

SEASIDE GROUNDWATER BASIN WATERMASTER

REGULAR MEETING AGENDA

WEDNESDAY, JUNE 4, 2008, 2:00 P.M.

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

BOARD ROOM, 5 HARRIS COURT, BUILDING "D"

"RYAN RANCH"

MONTEREY, CALIFORNIA

WATERMASTER BOARD:

City of Seaside – Mayor Ralph Rubio, Chair

Coastal Subarea Landowner – Director Paul Bruno, Vice Chair

Monterey Peninsula Water Management District – Director Judi Lehman, Secretary

City of Del Rey Oaks – Mayor Joseph Russell, Treasurer

California American Water – Director Tom Bunosky

Laguna Seca Subarea Landowner – Director Bob Costa

City of Sand City – Mayor David Pendergrass

Monterey County/Monterey County Water Resources Agency -- Supervisor Dave Potter, District 5

City of Monterey – Councilmember Frank Sollecito

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES;

The minutes of the Regular Board meeting of April 2, 2008 is attached to this agenda. Watermaster Board is requested to consider approving the minutes.

IV. REVIEW OF AGENDA

If there are any items that arose after the 72-hour posting deadline, a vote may be taken to add the item to the agenda pursuant to the requirements of Government Code Section 54954.2(b). (A 2/3-majority vote is required.)

V. PUBLIC COMMUNICATIONS

Oral communications is on each meeting agenda in order to provide members of the public an opportunity to address the Watermaster on matters within its jurisdiction. Matters not appearing on the agenda will not receive action at this meeting but may be referred to the Watermaster Administrator or may be set for a future meeting. Presentations will be limited to three minutes or as otherwise established by the Watermaster. In order that the speaker may be identified in the minutes of the meeting, it is helpful if speakers would use the microphone and state their names. Oral communications are now open.

VI. CONSENT CALENDAR

A. Consider Approval of Summary for Payments Made in April & May 2008 totaling \$52,743.47

B. Consider Current Year Financial Reports – Through May 31, 2008

C. Consider Ratifying CEO Approval of one new Contract and a Modification to an Existing Contract, each under \$10,000:

1. A Contract with Central Coast Surveyors to Perform the GPS Surveying Work necessary to determine water levels for 98 water wells in Seaside Basin for an amount of \$8,000

2. A Modification to the Existing Contract with MPWMD to Provide Assistance to Central Coast Surveyors in the Performance of Surveying Work for an amount of \$5,000.

VII. ORAL PRESENTATION –None Scheduled

VIII. OLD BUSINESS

A. COMMITTEE REPORTS

1. BUDGET AND FINANCE COMMITTEE

- a) Discuss, Evaluate and Take Action on Issues Raised during Budget and Finance Committee Meeting held on June 3, 2008 with Legal Advisors regarding the document submitted on May 2,2008 by California American Water; ***“Response to Request for an Accounting of Expenditures California American Has Made for Water Supply Augmentation That it Contends Will Result in Replenishment of the Seaside Groundwater Basin”***.
- b) Consider Approving Granting the CEO the ability to approve contracts and agreements up to \$10,000 with the verbal approval of the Chair or Vice Chairman of the Board of Directors

2. TECHNICAL ADVISORY COMMITTEE (TAC)

- a) Consider Approving Interim Seawater Intrusion Contingency Plan

IX. NEW BUSINESS

X. INFORMATIONAL REPORTS (No Action Required)

- A. Timeline Schedule of Milestone Dates (Critical date monitoring)
- B. Report of Groundwater Production and Water Level for Quarter Ended 3/31/08
- C. Technical Advisory Committee (TAC) draft minutes of April 9 & May 14 2008
- D. Status Report on Voluntary Administrative Assessment Program

XI. DIRECTOR’S REPORTS

XII. EXECUTIVE OFFICER COMMENTS

XIII. NEXT MEETING DATE –JULY 2, 2008 (MRWPCA-Board Room) 2:00 P.M.

XIV. ADJOURNMENT

This agenda was forwarded via e-mail to the City Clerks of Seaside, Monterey, Sand City and Del Rey Oaks; the Clerk of the Monterey Board of Supervisors; the Clerk to the Monterey Peninsula Water Management District; the Clerk at the Monterey County Resources Agency and the California American Water Company for posting on May 30, 2008 per the Ralph M. Brown Act. Government Code Section 54954.2(a).

ITEM NO. III.

**APPROVAL OF
MINUTES**

REGULAR MEETING
Seaside Groundwater Basin Watermaster
April 2, 2008

DRAFT MINUTES

I. CALL TO ORDER

Chairman Rubio called the meeting to order at 2:00 p.m. in the Monterey Regional Water Pollution Control Agency Boardroom at 5 Harris Court, Building D, Monterey.

II. ROLL CALL

City of Seaside – Mayor Ralph Rubio, Chairman
Laguna Seca Subarea Landowner – Director Bob Costa
Monterey Peninsula Water Management District – (Alternate) Kristi Markey
California American Water – Director Tom Bunosky
City of Del Rey Oaks – Mayor Joseph Russell, Treasurer
City of Monterey – Councilmember Frank Sollecito
City of Sand City – Mayor David Pendergrass
Coastal Subarea Landowner – Director Paul Bruno, Vice Chairman
Monterey County/Monterey County Water Resources Agency – (Alternate) Curtis Weeks

III. APPROVAL OF MINUTES

Moved by Director Sollecito, seconded by Mayor Russell, and unanimously carried, to approve the Watermaster Regular Meeting minutes of March 5, 2008.

IV. REVIEW OF AGENDA

There were no changes to the agenda.

V. PUBLIC PARTICIPATION/ORAL COMMUNICATIONS

There were no questions or comments from the public.

VI. CONSENT CALENDAR

- A. Approval of Summary for Payments made in March 2008 \$11,200.00
- B. Current Year Financial Reports – Through March 31, 2008

Moved by Director Sollecito, seconded by Director Bruno, and unanimously carried, to approve the payment of bills and the current fiscal year financial reports.

VII. ORAL PRESENTATION

- A. Update on State Water Resources Control Board (SWRCB) Cease and Desist Order Concerning California American Water’s Diversion from the Carmel River – Don Freeman

Mr. Freeman reported that he attended the pre-hearing one week ago in Sacramento. CAW had requested the SWRCB narrow the issue to whether or not CAW was in compliance with Order 95-10; if found not in compliance, then advise of any remedy requirements. The requested limited-scope process was derailed by environmentalists seeking to have SWRCB reopen all environmental issues relating to the Carmel River, which the Board allowed by offering parties the opportunity to file briefs regarding all Carmel River issues by next Wednesday, April 9th. Responsive briefs are due by April 23rd. A draft brief has been prepared, and is circulating at the meeting today, to be submitted to all members of the Watermaster Board and all attorneys that have attended any of the hearings, concurring that the narrow issue of compliance with Order 95-10 needs to be set forth in the draft CDO and would involve only CAW and the SWRCB. If, and only if, non-compliance is determined, Watermaster and the cities would then become involved submitting evidence on how any required remedies would affect the Seaside Basin. SWRCB would then determine its course in the matter and its interpretation of the issues at a hearing on May 7, 2008. The currently scheduled June 19th & 20th evidentiary hearing most likely will not occur because of the briefing schedule conflicting with preparation. Mr. Freeman met with Judge Randall Monday, March 24 to discuss the role of the Watermaster Board in the issue and the judge indicated the Board should continue on as a full party. There was no objection to the City of Seaside representing the Watermaster Board at any hearings or filing any paperwork with SWRCB in the matter. Chair Rubio, Director Bunosky, and Mr. Freeman all commended Director Weeks, MCWRA, for coordinating multiple excellent presentations of water projects currently underway throughout the County at yesterday's SWRCB policy statement hearing. Mayor Joe Russell and Director Bruno as an individual also spoke at the hearing. Watermaster Board representation has been provided at not cost through counsel of the City of Seaside, CAW, and MPWMD. Director Bunosky suggested the Board consider codifying a position in support of the narrow scope and liability, and remedy bifurcation of the issue, such consideration to be placed on the agenda of a subsequent Board meeting.

VIII. OLD BUSINESS

A. COMMITTEE REPORTS

1. BUDGET AND FINANCE COMMITTEE

- a) Consider a request to encourage CAW to submit a thorough report and an "accounting of all expenditures it has made for water supply augmentation that it contends has or will result in replenishment of the Basin," and establish a deadline for submittal.

CEO Evans reviewed the submitted staff memorandum on the matter. He stated that he had discussed the credit request from CAW for \$13,469,120 submitted in a letter to the Board at the March 5, 2008 Board meeting with Budget/Finance Committee Chairman, Ray Corpus who respectfully requested CAW pay the entire past due amount immediately with any credit determined at a later date to be reimbursed to

CAW at that time. Mr. Freeman will meet with CAW counsel Tim Miller soon to determine what information is needed from CAW for the Budget/Finance Committee to determine the validity of the credit. If CAW and Watermaster at some point do not agree on the validity of the credit, then the Court would need to arbitrate. The letter received on March 5 was very broad and CAW has been asked for more detail as to how the project directly benefits the basin. Chair Rubio pointed out that the order is not specific as to the process for issuing credits, but is specific for assessment payment requirements; in order for the Board to be in compliance with the adjudication CAW should pay the replenishment assessment amount it owes; if a white paper is submitted then, at a minimum, it should be accompanied by a payment of the 2005/06 replenishment assessment as a good faith gesture.

Director Bruno appreciated Chair Rubio's comments, noting that they were a departure from direction given to CAW during Budget/Finance Committee meetings to pay assessments when funding was needed for replenishment expenditures; Director Bruno took issue with the 5% penalty for non-payment added to CAW's assessments for 2005/06 and 2006/07. Director Russell noted that the Watermaster Board did not directly communicate to CAW not to pay its assessment.

Director Weeks acknowledged CAW's efforts to develop sources of water to the Peninsula, and to some degree the Basin, and suggested future discussion by the Board on the role of Watermaster and its committees in considering these efforts and how they affect the levying of replenishment assessments while maintaining compliance with the Court.

Director Markey requested CAW provide within the white paper an assessment of the viability of the project in the long-term.

Mr. Freeman suggested that the Board allow 90 days for he and CAW Counsel Miller to meet and determine the information needed to process the credit requested as it pertains to health of the Seaside Basin and then present findings to the Board to aid in its direction to the Budget/Finance Committee as to whether to accept or reject the credit, in whole or in part, and to present to the Court as addressing the issue in compliance with the Court Order.

Director Bunosky stated that CAW's intent was to fully cooperate with the Board to furnish whatever is requested and to furnish a "white paper" summary of credit request expenditures as well as an explanation of the actual Basin replenishment process as it relates to the assessment in approximately three weeks, to be followed up by a detailed accounting after applicability of the credit to the Basin is determined by Watermaster.

Mr. Freeman stated initial meetings between counsels can set parameters as to what should be considered for credit and brought to the Board, and subsequently the Court, for approval.

Chair Rubio expressed concern regarding the disconnect between the Board and committees on what the Board desires and what committees are communicating. If the committee had expressed to CAW that payment of assessments could be delayed, then penalties are not applicable, but a good-faith partial payment of what is owed seems in order.

Moved by Director Sollecito, seconded by Director Bruno, and unanimously carried, to request California American Water submit to Watermaster Budget/Finance Committee within 30 days a white paper summary giving an account of all expenditures it has made for water supply augmentation that it contends has or will result in replenishment of the Basin.

2. TECHNICAL ADVISORY COMMITTEE (TAC)

No current report.

B. OTHER OLD BUSINESS

- 1. Consider approving agreement to provide funding assistance for MRWPCA's Ground Water Replenishment Project (GWRP)**

Mayor Russell indicated, speaking as Chair of the MRWPCA Board, that staff, counsel and the executive director had accepted the contract as written. Chair Rubio commended staff for presenting the issue in contract form for Board approval. Mayor Pendergrass, speaking as a board member of MRWPCA, requested the Watermaster staff allow more time than receipt of the contract on Thursday afternoon for Friday approval when submitting documents for approval.

Director Bruno pointed out that the motion regarding approval of the funding at the last meeting stated *up to* \$100,000; the contract is worded *total fixed amount* of \$100,000. Mr. Jaques stated that "up to" is an indeterminate amount and MRWPCA would most likely not be able to proceed under those terms; projected cost is \$130,000 so total fixed of \$100,000 is not an issue.

Moved by Director Bruno, seconded by Director Costa, and unanimously carried, to approve the contract as written, acknowledging a policy change from funding up to \$100,000 to a fixed amount of \$100,000.

IX. NEW BUSINESS

- A. Consider Referring to the Rules and Regulations Committee the drafting of modifications to Seaside Groundwater Basin Watermaster Rules and Regulations to ensure that all Parties owning and/or operating wells provide Water Quality, Water Level and Water Extraction**

information to Watermaster on a timely basis, which is necessary for Watermaster's monitoring program

Mr. Freeman stated that the Court has ordered changes to the bylaws in this regard; CAW Counsel, Tim Miller is preparing a draft of changes to address the matter. Chair Rubio appointed Directors Lehman and Bunosky to the Rules and Regulations Committee in addition to Mr. Jim Heisinger, Mayor Pendergrass, and Director Costa.

Moved by Director Bruno, seconded by Director Sollecito, and unanimously carried, to refer to the Rules and Regulations Committee the drafting of the modifications to the Seaside Groundwater Basin Watermaster Rules and Regulations to ensure that all parties owning and/or operating wells provide Water Quality, Water Level and Water Extraction information to Watermaster on a timely basis, which is necessary for Watermaster's monitoring program.

X. INFORMATIONAL REPORTS

- A. Timeline schedule of Milestone dates (Critical date monitoring)
 - B. Watermaster Achievements in 24 months since March 27, 2006 (2nd anniversary of original court decision)
 - C. Report of Groundwater Production for Quarter Ended 12/31/07
 - D. Technical Advisory Committee (TAC) draft minutes of March 12, 2008
- There were no questions or comments.

XI. DIRECTOR'S REPORTS

There were no reports from directors.

XII. EXECUTIVE OFFICER COMMENTS

Next TAC meeting is scheduled for Wednesday, April 9, 2008 at Seaside City Hall.

XIII. NEXT MEETING DATE – MAY 7, 2008 at the Monterey Regional Water Pollution Control Agency (MRWPCA) Board meeting room at 5 Harris Court, Building "D" on Ryan Ranch in Monterey at 2:00 P.M.

XIV. There being no further business, Chairman Rubio adjourned the meeting at 3:05 p.m.

ITEM NO. VI.

CONSENT CALENDAR

SEASIDE GROUNDWATER BASIN
WATERMASTER

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: June 4, 2008
SUBJECT: Summary of Payments Authorized to be paid in April and May, 2008.

PURPOSE:

To advise the Board of payments authorized to be paid during the months of April and May, 2008

RECOMMENDATIONS:

Consider approving the payment of bills submitted and authorized to be paid by the CEO during the months of April and May, 2008

COMMENTS and FISCAL IMPACT:

APRIL:

DDEvans Consulting (Professional Services Agreement—CEO) -March 24, 2008 through April 20, 2008; worked on Watermaster business a total of 85.25 hours at \$100.00 per hour or **\$8,525.00**. Prepared and distributed Board of Director's agenda packets for April 2, 2008 Board meeting, Discussed and coordinated contacts with various well owners/operators with added monthly reporting of water levels and water quality readings. Reviewed and analyzed a variety of reports and coordinated responses to inquiries from the public and interested parties. Had discussions with Russ McGlothlin on items for April Board meeting. Discussed and followed up on California American Water's billings for delinquent payment of replenishment assessments. Reviewed TAC meeting agenda packet and related TAC minutes, worked with RBF Consulting on contract billings; attended SWRCB meeting on April 1st held in Monterey. Updated web site information, held discussions on Hydrometrics contract discussions. Prepared reports and suggestions for Rules and Regulations Committee meeting to be held later in month.

Robert "Bob" Jaques (Technical Program Manager) –March 24, 2008 through April 22, 2008 worked a total of 50 hours at \$100.00 per hour and paid \$8.25 for postage for Well Surveying RFPs for a total of **\$5,008.25**. Worked on preparing TAC meeting agenda packet, attending and participating in TAC meeting. Prepared TAC minutes and distributed to TAC members and followed up on TAC meeting actions. Assisted with preparing Watermaster Board meeting agenda packet and e-mailing same to CEO. Attended Board meeting and meetings on follow-up items. Met with CEO and Laura Dadiw on outstanding list of WM items. Reviewed well surveying proposals, contacted submitting firms to clarify questions regarding proposals, checked references, prepared recommendation to TAC and to WM Board.

HydroMetrics, LLC—Contract for \$145,530.00 dated February 7, 2008—one invoice was submitted and authorized for payment during the month of April for **\$2,143.83**. The invoice dated April 1, 2008 was for 13.5 hours at \$145.00 per hour or \$1957.50 for analyzing Bayonet well need, TAC meeting, BMAP meeting, discussion of long term solution to section of BMAP and \$186.33 for mileage costs and lunch for the Watermaster Technical Group meeting.

MAY:

DDEvans Consulting (Professional Services Agreement—CEO) –April 21, 2008 through May 24, 2008; Spent a total of 58.5 hours on Watermaster business during this period of time; 58.5 hours at \$100.00 per hour or **\$5,850.00**. There was no Watermaster Board meeting during this time period. Spent majority of time on setting up, preparing information, attending and following up on committee meetings with the WM’s Rules and Regulations Committee and Budget and Finance Committee. Additionally, time was spent on general office duties which included answering correspondence, telephone, e-mail inquiries, etc.. Processed bill payments, reconciling financial accounts and working with RBF Consulting on settling contract financial issues. Reviewed TAC meeting agenda packet and follow up minutes. Discussed outstanding WM issues with Bob Jaques and Laura Dadiw.

Robert “Bob” Jaques (Technical Program Manager) – April 23, 2008 through May 23, 2008 worked a total of 26 hours at \$100.00 per hour for a total of **\$2,600.00**. Spent majority of time on preparing, attending, and following up on TAC meeting matters. Met with CEO and Laura Dadiw on WM outstanding items. Followed up on e-mails, telephone calls and other correspondence during month. Drafted contracts for Central Coast Surveyors and modifications to MPWMD contract. Met with R. Simonitch of Creegan and D’Angelo for briefing on CAW, CWP and ASR projects status. Reviewed RBF Consulting database issues in preparation for telecom with S. Bein of RBF; telephone contact with S. Bein of RBF.

HydroMetrics, LLC –Contract for \$145,530.00 dated February 7, 2008—one invoice was submitted and authorized for payment during the month of May for **\$3,917.50**. The invoice dated May 5, 2008 was for 5.5 hours at \$145.00 per hour for \$797.50 for participating in TAC meeting, reviewing well locations with Joe Oliver and review of sentinel well data for Seawater Intrusion Response Plan. Payment of \$3,120.00 to Hydrologist Gus Yates for Seaside Basin Planning of water-level information gathering and attending project team meeting on March 18th to review previous storage calculations and seawater intrusion response plan.

MPWMD—Contract for \$112,720.00 dated January 1, 2008—one invoice was submitted and authorized for payment during the month of May for **\$23,983.89**. The invoice dated May 14, 2008 consists of labor costs of \$12,680.00 amounting to some 156.5 hours of developing and reviewing of a database, monthly water level collection , collecting water quality samples and reporting and \$11,303.89 of direct costs. The direct costs include water quality sampling equipment, laboratory testing, induction logging, retrofit, etc..

MPWMD—Contract for \$17,460.00 dated January 1, 2008—one invoice was submitted and authorized for payment during the month of May for **\$715.00**. The invoice dated May 14, 2008 consists of labor costs of \$315.00 for 4.5 hours of water level and water quality sample collections and 2.0 hours of laboratory analysis of \$400.00.

Total payments authorized to be paid during:

April	\$15,677.08
May	<u>37,066.39</u>

Total for April and May \$52,743.47

Seaside Groundwater Basin Watermaster
Budget vs. Actual Administrative Fund
 Fiscal Year (January 1 - December 31, 2008)
 Balance through May 31, 2008

	Estimated Balances & 2008 Adopted Budget	Year to Date Income/ Expenses	Balance
Available Balances & Assessments			
Dedicated Reserve	25,000.00	-	-
FY 2007 (Estimated Rollover)	21,216.00	21,216.00	-
FY 2008 Assessments	87,000.00	63,574.00	23,426.00
Available	133,216.00	84,790.00	23,426.00
Expenses			
Contract Staff	108,000.00	38,300.00	69,700.00
Total Administrative	108,000.00	38,300.00	69,700.00
Total Available	25,216.00		
Dedicated Reserve	25,000.00		
Net Available	216.00		

Seaside Groundwater Basin Watermaster
Budget vs. Actual Monitoring & Management - Operations Fund
 Fiscal Year (January 1 - December 31, 2008)
 Balance through May 31, 2008

	<u>Estimated Balances & 2008 Adopted Budget</u>	<u>Approved Contracts Budget</u>	<u>Income/ Encumbrance</u>	<u>Estimated Year to Date Income/ Expense</u>
Available Balances & Assessments				
Monitoring & Management - Ops Fund	\$ 430,240.00	\$ -	\$ -	\$ 419,699.20
FY 2007 (Estimated Rollover)	110,000.00	-	-	110,000.00
Estimated Total Available	<u>\$ 540,240.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 529,699.20</u>
Appropriations & Expenses				
GENERAL				
Technical Project Manager	\$ 100,000.00	\$ -	\$ -	\$ 22,273.76
Contingency @ 20% (not including TPM)	55,040.00	-	-	-
Total General	<u>\$ 155,040.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,273.76</u>
CONSULTANTS (Hydrometrics)				
Program Administration	\$ 12,000.00	\$ 18,630.00	\$ 10,767.50	\$ 1,232.50
Production/Lvl/Qlty Monitoring	13,000.00	35,240.00	12,855.00	145.00
Basin Management	100,000.00	74,980.00	95,085.00	4,915.00
Seawater Intrusion	40,000.00	16,680.00	39,692.50	307.50
Direct Costs	-	-	-	186.33
Total Consultants	<u>\$ 165,000.00</u>	<u>\$ 145,530.00</u>	<u>\$ 158,400.00</u>	<u>\$ 6,786.33</u>
MPWMD				
Production/Lvl/Qlty Monitoring	\$ 91,700.00	94,040.00	\$ 81,520.00	\$ 10,180.00
Basin Management	5,000.00	11,480.00	3,800.00	1,200.00
Seawater Intrusion	6,000.00	7,200.00	5,100.00	900.00
Water Quality and Level Collection	-	-	-	715.00
Direct Costs	-	-	-	11,303.89
Total MPWMD	<u>\$ 102,700.00</u>	<u>\$ 112,720.00</u>	<u>\$ 90,420.00</u>	<u>\$ 24,298.89</u>
MCWRA				
Program Administration	\$ -	\$ -	\$ -	\$ -
Production/Lvl/Qlty Monitoring	2,500.00	2,645.00	2,500.00	-
Basin Management	1,000.00	920.00	1,000.00	-
Seawater Intrusion	4,000.00	4,370.00	4,000.00	-
Total MCWRA	<u>\$ 7,500.00</u>	<u>\$ 7,935.00</u>	<u>\$ 7,500.00</u>	<u>\$ -</u>
Total Appropriations & Expenses	<u>\$ 430,240.00</u>	<u>\$ 266,185.00</u>	<u>\$ 256,320.00</u>	<u>\$ 53,358.98</u>
Total Estimated Available	<u>110,000.00</u>			

Seaside Groundwater Basin Watermaster
Budget vs. Actual Replenishment Fund
 Fiscal Year (January 1 - December 31, 2008)
 Balance through May 31, 2008

	<u>FY 2006 Adopted Budget</u>	<u>FY 2007 Adopted Budget</u>	<u>FY 2008 Revised Budget</u>	<u>Total to Date</u>
	<u>WY 05/06</u>	<u>WY 06/07</u>	<u>WY 07/08</u>	
Assessments:				
Replenishment Fund				
California American Water				
Exceeding Natural Safe Yield				
Considering Alternative Producers	\$ 2,106,652.00	2,594,166.34	\$ 5,694,874.50	\$ 10,395,040.84
Operating Yield Overproduction				
Replenishment		78,837.77	172,956.00	\$ 251,793.77
(Credit Towared Replenishment				
Assessment 2006)	(465,648.00)			
Total California American Water	<u>\$ 1,641,004.00</u>	<u>\$ 2,673,004.11</u>	<u>\$ 5,867,830.50</u>	<u>\$ 10,646,834.61</u>
City of Seaside				
Exceeding Natural Safe Yield				
Considering Alternative Producers	\$ 169,010.00	181,671.87	\$ 398,842.50	\$ 749,524.37
Operating Yield Overproduction				
Replenishment	50,940.00	510.78	56,473.00	\$ 107,923.78
Total City of Seaside	<u>\$ 219,950.00</u>	<u>\$ 182,182.65</u>	<u>\$ 455,315.50</u>	<u>\$ 857,448.15</u>
Total Assessments	<u>\$ 1,860,954.00</u>	<u>\$ 2,855,186.76</u>	<u>\$ 6,323,146.00</u>	<u>\$ 11,504,282.76</u>
Paid Assessments	<u>\$ 219,950.00</u>	<u>182,182.65</u>	<u>0.00</u>	<u>\$ 402,132.65</u>
Unpaid Balance				<u>\$ 11,102,150.11</u>

NOTE: Cal Am 5% late payment penalty assessed 1/16/07 = \$82,050.00; 5% penalty assessed 1/16/08 = \$243,052.71
City of Seaside 5% late payment penalty assessed 1/16/08 = \$9,109.13

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Dewey D Evans, CEO

DATE: June 4, 2008

SUBJECT: Ratify CEO Approval of one new Contract for a fee not-to-exceed \$8,000 and a Modification to an Existing Contract for a fee not-to-exceed \$5,000.

PURPOSE:

In order to determine an accurate water level benchmark elevation for the 98 water wells identified in the Seaside Basin it was decided by the Watermaster TAC that the most cost effective way would be through the use of GPS technology, rather than conventional surveying techniques. In order to keep the work progressing so that the data would be developed by the time it is needed by the Watermaster's consultants the CEO in consultation with the Board Chair approved a contract for a fee not-to exceed \$8,000 with Central Coast Surveyors and a modification to an existing contract with MPWMD for a fee not-to-exceed \$5,000 to assist the surveyors with their surveying work.

RECOMMENDATION:

That the Board ratify the decision of the CEO to approve both the new contract and the modification to an existing contract.

DISCUSSION:

For a thorough discussion please refer to the attached staff report from Robert S. Jaques, Watermaster Technical Program Manager.

FISCAL IMPACT:

Approval of the both the new contract and the modification to an existing contract could cost the Watermaster a total of \$13,000, (\$8,000 plus \$5,000). This amount is well within the remaining Contingency amount allocated for Phase 2 work in the 2008 Board adopted budget.

ATTACHMENTS:

- (1) Robert S. Jaques, Watermaster Technical Program Manager's Staff Report on Background of Need
- (2) Exhibit 1-Professional Services Agreement With Central Coast Surveyors
- (3) Exhibit 2-Request for Service with Attached "Scope of Work"with Central Coast Surveyors
- (4) Exhibit 3-Request for Service with Attached "Scope of Work" with MPWMD

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: June 4, 2008

SUBJECT: Consider Ratifying CEO Approval of One New Contract and a Modification to an Existing Contract, Each Under \$10,000

1. A contract with Central Coast Surveyors to Perform the GPS Surveying Work Necessary to Determine Water Levels for 98 Water Wells in the Seaside Basin for an Amount of \$8,000
 2. A Modification to the Existing Contract with MPWMD to Provide Assistance to Central Coast Surveyors in the Performance of Surveying Work for an Amount of \$5,000
-

BACKGROUND:

As part of the Basin Monitoring and Management Program, data is being collected on water quality and water levels from numerous wells throughout the Seaside Basin. Water level data is being collected from 98 of these wells. The data is typically obtained as the depth-in-feet from a surface benchmark to the water surface in the well. However, most of the wells do not have established benchmark elevations, so it is not possible to convert these depth measurements into water surface elevations.

In order to be able to use this data to plot water surface elevation contour maps, so that changes in water surface elevations, areas of depression, and other basin characteristics can be identified, the elevation of each of these benchmarks needs to be determined by surveying. Also, many of these wells do not have accurate horizontal coordinates established for them, so it is not possible to accurately plot their locations on maps.

The most cost-effective way of obtaining the necessary benchmark elevations and horizontal coordinate locations will be through the use of GPS technology, rather than conventional surveying techniques. This will give us elevation and horizontal coordinate data that is accurate to the nearest few tenths of a foot, which will be satisfactory for our purposes.

The normally scheduled Board meeting for the month of May was cancelled due to the small number of items on the agenda. The CEO then sought, and received, Board approval via email contact with Board members to enable this work to proceed, so that the data would be developed by the time it is needed by the Watermaster's consultants. These are the consultants who are preparing the Basin Management Action Plan and the Long-Term Sea Water Intrusion Report.

DISCUSSION

Central Coast Surveyors. The TAC authorized soliciting Proposals from local surveying firms to perform the GPS surveying work, and four Proposals were received. Of the four, there was consensus of

the TAC to request the Board to authorize issuing a contract for these services to Central Coast Surveyors. This firm offered the lowest cost Proposal, and based on reference checks and a review of their qualifications, this firm was determined to be well experienced and qualified to perform this type of work for the Watermaster. The firm has satisfactorily performed similar work for MPWMD, and has satisfactorily performed similar work for an environmental company currently using monitoring wells as part of the Fort Ord ground water cleanup program. In addition Mr. Paul Bruno reported that his company has worked with Central Coast Surveyors and has had satisfactory working experiences with them.

A detailed Scope of Work and cost were negotiated with Central Coast Surveyors, and formalized using the Professional Services Agreement format that is already in use with HydroMetrics, RBF, MPWMD, and MCWRA. The negotiated cost of these services is not-to-exceed \$8,000. A copy of the Professional Services Agreement attached as Exhibit 1, and the Request for Service is attached as Exhibit 2.

MPWMD. In order for Central Coast Surveyors to perform the GPS surveying work, they will need to be taken to the various wells sites and shown where the well benchmarks are located, so they can survey them. The most efficient way to do this will be to have personnel from MPWMD, who are familiar with all of these wells, accompany the survey personnel during this work, to provide them access, guide them to the well sites, and to coordinate with the well owners for these purposes. The TAC concurred with having MPWMD provide this assistance.

A detailed Scope of Work and cost were negotiated with MPWMD, and formalized by issuing a Request for Service under their existing Agreement with the Watermaster. Based on the anticipated duration of the field surveying work, the negotiated cost of these services is not-to-exceed \$5,000. A copy of the Request for Service is attached as Exhibit 3.

RECOMMENDATION:

Ratify the CEO's approval of these contracts:

1. A Professional Services Agreement and Request for Service No. 2008-01 with Central Coast Surveyors to perform the GPS surveying work described above for an amount not-to-exceed \$8,000.
2. Request for Service No. 2008-03 under the existing contract with MPWMD to provide assistance to Central Coast Surveyors in the performance of this work for an amount not-to-exceed \$5,000.

These amounts are well within the remaining Contingency amount allocated for Phase 2 work in the 2008 budget. Work on these contracts, which were executed in mid-May, is currently in progress.

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT TO PROVIDE PROFESSIONAL SERVICES is made and entered into on 5/15/08 by and between SEASIDE GROUNDWATER BASIN WATERMASTER, hereinafter referred to as "WATERMASTER," and CENTRAL COAST SURVEYORS, hereinafter referred to as "PROFESSIONAL," as follows:

SECTION I: ADHERENCE TO TERMS OF AGREEMENT

WATERMASTER intends to literally interpret and strictly apply all terms and conditions of this Agreement. All approvals which are required to be in writing must be in writing to be valid and binding. PROFESSIONAL is encouraged to raise to WATERMASTER any questions with regard to interpretation or applicability of any provision of this Agreement before undertaking the work.

SECTION II: EMPLOYMENT

WATERMASTER hereby employs PROFESSIONAL, as an independent contractor to furnish the professional services covered by this Agreement, and the Requests for Service issued under it, in accordance with the terms and conditions set forth below, and PROFESSIONAL hereby accepts such employment.

SECTION III: WORK ASSIGNMENTS

It is the intent of WATERMASTER and PROFESSIONAL to authorize the performance of work under this Agreement by executing a series of written work assignments setting forth the specific description, scope, and costs of the work to be performed. Such assignments shall be called "Requests For Service" (RFS) and shall be numbered consecutively. Each RFS, upon execution by PROFESSIONAL and by WATERMASTER, shall become and be considered as a part of this Agreement, and all provisions herein shall apply to said RFSs. The RFS form to be used is contained in Attachment A to this Agreement.

SECTION IV: TIME OF PERFORMANCE

- A. General - Time is of the essence on the work of the RFSs issued under this Agreement. Therefore, PROFESSIONAL shall perform its services in a

timely manner. Specific performance times shall be specified for each individual RFS under this Agreement. PROFESSIONAL shall make every reasonable effort, including assigning of additional personnel to the work and/or working overtime, to complete the authorized work within these stipulated time periods. The taking of such additional measures to complete the work within the stipulated time periods will not entitle PROFESSIONAL to additional compensation, if the work is being performed under the Lump Sum Payment Method, except as provided for in Section V, Paragraph B.

- B. Subcontracted Services - For subcontracted services PROFESSIONAL shall contract for and schedule such services in a timely fashion in accordance with the requirements of the work, and shall be fully responsible for the performance and quality of all work performed by its subcontractors.
- C. Extensions of Time - The time of performance established for a particular RFS may be extended at any time prior to completion of the work by mutual agreement in writing between WATERMASTER and PROFESSIONAL.

SECTION V: COMPENSATION

- A. General - WATERMASTER and PROFESSIONAL shall negotiate the costs and fees for each specific RFS. The method of payment of said costs and fees shall be either on a lump-sum basis, on a cost-plus-a-fixed-fee basis, or on a time-and-expense basis. The method of payment will depend on the specific conditions, the scope of work, and the services to be performed for each specific RFS.
- B. Projected Cost Overruns Under Cost-Plus-a-Fixed-Fee or Time-and-Expense Payment Methods - If, at any time in the performance of the work of a specific RFS under the Cost-Plus-a-Fixed-Fee or Time-and-Expense payment methods, PROFESSIONAL has reason to believe that the costs which it expects to incur to complete the work of that RFS will exceed the total amount authorized for that RFS, PROFESSIONAL shall notify WATERMASTER in writing to that effect. The notice shall:
 - (1) State the reason(s) why PROFESSIONAL anticipates a cost overrun;

- (2) State the estimated amount of additional funds beyond the total amount currently authorized that will be required to complete the work authorized by the RFS; and
- (3) Provide recommendations of how the overrun can be avoided;

If, after such notification, additional funds are not allotted, WATERMASTER will, if required in writing by PROFESSIONAL, terminate the work of that particular RFS pursuant to the provisions in Section VI, TERMINATION.

- C. Lump-Sum Payment Method - WATERMASTER may elect to pay PROFESSIONAL a lump sum Total Price amount to be determined for a specific RFS. In addition to this lump sum amount, a Special Services allowance, as defined in this section, may also be established.
1. Lump Sum Total Price - PROFESSIONAL shall perform all work authorized by a lump sum type of RFS for the lump sum Total Price amount. No additional payments for said work will be requested by PROFESSIONAL or authorized by WATERMASTER, unless both parties agree that there is additional work, beyond the scope of services authorized by the RFS, which must also be performed. Before any such additional work is undertaken, WATERMASTER and PROFESSIONAL shall execute a separate amendment to the RFS setting forth the scope and costs of the additional work to be performed.
 2. Special Services Allowance - To cover unforeseen circumstances, WATERMASTER and PROFESSIONAL may negotiate a Special Services allowance. PROFESSIONAL shall provide WATERMASTER with written notification stating the reasons for requiring the utilization of any or all of the Special Services allowance. No utilization of any portion of the allowance shall occur without the prior written approval of the WATERMASTER. Special Services costs will be charged in accordance with the Time-and-Expense Payment Method as defined in Paragraph D of this section.
- D. Cost-Plus-A-Fixed-Fee Payment Method - WATERMASTER may elect to

pay PROFESSIONAL on a cost-plus-a-fixed-fee basis which shall be the sum of (1) Direct Salaries, (2) Overhead Costs, (3) Direct Non-Salary Expenses, and (4) A Fixed Fee.

1. Direct Salaries - Shall be the amount paid by PROFESSIONAL to its employees for time directly chargeable to a given RFS, exclusive of costs for fringe benefits for said employees and other payroll costs not paid to the employee.
2. Overhead Cost - Shall be a percentage of the Direct Salaries. The percentage to be charged shall be negotiated between WATERMASTER and PROFESSIONAL, and it shall be stipulated in each RFS for which this type of payment method will be used.
3. Direct Non-Salary Expenses - Shall be all identifiable costs directly chargeable to each RFS including, but not limited to: travel and subsistence expenses; work subcontracted to others; reproduction of plans, specifications, reports and other documents; equipment rental; and, drafting and stenographic supplies used in the work. The chargeable rate for automobile mileage for the work to be performed under this shall be stated in the RFS.
4. Fixed Fee - Shall be a fixed amount for interest on invested capital, readiness to serve, and profit. A fixed fee shall be established for each specific RFS for which the cost-plus-a-fixed-fee payment method will be used. This fixed fee will not change regardless of whether the Total Estimated Cost is greater than or less than the actual costs, unless both parties agree that there has been a change in scope. In such instance, the fixed fee will be renegotiated.
5. Total Estimated Cost - Is the sum of categories (1), (2), and (3) above.
6. Total Price - Is the sum of categories (1), (2), (3), and (4) above.
7. Invoices - Invoices shall include the costs incurred in categories (1), (2), and (3), plus a proportionate amount of the category (4) Fixed Fee.

- E. Time-and-Expense Payment Method - For tasks for which the scope of work is not readily definable, WATERMASTER may elect to pay PROFESSIONAL on a time-and-expense basis in accordance with the PROFESSIONAL's most current Standard Schedule of Compensation. The hourly rates set forth in the Standard Schedule of Compensation shall be inclusive of all direct and indirect salary costs, overhead, fringe benefits, profit, and other costs, and shall reflect the total hourly charge for each listed job category. Other direct non-salary expenses for the performance of work authorized under the Time-and-Expense Payment Method shall be all identifiable costs directly chargeable to each RFS including, but not limited to: travel and subsistence expenses; work subcontracted to others; reproduction of plans, specifications, reports and other documents; equipment rental; and, drafting and stenographic supplies used in the work. The chargeable rate for automobile mileage for the work to be performed under this Agreement shall be stated in the RFS. Direct non-salary expenses shall be compensated for at their actual cost, unless otherwise stated in the RFS, providing they have been authorized in advance by WATERMASTER. A Total Price, which may not be exceeded without WATERMASTER's prior written approval, will be established for each specific RFS for which this payment method will be used.
- F. Terms of Payment - PROFESSIONAL shall invoice WATERMASTER monthly for work completed during the previous month, unless a different invoicing frequency is agreed to by both parties to this Agreement. All invoices shall be due and payable within thirty (30) days of the date of receipt by WATERMASTER, provided all costs included in the invoice are adequately supported by documentation accompanying the invoice. If payment is not made within sixty (60) days of the date of receipt by WATERMASTER, interest on the unpaid balance will accrue beginning with the sixty-first day at the rate of 1.0 percent per month, or the maximum interest rate permitted by law, whichever is the lesser. Such interest shall become due and payable at the time said overdue payment is made.
- G. Penalty for Late Performance - The PROFESSIONAL is not responsible for delays in the schedule caused by events outside PROFESSIONAL's reasonable control. However, in the event PROFESSIONAL fails to properly complete work within thirty (30) days of the date such work is due (pursuant to schedules developed in accordance with Section IV of this Agreement), because of events within PROFESSIONAL's reasonable

control, WATERMASTER SHALL reduce the total compensation established for the work of that RFS by ten percent (10%). Said reduction shall be deemed liquidated damages for the untimely performance of work required by this Agreement. PROFESSIONAL shall be deemed to have waived any claim for such amount by reason of his failure to perform in a timely fashion.

SECTION VI: TERMINATION

Notwithstanding the above, WATERMASTER reserves the right to terminate any RFS to this Agreement at any time prior to the completion of the services to be furnished by PROFESSIONAL under said RFS by giving a written Notice of Termination to PROFESSIONAL, in which event WATERMASTER shall pay PROFESSIONAL only for work done and direct costs incurred by PROFESSIONAL under said RFS prior to receipt of such notice of termination. Such costs will include reasonable costs to bring the work to a halt, and costs to deliver to WATERMASTER the documentation described in the following paragraph. Termination of a particular RFS will not affect any other operative RFS.

Upon receipt of a Notice of Termination, PROFESSIONAL shall (1) promptly discontinue all services affected (unless the notice directs otherwise), and (2) deliver to WATERMASTER all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by PROFESSIONAL in performing work under this Agreement, whether completed or in process.

Upon termination WATERMASTER may take over the work and prosecute the same to completion by agreement with another party or otherwise. Any work taken over by WATERMASTER for completion will be completed at WATERMASTER's risk, and WATERMASTER will hold harmless PROFESSIONAL from all claims and damages arising out of improper use of PROFESSIONAL's work.

SECTION VII: WATERMASTER LIABILITY

PROFESSIONAL understands that this Agreement is with WATERMASTER alone, and that none of the members of WATERMASTER are liable for any sums which may be payable hereunder, or for any debts of WATERMASTER.

SECTION VIII: CHANGES

WATERMASTER may, at its discretion and from time to time, revise, correct, or modify the work to be performed under an RFS. All such changes shall be made formally and in writing to PROFESSIONAL. PROFESSIONAL shall comply with such changes. Should PROFESSIONAL determine that said changes will result in an increase or decrease in costs to PROFESSIONAL, these costs shall be evaluated by WATERMASTER and PROFESSIONAL for negotiation as to adjustment in the compensation due PROFESSIONAL, and written agreement as to said adjustment shall be reached between the parties prior to commencement of any work that will cause an increase or decrease in PROFESSIONAL's costs. Any increased costs in excess of the Total Price incurred by PROFESSIONAL prior to execution of a written agreement covering said increased costs shall not be compensable.

SECTION IX: DUTIES OF WATERMASTER

WATERMASTER agrees to perform duties in connection with this Agreement and RFS issued under it as follows:

- A. To assist PROFESSIONAL in obtaining any available information concerning location and details of facilities under control of WATERMASTER that may affect the work of an RFS, and to render reasonable assistance to PROFESSIONAL;
- B. To examine within a reasonable time so as not to delay the work of PROFESSIONAL, all studies, reports, sketches, drawings, specifications, cost estimates, proposals and other documents presented by PROFESSIONAL to WATERMASTER for such purpose;
- C. To give prompt written notice to PROFESSIONAL whenever WATERMASTER observes or otherwise becomes aware of any defect in the work of PROFESSIONAL;

SECTION X: DATA FURNISHED BY WATERMASTER

For the purpose of aiding PROFESSIONAL in the performance of its obligations under this Agreement and RFS issued under it, WATERMASTER shall furnish PROFESSIONAL all relevant data in its possession and shall render all reasonable assistance to PROFESSIONAL in connection with its performance hereunder. WATERMASTER is responsible for the reasonable correctness of data so furnished, but

it shall likewise be the responsibility of PROFESSIONAL to apply reasonable caution in its use and interpretation of the data and to promptly advise WATERMASTER of any incorrectness or suspected incorrectness in the data furnished.

WATERMASTER shall provide to PROFESSIONAL in a timely manner all materials, decisions, and direction which are necessary to the progress of the work and which are basically the prerogative of WATERMASTER, but which PROFESSIONAL is not required to determine or provide under the terms of this Agreement.

SECTION XI: RESPONSIBILITIES OF PROFESSIONAL

PROFESSIONAL is employed to render a professional service only, and any payments made to him are compensation solely for such services as he may render and recommendations he may make in carrying out the work. PROFESSIONAL shall follow professional practices to make findings, opinions, factual presentations, and professional advice and recommendations.

PROFESSIONAL's review or supervision of work prepared or performed by other individuals or firms employed directly by WATERMASTER shall not relieve those individuals or firms of complete responsibility for the adequacy of their work.

PROFESSIONAL shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports and other services furnished by PROFESSIONAL under this Agreement. PROFESSIONAL shall, without additional compensation, correct or revise any errors, omissions or other deficiencies in his designs, drawings, specifications, reports and other services.

PROFESSIONAL shall perform such professional services as may be necessary to accomplish the work required to be performed under this Agreement and in accordance with this Agreement.

Approval by WATERMASTER of drawings, designs, specifications, reports, and incidental engineering work or materials furnished hereunder shall not in any way relieve PROFESSIONAL of responsibility for the technical adequacy of his work. Neither WATERMASTER's review, approval or acceptance of, nor payment for, any of the services rendered under this Agreement shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

PROFESSIONAL shall be and remain liable in accordance with applicable law for all damages to WATERMASTER caused by PROFESSIONAL's negligent performance of any of the services furnished under this Agreement. The only exception in this regard will be for errors, omissions or other deficiencies to the extent attributable to WATERMASTER, WATERMASTER-furnished data or any third party not under the control of PROFESSIONAL. PROFESSIONAL shall not be responsible for any time delays in the project caused by circumstances beyond PROFESSIONAL's control.

SECTION XII: SUBCONTRACT

WATERMASTER has entered into this Agreement in order to receive the professional services of PROFESSIONAL. PROFESSIONAL will therefore not make an assignment to a third party of all or any portion of the services required of PROFESSIONAL under this Agreement and RFSs thereto without first obtaining the written consent of WATERMASTER. PROFESSIONAL may, however, make use of the part-time assistance of other experts possessing unique skills, the utilization of which will, in the opinion of PROFESSIONAL, enhance the quality of its service to WATERMASTER under this Agreement provided, however, that any such additional assistants, part-time or otherwise, shall be considered employees of PROFESSIONAL or of PROFESSIONAL's subcontractor(s), and the responsibility for same shall rest with PROFESSIONAL.

SECTION XIII: INDEPENDENT PROFESSIONAL

PROFESSIONAL shall perform the services hereunder as an independent contractor, and nothing herein contained shall be construed to be inconsistent with this relationship or status. The employees of PROFESSIONAL shall not be deemed to be the employees of WATERMASTER, and WATERMASTER shall have no right to control the physical conduct of PROFESSIONAL's employees.

SECTION XIV: USE OF DOCUMENTS

For all work performed under this Agreement and all RFSs thereto, PROFESSIONAL shall provide to WATERMASTER copies of all plans, drawings, specifications, studies, reports, analyses, calculations, and all other work products and supporting documentation developed in the course of performing the work authorized by these agreements. The costs for reproducing, assembling, and delivering said copies of these documents to WATERMASTER shall be considered to have been included in the price for performing each RFS, whether or not specifically stated therein. Unless stated

otherwise in the RFS, one paper copy, and the electronic file on disc or on CD (e.g. in MS Word, MS Excel, etc.), of each document shall be provided by PROFESSIONAL to WATERMASTER. WATERMASTER shall have the right, and permission of PROFESSIONAL, to use any such document for any purpose which WATERMASTER deems appropriate. Use of documents for other than their intended purpose shall be at WATERMASTER's risk. WATERMASTER shall hold PROFESSIONAL harmless from all claims and damages arising out of improper use of said documents.

SECTION XV: AMENDMENTS AND SCOPE OF AGREEMENT

WATERMASTER hereby reserves the right to amend the provisions of this Agreement from time to time as may be in the best interest of WATERMASTER. Such amendments, upon acceptance by PROFESSIONAL and by WATERMASTER, shall become and be considered as part of this Agreement, and all provisions herein shall apply to such amendments.

This Agreement constitutes the entire agreement between the parties relative to the subject matters hereof, and no modifications thereof shall be effective unless and until such modifications are evidenced by written amendments, signed by both parties, to this Agreement. There are no understandings, agreements, conditions, representations, warranties, or promises with respect to the subject matter of this Agreement which are not actually contained in the Agreement, except those expressly contained in such written amendments.

SECTION XVI: SUCCESSORS AND ASSIGNS

This Agreement and all amendments thereto shall be binding upon and inure to the benefit of any successors and assigns of the respective parties hereto.

SECTION XVII: ATTORNEYS' FEES

If any legal action is necessary to enforce or interpret the terms or provisions of this Agreement and all amendments thereto, and the respective rights and duties of the parties hereunder, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which he may be entitled.

SECTION XVIII: JURISDICTION

This Agreement shall be administered and interpreted under the laws of the State

of California. Jurisdiction of litigation arising from this Agreement shall be in this state. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall be in full force and effect.

SECTION XIX: INSURANCE

PROFESSIONAL shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by PROFESSIONAL, his agents, representatives, employees or subcontractors.

A. Minimum Scope and Limits of Insurance

PROFESSIONAL shall maintain the types of insurance with limits no less than those set forth below, and having no deductibles, except as noted.

The coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
2. Insurance Services Office Form No. CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability insurance appropriate to the consultant's profession. For architects and engineers this coverage shall be endorsed to include contractual liability.

Required coverage:

1. General Liability Insurance: Combined single limit of \$1,000,000 per occurrence and \$2,000,000 annual aggregate for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability Insurance: \$1,000,000 per accident for bodily injury and property damage.

3. Employer's Liability Insurance: \$1,000,000 per accident for bodily injury or disease. If PROFESSIONAL has no employees, this coverage is not required.
4. Workers' Compensation Insurance: As required by the State of California.
5. Errors and Omissions Insurance: PROFESSIONAL shall procure and maintain errors and omissions liability insurance appropriate to the type of professional services that PROFESSIONAL will be providing under this Agreement. The minimum coverage shall be \$1,000,000 per claim and in the aggregate.

B. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by WATERMASTER before any work under this Agreement is performed.

C. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. WATERMASTER, its officers, officials, employees, and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of PROFESSIONAL; products and completed operations of PROFESSIONAL; premises owned, occupied or used by PROFESSIONAL; or, automobiles owned, leased, hired or borrowed by PROFESSIONAL. The coverage shall contain no special limitations on the scope of protection afforded to WATERMASTER, its officers, officials and employees.
2. For any claims related to this project, PROFESSIONAL's insurance coverage shall be primary insurance as respects WATERMASTER, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by WATERMASTER, its officers, officials, employees, or volunteers shall be excess of PROFESSIONAL's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to

WATERMASTER, its officers, officials and employees.

4. PROFESSIONAL's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to WATERMASTER.
6. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A. M. Best's rating of no less than A:VII, unless otherwise acceptable to WATERMASTER.

F. Verification of Coverage

PROFESSIONAL shall furnish WATERMASTER with original certificates and amendatory endorsements effecting coverage required by this section. The endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by WATERMASTER before work commences. If this is not possible due to time constraints prior to commencement of work, PROFESSIONAL may initially furnish Certificates of Insurance in lieu of endorsements, as long as the endorsements are provided within forty-five (45) days from the date of execution of this Agreement.

G. Subcontractors

PROFESSIONAL shall include all subcontractors as insureds under its policies or shall furnish separate evidence of coverage and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

SECTION XX: INDEMNIFICATION

PROFESSIONAL shall indemnify and hold harmless WATERMASTER and its officers, officials, employees and agents from and against all losses, claims, demands, payments, suits, actions, recoveries, and judgements of every nature and description brought or recoverable against it or them by reason of any negligent act, negligent error, or negligent omission of PROFESSIONAL, his agents, or employees for work performed under this Master Agreement.

SECTION XXI: WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person or by mail to the individuals and at the addresses listed below:

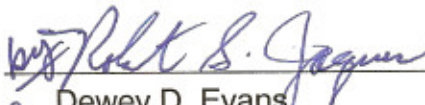
- A. WATERMASTER: Chief Executive Officer
Seaside Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940

- B. PROFESSIONAL: Central Coast Surveyors
5 Harris Court, Suite N-11
Monterey, CA 93940

IN WITNESS WHEREOF, the parties hereto have executed this Agreement consisting of fourteen (14) pages and one (1) Attachment in duplicate on the date hereinabove written.

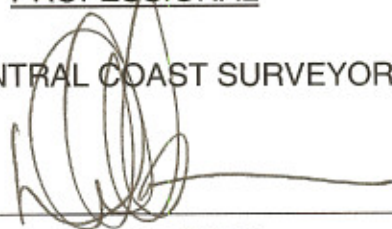
WATERMASTER

SEASIDE BASIN WATERMASTER

By 
Dewey D. Evans
Chief Executive Officer

PROFESSIONAL

CENTRAL COAST SURVEYORS

By 
Dave Edson

SEASIDE BASIN WATERMASTER
REQUEST FOR SERVICE

DATE: 5/16/2008

RFS NO.: 2008-01

(To be filled in by WATERMASTER)

TO: Dave Edson

FROM: Robert Jaques

Services Needed and Purpose:

To provide horizontal and vertical survey information for reference points at water wells located within and near the area overlying the Seaside Groundwater Basin. A detailed Scope of Work is attached as Attachment 1".

Completion Date: Work to be completed within 30 days from the date of execution of this RFS No. 2008-01.

Method of Compensation: Lump Sum, with Special Services Allowance. Cost breakdown is attached as "Attachment 2." (As defined in Section V of Agreement.)

Total Price Authorized by this RFS: \$ 8,000.00 (Cost is authorized only when evidenced by signature below.)

Total Price may not be exceeded without prior written authorization by WATERMASTER in accordance with Section V. COMPENSATION.

Requested by:  Date: 5/15/08
WATERMASTER Technical Program Manager

Authorized by:  Date: 5/15/08
WATERMASTER Chief Executive Officer

Agreed to by:  Date: 5/15/08
PROFESSIONAL

ATTACHMENT 1

SCOPE OF WORK

The Scope of Work for this RFS No. 2008-01 is:

1. To develop accurate elevation and location data for the reference points of each of the 98 wells listed in Attachment A. The locations of these wells are shown on the map in Attachment A. Note that not all of the wells are individually visible on this map, since some of them are in such close proximity that they appear as a single well.
2. To provide this data in tabular form in an Excel spreadsheet, so that the WATERMASTER can use this data to develop water level elevations from the water depth measurements it receives from the well owners, and so that these wells can be accurately plotted on maps.

The PROFESSIONAL will perform the surveying work in compliance with only the most stringent survey requirements and accuracy standards. The instrumentation to be used will be a Leica GPS 500 system supplemented with Leica TCRA 1102 total stations where GPS signal is unavailable. The work will be performed so as to provide accuracies of less than 0.1' both horizontally and vertically.

The WATERMASTER will provide personnel to accompany the PROFESSIONAL's personnel performing the field work to take them to each of the well locations where well reference point elevations and location coordinates need to be developed, and will provide access to each of those sites.

The work will proceed in the following sequence of activities:

Phase 1 - Field Work Preparation & Monitoring Well location:

Upon receipt of a Notice to Proceed the PROFESSIONAL will determine the method to be used to locate each reference point. A two person field crew will establish a coordinate system, using a GPS rover, to tie into USGS coordinates. The PROFESSIONAL will then begin recording each reference point's position and elevation. For reference points where GPS signal is unavailable the PROFESSIONAL will leave control points. These control points will be used to utilize the PROFESSIONAL's terrestrial total station to advance control if necessary, and ultimately record positions for each remaining reference point that is not accessible by a GPS rover. It is estimated that the field work to take 3.5 – 4 days.

Phase 2 - Post processing:

Once all the reference points have been located, the data will be downloaded and

processed. The PROFESSIONAL will prepare a Microsoft Excel spreadsheet containing the list of reference points (by name) along with the corresponding elevation and location data for each reference point. It is estimated that this will take one TECH 1 surveyor one day to complete. This data will be reviewed by the licensed land surveyor and delivered to the WATERMASTER on a CD in electronic format and in a hardcopy format.

Attachment A

**Tabulation
and
Location Map
of
Wells for Which
Surveying Data is to be Developed**

WELL NAME	OWNER	LOCATION
CAW - Plumas #4	California American Water Co.	Plumas Ln., Seaside
CAW - Darwin	California American Water Co.	West side of Darwin Ave. midway between Pine St and Manzanita St., Seaside
CAW - Military	California American Water Co.	Military Avenue, Seaside
CAW - Ord Grove #2	California American Water Co.	Off Ord Grove Ave. near cemetery, Seaside
CAW - New Luzern	California American Water Co.	Luzern Street, Seaside
CAW - Playa #3	California American Water Co.	40 feet East of East Front Street 255 feet North of Playa Street, Seaside
CAW - Playa #4	California American Water Co.	Playa (North side of alley), Seaside
CAW - Paralta	California American Water Co.	North end of Paralta Ave., Seaside
Reservoir Well	City of Seaside	Bayonet/Blackhorse Golf Course, Seaside
Coe Avenue Well	City of Seaside	Along Coe Ave. 240 ft. westerly from Ord Ave., then 115 ft. south, Seaside
Public Works Corp. Yard	City of Sand City	1 Sylan Park, Sand City
Cypress Pacific	Monterey Peninsula Engineering	Tioga Ave. & Hwy 1, Seaside (???)
Robinette -Design Ctr.	City of Sand City	Hickory & Shasta St., Sand City
Target	Dayton Hudson Corp. (?)	Sidewalk by Target store
PRTIW -operated by MMP	Mission Memorial Park	Northeast corner of Mission Memorial Park Cemetery
SNG	Security National Guaranty, Inc.	Pratto Plant, Hwy 1 across from Fort Ord Village, Sand City OR Hwy 1 at California St. in Sand City (???)
City #4	Seaside Municipal Water System	1760 Juarez St., Seaside
City #2	Seaside Municipal Water System	Costa & Broadway, Seaside
City #1	Seaside Municipal Water System	Del Monte Heights, off Broadway, Seaside
City #3	Seaside Municipal Water System	Next to Fort Ord fence Juarez & San Pablo St., Seaside
well lot Bishop #1 (west)	CAW - Bishop Unit	In Pasadera subdivision
well lot Bishop #2 (east)	CAW - Bishop Unit	In Pasadera subdivision
Mutual	CAW - Hidden Hills Unit	In CAW Hidden Hills well lot
Standex	CAW - Hidden Hills Unit	Off Laureles Grade Rd., approx. 1/2 miles west of Laureles Rd and Baronet Dr. and approx. 200 feet off Baronet Dr.
Bay Ridge	CAW - Hidden Hills Unit	
RR#7	CAW - Ryan Ranch #7	Approximately 1 mile East on Highway 68 from Canyon Del Rey, 300 feet North off road, Monterey
RR#8	CAW - Ryan Ranch #8	Ryan Ranch #8 - Highway 68, Monterey
RR#11	CAW - Ryan Ranch #11	In Ryan Ranch
Old Main Gate (Lot #12)	Pasadera - New Cities Development	160 Pasadera Lane
Paddock #1(Lot #11)	Pasadera - New Cities Development	200' North of Salinas-Monterey Highway and 1 mile west of intersection of Los Laureles Highway, & S & Mont. Hys.
York School	York School	
(new #12)	Laguna Seca Golf Resort	Near No. 12 hole on golf course
(racetrack)	Laguna Seca Golf Resort	Laguna Seca Ranch, off Highway 68, below Clubhouse, Monterey
SPCA	SPCA	
LS Cnty Park #1 (former #3)	Monterey Cnty Parks District	Off of Highway 68
LS Cnty Park #2 (former #4)	Monterey Cnty Parks District	Off of Highway 68
MSC-Shallow	MPWMD	HWY 1, SAND CITY
MSC-Deep	MPWMD	HWY 1, SAND CITY
PCA-W Shallow	MPWMD	HWY 1, SAND CITY
PCA-W Deep	MPWMD	HWY 1, SAND CITY
PCA-E (Multiple) Shallow	MPWMD	HWY 1, SAND CITY
PCA-E (Multiple) Deep	MPWMD	HWY 1, SAND CITY
Ord Grove Test-Shallow/Deep	MPWMD	1987 PARK CT, SEASIDE
Paralta Test-Shallow/Deep	MPWMD	2104 PARALTA AVE., MONTEREY(???)
Ord Terrace-Shallow	MPWMD	1700 block of Ord Grove Ave. near T intersect w/ Baldwin Ct., Seaside
Ord Terrace-Deep	MPWMD	
MPWMD #FO-09-Shallow	MPWMD	N2127579.25693, E???
MPWMD #FO-09-Deep	MPWMD	
MPWMD #FO-10-Shallow	MPWMD	N2130543.48114; E???

WELL NAME	OWNER	LOCATION
MPWMD #FO-10-Deep	MPWMD	
Fort Ord Monitor-Dune/Aromas	U.S. Army	
CDM MW-1-Dune/Aromas	MPWMD	
CDM MW-2-Dune/Aromas	MPWMD	
CAW Del Monte Observation-Shallow	CAW	N2120139.85; E???
SBWM MW-1-Deep (Purisima)(6)	Watermaster	
SBWM MW-2-Deep (Purisima)(6)	Watermaster	
SBWM MW-3-Deep (Purisima)(6)	Watermaster	
SBWM MW-4-Deep (Purisima/Santa Margarita)(6)	Watermaster	
MPWMD #FO-01-Shallow	MPWMD	N2115446.81099; E???
MPWMD #FO-01-Deep	MPWMD	
MPWMD #FO-07-Shallow	MPWMD	N2122688.6982; E???
MPWMD #FO-07-Deep	MPWMD	
MPWMD #FO-08-Shallow	MPWMD	N2126741.393; E???
MPWMD #FO-08-Deep	MPWMD	
MPWMD #FO-11-Shallow	MPWMD	N2130660.90472; E???
MPWMD #FO-11-Deep	MPWMD	N2130660.90472; E???
Plumas '90 Test-Deep	MPWMD	1453 PLUMAS AVE., SEASIDE
K-Mart-Dune/Aromas	Home Depot	CANYON DEL REY BLVD, SEASIDE
CDM MW-3-Dune/Aromas	MPWMD	
CDM MW-4-Dune/Aromas	MPWMD	
MW-BW-08A-Dune/Aromas	U.S. Army	
MW-BW-09-180-Shallow	U.S. Army	
MPWMD #FO-03-Shallow	MPWMD	N2109576.68088; E???
MPWMD #FO-03-Deep	MPWMD	
MPWMD #FO-04-Shallow (E)	MPWMD	N2111834.4504; E???
MPWMD #FO-04-Deep (W)	MPWMD	
MPWMD #FO-05-Shallow	MPWMD	N2103180.54186; E???
MPWMD #FO-05-Deep	MPWMD	
MPWMD #FO-06-Shallow	MPWMD	N2102695.44063; E???
MPWMD #FO-06-Deep	MPWMD	
Justin Court (RR M2S)-Shallow	CAW	JUSTIN COURT, MONTEREY
LS Pistol Range (Mo Co TH-1)-Deep	Monterey County	1021 MONTEREY-SALINAS HWY, SALINAS
York Rd-West (Mo Co MW-1 D)-Deep	Monterey County	N2105316.47467; E???
Seca Place (Mo Co MW-2)-Deep	Monterey County	13 SECA PL., SALINAS
Robley Shallow (North) (Mo Co MW-3S)-Shallow	Monterey County	12660 CORTE CORDILLERA, SALINAS
Robley Deep (South) (Mo Co MW-3D)-Deep	Monterey County	12660 CORTE CORDILLERA, SALINAS
LS Driving Range (SCS Deep)-Shallow	Monterey County	10520 YORK RD., MONTEREY
LS No. 1 Subdivision-Deep	Laguna Seca Resort	N2102479.95484; E???
Blue Larkspur-East End-Believed to be Deep	Laguna Seca Resort	N2102676.75507; E???
York School-Shallow	York School	Fort Ord - York School south bound, Monterey
Laguna Seca Driving Range (SCS-Deep)-Shallow	Monterey County	
CAW Granite Construction-Deep	CAW	
Laguna Seca Golf New #12-Deep(9)	Laguna Seca Resort	10520 York Rd., Monterey
Pasadera Main Gate-Deep	Pasadera Country Club	
Laguna Seca_Old No. 12	Laguna Seca Resort	10520 YORK RD., MONTEREY
ASR-1	MPWMD	1910 General Jim Moore Blvd., Seaside
ASR-2	MPWMD	1910 General Jim Moore Blvd., Seaside
ASR MW-1	MPWMD	1910 General Jim Moore Blvd., Seaside

**SEASIDE GROUNDWATER BASIN WATERMASTER
Wells to be Surveyed for Reference Point Elevations**



Legend



- ⊕ Coastal Seaside Subareas Monitor Wells (and vicinity) selection
- ⊕ Laguna Seca Basin Monitor Wells (and vicinity) selection
- ⊕ Seaside Basin Production Wells selection
- Seaside Groundwater Subareas

Prepared by MPWMD
u:\tom\pdf08\seasidesurvey

ATTACHMENT 2

COST BREAKDOWN

The Lump Sum fee for providing the surveying services described in Attachment 1 is \$6,000.00.

As described in Section V.C.1 of the Agreement, a Special Services Allowance of \$2,000.00 is provided in this RFS No. 2008-01 to cover unforeseen circumstances which differ from those described in Attachment 1.

PROFESSIONAL shall provide WATERMASTER with advance written notification stating the reasons for requiring the utilization of any or all of the Special Services allowance. No utilization of any portion of the allowance shall occur without the prior written approval of the WATERMASTER. Special Services costs will be charged in accordance with the Time-and-Expense Payment Method as defined in Section V.D of the Agreement, using the hourly and daily rates described below.

Phase 1 - Field Work Preparation & Reference Point Location:

The daily rate for a two person survey crew along with all necessary equipment will be \$1600.00 per day. This rate will be prorated for fractional days.

Phase 2 - Post processing:

The rate for a TECH 1 in the office will be \$85.00 per hour.

SEASIDE BASIN WATERMASTER
REQUEST FOR SERVICE

DATE: May 16, 2008

RFS NO. 2008-03
(To be filled in by WATERMASTER)

TO: Joe Oliver

FROM: Robert Jaques

Services Needed and Purpose:

To provide assistance to Central Coast Surveyors while they obtain horizontal and vertical survey information for reference points at water wells located within and near the area overlying the Seaside Groundwater Basin. A detailed Scope of Work is attached as Attachment 1.

Completion Date: Work to be completed within 30 days from the date of execution of this RFS No. 2008-03.

Method of Compensation: Time and Expense Payment Method (As defined in Section V of Agreement. See Attachment 2 for a description of these costs.)

Total Price Authorized by this RFS: \$5,000.00 (Cost is authorized only when evidenced by signature below.)

Total Price may not be exceeded without prior written authorization by WATERMASTER in accordance with Section V. COMPENSATION.

Requested by:  Date: 5/14/08
WATERMASTER Technical Program Manager

Authorized by: by  Date: 5/14/08
for WATERMASTER Chief Executive Officer

Agreed to by:  Date: 5/13/2008
PROFESSIONAL

ATTACHMENT 1

Scope of Work for RFS No. 2008-03

Background:

The WATERMASTER is issuing a contract to Central Coast Surveyors to develop accurate elevation and location data for the reference points of each of the 98 wells listed in Attachment A. The locations of these wells are shown on the map in Attachment A. Note that not all of the wells are individually visible on this map, since some of them are in such close proximity that they appear as a single well.

As part of its contract with Central Coast Surveyors, the WATERMASTER has committed to providing personnel to accompany Central Coast Surveyors' personnel performing the field work to take them to each of the well locations where well reference point elevations and location coordinates need to be developed, and to provide access to each of those sites.

The field work to be performed by Central Coast Surveyors will proceed as follows:

Upon receipt of a Notice to Proceed Central Coast Surveyors will determine the method to be used to locate each reference point. They will use a two person field crew to establish a coordinate system, using a GPS rover, to tie into USGS coordinates. They will then begin recording each reference point's position and elevation. For reference points where GPS signal is unavailable they will leave control points. These control points will be used to utilize their terrestrial total station to advance control if necessary, and ultimately record positions for each remaining reference point that is not accessible by a GPS rover. It is estimated that the field work to take 3.5 – 4 days.

Work to be Performed by the PROFESSIONAL Under this RFS No. 2008-03:

Under this RFS No. 2008-03 the PROFESSIONAL will:

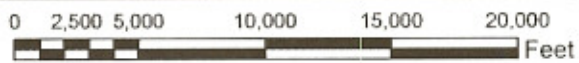
1. Contact Central Coast Surveyors to coordinate the scheduling of the surveying work.
2. Contact each of the well owners to obtain access to the well sites where the reference points are to be surveyed, and to determine what reference point is being used by the well owner to measure water levels.
3. Accompany Central Coast Surveyors personnel to each well site to show them the reference point locations, and provide such other assistance as is appropriate to aid Central Coast Surveyors in performing the survey work.

Attachment A

**Tabulation
and
Location Map
of
Wells for Which
Surveying Data is to be Developed**

WELL NAME	OWNER	LOCATION
CAW - Plumas #4	California American Water Co.	Plumas Ln., Seaside
CAW - Darwin	California American Water Co.	West side of Darwin Ave. midway between Pine St and Manzanita St., Seaside
CAW - Military	California American Water Co.	Military Avenue, Seaside
CAW - Ord Grove #2	California American Water Co.	Off Ord Grove Ave. near cemetery, Seaside
CAW - New Luzern	California American Water Co.	Luzern Street, Seaside
CAW - Playa #3	California American Water Co.	40 feet East of East Front Street 255 feet North of Playa Street, Seaside
CAW - Playa #4	California American Water Co.	Playa (North side of alley), Seaside
CAW - Paralta	California American Water Co.	North end of Paralta Ave., Seaside
Reservoir Well	City of Seaside	Bayonet/Blackhorse Golf Course, Seaside
Coe Avenue Well	City of Seaside	Along Coe Ave. 240 ft. westerly from Ord Ave., then 115 ft. south, Seaside
Public Works Corp. Yard	City of Sand City	1 Sylan Park, Sand City
Cypress Pacific	Monterey Peninsula Engineering	Tioga Ave. & Hwy 1, Seaside (???)
Robinette -Design Ctr.	City of Sand City	Hickory & Shasta St., Sand City
Target	Dayton Hudson Corp. (?)	Sidewalk by Target store
PRTIW -operated by MMP	Mission Memorial Park	Northeast corner of Mission Memorial Park Cemetery
SNG	Security National Guaranty, Inc.	Pratto Plant, Hwy 1 across from Fort Ord Village, Sand City OR Hwy 1 at California St. in Sand City (???)
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well lot Bishop #1 (west)	CAW - Bishop Unit	In Pasadera subdivision
well lot Bishop #2 (east)	CAW - Bishop Unit	In Pasadera subdivision
Mutual	CAW - Hidden Hills Unit	In CAW Hidden Hills well lot
Standex	CAW - Hidden Hills Unit	Off Laureles Grade Rd., approx. 1/2 miles west of Laureles Rd and Baronet Dr. and approx. 200 feet off Baronet Dr.
Bay Ridge	CAW - Hidden Hills Unit	
RR#7	CAW - Ryan Ranch #7	Approximately 1 mile East on Highway 68 from Canyon Del Rey; 300 feet North off road, Monterey
RR#8	CAW - Ryan Ranch #8	Ryan Ranch #8 - Highway 68, Monterey
RR#11	CAW - Ryan Ranch #11	In Ryan Ranch
Old Main Gate (Lot #12)	Pasadera - New Cities Development	160 Pasadera Lane
Paddock #1(Lot #11)	Pasadera - New Cities Development	200' North of Salinas-Monterey Highway and 1 mile west of intersection of Los Laureles Highway, & S & Mont. Hys.
York School	York School	
(new #12)	Laguna Seca Golf Resort	Near No. 12 hole on golf course
(racetrack)	Laguna Seca Golf Resort	Laguna Seca Ranch, off Highway 68, below Clubhouse, Monterey
SPCA	SPCA	
LS Cnty Park #1 (former #3)	Monterey Cnty Parks District	Off of Highway 68
LS Cnty Park #2 (former #4)	Monterey Cnty Parks District	Off of Highway 68
MSC-Shallow	MPWMD	HWY 1, SAND CITY
MSC-Deep	MPWMD	HWY 1, SAND CITY
PCA-W Shallow	MPWMD	HWY 1, SAND CITY
PCA-W Deep	MPWMD	HWY 1, SAND CITY
PCA-E (Multiple) Shallow	MPWMD	HWY 1, SAND CITY
PCA-E (Multiple) Deep	MPWMD	HWY 1, SAND CITY
Ord Grove Test-Shallow/Deep	MPWMD	1987 PARK CT, SEASIDE
Paralta Test-Shallow/Deep	MPWMD	2104 PARALTA AVE., MONTEREY(???)
Ord Terrace-Shallow	MPWMD	1700 block of Ord Grove Ave. near T intersect w/ Baldwin Ct., Seaside
Ord Terrace-Deep	MPWMD	
MPWMD #FO-09-Shallow	MPWMD	N2127579.26693; E???
MPWMD #FO-09-Deep	MPWMD	
MPWMD #FO-10-Shallow	MPWMD	N2130543.48114; E???

SEASIDE GROUNDWATER BASIN WATERMASTER
Wells to be Surveyed for Reference Point Elevations



Legend

- ⊕ Coastal Seaside Subareas Monitor Wells (and vicinity) selection
- ⊙ Laguna Seca Basin Monitor Wells (and vicinity) selection
- + Seaside Basin Production Wells selection
- Seaside Groundwater Subareas

Prepared by MPWMD
u/om/pd00/seasidesurvey

ATTACHMENT 2

COST DESCRIPTION

The costs for the work of this RFS No. 2008-03 will be performed on a Time-and-Material basis. Hourly rates for these services will be charged at the individual hourly rates for the personnel involved in performing this work. These rates will be in the range of \$65 to \$100 per hour. To develop the Total Price of this RFS No. 2008-03, an assumed hourly rate of \$85 was used.

Assuming that there could be as many as five field days of work involved, and that the PROFESSIONAL will likely need about two days in advance to set up access arrangements with the well owners, the PROFESSIONAL's costs could be on the order of 7 days x 8 hours/day x \$85/hour = \$4,760. To allow for some variation in the hourly rates of the PROFESSIONAL's personnel involved in this work, and to provide an allowance for mileage and other direct costs, the Total Price of this RFS No. 2008-03 is established as \$5,000.00

Mileage will be charged at the IRS allowable rate. Any other direct costs will be charged at cost.

ITEM NO. VII.

ORAL PRESENTATION

ITEM NO. VIII.

OLD BUSINESS

ITEM NO. VIII. A. 1.

**BUDGET AND FINANCE
COMMITTEE**

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: June 4, 2008
SUBJECT: California American Water's Document dated May 2, 2008 Requesting Credit for Replenishment Fees Assessed by Watermaster Board of Directors for Over Pumping Water from the Seaside Groundwater Basin

PURPOSE:

To discuss, evaluate and take action on the issues raised during discussions concerning the California American Water document requesting consideration for expenditures made for the "Coastal Water Project" to be applied against the replenishment fees assessed for over pumping the Seaside Basin.

RECOMMENDATION:

To carefully weigh any decisions made that may affect the intent of the Court's Decision, Case No. M66343

DISCUSSION:

A meeting has been scheduled for 10:00AM, Tuesday morning, June 3, 2008 by the Watermaster Budget and Finance Committee and legal representatives from most parties involved with the Court Decision and representatives from California American Water.

If all goes well at the meeting a recommendation to the Board will be presented at the Board's regularly scheduled Board meeting on Wednesday, June 4, 2008.

FISCAL IMPACT:

Depending on the Board's decision there would be an impact on the Watermaster's Replenishment Fund.

ATTACHMENTS:

- (1) California American Water's document dated May 2, 2008 "Response to Request for an Accounting of Expenditures California American Has Made for Water Supply Augmentation That it Contends Will Result in Replenishment of the Seaside Groundwater Basin".
- (2) California American Water's letter dated March 3, 2008 regarding "Credit Toward Replenishment Assessment.



511 Forest Lodge Road
Suite 100
Pacific Grove, CA 93950

P 831.646.3241
F 831.375.4367

www.calamwater.com

May 2, 2008

Dewey Evans, Chief Executive
Seaside Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940

**Re: Response to Request for an Accounting of Expenditures
California American Has Made for Water Supply
Augmentation That it Contends Will Result in Replenishment
of the Seaside Groundwater Basin**

Dear Mr. Evans:

This letter is to augment Mr. Tom Bunosky's letter of March 5, 2008 which, on behalf of California American Water Company (CAW), requested credit toward the replenishment assessment fees for costs incurred for the Coastal Water Project (CWP) as authorized by the Decision in Case MM66343 issued March 27, 2006 as amended by order filed February 9, 2007 (the Decision). CAW hereby revises that request to cover costs incurred for the CWP that have already been reviewed, audited and approved by the California Public Utilities Commission (CPUC). The CPUC only recently concluded its approval process for costs incurred through 2006 in its Decision 08-01-007 issued January 10, 2008. The total approved costs for the CPUC through calendar year 2006 total \$12,305,924. CAW requests that amount be credited towards its outstanding Replenishment Assessments. CAW has submitted its 2007 costs for the CWP to the CPUC for review; a decision on those costs is expected by the end of 2008. Upon receipt of that approval, CAW will request credit for the 2007 approved costs.

**I.
CAW'S OBLIGATIONS UNDER THE DECISION**

CAW has an obligation to augment its water supply on a long-term and interim basis. (Decision, Section III.M.1.) Subsection a provides:

"Long-Term Supplemental Water Supplies. California American shall undertake all reasonable best efforts to promptly and diligently pursue, and if necessary collaborate

with other entities, to obtain and develop sufficient long-term supplemental Water supplies to augment the Water supply available for its service territory within Monterey County." Id. at page 41.

CAW for many years has pursued a long-term water supply to replace and/or supplement a major portion of its current water supply from the Carmel Valley Alluvial Aquifer and, more recently, the Seaside Groundwater Basin ("Seaside Basin" or "Basin"). CAW is regulated by the CPUC, which approves the rates that CAW charges its customers to recover the investments in water supply, storage, treatment and distribution that CAW makes on behalf of its customers. CAW must obtain CPUC permission before embarking on any major water supply project and the CPUC monitors and approves the costs incurred for such projects.

On July 14, 2005, CAW filed an application for a Certificate of Public Convenience and Necessity (CPCN) with the CPUC (Application No. A.04-09-019) which sought authority to evaluate the technical and environmental feasibility of the CWP, and then to design, build and operate it. At the same time, CAW filed the Proponent's Environmental Assessment (PEA) for the project required by the CPUC CEQA rules. Since then, the pilot plant for the desalination facility has been constructed at Moss Landing Power Plant and is now in operation. The CPUC is completing the Draft EIR for the CWP, which is scheduled for public release by the end of 2008 and the Final EIR is scheduled for certification by the CPUC in mid-2009.

The CWP is a combination of a desalination facility capable of producing up to 10 MGD of potable water plus an aquifer storage and recovery system (ASR) that can be used to store water in the Seaside Basin from the Carmel Valley Alluvial Aquifer, the desalination facility, or any other legal source. The CWP is projected to provide sufficient water supply to allow CAW to come into compliance with State Water Resources Control Board (SWRCB) Order 95-10 and to reduce CAW's withdrawals from the Seaside Basin to its allocation of the Natural Safe Yield of the Basin. CAW has undertaken all reasonable best efforts to promptly and diligently pursue the CWP.

II.

CAW'S COSTS INCURRED TO AUGMENT LONG-TERM WATER SUPPLY

The Decision set an assumed Natural Safe Yield for the Basin of 3000 acre feet per year (afy) and provides a ramp-down schedule to gradually reduce allocations to Natural Safe Yield. The overall goal of the Decision is to bring the Basin back into balance by a combination of reducing withdrawals and "replenishing" the Basin with Non-Native Water.

Standard Producers that exceed their share of the Natural Safe Yield for the water year are assessed an amount per acre foot of production in excess of Natural Safe Yield based upon the Watermaster's estimate of the cost of purchasing Non-Native Water. The Replenishment Fund shall be used solely for replenishment of the Basin Groundwater Supply with Non-Native Water. Decision, Section III.L.3.j.

The Decision recognizes that prior to the Decision, CAW was pursuing the CWP and other means of augmenting its water supply and that, as the public water purveyor, CAW has obligations imposed by various agencies and faces a number of challenges. The Decision also recognizes the value to the Basin of CAW developing a new water supply by providing that CAW can credit costs of water supply augmentation against its Replenishment Assessment. Decision, Section III.M.1.d. The most recent Watermaster Replenishment Fund Budget (Exhibit A) shows a Replenishment Assessment for CAW of \$1,641,004 for WY05/06, \$2,673,004.11 for WY 06-07 and projected assessment of \$5,867,830.50 for WY 07/08, for a total of \$10,647,486.61. The CWP is intended to and will augment CAW's long-term water supply. As set forth in detail below, the CPUC has reviewed and approved the costs for the CWP through 2006 that will be recovered in rates paid by CAW's customers.

III. CPUC APPROVAL OF CWP COSTS INCURRED BY CAW

As a regulated utility, CAW must obtain approval of all expenditures that are to be recaptured through rates charged to customers. Along with its Application for CPCN, on July 14, 2005, CAW also filed a request for interim rate relief to recover preconstruction costs incurred for the CWP. The CPUC bifurcated the proceeding and set a schedule for a hearing on the costs incurred through 2005. The final summary of requested costs through 2005 is shown in Exhibit B.

The CPUC considered the costs in three general categories: engineering and environmental costs; public outreach costs and project management costs.¹ Exhibit C is a detailed list of all invoices that supported the request for costs through 2005. The CPUC issued its decision 06-12-040 on December 14, 2006, which found that CAW was authorized to recover \$1,353,831.00 in public outreach costs and \$1,639,429.00 in other costs incurred through 2005. It authorized the Division of Ratepayer Advocates (DRA) to hire a consultant to review CAW's engineering and environmental costs. Thus, the

¹ The CPUC reviews and approves costs on a calendar year basis, whereas the Watermaster calculates Water Production and Replenishment Assessments on a Water Year basis.

decision on the reasonableness of engineering and environmental costs incurred through 2005 was deferred to allow DRA time to further review those costs. (D. 06-12-040, 2006 Cal. PUC LEXIS 422, ordering paragraph no. 9.)

In accordance with the CPUC's request, CAW submitted a report on March 31, 2007 on the reasonableness of its engineering and environmental preconstruction costs through 2005, and all of its preconstruction costs for 2006. Exhibit D is CAW's summary of 2006 costs and Exhibit E lists the supporting invoices.

Subsequently, in Decision 08-01-007 issued January 10, 2008, the CPUC approved a settlement between DRA and CAW that addressed CAW's engineering and environmental costs through 2005 and CAW's preconstruction costs for 2006. The settlement agreement authorized CAW to recover a total of \$9,312,664.00 as compensation in full for the 2005 engineering and environmental costs and all preconstruction costs incurred during 2006. D.08-01-007 held that the Settlement Agreement is reasonable, consistent with the law, and in the public interest. (D.08-01-007, Conclusion of Law No. 2). It further ordered that CAW is authorized to recover \$9,312,664 for its CWP preconstruction costs incurred through December 31, 2006.

To date, the CPUC has found preconstruction costs for the CWP incurred by CAW in the total amount of \$12,305,924 (\$2,993,266 pursuant to D.06-12-040 plus \$9,312,664 pursuant to D.08-01-007) to be reasonable and recoverable by means of a surcharge on CAW customer's bills. The surcharge was added to customer's bills beginning January 1, 2007. See D.08-01-007.

CAW's requested recovery and the CPUC authorized recovery are summarized as follows:

<u>Amount Requested By CAW</u>	<u>Amount Approved by CPUC</u>
Costs through 2005	\$1,353,831 for public outreach
Total Request \$8,663,334.44	\$1,639,429 for project management
	<u>\$5,670,073</u> for engineering
	\$8,663,333
Costs for 2006	
Total Request \$3,264,636	\$3,642,591 ²

² In D.08-01-007 the CPUC also awarded interest to compensate for the use of CAW's

On April 10, 2008, CAW filed its application for an order authorizing recovery of its preconstruction costs for the CWP incurred during calendar year 2007, which is pending before the CPUC. CAW requested a final decision on calendar year 2007 CWP costs by year-end 2008 and that the CPUC set a schedule for continued annual review of the CWP project costs, with the reasonableness report due March 31st of each year for the prior calendar year, a report by DRA by June 30th, and a final decision by that year-end. For example, for costs incurred in 2008, CAW would submit its reasonableness report by March 31, 2009, DRA would submit its report on those costs by June 30, 2009 and the CPUC would issue a final decision by year-end 2009.

CAW believes that it will save time and resources for all if the CPUC completes its standard review, audit and approval of CWP costs before CAW submits its request to the Watermaster to credit costs of the CWP against its Replenishment Assessment. CAW has requested that the CPUC complete this process on an annual basis and believes that CPUC will agree. This will give Watermaster the full benefit of the CPUC and the Division of Ratepayer Advocates' expertise in auditing costs and determining whether they are reasonable and necessary.

IV. REPLENISHMENT OF THE BASIN

CAW estimates that the CWP will be in full production in 2015. CAW's production allocation is 77.55% of the Operating Yield of the Coastal Subarea and 45.13% of the Operating Yield for Laguna Seca Subarea. Attached as Exhibit F is a table prepared by the Monterey Peninsula Water Management District showing how the ramp-down of Operating Yield will affect CAW's allocation. Beginning October 1, 2015, CAW's allocation of the Coastal Subarea will be 2,251 afy and its allocation of the Laguna Seca subarea will be 48 afa for a total allocation of 2,299 afa. Beginning October 1, 2021, CAW's allocation of the Coastal Subarea will reach its minimum of 1,494 afy, while its share of the Laguna Seca Subarea will become zero effective October 1, 2018.³ Reductions in CAW's withdrawals from the Basin due to the construction of the CWP will lessen the amount by which the annual groundwater production exceeds the Natural Safe Yield of the Basin.

The CWP includes the following facilities to provide replacement water for a portion of CAW's current withdrawals from the Carmel Valley Aquifer and the Seaside Basin:

capital to fund the CWP. The \$3,642,591 includes that interest.

³ This is based upon an assumption that the Assumed Natural Safe Yield remains at 3,000 afy.

- 10MGD desalination facility;
- Aquifer storage and recovery wells to be used for injection and extraction ;
- Conveyance and transmission facilities, including Segunda pump station expansion, pipelines, and storage tanks.

These facilities will provide CAW a variety of options that will vastly improve the reliability and redundancy of its water supply. The ASR wells and pump station will give CAW the ability to inject excess water available from the Carmel Valley Alluvial Aquifer (during the wet season) and/or water from the desalination facility or other Non-Native water for storage in the Seaside Basin for later use during dry periods. In addition, CAW estimates that current conservation efforts and the effects of our proposed conservation and General Rate Case filings might eventually result in a reduction of 2,000 afy compared to 2005 consumption. It also will allow CAW to forbear from producing its full production allocation of the Operating Yield from Seaside Basin. Beginning in 2015, when CAW's allocation of the Operating Yield will be 2,299 afy, CAW will be able to reduce its withdrawals from the Seaside Basin even further to CAW's final allocation of 1494 afy of the Natural Safe Yield. According to the Decision, "Artificial Replenishment" includes forbearance from exercising a Producer's full allocation. Decision, Section III.A.2. p.11.

The replenishment assessment documents produced by the Watermaster for 2006 and 2007 demonstrate that there are limited sources for replenishment water, which is not a defined term in the Decision. Inferentially, replenishment water is Non-Native water as well as Native water that stays in the Basin when a Producer agrees to refrain from exercising its right to produce its full Production Allocations. See Decision, Section II.A.2, p. 11. According to Watermaster reports on calculation of Replenishment Assessment, the potential sources of Non-Native water are limited and so far, there has been no Non-Native Water available. The Watermaster has declared Non-Availability of Water for Artificial Replenishment for Water Years 2007 and 2008. See Attachment 2 of Watermaster's 2007 Annual Report, .

Because CAW is and will continue to be the largest producer from the Seaside Basin, the sooner CAW can implement a substitute long-term water supply, the better for the Seaside Basin and the sooner it will recover. The Court recognized this by placing a requirement on CAW to undertake all reasonable best efforts to promptly and diligently pursue, and if necessary collaborate with other entities, to obtain and develop sufficient long-term supplemental water supplies to augment the water supply available for CAW's service territory. CAW is diligently pursuing the CWP.

Seaside Basin Watermaster
May 2, 2008
Page 7

It is evident that the CWP is capable of providing a replacement supply of sufficient magnitude within a reasonable timeframe to decrease CAW's reliance on the Seaside Basin as a substantial source of supply for its service territory. The CWP was underway well before the Adjudication was tried and the Decision rendered in March 2006. The Decision recognizes the value and critical need for a replacement water project by allowing CAW a credit against any replenishment assessment of all expenditures CAW has made for water supply augmentation that it contends has or will result in replenishment of the Basin. Because CAW is the single largest Producer of water from the Seaside Basin, providing a source of water that will allow CAW to reduce its withdrawals from the Basin will contribute immensely to replenishment of the Basin. It will reverse the trend of overdraft and allow Natural Replenishment of the Basin to get it back into equilibrium. In addition, the CWP will produce water that can be purchased for Artificial Replenishment of the Basin when available.

**V.
CONCLUSION**

The CPUC has already reviewed and approved \$12,305,924 in costs incurred through 2006 and will complete its review and approval of 2007 costs by the end of 2008. CAW's customers are bearing the cost of the development of a sufficient long-term supplemental water supply. They should be allowed the credit against the Replenishment Assessment as requested.

Sincerely,



David A. Berger
Manager Coastal Water Projects

JSD:cjb

Seaside Groundwater Basin Watermaster

Proposed Revised Replenishment Fund Budget

Fiscal Year 2008 (January 1, 2008 - December 31, 2008)

	FY 2006 Adopted Budget	FY 2007 Adopted Budget	FY 2008 Revised Budget	Total to Date
Assessments:	WY 05/06	WY 06/07	WY 07/08	
Replenishment Fund				
California American Water				
Exceeding Natural Safe Yield Considering Alternative Producers	\$ 2,106,652.00	2,594,166.34	\$ 5,694,874.50	\$ 10,395,692.84
Operating Yield Overproduction Replenishment (Credit Toward Replenishment Assessment 2006)	(465,648.00)	76,837.77	172,956.00	\$ 251,793.77
Total California American Water	<u>\$ 1,641,004.00</u>	<u>\$ 2,673,004.11</u>	<u>\$ 5,867,830.50</u>	<u>\$ 10,647,486.61</u>
City of Seaside				
Exceeding Natural Safe Yield Considering Alternative Producers	\$ 169,010.00	181,671.87	\$ 398,842.50	\$ 749,524.37
Operating Yield Overproduction Replenishment	50,940.00	510.78	56,473.00	\$ 107,923.78
Total City of Seaside	<u>\$ 219,950.00</u>	<u>\$ 182,182.65</u>	<u>\$ 455,315.50</u>	<u>\$ 857,448.15</u>
Total Assessment	<u>\$ 1,860,954.00</u>	<u>\$ 2,855,186.76</u>	<u>\$ 6,323,146.00</u>	<u>\$ 11,504,934.76</u>
Paid Assessments	\$ 219,950.00	0.00	0.00	<u>\$ 402,132.65</u>
Unpaid Balance				<u>\$ 11,102,802.11</u>
NOTE: Cal Am 5% late payment penalty assessed 1/16/07 = \$82,050.00; 5% penalty assessed 1/16/08 = \$243,052.71 City of Seaside 5% late payment penalty assessed 1/16/08 = \$9,109.13				

CALIFORNIA AMERICAN WATER COMPANY
COASTAL WATER PROJECT
EXHIBIT ON EXPENSES

Summary of Costs Charged to CWP Through 2005

Line No.	Item	Vendor	2002	2003	2004	2005	Total
Engineering							
1	Consulting, Hydrogeology	Padra Assoc; Feeney, Martin; Mont Pen Water	-	-	14,489.77	375.00	14,864.77
2	Consulting, Desal Plant & Pilot Plant	Pridesa	-	591.37	115,971.14	959,572.05	1,076,074.56
3	Consulting, Engineering/PEA Preparation	RBF Consulting	-	-	1,421,326.40	3,127,867.51	4,549,193.91
4	Consulting, Property Acquisition	Dana Property Analysis	27,031.25	-	-	-	27,031.25
5	Analytical Laboratory	Monterey Bay Analytical	-	-	2,024.90	-	2,024.90
6		CPUC Filing	-	-	-	177,545.00	177,545.00
7		Harris Associates	-	-	-	315.00	315.00
8		Insight Direct (Peripherals)	-	-	-	558.80	558.80
9		Subtotal Engineering	27,031.25	591.37	1,553,812.21	4,288,243.36	5,847,618.19
10		Excluded from recovery	-	-	-	-	-
11		Final Subtotal	27,031.25	591.37	1,553,812.21	4,288,243.36	5,847,618.19
CAW Labor, Expense, & Misc Expense							
12	Company Labor & Overhead		-	27,015.83	271,457.58	362,725.76	661,199.37
13	Misc Project Expense		-	-	47.00	17,037.32	17,084.32
14	Board, Employee Expense		-	58.23	10,298.85	4,508.52	14,855.60
15	Office Supplies	Office Max	-	-	334.80	-	334.50
16		Subtotal Labor, Expense, Misc	-	27,073.86	282,132.93	384,269.60	693,475.79
17		Excluded from recovery ⁽¹⁾	-	(1,271.89)	(10,504.87)	(11,416.79)	(23,193.55)
18		Final Subtotal	-	25,801.97	271,628.06	372,852.81	670,282.24
Temp Labor							
19	Temporary Personnel Services	Volt Services Group	-	-	12,956.83	7,033.08	19,989.91
20	Temporary Personnel Services (clerical)	Office Team	-	-	15,088.50	-	15,088.50
21		Subtotal Temp Labor	-	-	28,045.33	7,033.08	35,078.41
22		Excluded from recovery	-	-	-	-	-
23		Final Subtotal	-	-	28,045.33	7,033.08	35,078.41
Legal & Management							
24	Legal, Environmental	Allen Matkins Leck Gamble	-	50,994.80	135,896.90	168,598.52	355,428.22
25	Legal, CPUC Matters	Staezel, Levitt & Weiss	-	39,447.63	114,807.61	184,657.18	337,912.42
26	Legal, Water Rights	Somach, Simmons & Dunn	-	13,031.50	46,561.98	2,890.00	63,183.48
27	Consulting, Management & Strategy	Hessaman, Gultner, Knox, Elicit	-	203,478.98	168,043.44	41,220.73	413,753.67
28		Subtotal Legal & Management	-	305,952.93	465,309.93	398,014.43	1,169,277.19
29		Excluded from recovery	-	(40,393.29)	(133,341.05)	(12,465.48)	(186,199.82)
30		Final Subtotal	-	265,559.64	331,968.88	385,548.95	983,077.37
Public Education & Outreach							
31	Consulting, NGO Interface	Energy Resources Inter	-	-	75,555.67	195,708.51	271,264.18
32	Consulting, Community Outreach	Green Strips Media, Inc.	-	1,129.00	-	123,958.00	125,087.00
33	Consulting	Southwest Strategic	-	4,000.00	-	-	4,000.00
34	Consulting, Public Outreach	Woodenship	-	39,256.72	98,992.66	60,006.89	198,256.27
35	Consulting	Direct Impact	-	-	-	4,920.34	4,920.34
36	Consulting	ES Rock Partners	-	-	-	10,905.22	10,905.22
37	Consulting	Dan Stivulec Communications Mar	-	5,008.29	-	21,118.70	26,424.99
38	Consulting, Community Outreach	Amnasco Public Relations	-	13,174.83	298,632.27	254,999.89	566,806.99
39		Subtotal Public Education	-	62,668.84	473,180.60	671,647.49	1,207,894.93
40		Excluded from recovery ⁽²⁾	-	(1,500.00)	(46,262.90)	(32,852.20)	(80,416.70)
41		Final Subtotal	-	61,168.84	426,917.70	638,795.29	1,127,278.23
42	GRAND TOTAL BEFORE EXCLUSION		27,031.25	398,424.30	2,802,481.00	5,727,207.96	8,953,144.51
43	GRAND TOTAL EXCLUDED	(see Box A below for additional details)	-	(42,185.18)	(190,108.82)	(86,538.07)	(259,910.07)
44	GRAND TOTAL REQUESTED		27,031.25	353,299.12	2,612,372.18	5,670,671.89	8,683,334.44

(1) Total includes the removal of duplicative costs in the amount of \$3,573 from miscellaneous expense that was not previously reflected.

(2) Total includes the removal of an additional \$7,750 for Integrated Resource Management LLC that was not previously reflected.

Note: Dollars shown above for each year reflect amounts paid to vendor during the year. Work associated with the dollar amounts may have been performed at an earlier date (i.e. a January 2005 invoice, paid in 2005, may be for work done in December 2004).

EXHIBIT B

Summary of Costs Charged to CWP Through 2005

Line No.	Item	Vendor	2002	2003	2004	2005	Total
Box A							
Please note that the Grand Totals reflected above do not include costs from vendors that California American Water removed entirely from its recovery request. These vendors and their associated costs are reflected below:							
		Decision Research					24,532.31
		Integrated Resource					5,112.43
		McCabe					56,803.31
		Albright					168,379.60
		Dell					2,018.85
						<i>Subtotal</i>	256,646.30
							289,810.07
							546,458.37
							11,325.00
							557,781.37

check →	Add back the \$9,575 & \$7,750 previously included:	8,674,659.44
	Total pre-construction costs from Feizollahi testimony:	7,539,631.21
	Total public education/outreach costs from Tilden testimony:	1,135,028.23
	Total Cost Recovery Request:	8,674,659.44

Originally excluded items that no longer appear above:

Decision Research	24,532.31	
Integrated Resource	5,112.43	
McCabe	56,803.31	
Albright	168,379.60	
Dell	2,018.85	
	256,646.30	
Excluded amount shown above	289,810.07	
	546,458.37	
Add back \$7,750 & \$3,575	11,325.00	
ACTUAL TOTAL EXCLUDED	557,781.37	
Excluded public outreach costs from backup to Kevin's testimony	335,044.35	
Excluded public outreach costs from backup to Fred's testimony	211,412.02	(includes engineering backup and legal backup)
	546,458.37	

Costs Charged to CWP Through 2005

Year	General Ledger	EXPLANATION: ROOM	INVOICE NO.	AMOUNT	Percent of Costs	AF	Goal	ASH	Finalize	Bill Status	Nature of Work	Description
2006	816-2006	ATRIUM/DO PUBLIC PLAZAS INC	7414	612.43							COMMUNITY TREATMENT	
2006	816-2006	ATRIUM/DO PUBLIC PLAZAS INC	7420	518.73							COMMUNITY TREATMENT	
2006	816-2006	AMERICAN PUBLIC COURAGE CONSULTING		528,808.00	528,808.00	528,808.00				SOB SOURCE		
Environ Exports												
2004	816-2004	HISTORIC PRESERVATION SERVICES		91.36								
2004	816-2004	TOTAL ENR. EXP.		91.36								
CPUC Staff Fee												
2006	816-2006	CPUC	PLNG 80-0592 W/AF	177,541.00								
				177,541.00	177,541.00							
Workshops												
2006	816-2006	DO SHAWAC CONSULTING		61.10								PLANNING MEETING MODEL LANDING DOWN HILL LINDA
2006	816-2006	DO SHAWAC CONSULTING		142.33								DEVELOP SIMONS OVER TRAIL
2006	816-2006	DO SHAWAC CONSULTING		62.10								DOUG WALKER/DO
2006	1118-2006	DO SHAWAC CONSULTING		20,281.35								DOUG WALKER/DO
2006		DO SHAWAC CONSULTING		28,424.90	28,424.90	28,424.90						DOUG WALKER/DO
Consulting - Monetary Assistance												
2006	816-2006	DOUG FERGUSON ASSOCIATES		8,000.00								
2006	816-2006	DOUG FERGUSON ASSOCIATES		14,000.00								
2006	816-2006	DOUG FERGUSON ASSOCIATES		27,000.00	27,000.00	27,000.00						
2006	816-2006	DOUG FERGUSON ASSOCIATES		27,000.00	27,000.00	27,000.00						
Workshops												
2006	816-2006	DOUG FERGUSON ASSOCIATES		26.21								PLANNING MEETING MODEL LANDING DOWN HILL LINDA
2006	816-2006	DOUG FERGUSON ASSOCIATES		3.74								DEVELOP SIMONS OVER TRAIL
2006	816-2006	DOUG FERGUSON ASSOCIATES		34.00								DOUG WALKER/DO
2006	1118-2006	DOUG FERGUSON ASSOCIATES		572.00								DOUG WALKER/DO
2006	1118-2006	DOUG FERGUSON ASSOCIATES		572.00								DOUG WALKER/DO
2006	1118-2006	DOUG FERGUSON ASSOCIATES		27.00								DEVELOP SIMONS OVER TRAIL
2006	1118-2006	DOUG FERGUSON ASSOCIATES		27.00								DEVELOP SIMONS OVER TRAIL
2006	1118-2006	DOUG FERGUSON ASSOCIATES		27.00								DEVELOP SIMONS OVER TRAIL
2006	1118-2006	DOUG FERGUSON ASSOCIATES		27.00								DEVELOP SIMONS OVER TRAIL
2006	1118-2006	DOUG FERGUSON ASSOCIATES		11,200.00	11,200.00	11,200.00						
2006	1120-2006	DOUG FERGUSON ASSOCIATES		12,000.00	12,000.00	12,000.00						
2006	1120-2006	DOUG FERGUSON ASSOCIATES	INVOICE 01310568	8,132.00								
2006	1120-2006	DOUG FERGUSON ASSOCIATES		3,575.00								
2006	1120-2006	DOUG FERGUSON ASSOCIATES		22,800.00								
2006	512-2006	DOUG FERGUSON ASSOCIATES		8,642.63								
2006	512-2006	DOUG FERGUSON ASSOCIATES		2,000.00								
2006	514-2006	DOUG FERGUSON ASSOCIATES		48,000.00								
2006	514-2006	DOUG FERGUSON ASSOCIATES		7,487.79								
2006	514-2006	DOUG FERGUSON ASSOCIATES		6,187.80								
2006	514-2006	DOUG FERGUSON ASSOCIATES		19,877.24								
2006	812-2006	DOUG FERGUSON ASSOCIATES	08-3006-JUL08	1,100.00								
2006	812-2006	DOUG FERGUSON ASSOCIATES		4,924.80								
2006	812-2006	DOUG FERGUSON ASSOCIATES		65,505.64								
2006	816-2006	DOUG FERGUSON ASSOCIATES	07-3006B	57,351.80								

Costs Charged to CWP Through 2005

Year	General Ledger	EXPLANATION/VENUE/CDM	INVOICE NO.	AMOUNT	Recovery of Costs	All	Wash	ASB	Pipeline	EM Status	Nature of Work	Description
2005	918-2006	Energy Research International	71801	15,323.57							Environment & Economic Consulting	Meeting with state and Assoc. Leaders of Women Voters, E&E, Landfill, media relations
2005	921-2006	Energy Research International	030006	11,434.14							Environment & Economic Consulting	WFMVDC presentation, shareholder open, media relations
2005	1015-2005	Energy Research International	NASLIC	1,575.00							Environment & Economic Consulting	
2005	1152-2005	Energy Research International	020008	7,235.93							Environment & Economic Consulting	WASH/RESIDENT, WASH FOR PRESTATION
2005	1153-2005	Energy Research International	121004	\$3,620.00							Environment & Economic Consulting	CRUC data request, community outreach
2006	1153-2005	Energy Research International									Environment & Economic Consulting	Finalized on the San Chris, CRUC data request
EM CONSULTING, HUD CONTRACT												
				271,924.18	281,907.86		271,324.18			EM SOURCE		
WASHING - PUBLIC RELATIONS												
2005	912-2005	E S BOOK Partners	4124	1,610.00								
2005	912-2005	E S BOOK Partners	4114	4,814.00								
2005	912-2005	E S BOOK Partners	4010	975.00								
2005	912-2005	E S BOOK Partners	4020	3,615.13								
2005	912-2005	E S BOOK Partners	4020	10,000.22								
CONTRACT - COMMUNITY OUTREACH												
2005	1152-2005	Green State Marketing, Inc.	14110	1,110.00								
2005	1152-2005	Green State Marketing, Inc.	14140	6,140.00								
2005	1152-2005	Green State Marketing, Inc.	14140	6,710.00								
2005	1152-2005	Green State Marketing, Inc.	14100	10,100.00								
2005	1152-2005	Green State Marketing, Inc.	14100	\$1,600.00								
2006		Green State Consulting		171,087.00	176,087.00		176,087.00			EM SOURCE		Costs advertising Print Advertising Public Relations to WASH/CRUC schedule
REGULATORY PROFESSIONALS												
2005	921-2005	Regent Office	9140111	401.96								
2005	921-2005	Regent Office	9140114	62.42								
2005	1015-2005	Regent Office	10130	910,853.71	6,880.00		648.00			EM SOURCE	REGULATORY EQUIPMENT	
2006		Regent Office (WALDEN)		601.88								
SCIENTIFIC SERVICES												
2004	923-2004	Manning Bor/Analytical		121.69								
ASB - HOUSING												
2004	1152-2004	Manning Bor/Analytical	612	1,118.20								
2004	912-2004	Manning Bor/Analytical	441.69	441.69								
2004	912-2004	Manning Bor/Analytical	1024	290.70								
2004	912-2004	Manning Bor/Analytical	1024	2,004.00	2,004.00		2,004.00			EM SOURCE	ASB SOURCE	LAND ANALYSIS OF HOUSING
WASH/ASB/REGULATORY												
2004	912-2004	Manning Bor/Analytical	10203	228.50								
2004	912-2004	Manning Bor/Analytical	10202	62.50								
2004	1015-2004	North Associates	10202	915.00	915.00		315.00			EM SOURCE	ASB SOURCE	MANAGEMENT SUPPORT
ASB - HOUSING												
2005	912-2005	North Associates	10203	54,731.35								
2005	912-2005	North Associates	10203	11,151.15								
2005	912-2005	North Associates	10203	9,654.21								
2005	912-2005	North Associates	10203	27,282.25								
2005	1015-2005	North Associates	10203	23,262.22								
2005	1152-2005	North Associates	10203	86,245.22								
2005	1152-2005	North Associates	10203	50,241.15								
2005	1152-2005	North Associates	10203	13,202.22								
2005	1152-2005	North Associates	10203	14,481.15								
2005	1152-2005	North Associates	10203	17,202.22								
2005	1152-2005	North Associates	10203	36,151.24								
2005	1152-2005	North Associates	10203	4,252.51								
2005	1152-2005	North Associates	10203	17,211.16								
2005	1152-2005	North Associates	10203	5,811.23								
2005	1152-2005	North Associates	10203	6,031.26								
2005	1152-2005	North Associates	10203	21,111.16								
2005	1152-2005	North Associates	10203	6,481.25								
2005	1152-2005	North Associates	10203	13,202.22								
2005	1152-2005	North Associates	10203	24,471.14								
2005	1152-2005	North Associates	10203	11,471.15								
2005	1152-2005	North Associates	10203	11,471.15								
2005	1152-2005	North Associates	10203	16,461.14								
2005	1152-2005	North Associates	10203	6,651.22								
2005	1152-2005	North Associates	10203	2,101.10								
2005	1015-2005	North Associates	10203	914.00								
2005	1015-2005	North Associates	10203	41,231.67	228,619.25		41,231.67			EM SOURCE	ASB SOURCE	REGULATORY
OFFICE SUPPLIES												
2004	912-2004	Office Use - A Berra Co.		102.25								

Costs Charged to CWP Through 2005

Year	General Ledger Date	EXPLANATION/VEIDOR	INVOICE NO.	AMOUNT	Recovery of Costs	All	Desal	ASR	Pipeline	BM Status	Name of Work	Description
2005	12/17/2004	REF Consulting	4091250	96,500.00		92,147.00	3,953	0	0	Competitive Bid	Task 7, Task 8	
2005	12/17/2004	REF Consulting	4091250	96,500.00		92,147.00	0	0	5,310	Competitive Bid		
2005	1/3/2005	REF Consulting	4101181	52,373.04		15,992.04	35,379	0	0	Competitive Bid	Phase 2: Tasks 3.010, 3.030, 3.040, 3.070, 3.080, 3.100, 3.110, Task 4, Task 5, Task 6, Task 7, Task 8	
2005	1/3/2005	REF Consulting	4101181	60,260.00		57,435.00	0	2,625	0	Competitive Bid		
2005	1/3/2005	REF Consulting	4101181	60,260.00		60,000.00	0	0	0	Competitive Bid		
2005	1/4/2005	REF Consulting		61,260.00		-	61,000	0	0	Competitive Bid		
2005	1/4/2005	REF Consulting		61,260.00		74,642.00	0	6,358	0	Competitive Bid		
2005	1/4/2005	REF Consulting		102,067.35		102,067.35	0	0	0	Competitive Bid		
2005	1/14/2005	REF Consulting		60,260.00		60,000.00	0	0	0	Competitive Bid		
2005	1/14/2005	REF Consulting		61,243.24		61,351.24	0	692	0	Competitive Bid		
2005	1/14/2005	REF Consulting	4101181	60,260.00		44,993.00	15,070	0	0	Competitive Bid		
2005	4/16/2005	REF Consulting	6010267	308,091.70		290,065.70	17,945	0	0	Competitive Bid	Phase 2: Tasks 3.030 - 3.050, 3.120, 3.130, Task 4, Task 5, Task 6, Task 7, Task 8	
2005	5/16/2005	REF Consulting	6021484	337,617.61		315,677.61	21,940	0	0	Competitive Bid	Phase 2: Tasks 3.030 - 3.050, Task 4, Task 5, Task 6, Task 7, Task 8	
2005	5/20/2005	REF Consulting	A000006	5,458.71		2,052.71	3,440	0	0	Competitive Bid	Phase 2: Task 3.120, Task 4, Task 5, Task 6, Task 7, Task 8	
2005	5/20/2005	REF Consulting	6020321	205,195.40		205,195.40				Competitive Bid		
2005	5/26/2005	REF Consulting	6041414	234,652.71		234,652.71				Competitive Bid		
2005	9/2/2005	REF Consulting	6051463	164,075.06		164,075.06				Competitive Bid	Phase 2: Task 4, Task 5, Task 6, Task 7	
2005	3/8/2006	REF Consulting	6061503	274,701.15		155,547.15	210,654			Competitive Bid	Post PEA: Task 1, Task 3, Task 4, Task 5	
2005	11/30/2005	REF Consulting	CWPPFF2	37,515.00		37,515.00				Competitive Bid	Post PEA: Task 3, Task 4, Task 5	
2005	11/30/2005	REF Consulting	6101432	315,937.62		315,937.62				Competitive Bid		
2005	11/30/2005	REF Consulting	6101463	80,012.00		80,012.00				Competitive Bid		
2005	11/30/2005	REF Consulting	6101453	75,093.31		75,093.31				Competitive Bid		
		REF Consulting		4,540,193.01	4,540,193.01	4,540,193.01	726,310	120,174	77,330	Competitive Bid	Conceptual Design, Management support and PEA Preparation	
Legal - Water Rights												
2005	5/13/2003	Somach Simmens & Dunn		10,743.50								
2005	8/26/2003	Somach Simmens & Dunn		297.00								
2005	8/26/2003	Somach Simmens & Dunn		1,653.00								
2005	9/10/2003	Somach Simmens & Dunn		81.00								
2005	10/14/2003	Somach Simmens & Dunn		53.00								
2004	12/31/2003	Somach Simmens & Dunn		235.00								
2004	12/31/2003	Somach Simmens & Dunn		3,534.00								
2004	2/7/2004	Somach Simmens & Dunn		1,053.00								
2004	2/7/2004	Somach Simmens & Dunn		4,386.68								
2004	2/25/2004	Somach Simmens & Dunn		7,606.32								
2004	3/26/2004	Somach Simmens & Dunn		351.00								
2004	5/11/2004	Somach Simmens & Dunn		471.00								
2004	6/15/2004	Somach Simmens & Dunn		210.00								
2004	7/24/2004	Somach Simmens & Dunn		9,574.50								
2004	8/24/2004	Somach Simmens & Dunn		12,709.45								
2004	11/17/2004	Somach Simmens & Dunn		4,206.00								
2004	11/17/2004	Somach Simmens & Dunn	21160	1,650.00								
2005	3/25/2005	Somach Simmens & Dunn		1,530.00								
2005	4/27/2005	Somach Simmens & Dunn	23302	600.00								
2005	5/15/2005	Somach Simmens & Dunn	23712	660.00								
2005	8/16/2005	Somach Simmens & Dunn	24114	600.00								
		Somach Legal Fees		63,183.48	63,183.48	63,183.48					Legal	Legal Advice on Water Rights Issues
Consulting												
2005	11/25/2003	Southwest Strategic	944	4,000.00								
		Southwest Strategic		4,444.00	4,000.00	4000					Consulting services	Media Training services
Legal - CPUC Matters												
2005	7/23/2003	Siegel Levitt & Weiss	172434	20,264.75								
2005	10/14/2003	Siegel Levitt & Weiss	171906	13,182.30								
2004	12/15/2003	Siegel Levitt & Weiss	174226	6,521.61								

EXHIBIT C

Costs Charged to CWP Through 2005

Year	General Ledger Date	EXPLANATION/VENDOR	INVOICE NO.	AMOUNT	Recovery of Costs	All	Desal	ASR	Pipeline	EM Status	Nature of Work	Description
2004	3/4/2004	Woodenship Advertising	200642	1,936.66								
2004	6/23/2004	Woodenship Advertising	201020	5,000.00								Strategic consulting
2004	6/23/2004	Woodenship Advertising	201026	8,438.00								Professional services
2004	6/23/2004	Woodenship Advertising	201026	28,374.00								CWP video
2004	6/26/2004	Woodenship Advertising	CA04100	5,000.00								CWP customer brochure
2004	11/10/2004	Woodenship Advertising	PRD/CA04121	20,000.00								
2004	11/23/2004	Woodenship Advertising	201149	5,000.00								Strategic consulting services
2004	11/23/2004	Woodenship Advertising	201147	5,000.00								Strategic consulting services
2004	11/23/2004	Woodenship Advertising	201148	5,000.00								Strategic consulting services
2005	2/12/2005	Woodenship Advertising	201153	2,354.99								CWP reply cards and envelope
2005	3/24/2005	Woodenship Advertising	201252	5,000.00								Strategic consulting services
2005	4/26/2005	Woodenship Advertising	201259	2,000.00								END of year opinion letter
2005	5/31/2005	Woodenship Advertising	201283	3,600.00								Strategic consulting services
2005	5/31/2005	Woodenship Advertising	201286	3,600.00								Strategic consulting services
2005	5/31/2005	Woodenship Advertising	201290	6,000.00								CWP video
2005	5/29/2005	Woodenship Advertising	201279	3,600.00								Strategic consulting services
2005	5/29/2005	Woodenship Advertising	201233	5,000.00								Strategic consulting services
2005	5/29/2005	Woodenship Advertising	201338	-5,000.00								
2005	7/5/2005	Woodenship Advertising	201333	625.00								FEA key facts
2005	7/5/2005	Woodenship Advertising	201336	975.00								FEA summary
2005	7/5/2005	Woodenship Advertising	201327	1,770.00								Stakeholder interview brochure
2005	7/5/2005	Woodenship Advertising	201334	2,100.00								FEA executive overview
2005	7/5/2005	Woodenship Advertising	201329	2,170.00								FEA pocket brochure
2005	7/5/2005	Woodenship Advertising	201332	3,225.00								Media relations
2005	7/5/2005	Woodenship Advertising	201318	3,600.00								Strategic consulting services
2005	7/5/2005	Woodenship Advertising	201331	3,550.00								FEA advertisement
2005	7/5/2005	Woodenship Advertising	201330	4,550.00								FEA card
2005	7/5/2005	Woodenship Advertising	201328	5,975.00								Ratepayer letter brochure
2005	8/2/2005	Woodenship Advertising	201337	1,088.75								Business
2005	8/25/2005	Woodenship Advertising	201354	2,450.00								FEA advertisement
2005	8/29/2005	Woodenship Advertising	201366	2,600.00								Job coordination FEA info materials
2005	8/29/2005	Woodenship Advertising	201366	300.00								
2005	11/28/2005	Woodenship Advertising		-1,486.00								
		Woodenship		198,288.21	177,286.21	192,285.21					Sole Source	

Summary of Costs Charged to CWP in 2006

**CALIFORNIA AMERICAN WATER COMPANY
COASTAL WATER PROJECT
EXHIBIT ON EXPENSES**

Line No.	Item	Vendor	2006
Engineering & Environmental			
1	Consulting, Desal Plant & Pilot Plant	American Water Pridesa LLC	259,190.67
2	Consulting, Engineering/PEA Preparation	RBF Consulting	1,523,985.09
3	Design Engineering	ASR Systems, LLC	106,168.66
4	Environmental Consulting	Froke, Jeffrey B.	540.00
5	Company Utility	Pacific Gas & Electric Co	8,463.00
6	Pilot Plant Permit	Monterey County Building and Planning	4,447.10
7	Process Equipment	Process Equipment Co	31,941.37
8	Adjustment	Duke Energy	-10.00
9	Pilot Plant	William Scotsman Inc.	32,645.24
10		Subtotal Engineering	1,967,371.13
11		<i>Excluded from recovery</i>	<i>0.00</i>
12		Final Subtotal	1,967,371.13
Legal			
13	Legal, Environmental	Allen Matkins Leck Gamble & Mallory LLP	71,183.76
14	Legal, Water Rights	Somach, Simmons & Dunn	-660.00
15	Legal, CPUC Matters	Steebel, Lovitt & Weiss, PC	387,820.55
16	Legal, Land Use	Johnson & Moncrief PLC	17,141.40
17		Subtotal Legal	475,485.71
18		<i>Excluded from recovery</i>	<i>0.00</i>
19		Final Subtotal	475,485.71
Public Outreach & Consulting			
20	Consulting, NGO Interface	Energy Resources International	48,454.57
21	Consulting	Direct Impact Marketing	1,105.00
22	Consulting	Dan Siwulec Communications	14,776.54
23	Consulting	Bob Nelson Associates	57,876.54
24	Consulting, Management & Strategy	Nossaman, Gunther, Knox, Elliot	14,872.21
25	Consulting, Public Outreach and Government Affairs	McCabe & Co	55,000.00
26	Consulting	GreenStripe Media	6,758.00
27		Subtotal Public Outreach	198,842.86
28		<i>Excluded from recovery</i>	<i>-70,172.21</i>
29		Final Subtotal	128,670.65
CAW Labor, Overhead and Miscellaneous Expense			
30	Company Labor & Overhead		307,314.11
31	Employee Pcard Expenses		17,563.51
32	Utility Plant Overhead		220,066.57
33	AWWSC Charges		44,688.66
34		Subtotal Labor, Expense, Miscellaneous	589,632.85
35		<i>Excluded from recovery</i>	<i>0.00</i>
36		Final Subtotal	589,632.85
Miscellaneous Charges			
37	Permitting	North County Fire District	152.00
38	Hearing Preparation on Rate Recovery	M J Solutions Inc.	5,247.77
39	Company Tax	2006 Sabrix Tax Account	902.69
40		Subtotal Miscellaneous Charges	6,302.46
41		<i>Excluded from recovery</i>	<i>0.00</i>
42		Final Subtotal	6,302.46
43	GRAND TOTAL BEFORE EXCLUSION		3,237,635.01
44	GRAND TOTAL EXCLUDED	(see Box A below for additional details)	-70,172.21
	GRAND TOTAL INTEREST		97,173.80
45	GRAND TOTAL REQUESTED		3,264,636.60

Please note that the Final Subtotals reflected above do not include the specific costs from vendors that California American Water removed from its recovery request. A summary of these vendors and associated costs are reflected below:

Note: Dollars shown above for each year reflect amounts paid to vendor during the year. Work associated with the dollar amounts may have been performed at an earlier date (ie. a January 2006 invoice, paid in 2006, may be for work done in December 2005).

Box A			
46	Public Outreach Exclusions		
46	Public Outreach, Advertising	Bob Nelson	-300.00
47	Public Outreach, Lobbying	Nossaman, Gunther, Knox, Elliot	-14,872.21
48	Public Outreach, Lobbying	McCabe & Co	-55,000.00
49		Subtotal Exclusions	-70,172.21
		<i>Subtotal</i>	<i>-70,172.21</i>

Coastal Water Project 2006 Expenditures

General Ledger	Explanation/Vendor	Task Order	Amount	Recovery of Costs	Desal	ASR	Conveyance	Description
Legal, Environmental								
11/9/2005	Allen Makins Lock Gamble & Mallory LLP	50067614	9,592.28		9,592.28			
11/29/05	Allen Makins Lock Gamble & Mallory LLP	50067614	5,990.00		5,990.00			
2/3/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	2,340.38		2,340.38			
3/15/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	4,375.49		4,375.49			
4/20/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	8,774.24		8,774.24			
6/16/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	4,387.50		4,387.50			
6/19/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	9,945.57		9,945.57			
9/5/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	5,641.12		5,641.12			
9/5/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	5,723.80		5,723.80			
10/9/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	20,557.36		20,557.36			
11/10/2006	Allen Makins Lock Gamble & Mallory LLP	50067614	5,220.94		5,220.94			
	Allen Makins Lock Gamble & Mallory LLP	50067614	-11,364.92		-11,364.92			
	Total		71,182.76	71,182.76	71,182.76	0.00	0.00	Legal advice on CEQA review and environmental issues
Engineering, Pilot Plant								
4/6/2006	American Water Pridesa LLC	50056745	176,629.05		176,629.05			Pilot Plant equipment
5/23/2006	American Water Pridesa LLC	50056745	27,113.10		27,113.10			Pilot Plant equipment and project management
8/1/2006	American Water Pridesa LLC	50056745	2,154.51		2,154.51			Customer charges and handling fee for Pilot Plant
8/7/2006	American Water Pridesa LLC	50056745	52,828.61		52,828.61			Pilot Plant equipment and project management
11/1/2006	American Water Pridesa LLC	50056745	150.00		150.00			Delivery fees for Pilot Plant equipment
11/28/2006	American Water Pridesa LLC	50056745	215.40					
	Total		259,190.67	259,190.67	259,975.27	0.00	0.00	Consulting services and Pilot Plant purchases
Engineering, Pilot Plant								
11/6/2006	ASR Systems, LLC	50056746	33,884.90			33,884.90		Design engineering and hydrogeologist
11/8/2006	ASR Systems, LLC	50056746	26,963.23			26,963.23		Engineering Design for ASR component
12/5/2006	ASR Systems, LLC	50056746	15,203.37			15,203.37		Design engineering, test well siting and installation of ASR wells
12/27/2006	ASR Systems, LLC	50056745	30,117.16		30,117.16			Consulting, initial design engineering
	Total		106,168.66	106,168.66	30,117.16	76,051.50	0.00	Engineering Pilot Plant
Public Outreach, Advertising								
12/13/2005	Bob Nelson Associates	50056745	900.00					Copywriting, ad placement, mailing projects, research and design
12/13/2005	Bob Nelson Associates	50056745	4,268.00		4,268.00			CWP PEA Pocket Brochure & Reply Card
12/13/2005	Bob Nelson Associates	50056745	1,992.50		1,992.50			CWP PEA Stakeholder Personalized Letter w/ Pocket Brochure
12/13/2005	Bob Nelson Associates	50056745	3,906.50		3,906.50			CWP PEA Selected Ratepayer Letter w/ Pocket Brochure & Reply Card
12/13/2005	Bob Nelson Associates	50056745	2,406.00		2,406.00			CWP PEA News Media Support
12/14/2005	Bob Nelson Associates	50056745	3,750.00			3,750.00		CWP Quarterly Print Ads (4), Progress Billing (2)
12/14/2005	Bob Nelson Associates	50056745	2,026.65			2,026.65		CWP Five Minute Video Fulfillment Mailer
1/6/2006	Bob Nelson Associates	50056745	75.00		75.00			Printing: PEA Public Summary
1/6/2006	Bob Nelson Associates	50056745	1,098.00		1,098.00			Printing: PEA Executive Overview
1/6/2006	Bob Nelson Associates	50056745	4,799.00		4,799.00			Printing: Advertiser
2/15/2006	Bob Nelson Associates	50056745	3,571.70		3,571.70			Printing and Postage: Townhall postcard invitations
2/15/2006	Bob Nelson Associates	50056745	1,887.50		1,887.50			Printing and Postage: Opinion Letter with Pine Cone
2/15/2006	Bob Nelson Associates	50056745	1,325.00		1,325.00			Quarterly Customer Update Letter
6/16/2006	Bob Nelson Associates	50056746	12,405.39			12,405.39		DVD: Design and production
6/28/2006	Bob Nelson Associates	50056745	3,210.00		3,210.00			Quarterly Customer Opinion Letter Update
8/2/2006	Bob Nelson Associates	50056747	10,855.00				10,855.00	Postage
	Total		57,876.54	57,576.54	28,539.50	18,182.04	10,855.00	Public Outreach

Coastal Water Project 2006 Expenditures

General Ledger Date	Explanation/Vendor	Task Order	Amount	Recovery of Costs	Desal	ASR	Conveyance	Description
Public Outreach								
12/13/2005	Dan Simfuc Communications	50095745	1,928.17		1,928.17			SAW CWP EVID Master
6/28/2006	Dan Simfuc Communications	50095745	5,010.70		5,010.70			Printing and mailing Monterey stakeholder letter (May 2006)
10/6/2006	Dan Simfuc Communications	50095747	8,113.87			150	8,113.87	Printing and mailing Monterey Public Hearing Notice #2
11/7/2006	Dan Simfuc Communications	50095745	150			150		Download of Monterey PPH title
		Total	14,776.54	14,776.54	6,512.87	150.00	8,113.87	Public Outreach
Public Outreach								
7/8/2006	Direct Impact Marketing	50095745	300.00		300.00			Print Ad: Graphic design, translation
10/6/2006	Direct Impact Marketing	50095745	475.00		475.00			PPH Notice: Graphic Design
10/6/2006	Direct Impact Marketing	50095745	300.00		300.00			PPH Notice: Graphic Design, translation Spanish, Chinese and Korean
		Total	1,105.00	1,105.00	1,105.00	0.00	0.00	Public Outreach
Engineering								
11/4/2006	Culpe Energy	60066745	-10.00					Adjustment
		Total	-10.00	-10.00				
Public Outreach/Consulting								
12/15/2005	Energy Resources International	50095745	5,312.50		5,312.50			Community relations and environmental consultation
6/6/2006	Energy Resources International	50095745	5,492.47		5,492.47			Community relations and environmental consultation
6/6/2006	Energy Resources International	50095745	5,821.56		5,821.56			Local M30 update meeting, community outreach planning
6/16/2006	Energy Resources International	50095745	3,472.87				3,472.87	Data request response, team meeting
6/28/2006	Energy Resources International	50095745	3,576.57				3,576.57	Community outreach consultation, State Land Commission research and analysis
6/28/2006	Energy Resources International	50095749	2,491.74			2,491.74		Community outreach and environmental consultation, water project planning
6/28/2006	Energy Resources International	50095747	6,187.50				6,187.50	Community outreach planning, review of North Marine Sanctuary and Desert Reserves OS
8/13/06	Energy Resources International	50095745	-5,687.84					Team meeting, community outreach planning
8/13/2006	Energy Resources International	50095745	6,562.75		6,562.75			Local M30 meetings, review of local water supply, milk processing
10/6/2006	Energy Resources International	50095745	7,302.75				7,302.75	Local M30 update meeting, community outreach planning
11/6/2006	Energy Resources International	50095745	2,131.25			2,131.25		Public outreach and environmental consultation
12/27/2006	Energy Resources International	50095745	3,582.83		3,582.83			State-level policy analysis, environmental consultation
12/27/2006	Energy Resources International	50095745	487.50		487.50			Community outreach consultation, copy writing
		Total	49,454.57	48,454.57	16,709.02	11,195.75	20,559.60	Consulting: Economic and Non-governmental Organizations
Environmental Consulting								
6/5/2006	Frederick B	50095745	540.00		540.00			Environmental survey
		Total	540.00	540.00	540.00	0.00	0.00	Consulting: Environmental study
Public Outreach/Media								
12/27/2005	Green-Slope Media Inc	60066747	6,798.00				6,798.00	Newspaper publications
		Total	6,798.00	6,798.00				Public Outreach - Media Placement
Legal, Land Use								
11/23/2006	Larson & Moncrief P/C	50087614	7,758.00		7,758.00			
11/23/2006	Larson & Moncrief P/C	50087614	4,207.70		4,207.70			
11/23/2006	Larson & Moncrief P/C	50087614	4,207.70		4,207.70			
		Total	17,141.40	17,141.40	17,141.40	0.00	0.00	Legal advice on land use, real property and business transaction
Public Outreach/Consulting								
1/16/2006	MCC-SEA & Co	50096745	5,000.00		5,000.00			
3/15/2006	MCC-SEA & Co	50096745	5,000.00		5,000.00			
3/15/2006	MCC-SEA & Co	50096745	5,000.00		5,000.00			
6/28/2006	MCC-SEA & Co	50103323	5,000.00		5,000.00			
6/28/2006	MCC-SEA & Co	50103323	5,000.00		5,000.00			
6/28/2006	MCC-SEA & Co	50103323	5,000.00		5,000.00			
6/28/2006	MCC-SEA & Co	50103323	5,000.00		5,000.00			
8/22/2006	MCC-SEA & Co	50103323	5,000.00		5,000.00			
11/8/2006	MCC-SEA & Co	50103323	5,000.00		5,000.00			
11/28/2006	MCC-SEA & Co	50103323	5,000.00		5,000.00			
12/5/2006	MCC-SEA & Co	50103323	5,000.00		5,000.00			
		Total	55,000.00	0.00	0.00			Consulting: Public outreach and government affairs

Coastal Water Project 2006 Expenditures

General Ledger Date	Explanation/Vendor	Task Order	Amount	Recovery of Costs	Desal	ASR	Conveyance	Description
Engineering and Environmental								
10/6/2006	Monterey County Building & Pla	50056745	4447.1		4,447.10			
		Total	4,447.10	4,447.10	4,447.10	0.00	0.00	Permit fee
Consulting, Project Management								
3/2/2006	Nossaman, Guthrie, Knox, Elio	50056745	473.91					
4/19/2006	Nossaman, Guthrie, Knox, Elio	50056747	3,253.75					
6/12/2006	Nossaman, Guthrie, Knox, Elio	50056745	1,513.25					
9/2/2006	Nossaman, Guthrie, Knox, Elio	50056747	-1,931.25					Refund - overpaid
12/14/2006	Nossaman, Guthrie, Knox, Elio	50056745	948.50					
12/14/2006	Nossaman, Guthrie, Knox, Elio	50056745	5,537.55					
12/15/2006	Nossaman, Guthrie, Knox, Elio	50056745	678.50					
12/15/2006	Nossaman, Guthrie, Knox, Elio	50056745	4,198.00					
		Total	14,872.21	0.00				Lobbying and project management
Engineering and Environmental								
6/8/2006	Pacific Gas & Electric Co-REM	50056745	8,463.00		8,463.00			
			8,463.00	8,463.00	8,463.00			Tariff schedule work
Engineering								
9/29/2006	Process Equipment Co	50056745	19760		13,760.00			
9/29/2006	Process Equipment Co	50056745	997.6		907.60			
10/10/2006	Process Equipment Co	50056745	14598		14,508.00			
10/10/2006	Process Equipment Co	50056745	1958.36		1,058.36			
10/11/2006	Process Equipment Co	50056745	1527.41		1,527.41			
		Total	31,941.37	31,941.37	31,941.37			Desalination plant equipment
Consulting, Engineering								
4/6/2006	RBF Consulting	50056746	16,703.70			16,703.70		
4/6/2006	RBF Consulting	50056747	22,156.75				22,156.75	
4/11/2006	RBF Consulting	50056745	2,730.00		2,730.00			
4/19/2006	RBF Consulting	50056745	169,791.71		169,791.71			Tasks: 3, 4, and 12
4/19/2006	RBF Consulting	50056746	11,193.45			11,193.45		
4/19/2006	RBF Consulting	50056747	116,192.62				116,192.62	Tasks: 3, 4, 5, 8, 10, 11, and 12
6/15/2006	RBF Consulting	50056745	162,788.23		162,788.23			Tasks: 3, 4, 5, 6, 7, 8, 10, 11, and 12
7/5/2006	RBF Consulting	50056747	168,977.48				168,977.48	
7/10/2006	RBF Consulting	50056745	12,221.55		12,221.55			
7/10/2006	RBF Consulting	50056745	16,678.63		16,678.63			
7/10/2006	RBF Consulting	50056745	2,494.75		2,494.75			
7/17/2006	RBF Consulting	50056746	168,977.39			168,977.39		Tasks: 3, 4, 5, 6, 7, 8, 11, 12, and 13
7/17/2006	RBF Consulting	50056747	166,354.09				166,354.09	Tasks: 4, 5, 6, 8, 10, 12, and 13
8/16/2006	RBF Consulting	50056745	4,689.25		4,689.25			
8/23/2006	RBF Consulting	50056745	186,783.93		186,783.93			Tasks: 3, 4, 5, 6, 8, 10, 11, 12, and 13
9/15/2006	RBF Consulting	50056747	107,399.34				107,399.34	Tasks: 3, 4, 5, 6, 7, 8, 10, 11, and 12
12/5/2006	RBF Consulting	50056746	83,984.99			83,984.99		Tasks: 3, 4, 6, 7, 10, and 12
12/5/2006	RBF Consulting	50056746	103,907.23			103,907.23		Tasks: 3, 4, 5, 6, 7, and 12
		Total	1,523,985.00	1,523,985.00	558,138.05	384,766.70	581,080.28	Engineering and environmental work, management support, and implementation of Pilot Plant
Legal, Water Rights								
9/15/2006	Somach Simmons & Dunn	50057614	-660.00		-660.00			
		Total	-660.00	-660.00	-660.00			Adjustment
Legal, CPUC Matters								
12/15/2006	Steele Levitt & Weiss	50067614	19,928.12		19,928.12			
(1/24/06)	Steele Levitt & Weiss	50067614	4,155.50		4,155.50			
2/3/2006	Steele Levitt & Weiss	50067614	20,073.31		20,073.31			

EXHIBIT E

Coastal Water Project 2006 Expenditures

General Ledger Date	Explanation/Vendor	Task Order	Amount	Recovery of Costs	Desal	ASR	Conveyance	Description
4/20/2006	Steeffel Levitt & Weiss	50067614	3,219.15		3,219.15			
4/20/2006	Steeffel Levitt & Weiss	50067614	8,079.45		8,079.45			
6/8/2006	Steeffel Levitt & Weiss	50067614	41,451.80		41,451.80			
6/28/2006	Steeffel Levitt & Weiss	50067614	23,072.10		23,072.10			
9/5/2006	Steeffel Levitt & Weiss	50067614	13,275.87		13,275.87			
9/5/2006	Steeffel Levitt & Weiss	50067614	29,288.88		29,288.88			
9/14/2006	Steeffel Levitt & Weiss	50067614	155,192.48		155,192.48			
9/28/2006	Steeffel Levitt & Weiss	50067614	68,995.79		68,995.79			
10/24/2006	Steeffel Levitt & Weiss	50067614	-42,564.75					Refund - overpaid
12/27/2006	Steeffel Levitt & Weiss	50067614	43,652.85		43,652.85			
		Total	387,820.55	387,820.55	387,820.55	0.00	0.00	Legal advice on regulatory issues before the Public Utilities Commission
1/25/2006	Williams Scotsman Inc	50056745	23,345.59		23,345.59			Pilot Plant Equipment
5/2/2006	Williams Scotsman Inc	50092227	988.85		988.85			Initial Rent Payment
6/16/2006	Williams Scotsman Inc	50092227	988.85			988.85		Rent (February-March)
9/13/2006	Williams Scotsman Inc	50056745	988.85					Rent for trailer (March-April)
9/15/2006	Williams Scotsman Inc	50056745	3,955.40					Rent for trailer (April-August)
11/7/2006	Williams Scotsman Inc	50056745	1,977.70					Rent for trailer (August-October)
11/29/2006	Williams Scotsman Inc	50056745	400.00					Foundation Plans
		Total	32,645.24	32,645.24	31,656.39	988.85	0.00	Pilot Plant Equipment: Laboratory and office trailer for the pilot plant
Company Labor, Overhead and Other Charges								
	Company Labor & Overhead		307,314.11		183,923.88	37,954.86	85,435.37	
	Employee Board Expenses		17,563.51					
	Utility Plant Overhead		220,066.57					
	AWW SC Charges		44,688.66		44,688.66			
		Total	589,632.85	589,632.85	228,612.54	37,954.86	85,435.37	
Miscellaneous Charges								
9/15/2006	MJ Solutions Inc	50056746	5,247.77			5,247.77		Hearing preparation on rate recovery
12/27/2006	North County Fire District	50056745	152.00		152.00			Permitting Fee
12/31/2006	2006 Sabrix Tax Accrual	50056745	1,297.82			1,297.82		Sabrix Tax Accrual
12/31/2006	2006 Sabrix Tax Accrual	50056745	31.74			31.74		Sabrix Tax Accrual
12/31/2006	2006 Sabrix Tax Accrual	50056745	-426.87			-426.87		Sabrix Tax Accrual
		Total	6,302.46	6,302.46	152.00	5,247.77	0.00	
	Grand Total:		3,237,635.01					
	Totals:			3,167,452.80	1,637,203.51	534,527.53	712,802.12	
	Excluded From Recovery:		-70,172.21					
	Interest on 2006 Costs:		97,173.80					
	Total CWP 2006 Recovery Request:		3,264,636.60					
<p>Note: Dollars shown above for each year reflect amounts paid to vendor during the year. Work associated with the dollar amounts may performed at an earlier date (ie. a January 2006 invoice, paid in 2006, may be for work done in December 2005).</p>								

Monterey Peninsula Water Management District

Seaside Groundwater Basin Adjudication Allocations: Water Years 2006 - 2026

Water Years	Coastal Subareas				Laguna Seca Subarea				Basin
	Operating Yield (afy)	Alternative Production Allocation (afy)	Standard Production Allocation (afy)	CAW Share (afy)	Operating Yield (afy)	Alternative Production Allocation (afy)	Standard Production Allocation (afy)	CAW Share (afy)	Operating Yield (afy)
2006-2008	4,611	743	3,868	3,504	989	644	345	345	5,600
2009	4,265	743	3,522	3,191	915	644	271	271	5,180
2010-2011	4,150	743	3,407	3,087	890	644	246	246	5,040
2012-2014	3,689	743	2,946	2,669	791	644	147	147	4,480
2015-2017	3,228	743	2,485	2,251	692	644	48	48	3,920
2018-2020	2,752	743	2,009	1,820	608	608	0	0	3,360
2021-2023	2,392	743	1,649	1,494	608	608	0	0	3,000
2024-2026	2,392	743	1,649	1,494	608	608	0	0	3,000

Source: *California American Water v. City of Seaside, et al.* (Case No. M66343, California Superior Court, Monterey County, March 27, 2006, as amended February 9, 2007)

Notes:

1. Values are based on the Court's decision at the January 12, 2007 hearing to switch to a Water Year-based accounting period (October 1 through September 30), the first "Administrative" Year began on October 1, 2006. However, consistent with the original decision, the first reduction in the Operating Yield will occur on January 1, 2009. Each reduction after January 1, 2009, will occur at the beginning of each triennial period, i.e., October 1, 2012, October 1, 2015, and so forth.
3. CAW's share of the Standard Production Allocation for the Coastal Subareas is calculated as 90.60% of the total Standard Production Allocation. For the first triennial period, i.e., Water Years 2006 through 2008, CAW's share is 3,504 afy. This calculation is consistent with the procedure described in the adjudication decision (pages 17 through 19) and Cal-Am's arguments in the *Joint Post-Judgment Motion to Request Clarification of the Court's Final Decision Relating to the Calculation of the Over-Production Replenishment Assessment* dated November 28, 2006 (pages 8 through 10).
4. For computation purposes, it is assumed that the 10% reduction in the Operating Yield is based on the initial Operating Yield specified by the Court, i.e., 5,600 afy. For example, at the beginning of Water Year 2010, the 10% reduction equals 560 afy ($5,600 \times 0.10 = 560$). Similarly, at the beginning of Water Year 2012, the 10% reduction also equals 560 afy ($5,600 \times 0.10 = 560$).
5. For computation purposes, it is assumed that the Natural Safe Yield for the basin is and remains at 3,000 afy, with 608 afy assigned to the Laguna Seca Subarea and the remainder, 2,392 afy, assigned to the Coastal Subareas within the basin.

March 5, 2008

Dewey D. Evans,
Chief Executive Officer
Seaside Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940



RE: Credit Toward Replenishment Assessment

Dear Dewey,

California American Water is requesting a credit toward the replenishment assessment fees owed through December 31, 2007.

This credit claim is for the expenditures for the Coastal Water Project that we have expended through December 31, 2007 in the amount of \$13,469,120.00. This project once constructed will eliminate the need for California American Water to pump water above its natural safe yield amount and therefore, is classified as replenishment water. A complete detailed cost analysis is available for your inspection. Please indicate what information you would want to review. Currently, all the information resides in our Los Angeles office.

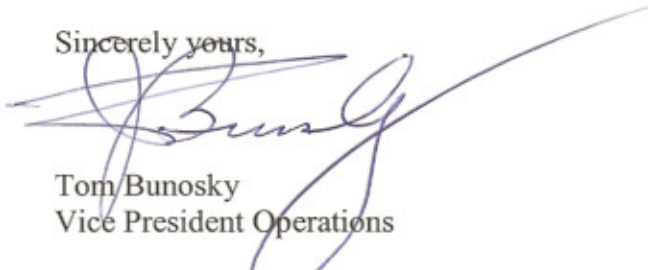
California American Water is requesting this credit as per the Seaside Basin Adjudication Decision, Case No. M66343 which states:

Credit Toward Replenishment Assessment:

California American's expenditures for water supply augmentation may also provide replenishment water for the Basin. Accordingly, on an annual basis, California American will provide the Watermaster with an accounting of all expenditures it has made for water supply augmentation that it contends has or will result in replenishment of the Basin. The Watermaster shall review these expenditures and if it concurs reduce California American's Replenishment Assessment obligation, for that year, by an amount equal to the amount claimed by California American. To the extent that the Watermaster rejects any of the claimed amounts, it shall provide California American with an explanation for the rejection and allow California American an opportunity to meet and confer on the disputed amount. In the event that the Watermaster and California American cannot agree, the matter may be referred to the Court through a request filed by California American.

Please contact me at (619) 409-7717 if you require any additional information.

Sincerely yours,



Tom Bunosky
Vice President Operations

CC: Tim Miller
Craig Anthony
Jay Burnett



**SEASIDE GROUNDWATER BASIN
WATERMASTER**

i

TO: Board of Directors
FROM: Dewey Evans, CEO
DATE: June 4, 2008
SUBJECT: CEO approval of contracts and agreements up to \$10,000

PURPOSE:

To allow the CEO the ability to approve contracts and agreements up to \$10,000 upon verbal approval of the Chair or Vice Chair of the Watermaster Board.

RECOMMENDATION:

It is recommended by the Watermaster Budget/Finance Committee that the Board authorize the CEO to approve contracts and agreements up to \$10,000 upon verbal or written approval of the Chair or Vice Chair of the Board.

BACKGROUND:

Item VI. C. of today's meeting agenda is a request for the Board to ratify a contract approval made by the CEO for a new contract and a modification to an existing contract, each under \$10,000. The contracts procure surveying and surveying support work necessary to establish benchmark water level readings for well data collection at the 98 wells being monitored as per the Basin Monitoring and Management Plan.

COMMENTS:

From time to time contracted services are needed to expeditiously carry out tasks in accordance with the Basin Court Order. The Watermaster Board generally meets monthly and contract services are sometimes needed during the time period between meetings. The ability of the CEO to approve contracts for services up to \$10,000 would eliminate the need for formal Board approval of such an item when no other business warrants scheduling a special or regular meeting. If such authority is granted the CEO, any contracts approved in this manner would be presented under the Consent Calendar at the next regularly scheduled Board meeting.

FISCAL IMPACT:

Contracts let would be within Board adopted budgeted amounts for the work involved resulting in no fiscal impact.

ATTACHMENTS:

None

ITEM NO. VIII.A.2.

**TECHNICAL ADVISORY
COMMITTEE
(TAC)**

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: June 4, 2008

SUBJECT: Consider Approving Interim Seawater Intrusion Contingency Plan

BACKGROUND:

As required in the Monitoring & Management Program (M&MP), the Watermaster is to develop an Interim Seawater Intrusion Contingency Plan (ISICP), to be implemented in the event seawater intrusion is detected prior to the development of a long-term Seawater Intrusion Contingency Plan. The long-term plan is being developed by HydroMetrics as part of the Watermaster's Phase 2 implementation of the M&MP, and will be completed in the fall of 2008. In the meantime, Joe Oliver of MPWMD has prepared the attached ISICP to fulfill this commitment.

DISCUSSION:

The ISICP refines the definition of what constitutes a "seawater intruded aquifer," as defined in the March 27, 2006 Court Decision, by stating that the basis for determining whether any given well has been intruded will be the mean value of ambient chloride concentrations at the well as calculated from the historical data available prior to the adoption of the adjudication decision in March 2006. The mean values for the coastal monitor wells (which were not in place at the time the Decision was entered) will be provided with the quarterly groundwater quality reports prepared for the Watermaster. These underlined refinements clarify what the historical period is for purposes of calculating these mean values.

With this refinement, the ISICP essentially adopts and formalizes the interim procedures to control seawater intrusion, as set forth in the M&MP. These procedures provide a rational and quantifiable approach to determining whether or not seawater intrusion is occurring and the steps to be taken if that does occur. The steps include:

- Cessation of pumping from any Coastal production well in which seawater intrusion is found to be occurring
- Incremental reductions in pumping from any Coastal production well within a one-half mile radius of any Coastal production or monitoring well where seawater intrusion is found to be occurring
- Increased frequency of monitoring, and the installation of additional monitoring well(s), in the vicinity of Coastal well(s) in which seawater intrusion has been detected

RECOMMENDATION:

The TAC reviewed and approved this document at its April 9, 2008 meeting and recommends that the Board adopt it.

SEASIDE BASIN WATERMASTER

INTERIM SEAWATER INTRUSION CONTINGENCY PLAN

April 9, 2008

Purpose

This *Interim Seawater Intrusion Contingency Plan* document formalizes the Seaside Groundwater Basin Watermaster's (Watermaster) proposed interim contingency plan for addressing potential seawater intrusion of the Seaside Basin, in accordance with the court adjudication decision and adopted *Seaside Basin Monitoring and Management Program* (SBMMP). This document will serve as the Watermaster's interim contingency plan until a more specific and detailed long-term contingency plan is developed in the fall of 2008. This long-term *Seawater Intrusion Response Plan* (SIRP) is currently under development as part of the Watermaster's Phase 2 implementation of the SBMMP.

Background

A Court Decision¹ in the Seaside Basin adjudication case was filed in Monterey County Superior Court on March 27, 2006, and was amended on February 9, 2007. The Court Decision included, in part, the requirement "to develop a plan of action to be implemented to avoid various effects in the Basin, including seawater intrusion" and to "develop a plan of action to contain seawater intrusion, should it occur". In addition, the Decision set forth an "Interim Contingency Procedure to Contain Seawater Intrusion", if it is detected before such long-term procedures are in place². This procedure was subsequently refined by modifications that were incorporated into the SBMMP³.

Interim Definition of Seawater Intrusion

The following interim definition of seawater intrusion is adopted from Section IV B. of the SBMMP:

¹ Monterey County Superior Court Case M66343. *California American Water vs. City of Seaside, et al.*

² See page 2 of the "Principles and Procedures of the Seaside Basin Monitoring and Management Plan", which is Exhibit A to the Court Decision.

³ See Section IV C, page 24, of the *Seaside Basin Monitoring and Management Program*, approved by the Watermaster Board on May 17, 2006, revised September 5, 2006, and approved by the Court on February 9, 2007.

For the purposes of defining when actions described in [Section IV C] will be taken, the seaside groundwater basin aquifers will be defined as seawater intruded when the chloride concentrations in a coastal monitor well reach approximately 100 mg/l and 250 mg/l for the Paso Robles and Santa Margarita formations respectively. For a coastal production well, the standard will be when chloride concentrations reach 250 mg/l, given that some production wells have multiple aquifer completions with water quality that reflects a blend from these sources. These standards will be used until more comprehensive standards based on historical water quality data at individual monitor and production wells can be developed. Each monitoring well and production well in the groundwater network will be evaluated on site-specific criteria. In addition, the Watermaster will institute interim standards for notice of potential seawater intrusion so that appropriate preventative actions may be taken. Interim notice for seawater intrusion will be defined as a 50 percent increase above ambient chloride concentrations for any specific monitoring well location. Generally accepted laboratory protocols and hydrogeologic methods will be employed for the determinations of seawater intrusion.

The above interim definition recognizes that limited data were available to more definitively describe historical groundwater quality variations, both spatially and vertically throughout the coastal area of the basin. In addition, the above interim definition did not include reference to the Purisima Formation in the Seaside Basin, as the occurrence and distribution of this aquifer unit have only recently been established and partially characterized with the installation of the four new coastal sentinel wells by the Watermaster in 2007. Accordingly, the above interim definition will be refined as part of the planned work to develop the SIRP, based on data that have been compiled from existing and new wells since this interim definition was developed in 2006. The basis for determining ambient chloride concentrations will be the mean value at each well as calculated from the historical data available prior to the adoption of the adjudication decision in March 2006. These mean values for the coastal monitor wells will be provided with the quarterly groundwater quality reports prepared for the Watermaster.

Interim Procedures to Control Seawater Intrusion

The following interim procedures to control seawater intrusion are adopted from Section IV C. of the SBMMP:

- 1. If seawater intrusion is detected in a coastal production or monitoring well (“Contaminated Well”), the Contaminated Well will discontinue pumping and all other wells that produce groundwater from the intruded aquifer that are within one-half mile of the affected monitoring well (“Threatened Wells”) will immediately reduce their monthly production to the equivalent of one-half of their average monthly production within the previous five years upon notification from Watermaster of the detection of seawater intrusion within the Contaminated Well.*

2. *Watermaster shall increase monitoring of groundwater levels within the one-half mile radius of the Contaminated Well to determine if the requisite pumping reductions sufficiently affect groundwater gradients to prevent the further spread of seawater intrusion toward the Threatened Wells. This increased monitoring effort will include installing at least one new monitoring well as a sentinel well between the Contaminated Well and the nearest down-gradient active Threatened Well.*
3. *After six months of reduced pumping of the Threatened Wells, the threat of further seawater intrusion will be re-evaluated. If the requisite pumping reductions have failed to sufficiently affect groundwater gradients to prevent the further spread of seawater intrusion toward the Threatened Wells, those wells will further reduce their monthly production to the equivalent of one-third of their average monthly production within the previous five years upon notification by Watermaster that such further reductions are required.*
4. *After another six months of monitoring, the direction of groundwater gradients will again be evaluated. If there continues to be a groundwater gradient that would pull the detected seawater towards the Threatened Wells, then the Threatened Wells shall discontinue pumping, unless in Watermaster's determination, doing so would create a public health and/or safety risk.*
5. *If, after the initial discovery of the initial seawater intrusion, seawater is encountered in an additional monitoring or production well, pumping reductions will be required for nearby threatened production wells (i.e., production wells within one half mile of the recently contaminated well) in the same manner as set forth above for first Contaminated Well.*

Similar to the interim seawater intrusion definition, the above interim procedures to control seawater intrusion will be further refined and modified as part of the SIRP, based on additional review and interpretation of hydrogeologic and groundwater quality data being compiled for the SBMMP Phase 2 implementation effort currently underway.

ITEM. IX.

NEW BUSINESS

ITEM NO. X.

**INFORMATIONAL
REPORTS
(NO ACTION REQUIRED)**

SEASIDE GROUNDWATER BASIN WATERMASTER CRITICAL MILESTONE DATES

ITEM X.A. 6/4/2008

ANNUAL MILESTONES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Each Producer ¹ is authorized to Produce its Production Allocation ² within the designated Subarea ¹ in each of the first three Water Years. ³ Alternative Producers may change to Standard Production by March 27, 2009 by filing a declaraton with the Court and with the other parties.	27-Mar-06	30-Sep-07		27-Mar-09									
Commencing with the fourth Water Year and Triennially thereafter, the Operating Yield for both Subareas will be decreased by 10% until the Operating Yield is equivalent to the Natural Safe Yield unless by recharge or reclaimed water use results in a decrease in production of Native Water as required by the decision.				75% of the Operating Yield of 5,600 af could be decreased 10% Jan 1, 2009		Operating yield could decrease 10% every three years on October 1st until it is the equivalent of Natural Safe Yield			1-Oct	1-Oct	1-Oct		
Each Water Year by November 15th, the Watermaster will determine and levy a Replenishment Assessment ⁴ on each Standard Producer ¹ , with payment due from Producer 40 days after the levy is mailed		CAW Credit Request received March 5, 2008.		15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
After the close of each Water Year, the Watermaster will determine and levy a Replenishment Assessment ⁴ against all Producers ¹ that incurred Operating Yield Over Production during the Water Year, with payment due from Producer by January 15th		CAW Credit Request received March 5, 2008.		30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov		
California American Water to submit annually to Watermaster any augmentation to water supply for possible credit toward Replenishment Assessment	Annually	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
Water level monitoring - monthly data collection from all members for inclusion in the consolidated database.	Reported Annually	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly		
Water quality monitoring - yearly data collection from all members for inclusion in consolidated database	Reported Annually	15-Nov	28-Feb & 15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
Summary report of water resources data to all members/parties Reported the 15th each quarter month:	Quarterly		Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jul, Oct 15th		
Annual Report to Court	January 15	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
ADMINISTRATIVE MILESTONES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Board Directors Terms		7-Nov											
Budget (Administrative)				15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan			
Budget (Operations)				15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan			
Budget (Replenishment)				15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan			
Voluntary Administrative Assessment Option			Awaiting decision from: Coastal Subarea, MPWMD										
Operations Assessments													
Replenishment Assessments													
MONTHLY MILESTONES	2006-07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08
Adjudicaton ordered by Court and filed	27-Mar-06												
Watermaster submission of a revised Monitoring and Management Plan and Replenishment Assessment Calculation to the Court	12-Jan-07	7-Oct											
Fiscal Year tentative budgets distribution to all parties		7-Oct											
Appoint/reappoint members & alternates for 2008/2009	7-Nov-07												
Annual Report to Court & Resulting Minute Order	15-Nov-07	16-Jan-08	28-Feb-08	Water Level Survey Contract	Rules & Regs Revision								
SPECIAL ISSUES	2006-07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08
SWRCB Cease & Desist Order California American Water		Received	Full Party Status NOI	Develop Testimony	Evidentiary Hearing 4/1 Monterey Briefs due 4/9 & 23	Rulings 5/8	Full Hearing 6/19-20 Monterey						
Watermaster Board Regular Meeting Schedule		16-Jan	6-Feb	5-Mar	2-Apr	7-May	4-Jun	2-Jul	6-Aug	3-Sep	1-Oct	5-Nov	3-Dec
SUMMARY PROJECT SCHEDULE (See detailed project schedule for more information)			BMMP Phase 2 Schedule 12/07/07				MRWPCA Groundwater Replenishment Project						
Program Administration(Hydrometrics)			1/1/08 - 12/31/08			Initial Study	04/2/08 - 6/19/08				Complete =		
Basin Monitor Well Construction (Feeney, RBF, MPWMD, ASR/Pueblo)											Yet to be completed =		
Production Water Level & Water Quality Monitoring (Hydrometrics, MPWMD, MCWRA)			10/1/07 - 12/31/08								Scheduled for Board meeting =		
Seaside Basin Management Program (Hydrometrics, MPWMD, MCWRA)			12/1/07 - 8/13/08								Imminent Critical Deadline =		
Seawater Intrusion Detection Program (Hydrometrics, MPWMD, MCWRA)			12/15/07-9/10/08								Revised May 27, 2008		

Seaside Groundwater Basin Watermaster

Reported Quarterly and Annual Water Production From the Seaside Groundwater Basin For All Producers Included in the Seaside Basin Adjudication -- Water Year 2008 (All Values in Acre-Feet [AF])

Producer	Quarters				Annual To-Date Reported Total	Base Operating Yield Allocation
	Oct-Dec 07	Jan-Mar 08	Apr-Jun 08	Jul-Sep 08		
<u>Coastal Subareas</u>						
CAW - Coastal Subareas	1,049.8	224.8			1,274.6	3,504.2
City of Seaside (Municipal)	66.8	50.3			117.1	287.4
Granite Rock Company					0.0	27.1
DBO Development No. 27	0.0				0.0	49.3
City of Seaside (Golf Courses)	87.1	67.1			154.2	540.0
Sand City	0.0	0.0			0.0	9.0
SNG (Security National Guaranty)	2.0				2.0	149.0
Calabrese (Cypress Pacific Inv.)		0.0			0.0	14.0
Mission Memorial (Alderwoods)	4.2	1.4			5.6	31.0
<i>Coastal Subareas Totals</i>	1,209.9	343.6			1,553.5	4,611.0
<u>Laguna Seca Subarea</u>						
CAW - Laguna Seca Subarea	113.1	88.4			201.5	345.0
Pasadera Country Club	11.2	3.9			15.1	251.0
Bishop (Laguna Seca Golf Ranch)	31.7	9.3			41.0	320.0
York School	4.0	2.9			6.9	32.0
Laguna Seca County Park	7.3	3.1			10.4	41.0
<i>Laguna Seca Subarea Totals</i>	167.2	107.7			274.9	989.0
Seaside Basin Totals	1,377.1	451.3			1,828.4	5,600.0

Notes:

1. The Water Year (WY) begins October 1 and ends September 30 of the following calendar year. For example, WY 2008 began on October 1, 2007, and will end on September 30, 2008.
2. Values shown in the table are based on reports to the Watermaster as received by MPWMD by **May29, 2008**.
3. All values are rounded to the nearest tenth of an acre-foot. Where required, reported data were converted to acre-feet utilizing the relationships: 325,851 gallons = 43,560 cubic feet = 1 acre-foot.
4. "Operating Yield" values based on Seaside Basin Adjudication decision as amended, signed February 9, 2007 (Monterey County Superior Court Case No. M66343).
5. Any minor discrepancies in totals are attributable to rounding. CAW = California American Water.

D-R-A-F-T
MINUTES

**Seaside Groundwater Basin Watermaster
Technical Advisory Committee Meeting
April 9, 2008**

Attendees: TAC Members

City of Seaside – Tim O’Halloran
California American Water – Tom Bunosky (Vice Chair-via telephone), Craig Anthony
City of Monterey – Les Turnbeaugh
Laguna Seca Property Owners – Stanley Powell (via telephone)
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 - Derrik Williams (via telephone)

Others:

None

The meeting was called to order at 1:33 p.m.

1. Administrative Matters:

A. Approve Minutes from March 12, 2008

On a motion by Mr. O’Halloran, second by Ms. Thomasberg, the minutes were unanimously approved as presented, with Mr. Fischer abstaining because he had not attended that meeting.

2. Progress Reports

Mr. Williams summarized the agenda packet materials on the HydroMetrics item, and there were no questions.

Mr. Oliver summarized the agenda packet materials on the MPWMD item. He said he has received all necessary Watermaster authorizations to obtain water quality and water level data from the various wells in the enhanced monitoring network.

Mr. Jaques summarized the status of the RBF invoices as this pertains to resolution of some Database data input and reporting issues.

Mr. Oliver said that he had received all but some of the CAW well data (from Leslie Jordan) for the first quarter.

3. Draft Interim Seawater Intrusion Contingency Plan

Mr. Oliver briefly summarized the purpose and scope of the Sea Water Intrusion Contingency Plan. Mr. Fischer asked if the TAC was being asked to approve the draft plan at today's meeting, and Mr. Jaques responded yes. This will enable Mr. Oliver to make any revisions requested by the TAC, so that the plan can be presented to the Board for its approval at its May meeting.

Mr. Jaques pointed out, as noted on page 13 of the agenda packet, that each well will have its own specific ambient chloride levels for purposes of determining whether or not sea water intrusion is occurring at that well. This data will be prepared for presentation to the Board at their June 2008 meeting, according to Mr. Oliver.

Mr. Fischer asked Mr. Oliver if earthquakes could have an effect on sea water intrusion. Mr. Oliver responded that this is a complex issue. He said earthquakes can have an effect, but due to the geology of the area he did not expect this to be the case here.

There was consensus to approve the draft Sea Water Intrusion Contingency Plan as presented, and to have Mr. Oliver prepare it for presentation of the Board.

4. Request Board Direction Regarding Calculation of Replenishment Assessments

Mr. Jaques summarized each of the issues and the potential recommendations, as presented in the agenda packet.

Issue 1 Discussion-Mr. Oliver and Mr. Bunosky said they concurred with using all projects for determining the Replenishment Assessment unit cost. Mr. Bunosky said he recommended having a target date, such as 10 years into the future. There was consensus to use the ten-year target date horizon.

Issue 2 Discussion-Ms. Thomasberg said the Salinas Valley Water Project costs grew substantially as that project was being designed, due to additional unanticipated work which had to be done.

Mr. Bunosky recommended including inflation in the development of unit costs. Mr. O'Halloran suggested consideration be given to using the Engineering News Record Construction Cost Index for inflation purposes, if that is feasible.

Mr. Jaques suggested also including a separate contingency factor to account for unexpected work.

Mr. Oliver said that since the Replenishment Assessments are done every year, this will help keep things updated with regard to scope and cost changes for each of the project. Mr. Bunosky said it would be important to know if project costs had already been inflated to the year of startup, so that duplicating inflation markups would not occur. Mr. Anthony also recommended ensuring that multiple inflation factors and contingencies were not already being applied by the sponsoring agency when they provide their data to the Watermaster.

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Mr. Jaques suggested applying a contingency factor in the range of 20 to 25 percent. Mr. Bunosky suggested lowering the contingency factor as project development progresses. There was discussion of potentially using a 50 percent contingency factor for Concept Level project development, and lowering it as design moves toward completion. Mr. Jaques said he would research the subject of contingency factors and discuss that with the subcommittee that had been appointed to study the Replenishment Assessment issues.

Mr. Powell commented that he felt it was appropriate for the Watermaster to receive interest earnings on the money it has on account with the City of Seaside. There was discussion leading to a recommendation by Mr. Bunosky that this matter be presented to the Budget and Finance Committee for them to address.

Issue 3 Discussion-Mr. Powell asked Mr. Williams if he had any idea of what ground water levels should be to prevent sea water intrusion from advancing inland. Mr. Williams said that it would probably be necessary to have replenishment water provided from supplemental sources in amounts greater than required to simply offset annual amounts pumped in excess of the Safe Operating Yield, but probably not to fully replenish the cumulative amounts pumped in excess of the Natural Safe Yield. He said he did not expect the Natural Safe Yield to change appreciably as a result of the work involved in preparing the Basin Management Action Plan.

Mr. Williams went on to say that it would be desirable to have water levels come up by some amount to keep sea water intrusion offshore and away from the production wells. He said that minimum water levels may be established for the coastal wells in order to ensure sea water intrusion does not move inland, but this work is beyond his current scope. He said it is likely that we will want water levels at the coastal wells to be one to two feet above sea level, but that there would be a better understanding of this as the Basin Management Action Plan is developed. Mr. Williams said it is quite an effort to arrive at specific recommended water levels for individual wells. In response to a request from Mr. Jaques, Mr. Williams said he would put together a rough estimate of the additional scope of work and cost to produce that level of detail. It was agreed that this topic would be discussed further at a subsequent TAC meeting.

Mr. Williams said he did not expect that we will need to replace the full cumulative amount of overpumping, because the objective is just to keep sea water intrusion some distance offshore.

Ms. Thomasberg asked how drought impacts would be addressed in the updated Natural Safe Yield calculations. Mr. Oliver noted that the existing Natural Safe Yield does in fact take drought history into account. Mr. Bunosky said the Natural Safe Yield has legal implications, too, since it affects water rights.

There was consensus to support the potential recommendations as contained in the agenda packet, and to defer providing recommendations to the Board on Issue 3 until more information is known through development of the Basin Management Action Plan.

5. Solicitation of Proposals to Perform Well Surveying Work

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

Mr. Williams said that the timeline of getting the survey data by July meets his needs.

Mr. Powell suggested that, if high accuracy will be very costly, the TAC should further discuss this issue and decide what to do at that time.

Mr. Williams said that accuracy is important, since the water level data will be used to determine recommended water levels for preventing sea water intrusion from occurring.

Mr. Jaques said he anticipates that the Proposals may recommend that all wells be surveyed at the same (high) level of accuracy, but he won't know for sure until the Proposals come in. Mr. Powell suggested soliciting input from Mr. Williams and Mr. Oliver, if additional direction is needed after the Proposals come in.

There was consensus that Mr. Jaques would review and summarize the Proposals and e-mail this information to the TAC members, along with his recommendations, shortly after the Proposals are received. At that time a determination can be made by e-mail communication as to whether the issue should come back to the TAC for further discussion before presenting it to the Board.

6. Schedule

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

In response to a question from Mr. Jaques with regard to the status of progress on the CAW ASR monitoring well, Mr. Oliver said that no response from the RWQCB had yet been received. This pertains to task ID numbers 37 and 38 in the schedule. He said that once that information is received, it will be shared with the TAC. He commented that this could influence whether or not the CAW ASR well will be installed in the near future.

7. MRWPCA Ground Water Replenishment Project Funding Assistance

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

Mr. Fischer asked for an explanation of what the terms "coastal barrier" and "up gradient replenishment projects" mean, as noted on page 48 of the agenda packet. Mr. Oliver said he believed the term "barrier" referred to wells that would be close to the coast to serve as a barrier to sea water intrusion, as is done in some Southern California projects, and that the term "up gradient wells" referred to wells that would be further inland to serve primarily for replenishment only, and not as direct barriers to sea water intrusion.

Mr. Bunosky asked Mr. Jaques if the GWRP schedule could be added to the Watermaster schedule which is contained in the monthly TAC agenda packets. Mr. Jaques suggested getting the GWRP schedule directly from MRWPCA (the project sponsor) and either using it as a stand-alone schedule, or putting some of the milestones from that schedule into the Watermaster schedule.

There was some discussion with regard to the GWRP using the same pipeline for both urban reuse water and groundwater replenishment water, and the health implications of these two different levels of water quality passing through the same pipeline.

8. Other business

Mr. Oliver recommended making a presentation at an upcoming TAC meeting on the issue of whether or not an additional monitoring well is needed inland to fill in for the CAW Bayonet ASR well. Mr. Oliver said that an update on the MPWMD/CAW Phase 1 ASR project would also be another good topic for a future meeting agenda. Mr. Jaques said he would put these topics on the agenda for the next TAC meeting.

Mr. O'Halloran reported that the City of Seaside has made a request to MCWD to get water (as described on page 4 of today's agenda packet materials) and that this had been approved by the MCWD Board of Directors, and the FORA Administrative Committee. The Committee's recommendation to approve the request will be made to the FORA Board of Directors at its April 11, 2008 meeting. The request is to receive approximately 500 acre feet of water per year. This water would be used to irrigate the Bayonet and Black Horse golf courses, and therefore Seaside would stop pumping their golf course wells. Mr. O'Halloran said he would e-mail Mr. Jaques a description for this project for inclusion as informational material in the next TAC agenda packet.

Mr. Bunosky said that CAW will be providing a "white paper" on its Replenishment Assessment credit request to the Board at its May meeting. He anticipated this would likely be referred by the Board to the TAC for review and recommendations.

**9. Set next meeting date for Wednesday May 14, 2008 at 1:30 p.m. at the Seaside City Hall
Portable Office Buildings Conference Room**

The next TAC meeting was set for this time, date, and location.

The meeting adjourned at 3:19 p.m.

D-R-A-F-T
MINUTES

**Seaside Groundwater Basin Watermaster
Technical Advisory Committee Meeting
May 14, 2008**

Attendees: **TAC Members**
City of Seaside – No Representative
California American Water – No Representative City of Monterey – Les
Turnbeaugh
Laguna Seca Property Owners – Stanley Powell (via telephone)
MPWMD – Joe Oliver
Public Member – John Fischer
MCWRA – No Representative
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 - Derrik Williams (via telephone)
Martin Feeney

Others:
None

The meeting was called to order at 1:42 p.m. (start of meeting delayed while waiting for members to arrive)

1. Administrative Matters:

A. Approve Minutes from April 9, 2008

Due to a lack of a quorum this item was deferred for action at the next TAC meeting.

2. Progress Reports

Mr. Williams said he had received some preliminary information from RMC regarding the Supplemental Water Supplies component of his work. If he wondered if the R. P. O. G. project was one that should be considered as a package of projects, or whether each component of that project should be considered on its own merits. There was consensus to have each component project evaluated on its own.

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Mr. Fischer noted that he is an R. P. O. G. member, and asked that only those projects which directly impact the Seaside Ground Water Basin be included as potential supplemental water supply projects in the Basin Management Action Plan. There was consensus in support of this request.

Mr. Williams briefly summarized the agenda packet materials on this item. He said he is not encountering any problems or unexpected issues at this point. There was some discussion with regard to how rising sea water levels will be addressed.

Mr. Feeney clarified that the Sentinel Well monitoring data loggers cannot continuously monitor water quality at the perforation depths being used. The equipment simply is not capable of performing this. This requirement was carried over from the original Court Order, but when the Sentinel Well program was revised in early 2007, quarterly monitoring replaced the continuous monitoring.

Mr. Jaques provided a brief update on the status of resolving the RBF database issues.

Mr. Oliver had not yet arrived at this point in the meeting, and therefore he did not provide any oral update to the agenda packet materials included for this item.

3. Progress Report on Phase 1 ASR Project

Mr. Jaques asked if there were any questions or comments with regard to the agenda packet materials on this item, as Mr. Oliver had not yet arrived.

Mr. Powell asked if the Watermaster was carrying out its responsibilities with regard to management of stored water within the groundwater basin. Mr. Jaques described an e-mail he had recently received from Mr. Oliver containing a legal opinion pertaining to MPWMD's responsibilities with regard to getting a Watermaster permit for its ASR storage. Mr. Jaques said he will put that information, along with an agenda topic on this matter, on the next TAC agenda for further discussion.

At this point in the meeting Mr. Oliver had arrived, and Mr. Jaques asked him if CAW's Bayonet ASR well will be needed for MPWMD's Phase 1 ASR well project. Mr. Oliver responded that it did not appear that CAW's ASR well would be required to meet regulatory agency requirements.

Mr. Powell said he felt the Judgment anticipated a somewhat different form of accounting for the injected and recovered waters from ASR. He said he interpreted the order of accounting to be as follows: (1) allocated amount, (2) carryover amount, and (3) stored water amount. He felt the subject should be examined to ensure that these aspects of the Judgment are being properly carried out.

4. Recommendations Regarding Installing an Additional Monitoring Well

Mr. Oliver summarized the agenda packet materials on this item. He reiterated that CAW is not planning to install their Bayonet ASR well, so a replacement well will be needed.

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Mr. Oliver said he recommended that a well be installed further inland at Site No. 7 as shown on the map on page 20 of the agenda packet. He described some of the constraints with regard to installing the well, including depth of drilling and planned land uses. Site No. 7 is currently owned by the U.S. Army, but land transfer entitlements and future land uses are changing as the FORA reuse plans are being implemented.

Mr. Oliver recommended the installation of the well be included in next fiscal year's CIP budget. He commented that there is some flexibility in selecting exactly where the well would be installed. He recommended that the Watermaster begin the initial planning for the well installation project.

There was consensus of the TAC members to support Mr. Oliver's recommendations as described in the agenda packet.

Mr. Feeney suggested that Dave Eisen, who is a geologist at the BRAC office, would be a good point of contact. Mr. Jaques will work with Mr. Oliver to pursue this, and will also be in contact with the FORA office.

It was the consensus of Mr. Oliver, Mr. Feeney, and Mr. Williams that the Type "C" monitoring well installation, as shown on page 21 of the agenda packet, was preferred over Type "B", but that the Type "C" well is likely to cost more due to having a drill multiple bore holes. Further research should be done on this to better decide which type to use.

Mr. Oliver commented that there is also a "West Bay" approach using the Type "A" (individual well) with multiple perforations. Mr. Feeney said that this type of well has a similar risk of inter-aquifer leakage as the Type "B" well.

Mr. Jaques asked Mr. Feeney how he had been selected to undertake the Coastal Sentinel Well project, i.e. had there been a formal selection process. Mr. Feeney responded that the initial proposal from RBF had been very costly, and CAW had asked Mr. Feeney for a cost proposal. Mr. Feeney's proposal was much lower in cost, and the Watermaster Board therefore approved having Mr. Feeney undertake the work.

Mr. Williams asked what the purpose and objectives of the new well would be, i.e. water level, hydrogeology, water quality, etc. Mr. Oliver said he could provide a description of this for discussion at the next TAC meeting. Mr. Williams said that in order to save on costs, it may be possible to drill a pilot hole to get the geologic data, but then put in shallower monitoring wells to monitor the two aquifers.

5. Request Board Direction Regarding Calculation of Replenishment Assessments

Mr. Jaques summarized each of the issues and the potential recommendations, as presented in the agenda packet.

Issue 1 Discussion-There were no questions or comments on this Issue

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Issue 2 Discussion- Mr. Powell pointed out some incorrect language on page 23 of the agenda packet regarding this issue, which stated that to date no replenishment assessment monies had been received by the Watermaster. Mr. Jaques will correct this in the version that goes to the Board for its action.

Issue 3 Discussion- Mr. Powell said he felt this issue will need to be addressed in conjunction with evaluating and responding to CAW's request for a credit against its replenishment assessments, but agreed that at this time the issue did not need to be presented to the Board for direction.

There was consensus to forward Issues 1 and 2 to the Board at this time for their direction.

6. Update on Proposals to Perform Well Surveying Work

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

He said he would be meeting at with Central Coast Surveyors tomorrow morning and was hopeful of having their contract executed within the next few days. Mr. Oliver said he had already executed his contract and provided signed copies to Mr. Jaques at the meeting.

Mr. Jaques said once the two contracts have been executed, he would ask Mr. Oliver to coordinate the scheduling of the work, since it will be essential for MPWMD personnel to escort the surveying personnel to each well site and to ensure that access has been obtained for that purpose.

7. Schedule

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

Mr. Williams said that he felt all of the milestone dates shown in the Schedule were still satisfactory for the work he is performing.

There were no other questions or comments.

8. Other business

Mr. Oliver asked when an update on the City of Seaside's request to get potable water from MCWD for the City's golf course resort hotel project could be expected. Mr. Jaques said he would inquire of the Seaside representatives and put this on the TAC agenda for discussion at the next meeting.

Mr. Fisher provided a short summary of recent FORA Board action in response to this request. It appeared that no formal approval had yet been granted, and that the request was still being processed.

9. Set next meeting date for Wednesday June 11, 2008 at 1:30 p.m. at the Seaside City Hall Portable Office Buildings Conference Room

The next TAC meeting was set for this time, date, and location.

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The meeting adjourned at 3:09 p.m.

SEASIDE GROUNDWATER BASIN
WATERMASTER

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: June 4, 2008
SUBJECT: Status Report on Voluntary Administrative Assessment Program

PURPOSE:

This memorandum serves to apprise the Board on the current status of participation by Watermaster parties in the Voluntary Administrative Assessment Program for Fiscal Year 2008.

RECOMMENDATION:

This update is informational only and no action is recommended.

BACKGROUND:

The Watermaster Board, at the October 17, 2007 meeting, adopted a Volunteer Financial Assessment Policy for collection of a voluntary assessment from each party represented on the Board of Directors in the amount of one-thirteenth of the adopted annual administrative budgeted amount per vote allotted each party as stated in the court decision, with an annual cap of \$200,000 total administrative expenses to be prorated. This served to prorate the administrative cost of the Watermaster by appealing to each party affected by the judgment to voluntarily pay a calculated assessment based on the voting strength of each. A member party with the equivalent of one vote out of the thirteen as specified in the judgment pays \$6,692 or one thirteenth of the \$87,000 Administrative Budget for 2008. A member party with 1/2 of a vote pays \$3,346; 2 votes \$13,384; 3 votes \$20,076. If in the future it is necessary to spend in excess of \$200,000 in any one year for administrative expenses, the current court decreed formula would continue for the amount over \$200,000. For parties choosing not to voluntarily pay the assessment, the current court decreed formula continues for the amount of that party's calculated assessment. Invoices were mailed by Watermaster on November 28, 2007 to the nine parties eligible to participate as listed in the second column of the attached Assessment Matrix.

COMMENTS:

Two parties have elected not to participate in the Voluntary Assessment: City of Del Rey Oaks and Laguna Seca Subarea Landowners; two parties have not submitted payment: Monterey Peninsula Water Management District and Coastal Subarea Landowners, each re-invoiced on May 29, 2008 with MPWMD planning to place the item on its July 2008 agenda; and one party has made a partial payment of \$6,692 of the \$13,384 originally assessed: Monterey County Water Resources Agency, invoiced for the balance on May 29, 2008.

California American Water was invoiced \$20,076 and an additional \$10,038 for the two parties electing not to participate on November 11, 2008, which was paid by CAW on April 8, 2008. CAW was invoiced additionally by Watermaster on May 29, 2008, for \$23,422, the amount due from the parties that had not yet submitted payment or an indication that they would not participate. If any of these parties do submit a payment a corresponding credit and/or refund will be made to CAW.

FISCAL IMPACT:

No new fiscal impact to approved budget.

ATTACHMENTS:

Schedule of Volunteer Financial Assessment Proration

Seaside Groundwater Basin Watermaster**Volunteer Financial Assessment Proration***Fiscal Year (Calendar Year) 2008**As of 5/29/08*

Party	Vote Strength	1/13 of \$87,000 = \$6,692	Received	Status
Landowner Parties Group (Coastal Subarea)	1/2 vote:	\$3,346	\$ -	Due
Landowner Parties Group (Laguna Seca Subarea)		3,346	-	Declined
City of Sand City	1 vote:	6,692	6,692	Paid
City of Monterey		6,692	6,692	Paid
City of Del Rey Oaks		6,692	-	Declined
City of Seaside	2 votes:	13,384	13,384	Paid
MCWRA		13,384	6,692	Paid
MPWMD		13,384	-	Due
California American Water	3 votes:	20,079	30,114	Paid
		\$87,000	\$ 63,574	

ITEM NO. XI.

**DIRECTOR'S
REPORTS**

ITEM NO. XII.

**EXECUTIVE OFFICER
COMMENTS**