

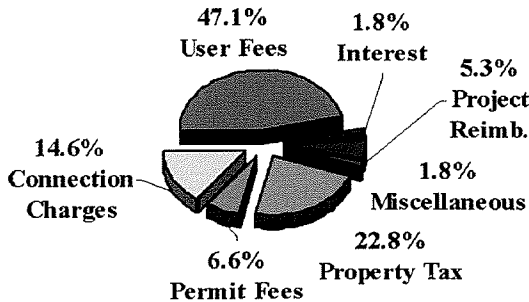


Financial Update

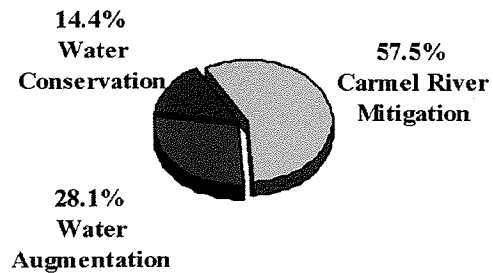
Total revenues received in Fiscal Year 2004-05 were \$3,935,593 while expenditures totaled \$4,266,594. The difference of \$331,001 was funded from general operating reserves set aside in previous years to fund projects such as those the District is currently pursuing. As of June 30, 2005, a balance of \$2,223,274 remained in the general operating reserves account.

The adopted Budget for FY 2005-06 anticipates revenues of \$4,464,000 and expenditures of \$4,650,800 combined with the use of an additional \$186,800 in general operating reserves. The FY 2005-06 budget was prepared using a series of strategies developed by the staff and adopted by the Board in 2004 reducing the use of general operating reserves to balance the budget. Included in the budget was a 1.2% increase to the user fee to provide funding for expansion of the District's ASR Project.

**FY 2004-05 Revenues
\$3,935,593**



**FY 2004-05 Expenditures
\$4,266,594**

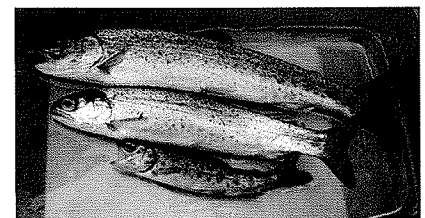


Steelhead Rescue and Rearing Season

During 2005 District staff rescued a total of 20,800 steelhead from drying reaches of the Carmel River. All of the fish rescued were transported to the District's Sleepy Hollow Steelhead Rearing Facility. A total of 24,600 fish were brought to the Facility through September 2005, including 3,800 fish from rescues conducted by the Carmel River Steelhead Association. Of this total, 24,500 fish were stocked in the tanks and rearing channel. The overall survival rate of fish held at the Facility in 2005 was 57%, or 13,900 fish. This was a favorable result compared to a summer survival rate of 10% to 40% under natural conditions. All surviving fish were in excellent physical condition. On January 6, 2006, District staff began releasing fish into the Carmel River at key locations best suited for their survival. The remaining fish were released from the rearing channel on March 3, 2006, and the Facility was shut down for the remainder of the winter.



(Above) Rearing channel at Sleepy Hollow Steelhead Rearing Facility. The District rescued 20,805 steelhead from the Carmel River and cared for them at the facility until river flows were high enough to release the fish back into the river.



(Right) These live steelhead reared at the Sleepy Hollow facility will be weighed and measured before being released into the Carmel River. Survival rates at the facility in 2005 were favorable.