

MEETING NOTICE AND AGENDA

TECHNICAL ADVISORY COMMITTEE OF THE SEASIDE BASIN WATER MASTER

DATE: Wednesday, December 10, 2008

TIME: 1:30 p.m.

**LOCATION: City of Seaside City Hall – Portable Buildings Conference Room
440 Harcourt Avenue**

Seaside, CA 93955*If you wish to participate in the meeting from a remote location, please call in on the new Watermaster Conference Line by dialing (877)810-9415. Use the Access Code of 4560043.*

OFFICERS

Chairperson: Diana Ingersoll, City of Seaside

Vice-Chairperson: Tom. Bunosky, California American Water Company

MEMBERS

California American Water Company	City of Del Rey Oaks	City of Monterey
City of Sand City	City of Seaside	Coastal Subarea Landowners
Laguna Seca Property Owners		Monterey County Water Resources Agency
Monterey Peninsula Water Management District		Public Member (John Fischer)

Agenda Item

Page No.

- | | |
|--|-----------|
| 1. Administrative Matters: | |
| A. Approve Minutes from November 21, 2008 Special Meeting | 2 |
| 2. Continue and Complete Discussion of the Completed Draft BMAP (Derrick Williams) | 7 |
| 3. Proposal by City of Seaside to Purchase Production Allocation from Another Producer (Rick Riedl) | 8 |
| 4. Special Presentation (Tom Bunosky) | 16 |
| 5. Other business | |
| 6. Set next meeting date for Wednesday January 14, 2009 2008 at 1:30 p.m.
To be held at the Seaside City Hall Portable Office Buildings Conference Room | |

**SEASIDE BASIN WATER MASTER
TECHNICAL ADVISORY COMMITTEE**

***** AGENDA TRANSMITTAL FORM *****

MEETING DATE:	December 10, 2008
AGENDA ITEM:	1.A
AGENDA TITLE:	Approve Minutes from November 21, 2008
PREPARED BY:	Robert Jaques, Technical Program Manager

SUMMARY:

Draft Minutes from this meeting were emailed to all TAC members. Proposed changes have been included in the attached version.

ATTACHMENTS:	Minutes from this meeting
RECOMMENDED ACTION:	Approve the minutes

D-R-A-F-T
MINUTES

**Seaside Groundwater Basin Watermaster
Technical Advisory Committee Special Meeting
November 21, 2008**

Attendees: **TAC Members**
City of Seaside – Rick Riedl
California American Water – Tom Bunosky
City of Monterey – Les Turnbeaugh
Laguna Seca Property Owners – No Representative
MPWMD – Joe Oliver
Public Member – John Fischer
MCWRA – Kathy Thomasberg
City of Del Rey Oaks – No Representative
City of Sand City – No Representative
Coastal Subarea Landowners – No Representative

Watermaster
Technical Program Manager - Robert Jaques

Consultants
HydroMetrics LLC - Derrick Williams

Others:
None

The meeting was called to order at 9:06 a.m.

1. Administrative Matters:

B. Approve Minutes from November 12, 2008 TAC Meeting

On a motion by Ms. Thomasberg, seconded by Mr. Turnbeaugh, the minutes were unanimously approved as presented.

The subsequent agenda items were taken out of order, as listed below:

4. Proposed Consultant Contracts for 2009

Mr. Jaques summarized the agenda packet material on this item.

Ms. Thomasberg recommended measuring the depths of the monitoring wells and cleaning them if they are starting to sand up. Mr. Oliver said he is looking into an air-lift device to clean these types of wells, which are two inches and larger in diameter.

Ms. Thomasberg said that the QA/QP plan MCWRA uses had been forwarded to MPWMD. She asked if this would be used in the 2009 work. Mr. Oliver said it was a very extensive effort to do the same program as MCWRA does. Ms. Thomasberg said EPA calls this a “Quality Assurance Project Plan” that would insure the data will hold up in court, if necessary. It involves documenting all the work that is done. Ms. Thomasberg said an abbreviated QA/QP may suffice. Mr. Oliver said not all data is collected by a single entity, which complicates the process. He recommended that this topic be

discussed by Mr. Oliver and Ms. Thomasberg, and then have them come back to the TAC with a discussion in early 2009. Mr. Oliver and Ms. Thomasberg will notify Mr. Jaques when to schedule this for a TAC meeting agenda. Mr. Oliver noted that having this type of program is not required by the Decision.

With regard to Attachment 3 to the MPWMD contract Mr. Bunosky asked what are the 15 “New Water Quality Wells”. The response explained that these are the wells were added to the Enhanced Monitoring Well Network in 2007.

Mr. Bunosky asked if only one well would need to be retrofitted, and Mr. Oliver responded that that was correct.

Mr. Bunosky asked Mr. Oliver what firm does the induction logging. Mr. Oliver responded that the name of the firm is Wellenco and that this firm is used by both MPWMD and Martin Feeney.

Mr. Bunosky commented that it is good to look at directly contracting with subcontractors, if there are large subcontracts going through multiple layers of subcontractors.

Mr. Riedl recommended that Mr. Jaques highlight the insurance requirements in the new contract being developed for Mr. Feeney. Mr. Jaques will do this in the transmittal letter when the contract is approved by the Board.

Mr. Bunosky commented that ongoing costs of the current monitoring program contracts are about \$4,000 per month (MPWMD and MCWRA contracts). Ms. Thomasberg commented that MCWRA costs might decrease a little in the future. Mr. Oliver said MPWMD is looking at ways to reduce costs such as automatically sampling certain wells to reduce labor costs.

Mr. Bunosky commented that MPWMD and MCWRA have some general obligation as public water agencies to provide certain types of services. Ms. Thomasberg and Mr. Oliver said that their agencies are both providing certain meeting services without charge to the Watermaster.

Mr. Bunosky asked about Task 3 of the HydroMetrics contract for \$35,000 for General Hydrogeologic Consulting Services. Mr. Jaques explained that this would only be used if needed and if requested by the Watermaster.

Mr. Williams said he was currently developing a scope-of-work to be sent to Mr. Jaques for the Modeling work for 2009. This will be a separate R. F. S. to HydroMetrics.

There was some discussion with regard to periodically updating the Professional Services Agreement, for example insurance coverage levels, to stay abreast of industry standards.

Following this discussion there was a motion by Mr. Turnbeaugh, seconded by Mr. Bunosky, to approve all the contracts as presented and to recommend their approval by the Board. The motion was unanimously approved.

3. Proposal to Move Database to New Hosting Site and to Use New Firm to Correct Deficiencies in the Database

Mr. Jaques summarized the agenda packet material on this item.

There was discussion with regard to RBF's performance to date, and the lack of a substantive response from RBF on many of the database issues during much of 2008. There was consensus that the ability

to locally host the database and also locally make corrections and improvements in the database will be beneficial to the Watermaster.

There was a motion by Mr. Turnbeaugh, seconded by Ms. Thomasberg to have Mr. Jaques move forward with the actions as described in the agenda transmittal on this item and also to send a closeout letter to RBF. The motion passed unanimously. Mr. Bunosky asked that the TAC be copied with this letter.

Mr. Fischer said it is important to make things as easily understood by the Board as possible. Mr. Bunosky commented that each Board member should be supported by their respective technical staff to give them confidence in taking actions on the technical issues.

Mr. Bunosky asked Ms. Thomasberg if MCWRA has a large database. Ms. Thomasberg responded that yes, they do have a large database, and that they have internal equipment and staff to do much of the database work. She went on to say that they had many of the same issues the Watermaster is having when they developed their database. She commented that MCWRA does contract out their modeling work.

2. Discussion of the Completed Draft BMAP

Mr. Williams summarized plans for completion of the BMAP. He requested that editorial comments be sent directly to him, whereas factual issues and concerns should be discussed at the TAC meetings.

Ms. Thomasberg made the following global comment: With regard to MCWRA's Zone 2C she commented that this has impacts on some of the BMAP recommendations. She noted that Zone 2C was established in 2003. Some of the requirements are that water cannot be exported from Zone 2C to the Coastal areas, and this may impact some of the groundwater management recommendations of the BMAP. She commented that this is a groundwater rights issue. A legal review and opinion would be needed to determine how MCWRA's requirements may conflict with the Watermaster's plans. [Note: After the meeting Ms. Thomasberg provided this amplifying information: "It was mentioned that I thought it was a water rights issue at the TAC meeting. Under the Agency Act exportation of ground water from the MCWRA Zones is prohibited by the courts through the legislative act, described on page 15, Section 21 of the Act. This issue of exportation will need to be discussed further by a higher entity than the TAC."]

Mr. Jaques asked Ms. Thomasberg to please e-mail him a concise description of the issues, so the Watermaster can pursue clarifications/resolution of them.

Mr. Williams asked Ms. Thomasberg for a paragraph describing this, too, for him to include in the SIRP and the BMAP, so the issue is identified.

There was also discussion with regard to the need to have a map showing the authority boundaries of the Watermaster, MCWRA, and MPWMD, and to put this in an appendix that will be referred to in the text of the BMAP.

Mr. Bunosky commented that the rise in water levels at the Sentinel wells (Figure 10) seems to suggest that the water levels do rise if pumping is stopped. Mr. Oliver said the initial rate of rise would likely be flattened out asymptotically and still remain well below mean sea level for a long period of time, unless supplemental recharge supplies were developed.

Ms. Thomasberg recommended checking the monitoring wells to insure that they are not plugged and thus providing misleading water level readings. Mr. Oliver concurred and said he is pursuing well cleaning approaches for this purpose.

Discussion on the final draft of the BMAP will resume starting on page 25 at the TAC meeting to be held December 10, 2008.

5. Schedule for 2009 M&MP Activities

There was no discussion of this item. It will be discussed at a future TAC meeting.

6. Other business

There was no other business.

7. Set next meeting date for Wednesday December 10, 2008 at 1:30 p.m.

To be held at the Seaside City Hall Portable Office Buildings Conference Room

The meeting adjourned at 12:11 p.m.

**SEASIDE BASIN WATER MASTER
TECHNICAL ADVISORY COMMITTEE**

***** AGENDA TRANSMITTAL FORM *****

MEETING DATE:	December 10, 2008
AGENDA ITEM:	2
AGENDA TITLE:	Continue and Complete Discussion of the Complete Final Draft BMAP
PREPARED BY:	Robert Jaques, Technical Program Manager
SUMMARY:	
<p>HydroMetrics has prepared the Final Draft Basin Management Action Plan (BMAP) addressing all of the TAC's prior comments on this document. The completed final draft document was emailed directly to TAC members by HydroMetrics prior to the November 21, 2008 Special TAC meeting, at which discussion of final comments and edits to that document began.</p> <p>As noted in the Minutes from the November 21, 2008 Special TAC meeting, it was agreed that discussion on the final draft of the BMAP will resume at today's meeting starting on page 25 of that document.</p> <p>Today's discussion is intended to <u>complete</u> identification of any final edits to be made before the document is printed for distribution to the Board. It will be hand-delivered to the Board at their January 7, 2009 meeting. It will be agendized for the Board's consideration, and hopefully approval, at their February 4, 2009 meeting</p>	
ATTACHMENTS:	None (the Final Draft of the BMAP was emailed directly from HydroMetrics to members of the TAC)
RECOMMENDED ACTION:	Complete discussion and provide final edits and other final changes to the Final Draft BMAP

**SEASIDE BASIN WATER MASTER
TECHNICAL ADVISORY COMMITTEE**

***** AGENDA TRANSMITTAL FORM *****

MEETING DATE:	December 10, 2008
AGENDA ITEM:	3
AGENDA TITLE:	Proposal by City of Seaside to Purchase Production Allocation from Another Producer
PREPARED BY:	Robert Jaques, Technical Program Manager

SUMMARY:

Mr. Riedl of the City of Seaside has asked to place an item on today's meeting agenda for the TAC to consider allowing Seaside Muni to purchase water rights to offset its over-pumping above Operating Yield in WY 2007 and WY 2008 of 3.12 AF and 6.86 AF, respectively.

Mr. Riedl will provide an oral discussion regarding this proposal.

Attached is a draft document Mr. Riedl provided for this agenda item.

ATTACHMENTS:	Agreement for Purchase and Sale of Carryover Rights
RECOMMENDED ACTION:	Provide feedback and direction on this proposal



November 18, 2008

Ms. Jill Anderson
Assistant City Manager
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955



Re: Cal Am Water v. City of Seaside, et al.
Monterey County Superior Court Case No. M66343

Dear Ms. Anderson:

Pursuant to your request, enclosed is the fully executed Agreement for Purchase and Sale of Carryover Rights within the Seaside Groundwater Basin in regard to the above-noted case.

Should you require anything further, please do not hesitate to contact us.

Very truly yours,

GRANITE ROCK COMPANY

Sheri L. Prizant, Legal Assistant
Direct Dial - (831) 768-2058

slp
Enclosure

cc: Russell McGlothlin

- Monterey County
- San Benito County
- San Mateo County
- Santa Clara County
- Santa Cruz County
- Alameda County
- City and County of San Francisco

Material Supplier/ Engineering Contractor
License #22

P.O. Box 50001 Watsonville, CA 95077-5001 (831) 768-2000 Fax (831) 768-2201
www.graniterock.com

**AGREEMENT FOR PURCHASE AND SALE OF CARRYOVER RIGHTS
WITHIN THE SEASIDE GROUNDWATER BASIN**

This Agreement for Lease of Carryover Rights ("Agreement"), entered into this ___ day of November, 2008 ("Effective Date"), by and between the City of Seaside, a California general law city ("Seaside"), and Granite Rock Company, a California corporation ("Graniterock") (Seaside and Graniterock sometimes hereinafter individually are referred to as a "Party" and collectively as the "Parties"), is made with respect to the following facts:

RECITALS

A. The amended final decision ("Decision") entered in the lawsuit, California American Water v. City of Seaside et al., Monterey Superior Court, (Case No. M 66343) governs groundwater production within the Seaside Groundwater Basin (the "Basin").

B. Seaside is the owner of approximately 287 acre-feet of groundwater rights, which are deemed Standard Production Allocation ("SPA") pursuant to the Decision. Seaside exclusively uses its SPA to supply water for its City of Seaside Municipal Water System ("Municipal System"). Based upon Seaside's groundwater production monitoring and reporting, Seaside anticipates that it may need to acquire additional SPA to offset groundwater production in excess of its 287 acre-feet of SPA per year to satisfy the Municipal System's demand.

C. Graniterock is the owner of approximately 27 acre feet of SPA. Graniterock has not produced any of its SPA during the 2005-2006, 2006-2007, or 2007-2008 Water Years.

D. Section III.F. of the Decision authorizes entities possessing a SPA to "carryover" SPA not produced in a particular year and to establish Carryover Credits as a result, which can be used to support additional production in future years. Because Graniterock produced no water during the 2005-2006 and 2006-2007 Water Years, the Parties believe that Graniterock has established up to 84 acre-feet of Carryover Credit.

E. Section III.M.2. of the Decision allows a Party possessing a Carryover Credit to transfer the Carryover Credit to another entity to support the extraction of additional groundwater from the Basin pursuant to the transferred Carryover Credit.

F. Section 9 of the Seaside Basin Watermaster's ("Watermaster") Rules and Regulations sets forth a procedure by which notice of transfer is provided to Watermaster, Watermaster solicits objections from the other Parties, holds a hearing on the transfer, if necessary, and ultimately determines whether the transfer will cause Material Injury to the Basin. If the Watermaster determines that the transfer will cause Material Injury, the Watermaster may deny or condition the transfer.

G. Based upon the foregoing recitals, the Parties believe that Graniterock can transfer a portion of its unused Carryover Credit to Seaside to offset extractions by Seaside in excess of its 287 acre-feet of SPA per year, provided that Watermaster does not find that the transfer will result in any Material Injury to the Basin.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Graniterock and Seaside agree as follows:

OPERATIVE PROVISIONS

1. Definitions. Unless specifically defined herein, all capitalized terms used in this Agreement shall have the same meaning as provided to those terms by the Decision.

2. Carryover Purchase. Provided that all Conditions of Purchase, set forth in Section ___ below are satisfied, Seaside shall purchase up to ten (10) acre-feet of Graniterock's Carryover Credits for the sum of twenty-four thousand, eight hundred and fifty thousand dollars (\$24,850) (\$2,485 per acre-foot) ("Purchase Price"). The Carryover Credits shall be that portion of Graniterock's Carryover Credits that represent that portion of Graniterock's SPA that is within the Basin's Native Safe Yield, and therefore, Seaside shall not be assessed an Over-Production Replenishment Assessment for its Production of the transferred Carryover Credits that it purchases from Graniterock.

3. Conditions of Purchase. Seaside's obligations to purchase the Carryover Credits pursuant to this Agreement shall be subject to satisfaction or waiver by Graniterock, in its sole and absolute discretion, of the following conditions:

3.1 Watermaster must issue a written determination that the transfer of ten (10) acre-feet of Carryover Credits from Graniterock to Seaside is allowed under the Decision and will not result in Material Injury;

3.2 The City Council of Seaside must approve this Agreement and the transaction contemplated hereby.

4. Representations and Warranties of Graniterock. Graniterock makes the following representations, warranties and covenants to Seaside:

4.1 Due Organization. Graniterock is a corporation duly organized, validly existing and in good standing under the laws of the State of California, qualified to do and doing business in the State of California.

4.2 Title. Graniterock owns the Carryover Rights as described in the Decision and has good and marketable title thereto, which are not subject to any lien, claim or encumbrance. Graniterock has not alienated, encumbered, transferred, optioned, leased, assigned, or otherwise conveyed its interest or any portion of its interest in the Carryover Rights or any portion thereof, nor has Graniterock entered into any agreement (other than this Agreement) to do so.

4.3 Corporate Power and Authority. Graniterock has full right, power and authority to enter into this Agreement and to perform its obligations hereunder, and the persons executing this Agreement on behalf of Graniterock have the right, power and authority to do so.

4.4 Enforceability. This Agreement constitutes the legal, valid and binding

obligation of Graniterock, enforceable against Graniterock in accordance with its terms. Neither this Agreement nor the consummation of any of the transactions contemplated hereby violates or shall violate any provision of any agreement or document to which Graniterock is a party or to which Graniterock is bound.

5. Representations and Warranties of Seaside. Seaside makes the following representations, warranties and covenants to Graniterock:

5.1 Power and Authority. Subject to obtaining approval of the City Council of Seaside, Seaside has the right, power and authority to enter into this Agreement and to perform its obligations hereunder, and the person(s) executing this Agreement on behalf of Seaside have the right, power and authority to do so.

5.2 Enforceability. Subject to obtaining approval of the City Council of Seaside, this Agreement constitutes the legal, valid and binding obligation of Seaside, enforceable against Seaside in accordance with its terms. Neither this Agreement nor the consummation of any of the transactions contemplated hereby violates or shall violate any provision of any agreement or document to which Seaside is a party or to which Seaside is bound.

6. Closing. Within five (5) days of the satisfaction of all conditions of purchase set forth in Section 3, Seaside shall convey to Graniterock twenty-four thousand, eight hundred and fifty (\$24,850) through electronic funds transfer to an account designated by Graniterock. Within five (5) days of the transfer of such funds to Graniterock, Graniterock shall notify Watermaster in writing that it has received full consideration for the sale of the ten (10) acre-feet of Carryover Rights provided for in this Agreement, and therefore, the Carryover Rights should thereafter be accounted for by Watermaster as Seaside's Carryover Rights.

7. Term. This Agreement shall be for a term of one (1) year from the Effective Date.

8. Miscellaneous.

8.1 Effective Date of Notices. The effective date of any offer, demand, notice or instrument shall be the date of delivery to the addressee.

8.2 Further Assurances. At any time and from time to time after the date hereof, each Party agrees to take such actions and to execute and deliver such documents as the other Party may reasonably request to effectuate the purposes of this Agreement.

8.3 Assignment. Neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned by any Party without the other Party's prior written consent, which shall not be unreasonably withheld, and any assignment of this Agreement or any of the rights, interests, or obligations hereunder shall be of no force or effect until the proposed assignee agrees in writing to be bound by all of the terms and conditions of this Agreement and such signed writing is delivered to the non-assigning Party. Subject to the foregoing restrictions, the provisions of this Agreement shall be binding upon and inure to the benefit of all affiliates, parent corporations, subsidiaries, assigns, successors-in-interest, personal representatives,

and interpreted in accordance with, the laws of the State of California, without giving effect to any choice-of-law or conflicts-of-laws rule or principle that would result in the application of any other laws.

8.8 Headings. Headings, titles and captions are for convenience only and shall not constitute a portion of this Agreement or be used for the interpretation thereof.

8.9 Cumulative Rights; Waiver. The rights created under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by either Party to exercise, and no delay in exercising any rights, shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any Party preclude any other or future exercise thereof or the exercise of any other right. Any waiver of any provision or of any breach of any provision of this Agreement must be in writing, and any waiver by any Party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement. The failure of any Party to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered or construed or deemed a waiver of any provision or any breach of any provision of this Agreement or deprive that Party of the right thereafter to insist upon strict adherence to that term or provision or any other term or provision of this Agreement. No delay or omission on the part of any Party in exercising any right under this Agreement shall operate as a waiver of any such right or any other right under this Agreement.

8.10 Liberal Construction. This Agreement constitutes a fully-negotiated agreement among commercially sophisticated Parties, each assisted by legal counsel, and the terms of this Agreement shall not be construed or interpreted for or against any Party hereto because that Party or its legal representative drafted or prepared such provision.

8.11 Severability. If any provision of this Agreement is invalid, illegal or unenforceable, such provision shall be deemed to be severed or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

8.12 Good Faith and Fair Dealing. The Parties hereto acknowledge and agree that the performances required by the provisions of this Agreement shall be undertaken in good faith, and with each of the Parties dealing fairly with each other.

8.13 No Third-Party Beneficiaries. This Agreement does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a Party to this Agreement.

8.14 Counterparts; Facsimile Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except for having an additional signature page executed by any other Party. Each Party agrees that each other Party may rely

upon the facsimile signature of any Party on this Agreement as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement as fully as if this Agreement contained the original ink signature of the Party supplying a facsimile signature.

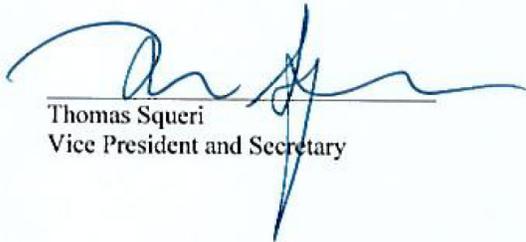
8.15 Time of the Essence. Time is of the essence of each and every provision of this Agreement.

8.16 Attorneys' Fees. In the context of any legal proceeding arising from this Agreement, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing Party for all costs and expenses incurred, including without limitation all attorneys' fees and costs for services rendered to the prevailing Party and any attorneys' fees and costs incurred in enforcing any Decision or order entered. The prevailing Party shall be determined by the court (or arbitrator) in the initial or any subsequent proceeding.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

Granite Rock Company

City of Seaside



Thomas Squeri
Vice President and Secretary



Ray Corpuz, City Manager

**SEASIDE BASIN WATER MASTER
TECHNICAL ADVISORY COMMITTEE**

***** AGENDA TRANSMITTAL FORM *****

MEETING DATE:	December 10, 2008
AGENDA ITEM:	4
AGENDA TITLE:	Special Presentation
PREPARED BY:	Robert Jaques, Technical Program Manager
SUMMARY:	Mr. Bunosky asked that an item be added to today's meeting agenda for the making of a Special Presentation.
ATTACHMENTS:	None
RECOMMENDED ACTION:	None