

FY22 Total Liabilities decreased $4,666,047 primarily from a decrease in Net Pension Liability. In FY22 CalPERS reported a 21% return on investments which resulted in a $3,889,919 decrease in the Net Pension Liability. The remaining $776,128 decrease in Total Liabilities came from other changes in operations.

Operating Revenues

An airport functions as a landlord. District revenue is derived from fees and lease revenues. Total operating revenues for the FY22 are $10,400,683, an increase of 66.1% or $4,138,259 when compared to FY21 ($6,262,423) and a decrease of 25.3% or $2,124,870 when comparing FY21 to FY20 ($8,387,293).

The FY22 operating revenue increase resulted from improvements in commercial, general aviation and concession fees due to the cancellation of COVID-19 travel restrictions in FY21 and FY22. Additionally, the District cancelled rent and minimum annual guaranteed (MAG) fee abatements to aviation related tenants and concession on June 30 2021 and July 31, 2021 respectively which resulted in overall improvements in general aviation fees, and concession revenues.

The FY21 operating revenue decrease resulted from continued loss of commercial, general aviation and concession fees due to the COVID-19. Additionally, the District continued to provide rent and minimum annual guaranteed (MAG) fee abatements to aviation related tenants from July 1, 2020 to June 30, 2021. The impact on FY21 rent and MAG abatements is approximately $1,738,304. Fortunately, commercial and general aviation fees, and some concessions MAG began to recover in March 2021 and revenues exceeded the District's conservative FY21 budget.

Operating Revenues (Continued)

Revenues derived from commercial airlines activities and from airline passengers using services offered by the Airport account for 57.6% of FY22, 40.8% of FY21 and 53.6% of FY20 total operating revenues. In FY22 the Airport recognized an increase of 159.3% in airline and related revenues when compared to FY21 and a 43.4% decrease comparing FY21 to FY20 (see Table III, "Subtotal – Commercial Aviation"). Included in this category are revenues paid by commercial airlines for landing, apron, aircraft overnight parking fees and fuel flowage fees, and income received from tenants that leased space in the airport terminal. Commercial Airline fuel flowage fees were first included in the District's Rates and Charges schedules beginning August 1, 2018. Commercial Airline Fuel Flowage fees provided revenues of $134,696 in FY22 and $66,262 in FY21.

Terminal Leases & Concessions includes income from many sources: concessions such as *Woody's at the Airport restaurant (formerly Flyaway Café)* and *Gifts and More* gift shop, commercial airlines that rent ticket counters, offices, baggage make-up, hold rooms and baggage claim areas, five rental car companies (*Avis, Budget, Enterprise, Hertz, and National*), long and short-term parking lots and in-terminal advertising.

This category of revenue in FY22 increased 159.3% or $3,068,340 compared to FY21 and in FY21 decreased 47.8% or $1,762,484 when compared to FY20. The FY22 increase is attributed to cancellation of the COVID-19 restrictions and rent and MAG abatements. The adoption of GASB 87 and the restatement of FY22 Terminal Leases & Concessions revenues had a $5,384 decrease on recognized revenues.

General Aviation activities generated 18.6% of FY22, 24.6% of FY21 and 20.2%% of FY20 total operating revenues. Corporate aviation and general aviation tenants remit landing fees, fuel fees, and rental income for leased land, hangars, tie-downs, aircraft parking aprons, and offices. These FY22 revenues increased 26.8% from FY21 and decreased 10.1% from FY20. The adoption of GASB 87 and the restatement of FY20 General Aviation revenues had a $44,342 decrease on recognized revenues.

Non-aviation Tenants and Other Revenues produced 23.9% of FY22, 35.0% of FY21, and 26.1% of FY20 total operating revenues. During the FY20 and FY21 COVID-19 national health emergency Non-aviation Tenants and Other Revenues remained relatively stable as the businesses continued to operate with a year-to-year revenue variance of less than $20,000 per year. The adoption of GASB 87 and the restatement of FY20 Non-aviation Tenants and Other revenues had a $143,043 decrease on recognized revenues.

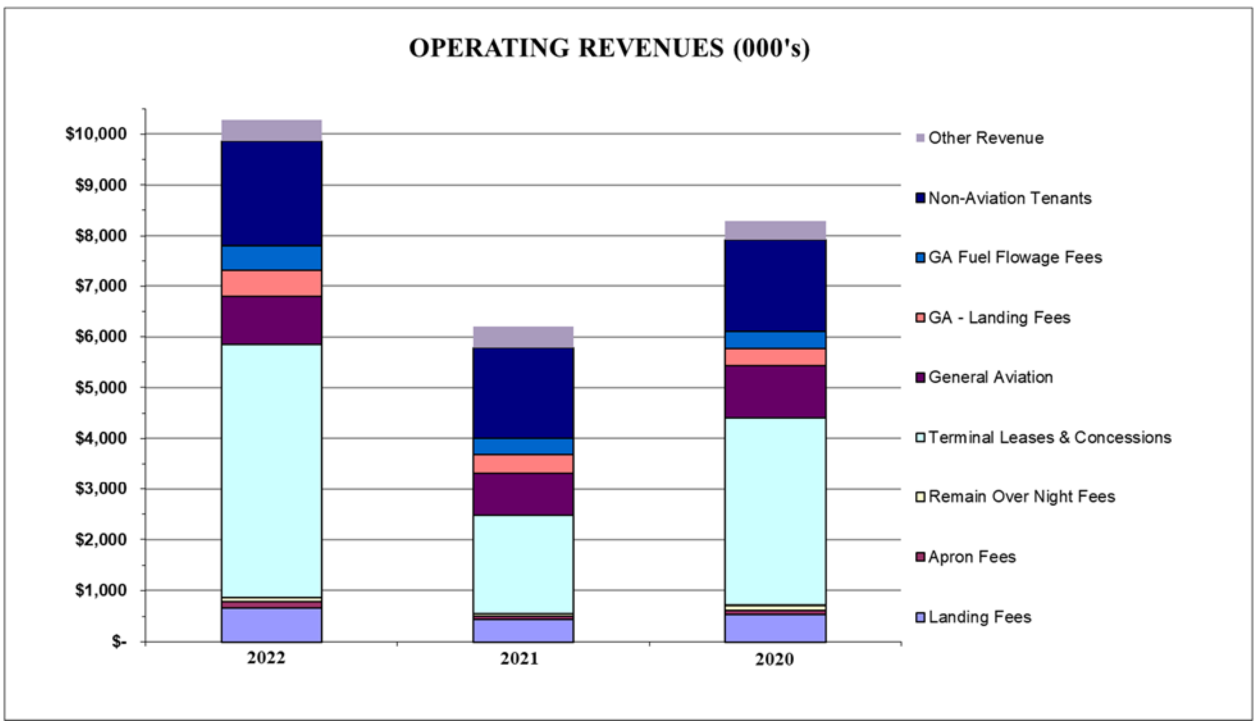
Table III presents a comparison of operating revenues for Fiscal Years 2022, 2021 and 2020. Chart C provides a graphic representation of operating revenues.

Operating Revenues (Continued)

Table III

FISCAL YEARS 2022, 2021 & 2020 OPERATING REVENUES						
	2022		2021		2020	
Landing Fees	$ 664,039	6.4%	$ 438,369	7.0%	$ 544,897	6.5%
Apron Fees	111,465	1.1%	75,175	1.2%	$ 69,286	0.8%
Remain Over Night Fees	77,067	0.7%	35,888	0.6%	$ 97,599	1.2%
CA Fuel Flowage Fees	134,696	1.3%	66,262	1.1%	$ 91,398	1.1%
Terminal Leases & Concessions	4,994,510	48.1%	1,926,170	30.8%	$ 3,688,654	44.0%
Subtotal - Commercial Aviation	**$ 5,981,777**	**57.6%**	**$ 2,541,865**	**40.6%**	**$ 4,491,834**	**53.5%**
General Aviation	$ 937,867	9.1%	$ 838,744	13.4%	$ 1,033,490	12.3%
Landing Fees	513,372	4.9%	364,303	5.8%	340,734	4.1%
GA Fuel Flowage Fees	492,789	4.7%	330,173	5.3%	332,052	4.0%
Subtotal - General Aviation	**$ 1,944,028**	**18.7%**	**$ 1,533,220**	**24.4%**	**$ 1,706,276**	**20.4%**
Non-Aviation Tenants	$ 2,065,728	19.9%	$ 1,779,349	28.4%	$ 1,806,795	21.5%
Other Revenues	409,151	4.0%	407,990	6.6%	382,388	4.6%
Subtotal - Non-Aviation and Other	**$ 2,474,879**	**23.9%**	**$ 2,187,339**	**34.9%**	**$ 2,189,183**	**26.1%**
Total	**$ 10,400,683**	**100.2%**	**$ 6,262,423**	**99.9%**	**$ 8,387,293**	**100.0%**

Chart C



Operating Expenses Before Depreciation and Amortization

Operating expense before depreciation and amortization in FY22 ($9,063,931) increased 5.9% compared to FY21 ($8,554,946) and decreased 7.4% when compared to FY20 ($9,283,450) (see Table V, "Fiscal Years 2022, 2021 and 2020 Operating Expenses Before Depreciation and Amortization"). As discussed below, most of the year over year expense decreases and increases are the result of staffing changes, GASB Statement No. 68 and 75 adjustments, CalPERS Unfunded Account Liability expense increases, and other changes to the Districts operations.

Table IV presents FY22, FY21 and FY20 salary, payroll benefit expenses by District department. The District provides a wide variety of services and staffs the Airport for Planning and Development, Maintenance, Airport Operations and Administration functions. In FY19 the District negotiated a new contract with the City of Monterey for five years of Airport Rescue and Fire Fighting (ARFF) services. In FY19 the District negotiated a five-year contract with the City of Del Rey Oaks for Law Enforcement services that began on October 1, 2018.

Total FY22 salaries and payroll costs increased $8,276 (0.2%) compared to FY21 and increased $311,366 (7.2%) from FY20 to FY21. From FY20 to FY22 salaries, benefits, and payroll related expenses, measured as a percentage of total operating expenses before depreciation and amortization, have averaged approximately 46% (see Table IV below).

The District receives "Law Enforcement Officer (LEO) Reimbursement Grants" from the U. S. Department of Homeland Security (DHS) that directly offsets Police Department labor expenses. The LEO grant reimbursements/offsets are not included in Table IV but are included in Other Revenues and Expenses (see Table VI.).

Table IV

FISCAL YEARS 2022, 2021 & 2020 SALARY & PAYROLL EXPENSES						
	2022		2021		2020	
Finance & Administration	$ 1,208,048	29.9%	$ 950,484	23.6%	$ 1,041,530	24.0%
Planning & Development	394,312	9.8%	586,076	14.6%	552,528	12.7%
Maintenance & Custodial Services	1,171,283	29.0%	1,159,363	28.8%	1,218,041	28.1%
Airport Operations	469,582	11.6%	410,672	10.2%	448,765	10.3%
Police Department [1]	111,321	2.8%	234,936	5.8%	300,657	6.9%
ARFF / Fire Department	680,441	16.9%	685,179	17.0%	776,557	17.9%
Total	$ 4,034,987	100%	$ 4,026,711	100%	$ 4,338,077	100%

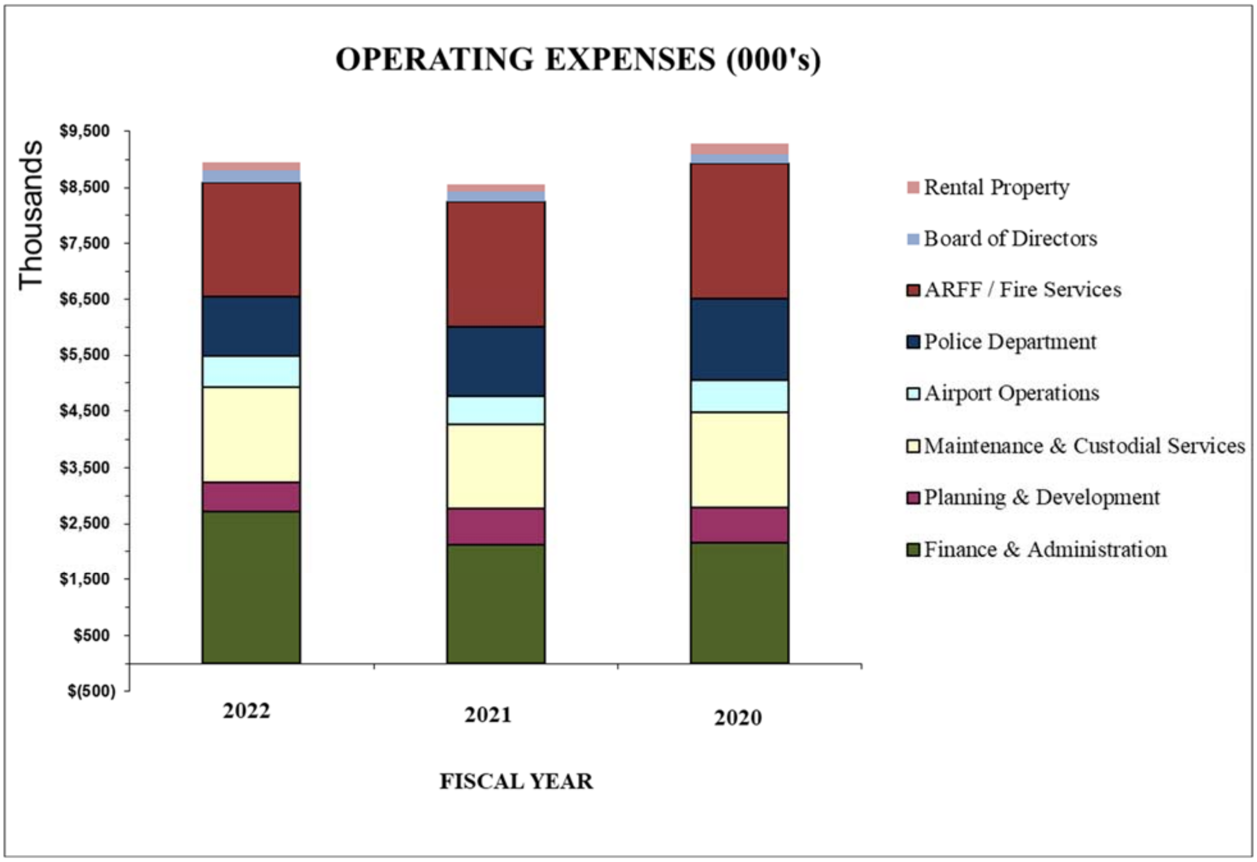
Table V compares operating expenses for Fiscal Years 2022, 2021 and 2020. Chart D provides a graphic representation of operating expenses. All operating department expenses were affected by changes in CalPERS Unfunded Account Liability and offset by lower GASB 68 and GASB 75 OPEB non-cash adjustments. These expenses are recognized as components of the compensation and retirement benefits.

Operating Expenses Before Depreciation and Amortization (Continued)

Table V

FISCAL YEARS 2022, 2021 & 2020 OPERATING EXPENSE BEFORE DEPRECIATION AND AMORTIZATION						
	2022		2021		2020	
Finance & Administration	$ 2,724,983	30.1%	$ 2,121,741	24.8%	$ 2,159,953	23.3%
Planning & Development	515,696	5.7%	656,681	7.7%	633,345	6.8%
Maintenance & Custodial Services	1,690,464	18.7%	1,488,364	17.4%	1,680,160	18.1%
Airport Operations	558,531	6.2%	489,273	5.7%	576,327	6.2%
Police Department [1]	1,185,015	13.1%	1,257,266	14.7%	1,456,201	15.7%
ARFF / Fire Services	2,037,666	22.5%	2,230,804	26.1%	2,430,465	26.2%
Board of Directors	209,878	2.3%	181,277	2.1%	153,523	1.7%
Office Space Rentals	141,698	1.6%	129,540	1.5%	193,476	2.1%
Total	$ 9,063,931	100%	$ 8,554,946	100%	$ 9,283,450	100%

Chart D



Operating Expenses Before Depreciation and Amortization (Continued)

Finance & Administration (F&A) FY22 operating expenses increased 28.4% or $603,242 and decreased 1.8% or $38, 212 from FY20 to FY21.

The FY22 F&A expenses increase includes $257,564 in salaries, benefits and increased headcount (includes GASB 68 and 75 entries), $71,801 in marketing expenses, $56,705 in public relations expenses, $47,527 in air service development, $27,998 in telephone expenses, $104,125 in other profession expenses, $82,393 in water usage and $97,159 in other small increases. These increases were offset by a $142,030 decrease in legal expenses from the City of Monterey lawsuit.

FY21 operating expenses decreased 1.8% or $38,212 compared to FY20 and increased 7.5% or $151,267 from FY19 to FY20. The FY21 expenses decrease resulted from lower employment related expenses from staffing changes ($165,724) that was offset by an increase in legal expenses from the lawsuit filed by the City of Monterey ($141,107) and lower utilities expenses ($16,436).

Planning & Development (PD) FY22 operating expenses decreased 21.5% or $140,985 compared to FY21 and increased 3.7% or $23,336 from FY20 to FY21.

FY22 PD expense decreases come from a $191,764 decrease in salaries and benefits (includes GASB 68 and 75 entries), that is offset by increases of $36,222 in Architect and & Engineering expenses and $14,557 in other small increases.

FY21 PD operating expenses increased 3.7% or $23,336 compared to FY20. The FY21 PD expense increase came from higher architect & engineer expense for the Monterey Jet Center remodel project ($50,545). The FY20 PD expense increase came from higher labor liquidations ($24,848), higher GASB 68 expenses ($97,505), higher CalPERS UAL expenses ($51,125) and other small variances ($7,510).

Maintenance & Custodial Services (MCS) FY22 operating expenses increased 13.6% or $202,100 from FY21 and increased 11.4% or $191,796 from FY20 to FY21.

The FY22 MCS expense increase came from a $11,920 increase in salaries and benefits (includes GASB 68 and 75 entries), $75,508 increase in Airfield Repairs and Maintenance, $29,588 increase in landscaping & ground Repair maintenance and $85,084 in other small increases.

The FY21 MCS expense decrease came from a lower employment related expense ($122,006), Airfield/Facilities repair and maintenance expenses ($53,568) and supplies expenses ($12,142).

Airport Operations (OPS) FY22 operating expenses increased 14.2% or $69,258 compared to FY21 and decreased 15.1% or $87,054 from FY20 to FY21.

The FY22 OPS expense increase came from a $58,910 increase in salaries and benefits (includes GASB 68 and 75 entries) and $10,348 in other small increases.

The FY21 OPS expense decrease came from a lower employment related expense ($58,523), computer/LAN & IT expenses ($24,698) and other contract expenses ($5,726).

Police Department operating expenses decreased 5.7% or $72,251 compared to FY21 and decreased 13.7% or $198,935 from FY20 to FY21.

Operating Expenses Before Depreciation and Amortization (Continued)

In FY22 Police Department expenses decreased from higher Del Rey Oaks direct contract labor expenses ($56,588), lower GASB 68 and 75 expenses ($142,090) and lower NGEN telecommunications expenses (13,251).

In FY21 Police Department expenses decreased from lower Del Rey Oaks direct contract labor expenses ($121,231) and GASB 68 and 75 expenses ($74,575).

In FY22 Police Department expenses decreased from the Law Enforcement services contract with the City of Del Rey Oaks. Table V excludes the annual LEO Grant reimbursement for FY22 ($116,800), FY21 ($116,800), and FY20 ($117,440) which is reported as Operating Grant revenue.

ARFF / Fire operating expenses decreased 8.7% or $193,138 compared to FY21 and decreased 8.2% or $199,137 from FY20 to FY21. In FY14 the District eliminated its Aircraft Rescue and Fire Fighting (ARFF) department staff and contracted with the City of Monterey for fire department staffing services. The City of Monterey absorbed the District's fire department staff through a 5-year contract, which provides the ARFF services. The Airport's ARFF department is subject to CalPERS Pension Unfunded Account Liabilities payments and GASB 68 and 75 expense adjustments for ARFF department staff who worked for the airport before contracting with City of Monterey. The District negotiated a new contract with the City of Monterey in 2019 and this contract is set to terminate in 2023.

In FY22 ARFF Department expense decreased ($193,138) from lower CalPERS UAL, GASB 68 and GASB 75 ($43,958) and lower Fire Service Contract expenses ($158,604) and other small differences.

In FY21 ARFF department recognized a decrease in CalPERS UAL, GASB 68 pension expenses ($112,933) and Fire Service Contract ($109,752) and that was offset by an increase in ARFF vehicle repairs and other expenses ($20,505).

Board of Directors (Director) operating expenses increased 15.8% or $28,601 compared to FY21 and increased 18.1% or $27,754 from FY20 to FY21.

FY22 was an off-election year therefore no Director election expenses were incurred. The FY22 Director expense increase came from higher District legal counsel fees ($11,956), Board Member expenses for modifying District boundaries ($26,750) and other small differences.

FY21 was an election year for three Directors. Two Directors ran for election uncontested, and one Director was reelected resulting in election expenses of $49,324 that was offset by a decrease in seminar, conference, and travel expenses ($22,485).

Office Space Rental Property (Office Space) In July 2019 the District acquired the 2801 Monterey Salinas Highway commercial properties. The 2801 properties consist of two office buildings with various suites. Building A currently has three tenants that have leased the property through 2028.

In FY22 Office Space expenses for property maintenance, repairs, and taxes increased 9.4% or $12,158. Most of the expense increase came from building repairs and maintenance ($8,904) and changes in the supporting utilities.

MONTEREY PENINSULA AIRPORT DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

In FY21 Office Space expenses for property maintenance, repairs, and taxes decreased 33% or $63,936. Most of the expense decrease came from a change in county taxes which switched from property to possessory taxes ($42,892) and HVAC and other repairs ($19,984).

Table VI compares actual Operating Revenues, Operating Expenses, and the change in Net Position for Fiscal Years 2022, 2021 & 2020.

Table VI

	FY 2022 Actual	FY 2021 Actual	FY 2020 Actual
Operating Revenues			
Commercial Aviation - Fees	$ 987,268	$ 615,694	$ 803,180
General Aviation - Fees	513,372	364,303	340,734
Terminal Concessions and Leases	4,994,510	1,926,170	3,688,654
Heavy General Aviation	1,090,149	805,676	967,317
Light General & Other Aviation Tenants	340,506	363,241	398,225
Non-Aviation Tenants	2,065,728	1,779,349	1,806,795
Other Operating Revenues	409,150	407,990	382,388
Total Operating Revenues	10,400,683	6,262,423	8,387,293
Operating Expenses			
Finance & Administration	2,724,983	2,121,741	2,159,953
Planning & Development	515,696	656,681	633,345
Maintenance & Custodial Services	1,690,464	1,488,364	1,680,160
Airport Operations	558,531	489,273	576,327
Police Department	1,185,015	1,257,266	1,456,201
ARFF Services	2,037,666	2,230,804	2,430,465
Board of Directors	209,878	181,277	153,523
Office Space Rentals	141,698	129,539	193,476
Total Operating Expenses	9,063,931	8,554,945	9,283,450
Operating Income before Depreciation	1,336,752	(2,292,522)	(896,157)
Depreciation & Amortization Expense	5,486,986	5,562,803	6,641,491
Net Operating Income / (Loss)	(4,150,234)	(7,855,325)	(7,537,648)
Other Revenue (Expense), net	17,991,804	13,168,175	12,884,571
Change in Net Position	13,841,570	5,312,850	5,346,923
Net Position Beginning of Year	74,367,781	69,054,931	63,708,008
Net Position End of Year	$ 88,209,351	$ 74,367,781	$ 69,054,931

Capital Assets and Debt Activity

The District finances airport capital improvements by aggressively pursuing FAA Airport Improvement Program (AIP) grants, collecting Passenger Facilities Charges from the airlines and operating income. When practical the District will also finance the purchase or the construction of Capital assets with assistance of agencies like Air Quality District, California Energy Commission, or other funding resources.

Capital assets, net of depreciation, and intangible assets, net of amortization, are presented below:

Table VII

	2022	2021	2020
Tangible assets, net			
Land	$ 4,206,755	$ 4,206,755	$ 4,206,755
Land improvements	51,541,083	46,640,474	50,471,802
Buildings	7,809,779	8,718,758	9,928,091
Furniture, equipment and vehicles	3,112,596	2,692,279	2,985,860
Construction in progress	14,000,068	16,250,965	6,463,007
Total	80,670,281	78,509,230	74,055,515
Intangible assets, net	3,716,509	1,274,080	1,455,770
Total capital assets - net	$ 84,386,790	$ 79,783,310	$ 75,511,285

Contractual Commitments

The District approved capital expenditures for fiscal years 2022 and 2021 and authorized contracts for the construction of various capital assets. By June 30, 2021, and June 30, 2020, the District had approved construction in progress (CIP) projects totaling $12,204,155 and $19,485,177 respectively. As presented in the financial statements notes, work completed on these approved CIP projects on June 30, 2022, totaled $12,341,365 and on June 30, 2021 totaled $46,870. Remaining approved CIP expenditures and contracts for subsequent years beginning July 1, 2022 are $14,000,068 and July 1, 2020 are $16,250,965. Most of these commitments will be funded by AIP grants and PFCs when work is complete.

Additional information pertaining to the Capital Assets and Expenditures can be found in the notes to the financial statements.

Debt

The Monterey Peninsula Airport District 2012 Taxable Pension Obligation Bonds (POB) were issued on June 27, 2012. The bonds' par value, coupon rate, and terms are $3,077,000, 4.40% and 10 years, respectively. POB Bond proceeds were used to eliminate the "side accounts" associated with the District's CalPERS's pension obligations and employer retirement expense rates. The POB principal balance on June 30, 2021 was $371,000. The POB was paid in full by June 30, 2022.

Debt (continued)

On May 22, 2017, the Monterey Peninsula Airport District received approval for a $3,000,000, 1% and 16.1-year California Energy Commission (CEC) construction and term loan to finance development of a 1.51M kWh Solar Panel Array on airport property. The District made draws on the CEC construction loan totaling $2,931,320 through completion of the project in November 2017. The CEC loan will be repaid through the Airport's electricity savings from power generated by the Solar Panel Array. The Solar Panel Array power generation is expected to meet the power requirements of the District. The CEC loan principal balance on June 30, 2022 is $2,342,089.

In April 2019 the Association of Monterey Bay Area Governments (AMBAG) contacted the District about no interest loans offered by Pacific Gas and Electric to upgrade lighting to newer LED technologies. The new lighting would be installed by Lumenature a PG&E authorized contractor. On November 15, 2019 the District approved two Pacific Gas and Electric no interest loans for upgrading parking lot and terminal lighting to newer LED fixtures and lights. On June 3, 2020 Loan TIF 010101 with a balance of $145,762, payment terms of 45 months with monthly payments of $3,239 was signed and project work was scheduled to be complete in July 2020. On June 9, 2020 Loan TIF 010598 with a balance of $10,464, payment terms of 57 months with monthly payments of $184 per month was signed and the project was completed in June 2020. On August 26, 2020, the District signed a third Pacific Gas and Electric no interest loan application to upgrade lighting in the Rental Space/Offices at 2801 Monterey Salinas Highway. On April 27, 2021, the final Loan TIF 011474 was signed with a balance of $46,870 payment terms of 64 months and payments of $1,019 per month. During FY21 the District paid $42,092 on all three loans. The PG&E loans have been combined in the financial statements with a total balance of $106,502 on June 30, 2022.

Additional information pertaining to the POB bonds, CEC Loan and PG&E Loan can be found in the notes to the financial statements.

Fiscal Year 2022 District Actions Impacting Future Operations

District and Management Focus

The District's FY22 operational and financial performance were a direct result of actions and changes implemented by the District's Board of Directors and Executive Management of the Airport. In FY22 the District operations continued to improve as COVID-19 travel restrictions subsided. With the continued decline in COVID-19 restrictions and increased flight schedules, the District approved its FY23 financial plans which can be reviewed at https://montereyairport.specialdistrict.org/fiscal-administration.

In the following paragraphs are indicators of how the District changed its FY23 revenue and expense projections. Additionally, the District's annual financial plans do not include GASB 68, GASB 75 and GASB 87 adjustments, but the following audited financial statements do include these GASB adjustments. See the Notes to the audited financial statements for additional information on the impact of GASB adjustments.

Fiscal Year 2022 District Actions Impacting Future Operations (Continued)

Airport Master Plan

In 2013 the District began the process of developing a Master Plan to improve, upgrade or replace several components of the Airport's airside and landside facilities. On November 26, 2018 the District's Board of Directors passed Resolution No. 1730 which approved and certified the Final Environmental Impact Report and Resolution No. 1731 Alternative 1 of the Monterey Regional Airport Master Plan. The Master Plan was then submitted to the Federal Aviation Administration (FAA) for National Environmental Policy Act (NEPA) Environmental Impact Assessment review. On June 8, 2020, the FAA issued a Finding of No Significant Impact for the Safety Enhancement Program (SEP) for Taxiway A Relocation and Associated Demolition and Relocation of General Aviation Facilities, Passenger Terminal, and Other Facilities. On November 26, 2018, the District's Board of Directors under the California Environmental Quality Act (CEQA) requirements certified the Final Environmental Impact Report (FEIR) on the Master Plan. On August 12, 2020 the District's Board of Directors passed Resolutions No. 1781 and 1782 which certified and approved the Addendum to the FEIR and approved the minor changes and modifications to the Airport Master Plan Project.

The Master Plan is a multiyear series of projects that began in FY20 and will continue for up to twenty or more years. Information about the Airport Master Plan can be viewed online at https://montereyairport.specialdistrict.org/aviation-documents-regulations.

Commercial Air Service and Concessions

During FY22 airlines flight schedules continued to improve, passenger traffic increased significantly, and airport concessions operations returned to near normal operations. In July all tenant's rent and minimal annual/monthly abatements were cancelled.

Airlines made the following changes: United Airlines returned a nonstop flight to Denver and made plans for Los Angeles and San Francisco flights, American Airlines added a second nonstop flight to Dallas and Phoenix schedules increased, Alaska continued its flight to Seattle and proposed a second flight to San Diego, and Allegiant made plans to add a seasonal flight to Portland.

In FY22 the District prepared a FY23 budget with improved airlines schedules and related concession revenues to $10,527,699. The District still has CARES and ARPA Act funds available to manage potential changes in airline and customer traffic.

General Aviation

Combined FY22 Heavy and Light general aviation revenues increased 22.4% from FY21 and decreased 14.4% from FY20 to FY21 for a $65,113 revenue change over two years. Like Airlines, heavy general aviation operations and charters saw an upward trend in FY22 which is expected to continue in FY23.

Light general aviation hangar, tiedowns and hangar end space rentals have decreased slightly with changes in the economy and a reduction of 6 hangars removed on the northeast apron. The District approved AIP funded contracts for development of the northeast apron and a northeast Airport service road. Plans to add new aircraft hangars is part of the Airports future development efforts.

Fiscal Year 2022 District Actions Impacting Future Operations (Continued)

Operating Expenses

FY23 operating expenses are budgeted to increase slightly to $9,063,91 which is a $508,987 increase over the FY22 operating expenses of $8,554,945. Included in the FY23 operating expenses are continued savings from the service contracts with the Cities of Monterey and Del Rey Oaks discussed below. Most of the FY23 operating expenses increases come from headcount changes and expenses required to support increased customer traffic.

Service Contracts

Airport Rescue and Fire Fighting Services – As previously mentioned in FY14 the District eliminated its fire department staff and contracted with the City of Monterey for fire department staffing services. The City of Monterey absorbed the District's fire department staff through a 5-year contract, which provides the airport with Aircraft Rescue and Fire Fighting (ARFF) services. That contract expired on June 30, 2019. The District negotiated a new five-year ARFF contract with the City of Monterey that commenced July 1, 2019. In contrast to the previous contract the new five-year agreement includes a decreasing fee structure that recognized the benefits the City of Monterey receives from using the Districts ARFF station for both Airport and City fire and protection services. The ARFF fees for FY 22 to FY23 will remain the same but there is a true-up provision that will be negotiation based on an agreed upon formula at the conclusion of the FY23 5-year extension.

Police Department Law Enforcement Service Agreement – In October 2018, the District implemented a five-year contract for Law Enforcement Services with the City of Del Rey Oaks (DRO). The District's goals were to reduced management overhead while maintaining the needed services and improved flexibility in staffing with a larger pool of qualified officers. For FY22 DRO planned an increase in FY23 Law Enforcement Services. The District law enforcement contract has not been increased as negotiations have not been finalized.

Airport Infrastructure

To improve the Airport Infrastructure, the District pursued grants and other financing to make capital investments. In FY21 and FY22. The follow is a summary of three significant capital projects.

- In FY19, the District submitted AIP 3-06-0159-070 (2019-01) for the Infield and Taxiway Improvements Project total $7,297,427. The Infield Improvements Project purpose is to enhance safety by minimizing FOD, increasing separation distances between aircraft, improving drainage, and reducing the amount of infield areas attractive to wildlife by resurfacing the existing infield areas located between Runway 10R-28L and parallel taxiways located to the north and south of the runway. The project was broken down into phases that were projected to be completed in approximately two years. In FY21 Infield Improvements Project construction was completed and the District is waiting for final FAA approval to close the project in FY22.

- In FY20, the District submitted AIP 3-06-0159-072 (2020-13) Northeast Vehicle Service Road Improvements Project total $2,139,811. The Vehicle Service Road Improvement (VSR) will allow for the relocation of the 44 GA tenants from the current southeast side of the Airport. The VSR improvements will build on an approximately 24-foot-wide, 1,600-footlong paved airport vehicle

Fiscal Year 2022 District Actions Impacting Future Operations (Continued)

service road (northeast service road improvement) from the existing east vehicle service road to the terminus of Airport Road at the north GA apron. The construction includes installation of utilities (electrical, water, sewer, data, storm drain) fencing, access gate, fire hydrant, street lighting and required mitigation. In FY21 the Northeast Vehicle Service Road Improvements Project started, and construction was completed in mid FY22, but will be capitalized in FY23.

- In FY20, under the Supplemental Funding Program, the District submitted AIP 3-06-0159-073 (2020-12) Northside General Aviation Apron Construction total $9,128,779. Construction of the Northside general aviation (GA) apron and hangar area will allow the relocation of the GA tenants and ARFF services from the current southeast side of the Airport. This relocation will provide for the current southeast location to support a new passenger terminal complex and aircraft parking apron. This GA location will enhance airport safety by reducing crossover aircraft traffic through the consolidation of general aviation (GA) services on the north side of the Airport. Ultimately with the reconfiguration, operational safety of Runway 10R-28L taxiway system will be improved. In FY21 the Northside General Aviation Apron Construction project started, and construction was completed in mid FY22 but will be capitalized in FY23

- In FY21, the District submitted AIP 3-06-0159-076 (2021-04) for the Safety Enhancement Program (SEP) Phase B1 Commercial Apron Design total $2,985,092. Commercial Apron Design will consist of design in order to allow for procuring bids for construction of a new commercial ramp/apron and reconstruction of Taxiway J and elimination of Taxiway K to accommodate the relocated terminal building which will improve separation standards to the main runway 10R-28L by relocation of 1,600-foot section of Taxiway A. This Commercial Apron Design will enhance airport safety through the ability to relocate the current terminal building so as to improve operational safety of Runway 10R-28L taxiway system. This design will provide the plans and specification package for bid procurement to construct the Commercial Apron. This grant was awarded and executed on July 30, 2021. Design is scheduled to be completed in the first quarter of FY23.

- In FY22, the District approved a Design-Build contract for Safety Enhancement Program (SEP) Phase C Aircraft Rescue and Fire Fighting (ARFF) Design/Construction/Demo/Airfield Access. March 16, 2022, the Board of Directors adopted Resolution No. 1817, authorizing a Professional Services Agreement with Mill Construction Company to complete the ARFF Design Phase in a not-to-exceed cost of $1,169,892.00. Subsequent to the conclusion of the Design process a Guaranteed Maximum Price was be provided for construction and the District submitted a FAA FY22 AIP grant that is anticipated to be awarded in the first quarter of FY23. ARFF construction will begin in the fourth quarter of 2023.

<u>Rental Car Customer Facility Charge</u>

In FY19 the District implemented a Customer Facility Charge (CFC) and is tracking these funds as Funds held in Trust. CFCs are a user fee imposed by the District on each rental car contract, collected by rental car companies and deposited with the District. CFCs are regulated at the state level instead of the federal level. The District's CFC is charged at $10.00 per rental contract. The CFC funds held in trust on June 30, 2022 total $922,457 and on June 30, 2021 total $814,031.

Fiscal Year 2022 District Actions Impacting Future Operations (Continued)

The CFCs are being collected to support the District's study to access, build and transport non-potable water from southside Airport property wells to the rental car Quick-Turn-Around (QTA) facility on the southside of the Airport. Access to this non-potable water source will help ensure water is available for the QTA facility in the future. The District would need to incur new debt to finance the installation of the non-potable water system. The District is continuing to investigate this capital project.

City of Monterey vs Monterey Peninsula Airport District Litigation for Alleged California Environmental Quality Act (CEQA) Violations

As mentioned above the District's SEP was submitted to the Federal Aviation Administration (FAA) for National Environmental Policy Act (NEPA) Environmental Impact Assessment review. On June 8, 2020 the FAA issued a Finding of No Significant Impact for the current Airport Safety Enhancements. On August 12, 2020 the District's Board of Directors approved the Addendum to the FEIR and approved the minor changes and modifications to the Airport Master Plan Project.

The City of Monterey contested the District's Addendum to the FEIR with minor changes and modifications and filed a lawsuit with the Superior Court of the State of California County of Monterey on September 10, 2020. The Hearing on the Merits of the Petition was presented at the Monterey County Superior Court on August 4, 2021 and the case was settled in April 2022.

Requests for Information

This financial report has been designed to provide a general overview of the District's financial information for anyone interested in its finances. Questions concerning any of the information should be addressed to the attention of the Executive Director, Monterey Peninsula Airport District, 200 Fred Kane Drive, Suite 200, Monterey, California 93940.

STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021
Assets:		
Current Assets:		
Unrestricted:		
Cash (Note 2)	$ 2,004,131	$ 2,318,773
Investments (Note 2)	6,345,765	4,838,415
Accounts receivable, net	763,193	940,531
Accrued interest receivable	8,013	8,625
Leases receivable (Note 7)	11,947,365	12,647,126
Grants receivable	4,806,805	1,232,285
Prepaid costs and other assets	183,581	269,414
Total unrestricted current assets	26,058,853	22,255,169
Restricted:		
Cash (Note 2)	2,392,751	2,040,928
Investments (Note 2)	545,014	612,472
Total restricted current assets	2,937,765	2,653,400
Total Current Assets	**28,996,618**	**24,908,569**
Noncurrent Assets:		
Capital assets (Note 3)		
Non depreciable capital assets	18,206,823	20,457,720
Depreciable capital assets, net	66,179,967	59,325,590
Total Noncurrent Assets	**84,386,790**	**79,783,310**
Total Assets	**113,383,408**	**104,691,879**
Deferred Outflows of Resources:		
Deferred outflows related to pensions (Note 8)	6,194,423	2,067,951
Deferred outflows related to OPEB (Note 9)	410,942	159,247
Total Deferred Outflows of Resources	**6,605,365**	**2,227,198**
Liabilities:		
Current liabilities:		
Accrued liabilities (Note 4)	1,112,828	1,180,029
Unearned revenues	16,826	112,987
Accrued compensated absences (Note 5)	34,044	23,520
Due to the City of Monterey (Note 6 & 11)	19,966	19,966
Pension obligation bonds payable, current portion (Note 6)	-	371,000
Loans payable, current portion (Note 6)	209,972	208,417
Funds held in trust	922,457	867,372
Total Current Liabilities	**2,316,093**	**2,783,291**
Long-term liabilities:		
Security deposits	444,764	444,339
Unearned revenues - rent received in advance from tenants	238,921	238,921
Accrued compensated absences, net of current portion (Note 5)	155,573	162,382
Due to the City of Monterey, net of current portion (Note 6 & 11)	-	19,966
Loans payable, net of current portion (Note 6)	2,238,619	2,449,610
Net pension liability (Note 8)	6,509,179	10,399,097
Total OPEB liability (Note 9)	2,032,252	2,103,849
Total Long-Term Liabilities	**11,619,308**	**15,818,164**
Total Liabilities	**13,935,401**	**18,601,455**
Deferred Inflows of Resources:		
Deferred inflows related to pensions (Note 8)	5,159,271	744,689
Deferred inflows related to OPEB (Note 9)	737,385	558,026
Deferred inflows related to leases (Note 7)	11,947,365	12,647,126
Total Deferred Inflows of Resources	**17,844,021**	**13,949,841**
Net Position:		
Net investment in capital assets	81,250,853	76,355,163
Restricted - unspent Passenger Facilities Charges	1,568,379	1,296,200
Restricted - cash assets	881,507	1,268,956
Unrestricted	4,508,612	(4,552,538)
Total Net Position	**$ 88,209,351**	**$ 74,367,781**

See Notes to Financial Statements.

MONTEREY PENINSULA AIPRORT DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021
Operating Revenues:		
Commercial aviation	$ 987,268	$ 615,694
General aviation	513,372	364,303
Terminal leases and concessions	4,994,510	1,926,170
Heavy general aviation	1,090,149	805,676
Light general aviation and other aviation tenants	340,506	363,241
Non-aviation tenants	2,065,728	1,779,349
Other operating revenue	409,150	407,990
Total Operating Revenues	**10,400,683**	**6,262,423**
Operating Expenses:		
Finance and administration	2,724,983	2,121,741
Planning and development	515,696	656,681
Maintenance and custodial services	1,690,464	1,488,364
Airport operations	558,531	489,273
Police department	1,185,015	1,257,266
Fire department	2,037,666	2,230,804
Board of directors	209,878	181,277
Rental property	141,698	129,540
Total Operating Expenses Before Depreciation	**9,063,931**	**8,554,946**
Depreciation and amortization	5,486,986	5,562,803
Total Operating Expenses	**14,550,917**	**14,117,749**
Operating Loss	(4,150,234)	(7,855,326)
Nonoperating Revenues (Expenses):		
Passenger Facility Charges	931,007	504,785
Operating grants	9,354,728	3,885,001
Customer Facility Charges	420,634	76,559
Investment income	(60,728)	20,589
Lease interest	192,768	393,439
Interest expense	(34,472)	(54,191)
Misc expense - other	(279,529)	-
Loss on disposal of construction-in-progress	-	(133,627)
Net Nonoperating Revenues (Expenses)	**10,524,408**	**4,692,555**
Gain/(Loss) Before Contributed Capital	6,374,174	(3,162,771)
Capital Contributions		
Grants from government agencies	7,467,396	8,475,621
Changes in Net Position	13,841,570	5,312,850
Net Position:		
Beginning of Fiscal Year	74,367,781	69,054,931
End of Fiscal Year	**$ 88,209,351**	**$ 74,367,781**

See Notes to Financial Statements.

MONTEREY PENINSULA AIPRORT DISTRICT

STATEMENTS OF CASH FLOWS
JUNE 30, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities:		
Receipts from customers	$ 10,482,285	$ 5,702,414
Payments to vendors for goods and services	(5,717,624)	(7,509,629)
Payments for employees pension and OPEB benefits	(3,745,741)	(852,725)
Payments to employees for services	(4,031,272)	(1,862,785)
Net Cash Provided (Used) by Operating Activities	**(3,012,352)**	**(4,522,725)**
Cash Flows from Non-Capital Financing Activities:		
Interest paid on pension obligation bond	(9,949)	(28,072)
Principal payments on pension obligation bond	(371,000)	(356,000)
Proceeds from operating grants	4,547,923	2,652,716
Lease interest income received	192,768	393,439
Other miscellaneous expense	(279,529)	-
Net Cash Provided by Non-Capital Financing Activities	**4,080,213**	**2,662,083**
Cash Flows from Capital and Related Financing Activities:		
Proceeds from capital grants and Passenger Facility Charges	9,630,688	11,880,010
Proceeds from funds held in trust	475,719	292,043
Acquisition and construction of capital assets	(9,403,120)	(9,198,335)
Interest paid on loans	(24,523)	(26,119)
Principal paid on loans	(209,436)	(195,669)
Proceeds from loans	-	46,870
Net Cash Provided (Used) by Capital and Related Financing Activities	**469,328**	**2,798,800**
Cash Flows from Investing Activities:		
Investment income received	16,219	27,254
Investments matured (purchased)	(1,516,227)	(661,839)
Net Cash Provided (Used) by Investing Activities	**(1,500,008)**	**(634,585)**
Net Change in Cash and Cash Equivalents	**37,181**	**303,573**
Cash and Cash Equivalents at Beginning of Year	4,359,701	4,056,128
Cash and Cash Equivalents at End of Year	**4,396,882**	**4,359,701**
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position		
Unrestricted cash and equivalents	2,004,131	2,318,773
Restricted cash and equivalents	2,392,751	2,040,928
	4,396,882	**4,359,701**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating loss	(4,150,234)	(7,855,326)
Adjustments to reconcile operating loss net cash provided (used) by operating activities:		
Depreciation and Amortization	5,486,986	5,562,803
(Increase) decrease in accounts receivable	177,338	(626,787)
(Increase) decrease in prepaid costs and other assets	85,833	(30,079)
(Increase) decrease in lease receivables	699,761	842,620
Increase (decrease) in accrued liabilities	(754,547)	(2,141,847)
Increase (decrease) in due to the City of Monterey	(19,966)	(19,966)
Increase (decrease) in security deposits	425	(7,552)
Increase (decrease) in unearned revenue	(96,161)	74,330
Increase (decrease) in compensated absences	3,715	10,552
Increase (decrease) in pension related items	(3,601,808)	633,219
Increase (decrease) in OPEB related items	(143,933)	(122,072)
Increase (decrease) in deferred inflows related to leases	(699,761)	(842,620)
Total Adjustments	**1,137,882**	**3,332,601**
Net Cash Provided (Used) by Operating Activities	**$ (3,012,352)**	**$ (4,522,725)**
Non-Cash Capital and Related Financing Activities:		
Acquisition and construction of capital assets in accrued liabilities	$ 687,346	$ 770,120
Accrued interest on CEC loan	586	586
Loss on disposal of construction-in-progress	-	(133,627)

See Notes to Financial Statements.

Note 1: Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The Monterey Peninsula Airport District (District) was established under the provisions of Article 133 of the General Law of the State of California on March 22, 1941, for the purpose of operating and maintaining a public airport. Originally, it consisted of 37 acres, which were contributed to the District by the City of Monterey. The District has acquired additional land through grants and purchases in subsequent years and now totals 507 acres. For financial reporting purposes, the District's basic financial statements include all financial activities that are controlled or are dependent upon actions taken by the District's Board of Directors. There are no component units considered for inclusion in the District's financial reporting entity.

b. Measurement Focus and Basis of Accounting

The District's financial activities are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The District distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues generally result from providing services and producing and delivering goods in connection with an organization's principal ongoing operations. The principal operating revenues of the District are charges to airlines, concessionaires, parking and property rental. Operating expenses of the District include personnel costs, administrative expenses and depreciation and amortization of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for capital contributions, which are presented separately.

When restricted resources meet the criteria to be available for use and unrestricted resources are also available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as needed.

c. Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

d. Investments

The District reports its investments at fair value in the accompanying financial statements and the corresponding change in fair value of investments is reported in the year in which the change occurs. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by GAAP.

The District invests its surplus cash in certificates of deposits with original maturity dates of three months or longer and obligations of the State Treasurer's Local Agency Investment Fund (LAIF).

Note 1: Summary of Significant Accounting Policies (Continued)

e. Receivables

Receivables from tenants are recorded when the revenues are earned under the accrual method of accounting and accounted for using the allowance method. The allowance is estimated using historical collection experience as well as management's judgment about collectability of individual receivables. The allowance at both June 30, 2022 and 2021 was $10,000.

f. Prepaid Expenses

Prepaid amounts are allocated to expense prorated in the periods in which the benefit is received.

g. Capital Assets

Capital assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Gifts or contributions of such assets are stated at acquisition value on the date received. The District's policy is to capitalize assets with a value in excess of $5,000 for furniture, equipment and vehicles and $25,000 for land, facilities and improvements.

Depreciation has been provided using the straight-line method over the estimated useful lives, which range as follows:

Land improvements	10 - 40 years
Buildings and improvements	10 - 40 years
Furniture, equipment and vehicles	3 - 20 years

Intangible assets include the District's logo, noise study, master plan update and easements related to soundproofing of neighboring residences. These have been amortized on the straight-line basis over the estimated useful lives of the assets, which are 10 – 40 years. Depreciation is not provided on construction in progress until construction is complete and the asset is placed in service.

h. Employee Benefits

Fringe benefits such as pension, health insurance, dental insurance, vision insurance, and paid- time-off, are provided to employees per the District's current human resources policies or as determined by respective agreements between the District and the respective employees' collective bargaining agreements.

i. Accrued Compensated Absences

The District's personnel policy provides full-time employees with vacation and sick leave in varying amounts, and at termination or retirement, employees are paid for accumulated (vested) vacation. Employees are paid up to a maximum of one month's salary for accumulated sick leave upon retirement; employees separated under circumstances other than retirement are not paid for accumulated sick leave. Accordingly, compensation for vacation and sick leave is charged to expense as earned by the employee, and accumulated, unpaid vacation and sick leave, which is payable upon an employee's termination or retirement, is recorded as a liability.

Note 1: Summary of Significant Accounting Policies (Continued)

j. Unearned Revenues

Unearned revenues represent amounts collected before year-end, which were not earned as of year- end.

k. Deferred Outflows and Inflows of Resources

Deferred outflows and 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. Excluding deferred pension contributions, the remaining pension related deferred outflows and inflows of resources are amortized over the remaining expected average remaining service lifetime 3.8 years or five years, depending on the nature of items.

Deferred outflows and inflows of resources related to OPEB are certain changes to the total OPEB liability that are to be recognized in future OPEB expense. The OPEB related deferred outflows and inflows of resources are amortized: (1) over the expected average remaining service lifetime (6.33 years) for changes between expected and actual experience, changes in assumptions and changes in proportion; and (2) over five years for the net differences between projected and actual earnings on OPEB pension plan investments.

l. Net Position

Net position comprises the various accumulated net earnings from operating income or losses, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position as the unspent proceeds.

Restricted - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Restricted net position represents unspent Passenger Facility Charges (PFC), unspent Customer Facility Charges (CFC) and Security Deposits which are restricted by enabling legislation.

Unrestricted - This component represents net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Note 1: Summary of Significant Accounting Policies (Continued)

m. Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a PFC on enplaning passengers. In May 1991, the Federal Aviation Administration (FAA) issued the regulations for the use and reporting of PFC's. PFC's may be used for airport projects, which meet at least one of the following criteria: preserve or enhance safety, security or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport.

The District was granted permission to begin collection of a $3.00 PFC effective January 1, 1994. The charges, less an administrative fee charged by the airlines for processing, are collected by the airlines and remitted on a monthly basis to the District. Effective July 27, 2001, the District received approval from the FAA to increase the PFC charge to $4.50 per enplaned passenger.

Pursuant to governmental accounting standards, the District records PFCs as nonoperating revenue. The fees are reserved for specific purposes as defined in the approval letter received from the FAA's administrator. The District's applications for PFCs were approved as impose and use. It is the position of the District that these receipts should be recognized immediately in the period earned or collected by the airline and reported.

n. Operating Grants and Capital Contributions

Certain expenditures for airport capital improvements, airport safety and security operations, are significantly funded through the Airport Improvement Program (AIP) of the FAA and Transportation Security Administration (TSA), with certain matching funds provided by the District. Funding provided under government grants is considered earned as the related allowable expenditures are incurred. In addition, to provide temporary relief to governments in lights of the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by the President on March 27th, 2020. Included in the CARES Act was $12,664,025 million approved aid for the District, funded by the FAA through the AIP grant.

Grants awarded by TSA to reimburse certain police department's costs are reported in the statement of revenues, expenses and changes in net position as nonoperating revenues. For the years ended June 30, 2022 and 2021, the District requested and received $116,800, as reimbursement of certain police department costs. Grants for capital asset acquisition, facility development and rehabilitation are reported as capital contributions, after nonoperating revenues and expenses. For the years ended June 30, 2022 and 2021, the District recognized $7,467,396 and $8,475,621, respectively, as capital contributions funded by AIP grants. Grants used to offset operating losses due to COVID-19 are reported as nonoperating revenues. For the year ended June 30, 2022 and 2021, the District requested and received $6,088,155 and $3,440,427, respectively in reimbursable costs funded by additional AIP grants.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) was signed into law. The CRRSA Act includes nearly $2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic. The District received two CRRSA Act grants totaling $2,126,221.

Note 1: Summary of Significant Accounting Policies (Continued)

o. Use of Estimates

Management of the District has made certain estimates and assumptions relating to the reporting of assets, deferred outflows of resources, liabilities, deferred inflows of resources and revenues and expenses to prepare these financial statements in conformity with GAAP. Actual results may differ from those estimates.

p. Reclassifications and Presentation

There have been no reclassifications of prior year balances included with the current year presentation.

q. New Accounting Standards to be Implemented

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period – The objective of this statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period.

GASB Statement No. 91, Conduit Debt Obligations –The primary objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

Note 2: Cash and Investments

Cash and investments at June 30, 2022 and 2021, comprised of the following:

	2022	2021
Unrestricted:		
Deposits with banks	$ 2,004,131	$ 2,318,773
Investments	6,345,765	4,838,415
Total unrestricted	8,349,896	7,157,188
Restricted		
Deposits with banks	2,392,751	2,040,928
Investments	545,014	612,472
Total restricted	2,937,765	2,653,400
Total cash and investments	$ 11,287,661	$ 9,810,588

Note 2: Cash and Investments (Continued)

a. Custodial Credit Risk – Deposits and Investments

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits. However, the District follows the California Government Code, which requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy contains legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as LAIF.

b. Investments Permitted

The table below identifies the investment types that are authorized for the District by the California Government Code 53601 or the District's Investment Policy, where the policy is more restrictive. The District's Investment Policy is more restrictive than the California Government Code in that the allowed investments are limited to the State of California's Local Agency Investment Fund and certificates of deposits, which may not exceed $250,000 per institution in order that the principal remain fully insured by the federal government. The tale also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer
FDIC Insured Negotiable and Nonnegotiable Certificates of Deposit	5 year	None	$250,000 per institution
State of California Local Agency Investment Fund (LAIF)	N/A	None	None

* Excludes amounts held by fiscal agents that are not subject to California Government Code restrictions.

Note 2: Cash and Investments (Continued)

c. Investments

The following is a summary of the District's investments at June 30, 2022:

		(Maturity in Years)		
	Fair Value	Less than 1	1 - 5	Credit Ratings (Standard & Poor's)
Negotiable certificates of deposits	$ 1,308,803	$ 670,620	$ 638,183	Not Rated
Local Agency Investment Fund	5,581,976	5,581,976	-	Not Rated
Total investment	$ 6,890,779	$ 6,252,596	$ 638,183	

The following is a summary of the District's investments at June 30, 2021:

		(Maturity in Years)		
	Fair Value	Less than 1	1 - 5	Credit Ratings (Standard & Poor's)
Negotiable certificates of deposits	$ 1,320,002	$ 928,979	$ 391,023	Not Rated
Local Agency Investment Fund	4,130,885	4,130,885	-	Not Rated
Total investment	$ 5,450,887	$ 5,059,864	$ 391,023	

The District is a voluntary participant in the LAIF that is governed by the California Government Code under the oversight of the Local Investment Advisory Board (Board). The board consists of five members as designated by state statute. The fair value of the District's investment in the LAIF pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the District's position in the LAIF pool. LAIF is not rated by rating agencies. The weighted average maturity of LAIF at June 30, 2022 and 2021 was 311 and 291 days, respectively.

As of June 30, 2022, and 2021, the District had unrestricted investments of $5,581,976 and $4,130,885, respectively invested in LAIF, which had invested 1.88% and 2.31% of the pooled investment funds in Structured Notes and Asset-Backed Securities. LAIF is part of the State's Pooled Money investment Account (PMIA). PMIA has a total of $229.9 billion and $193.3 billion in its investment portfolio as of June 30, 2022 and 2021, respectively. The District valued its investments in LAIF as of June 30, 2022 and 2021, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate fair value by total aggregate amortized costs resulting in a factor of 0.987125414 and 1.00008297 as of June 30, 2022 and 2021, respectively.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District does not have any of its investments using level 1 and 3 inputs.

Note 2: Cash and Investments (Continued)

The District's investments in negotiable certificates of deposits are classified in Level 2 of the fair value hierarchy and are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The District's investment in LAIF is exempt from the fair value hierarchy.

d. Restricted Cash and Investments

At June 30, 2022 and 2021, cash and investments were restricted for the following:

	June 30, 2022			June 30, 2021		
	Cash in Bank	Investments	Total	Cash in Bank	Investments	Total
Security deposits from tenants	$ 442,208	$ -	$ 442,208	$ 444,339	$ -	$ 444,339
Passenger facility charge program	1,086,113	545,014	1,631,127	777,470	612,472	1,389,942
Debt service	5,003	-	5,003	5,069	-	5,069
Customer Facilities Charges	859,427	-	859,427	814,050	-	814,050
Total restricted cash and investments	$ 2,392,751	$ 545,014	$ 2,937,765	$ 2,040,928	$ 612,472	$ 2,653,400

Note 3: Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance at June 30, 2021	Additions/ Transfers	Disposals/ Transfers	Balance at June 30, 2022
Capital assets not being depreciated:				
Land	$ 4,206,755	$ -	$ -	$ 4,206,755
Construction in progress	16,250,965	9,994,742	(12,245,639)	14,000,068
Total Capital Assets Not being Depreciated	20,457,720	9,994,742	(12,245,639)	18,206,823
Capital assets being depreciated/amortized:				
Intangible assets	23,612,155	2,646,170	-	26,258,325
Land improvements	88,386,958	8,656,324	-	97,043,282
Buildings and improvements	26,937,622	341,765	-	27,279,387
Furniture, equipment and vehicles	7,247,097	697,104	-	7,944,201
Total Capital Assets being Depreciated	146,183,832	12,341,363	-	158,525,195
Less accumulated depreciation/amortization for:				
Intangible assets	(22,338,075)	(203,741)	-	(22,541,816)
Land improvements	(41,746,483)	(3,755,716)	-	(45,502,199)
Buildings and improvements	(18,218,865)	(1,250,743)	-	(19,469,608)
Furniture, equipment and vehicles	(4,554,819)	(276,786)	-	(4,831,605)
Less Accumulated Depreciation	(86,858,242)	(5,486,986)	-	(92,345,228)
Total Capital Assets, Being Depreciated, Net	59,325,590	6,854,377	-	66,179,967
Total Capital Assets, Net	$ 79,783,310	$ 16,849,119	$ (12,245,639)	$ 84,386,790

Note 3: Capital Assets (Continued)

Construction in progress activity for the year ended June 30, 2022 was as follows:

Projects		Balance July 1, 2021	Additions/ Transfers	Completed Transferred to Depreciable/ Disposed	Balance July 1, 2022
2016-01	NEPA/CEQA Safety Initiative	$ 2,646,170	$ -	$ (2,646,170)	$ -
2019-01	Infield Safety Area Rehab Phase 1	8,560,458	-	(8,560,458)	-
2019-03	Water Distribution System	106,381	428,812	-	535,193
2020-03	FIDS Computer Upgrades	225,797	66,260	(292,057)	-
2020-12	Northside GA Apron Construction	2,959,977	5,556,282	-	8,516,259
2020-13	Northeast VSR Improvements	1,094,310	818,651	-	1,912,961
2020-14	Demolish Building 505	155,575	48,304	-	203,879
2021-01	RSA Mitigation 6 & 7	46,946	48,920	(95,866)	-
2021-03	Electric Vehicle DC Fast Chargers	364,273	-	(364,273)	-
2021-04	SEP Phase 1 A1- Commercial Apron Design	91,078	2,337,923	-	2,429,001
2022-01	SEP Phase B1/B2/B3- ARFF Design	-	374,767	-	374,767
2022-02	Vehicle Replacement	-	27,859	-	27,859
2022-04	It Upgrades	-	40,774	(40,774)	-
2022-05	Property Repairs	-	246,040	(246,040)	-
2023-01	SEP Phase D1- Terminal Design	-	150	-	150
	Total	$ 16,250,965	$ 9,994,742	$ (12,245,638)	$ 14,000,069

Capital assets activity for the year ended June 30, 2021, was as follows:

	Balance at June 30, 2020	Additions/ Transfers	Disposals/ Transfers	Balance at June 30, 2021
Capital assets not being depreciated:				
Land	$ 4,206,755	$ -	$ -	$ 4,206,755
Construction in progress	6,463,007	9,968,455	(180,497)	16,250,965
Total Capital Assets Not being Depreciated	10,669,762	9,968,455	(180,497)	20,457,720
Capital assets being depreciated/amortized:				
Intangible assets	23,612,155	-	-	23,612,155
Land improvements	88,386,958	-	-	88,386,958
Buildings and improvements	26,890,752	46,870	-	26,937,622
Furniture, equipment and vehicles	7,247,097	-	-	7,247,097
Total Capital Assets being Depreciated	146,136,962	46,870	-	146,183,832
Less accumulated depreciation/amortization for:				
Intangible assets	(22,156,385)	(181,690)	-	(22,338,075)
Land improvements	(37,915,155)	(3,831,328)	-	(41,746,483)
Buildings and improvements	(16,962,662)	(1,256,203)	-	(18,218,865)
Furniture, equipment and vehicles	(4,261,237)	(293,582)	-	(4,554,819)
Less Accumulated Depreciation	(81,295,439)	(5,562,803)	-	(86,858,242)
Total Capital Assets, Being Depreciated, Net	64,841,523	(5,515,933)	-	59,325,590
Total Capital Assets, Net	$ 75,511,285	$ 4,452,522	$ (180,497)	$ 79,783,310

Note 3: Capital Assets (Continued)

Construction in progress activity for the year ended June 30, 2021, was as follows:

Projects		Balance July 1, 2020	Additions/ Transfers	Completed Transferred to Depreciable/ Disposed	Balance July 1, 2021
2016-01	NEPA/CEQA Safety Initiative	$ 2,642,093	$ 4,077	$ -	$ 2,646,170
2019-01	Infield Safety Area Rehab Phase 1	3,408,221	5,152,237	-	8,560,458
2019-03	Water Distribution System	25,409	80,972	-	106,381
2020-03	FIDS Computer Upgrades	-	225,797	-	225,797
2020-10	SWRCB/PFAS Testing Project	123,773	9,854	(133,627)	-
2020-11	PG&E Lighting Project	-	46,870	(46,870)	-
2020-12	Northside GA Apron Construction	181,804	2,778,173	-	2,959,977
2020-13	Northeast VSR Improvements	81,707	1,012,603	-	1,094,310
2020-14	Demolish Building 505	-	155,575	-	155,575
2021-01	RSA Mitigation 6 & 7	-	46,946	-	46,946
2021-03	Electric Vehicle DC Fast Chargers	-	364,273	-	364,273
2021-04	SEP Phase 1 A1- Commercial Apron Design	-	91,078	-	91,078
	Total	$ 6,463,007	$ 9,968,455	$ (180,497)	$ 16,250,965

At June 30, 2022 and 2021, intangible assets consist of the following:

	2022	2021
Noise safety study and sound proofing easements	$ 21,549,356	$ 21,549,356
Master Plan	1,747,376	1,747,376
Wildlife hazard assessment plan	151,939	151,939
East End Development Procedure	49,005	49,005
FAA Disparity Study	114,479	114,479
NEPA / CEQA -- Safety Installation	2,646,170	-
Total intangible assets, gross	26,258,325	23,612,155
Less accumulated amortization	(22,541,816)	(22,338,075)
Total intangible assets, net	$ 3,716,509	$ 1,274,080

Note 4: Accrued Liabilities

At June 30, 2022 and 2021, accrued liabilities consist of the following:

	2022	2021
Accrued employee benefits	$ 40,460	$ 41,126
Accounts payable	935,428	1,107,042
Other accrued expenses	136,940	31,861
Total accrued liabilities	$ 1,112,828	$ 1,180,029

Note 5: Accrued Compensated Absences

A summary of the changes in compensated absences for the year ended June 30, 2022, is as follows:

Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due in One Year
$ 185,902	$ 30,112	$ 26,397	$ 189,617	$ 34,044

Note 5: Accrued Compensated Absences (Continued)

A summary of the changes in compensated absences for the year ended June 30, 2021, is as follows:

Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due in One Year
$ 175,350	$ 84,053	$ 73,501	$ 185,902	$ 23,520

Note 6: Long-Term Obligations

A summary of the changes in long-term obligations for the year ended June 30, 2022, is as follows:

Notes From Private Borrowings and Direct Placements	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due in One Year
Due to the City of Monterey (Note 11)	$ 39,932	$ -	$ 19,966	$ 19,966	$ 19,966
Pension obligation bonds	371,000	-	371,000	-	-
CEC secured loan	2,497,206	-	155,117	2,342,089	156,672
PG&E Loan	160,821	-	54,319	106,502	53,300
Total	$ 3,068,959	$ -	$ 600,402	$ 2,468,557	$ 229,938

A summary of the changes in long-term obligations for the year ended June 30, 2021, is as follows:

Notes From Private Borrowings and Direct Placements	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due in One Year
Due to the City of Monterey (Note 11)	$ 59,898	$ -	$ 19,966	$ 39,932	$ 19,966
Pension obligation bonds	727,000	-	356,000	371,000	371,000
CEC secured loan	2,650,783	-	153,577	2,497,206	155,117
PG&E Loan	156,043	46,870	42,092	160,821	53,300
Total	$ 3,593,724	$ 46,870	$ 571,635	$ 3,068,959	$ 599,383

Pension Obligation Bonds – On June 27, 2012, the District issued Taxable Pension Obligation bonds for the purpose of refinancing the outstanding "side fund" obligations in the amount of $3,077,000 with an interest rate of 4.40% per annum. The bonds are subject to mandatory redemption every six months as set forth in the Indenture of Trust. This obligation was incurred to retire a previously unrecorded liability between the District's funded status of the CalPERS plan versus the funded status of the entire risk pool. The outstanding note from this direct borrowing contains a provision that in the occurrence or continuation of any event of default the trustee, at the written direction of the bond owners, must declare the principal of the bonds, together with the accrued interest, to be due and payable immediately and may exercise any other remedies available to the trustee and bond owners in law or at equity to enforce the rights of the bond owners. In addition, upon the occurrence and during the continuation of an event of default, interest on the bonds shall accrue at the default rate. The pension obligation bonds are paid in full as of June 30, 2022.

California Energy Commission (CEC) Solar Array Loan - In May 2017, the Monterey Peninsula Airport District entered into a construction loan from the CEC to assist in the development of a 3-acre solar farm to power the District's operations. The CEC construction loan provided a maximum amount of $3,000,000 at 1.00% per annum for a period of 16.1 years. The District requested and received reimbursements from the CEC loan totaling $2,497,206 as of June 30, 2020. The 2021 payment includes the principal reduction and accrued interest during construction and the first year of operation. The remainder of the CEC loan will be repaid

Note 6: Long-Term Obligations (Continued)

through the Airport's electricity savings earned from the solar farm. The solar farm was operational in November of fiscal year 2018. The outstanding note from this direct borrowing contains a provision that in the occurrence of any event of default, the Energy Commission may, to the extent permitted by law, declare all or any portion of the principal and accrued interest on this promissory note to be immediately due and payable.

The future debt service requirements for the California Energy Commission (CEC) Loan at June 30, 2022, are as follows:

Year	Principal	Interest	Total Requirement
2023	$ 156,672	$ 23,031	$ 179,703
2024	158,185	21,518	179,703
2025	159,828	19,875	179,703
2026	161,430	18,273	179,703
2027	163,049	16,654	179,703
2028-2032	840,028	58,487	898,515
2033-2036	702,897	15,466	718,363
Total	$ 2,342,089	$ 173,304	$ 2,515,393

PG&E Loan - In June 2020, the District entered into a loan agreement with PG&E to participate in the Energy Efficiency Retrofit Loan Program (the "Program"). The program is funded by California utility customers and administered by Pacific Gas and Electric Company (PG&E) under the auspices of the California Public Utilities Commission (CPUC). The Program provides qualified PG&E customers with a means to finance energy efficient (EE) retrofit projects implemented under select PG&E EE Programs (the "Qualified Program"). The loans issued under the Program are interest free, unsecured loans to fully or partially reimburse qualified PG&E customers for the costs they incur in connection with a qualified retrofit project (the "Retrofit Project"), which term shall mean the energy efficiency retrofit project described in Customer's relevant Energy Efficiency Program Application. The future debt service requirements for the PG&E Loan at June 30, 2022, are as follows:

Year	Principal
2023	$ 53,300
2024	43,582
2025	9,620
Total	$ 106,502

Note 7: Leases

Leases Receivable in accordance with GASB 87

The District functions as a landlord or lessor to tenants that lease terminal space, office suites, aircraft hangars, recreational vehicle parking spaces, buildings and land within its boundaries. Lease types include month-to-month, general long-term operating and regulated long-term capital as defined by GASB 87.

The District recognizes lease revenues by category and three categories are impacted by the implementation of GASB 87. Specific leases in General Aviation, Terminal Concessions and Non-Aviation revenue categories were reclassified from long-term operating to GASB 87 capital leases. Those leases are for commercial buildings, commercial office space, land, and terminal restaurant and gift shop concessions.

Note 7: Leases (Continued)

Lease receivables and deferred leases income are $11,947,365 and $12,647,126 for fiscal years 2022 and 2021, respectively. The District uses the Standards and Poor's municipal bond 20 year high grade index to estimate the discount rate to apply for the GASB 87 lease receivable which is 4.06% on June 30, 2022 and 2.23% as of June 30, 2021.

The table below summarizes total remaining lease payments, GASB 87 lease receivables/deferred lease inflows and lease interest receivable at an estimated District discount rate of 4.06% as of June 30, 2022:

Fiscal Year	Lease Receivable	Lease Interest	Total Lease Payments
2023	$ 1,092,200	$ 343,580	$ 1,435,780
2024	1,124,787	310,119	1,434,906
2025	1,046,968	277,587	1,324,555
2026	1,007,337	246,749	1,254,086
2027	1,043,172	215,988	1,259,159
2028-2032	2,689,211	763,579	3,452,790
2033-2037	1,182,766	493,643	1,676,409
2038-2042	1,001,169	342,175	1,343,344
2043-2047	1,099,260	181,320	1,280,581
2048-2052	581,179	51,152	632,331
2053	79,316	1,094	80,410
	$ 11,947,365	$ 3,226,986	$ 15,174,351

The table below summarizes total remaining lease payments, GASB 87 lease receivables/deferred lease inflows and lease interest receivable at an estimated District discount rate of 2.23% as of June 30, 2021:

Fiscal Year	Lease Receivable	Lease Interest	Total Lease Payments
2022	$ 1,023,234	$ 365,491	$ 1,388,725
2023	1,085,723	333,964	1,419,687
2024	1,118,113	300,700	1,418,813
2025	1,040,091	268,371	1,308,462
2026-2030	3,930,370	926,413	4,856,783
2031-2035	1,550,408	536,989	2,087,397
2036-2040	892,127	370,753	1,262,880
2041-2045	1,036,309	226,571	1,262,880
2046-2050	752,626	80,828	833,454
2051-2053	218,126	9,674	227,800
	$ 12,647,126	$ 3,419,754	$ 16,066,880

Regulated Leases Excluded by GASB 87

A significant portion of the District's revenue comes from regulated leases of which the District is the lessor. Regulated leases as defined by the Department of Transportation and the Federal Aviation Administration and outlined in GASB 87 paragraphs 42 and 43 are specially excluded. Terminal space, aircraft hangars, recreational vehicle parking spaces are generally month-to-month leases are described in the information herein.

The District leases parts of the terminal building, parking areas, north side buildings, land, hangars and ramps to various businesses and individuals under long-term leases with terms from 5 – 60 years. Rental revenues from these regulated leases were $192,768 and included in terminal leases and concessions for the year ended June 30, 2022. The cost of property held for leasing is not readily determinable.

Note 7: Leases (Continued)

Future minimum rentals on regulated leases as of June 30, 2022, are as follows:

Fiscal Year	Total Payment
2023	$ 924,610
2024	924,610
2025	924,610
2026	924,610
2027	924,610
2028-2032	4,623,049
2033-2037	4,623,049
2038-2042	4,623,049
2043-2047	4,623,049
2048-2052	3,719,092
2053-2057	2,304,872
Total	$ 29,139,210

Future minimum rentals on regulated leases as of June 30, 2021, are as follows:

Fiscal Year	Total Payment
2022	$ 924,610
2023	924,610
2024	924,610
2025	924,610
2026	924,610
2027-2031	4,623,049
2032-2036	4,623,049
2037-2041	4,623,049
2042-2046	4,623,049
2047-2051	4,131,508
2052-2056	2,560,969
2057	256,097
Total	$ 30,063,820

Note 8: Pension Plan

***Plan Description* -** All full-time and certain other qualifying employees of the District are eligible to participate in the Public Employees' Retirement Fund of the State of California's Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer plan. CalPERS acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. CalPERS provides retirement, disability and death benefits based on the employee's years of service, age and final compensation. Employees vest after five years of service. benefit provisions and other requirements are established by State statute and by District resolution.

The State of California passed the California Employee's Pension Reform Act (PEPRA), which became effective on January 1, 2013. PEPRA changes included the classification of active employees into two distinct classifications: classic members and new members. Classic members represent active members hired before January 1, 2013 and retain the pension plan

Note 8: Pension Plan (Continued)

benefits in effect. New members are active members hired on or after January 1, 2013 and are subject to PEPRA.

The District participates in five separate rate plans within the cost-sharing multiple-employer plan with CalPERS: Safety Fire, Safety Police, Miscellaneous, PEPRA Miscellaneous and PEPRA Police, collectively the Plans. The District no longer employs Safety Fire employees but maintains benefits for Safety Fire retirees.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. The death benefit is one of the following: the basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at the measurement date, are summarized as follows:

	Fire	Police	PEPRA Police	Misc.	PEPRA Misc.
Hire date	Prior to 1/1/2013	Prior to 1/1/2013	On/after 1/1/2013	Prior to 1/1/2013	On/after 1/1/2013
Benefit formula	3% @ 50	3% @ 50	2.7% @ 57	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 & Up	50 & Up	57 & Up	55 & Up	62 & Up
Monthly benefits, as a percentage of eligible compensation	3.00%	3.00%	2.70%	1.426%-2.418%	2.00%
Required employee contribution rates	0.00%	0.00%	0.00%	7.00%	6.75%
Required normal employer contribution rates	0.00%	0.00%	0.00%	10.22%	6.99%
Required employer payment of unfunded liability	$395,307	$139,738	$654	$143,406	$1,066

Contributions – Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30th by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned y employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2022 and 2021, the employer contributions recognized as a reduction to the net pension liability were $852,725 and $796,495, respectively.

Note 8: Pension Plan (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, and 2021, the District's reported total net pension liability of $6,509,179 and $10,399,097, respectively, for its proportionate shares of the net pension liability. The District's net pension liability is measured as the proportionate share of the net pension liability of the cost-sharing plan. The net pension liability at June 30, 2022 and 2021, of the Plan is measured as of June 30, 2021 and 2020 (measurement dates), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 and 2019, respectively, rolled forward to June 30, 2021 and 2020 using standard update procedures. The District's proportion of the net pension liability was based on the District's total pension liability based on the District's share of the actuarial accrued liability of the cost-sharing plan less the District's share of the fiduciary net position based on the District's share of the market value of assets in the cost-sharing plan. The District's proportionate share of the net pension liability for the Plan as of the measurement dates June 30, 2021 and 2020, were 0.17313% and 0.09119%, respectively.

For the years ended June 30, 2022 and 2021, the District recognized pension expense of $1,486,700 and $1,485,945, respectively. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 5,035,621	$ -
Differences between expected and actual experiences	1,022,699	-
Net differences between projected and actual earnings on pension plan investments	-	(4,297,015)
Adjustment due to difference in proportions	136,103	(9,981)
Differences between actual contributions and the proportionate share of contributions	-	(852,275)
Total	$ 6,194,423	$ (5,159,271)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 852,725	$ -
Differences between expected and actual experiences	735,769	-
Change in assumptions	-	44,961
Net differences between projected and actual earnings on pension plan investments	247,663	-
Adjustment due to difference in proportions	231,794	-
Differences between actual contributions and the proportionate share of contributions	-	699,728
Total	$ 2,067,951	$ 744,689

Note 8: Pension Plan (Continued)

At June 30, 2022 and 2021, the District reported $5,035,621 and $852,725, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the years ended June 30, 2023 and 2022, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (887,464)
2024	(918,726)
2025	(1,010,256)
2026	(1,184,023)
Total	$ (4,000,469)

Actuarial Assumptions - The total pension liabilities were determined using the following actuarial assumptions:

	2022	2021
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	2.5% depending on Age, Service, and Type of Employment	2.5% depending on Age, Service, and Type of Employment
Investment Rate of Return	7.15% net of pension plan investment expenses, includes inflation	7.15% net of pension plan investment expenses, includes inflation
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using CalPERS' Membership Data for all Funds

The mortality table used in the June 30, 2020 and 2019 valuation was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this tale, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 and 2019 valuations were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the experience study can be found on the CalPERS website under Forms and Publications.

Note 8: Pension Plan (Continued)

***Changes of Assumptions* –** No changes in assumptions.

***Discount Rate* –** The discount rates used to measure the total pension liability at June 30, 2022 and 2021 were both 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Long-term Expected Rate of Return* –** The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

The target allocation for the June 30, 2022, measurement date was as follows:

Asset Class	Current Target Allocation	Real Return Year 1-10 (a)	Real Return Year 1-10 (b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) An expected inflation of 2.00% used for this period.
(b) An expected inflation of 2.92% used for this period.

Note 8: Pension Plan (Continued)

The target allocation for the June 30, 2021, measurement date was as follows:

Asset Class	Current Target Allocation	Real Return Year 1-10 (a)	Real Return Year 1-10 (b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) An expected inflation of 2.00% used for this period.
(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability of the Plan as of the June 30, 2021 measurement date, calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Decrease Rate -1% (6.15%)	Current Discount Rate (7.15%)	Decrease Rate + 1% (8.15%)
$ 11,585,844	$ 6,509,179	$ 2,331,099

The following presents the District's proportionate share of the net pension liability of the Plan as of the June 30, 2020 measurement date, calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Decrease Rate -1% (6.15%)	Current Discount Rate (7.15%)	Decrease Rate + 1% (8.15%)
$ 15,476,215	$ 10,399,097	$ 6,224,304

Pension Plan Fiduciary Net Position – CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS website at https://www.calpers.ca.gov/page/forms- publications.

Note 9: Other Post-Employment Benefits

Plan Description – The District provides a defined benefit healthcare plan (Retiree Health Plan). The Retiree Health Plan provides healthcare insurance for eligible retirees that elect to keep healthcare insurance coverage through the CalPERS Health benefit Program upon retirement. Benefit provisions are established by the Board of Directors.

Note 9: Other Post-Employment Benefits (Continued)

Funding Policy – The District's contribution for each miscellaneous and public safety fire retiree is the CalPERS mandatory employer portion of the health care premium. The District's contribution for each public safety police retiree is up to 90% of the health care premium (including the mandatory employer portion). The District currently contributes enough funds to the Retiree Health Plan to satisfy current obligations on a pay-as-you-go basis. The District does not have any assets segregated and restricted to provide funds towards the Retiree Health Plan.

Number of Covered Employees

At June 30, 2022 and June 30, 2021 reporting dates, the following numbers of employees were covered

Measurement Date	6/30/2021	6/30/2020
Active	21	22
Retirees	17	15
Total	38	37

Contributions

The District's contribution for each miscellaneous and public safety retiree is the CalPERS mandatory employer portion of the health care premium. The District's contribution for each public safety police retiree is up to 90% of the health care premium (including the mandatory employer portion). The District currently contributes enough funds to the Retiree Health Plan to satisfy current obligations on a pay-as-you-go basis. The District does not have any assets segregated and restricted to provide funds towards the Retiree Health Plan. The contributions made to fund the Retiree Health Plan for the measurement periods ended June 30, 2021 and 2020 were $86,695 and $80,340, respectively.

Employer's Total OPEB Liability

The total OPEB liability as of June 30, 2022 and 2021 are presented below:

For Reporting at Fiscal Year End	June 30, 2022	June 30, 2021
Measurement Date	*6/30/2021*	*6/30/2020*
Total OPEB Liability	$ 2,032,252	$ 2,103,849

Note 9: Other Post-Employment Benefits (Continued)

Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions:

Valuation date	June 30, 2021
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets ($0; plan is not yet funded)
Discount Rate	2.18% as of June 30, 2021
Discount Rate	2.66% as of June 30, 2020
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.00% per year; since benefits do not depend on pay, this is used only to allocate the costs of benefits between service years.
Assumed Wage Inflation	3.0% per year: a component of assumed salary increases.
General Inflation Rate	2.5% per year

Discount Rate

When an agency finances retiree benefits on a pay-as-you-go basis, GASB Statement No. 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate. The District intends to continue financing its OPEB liability on a pay-as-you-go basis. Therefore, the District's discount rate used in this valuation is based on the S&P Municipal Bond 20 Year High Grade Index. As of the beginning and end of the Measurement Period this index requires use of discount rates of 2.18% as of June 30, 2021 and 2.66% as of June 30, 2020.

Changes in the Total OPEB Liability

The following table shows the changes in the total OPEB liability for the years ended June 30, 2022 and June 30, 2021, respectively:

For Reporting at Fiscal Year End *Measurement Date*	June 30, 2022 *6/30/2021*	June 30, 2021 *6/30/2020*	Change During Period
Balance at beginning of period	$ 2,103,849	$ 2,052,174	$ 51,675
Changes for the year			
Service cost	38,344	36,230	2,114
Interest	55,829	57,146	(1,317)
Differences between expected and actual experience	(232,053)	-	(232,053)
Changes of assumptions	152,978	38,639	114,339
Benefit payments	(86,695)	(80,340)	(6,355)
Net Changes	(71,597)	51,675	(123,272)
Balance at end of period	$ 2,032,252	$ 2,103,849	$ (71,597)

Note 9: Other Post-Employment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30, 2021 and June 30, 2020:

Measurement Period June 30, 2021	1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
Total OPEB Liability	$ 2,376,792	$ 2,032,252	$ 1,759,546

Measurement Period June 30, 2020	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	$ 2,442,925	$ 2,103,849	$ 1,833,825

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Total OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021 and June 30, 2020:

Measurement Period June 30, 2021	1% Decrease (6% decreasing to 4%)	Current Healthcare Cost Trent Rates (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Total OPEB Liability	$ 1,756,892	$ 2,032,252	$ 2,377,396

Measurement Period June 30, 2020	1% Decrease (6% decreasing to 4%)	Current Healthcare Cost Trent Rates (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Total OPEB Liability	$ 1,827,536	$ 2,103,849	$ 2,448,663

OPEB Expense for Fiscal Year

For the year ended June 30, 2022, the District recognized OPEB expense of $(49,010). For the year ended June 30, 2021, the District recognized OPEB expense of $(35,377).

Deferred Outflows and Inflows of Resources as of Fiscal Year-End and Expected Future Expense Recognition

At June 30, 2022, the District reported deferred outflows of resources and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 178,572	$ 84,280
Differences Between Expected and Actual Experience	137,447	653,105
Contributions Made Subsequent to the Measurement Date	94,923	-
Total	$ 410,942	$ 737,385

Note 9: Other Post-Employment Benefits (Continued)

The District will recognize the contributions made subsequent to the measurement date in the next fiscal year. In addition, future recognition of the deferred inflows of resources, which will be recognized as OPEB expense, is shown below.

For the Fiscal Year Ending June 30,	Recognized Deferred Outflows (Inflows) of Resources
2023	$ (138,539)
2024	(111,543)
2025	(120,900)
2026	(45,474)
2027	(4,910)
Thereafter	-
Total	$ (421,366)

At June 30, 2021, the District reported deferred outflows of resources and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 72,552	$ 134,193
Differences Between Expected and Actual Experience	-	423,833
Contributions Made Subsequent to the Measurement Date	86,695	-
Total	$ 159,247	$ 558,026

The District will recognize the contributions made subsequent to the measurement date in the next fiscal year. In addition, future recognition of the deferred inflows of resources, which will be recognized as OPEB expense, is shown below.

For the Fiscal Year Ending June 30,	Recognized Deferred Outflows (Inflows) of Resources
2022	$ (128,753)
2023	(124,109)
2024	(97,113)
2025	(106,470)
2026	(31,044)
Thereafter	2,015
Total	$ (485,474)

Note 10: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There have been no significant reductions in insurance coverage from the previous year. The District has not settled claims in excess of the District's insurance coverage in any of the past three years.

Note 10: Risk Management (Continued)

The District purchased coverage through an insurance broker for property and commercial liabilities and losses incurred above its deductible limits. Different insurance carriers cover various categories of coverage and are listed separately. Claims liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, newly discovered information and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends (including frequency and amount of pay- outs), economic and social factors, newly discovered information and changes in the law.

The District's deductibles and maximum coverage follows:

Coverage	Deductible	Coverage (aggregate)
Buildings & Business Personal Property		
Except Tools & Maintenance Equipment	$ 10,000	$ 53,440,392
Tools & Maintenance Equipment	1,000	
Boiler & Machinery	50,000	31,180,175
Solar Package	5,000/50,000	3,035,000
Automobile	2,500	1,000,000
Fire Truck Physical Damage	5,000	3,049,256
Airport Liability		50,000,000
Bodily Injury & Property	10,000 per occurrence	
Personal Injury	10,000 per occurrence	
Combined	10,000 per occurrence	
Public Officials Liability	100,000	5,000,000
Fiduciary Liability	5,000	1,000,000
Crime	5,000	1,000,000

Workers' Compensation Insurance

The District purchases workers' compensation insurance through the Special District Risk Management Authority (SDRMA) with the following coverage level:

Coverage	Coverage
Workers' Compensation	Statutory
Employers' Liability	$ 5,000,000 (per Occurrence)

Note 11: Commitments and Contingencies

Legal – The District is, from time to time, involved in lawsuits arising in the ordinary course of District operations that, in the opinion of management, will not have material effect on results of operations.

Grants and Contracts – The District participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements, applicable federal and other regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the District; however, as of the date of this report, no such reviews exist, and accordingly, no liabilities are reflected in the accompanying basic financial statements.

Note 11: Commitments and Contingencies (Continued)

Fire Services – On October 31, 2013, the District, and the City of Monterey (City) entered into a fire and emergency services staffing agreement. The City will provide all staff required to operate the District's fire station and provide Airport Rescue Fire Fighting (ARFF) and on Airport Structural Fire Fighting (ASFF) services. The District would provide the fire station and associated equipment, and the ARFF and ASFF fire trucks. The City can house additional staff and fire trucks, and dispatch City fire trucks from the District fire house to service City public properties along the Highway 68 corridor and for Statewide mutual aid and assistance services.

Included in this initial contract the District transferred to the City its unused and unpaid compensated absence balances excluding sick leave in the amount of $199,661 of which $19,966 and $39,932 remains outstanding on June 30, 2022 and 2021, respectively. The District reimburses the City at a rate of 10% per year or $19,666 for a period of ten years until the City is compensated for the initial value of the unpaid sick leave balance.

The initial term of the agreement was from January 1, 2014, through July 1, 2019, with an automatic extension in five-year terms unless either party gives written notice of its intent to allow the agreement to lapse. In consideration for these services, the District agreed to compensate the City with an initial Fire Service Fee (Fee) in the amount of $1,650,000 per fiscal year, payable monthly. The initial Fee would be adjusted each fiscal year using the All Urban Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the San Francisco-Oakland-San Jose Metropolitan Area.

In March 2019, the District adopted a resolution for a new fire and emergency services staffing agreement between the District and the City of Monterey (City) to provide staff for fire and emergency services to the District and the City's public properties along the Highway 68 corridor. The initial term of the renewed agreement is from July 1, 2019 through July 1, 2024, with an option to extend in five-year terms, however the extension is not automatic.

The Fees for the new contract were adjusted to recognize the District's contribution of the fire station for the City's use as a base for servicing the public properties along the Highway 68 corridor. In the table below are the Fees included in the renewal. In fiscal year 2023-2024 Fees will be subject to a True-Up provision where the City can propose adjustments based on fiscal year 2022-2023 actual operating costs.

Fire Service Fee Schedule. Fees for service shall be as follows for the term of this Agreement:

For the Fiscal Year Ending June 30		Fire Service Fee
2023	$	1,344,720
2024		1,344,720
Total	$	2,689,440

COVID-19 National Health Emergency – On March 15, 2020, the District's operations were impacted by the COVID-19 national health emergency which resulted in shelter in place orders by national, state and county health departments. The District implemented customer, tenant and staff safety procedures based on recommendations from the health departments and industry specialists. Terminal cleaning and disinfecting protocols were implemented, separation markers for social distancing were placed in the terminal and staff worked split schedules to reduce contact in all departments.

Note 11: Commitments and Contingencies (Continued)

The District's commercial and general aviation services decreased significantly, local transportation and parking services concessions followed the decrease in aviation services and terminal food concessions where instructed by the county health department to discontinue services. Initially air carrier enplanements decreased by approximately 97%, general aviation services decreased 90% and concessions followed with similar changes in business.

Over the following months various changes in the commercial and general aviation services began to emerge. New operating and safety procedures were recommended by health departments and industry specialists, and aviation activities slowly started to improve. By June 30, 2020 commercial airlines were operating 5 or 6 daily flights, general aviation was operating at approximately 50% of prior year levels and concessions implemented safety procedures to allow for partial services.

To provide temporary relief to governments in lights of the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by the President on March 27th, 2020. Included in the CARES Act was $12,664,025 million approved aid for the District, funded by the FAA through the Airport Improvement Program.

Forbearance Communications – Umpqua Bank – In 2012 the District issued Taxable Pension Obligation Bonds (POB) to pay off specific CalPERS retirement accounts. The POB includes debt covenants that require the District to maintain various operating ratios until the bonds are paid in full. Covenant 5.09(b) requires that the District maintain an annual operating income of 125% of the annual debt service. Due to the COVID-19 national health emergency and subsequent abatements provided to tenants, District staff recognized the possibility that fiscal year 2019-20 operating income may fall below the 5.09(b) covenant ratio. In May 2020 District Staff began proactive communication with the bond holder, Umpqua Bank, regarding the expected shortfall in operating income and expects a forbearance of Covenant 5.09(b) to be granted. On October 26, 2020 Umpqua Bank granted a waiver of declaration of default for the remaining term of the loan dated June 30, 2022 for the covenant 5.09(b).

Note 12: Subsequent Event

In January 2020, District conducted tree pruning, topping and removal on property owned by the District at 2801 Monterey Salinas Highway. These activities were accomplished in response to regulatory requirements of the Federal Aviation Administration and the State of California Department of Transportation, Division of Aeronautics.

The City of Monterey, on March 6, 2021, issued citations totaling $94,000 claiming the activities in question were accomplished without proper authorization. The District paid the citations in protest, notifying the City of its intent to appeal. To date, the City has failed to provide for the appeal to be heard.

The $94,000 citation payment remains with the City of Monterey pending the outcome of the appeal.

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MONTEREY PENINSULA AIRPORT DISTRICT

COST SHARING MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018
Measurement Period	*2014*	*2015*	*2016*	*2017*
Miscellaneous Rate Plan				
Rate Plan's Proportion of the Net Pension Liability	0.02158%	0.02008%	0.02172%	0.02270%
Rate Plan's Proportionate Share of the Net Pension Liability	$ 1,342,879	$ 1,378,489	$ 1,879,150	$ 2,251,219
Rate Plan's Covered Payroll	$ 1,921,962	$ 1,723,531	$ 1,677,728	$ 1,577,199
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	69.87%	79.98%	112.01%	142.74%
Safety Rate Plan				
Rate Plan's Proportion of the Net Pension Liability	0.06163%	0.06574%	0.06681%	0.06670%
Rate Plan's Proportionate Share of the Net Pension Liability	$ 3,834,741	$ 4,512,232	$ 5,781,218	$ 6,614,914
Rate Plan's Covered Payroll	$ 1,330,599	$ 549,603	$ 601,667	$ 547,264
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	288.20%	821.00%	960.87%	1208.72%
Total Plan				
Plan Proportion of the Net Pension Liability	0.08321%	0.08582%	0.08853%	0.08940%
Plan Proportionate Share of the Net Pension Liability	$ 5,177,620	$ 5,890,721	$ 7,660,368	$ 8,866,133
Plan Covered Payroll	$ 3,252,561	$ 2,273,134	$ 2,279,395	$ 2,124,463
Plan Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	159.19%	259.15%	336.07%	417.34%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	80.43%	78.40%	74.06%	73.31%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2021, 2020 and 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

2019	**2020**	**2021**	**2022**
2018	*2019*	*2020*	*2021*
0.02308%	0.02409%	0.02496%	0.02815%
$ 2,223,790	$ 2,468,530	$ 2,715,215	$ 1,522,216
$ 1,671,567	$ 1,783,112	$ 1,751,206	$ 1,640,763
133.04%	138.44%	155.05%	92.77%
0.06914%	0.06953%	0.07062%	0.09221%
$ 6,662,340	$ 7,124,443	$ 7,683,882	$ 4,986,961
$ 643,653	$ 188,737	$ -	$ -
1035.08%	3774.80%	0.00%	0.00%
0.09222%	0.09362%	0.09558%	0.05982%
$ 8,886,130	$ 9,592,973	$ 10,399,097	$ 6,509,179
$ 2,315,220	$ 1,971,849	$ 1,751,206	$ 1,640,763
383.81%	486.50%	593.82%	396.72%
75.26%	75.26%	75.10%	88.29%

MONTEREY PENINSULA AIRPORT DISTRICT

COST SHARING MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018
Miscellaneous Rate Plan				
Actuarially Determined Contribution	$ 181,461	$ 183,331	$ 186,903	$ 204,396
Contribution in Relation to the Actuarially Determined Contribution	(181,461) #	(183,331)	(186,903)	(204,396)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,723,531	$ 1,677,728	$ 1,577,199	$ 1,671,567
Contributions as a Percentage of Covered Payroll	10.53%	10.93%	11.85%	12.23%
Safety Rate Plan				
Actuarially Determined Contribution	$ 135,343	$ 294,509	$ 371,546	$ 429,673
Contribution in Relation to the Actuarially Determined Contribution	(135,343) #	(294,509)	(371,546)	(429,673)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 549,603	$ 601,667	$ 547,264	$ 643,653
Contributions as a Percentage of Covered Payroll	24.63%	48.95%	67.89%	66.76%
Total Plan				
Actuarially Determined Contribution	$ 316,804	$ 477,840	$ 558,449	$ 634,069
Contribution in Relation to the Actuarially Determined Contribution	(316,804) #	(477,840)	(558,449)	(634,069)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 2,273,134	$ 2,279,395	$ 2,124,463	$ 2,315,220
Contributions as a Percentage of Covered Payroll	13.94%	20.96%	26.29%	27.39%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.
(2) The District is required to contribute to the Safety Rate Plan even though there is no Covered Payroll.

Note to Schedule:

Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal Cost Method

Amortization method: Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source: (Gain)/Loss Investment	Non-investment	Assumption/ Method Change	Benefit Change	Golden Handshake
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method	Direct rate smoothing
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% (net of pension plan investment and administrative expenses, includes inflation)
Retirement Age	All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.
Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

2019		2020		2021		2022	
$	246,088	$	279,219	$	308,686	$	1,375,701
	(246,088)		(279,219)		(308,686)		(1,375,701)
$	-	$	-	$	-	$	-
$	1,783,112	$	1,751,206	$	1,640,763	$	1,788,853
	13.80%		15.94%		18.81%		76.90%
$	431,855	$	517,276	$	544,039	$	3,659,920
	(431,855)		(517,276)		(544,039)		(3,659,920)
$	-	$	-	$	-	$	-
$	188,737	$	-	$	-	$	-
	228.81%		0.00%		0.00%		0.00%
$	677,943	$	796,495	$	852,725	$	5,035,621
	(677,943)		(796,495)		(852,725)		(5,035,621)
$	-	$	-	$	-	$	-
$	1,971,849	$	1,751,206	$	1,640,763	$	1,788,853
	34.38%		45.48%		51.97%		281.50%

MONTEREY PENINSULA AIRPORT DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	$ 96,514	$ 89,300	$ 95,605	$ 36,230	$ 38,344
Interest on the total OPEB liability	71,052	80,196	81,212	57,146	55,829
Actual and expected experience difference	-	-	(619,597)	-	(232,053)
Changes in assumptions	(194,370)	63,787	(92,995)	38,639	152,978
Benefit payments	(40,270)	(69,698)	(83,376)	(80,340)	(86,695)
Net change in total OPEB liability	**(67,074)**	**163,585**	**(619,151)**	**51,675**	**(71,597)**
Total OPEB liability - beginning	**2,574,814**	**2,507,740**	**2,671,325**	**2,052,174**	**2,103,849**
Total OPEB liability - ending	**$ 2,507,740**	**$ 2,671,325**	**$ 2,052,174**	**$ 2,103,849**	**$ 2,032,252**
Covered-employee payroll	$ 2,115,913	$ 2,266,251	$ 2,059,685	$ 1,751,206	$ 1,640,763
Total OPEB liability as a percentage of covered-employee payroll	118.52%	117.87%	99.64%	120.14%	123.86%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: In 2021, the discount rate used to value the liability was changed from 2.66% as of June 30, 2020 to 2.18%.In 2020, the discount rate used to value the liability was changed from 2.79% as of June 30, 2019 to 2.66%. In 2019, the discount rate used to value the liability was changed from 2.98% as of June 30, 2018 to 2.79%. In 2018, the discount rate used to value the liability was changed from 3.13% as of June 30, 2017 to 2.98%.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Monterey Peninsula Airport District
Monterey, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Monterey Peninsula Airport District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors
Monterey Peninsula Airport District
Monterey, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lunghard, LLP

Sacramento, California
October 6, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Monterey Peninsula Airport District
Monterey, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Monterey Peninsula Airport District (the District)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Board of Directors
Monterey Peninsula Airport District
Monterey, California

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Board of Directors
Monterey Peninsula Airport District
Monterey, California

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities of the District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 6, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lance, Soll & Lunghard, LLP

Sacramento, California
October 6, 2022

MONTEREY PENINSULA AIRPORT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Award Number	Expenditures
U.S. Department of Transportation			
Federal Aviation Administration			
Airport Improvement Program*	20.106	DFTA08-06-C-31719	$ 7,467,396
CARES Act Airport Grants*	20.106	MRY-WPG-3-06-0159-071-2020	4,912,674
CRRSA ACT Airport Grants*	20.106	MRY-WPG-3-06-0159-074-2020	1,175,481
ARP ACT Airport Grants*	20.106	MRY-WPG-3-06-0159-077-2021	3,149,773
Total U.S. Department of Transportation			**16,705,324**
U.S. Department of Homeland Security			
Transportation Security Administration			
Law Enforcement Officer Reimbursement Program	97.090	HSTS02-16-H-SLR640	116,800
Total U.S. Department of Homeland Security			**116,800**
Total Federal Expenditures			**$ 16,822,124**

* Major Program

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was $0.

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the Monterey Peninsula Airport District (the District), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the District from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are incurred when the District becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

c. Relationship to Federal Financial Reports

Amounts reported in the SEFA agree to or can be reconciled with the amounts reported in the related federal financial reports.

d. Relationship to Basic Financial Statements

The SEFA agrees to or can be reconciled with the amounts reported in the District's basic financial statements.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Significant deficiencies identified? ____yes __X__none reported
- Material weaknesses identified? ____yes __X__no

Noncompliance material to financial statements noted? ____yes __X__no

Federal Awards

Internal control over major programs:

- Significant deficiencies identified? ____yes __X__none reported
- Material weaknesses identified? ____yes __X__no

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ____yes __X__no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B program $750,000

Auditee qualified as low-risk auditee? __X__yes ____no

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES AND THE SCHEDULE OF
PASSENGER FACILITY CHARGE REVENUES AND EXPENDITURES

Board of Directors
Monterey Peninsula Airport District
Monterey, California

Report on the Financial Statements

Opinions

We have audited the Monterey Peninsula Airport District's (the District) compliance with the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, applicable to the District's passenger facility charge program for the year ended June 30, 2022.

In our opinion, the District complied, in all material respects with the compliance requirements referred to above that are applicable to the passenger facility charge program for the year ended June 30, 2022.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Board of Directors
Monterey Peninsula Airport District
Monterey, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the State Controller's Minimum Audit Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Directors
Monterey Peninsula Airport District
Monterey, California

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the [insert the name of the governmental audit requirement or program-specific audit guide]. Accordingly, this report is not suitable for any other purpose.

Schedule of Passenger Facility Charge Revenues and Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2021 and have issued our report thereon dated October 18, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the District as a whole. The accompanying Schedule of Passenger Facility Charge Revenues and Expenditures is presented for the purpose of additional analysis as required by the Guide and is not a required part of the District's basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Passenger Facility Charge Revenues and Expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Sacramento, California
October 6, 2022

MONTEREY PENINSULA AIRPORT DISTRICT
PASSENGER FACILITY CHARGE (PFC)

SCHEDULE OF PASSENGER FACILITY CHARGE (PFC) REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	PFC Revenues	Interest Earned	Total Revenues	Expenditures on approved projects	Under (over) Expenditures on approved projects
Balance to date as of June 30, 2021	$ 19,443,636	$ 388,693	$ 19,832,325	$ 18,536,125	$ 1,296,200
Fiscal year 2021-2022 transactions:					
Quarter ended September 30, 2021	235,559	3,040	238,598	353,862	
Quarter ended December 31, 2021	214,329	3,612	217,941	128,860	
Quarter ended March 31, 2022	243,392	2,749	246,142	56,461	
Quarter ended June 30, 2022	242,079	3,613	245,692	137,009	
Total fiscal year 2021-2022 transactions	935,359	13,013	948,372	676,193	272,179
Balance to date as of June 30, 2022	$ 20,378,995	$ 401,707	$ 20,780,698	$ 19,212,318	$ 1,568,379

See Notes to Schedule of Passenger Facility Charge (PFC) Revenues and Expenditures.

NOTES TO SCHEDULE OF PASSENGER FACILITY CHARGE (PFC) REVENUES AND EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1: General

The Schedule of Passenger Facility Charge Revenues and Expenditures presents only the activity of the Passenger Facility Charge (PFC program of the Monterey Peninsula Airport District (District).

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the imposition of PFCs and use of the resulting revenue on Federal Aviation Administration (FAA) approved projects. PFCs are fees imposed on enplaned passengers by the District for the purpose of generating revenue for District projects that increase capacity, increase safety, mitigate noise impact, and enhance competition between and among air carriers in accordance with FAA approvals.

Note 2: Basis of Presentation

The accompanying schedule is presented using the accrual basis of accounting as described in Note 1 to the District's basis financial statements.

Note 3: Relationship to Federal Financial Reports

Amounts reported in the Schedule of Passenger Facility Charge Revenues and Expenditures agree to or can be reconciled with the amounts reported to the FAA on the Passenger Facility Charge Quarterly Status Reports.

Note 4: PFC Approved Projects and Expenditures

The general description of the approved projects and cumulative expenditures to date as of June 30, 2022 are as follows:

Passenger Facility Charge Project Number/Description	Identifying Number	Passenger Facility Charge Approved Amount	Expenditures
Improve RSA 10R-28L Phase 4	14-19-C-00-MRY	$ 875,000	$ 1,490,379
Improve RSA 10R-28L Phase 4	14-19-C-01-MRY	111,000	-
Improve RSA 10R-28L Phase 4	14-19-C-02-MRY	950,000	-
Acquire one standard police vehicle	14-19-C-00-MRY	50,000	40,118
EA Infield Rehabilitation Project	16-21-C-00-MRY	35,000	31,770
Acquire Airport Sweeper	16-21-C-00-MRY	26,000	374
EA proposed Safety Enhancement Project	16-21-C-00-MRY	251,000	286,068
Infield Rehabilitation-Design & Construction	16-21-U-00-MRY	650,000	787,623
Runway 10R/28L Airfield Lighting Replacement	18-22-U-00-MRY	160,000	159,045
Conduct DBE Disparity Report	18-22-U-00-MRY	5,000	2,206
Runway 10L/28R Overlay and PAPI	18-22-U-00-MRY	185,000	235,172
Land Acquisition Part A	18-22-U-00-MRY	310,000	804,168
Safety Enhance Project Phase 1	21-25-U-00-MRY	5,775,000	950,943
Terminal Rehab to Preserve ADA Compliance	20-24-C-00-MRY	375,000	244,157
Install Security Cameras in the Terminal Bldg	20-24-C-00-MRY	100,000	-
Runway Safety Area Mitigation Ph 6-7	20-24-C-00-MRY	100,000	95,866
Terminal Enhancement for ADA	20-24-C-00-MRY	45,000	47,900
Total Passenger Facility Charge Projects		$ 10,003,000	$ 5,175,788

Note 5: Excess Project Expenditures

The expenditure of the Improve Runway 10L/28R Overlay projects, Environmental Assessment Safety Enhancement Project, Infield Rehabilitation-Design & Construction, Land Acquisition Part A, and Terminal Enhancement for ADA were in excess of the authorized PFC application line item amount. However, in accordance with FAA guidelines, if the approved PFC application total is not exceeded the public agency application and revenue collections are considered in compliance with §158.37 (a) of Title 14 Code of Federal Regulations (CFR) 158.

PASSENGER FACILITY CHARGE COMPLIANCE FINDINGS

No matters were reported.

AGENDA ITEM: G-3
DATE: December 14, 2022

TO: Monterey Peninsula Airport District Board of Directors
FROM: Michael La Pier, Executive Director
SUBJ: Amendment #2 to the Professional Service between the Monterey Peninsula Airport District and Kimley-Horn Associates, Inc. for Design Services for the Well System Water Conveyance Project

BACKGROUND. On June 15, 2022, the Board adopted Resolution No. 1824 approving the Fiscal Year (FY) 2023 Capital Improvement Program Budget (CIP) that included a project for evaluation of a Water Distribution System.

DISCUSSION. In January 2019, Kimley-Horn Associates Inc. (KHA) was selected from our engineering hiring list based on their qualifications for water system engineering design. Accordingly, the Board approved Resolution 1737 authorizing a professional services agreement with KHA to review and evaluate options for non-potable water sources that would support the Quick Turn Around Car Wash Rental Facility.

Since that time, KHA and Staff have been working with Bierman Hydrological and Granite Drilling Company to install the new wells that will support the non-potable water source. A presentation and update were provided at the November 16, 2022 Board meeting on the status of the well capacity testing that was completed by Bierman Hydrogeologic for the property at 2801 Monterey Salinas Highway and 2999 Monterey Salinas Highway locations.

Monterey Regional Airport (MRY) wishes to proceed with the design and bidding for the Well System Water Conveyance Project. The Well System Water Conveyance Project is anticipated to include the installation of new water conveyance system and facilities to provide for the use of the new water wells at the 2801 Monterey Salinas Highway site and the 2999 Monterey Salinas Highway site. The 2801 well is anticipated to provide the supply of non-potable well water to the existing Car-Return Quick-Turn Around (QTA) facility and to the proposal new Terminal respectively.

In the near future a well-head treatment system could be implemented to treat the well water to potable water standards. The scope of services described below does not include the treatment and permitting support required for that effort.

Kimley-Horn will complete the scope of services in three (3) Tasks as follows and as more specifically described in the Detailed Scope of Services.

- Task 1 – Preliminary Phase: Includes the Initial Research, Survey, Geotechnical Investigation and Preliminary Design: In this Task, Kimley-Horn will complete initial research and visual site survey, geotechnical and topographic survey efforts. Kimley-Horn will complete preliminary design and plans (up to 30 percent).

  Preliminary Design $ 100,280

- Task 2 – Final Design: In this task, Kimley-Horn will complete 65 percent Plans, Specifications (Table of Contents) and Basis of Design Report (BOD); and 95 percent and 100 percent Plans, Specifications for the Project.

Final Design	$ 166,185

- Task 3 – Project Management: Kimley-Horn will provide project management and administration services for the project.

Project Management	$ 24,840

Total Fee	$ 291,305

Staff recommendation is that the Board approve Professional Services Agreement Amendment #2 for an expenditure as provided in the attached Scope of Work in an amount not-to-exceed $291,305.00 and authorize the Executive Director to execute the Professional Services Agreement Amendment #2.

SOURCE OF FUNDS. The project is included in the FY2023 CIP Budget as a Financed Capital project using Customer Facility Charge (CFC) funds. District Only Financed Project: 2019-03 Water System Analysis and Upgrade – Total Project Budget $2,828,058.

FISCAL IMPACT. There are currently sufficient CFC collections to support the project design.

SCHEDULE. The design will take approximately six months.

IMPACT ON OPERATIONS. None at this time, this is design only.

RECOMMENDATION. Approve Amendment #2 to the Professional Service between the Monterey Peninsula Airport District and Kimley-Horn Associates, Inc. for Design Services for the Well System Water Conveyance Project

ATTACHMENTS.

Amendment #2 to the Professional Services Agreement with Kimley-Horn Associates, Inc. for Design of a Water Distribution System

Kimley-Horn Associates Inc. Proposal – 14 pages

AMENDMENT #2 TO THE PROFESSIONAL SERVICE AGREEMENT BETWEEN THE MONTEREY PENINSULA AIRPORT DISTRICT AND KIMLEY HORN ASSOCIATES, INC. FOR DESIGN SERVICES FOR THE WELL SYSTEM WATER CONVEYANCE PROJECT

This is Amendment Number 2 dated December 14, 2022 to the agreement between Monterey Peninsula Airport District ("Client") and Kimley-Horn and Associates, Inc. ("Consultant") dated January 10, 2019 (“the Agreement") concerning Feasibility Analysis and Preliminary Design of a Water Distribution System (the "Project").

The Consultant has entered into the Agreement with Client for the furnishing of professional services, and the parties now desire to amend the Agreement.

The Agreement is amended to include services to be performed by Consultant for compensation as set forth below in accordance with the terms of the Agreement, which are incorporated by reference.

Consultant will perform the services included in the attached Proposal.

For the services set forth above, Client shall pay Consultant in an amount not-to-exceed $291,305.

CLIENT:	CONSULTANT:
MONTEREY REGIONAL AIRPORT	KIMLEY-HORN AND ASSOCIATES, INC.
By: ___Michael La Pier, AAE__________	By: ______________________________
Title: _Executive Director_____________	Title: Vice President / CA PE C63346
Signature:___________________________	Signature:___________________________
Date: _December 14, 2022___________	Date: ______________________________

Kimley»Horn

Monterey Regional Airport

PROPOSAL FOR DESIGN SERVICES
for the
Well System Water Conveyance Project

November 18, 2022

1. OVERVIEW:

Monterey Regional Airport ("MRY" or "Client") wishes to proceed with the design and bidding for the Well System Water Conveyance Project ("Project") at the Monterey Regional Airport.

This proposal is for Kimley-Horn and Associates, Inc. ("Kimley-Horn" or "Consultant") to provide engineering design services for the Project.

The Well System Water Conveyance Project is anticipated to include the installation of new water conveyance system and facilities to provide for the use of the new water wells at the 2801 Monterey Salinas Highway site and the 2999 Monterey Salinas Highway site. The 2801 well is anticipated to provide the supply of non-potable well water to the existing Car-Return Quick-Turn Around (CAR) facility and to the proposal new Terminal respectively.

In near future a well-head treatment system could be implemented to treat the well water to potable water standards. The scope of services described below does not include the treatment and permitting support required for that effort.

2. PROJECT:

A summary of the major work items for the Project is as follows:

1.1.1 2801 Monterey Salinas Highway Well Site

- Up to 3,500 LF of new conveyance pipeline providing conveyance from the new well system connection point at the 2801 well site to the existing CAR facility.
- The installation of a hydropneumatic / storage tank at the CAR facility.

1.1.2 2999 Monterey Salinas Highway Well Site

- Up to 2,000 LF of new conveyance pipeline providing conveyance from the new well system connection point at the 2999 well site to the existing irrigation water connection point.

The following are general assumptions regarding the Project:

- It is assumed the Project will be bid as two solicitations running concurrently.

- It is assumed the Client will provide consolidated and reasonable review comments for milestone submittals. Kimley-Horn will address comments that the Client provides from their review to the extent that the effort necessary to address these comments and subsequent design is included in this budget.
- It is assumed the electrical design for the new well pumps or modifications of the existing power at the well sites is not part of this scope of services.

Kimley-Horn will complete the scope of services in three (3) Tasks as follows and as more specifically described in the Detailed Scope of Services.

Task 1 – Preliminary Phase: Includes the Initial Research, Survey, Geotechnical Investigation and Preliminary Design: In this Task, Kimley-Horn will complete initial research and visual site survey, geotechnical and topographic survey efforts. Kimley-Horn will complete preliminary design and plans (up to 30 percent).

Task 2 – Final Design: In this task, Kimley-Horn will complete 65 percent Plans, Specifications (Table of Contents) and Basis of Design Report (BOD); and 95 percent and 100 percent Plans, Specifications for the Project.

Task 3 – Project Management: Kimley-Horn will provide project management and administration services for the project.

3. DETAILED SCOPE OF SERVICES

The Kimley-Horn team will provide professional engineering services for administrative, design and CMAR coordination services of the project as described in the following sections. Services are summarized for Kimley-Horn and our subconsultants.

Task 1 – Preliminary Phase

Under this Task, Kimley-Horn will complete the following:

1.1 Pre-Design Conference

Kimley-Horn will work with the Client to schedule and participate in a meeting at MRY to discuss the project, objectives, approach, and schedule. At the same visit to MRY Kimley-Horn will conduct a site walk to observe field conditions, and coordinate/interview MRY staff to determine if other potential issues/constraints exist.

1.2 Research / Data Gathering

Kimley-Horn will compile, and review readily available utility information provided by MRY relative to the project and immediate project vicinity (as-builts/record drawings, reports and previous studies, and utility information, electronic AutoCAD files).

1.2.1 Topographical Survey: Kimley-Horn will employ the services of a Subconsultant for this task. The Subconsultant will develop a limited topographical survey of the Project area. Under this subtask the Subconsultant will perform the following:

- Research pertinent Airport PACs & SACs (primary and secondary airport control) for the Project site.
- Perform field survey to locate existing visible facilities on the proposed alignment including pavements, pavement markings, and visible surface utilities, together with topographic features such as flow lines and grade breaks within the requested survey limits. It is assumed the existing aerial survey performed for the ALP updated is sufficient for the sections of the alignment where directional boring will be employed.
- Field locate the position of up to four (4) boring/coring locations that will be marked prior to the commencement of the survey.
- Field locate the areas marked for trenching as generally determined by Consultant.
- Download and compute survey data and prepare an AutoCAD Civil 3D drawing file.
- The mapping will be compiled at a scale of 1" = 20' with a 1-foot contour interval. Each surveyed feature will be labeled or noted by symbol as identified in the field survey.

(i) Horizontal and Vertical Project Control: Kimley-Horn's Subconsultant will perform control network survey for establishing horizontal and vertical positions on survey control points. The network survey shall be performed using a combination of GPS, and conventional survey, methods, as appropriate. The project will be based on the State Plane Coordinate system horizontal datum and NAVD88 vertical datum by ties to existing MRY control.

Assumptions and Clarifications:

- Survey access, schedule and procedures will be based on a mutually agreed upon approach between the MRY, Kimley-Horn and the Subconsultant. Approach will incorporate roles and responsibilities, as well as mutually agreeable days, times, escorts, and existing movement area closures. It is assumed that survey within the Air Operations Area (AOA) but outside the movement areas can be done during regular daytime work hours under escort(s) provided by MRY; and survey within the movement areas will need to be carried out under a night-time closure of the subject areas.
- Potholing of utilities is not included in this Scope of Work or within the associated fee. It is assumed potholing of utilities will be carried out by the Contractor / CMAR.
- See attached for the assumed level of effort budgeted by Kimley-Horn for these tasks.

Deliverables:

- One (1) hard copy and one (1) electronic copy of survey mapping/drawings.

1.2.2 Geotechnical Analysis: Kimley-Horn will employ the services of a geotechnical Subconsultant in this task. Kimley-Horn's Subconsultant will develop a geotechnical analysis as follows:

(i) Research and Site Reconnaissance: Subconsultant will research to establish geologic setting, history of development (e.g., filled land, changes in geomorphology) and current seismic design parameters for the project site, reconnaissance and notation of geology and significant surface features, historic topographic map review, historic air photo review and review of reference reports of pertinent design investigations and construction precedent for the project site.

(ii) Boring Locations, County Permit and Utility Notifications: Subconsultant will field mark a total of two (2) test boring locations. As required by State law, Subconsultant will obtain a drilling and encroachment permit from Monterey County ("County") Public Works Department, Monterey County Environmental Health Department, and MRY if necessary. Subconsultant will retain the services of a private utility locator to scan the proposed boring locations as part of the utility clearance efforts.

(iii) Subsurface Investigation: A total of two (2) test borings will be drilled to a depth of about 20 to 30 feet (about 10 feet below invert) or practical refusal, below the existing ground surface. The final depth of the borings will be determined depending on the anticipated depth of the

pipeline invert at the boring location. Subconsultant will provide pavement coring as needed at each boring location. A continuous log of soil and groundwater conditions will be maintained by Subconsultant. Soil samples will be taken at maximum 5-foot vertical intervals from each test boring. Test borings in pavement areas will be backfilled with non-shrink grout and in accordance with MRY/County permit requirements. Soil cuttings will be drummed and disposed of off-site by the Subconsultant. Subconsultant will temporarily store the drums on MRY property until drum disposal contractor can pick them up. This scope of work and budget assumes that contaminated soil and/or groundwater will not be encountered. If any unusual vapors, odors or visual contamination are noticed during drilling of any test boring, the boring will be stopped, backfilled with grout and the suspected drill cuttings will be drummed, labeled for future source reference and provided to MRY for disposal. This scope of work and budget assumes that the test borings can be accessed by and drilled with a rubber-tired drill rig in areas classified by the site during normal day-time work hours between 7:00 a.m. and 6:00 p.m.

(iv) *Laboratory Testing:* Subconsultant will complete the following laboratory tests on representative disturbed and "undisturbed" soil samples: Moisture/Density (up to 20 tests), Unit Weight (up to 20 tests), Atterberg Limits for soil classification (2 tests), Hydrometer (with sieve analysis) (2 tests), Unconfined Compression (2 tests), Direct Shear (2 sets, 6 points), Consolidation (2 tests), Soil Corrosivity (Sulfate, pH, Chlorides, resistivity) (4 tests), Laboratory Compaction (4 tests), and R-value (1 test).

(v) *Preliminary Design Technical Memorandum:* The Subconsultant will complete a pre-design technical memorandum to be incorporated into the pre-design report for the project. The memorandum will include and be based on research (e.g., reference test borings and cone penetration tests) and reconnaissance findings (Task No. 1) and draft logs of project test borings, if the borings have been drilled by the due date of the memorandum. The pre-design technical memorandum will contain preliminary recommendations and conceptual ideas for pipe installation design and construction of the project.

(vi) *Final Geotechnical Analysis and Report:* Final geotechnical engineering analysis of the data gathered in tasks (i) through (iv) with specific final conclusions and recommendations for design and construction of the following:

(vii) *General* Describe geologic and seismic setting, site history, ground water and engineering properties (i.e., composition and consistency) of soils sampled at the site. Describe groundwater conditions. Describe geologic hazards such as liquefaction, lateral spreading, fault rupture, ground shaking, and provide 2010 IBC/2010 CBC seismic design parameters.

(viii) *Trenches and Directional Boring:* Describe general guidelines for trenching excavation, directional boring installations, anticipated ground behavior, shoring guidelines including preliminary shoring pressure and surcharge pressure diagrams, construction design groundwater level and construction dewatering criteria, pipe bedding and trench backfill materials and compaction specifications, trench dams, suitability of native soil as trench backfill, flexible and rigid pipeline external loading, for flexible pipe design, anticipated differential pipeline settlement and trench backfill settlement, ground improvement, if needed, and street repaving.

(ix) *Structures:* Conclusions and recommendations for excavations including anticipated ground behavior, safe temporary cut slopes, preliminary Cal-OSHA soil classification, maintenance of excavation base stability, shoring guidelines including preliminary shoring pressure and surcharge pressure diagrams and vibration impacts, construction design groundwater elevation and construction dewatering criteria, structure backfill including suitability of native material, CLSM or lightweight materials, anticipated differential and required range of deflection in flexible connections, design permanent groundwater level, below-grade structure buoyancy, general guidelines for ground improvement, if needed, static lateral earth pressures, dynamic lateral earth pressures, coefficient of base friction, and soil corrosivity to uncoated DIP and reinforced concrete.

The final geotechnical report will include a site sketch with boring locations, geotechnical data (boring logs, results of lab tests) and geotechnical design summary (conclusions and recommendations as summarized above).

(x) *Meetings and Consultations:* A total of one (1) project conference call with the Consultant and MRY are budgeted to review the pre-design technical memorandum and final geotechnical report for the Project. In addition, a total of 4 hours of engineering time are budgeted, as needed, for draft reports or miscellaneous consultations regarding geotechnical issues not specifically addressed in geotechnical tasks above.

Assumptions and Clarifications:

- It is assumed drilling permits from City of Monterey will not be needed.
- Geotechnical investigation access, schedule and procedures will be based on a mutually agreed upon approach between the Client, Kimley-Horn and the Subconsultant. Approach will incorporate roles and responsibilities, as well as mutually agreeable days, times, escorts, and AOA area closures. It is assumed that borings within the AOA will be drilled during a night closure period between 23:30 and 05:30. Borings beyond the AOA areas can be drilled either during or after the night closure period.
- Site restoration in unpaved areas is limited to backfilling borings with on-site soils. Subconsultant will backfill borings within paved areas and any core holes using a quick setting group mix for the thickness of the existing pavement section.
- General clean-up does not include the restoration or re-vegetation of any disturbed areas of the infield.
- Subconsultant assumes that no special airfield traffic control or flagman will be required, and that the MRY will provide appropriate on-site personnel to escort crews.

Deliverables:

Following review by the Consultant a final geotechnical report will be issued. The geotechnical investigation will be completed in accordance with established professional practices and guidelines. The geotechnical report will include the following:

- A final geotechnical report – to include a scaled site drawing with boring locations, geotechnical data (boring logs, results of all lab tests) and geotechnical design summary.

1.3 Preliminary Design

Under this task Kimley-Horn will complete conceptual design and prepare and submit a preliminary (up to 30-percent complete) plan set. This task will include:

1.3.1 Conceptual Design A conceptual design will be developed that addressed the following:

- Design criteria, codes and requirements that are being used in support of Project design
- Proposed conveyance system conceptual alignment and configuration
- Recommendations for corrosion protection by Geotechnical Subconsultant
- Pipe sizing selection recommendations based on hydraulic analysis for force main
- Evaluation of installed pump including pump manufacturer's data, impeller size
- Recommendations for pump station controls
- Site plan layout and recommendations for facility locations that fit within the existing site. Coordinate with MRY if pump station components are determined to not fit within the existing constrained site.

(i) *Preliminary Plan Set*: Plan set to include the following:

(1) Cover Sheet – Up to 1 sheet

(2) General Notes Sheet – Up to 1 sheet

(3) Project Survey and Control – Up to 1 sheet

(4) Site Plan – Up to 1 sheet

(5) Plan and Profile – Up to 4 sheets

Total estimated sheet count for the preliminary plan set is up to 8 sheets.

(ii) *Basis of Design Report*: Kimley-Horn will develop a Basis of Design report (BoD). The report will identify the fundamental design components, and the general equipment selection for the hydropneumatics / storage tank and associated instrumentation. The BoD document will include a conceptual pipe layout drawing to identify the location of proposed pipe routing and equipment. The BoD will be submitted to the Client for review and will include the following:

- Present an alignment alternative for the 2801 well to CAR facility
- Discuss pipe material options (Ductile Iron, HPDE, C900 PVC)
- Present preliminary pipe sizes
- Recommendations for maintaining existing services during construction

- Traffic Control and Staging recommendations
- Kimley-Horn will prepare a Preliminary Opinion of Probable Construction Cost (OPCC) for the preferred alternative
- Revise the BoD based on one review cycle of consolidated, non-conflicting comments provided by the Client.

Task 2 – Final Design

Kimley-Horn will complete 65 percent, 95 percent Pre-Final, and 100 percent Plans and Specifications for the Project as follows:

2.1 Construction Documents – 65 Percent

Kimley-Horn will prepare and submit construction documents in the form of sixty-five (65) percent plans, and project specifications (Table of Contents). This task will include:

(i) *65 Percent Plans*: Plan set envisioned to include the following:

(1) Cover Sheet – Up to 1 sheet

(2) General Notes Sheet – Up to 1 sheet

(3) Project Survey and Control – Up to 1 sheet

(4) Site Plan – Up to 2 sheets

(5) Demolition Sheet – Up to 1 sheet

(6) Plan and Profile – Up to 8 sheets

(7) Electrical Improvements – Up to 2 sheets

(8) Detail Plans – Up to 6 sheets

Total estimated sheet count for this task is approximately 24 sheets.

(ii) *Project Specifications*: Project Specifications under this task will include the Table of Contents of the Technical Specifications.

Deliverables:

- Submittal will include three (3) copies of the Specifications and Plan set (1-full size, 2-half size, Bond Paper Only) to MRY.

2.2 Construction Documents – 95 Percent

Under this task Kimley-Horn will prepare and submit construction documents in the form of ninety-five (95) percent plans and project specifications. This task also includes the response to and the incorporation of minor and reasonable review comments received from MRY on the sixty-five (65) percent construction document submittal. This task will include:

(i) *95 Percent Plans:* Plan set envisioned to include the following:

(1) Cover Sheet – Up to 1 sheet

(2) General Notes Sheet – Up to 1 sheet

(3) Project Survey and Control – Up to 1 sheet

(4) Site Plan – Up to 2 sheets

(5) Demolition Sheet – Up to 1 sheet

(6) Plan and Profile – Up to 8 sheets

(7) Electrical Improvements – Up to 4 sheets

(8) Detail Plans – Up to 6 sheets

Total estimated sheet count for this task is approximately 24 sheets.

(ii) *Project Specifications*: Project Specifications under this task will include: the applicable MRY Front End Specifications and General Provisions, and the Technical Specifications.

Deliverables:

- Submittal will include three (3) copies of the Specifications and Plan set (1-full size, 2-half size, Bond Paper Only) to MRY.

2.3 100 Percent Construction Documents

Under this task Kimley-Horn will prepare and submit construction documents in the form of one-hundred (100) percent plans and project specifications. This task also includes the response to and the incorporation of minor and reasonable review comments received from MRY on the ninety-five (95) percent construction document submittal. This task will include:

(i) *100 Percent Plans:* Plan set envisioned to include the following:

(1) Cover Sheet – Up to 1 sheet

(2) General Notes Sheet – Up to 1 sheet

(3) Project Survey and Control – Up to 1 sheet

(4) Site Plan – Up to 2 sheets

(5) Demolition Sheet – Up to 1 sheet

(6) Plan and Profile – Up to 8 sheets

(7) Electrical Improvements – Up to 4 sheets

(8) Detail Plans – Up to 6 sheets

Total estimated sheet count for this task is approximately 24 sheets.

(ii) Project Specification Project Specifications under this task will include: the applicable Project Specifications under this task will include: the applicable MRY Front End Specifications and General Provisions, and the Technical Specifications.

Deliverables:

- Submittal will include three (3) copies of the Specifications and Plan set (1-full size, 2-half size, Bond Paper Only) to MRY.

Task 3 – Project Management:

Under this Task, Kimley-Horn will develop and implement a continual client communication process that involves ongoing e-mail and phone calls during the design process. Kimley-Horn will schedule, provide call in numbers, provide agendas and minutes for project conference calls to be held every other week. It is anticipated the design will be completed within one-hundred and twenty (120) days from the Notice-to-Proceed

Kimley-Horn shall manage contract/subcontract processes, schedules and budgets including scoping, negotiations, invoicing and maintaining internal Kimley-Horn project controls related to staffing, schedules and budgets.

Kimley-Horn will participate in up to one conference call per month to discuss project progress, issues, status and to ask and answer questions.

4. ASSUMPTIONS, CLARIFICATIONS AND EXCLUSIONS:

1) SWPPP: All SWPPP submittal related effort, including, but not limited to development and submitting the SWPPP documents if required, obtaining approvals and the Notice-of-Intent, monitoring, reporting and submitting for and obtaining the Notice-of-Termination will be by the Contractor / CMAR.
2) Part 77 Analysis: Part 77 Surface analysis including development and submittals of 7460 for construction, is not anticipated.
3) Construction Phasing: Construction phasing and temporary construction to support means and methods of construction are the responsibility of Contractor / CMAR and not included within this scope.
4) Treatment in the form of filtration, chemical addition or other means of water treatment is not anticipated for this scope of services.
5) Water use permits or modifications to same, are not part of this scope. It is assumed MRY is the AHJ and all permits required will be provided and issued by MRY.
6) Assumes new pumps will be installed within the well and no building structure will be required for the well pump controls or water treatments.
7) Assumes no modifications are required to existing electrical services, storm drain system or other utilities along the proposed alignments or at the wells.
8) Assumes no modifications or remedial work is required or needed for the new wells.

9) Assumes CEQA/NEPA compliance is the responsibility of MRY.

10) It is assumed the existing power supply and connections are adequate for new pumps, and no new meter/connections are needed. The design for a backup generator is not included in this scope.

11) The Task assumes that MRY will provide one consolidated, non-conflicting set of review comments on submittals within two weeks of receipt from Kimley-Horn. Comments received will be integrated or addressed prior to project bidding.

12) Recording: Proposal does not include identifying, changing, surveying, documenting or recording parcels, parcel maps, plats, monuments or easements.

13) Contractor / CMAR will provide demolition for all existing improvements.

14) Permits and Approvals — Kimley-Horn assumes the following:

    a. Permits and fees will be paid by others.

    b. Plan check fees and costs, and actual construction permit fees shall be paid for by others.

    c. Design, construction and acceptance processes including, but not limited to, plan reviews and approval for the following is by others:

        – Milestone submittals

15) Pot Holing and Utility Locates: Contractor / CMAR shall provide all utility locates and potholing based on a preliminary data research plan at requested locations. Coordination to have survey acquire locations and depths is not included.

16) Construction Phase Services: Not included in this scope.

17) Answering RFI's, bid addenda or changes to design etc. as the Contractor / CMAR puts the Bid or GMP together is not included.

5. ADDITIONAL SERVICES

Services not included in this proposal may be added, by mutual agreement, in writing, applying the Rate Schedule included as an attachment.

6. SPECIAL CONSIDERATIONS

TITLE 16: We would like to take this opportunity to notify you that Mr. Pearse Melvin will be providing Design services on this Project. Mr. Melvin is licensed by the California Board for Professional Engineers and Land Surveyors as a Civil Engineer (Registration Number 63346).

STANDARDS: The plans will be provided in AUTOCAD Civil 3D® 2022 format, the Microsoft Word® software for word processing and the Microsoft Excel® software for quantities and estimating purposes. All work by the Kimley-Horn team will conform to or be compatible with these conventions.

7. SCHEDULE

Kimley-Horn agrees that services provided under this scope of services will be completed within six (6) months of receiving an executed contract and Notice-to-Proceed from the Client. It is anticipated the services will be performed between December 2022 and June 2023.

8. TERMS OF COMPENSATION

Kimley-Horn will perform the services in the above tasks for the lump sum fees below.

Task 1 Preliminary Design	$	100,280
Task 2 Final Design	$	166,185
Task 3 Project Management	$	24,840
Total Fee	$	291,305

Lump sum fees will be invoiced monthly based upon the overall percentage of services performed. Payment will be due within 30 days of your receipt of the invoice.

Rate Schedule

Role	**Rate**
Sr Leader, Principal	$345 to $375
Project Manager	$300 to $325
Senior Professional I	$280 to $300
Senior Professional II	$250 to $280
Technical Support	$200 to $250
Analyst	$150 to $200
Clerical Admin	$100 to $120

Monterey Regional Airport
Well System Water Conveyance Project
Derivation of Fee

Total
$291,305

Scope Sections			Title/Task	Program or Project Manager	Senior Professional I	Senior Professional II	Senior Technical Support	Technical Support	Analyst	Clerical Admin.	Total Labor Hours	Labor Total	Subconsultant	Other
				Labor									*Expenses*	
			Rates (w/Fee and Overhead)	$320.00	$300.00	$260.00	$220.00	$195.00	$175.00	$110.00				
				Enter Labor Hours										
		Well System Water Conveyance Project												
Task	**1**	**Preliminary Phase**												
		1.1	***Pre-Design Conference***	2	4					1	7	$ 1,950	$ -	$ 500
		1.2	***Research / Data Gathering***	2			8	8			18	$ 3,960	$ -	$ -
		1.2.	Topographic Survey	1			1			1	3	$ 650	$ 10,500	$ -
		1.2.	Geotechnical Investigation	1			1			1	3	$ 650	$ 19,500	$ -
		1.3	***Preliminary Design***									$ -	$ -	$ -
			Conceptual Design	4		24			40		68	$ 14,520	$ -	$ -
			Preliminary Plan Set	10	20	22		42	60		154	$ 33,610	$ -	$ -
			Basis of Design Memo	4	18	20		12		2	56	$ 14,440	$ -	$ -
Task	**2**	**Final Design**												
		2.1	***65 Percent Design***											
			Plan Production	1			2	2	6		11	$ 2,200	$ -	$ -
			Specifications	8	24	24	30			1	87	$ 22,710	$ -	$ -
			Electrical and Structural Design	8	18		40	40			106	$ 24,560	$ 25,000	$ -
		2.2	***95 Percent Design***											
			Plan Production	6	20	6		24	45		101	$ 22,035	$ -	$ -
			Specifications		9	6	30				45	$ 10,860	$ -	$ -
			Electrical and Structural Design		8		20	12			40	$ 9,140	$ 8,500	$ -
		2.3	***100 Percent Design***											
			Plan Production	4	18	6		20	36		84	$ 18,440	$ -	$ -
			Specifications	2	6	6	20			4	38	$ 8,840	$ -	$ -
			Electrical and Structural Design	4	8	8	12				32	$ 8,400	$ 5,500	$ -
Task	**3**	**Program Management**												
			Project Management	40		24				30	94	$ 22,340	$ -	$ 2,500
												$ -	$ -	$ -
			Project Totals	97	153	146	164	160	187	40	947	$ 219,305	$ 69,000	$ 3,000
			Percentage of Total	10%	16%	15%	17%	17%	20%	4%		75%	24%	1%

AGENDA ITEM: G-4
DATE: December 14, 2022

TO: Monterey Peninsula Airport District Board of Directors
FROM: Michael La Pier, Executive Director
SUBJ: Resolution No. 1835, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and Bandit Systems

BACKGROUND. Following the adoption of the Fiscal Year (FY) 2023 Capital Improvement Program (CIP) Budget, staff issued a Request for Qualifications and Proposal (RFQ/P) For Camera System Upgrade & Support Service. The Airport closed-circuit camera system is reaching the end of its useful life and necessitates enhancements and upgrades to the existing system to continue to meet our security requirements.

The RFQ/P for the closed-circuit camera system required a system using video surveillance with advanced technologies, including video analytics and comprehensive service and support.

DISCUSSION. Annually, staff provide notice of solicitation for contractors to register for inclusion on a List of Qualified Contractors per section 22034 of the Public Contract Code. Using that List, staff invited contractors to submit response proposals to the RFQ/P. Four RFQ/P response proposals were submitted for analysis and review. Bandit System's Proposal was the most detailed of the response RFQ/P documents. Staff with the assistance of Alvarez Technology reviewed the submittals and found the proposal from Bandit Systems to be comprehensive and the cost estimate to be reasonable compared to the other three proposals.

Bandit Systems is a veteran-owned small business based in Santa Cruz, California and serving the greater Bay Area and Monterey Peninsula.

Staff recommendation is that the Board approve the expenditure as provided in the Proposal from Bandit Systems in an amount not-to-exceed of $98,051.00 and authorize the Executive Director to execute the purchase order.

SOURCE OF FUNDS. The project is included in the FY2023 CIP Budget as a Passenger Facility Charges (PFC) only funded project. PFC Only Financed Project: 2020-04 CCTV Terminal And Perimeter Security Upgrades – Total Project Budget $200,000.

FISCAL IMPACT. There are currently sufficient PFC collections to support this project.

SCHEDULE. The timing for installation will be as soon as materials can be secured, and the installation is anticipated to take two months.

IMPACT ON OPERATIONS. The project team will work with the tenants to minimize the interruptions to the extent possible.

RECOMMENDATION. Adopt Resolution No. 1835, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and Bandit Systems and authorize the Executive Director to execute the associated purchase order.

ATTACHMENTS.

Resolution No. 1835
Bandit Systems Proposal

RESOLUTION NO. 1835

A RESOLUTION AUTHORIZING AND APPROVING THE SERVICE AGREEMENT BETWEEN THE MONTEREY PENINSULA AIRPORT DISTRICT AND BANDIT SYSTEMS

WHEREAS, the Monterey Peninsula Airport District (MPAD) owns and operates the Monterey Regional Airport; and

WHEREAS, the Airport closed-circuit camera system is reaching the end of its useful life; and

WHEREAS, the adoption of the Fiscal Year 2023 Capital Improvement Program (CIP) budget includes a project to upgrade the closed-circuit camera system; and

WHEREAS, Bandit Systems is qualified to provide the services needed to complete the Airport closed-circuit camera system project.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: That the Monterey Peninsula Airport District contract with Bandit Systems for a total amount not-to-exceed $98,051.00 and directs the Executive Director of the District, or his designee, to execute the purchase order.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 14th day of December 2022 by the following roll call vote:

AYES: **DIRECTORS:**
NOES: **DIRECTORS:**
ABSTAIN: **DIRECTORS:**
ABSENT: **DIRECTORS:**

Signed this 14th day of December 2022

Carl M. Miller, Chair

A T T E S T

Michael La Pier, AAE
District Secretary

Camera Surveillance System Upgrades & Support Services Proposal: Monterey Regional Airport

Bandit Systems is a Monterey Bay-based technology company that uses the latest technology to engineer and install advanced security camera systems to produce outstanding results. The company develops its own technology to deliver high-caliber performance, service, and affordability to its customers.

System Overview

The goal of the system is to document the internal activities of the airport terminal and document all individuals and vehicles entering and exiting through gates that secure airport operations areas. All cameras will utilize the existing wireless data network and be incorporated into a new Exacqvision Video Management Software server which will provide a seamless interface between the existing and new systems, allowing cameras from both systems to be displayed simultaneously in a single interface. Head-end equipment will be located in the Terminal's second floor MDF and will consist of a storage server running Exacqvision VMS Professional, a network switch, commercial firewall, and UPS battery backup.

Capabilities

- Engineered to produce evidential grade images day or night
- Minimum 60+ days of storage with long-term archiving capability
- Video analytics to make finding events of interest easier
- Protected by a secure data firewall with VPN capabilities for maximum network security
- Remote maintenance capability (Bandit off-site troubleshooting / repair) to minimize call-out services
- Built with open standards - system will maintain long-term expandability and compatibility

Support and Maintenance Service Details

- Annual consulting on the current state of the system, a briefing on new technologies available, and strategic planning, recommendations, and budgeting for maintaining and upgrading the system.
- All required server support and maintenance, including keeping the server software up-to-date with all new patches, maintain system configuration for optimal performance
- Desktop and mobile phone support
- Annual Exacqvision software license renewal fees
- Annual cleaning of the cameras, servers, and networking equipment for maximum longevity and image quality
- All system repair labor covered - no out of pocket labor expenses

Total Costs

Terminal installation total:	$39,510.14
Parking installation total:	$58,540.35
Total installation:	**$98,050.49**

Annual recurring cost, 38 cameras: (includes all labor required to support the system)	$722/ month // $8,664/year

Work Authorization and Proposal Acceptance

Signature below indicates acceptance of system specification, assumptions, price, and terms:

Terms

- Pricing is a fixed-price bid based on the listed system specifications and assumptions. Any alterations or deviations from these specifications will be executed only upon written orders, and will become an extra charge over and above the sum quoted in this proposal. All agreements must be in writing.
- In the event full system functionality is delayed by the requirements of other parties not associated with Bandit Systems, all but 5% of the final sum is due upon completed hardware installation. Remainder due within 30 days.
- In the event of project cancellation 10% return fee will be assessed on all ordered equipment plus any manufacture restocking fees. Non-returnable equipment will be deducted from the deposit, if applicable, and provided to the customer. Labor will be included in final balance. Customer is responsible for final balances on all cancelled projects.
- This quotation covers only the specific scope of work listed and unless directly specified, does not include any work required due to unforeseen circumstances or hidden conditions such as non-standard framing or other non-standard building techniques. Bandit Systems is not responsible for damage to rotten, rusted, or otherwise previously compromised materials that may occur using standard installation practices.
- System administrative credentials will be transferred to customer after final payment has been received.
- Any unauthorized work conducted on the system may void Bandit System's warranty responsibilities.
- Bandit Systems' warranties installation labor for ten years from completion of installation. This warranty covers labor required to return the system to operational status. Hardware warranties are covered by manufacturer. Warranty does not cover issues or failures due to unauthorized access or tampering, abuse, neglect, vandalism, or force majeure.
- Balances are due within 30 days after commencing installation. Balances in excess of 30 days will be charged a 1.5% monthly fee
- Pricing includes 3% discount for payment by cash/check. Credit card payments are not eligible for discount.
- This proposal contains proprietary information is not to be disclosed to any third party.

Please direct all questions to:

James Mueller / 831-325-0513 x101 / james@banditsystems.com

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Agenda Item: G-5
December 14, 2022

November 4, 2022

Transmitted by Email and by U.S. Mail

Michael La Pier, Executive Director
Monterey Peninsula Airport District
200 Fred Kane Drive, Suite 200
Monterey, CA 93940

Subject: Designate Appointees for 2023 – MPWMD Policy and Technical Advisory Committees

Dear Michael La Pier, Executive Director:

It is time to update membership on the Monterey Peninsula Water Management District's Policy (PAC) and Technical Advisory Committees (TAC). Shown below are the names of your jurisdiction's 2022 representatives. Please provide the name and contact details of your 2023 appointees to Joel G. Pablo by U.S. Mail or by e-mail at joel@mpwmd.net at your earliest convenience but no later than Monday, January 9, 2023.

Enclosed you will find information on the responsibilities for each of the committees.

Thank you for your cooperation!

2022 Representative	
Policy Advisory Committee	Mary Ann Leffel
Technical Advisory Committee	Michael La Pier

Sincerely,

Joel G. Pablo
Executive Assistant – Board Clerk

Enclosures:

(1) Charge to the MPWMD Technical Advisory Committee
(2) Charge to the MPWMD Policy Advisory Committee

Attachment 1

CHARGE TO THE MPWMD POLICY ADVISORY COMMITTEE (PAC)

As adopted by the Board of Directors on December 12, 2005

1. Primary Function

The Policy Advisory Committee (PAC) provides recommendations to the District Board of Directors on policy matters referred by the Board related to water use and consumption within the Monterey Peninsula Water Management District. The PAC recommends action on policies related to these subjects at the request of the Board of Directors.

2. Process

The PAC meets as needed to provide a forum for policy-related deliberation and discussion and to provide recommendations to the District Board of Directors on issues related to water demand management and water conservation. The PAC meets the definition of a "legislative body" as defined by the Brown Act; therefore, all meetings shall be noticed and open to the public in compliance with the Brown Act.

3. Composition and Structure

a) The PAC is comprised of one elected representative from each land use jurisdiction of the MPWMD (i.e. the Monterey Peninsula Airport District, County of Monterey, and each city located within the boundaries of the MPWMD).

b) A quorum of five (5) PAC members shall be required for an official meeting to be conducted. Action may be taken by majority vote of those PAC members present.

c) The chair of the District Board of Directors shall act as the committee chairperson, but shall have no vote.

d) The General Manager or other designated staff member(s) of the District shall provide support as appropriate.

4. Responsibilities of the Committee

a) To meet as required on the call of the committee chair, a majority of committee members, or by necessity of pending recommendations of the Technical Advisory Committee.

b) To provide timely advice to the MPWMD staff and recommendations to the District Board of Directors on matters related to water demand management and conservation as it affects their jurisdictions.

c) To undertake other tasks as designated by the Board.

Attachment 2

CHARGE TO THE MPWMD TECHNICAL ADVISORY COMMITTEE (TAC)

Adopted by the MPWMD Board on January 24, 2008

1. Primary Function

The Technical Advisory Committee (TAC) considers topics referred by the Board related to water use and consumption within the Monterey Peninsula Water Management District and reviews policies under development to ensure that they reflect the interests of the land use jurisdictions located within the District's boundaries. The TAC provides technical advice and recommendations to the District's Board of Directors and staff and serves as technical advisors to the Policy Advisory Committee (PAC).

2. Process

The TAC meets as needed to provide a forum for in-depth deliberation and discussion and to provide recommendations and direction to staff on issues related to water demand management and water conservation. The TAC meets the definition of a "legislative body" as defined by the Brown Act; therefore, all meetings shall be noticed and open to the public in compliance with the Brown Act.

3. Composition and Structure

a) The TAC is comprised of a member representing each land use jurisdiction (i.e. the Monterey Peninsula Airport District, County of Monterey, and each city located within the boundaries of the MPWMD).

b) A quorum of five (5) TAC members shall be required for an official meeting to be conducted. Action may be taken by majority vote of those TAC members present.

c) The chair and vice chair of the committee shall be elected by the members of the TAC annually, or biennially at the first meeting conducted in the calendar year.

d) The General Manager or other designated staff member(s) of the District shall provide support as appropriate.

4. Responsibilities of the TAC

a) To meet as required on the call of the committee chair or a majority of committee members.

b) To provide timely advice to the MPWMD staff and recommendations to the District Board of Directors on technical matters related to water demand management and conservation as it affects their jurisdictions.

c) To undertake other tasks as designated by the Board.

AGENDA ITEM: H
DATE: December 14, 2022

TO: Michael La Pier, Executive Director, Monterey Regional Airport
FROM: Department Heads
SUBJECT: Monthly Department Reports

FINANCE AND ADMINISTRATION.

Terminal Comment Card Log by Administration
Financial Summary by Mark Wilson, Controller

FIRE.

Monthly Fire Report by Monterey Fire Department

OPERATIONS.

Operations Report by Mark Curtis, Superintendent of Field Operations

PLANNING AND DEVELOPMENT.

Planning, Environmental and Maintenance Monthly Project Report by Chris Morello, Deputy Executive Director

POLICE.

Police Activity Report by Del Rey Oaks Police Department

RATING	DATE OF VISIT	TIME OF VISIT	PURPOSE	FLIGHT	AIRLINE	COMMENT	CITY	STATE
POOR	11/2/2022	3:45 PM	Arriving	-	United	My husband and I arrived on Sunday October 30th departing for Las Vegas. Upon on return on November 2, 2022, our GMC Yukon had a weather worn (barely legibile) ticket from the City of Del Rey Oaks for not having 2 license plates on our vehicle. Acknowledging this is indeed a California Vehicle code, albeit a large percentage of vehicles on the roads do not adhere to, I found it quite upsetting that the city is able to drive through a paid parking lot and ticket them. I am wondering if this is common practice and how that impacts business for our local airport? I plan to follow up with the City of Del Rey Oaks as well.	Salinas	CA

AGENDA ITEM: H-2
DATE: December 14, 2022

TO: Michael La Pier, Executive Director, Monterey Regional Airport
FROM: Mark Wilson, Controller
SUBJECT: Discussion and Analysis of the October 2022 Financial Statements

KEY OPERATING STATISTICS. October airline landings were less than budget (404 actual vs 445 budgeted). Total Passengers for the month of October were 42,865, up from 40,033 in the previous period in 2021. Total aircraft operations for October were 5,045, down from 5,540 in the previous period in 2021, while the Vehicle exit counts in the parking lots were 10,725, materially unchanged from the 10,706 exit counts in October of 2021. The Airport's CPE for October was $8.38.

CPE:		
Landing Fees	$	61,149
RON Fees		6,309
Apron Fees		9,592
Fuel Flowage	- not included -	
Terminal Rents:		
American		40,743
Alaska		15,626
Allegiant		4,281
United		39,741
	$	177,440
Enplanements		21,184
Cost per Enplanement ("CPE")	**$**	**8.38**

LIQUIDITY AND CAPITAL RESOURCES. As of October 31, 2022, the Airport had unrestricted cash and investments of $15.53M with $2.83M of funds available under COVID-19 related Grants. Total CARES, CRSSA and ARP Act funds available for draws are $2.58M, $50K, and $200K, respectively.

The Current Ratio of unrestricted current assets to current liabilities is a very healthy 14.1x.

REVENUES. October 2022 combined reported Airport Operating Revenues were $986.4K, which was $22K (2.3%) higher than budget ($965K). This favorable variance was primarily due to higher Terminal revenues (parking, rental cars, concessions, TNC), Other Operating revenues and Interest Income, partially offset by lower General Aviation revenues.

OPERATING REVENUES							
October 2022 ACTUAL	October 2022 BUDGET	VARIANCE $	VARIANCE %	FYTD 2023 ACTUAL	FYTD 2023 BUDGET	VARIANCE $	VARIANCE %
$ 986,422	$ 964,678	$ 21,744	2.3%	$ 3,990,734	$ 3,840,446	$ 150,288	3.9%

Terminal Revenues:

- **Commercial Aviation** fees in October were slightly lower than the budget ($90.8K actual vs $95.7K budget) by $4.9K or 5.1%. This unfavorable variance was primarily due to lower landing and apron fees, partially offset by higher fuel flowage fees. In October, the Airport landings were lower than the budget (404 actual vs. 445 budget). This unfavorable variance was due to 61 lower than budgeted landings for United Express and 11 lower than budgeted landings for American, partially offset by 31 unbudgeted JSX landings. Commercial airline passenger enplanements increased slightly from 21,171 in September to 21,184 in October.
- **Terminal Rents** for October ($145.5K) were materially on budget ($145.0K).
- **TCP Permits, Taxi Permits/Trips, TNC Trips, Terminal Concessions, Rental Car and Parking** revenues for October ($338.5K) were $27.7K or 8.9% higher than the budget ($310.8K). This favorable variance was primarily due to higher Rental Car ($19.2K), Parking ($2.9K), Terminal Concessions ($4.4K), and TNC ($2.5K) revenues, partially offset by lower Taxi revenues ($1.5K).

General Aviation (combined heavy and light) operating revenues for October ($203.0K) were lower than the budget ($210.0K) by $7.0K/3.3%. This unfavorable variance was primarily due to lower than budgeted landing fees and fuel flowage fees.

Non-Aviation revenues for October ($180.7K) were slightly lower than the budget ($182.6K) by $1.9K or 1.0%. This unfavorable variance was primarily due to lower Monterey Hi-Way Self Storage rents ($5.1K), partially offset by higher Facility/Space Rents with CPI increases ($2.6K).

Other Operating Revenues for October ($25.7K) exceeded the budget ($18.9K) by $6.8K or 36.1%. This favorable variance was primarily due to higher utilities charge backs ($5.1K), Tenant Plan Reviews, Checks & Inspections ($1.6K) and Business License Fees ($1.0K).

Interest Income for October of $2.1K was materially on budget ($1.7K). The favorable variance was due to higher than budgeted investments and interest rates.

EXPENSES. Total October operating expenses of $652.5K were under the budget ($787.2K) by $134.7K or 17.1%.

OPERATING EXPENSES								
October 2022 ACTUAL	October 2022 BUDGET	VARIANCE $	%	FYTD 2023 ACTUAL	FYTD 2023 BUDGET	VARIANCE $	%
$ 652,538	$ 787,239	$ 134,701	-17.1%	$ 2,773,251	$ 3,160,920	$ 387,670	-12.3%

Salary & Wages and Employer Payroll Tax Expenses ($153.1K) for October were lower than the budget ($194.1K) by $41.0K or 25.6%. This favorable budget variance was primarily due to reductions in the Vacation accrual for time used ($14.2K) and lower Finance & Administration ($6.8K), Planning & Development ($6.4K), Maintenance ($12.5K) department salaries and related payroll taxes.

Employer Benefit Expenses ($118.6K) for October were lower than the budget ($160.8K) by $42.2K or 26.2%. This favorable variance was primarily due to lower UAL amortization expense ($33.3K) from prepaying the $4.0M in June of 2022, lower CalPERS retirement ($4.8K) and lower CalPERS Health Insurance ($2.8K).

Personnel Recruitment, Training & Pre-Employment and Related Expenses ($14.1K) for October were lower than the budget ($16.1K) by $2.0K or 12.2%. This favorable variance was primarily due to lower Dues & Subscription ($5.9K) and Business Travel & Entertainment ($2.3K) expenses, partially offset by higher Temporary Personnel ($4.5K) and Board Other Meeting ($1.2K) expenses.

Business, LAFCO, Insurance, Communications, Postage, Banking, and Related Expenses ($28.2K) for October were lower than the budget ($30.2K) by $2.0K or 6.7%. This favorable variance was primarily due to removing Monterey County Office of Emergency Communications expense accruals that are being paid by City of Monterey and Del Rey Oaks ($2.6K), partially offset by other small variances.

Expendable/Consumable Supplies & Materials expenses ($9.0K) for October were lower than the budget ($11.7K) by $2.7K or 23%. This favorable variance was primarily due to lower Custodial Supplies & Materials ($4.3K), partially offset by higher District Vehicle Fuel ($1.6K).

Repair & Maintenance expenses ($34.3K) for October were lower than the budget ($75.9K) by $41.6K or 54.8%. This favorable variance was primarily due to lower Airfield Repairs ($13.2K), Terminal Repair & Maintenance ($12.1K), District Vehicle Repairs ($9.4K), Rental Space Repairs ($2.5), Landscape & Grounds Repair & Maintenance ($2.3K), and General Repairs ($2.1K).

Outside Services expenses ($209.8K) for October were materially on budget ($213.3K) for the month.

Professional Service expenses for the Art Program, Architect & Engineer, Legal, Audit, Computer / LAN & IT, Environmental, and Human Resources ($47.8K) for October were higher than the budget ($33.2K) by ($14.6K) or 44.1%. This unfavorable variance was primarily due to the timing of an installment for the annual audit ($4.1K) and the Art Program ($5.9K), higher Other Legal Services ($4.1k), Environmental ($5.0K), partially offset by lower Human Resources ($3.2K) and District Legal ($1.3K).

Marketing, Public Relations, Air Service Development and Social Media Marketing expenses ($16.4K) for October were lower than the budget ($24.4K) by $8.0K or 32.7%. This favorable variance was primarily due to lower Marketing fees ($3.9K), Air Service Development fees ($1.4K) and Social Media Marketing expenses ($2.2K).

Utilities expenses, combined, for October ($29.6K) exceeded the budget ($25.6K) by $4.0K or 15.5%. This unfavorable variance was due primarily to higher water ($6.6K) expense, partially offset by a favorable variance in natural gas ($2.2K).

OPERATING INCOME. The Airport's higher than budgeted revenues and lower than budgeted operating expenses in October resulted in an operating income of $333.9K, which is a favorable variance of $156.4K to October's budgeted operating income of $177.4K.

OPERATING INCOME							
October 2022 ACTUAL	October 2022 BUDGET	VARIANCE $	%	FYTD 2023 ACTUAL	FYTD 2023 BUDGET	VARIANCE $	%
$ 333,884	$ 177,438	$ 156,445	88.2%	$ 1,217,483	$ 679,525	$ 537,958	79.2%

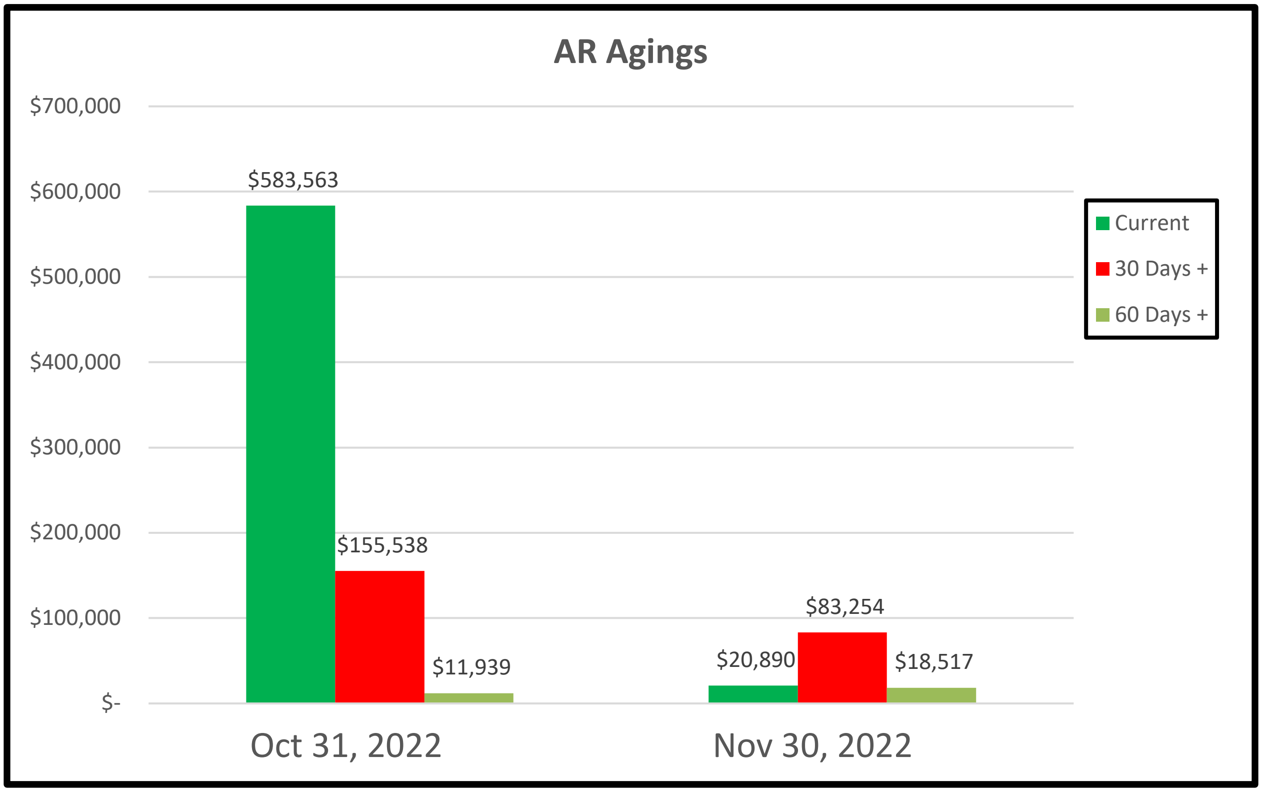
SELECTED BALANCE SHEET ANALYSES:

ACCOUNTS RECEIVABLE. The accounts receivable balance on October 31, 2022, was $751K. This balance is $28K or 3.9% higher than the September 30, 2022 balance ($723K), and $104K/12.2% lower than the $855K balance on October 31, 2021. The accounts receivable balance over 60 days old on October 31, 2022, was $12K.

As of November 30, 2022, the net accounts receivable over 60 days old was $18.5K, and the total accounts receivable balance (excluding prepaids) was $122.7K. Significant customer balances outstanding were: American Airlines ($33.9K), Alaska Airlines ($12.8K) and United Airlines ($17.1K).

Chart 1 below graphically presents the aging of accounts receivable (1) as of October 31, 2022 and (2) prior to the next billing cycle (November 30, 2022).

Chart 1



Total accounts receivable of $751K as of October 31, 2022 was comprised of $198.5K (26.4%) from Commercial Airlines, $190.3K (25.3%) from Rental Car companies, $127.6K (17.0%) from FBOs, $111.4K (14.8%) from Parking, $27.1K (3.6%) from the Monterey Hi-Way Self Storage, $29.3K (3.9%) from TNCs and Taxis, $13.5K (1.8%) from Woody's and $53.4K (7.1%) from all other customer accounts.

The District carries a $10K allowance for doubtful accounts. Prepaid accounts receivable as of October 31, 2022 of $41.7K have been reclassed to deferred revenue.

Chart 2 below graphically presents the composition of accounts receivable by major customer/concessionaire/tenant.

Chart 2

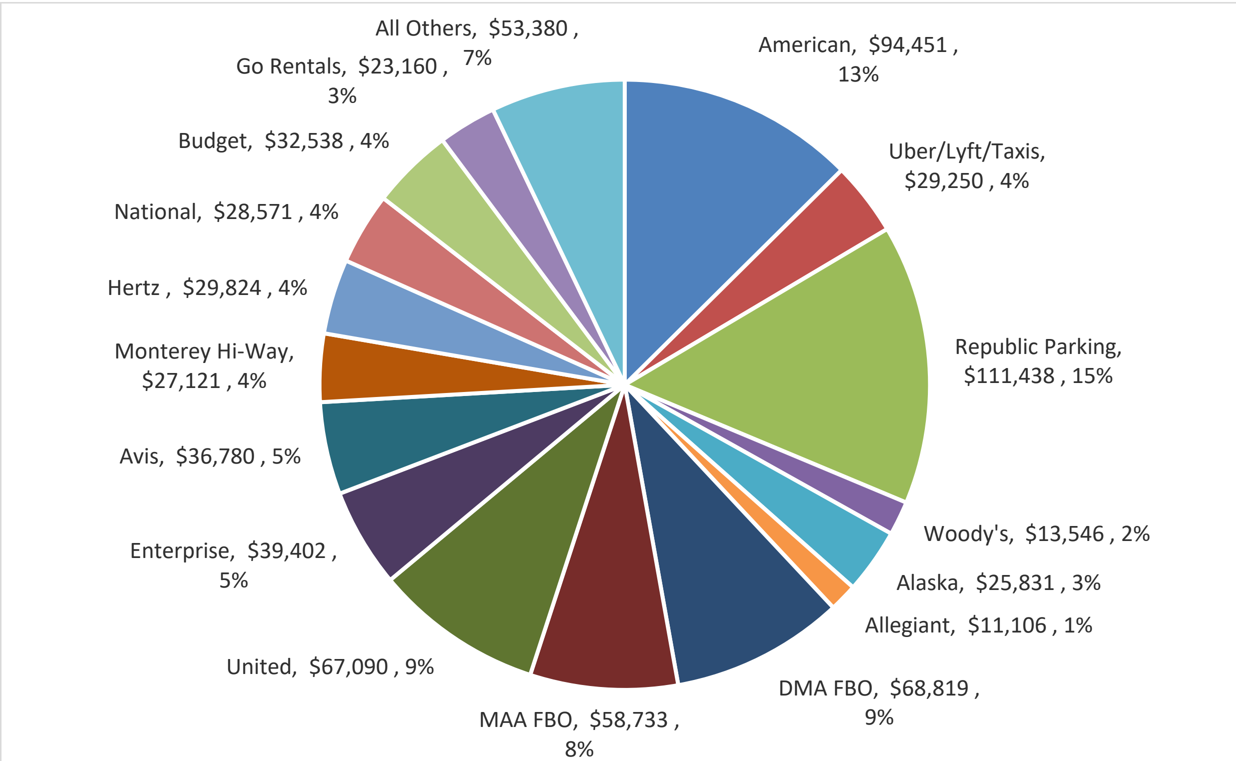
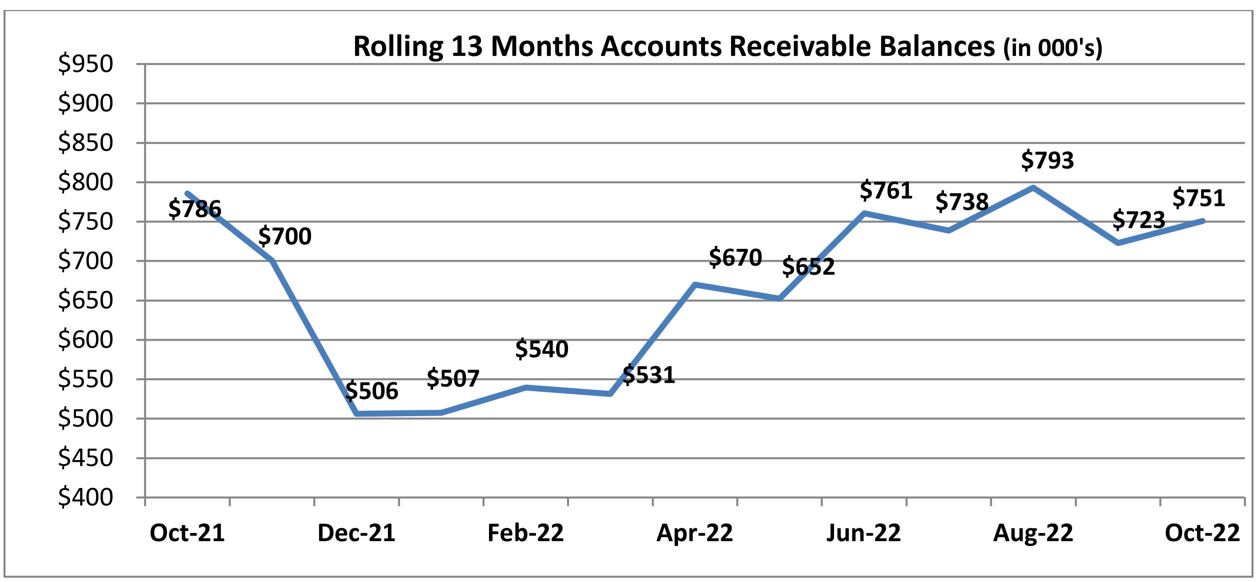


Chart 3 below depicts the total accounts receivable balances by month for the 13 months from October 2021 to October 2022.

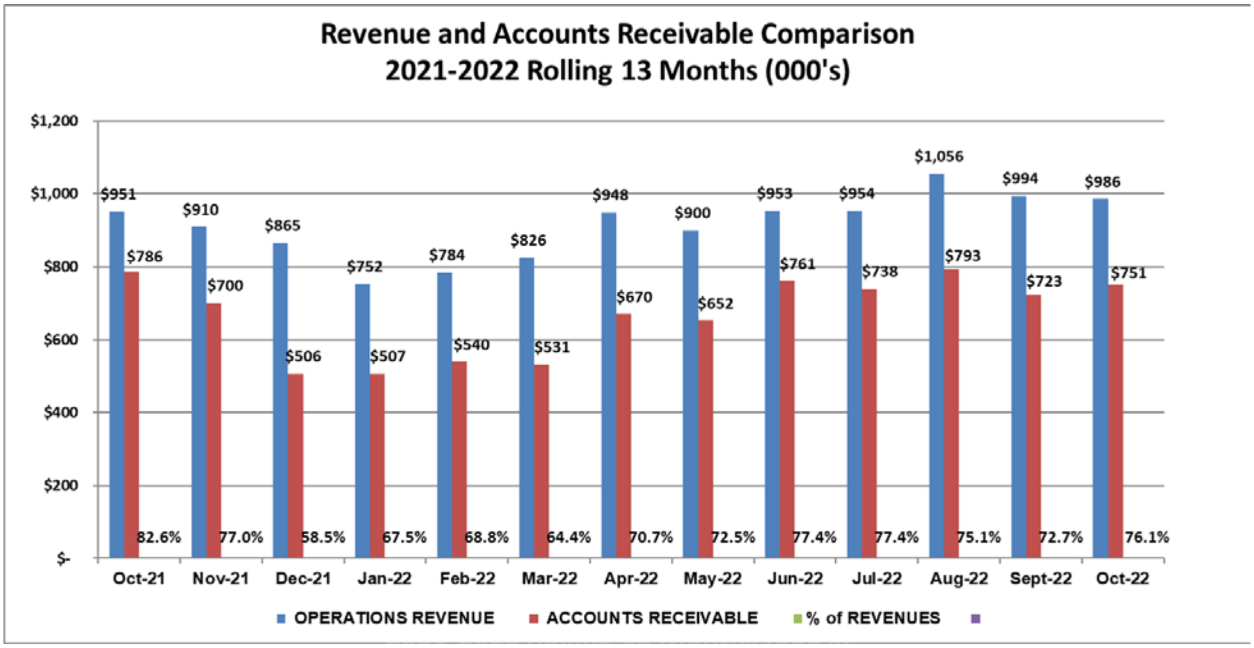
Chart 3



The balance of accounts receivable at month-end aligns with operating revenues in that month. The month-end balance of accounts receivable historically is approximately 50% to 70% of revenues. On October 31, 2022, accounts receivable is 76.1% of revenues and the rolling thirteen-month average is 72.4%.

Chart 4 below graphically presents the monthly comparison of operating revenues to accounts receivable.

Chart 4

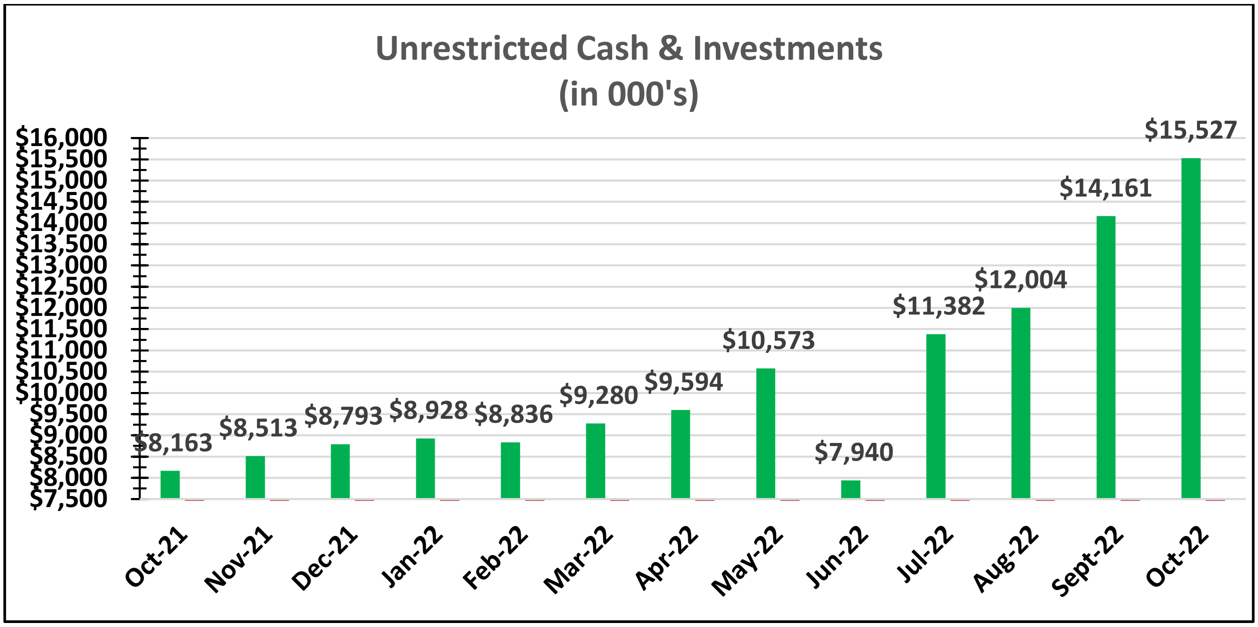


UNRESTRICTED CASH AND INVESTMENTS. The unrestricted cash and investments balance on October 31, 2022, was $15.527M and the unrestricted cash and investments balance on September 30, 2022, was $14.161M, an increase of $1.366M.

The increase in unrestricted cash and investments was primarily due to: (1) Net cash provided by operating activities of $559K, and (2) the October CARES Act draw for reimbursement of general operating invoices of $567K.

Chart 5 graphically presents the monthly balances of unrestricted cash and investments.

Chart 5



SELECTED OPERATING STATISTICS:

ENPLANEMENTS AND LOAD FACTORS. Table 1 presents simple load factors for fiscal years 2016 to 2023. Load factors indicate the customer utilization of available airline seat capacity which generally correlates to customer use of TCP, Taxi and TNC services, parking, and other support services. Simple load factors do not include non-revenue enplanements. Historically annual load factors range from approximately 70% to 77%. Commercial Airline aircraft types have a direct impact on capacity and potential changes in enplanements. As the mix of aircraft and destinations change, the goal is to have load factors ***sustained or increased***, which indicates that customers are willing to use the services offered by the Airlines.

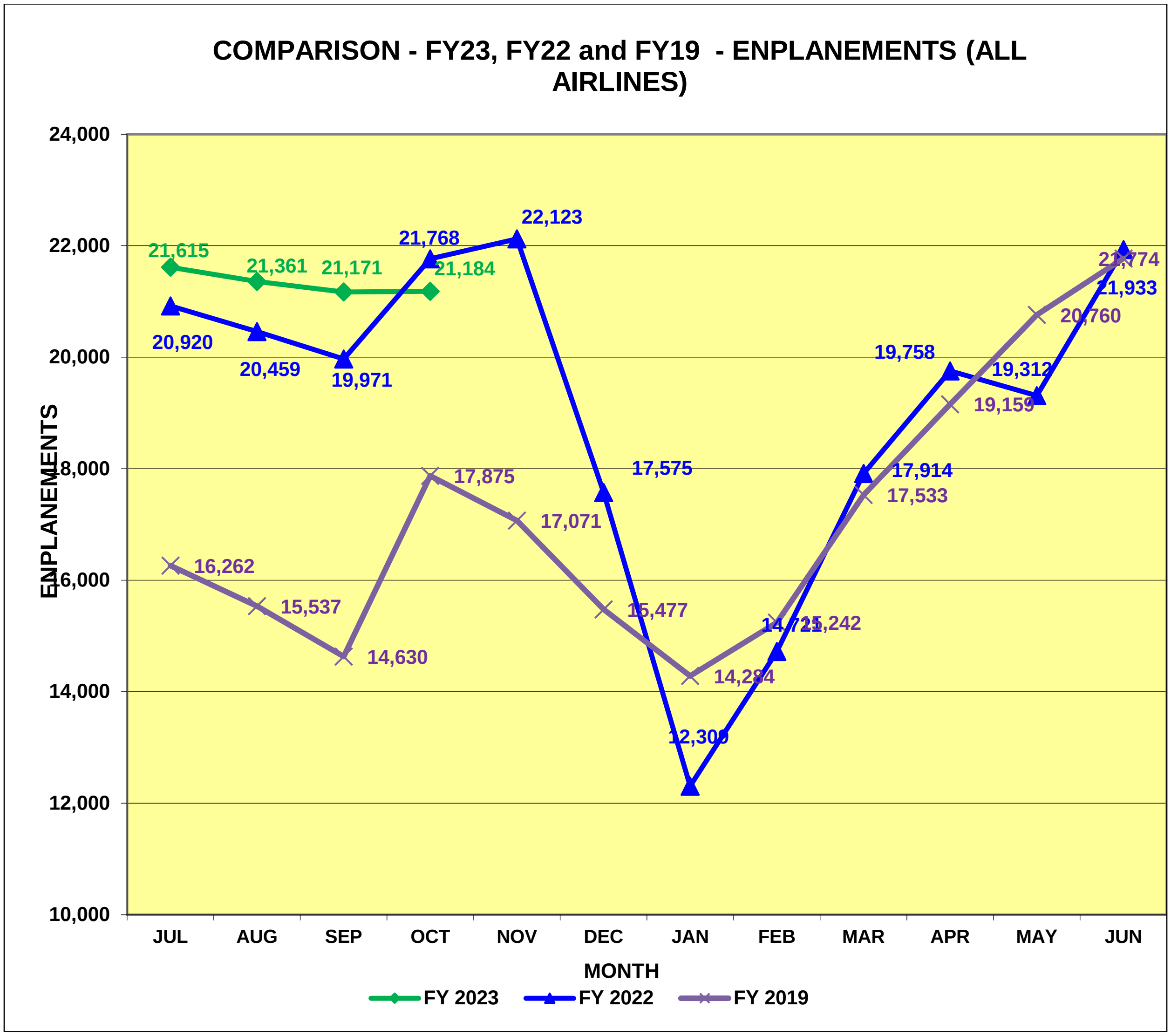
Table 1

		October 31, 2022					FYTD			
Fiscal Year		Load Factors	Enplanements	Available Seats	Flights		Load Factors	Enplanements	Available Seats	Flights
2023		81.4%	21,184	26,032	404		79.2%	85,331	107,780	1,616
2022		72.3%	21,768	30,095	441		76.0%	83,118	109,432	1,589
2021		50.7%	7,871	15,510	210		46.9%	25,960	55,322	767
2020		79.5%	21,245	26,732	409		76.1%	86,138	113,142	1,699
2019		72.9%	17,875	24,526	388		71.5%	64,304	89,924	1,359
2018		82.5%	17,151	20,790	332		78.1%	68,043	87,104	1,379
2017		80.4%	17,856	22,218	369		77.4%	70,428	90,998	1,419
2016		85.1%	15,507	18,230	303		79.6%	62,676	78,710	1,324

Airline/destination specific simple load factors for October 2022 were Alaska/SAN 82.2%, Alaska /SEA 73.9% American/DFW 90.7%, American/PHX 78.5%, United/DEN 89.3%, United/LAX 86.9%, United/SFO 76.3%, Allegiant/LAS 90.1%, and JSX BUR/SNA 38.2%.

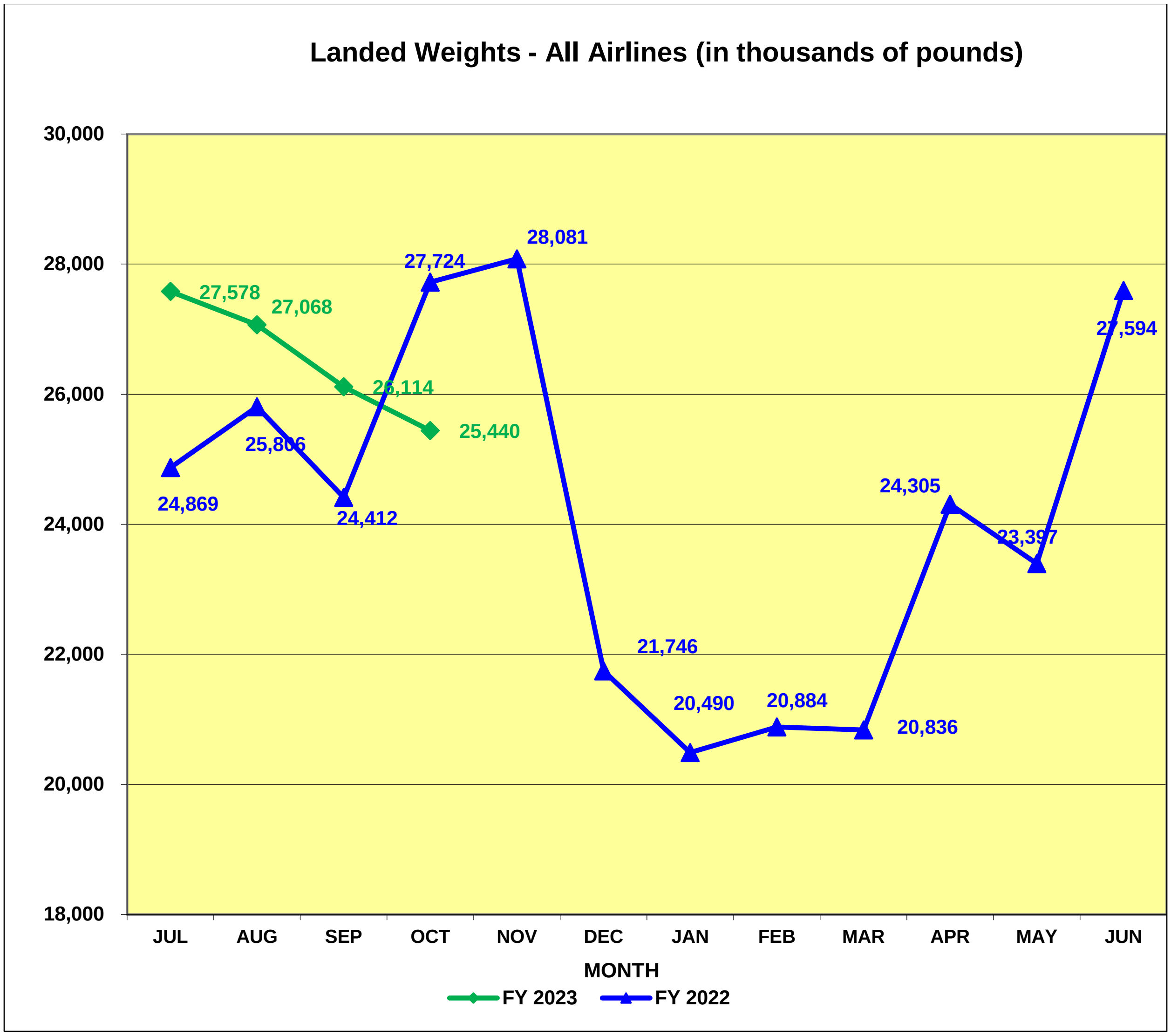
Chart 6 below presents a comparison of monthly enplanements for FY 2023 to all FY 2022 enplanements(which reflect the seasonality of the Airport's historical business cycle). When comparing enplanements for October 2022 (21,184) and September 2022 (21,171), enplanements increased by 13 enplanements. When comparing October 2022 to October 2021, enplanements decreased by 584 enplanements (2.7%).

Chart 6



LANDED WEIGHTS. Chart 7 presents the Airport's landed weights for FY 2023 to FY 2022. We expect landed weights to increase when American begins up-gauging with heavier aircraft (the Mainline A319 has a Maximum Gross Landing Weight of 134,482 pounds, as compared to a Maximum Gross Landing Weight of 74,957 pounds for the Regional Embraer 175).

Chart 7



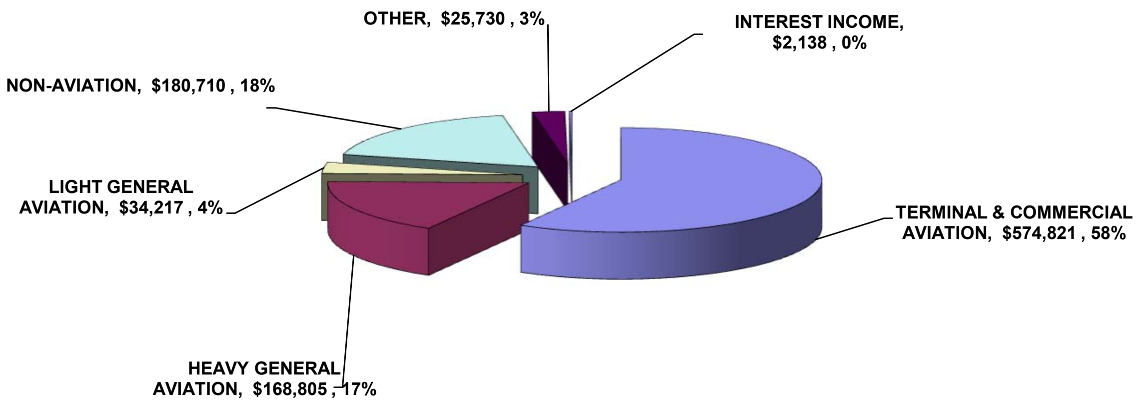
New Seats in our Markets

- Upgraded Aircraft for Dallas-Fort Worth (DFW) flights
  - Mainline service begins February 2023
  - 128-seat Airbus A319 vs. 76-seat Embraer 175
  - **37,960** new seats available annually
  - **3,163** new seats available monthly

- Second Daily Flight to San Diego (SAN)
  - Additional flight begins May 2023
  - **27,740** new seats available annually
  - **2,311** new seats available monthly

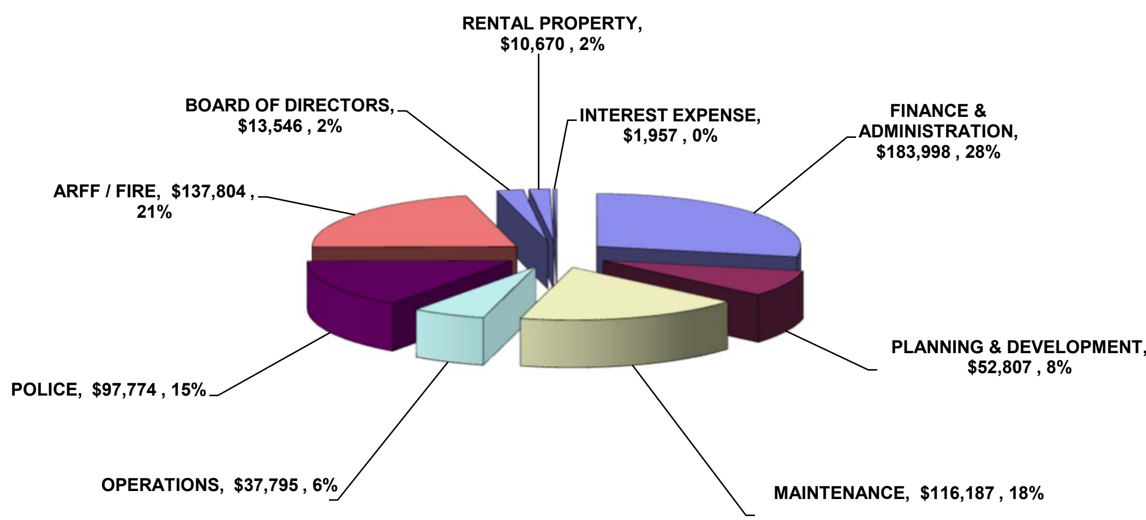
Upgrade to DFW Aircraft

October 2022 Operating Revenue



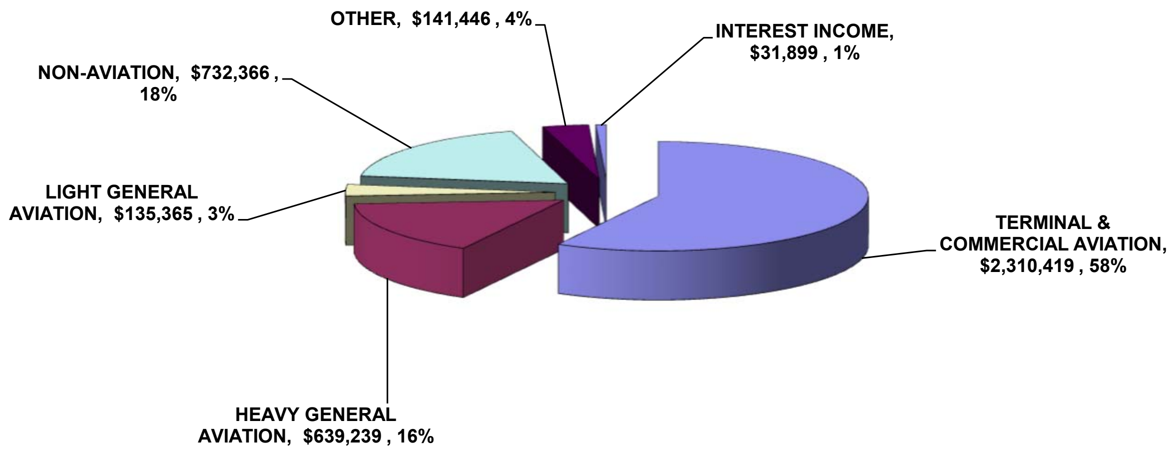
TOTAL OPERATING REVENUE: $986,422

October 2022 Operating Expense



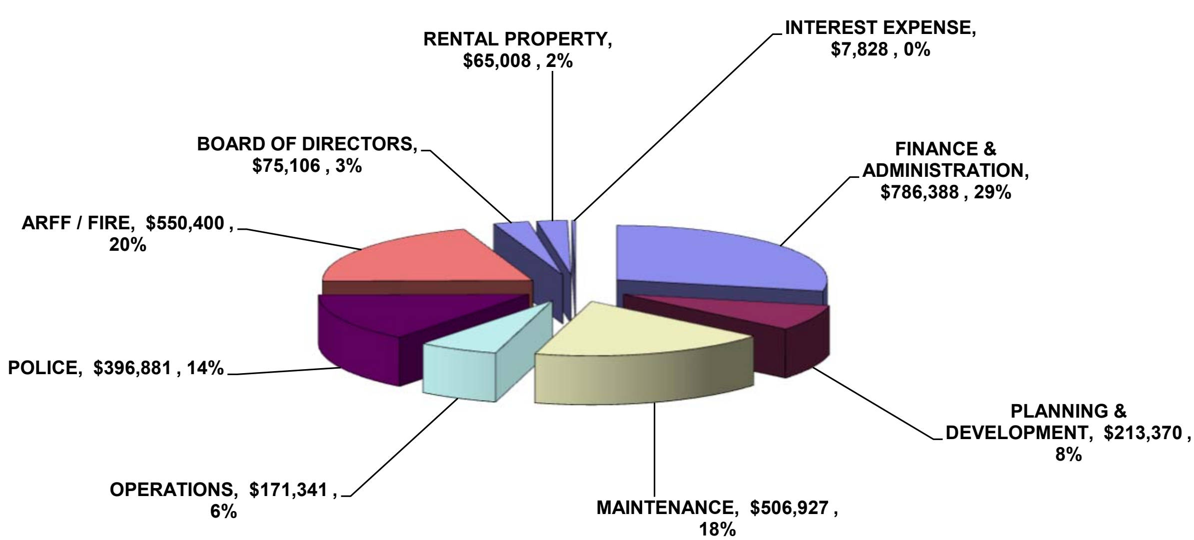
TOTAL OPERATING EXPENSE: $652,538

FY 2023 (October 2022) YTD Operating Revenue



TOTAL OPERATING REVENUE: $3,990,734

FY 2023 (October 2022) YTD Operating Expense



TOTAL OPERATING EXPENSE: $2,773,251

AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY
October 31, 2022

OPERATING STATISTICS	Oct-22	Budget	%	Oct-21	YTD FY 23	Budget	%	YTD FY 22
AIRPORT ACTIVITY								
Air Carrier Landings[1]	404	445	-9.2%	398	1,616	1,714	-5.7%	1,589
Landed Weight (in thousands of pounds)	25,440			27,724	106,200			102,810
Enplanements	21,184			21,768	85,381			83,118
Passengers (emp/dep)	42,865			40,033	174,140			166,360
Total Cargo (in pounds)	45,282			64,223	202,787			226,530
Commercial	1,616			1,656	6,732			7,234
General Aviation	3,251			3,610	13,602			13,919
Military	178			274	666			1,131
TOTAL AIRCRAFT OPERATIONS	**5,045**			**5,540**	**21,000**			**22,284**
VEHICLE EXIT COUNT								
Long Term (1) Lot	2,174			2,431	12,071			8,499
Upper Short Term (2) Lot	2,330			2,189	7,490			8,254
Lower Short Term (3) Lot	6,221			6,086	19,666			22,026
TOTAL VEHICLE EXIT COUNT	**10,725**			**10,706**	**39,227**			**38,779**

[1] Cancelled Flight Landings: Current Month = 1 (0 - Alaska /0 - Allegiant /1- American /0- United) FYTD = 8 (1 - Alaska /0 - Allegiant /5- American /2 - United)

	Oct 22 ACTUAL	Oct 22 BUDGET	%	Oct 21 ACTUAL	YTD FY 23 ACTUAL	BUDGET	%	YTD FY 22 ACTUAL
OPERATING REVENUE								
TERMINAL								
CA Landing, Apron, RON and Fuel Flowage Fees	90,836	95,708	-5.1%	92,296	369,809	379,990	-2.7%	350,069
Rents	145,536	145,044	0.3%	148,589	580,343	580,176	0.0%	589,890
TCP Operator Permits	420	450	-6.7%	470	1,642	1,800	-8.8%	1,842
Taxi Operator Permits & Trip Fees	3,624	5,071	-28.5%	4,738	16,117	20,472	-21.3%	19,169
TNC Permits, Trip Fees and Peer-to-Peer Rentals	18,270	15,567	17.4%	15,567	72,549	58,881	23.2%	58,881
Concessions	23,761	19,408	22.4%	19,821	94,666	77,419	22.3%	70,399
Rental Car	173,687	154,463	12.4%	153,363	787,679	716,001	10.0%	714,901
Parking	118,688	115,824	2.5%	108,247	387,614	384,850	0.7%	359,673
HEAVY GENERAL AVIATION								
GA Landing Fees	54,213	58,250	-6.9%	58,250	201,820	222,954	-9.5%	222,955
FBO Rent	58,677	60,232	-2.6%	57,780	234,708	240,928	-2.6%	231,120
Fuel Fees	55,915	58,697	-4.7%	54,426	202,710	218,416	-7.2%	203,779
LIGHT GENERAL AVIATION	34,217	32,845	4.2%	31,574	135,365	131,380	3.0%	126,158
NON AVIATION	180,710	182,568	-1.0%	183,557	732,366	721,979	1.4%	745,466
OTHER OPERATING REVENUE	25,730	18,900	36.1%	21,154	141,446	75,600	87.1%	89,709
INTEREST INCOME	2,138	1,650	29.6%	1,415	31,899	9,600	232.3%	8,093
TOTAL OPERATING REVENUE	**$ 986,422**	**$ 964,678**	**2.3%**	**$ 951,247**	**$ 3,990,734**	**$ 3,840,446**	**3.9%**	**$ 3,792,104**
OPERATING EXPENSE								
Finance & Administration	183,998	186,544	-1.4%	225,250	786,388	827,481	-5.0%	832,421
Planning & Development	52,807	64,492	-18.1%	44,534	213,370	260,699	-18.2%	177,236
Maintenance & Custodial Services	116,187	185,664	-37.4%	116,935	506,927	641,857	-21.0%	483,892
Airport Operations	37,795	54,819	-31.1%	43,473	171,341	219,627	-22.0%	180,490
Police Department	97,774	109,663	-10.8%	102,466	396,881	438,971	-9.6%	414,875
ARFF /Fire Services	137,804	160,247	-14.0%	150,573	550,400	640,475	-14.1%	601,965
Board of Directors	13,546	14,323	-5.4%	16,120	75,106	61,392	22.3%	58,491
Office Rentals	10,670	9,530	12.0%	21,840	65,008	62,590	3.9%	69,041
Interest Expense	1,957	1,957	0.0%	3,447	7,828	7,828	0.0%	13,788
TOTAL OPERATING EXPENSE	**$ 652,538**	**$ 787,239**	**-17.1%**	**$ 724,638**	**$ 2,773,251**	**$ 3,160,920**	**-12.3%**	**$ 2,832,199**
OPERATING INCOME / (LOSS)	**$ 333,884**	**$ 177,438**	**88.2%**	**$ 226,609**	**$ 1,217,483**	**$ 679,525**	**79.2%**	**$ 959,905**
DISTRICT CAPITAL EXPENDITURES	**$ 466,794**	**$ 450,000**	**3.7%**	**$ 34,885**	**$ 1,288,027**	**$ 1,033,550**	**24.6%**	**$ 62,031**
DEBT SERVICE - PRINCIPAL ONLY	**$ 17,460**			**$ 48,164**	**$ 52,379**			**$ 192,654**

MONTEREY PENINSULA AIRPORT DISTRICT

Statements of Net Position

	October 31, 2022 (Unaudited)	June 30, 2022 (Audited)
ASSETS:		
Current assets:		
Unrestricted:		
Cash	$ 4,929,796	$ 2,004,131
Investments - L.A.I.F.	9,603,824	5,581,976
Investments - Negotiable CDs	993,287	763,789
Accounts receivable, net of $10,000 allowance	741,041	763,193
Accrued Interest receivable	4,841	8,013
Leases receivable (GASB 87), current portion (1)	1,092,200	1,092,200
FAA Grant Receivable	-	4,806,805
Prepaid and other assets	627,079	183,581
Total unrestricted current assets	17,992,069	15,203,688
Restricted:		
Cash	3,034,701	2,392,751
Investments - Negotiable CDs	288,480	545,014
Total restricted current assets	3,323,182	2,937,765
Total Current Assets	**21,315,250**	**18,141,453**
Noncurrent assets:		
Leases receivable (GASB 87), net of current portion (1)	10,855,165	10,855,165
Capital assets:		
Construction-in-Process	15,288,095	14,000,068
Non-depreciable land	4,206,755	4,206,755
Depreciable capital assets, net	64,410,306	66,179,967
Total Capital Assets	83,905,156	84,386,790
Total Noncurrent Assets	**94,760,321**	**95,241,955**
Total Assets	**116,075,571**	**113,383,408**
DEFERRED OUTFLOWS OF RESOURCES:		
Actuarial valuation of deferred outflows related to pensions (2)	6,194,423	6,194,423
Actuarial valuation of deferred outflows related to OPEB (4)	410,942	410,942
Total Deferred Outflows of Resources	**6,605,365**	**6,605,365**
LIABILITIES:		
Current liabilities:		
Accounts Payable	634,655	935,428
Accrued liabilities	227,860	177,400
Unearned revenues, current portion	68,214	16,826
Accrued compensated absences, current portion	34,044	34,044
Due to the City of Monterey	19,966	19,966
Loans payable, current portion	209,972	209,972
Funds held in trust (CFCs)	1,049,949	922,457
Total Current Liabilities	**2,244,660**	**2,316,093**
Long-term liabilities:		
Security deposits	467,972	444,764
Unearned revenues, net of current portion	230,044	238,921
Accrued compensated absences, net of current portion	108,334	155,573
Loans payable, net of current portion	2,220,853	2,238,619
Actarial valuation of net pension liability	6,509,179	6,509,179
Actuarial valuation of OPEB liability	2,032,252	2,032,252
Total Long-Term Liabilities	**11,568,634**	**11,619,308**
Total Liabilities	**13,813,294**	**13,935,401**
DEFERRED INFLOWS OF RESOURCES:		
Actuarial valuation of deferred inflows related to pensions(3)	5,159,271	5,159,271
Actuarial valuation of deferred inflows related to OPEB(5)	737,385	737,385
Deferred inflows related to leases (GASB 87)(1)	11,947,365	11,947,365
Total Deferred Inflows of Resources	**17,844,021**	**17,844,021**
NET POSITION:		
Net investment in capital assets	81,056,522	81,250,853
Restricted - unspent Passenger Facilities Charges	1,849,836	1,611,495
Restricted - Cash Assets	1,005,389	881,507
Unrestricted	7,111,874	4,465,496
Total Net Position	**$ 91,023,621**	**$ 88,209,351**

See Notes to Statements of Net Position.

Notes to Statement of Net Position
As of 10/31/2022

1. Lease Recievable (GASB 87)	Lease Receivable	Lease Interest	Total Lease Payments
Current:			
FY 2023	**$ 1,092,200**	$ 343,580	$ 1,435,780
Noncurrent:			
FY 2024	1,124,787	310,119	1,434,906
FY 2025	1,046,968	277,587	1,324,555
FY 2026	1,007,337	246,749	1,254,086
FY 2027	1,043,172	215,988	1,259,160
FY 2028-FY2032	2,689,211	763,579	3,452,790
FY 2033-FY2037	1,182,766	493,643	1,676,409
FY 2038-FY2042	1,001,169	342,175	1,343,344
FY 2043-FY2047	1,099,260	181,320	1,280,580
FY 2048-FY2052	581,179	51,152	632,331
FY 2053	79,316	1,094	80,410
	10,855,165	2,883,406	13,738,571
	$ 11,947,365	$ 3,226,986	$ 15,174,351

The District recognizes lease revenues by category and three categories were impacted by the implementation of GASB 87; General Aviation, Terminal Concessions and Non-Aviation revenue categories.

GASB 87 specifically excludes Regulated leases for which the District is the lessor. Terminal space, aircraft hangars, and recreational vehicle parking space future lease revenue are excluded.

2. Deferred Outflows of Resources related to Pensions	2022
Pension contributions subsequent to measurement date	$ 5,035,621
Differences between expected and actual experience	1,022,699
Adjustments due to differences in proportions	136,103
	$ 6,194,423

3. Deferred Inflows of Resources related to Pensions	2022
Net differences between projected and actual earnings on pension plan investments	$ 4,297,015
Adjustments due to differences in proportions	9,981
Differences between actual contributions and the proportionate share of contributions	852,275
	$ 5,159,271

The District's proportion of the net pension liability was based on the District's share of the actuarial accrued liability of the cost-sharing plan, less the District's share of the fiduciary net position.

4. Deferred Outflows of Resources related to OPEB	2022
Changes in assumptions	$ 178,572
Differences between expected and actual experience	137,447
Contributions made subsequent to the Measurement Date	94,923
	$ 410,942

5. Deferred Inflows of Resources related to OPEB	2022
Changes in assumptions	$ 84,280
Differences between expected and actual experience	653,105
	$ 737,385

MONTEREY PENINSULA AIRPORT DISTRICT

Statement of Cash Flows

		October 2022 (Unaudited)		FYTD 2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$	996,833	$	4,046,706
Payments to vendors for goods and services		(239,939)		(2,759,975)
Payments for employees pension and OPEB benefits		(66,794)		(284,305)
Payments to employees for services		(181,245)		(470,022)
Net cash provided (used) by operating activities		**508,855**		**532,404**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from operating grants		567,444		1,353,333
Other Miscellaneous Expense		-		4
Net cash provided by noncapital financing activities		**567,444**		**1,353,337**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital grants and Passenger Facilities Charges		1,005,466		6,844,073
Proceeds from Customer Facilities Charges		49,600		208,029
Acquisition and construction of capital assets		(466,793)		(1,369,244)
Principal Paid on Loans		(4,442)		(17,766)
Net cash provided by capital and related financing activities		**583,832**		**5,665,091**
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received		11,687		38,262
Investments matured (purchased)		0		(4,021,479)
Net cash used by investing activities		**11,687**		**(3,983,217)**
Net change in cash and cash equivalents		**1,671,818**		**3,567,615**
Cash beginning of period		6,292,680		4,396,882
Cash end of period	**$**	**7,964,497**	**$**	**7,964,497**
STATEMENT OF NET POSITION				
CLASSIFICATION OF CASH AND CASH EQUIVALENTS:				
Unrestricted	$	4,929,796	$	4,929,796
Restricted		3,034,701		3,034,701
Total cash and cash equivalents	**$**	**7,964,497**	**$**	**7,964,497**
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating Loss after Depreciation and Amortization	$	(127,008)	$	(657,468)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and amortization		460,711		1,850,880
(Increase) decrease in:				
Accounts receivable		(28,105)		22,152
Prepaid and other current assets		72,414		(443,498)
Increase (decrease) in:				
Accounts payable		101,986		(300,773)
Accrued liabilities		2,245		42,630
Security deposits		2,320		23,208
Unearned revenues		38,334		42,511
Accrued compensated absences		(14,042)		(47,239)
Net cash provided (used) by operating activities	**$**	**508,855**	**$**	**532,404**
Non-cash capital and related financing activities:				
Acquisition of capital assets in accrued liabilities	$	417,809	$	417,809
Accrued interest on CEC loan	$	1,957	$	8,350

MONTEREY PENINSULA AIRPORT DISTRICT
FINANCIAL STATEMENTS UNAUDITED

	FY 2023 October ACTUAL	FY 2023 YEAR-TO-DATE ACTUAL
SOURCES AND USES OF CASH -- OPERATIONS		
SOURCES OF CASH		
CASH RECEIVED - OPERATING REVENUE	$ 984,284	$ 3,958,835
CASH RECEIVED - INTEREST INCOME	2,138	31,899
CASH RECEIVED	$ 986,422	$ 3,990,734
USES OF CASH -- OPERATIONS		
CASH DISBURSED - OPERATING EXPENSE	$ 650,581	$ 2,765,422
CASH DISBURSED - DEBT SERVICE (INTEREST EXPENSE)	1,957	7,828
CASH DISBURSED - DEBT SERVICE (PRINCIPAL REDUCTION)	17,460	52,379
CASH DISBURSED	$ 669,998	$ 2,825,629
CHANGE IN CASH POSITION FROM OPERATIONS & DEBT SERVICE	$ 316,424	$ 1,165,104
USES OF CASH -- CAPITAL PROGRAM		
CASH DISBURSED - DISTRICT CAPITAL PROJECTS	$ 466,794	$ 1,288,027
CASH DISBURSED	$ 466,794	$ 1,288,027
CHANGE IN CASH POSITION FROM CAPITAL PROGRAM	$ (466,794)	$ (1,288,027)
CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL & DEBT SERVICE	$ (150,370)	$ (122,922)

PAID FROM 2023 OPERATING INC:	DATE PAID	Amount PAID	Amount UNAMORTIZED
CEC LOAN PRINCIPAL PAYMENTS	Semiannual Payment DEC & JUN		-
PG&E PAYMENTS	Monthly Payments	4,442	-
WORKER'S COMP PREPAID	7/1/2022 and 7/1/2023	(43,405)	(22,173)
UAL PREPAID 07-01-2022	07/01/22	(628,029)	(411,063)
TOTAL IN/(OUT FLOWS)		(38,963)	$ (556,158)
FAA CARES, CRRSA and ARPA Act Grant Billed FYTD			1,353,333
CASH CHANGE OVER/(UNDER) FROM CARES, CRRSA and ARPA Act Grant			$ 797,175

FISCAL YEAR 2023
FINANCIAL STATEMENTS UNAUDITED
Construction-In-Progress
October 31, 2022

October 31, 2022

Analysis of Construction-in-Progress

Project Number/AIP #	Project Name	Balance at June 30, 2022	FYTD Additions	FYTD Placed in Service	Balance at October 31, 2022	Total Project Budget	Percentage Physically Complete
CFC Funded:							
2019-03	Water Distribution System	$ 535,192	$ 66,287	$ -	$ 601,479	$ 2,828,058	45%
PFC Funded:							
2020-04	CCTV and Perimeter Camera System	-	4,044	-	4,044	200,000	5%
FAA Funded:							
2020-12/AIP 73	Northside GA Apron Construction	8,516,259	248,845	-	8,765,104	11,000,000	98%
2020-13/AIP 72	Northeast VSR Improvements	1,912,961	103,970	-	2,016,931	1,946,065	100%
2021-04/AIP 76	SEP Phase 1 A1- Commercial Apron Design	2,429,001	291,955	-	2,720,957	3,350,000	90%
2022-01/AIP 79	SEP Phase B1/B2/B3 - ARFF Design	374,767	575,490	-	950,257	6,603,000	10%
2023-01	SEP Phase D1 - Terminal Design	150	1,804	-	1,954	3,775,000	0%
District Only Funded:							
2020-14	Northwest Building Abatement	203,879	-	-	203,879	350,000	50%
2022-02	Vehicle Replacement	27,859	53,357	(81,216)	-	n/a	n/a
2023-04	2801 Property Repairs	-	23,490	-	23,490	350,000	0%
		$ 14,000,069	$ 1,369,243	$ (81,216)	**$ 15,288,095**	**$ 30,402,123**	

FISCAL YEAR 2023

Airport Capital Improvements / Capital Expenditures

FINANCIAL STATEMENTS UNAUDITED

October 31, 2022

Airport Improvement Programs	Actual FY 2023 Current Period		Prior Fiscal Year Current Period		Actual FY 2023 Year-To-Date		Prior Fiscal Year Year-To-Date	
District Expenditures	$ -	0.0%	34,885.32	4.2%	$ (889,918.71)	-69.1%	50,744.78	1.0%
AIP -- FAA Funded Expenditures	300,154.00	64.3%	755,070.99	91.2%	1,873,362.84	145.4%	4,654,157.59	91.1%
AIP -- PFC Funded Expenditures	117,654.89	25.2%	37,716.76	4.6%	238,295.53	18.5%	391,633.26	7.7%
AIP -- CFC Funded Expenditures	48,985.00	10.5%	0.00	0.0%	66,287.00	5.1%	11,286.00	0.2%
Total Capital Improvement Expenditures	**$ 466,793.89**	90%	**827,673.07**	100%	**$ 1,288,026.66**	95%	**5,107,821.63**	100%

District Capitalized Acquisitions / Expenditures By Department								
Finance & Administration	-		-		-		-	
Planning & Development	-		-		-		-	
Maintenance & Custodial Services	-		-		-		-	
Airport Operations	-		-		-		-	
Police	-		-		-		-	
ARFF / Fire	-		-		-		-	
Total Capital Acquisition Expenditures	**-**	0%	**-**		**0.00**	0%	**0.00**	0%

Consolidated								
District Expenditures	$ -	0.0%	34,885.32	4.2%	$ (889,918.71)	-69.1%	50,744.78	1.0%
AIP -- FAA Funded Expenditures	300,154.00	64.3%	755,070.99	91.2%	1,873,362.84	145.4%	4,654,157.59	91.1%
AIP -- PFC Funded Expenditures	117,654.89	25.2%	37,716.76	4.6%	238,295.53	18.5%	391,633.26	7.7%
AIP -- CFC Funded Expenditures	48,985.00	10.5%	0.00	0.0%	66,287.00	5.1%	11,286.00	0.2%
Total Capital Expenditures	**$ 466,793.89**	100%	**827,673.07**	100%	**$ 1,288,026.66**	100%	**5,107,821.63**	100%

FY 2022/23 District Capital Expenses/Budget:		Actual PTD	Budget PTD	Actual FYTD	Budget FYTD
2019-03 Water Distribution System		$ 48,985.00	$50,000.00	$ 66,287.00	$153,550.00
2020-04 CCTV and Perimeter Camera System	R	-		4,044.26	
2020-12 Northside GA Apron Construction	R	216,501.94	-	248,844.97	-
2020-13 Northside VSR Improvement	R	84,352.45	-	103,969.95	-
2020-14 Northwest Building Abatement		-	-	-	-
2021-04 SEP Phaqse A1 Commercial Apron	R	-	-	291,955.17	
2022-01 SEP Phase B1/B2/B3-ARFF Design	R	116,954.50	-	575,490.16	-
2022-02 Replacement Vehicles		-	-	(27,858.75)	55,000.00
2023-01 SEP Phase D1 Terminal Design	R	-	-	1,804.11	-
2023-04 2801 Property Repairs		-	-	23,489.79	175,000.00
2023-05 Fred Kane to Skypark Pavement Improvements		-	250,000.00	-	250,000.00
2023-06 Airfield Vehicle Gate Upgrades		-	-	-	100,000.00
2023-07 Terminal Building Outside Painting		-	150,000.00		300,000.00
		$ 466,793.89	$ 450,000.00	**$ 1,288,026.66**	$ 1,033,550.00

R - District advances to FAA/PFC projects that will be reimbursed through grant draws

FISCAL YEAR 2023

Schedule Of Cash and Investments

FINANCIAL STATEMENTS UNAUDITED

	Purchase Date	Maturity Date	Value At October 31, 2022	Interest Rate
UNRESTRICTED:				
Pooled Money Investment Account - MPAD				
State of California - Local Agency Investment Fund	Various	Various	$9,676,626.26	1.350%
Money Market Account - MPAD				
JP Morgan Chase - District Reserve - Money Market Account			4,079,884.46	0.01%
Debt Service Accounts - MPAD				
JP Morgan Chase - California Energy Commission Loan Reserve			94,917.74	0.01%
Royal Alliance - Certificates of Deposits and Cash Equivalents - MPAD				
American Express NATL BK	04/13/22	04/15/24	200,000.00	2.25%
Capital One Bank USA New York CFT DEP ACT/365	04/13/22	04/15/25	250,000.00	2.60%
Goldman Sachs Bk USA New York CTF DEP ACT/365	04/13/22	04/15/25	200,000.00	2.25%
Sallie Mae BK Salt Lake City UT CTF DEP ACT/365	06/13/19	06/13/23	125,000.00	3.30%
Sallie Mae BK Salt Lake City UT CTF DEP ACT/365	06/28/22	07/08/24	250,000.00	3.30%
Cash And Cash Equivalents	Various	Various	54,020.67	Variable
			1,079,020.67	
General Accounts - MPAD				
JP Morgan Chase - various checking accounts			700,973.06	
MPAD Cash and Investments - Unrestricted			15,631,422.19	
Less: L.A.I.F. 6/30/2022 Fair Value Adjustment			(72,802.20)	
Less: CDs October 31, 2022 matrix pricing adjustment			(31,712.76)	
Subtotal: Unrestricted Cash and Investments			**$ 15,526,907.23**	

FISCAL YEAR 2023
Schedule Of Cash and Investments
FINANCIAL STATEMENTS UNAUDITED

	Purchase Date	Maturity Date	Value At October 31, 2022	Interest Rate
RESTRICTED:				
Tenant's Security Deposits & Certificates of Deposit - RESTRICTED				
JP Morgan Chase - Money Market Account			$467,957.27	0.01%
Passenger Facility Charges (PFCs) - RESTRICTED				
JP Morgan Chase - Passenger Facility Charges (PFCs)			1,293,475.04	0.01%
Customer Facility Charges (CFCs) - RESTRICTED				
JP Morgan Chase - Customer Facility Charges (CFCs)			1,000,388.77	0.01%
Royal Alliance - Certificates of Deposits and Cash Equivalents:				
American Express NATL BK	04/13/22	04/15/24	100,000.00	2.60%
Capital One Bank USA New York CFT DEP ACT/365	04/13/22	04/14/25	100,000.00	3.15%
Goldman Sachs Bk USA New York CTF DEP ACT/365	04/13/22	04/15/24	100,000.00	2.25%
Cash and Cash Equivalents	Various	Various	267,880.48	Variable
			567,880.48	
Airport Improvement Program - RESTRICTED				
JP Morgan Chase - AIP Checking Account			5,000.00	
Sub-Total: MPAD Cash and Investments - Unrestricted			3,334,701.56	
Less: CDs October 31, 2022 matrix pricing adjustment			(11,520.00)	
Sub-total: Restricted Cash and Investments			**3,323,181.56**	
Total MPAD Cash and Investments:			**$18,850,088.79**	

Monterey Peninsula Airport District
CARES, CRSSA and ARPA Grants, Expenditures Processed and Balances
October 31, 2022

CARES ACT GRANT -3-06-0159-071-2021

Grant Date	Grant Amount	Total Draws	Balance
5/13/2020	$ 12,664,025.00	$ 10,085,104.00	$ 2,578,921.00

CRSSA ACT GRANT -3-06-0159-074-2021

Grant Date	Grant Amount	Total Draws	Balance
3/22/2021	$ 2,076,111.00	$ 2,076,111.00	$ -

CRSSA ACT CONCESSIONS GRANT -3-06-0159-075-2021

Grant Date	Grant Amount	Total Draws	Balance
3/22/2021	$ 50,110.00	$ -	$ 50,110.00

ARPA ACT GRANT -3-06-0159-077-2021

Grant Date	Grant Amount	Total Draws	Balance
8/12/2021	$ 3,149,773.00	$ 3,149,773.00	$ -

ARPA ACT LARGE CONCESSIONS GRANT -3-06-0159-078-KY 2022

Grant Date	Grant Amount	Total Draws	Balance
12/22/2021	$ 40,088.00	$ -	$ 40,088.00

ARPA ACT SMALL CONCESSIONS GRANT -3-06-0159-078-KY 2022

Grant Date	Grant Amount	Total Draws	Balance
12/22/2021	$ 160,351.00	$ -	$ 160,351.00

Grant Funds General	$ 17,889,909.00	$ 15,310,988.00	$ 2,578,921.00
Grant Funds Concession	$ 250,549.00	$ -	$ 250,549.00
Grants Funds	$ 18,140,458.00	$ 15,310,988.00	$ 2,829,470.00

MONTEREY FIRE DEPARTMENT

Report to Airport Board of Directors
November 2022

1. **Incident Responses**
   Engine assigned to Fire Station 16 (Airport) responded to a total of 33 incidents during the month as follows:
   - MPAD property – 4
   - City of Monterey – 26
   - Other Cities in Monterey Fire Jurisdiction – 0
   - Auto / Mutual Aid – 3

2. **Training**
   Personnel completed a total of 31.0 hours of Airport related training during the month. Currently the following numbers of personnel are qualified in the ARFF training program:
   - Awareness (familiar with operations at the Airport): 78
   - Operational (qualified to work at Airport, but live fire training not current): 34
   - Technician (fully qualified to be the designated ARFF fire engineer): 11

3. **Other**
   - We are preparing for the FAA inspection scheduled for January. This involves ensuring all training records and certifications are properly compiled and organized for easy review by the inspector. As in years past, we don't anticipate any issues.

4. **Incident List –** on Airport property incidents

Alarm Date / Time	Response Time	Location	Incident Type
11/13/2022 10:47 AM	0:03:52	200 Fred Kane DR	Smoke or odor removal
11/18/2022 10:59 AM	0:00:12	200 Fred Kane DR	Alarm system sounded due to malfunction
11/21/2022 2:59 PM	0:00:00	150 Olmsted WAY	EMS call, excluding vehicle accident with injury
11/27/2022 5:28 PM	0:00:00	200 Fred Kane DR	EMS call, excluding vehicle accident with injury

AGENDA ITEM: H-4
DATE: December 14, 2022

TO: Michael La Pier, Executive Director
FROM: Operations Department
DATE: December 1, 2022
SUBJ: Operations Report

The following is a summary of activity of general Airport Operations for November 2022 and planned airline activities for December 2022.

1. The following reports are attached:
    - November 2022 Noise Comment Report
    - Operating and Expense Reports for the Taxi (through November 2022) and TNC ground transportation systems (through October 2022)
    - Commercial Flight Cancellations & Delays Report for November 2022
    - Commercial Flight Schedule for December 2022

2. Below is the summary of scheduled airline activity for December 2022:

    Alaska Air operated by SkyWest
    - SAN operates daily using the EMB 175.
    - SEA operates daily using the EMB 175.
    - Total of 110 flights (Arrivals and Departures)

    Allegiant Air
    - Continues to operate twice weekly to LAS using the Airbus 319/320 series
    - Scheduled to operate a total of 18 flights (Arrivals and Departures)

    United operated by SkyWest
    - SFO operates daily using the CRJ 200.
    - LAX operates daily using a mix of CRJ 700 & EMB 175's.
    - DEN operates daily using the CRJ 200
    - Scheduled to operate a monthly total of 246 flights (Arrivals and Departures)

    American Eagle operated by Mesa / Envoy
    - PHX is scheduled to operate 3 flights a day using a mix of CRJ 700/900 & EMB 175's
    - DFW continues with twice daily flights using the EMB 175 aircraft.
    - Scheduled to operate a monthly total of 294 flights (Arrivals and Departures)

Cumulatively speaking, the airlines have increased flights by 22 (668 vs 646) compared to December 2021, an increase of 3%. The number of available seats has increased by approximately 0.3% (46,664 vs. 46,480).

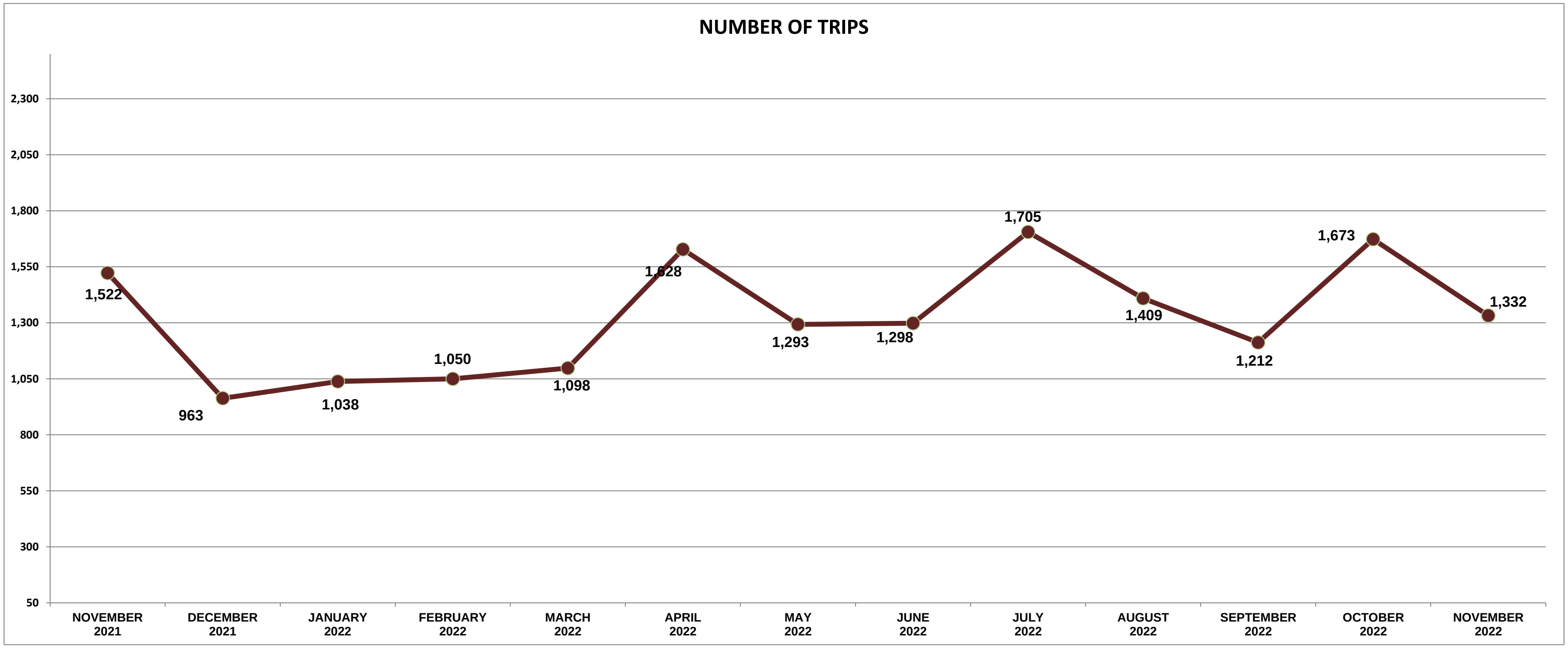
MRY AIRPORT NOISE COMMENT LOG
NOVEMBER 2022

	Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	< / > of Flight	Comments	By	Action Taken	Notes
AIR OPERATIONS CENTERED AT MONTEREY AIRPORT										
1	Devin McGilloway	DRO	11/26/2022	16:00	Multiple	Pattern	Local weekend warriors single engine buzzing our neighborhood usual story and complaint Born and raised here luv the Airport but traffic getting worse including private noisey jets Commercial passenger service great My complaint is a warning to the Airport Board Newbie's will be publicly complaining unless you put some noise controls in NOW	MC	Explained we have noise guidelines both on our websire and that we remind to our tenants. We are unable to enforce these as rules.	
5										
6										
AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT										
AIR OPERATIONS OF UNKNOWN ORIGIN										
0	**NONE**									
MONTHLY TOTALS and COMPARISONS										

	Nov-22	Nov-21	% Change	Other Airport	UNKNOWN ORIGINS
Number of Complaints:	**1**	**4**	-75%	0	0
Number of Operations:	**5,256**	**5,648**	-7%		
			% Change		
Annual Total	**62**	**97**	-36%	0	0

13-MONTH ROLLING COMPARISON

Taxis



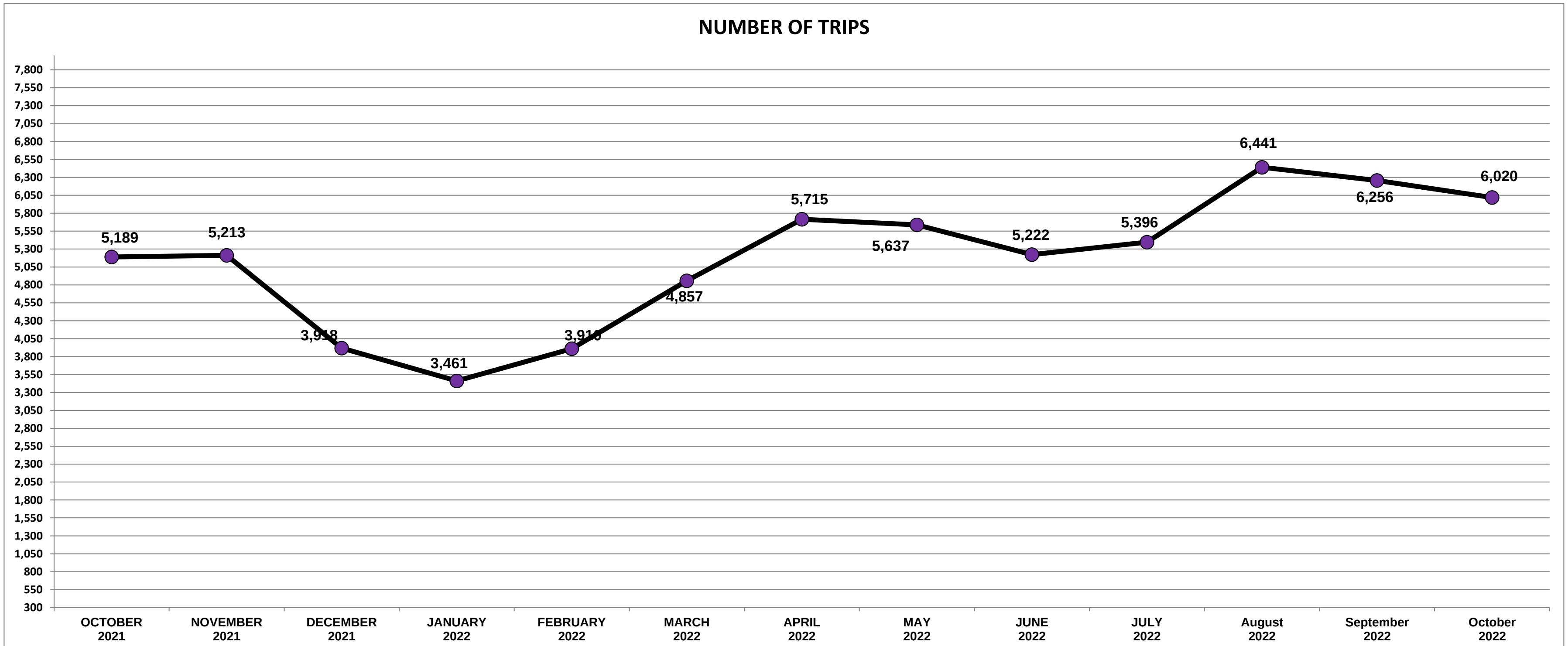
	2021 NOVEMBER	2021 DECEMBER	2022 JANUARY	2022 FEBRUARY	2022 MARCH	2022 APRIL	2022 MAY	2022 JUNE	2022 JULY	2022 AUGUST	2022 SEPTEMBER	2022 OCTOBER	2022 NOVEMBER
NUMBER OF TRIPS	1,522	963	1,038	1,050	1,098	1,628	1,293	1,298	1,705	1,409	1,212	1,673	1,332
PERMITS SOLD	2	3	0	1	0	0	1	17	7	3	1	0	0
TAXI TRIP FEES	$ 4,566	$ 2,889	$ 3,114	$ 3,150	$ 3,294	$ 4,884	$ 3,879	$ 3,894	$ 5,115	$ 4,227	$ 3,636	$ 5,019	$ 3,996
TAXI PERMIT FEES	$200	$225	$0	$75	$0	$0	$50	$425	$175	$300	$100	$100	$100
TAXI - TOTAL REVENUE	$ 4,766	$ 3,114	$ 3,114	$ 3,225	$ 3,294	$ 4,884	$ 3,929	$ 4,319	$ 5,290	$ 4,527	$ 3,736	$ 5,119	$ 4,096
CURB MGMT CONTRACT													
SOFTWARE LICENSE/HOSTING								$ -	$ -	$ -	$ -	$ -	$ -
BEACON LICENSING	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,916	$ 2,916	$ 2,916
TAXI - TOTAL EXPENSE	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,083	$ 2,916	$ 2,916	$ 2,916
OPERATING INCOME / (LOSS)	$ 2,683	$ 1,031	$ 1,031	$ 1,142	$ 1,211	$ 2,801	$ 1,846	$ 2,236	$ 3,207	$ 2,444	$ 820	$ 2,203	$ 1,180

FYTD 2022 (July 2022 - June 2023) OPERATING INCOME / (LOSS)	$ 9,854
CUMULATIVE (12-MONTH) OPERATING INCOME / (LOSS)	$ 21,152

* September 1st swap to "OBD" system

13-MONTH ROLLING COMPARISON

Transportation Network Companies (TNCs)



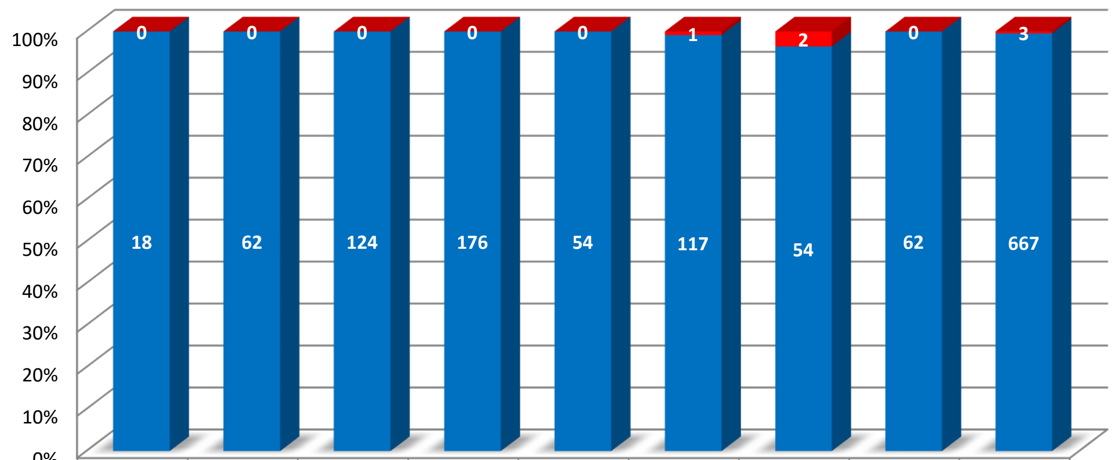
	2021 OCTOBER	2021 NOVEMBER	2021 DECEMBER	2022 JANUARY	2022 FEBRUARY	2022 MARCH	2022 APRIL	2022 MAY	2022 JUNE	2022 JULY	2022 August	2022 September	2022 October
NUMBER OF TRIPS	5,189	5,213	3,918	3,461	3,910	4,857	5,715	5,637	5,222	5,396	6,441	6,256	6,020
NUMBER OF TNCs	2	2	2	2	2	2	2	2	2	2	2	2	2
TNC TRIP FEES	$ 15,567	$ 15,639	$ 11,754	$ 10,383	$ 11,730	$ 14,571	$ 17,145	$ 16,911	$ 15,666	$ 16,188	$ 19,323	$ 18,768	$ 18,060
TNC PAYMENT PENALTIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TNC - TOTAL REVENUE	$ 15,567	$ 15,639	$ 11,754	$ 10,383	$ 11,730	$ 14,571	$ 17,145	$ 16,911	$ 15,666	$ 16,188	$ 19,323	$ 18,768	$ 18,060

Cumulative 12-Month Operating Income: $ 186,138

Fiscal Year To Date (July 2022 - June 2023) Operating Income: $ 72,339

NOVEMBER 2022

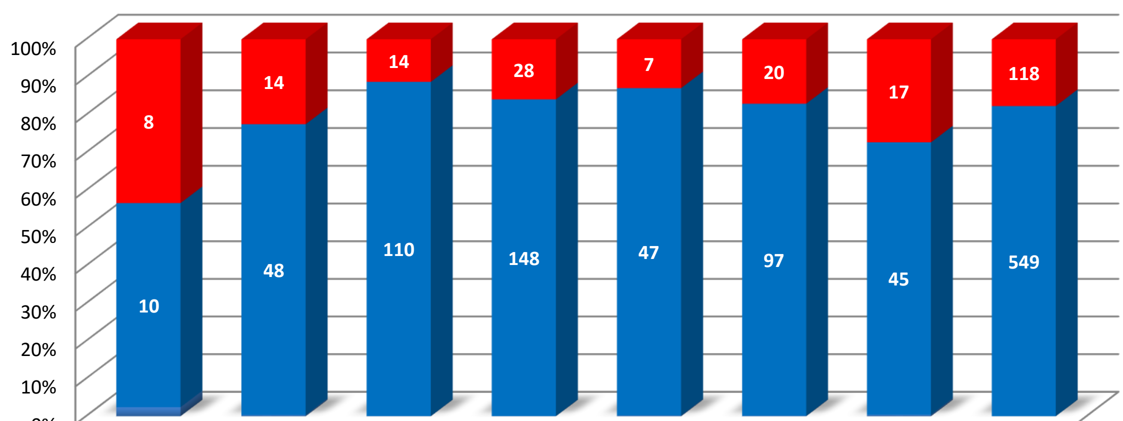
November Commercial Flights
Operated vs. Canceled



	LAS	DEN	LAX	PHX	SAN	DFW	SEA	SFO	TOTALS
Canceled	0	0	0	0	0	1	2	0	3
Operated	18	62	124	176	54	117	54	62	667
% Canceled	0.00%	0.00%	0.00%	0.00%	0.00%	0.85%	3.57%	0.00%	0.45%

TOTAL CANCELATIONS: 3

November Commercial Flights
On Time vs. Delayed



	LAS	DEN	LAX	PHX	SAN	DFW	SFO	TOTALS
Delayed	8	14	14	28	7	20	17	118
On Time	10	48	110	148	47	97	45	549
% Delayed	44.44%	22.58%	11.29%	15.91%	12.96%	16.95%	27.42%	17.61%

TOTAL DELAYED FLIGHTS: 118

Monterey Regional Airport
December 2022 Flight Schedule

Aircraft Type (Seats)	ARRIVALS					DEPARTURES					Aircraft Type (Seats)
	FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD	
EMB75 (76)	PHX	American Airlines	3362	11:45 AM	DAILY EXC 3, 10	PHX	American Airlines	4883	6:00 AM 7:25 AM	1-14 17, 24, 31	CRJ700 (66)
CRJ700 (66)	LAX	UNITED	5251	12:00 PM	24, 31	DFW	American Airlines	3655	6:20 AM	DAILY	CRJ900 (76)
CRJ200 (50)	SFO	UNITED	5479	12:00 PM	DAILY	PHX	American Airlines	4883	6:50 AM	15-30 EXC 17, 24	EMB175 (76)
EMB175 (76)	SAN	Alaska	3489	12:00 PM	DAILY EXC 3,10,18, 25	PHX	American Airlines	3362	12:20 PM	DAILY EXC 3, 10	EMB175 (76)
EMB175 (76)	DFW	American Airlines	4004	1:40 PM	DAILY EXC 24, 25, 31	DEN	UNITED	5778	12:45 PM	DAILY	CRJ200 (50)
CRJ200 (50)	DEN	UNITED	5438	1:55 PM	DAILY	LAX	UNITED	5259	1:40 PM	24, 31	CRJ 700(66)
CRJ900 (76)	PHX	American Airlines	5761	3:40 PM	DAILY	DFW	American Airlines	4004	2:10 PM	DAILY EXC 24, 25	EMB175 (76)
EMB175 (76)	SEA	Alaska	2041	3:45 PM	1- 12.	SFO	UNITED	4729	2:30 PM	DAILY	CRJ200 (50)
CRJ700 (66)	LAX	UNITED	5280	3:50 PM	DAILY EXC 24, 31	SEA	Alaska	2041 3473	1:05 PM 4:30 PM	15-31 1-14 EXC 7, 13, 14	EMB175 (76)
EMB175 (76)	SEA	Alaska	3471	6:00 PM	15-31	SAN	Alaska	3489 3484	12:30 PM . 6:45 PM	1-14 EXC 3, 6, 10, 13 15-31	EMB175 (76)
EMB175 (76)	DFW	American Airlines	3880	9:25 PM	DAILY	PHX	American Airlines	4994	4:25 PM	DAILY EXC 24, 25, 31	CRJ900 (76)
CRJ700 (66)	PHX	American Airlines	5814	10:20 PM	DAILY EXC 24, 25, 31	LAX	UNITED	5410	4:40 PM	DAILY EXC 24, 31	CRJ700 (66)
A319 (156)	LAS	allegiant	101 113 113 113 113 149	7:55 AM 12:35 PM 1:35 PM 3:20 PM 4:25 PM 8:00 PM	2 12 9 17, 27 23,30 5, 20	LAS	allegiant	102 103	8:45 AM 1:27 PM 2:30 PM 4:15 PM 5:15 PM 9:00 PM	2 12 9 17, 27 23, 30 5, 20	A319 (156)

*Flight Schedule is general information and subject to change. Schedules are updated monthly and can change daily. Please contact your airline for further information.

AGENDA ITEM: H-5
DATE: December 14, 2022

TO: Michael La Pier, Executive Director
FROM: Chris Morello, Deputy Director for Strategy and Development
DATE: December 1, 2022
SUBJ: Planning, Environmental and Maintenance Monthly Project Report

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Attached is the current monthly Project Report for the Planning and Maintenance Departments with the following highlights for November 2022:

- **ARFF CONSTRUCTION**

  - Mill Construction Company began mobilization, site staking and surveying in mid-November. Mill Construction and Blue Scope Construction have been providing construction submittals for approval to the Design and Engineering Team so that they can begin to order supplies and materials.

- **COMMERCIAL RAMP DESIGN**

  - C&S company has completed the 90% documents for the Safety Enhancement Program (SEP) Phase B2 Commercial Apron Construction Phase 1 which includes the construction of a new commercial apron and temporary long-term parking lot, reconfiguration of Taxiway J, and demolition of Taxiway K.

  - FAA is currently reviewing the 90% documents and will provide staff with direction on when to advertise the Bid notification for procurement of the construction. This will position the airport to have final construction costs, based on bids, and compete for discretionary funding in the first set of grant offer announcements.

- Staff have been working on procurement estimates for the following **CIP items**:
  - Well System Water Conveyance Project
  - Camera System Upgrade & Support Service Project
  - Terminal Building Painting Project
  - Airfield Vehicle Gate Upgrade Project

- Planning has been in full swing for the **2022 Holiday Military Lounge** which is scheduled for December 16 through December 26, 2022.

	FUNDING				EXPENDITURES			STATUS			
	PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2023 Expenditures to Date	11/30/2022	% Physical Complete	Project Name	Current Status	4 Week Look Ahead
ACTIVE FEDERALLY-FUNDED PROJECTS:											
1	2020-12	73	18-22-C-00-MRY	$11,000,000	$8,435,652	$329,452	$8,765,104	98%	**NORTHSIDE GA APRON CONSTRUCTION**	Grant was executed on 12/18/2020. Construction contract was awarded to Teichert at the 12/18/20 BOD meeting. Construction began on March 29, 2021.	Final engineering reports have been submitted to FAA with the primary project complete; mitigation will remain open until December 2022.
2	2020-13	72	18-22-C-00-MRY	$1,946,065	$1,881,783	$135,148	$2,016,931	100%	**NORTHEAST VSR IMPROVEMENTS**	Grant was executed on 9/10/2020. Construction contract was awarded to Teichert at the 12/18/20 BOD meeting.Construction began on March 29, 2021.	Final reports have been submitted to FAA for grant closeout.
3	2021-04	76	18-22-C-00-MRY	$3,350,000	$2,207,111	$513,846	$2,720,957	90%	**SEP Phase B1 Commercial Apron Design**	An FAA Grant Offer for Design was executed on August 2, 2021.	C&S Engineering and staff continue to meet weekly to review design components and status.The construction documents are 90% complete and will be ready to BID when FAA releases the FY23 funding schedule.
4	2022-01	79	18-22-C-00-MRY	$6,603,000	$258,771	$697,481	$956,252	10%	**SEP Phase C1/C2/C3 ARFF Design/Construction Demo/Airfield Access**	Mill construction and Mar Jang Architects have completed the footprint design based on AIP eligibility and the site positioning.The AIP grant was executed on September 22, 2022. The contract for construction was approved at the September BOD meeting.	Project formulation cost reimbursement was submitted and approved. The contractor mobilized and site survey work began in November 2022.
5	2023-01	TBD	18-22-C-00-MRY	$3,775,000	$0	$1,954	$1,954	0%	**SEP Phase D1 Terminal Design**	RFQ was posted and published. Response submittals were received on August 16, 2022. The evaluation panel reviewed the 7 submittals and invited the top 3 respondents for an initial interview.	The initial interview panel selected two architectural firms for Board interviews on 10/21/22: HOK was the first-ranked team. Staff will begin to work with HOK to develop a Scope of Work for FAA review.
6	2023-02	TBD	18-22-C-00-MRY	$2,170,000	$0	$0	$0	0%	**RUNWAY 28L-10R TREATMENT**		No work has started at this time.

	FUNDING				EXPENDITURES			STATUS			
	PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2023 Expenditures to Date	11/30/2022	% Physical Complete	Project Name	Current Status	4 Week Look Ahead
7	2023-034	TBD	18-22-C-00-MRY	$40,000,000	$0	$0	$0	0%	**SEP Phase B2 Commercial Apron Construction**		No work has started at this time.
OUTSIDE FUNDED PROJECTS:											
8	2019-03	N/A	N/A	$2,828,058	$520,242	$81,237	$601,479	45%	**WATER DISTRIBUTION SYSTEM**	The Monterey County approved the two demolition and two reconstruction permits. A contract to proceed with this work was approved at the January 2022 meeting.	Capacity testing was completed at both locations, 2999 Monterey Salinas Highway and 2801. A contract amendment with Kimley Horn to design the distribution system will be provided at the December BOD meeting.
PFC FUNDED PROJECTS											
9	2020-04	N/A	20-24-C-00-MRY	$200,000	$0	$6,279	$6,279	5%	**CCTV TERMINAL AND PERIMETER SECURITY UPGRADES**	Staff continue to evaluate and review camera and security system options.	An RFQ was posted and responses were received on 10/29/2022. Staff have evaluated the responses and will make a recommendation for approval at the December BOD meeting.
DISTRICT ONLY FUNDED PROJECTS											
10	2020-14	N/A	N/A	$350,000	$203,879	$0	$203,879	0%	**NORTHWEST BUILDING ABATEMENT**	Abatement work was completed in June, 2021.	Staff are evaluating building 1105 Airport Way.
11	2022-02	N/A	N/A	$83,000	$27,859	$53,357	$81,216	100%	**VEHICLE REPLACEMENT**	A resolution to approve the purchase of one maintenance vehicle was approved at the September 2021 Board meeting.	The new maintenance truck was finally ready for pickup on September 13, 2022 and has been added to the vehicle fleet.
12	2023-04	N/A	N/A	$350,000		$23,490	$23,490	0%	**2801 PROPERTY REPAIRS**	2801 building A needed significant elevator updates to meet State requirements that were completed in September.	Staff are working with our consulting engineers to design the parking lot pavement improvements.

	FUNDING				EXPENDITURES			STATUS			
	PROJECT #	**AIP #**	**PFC**	**Total Project Budget**	**Spent in Prior Fiscal Years**	**FY 2023 Expenditures to Date**	**11/30/2022**	**% Physical Complete**	**Project Name**	**Current Status**	**4 Week Look Ahead**
13	2023-05	N/A	N/A	$250,000		$0	$0	0%	**FRED KANE-SKYPARK PAVEMENT IMPROVEMENTS**		Staff are working with our consulting engineers to design the pavement improvements.
14	2023-06	N/A	N/A	$100,000		$0	$0	0%	**AIRFIELD VEHICLE GATE IMPROVEMENTS**		Staff are working to secure project quotes which will be brought for contract approval in January 2023.
15	2023-07	N/A	N/A	$325,000		$0	$0	0%	**TERMINAL BUILDING OUTSIDE PAINTING**		Staff have issued a request for proposals and have been completing site walks with prospective companies. A contract is anticipated to be brought to the BOD in January 2023 for approval.

POLICE
DEL REY OAKS

MONTHLY POLICE ACTIVITY REPORT

November 2022

TO: Michael La Pier, Executive Director
FROM: Sergeant Roger Guzman
DATE: December 2, 2022
SUBJECT: Police Activity Report for November 2022

The following is a summary of significant activity in the Police Department in November, 2022:

Highlights

Del Rey Oaks Police Officers responded to approx 7 **door and gate alarms** in November.

Training

Commander Bourquin provided updated training regarding MRY OPS. Commander Bourquin and Mark Curtis meet weekly regarding MRY/DROPD operations.

Calls for Service

1. 11/09/22 8:53 PM Det Moore
   Terminal: FAA tower
   Det Moore responded to north side airport property.

2. 11/15/22 12:40 PM Ofcr Dowson
   Terminal: Lost Property
   Ofcr Dowson located lost luggage and secured it with TSA and stored it with lost/found

3. 11/20/22 11:59 AM Commander Bourquin
   Terminal: TSA request
   TSA requested assistance with identifying subject boarding flight.

4. 11/29/22 10:15 AM Thomas Dowson
   MRY: Welfare check:
   Ofcr Dowson responded to chronic person causing disturbance senior citzn who was escorted from airport.

END OF REPORT.