

**SEASIDE GROUNDWATER BASIN WATERMASTER
NOTICE
BUDGET AND FINANCE COMMITTEE MEETING
APRIL 19-, 2013-- 11:00A.M.
CITY OF SEASIDE—CITY HALL CONFERENCE ROOM**

AGENDA

Committee Members

City of Seaside

Daphne Hodgson - Chair

California American Water

Eric Sabolsice

City of Sand City

Steve Matarazzo

Coastal Subarea Landowners

Paul Bruno

The next Watermaster Budget and Finance Committee meeting will be held on Friday, April 19, 2013 at 11:00AM at the City of Seaside's City Hall Conference Room

The public may comment on any item within the committee's jurisdiction. Please limit comments to three minutes in length.

Action Items:

1. Discussion and make recommendation to the Board on Board's direction on Technical Advisory Committee's (TAC) recommendation regarding modeling of California American Water's (CAW) Replenishment Program.
2. Discussion and make recommendation to the Board on how to fund the \$9,990 needed to budget for the work to be done by HydroMetrics Water Resources, Inc. to perform the modeling of Replenishment Injection at sites near the Coast
3. Discussion and make recommendation to the Board of CAW request to approve a credit for actual expenditures incurred in calendar year 2010 for pursuing the Coastal Water Project amounting to \$5,111,413 to be used to offset the Watermaster Year 2011/2012 Overproduction Replenishment Assessment

If requested, the agenda and documents in the agenda packet shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

SEASIDE GROUNDWATER BASIN
WATERMASTER
BUDGET AND FINANCE COMMITTEE

TO: Budget and Finance Committee Members

FROM Robert S. Jaques, Technical Program Manager and
Dewey D Evans, CEO

DATE: April 19, 2013

SUBJECT: HydroMetrics RFS No. 2013-03 to Perform Modeling of Replenishment Injection at Sites Near the Coast

RECOMMENDATION: Discuss and recommend to the Board to approve HydroMetrics RFS No. 2013-03 in the not-to-exceed amount of \$9,990.00 to perform groundwater modeling of replenishment injection at sites near the coast.

BACKGROUND:

At its April 3, 2013 meeting the Board of Directors received a presentation by HydroMetrics on the results of modeling performed to evaluate the impact on the Seaside Basin of implementing Cal Am's Replenishment Schedule, and of two other related scenarios that were also modeled.

After receiving that presentation the Board approved the following three recommendations that were made by the Technical Advisory Committee (TAC):

1. Identify and prioritize other potential sources of water that could be acquired and injected to replenish the Basin and help to achieve protective water level elevations.
2. Determine if injection sites closer to the coast could (1) more rapidly reach protective levels and/or (2) reach protective levels using less outside-Basin water, than injecting at the existing ASR sites.
3. Report back to the Board on the findings of the 2 items and identify potential further work to be done at that time.

DISCUSSION

The attached RFS No. 2013-03 to HydroMetrics would authorize groundwater modeling work to be performed in order to carry out Recommendation No. 2 above. Specifically, this work will determine if there is an advantage to locating groundwater replenishment injection wells along the coast as opposed to inland locations where there are existing aquifer storage and recovery (ASR) wells

The number of wells required, their general locations, and the amounts of replenishment water to be injected will be determined by an iterative modeling process that will entail multiple model runs. The measure of success for each run will be if protective groundwater elevations are met in all six of the existing monitoring wells used for protective elevation monitoring.

A technical memorandum will be prepared to document the assumptions and results of the modeling effort. This memorandum will state whether injection sites closer to the coast could (1) more rapidly reach protective levels and/or (2) reach protective levels using less outside-Basin water, than injecting at the existing ASR sites.

FISCAL IMPACTS:

This work was unanticipated, and therefore not included, when the FY 2013 Watermaster Management & Monitoring Program (M&MP) Operations Budget was prepared. However, the Contingency line item in the current FY 2013 M&MP Operations Budget, in the amount of \$39,844, would be more than sufficient to fund this work. At this point in time the TAC is not aware of any other work that might need to be funded by use of this Contingency. However, using \$9,990 of the Contingency for this work would still leave \$29,854 available in the event other unforeseen work needs to be performed during FY 2013.

ATTACHMENTS: HydroMetrics RFS No. 2013-03.

SEASIDE BASIN WATERMASTER
REQUEST FOR SERVICE

DATE: May 1, 2013

RFS NO. 2013-03

(To be filled in by WATERMASTER)

TO: Derrick Williams
HydroMetrics LLC
PROFESSIONAL

FROM: Robert Jaques
WATERMASTER

Services Needed and Purpose: Perform groundwater monitoring as described in Attachment 1.

Completion Date: All work of this RFS shall be completed not later than 60 days from the date of execution of this RFS No. 2013-03.

Method of Compensation: Time and Materials (As defined in Section V of Agreement.)

Total Price Authorized by this RFS: \$ 9,990.00 (Cost is authorized only when evidenced by signature below.) (See Attachment 1 for Estimated Costs).

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

Requested by: _____ Date: _____
WATERMASTER Technical Program Manager

Authorized by: _____ Date: _____
WATERMASTER Chief Executive Officer

Agreed to by: _____ Date: _____
PROFESSIONAL

ATTACHMENT 1



519 17th Street, Suite 500
Oakland, CA 94612

Mr. Robert S. Jaques, Technical Program Manager
Seaside Basin Watermaster
83 Via Encanto
Monterey, CA 93940

April 4, 2013

Subject: Scope and Cost Estimate to Model Coastal Injection

Dear Mr. Jaques:

HydroMetrics Water Resources Inc. is pleased to submit this scope and cost estimate for using the Seaside groundwater model to determine if there is an advantage to locating injection wells along the coast as opposed to inland locations.

The number of wells required, their general locations, and the amounts to be injected will be determined by an iterative modeling process that will entail dozens of model runs. The measure of success will be if protective groundwater elevations are met in all six monitoring wells used for protective elevation monitoring.

The scope will also include time for two meetings, one to present the results to the Technical Advisory Committee by teleconference, and the other to present results to the Watermaster Board in person. A summary technical memorandum will be prepared to document the assumptions and results of the modeling effort.

The estimated cost for the work discussed is \$9,990, as shown on the attached table.

Sincerely,

A handwritten signature in black ink that reads "Derrick Williams". The signature is written in a cursive style with a large initial 'D'.

Derrick Williams, President
HydroMetrics Water Resources Inc.

**Cost Estimate for Seaside Groundwater Basin Watermaster
Coastal Injection Modeling**

Tasks	HydroMetrics WRI Labor					Other Direct Costs	TOTALS
	Derrick Williams	Georgina King	Stephen Hundt	Labor Total			
	President	Senior Hydrogeologist	Staff Hydrogeologist	Hours	(\$)		
Rates	\$190	\$160	\$115	Hours	(\$)	(\$)	(\$)
Task 1. Coastal Injection Well Modeling							
3B.1. Iterate Modeling to Determine How Much Water is Needed to Achieve Protective Elevations	3	4	34	41	\$ 5,120	\$ -	\$ 5,120
3B.2. Produce Tabular and Graphical Output on Protective Elevations	0	1	4	5	\$ 620	\$ -	\$ 620
Subtotal Task 1				46	\$ 5,740	\$ -	\$ 5,740
Task 2. Meetings							
Assume Two Meetings - One to Present Results to TAC (by teleconference) and, One to Present Results to Board	8	4	0	12	\$ 2,160	\$ 100	\$ 2,260
Subtotal Task 2				12	\$ 2,160	\$ 100	\$ 2,260
Task 3. Reporting							
Prepare Technical Memorandum describing Assumptions and Results	2	4	8	14	\$ 1,940	\$ 50	\$ 1,990
Subtotal Task 3				14	\$ 1,940	\$ 50	\$ 1,990
TOTAL				72	\$ 9,840	\$ 150	\$ 9,990

Notes

Other Direct Costs includes mileage, postage, office supplies

*HydroMetrics Water Resources Inc. • 519 17th Street, Suite 500 • Oakland, CA 94612
(510) 903-0458 • (510) 903-0468 (fax)*

**SEASIDE GROUNDWATER BASIN
WATERMASTER
BUDGET AND FINANCE COMMITTEE**

TO: Budget and Finance Committee Members

FROM: Dewey D Evans, CEO

DATE: April 19, 2013

SUBJECT: Funding of RFS No. 2013-03 for HydroMetrics Water Resources Inc. to Perform Modeling of Replenishment Injection at Sites near the Coast

RECOMMENDATION: Discuss and recommend to the Board of Directors to approve funding the RFS No. 2013-03 to HydroMetrics Water Resources Inc. to perform modeling of replenishment injections at sites near the coast in the amount not to exceed \$9,990.00. The \$9,990.00 is recommended to come from the approved FY 2013—Monitoring and Management Operations Fund—Contingency Account of \$39,844.00.

DISCUSSION: The Board at its April 3, 2013 regular meeting approved the three recommendations that were presented to them by the Technical Advisory Committee (TAC). Those recommendations are outlined in the previous report to the Budget and Finance Committee and with the exception of the funding for recommendation No. 2. The question on recommendation No. 2 was where will, in the approved FY 2013 budget, the \$9,990.00 come from. The suggestion was made that some of the approved FY 2013—Monitoring and Management Operations Fund contingency money budgeted at \$39,844.00 could and should be used for this purpose. Before the Board takes formal action the Budget and Finance Committee is being asked to agree to this source of funding.

FISCAL IMPACT:

By using the contingency account and transferring the \$9,990.00 out to another line item account will reduce the contingency amount available to \$29,854.00. At this point in time neither the TAC nor staff is aware of any other work that might need to be funded by use of this contingency.

ATTACHMENTS:

None

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Budget and Finance Committee

FROM: Laura Dadiw, Staff
Approved by: Dewey D Evans, CEO

DATE: April 19, 2013

SUBJECT: California American Water Request for Credit against Replenishment Assessment

RECOMMENDATIONS:

Watermaster Budget & Finance Committee consider approving California American Water's request to allow a credit for actual expenditures incurred in calendar year 2010 for pursuing the Coastal Water Project amounting to \$5,111,413 to be used to offset the Watermaster Year 2011/2012 Over-production Replenishment Assessment.

DISCUSSION:

In January of 2009, California American Water and the Seaside Basin Watermaster (Watermaster) entered into a Memorandum of Understanding (MOU) in order to establish a process for implementing Section III.M.1.d of the Amended Decision. This Section authorizes California American Water to receive Replenishment Credits for water supply augmentation expenditures it contends has or will result in replenishment of the Basin.

In summary, the MOU provides that a claim for Replenishment Credits provided by California American Water shall be based upon expenditures for a water supply augmentation project that California American Water contends has or will result in Basin replenishment. The MOU further provides that the Watermaster shall grant California American Water's requests for Replenishment Credits for years in which the Watermaster declares that water for Artificial Replenishment is not available. The granting of the request is subject to California American Water's obligation to provide future Artificial Replenishment in an amount equal to the number of acre feet of Over-production for which California American Water receives Replenishment Credits.

California American Water has timely submitted its request for Replenishment Credits for Water Year 2012 which includes a detailed list of expenditures for a water supply augmentation project California American Water contends will result in replenishment of the Basin. The expenditures requested were approved by the California Public Utilities Commission (PUC) as reasonably incurred. A copy of California American Water's request, including the decision of the PUC approving the expenditures, is attached.

Additionally, the Watermaster declared in December 2011 that water for Artificial Replenishment was not available for Water Year 2012.

ATTACHMENT: CAW Request for Credit Correspondence with expense listing and PUC approval.



CALIFORNIA
AMERICAN WATER

California American Water – Monterey
511 Forest Lodge Rd, Suite 100
Pacific Grove, CA 93950
amwater.com

April 1, 2013

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

SUBJECT: Request for Replenishment Assessment Credit

Dear Mr. Evans:

California American Water hereby submits its formal request for a Replenishment Credit in the amount of \$5,111,413. We are requesting this credit be applied to the Seaside Basin Watermaster Year 2012 Overproduction Replenishment Assessment against California American Water that was transmitted by your December 12, 2012 invoice.

The basis for this Replenishment Credit request is California American Water's actual expenditures incurred in calendar year 2010 for pursuing the Coastal Water Project. The \$5,111,413 expenditure amount was approved by the California Public Utilities Commission ("CPUC") in its Decision 12-08-012, dated August 2, 2012 (copy attached). However, in approving Decision 12-08-012, we believe that the CPUC has made a typographical error and stated \$5,111,493, which is \$80.00 higher than we calculate. We are therefore requesting the smaller, calculated amount. Attached is a spreadsheet that breaks down the CPUC-approved expenditure amount by category. Detailed documentation of vendor invoices, labor costs, and other expenses corresponding to and supporting the \$5,111,413 approved expenditure amount is available, if desired.

As you will likely recall, in January of 2009 the Seaside Basin Watermaster and California American Water executed a Memorandum of Understanding regarding Replenishment Credits ("MOU"). In accordance with the MOU, California American Water is submitting this request following receipt of the Watermaster's notice of the amount of the Replenishment Assessment. Additionally, the MOU provides that the Watermaster "shall grant" California American Water's request for a Replenishment Credit for years in which Artificial Replenishment Water is not available for purchase. Thus, we are requesting that you place California American Water's request on the agenda for approval at the next Watermaster meeting.

Sincerely,

John Kilpatrick
Project Delivery Manager

Enclosures (2)

cc: Eric Sabolsice
Lori Girard

Decision 12-08-012 August 2, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of California-American Water Company (U210W) for an Order Authorizing the Transfer of Costs Incurred in 2010 for Its Long-Term Water Supply Solution for the Monterey District to Its Special Request 1 Surcharge Balancing Account.

Application 11-06-030
(Filed June 30, 2011)

DECISION APPROVING SETTLEMENT AGREEMENT

1. Summary

By today's decision, we approve a Settlement Agreement entered into by the California-American Water Company (Cal-Am) and the Division of Ratepayer Advocates. We find that the Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest. The Settlement Agreement therefore meets the requirements of Rule 12.1(d) of the Commission's Rules of Practice and Procedure.

Our approval of the Settlement Agreement authorizes Cal-Am to recover \$5,111,492.96 for Coastal Water Project costs incurred in Application 04-09-019 through December 31, 2010. This amount reflects adjustments totaling \$214,659.87. Cal-Am will recover these costs from ratepayers through the Special Request 1 Surcharge Balancing Account authorized in Decision 06-12-040.

2. Background

Decision (D.) 03-09-022 authorized California-American Water Company (Cal-Am) to establish a memorandum account to record costs associated with

preliminary engineering studies, environmental studies, analysis of necessary permitting requirements, and development of cost estimates for the Coastal Water Project. D.06-12-040 authorized the Special Request 1 Surcharge Balancing Account to allow recovery of prudently incurred preconstruction costs.

On June 30, 2011, Cal-Am filed Application (A.) 11-06-030 requesting authorization to transfer a total of \$5,354,229 in preconstruction costs incurred in A.04-09-019 that have been tracked in the authorized memorandum accounts to its Special Request 1 Surcharge Balancing Account for recovery from its ratepayers. The request for recovery includes costs incurred for environmental and engineering expenses, pilot plant maintenance and decommissioning expenses, legal services, labor and overhead charges, and miscellaneous charges. Cal-Am states that it has removed \$38,240.88 in labor and overhead charges that it may have recovered in prior General Rate Case proceedings, consistent with the settlement agreement approved in D.08-01-007.

On March 16, 2012, the Division of Ratepayer Advocates (DRA) served its Audit Report on the 2010 Preconstruction Costs, recommending that Cal-Am's request be reduced by \$801,600. In rebuttal testimony served on March 30, 2012, Cal-Am agreed with three adjustments: 1) reduction of \$1,839 in consultant RMC's bills to correct contract billing rates; 2) reduction of \$3,028 in American Water's bills to correct for contract billing rates; and 3) removal of withdrawn legal fees of \$13,136. DRA also recommended that \$63,157 be disallowed, contending that public outreach costs are not authorized preconstruction costs, that \$232,644 be disallowed in legal fees that DRA contends were not justified with sufficient evidence, and that \$487,928 be disallowed in outside legal counsel costs that DRA contends are excessive. Settlement negotiations ensued in April

and May. The parties filed a Joint Motion for approval of the Settlement Agreement on June 22, 2012, agreeing on total adjustments of \$214,659.87 and that \$5,111,492.96 should be recovered. The settlement agreement is unopposed. The Administrative Law Judge (ALJ) received the exhibits into the record by ruling issued on July 3, 2012.

3. Brief History

As we summarized in D.11-03-008, the instant application is related to A.04-09-019, the Coastal Water Project. In A.04-09-019, Cal-Am applied for a certificate of public convenience and necessity (CPCN) to construct and operate a desalination plant and associated facilities proposed to address long-term water supply problems on the Monterey Peninsula. As the Commission discussed in D.10-12-016, the water supply deficit on the Monterey Peninsula is long-standing. Cal-Am has been subject to an order by the State Water Resources Control Board (SWRCB) since 1995 to cease diverting water from the Carmel River and to find an alternative supply of 10,730 acre-feet per year of water.¹ In 2006, the Monterey County Superior Court established physical limitations to various users' water allocations to reduce the drawdown of the Seaside Basin aquifer and to prevent additional seawater intrusion. Cal-Am's allocation from the Seaside Basin will be reduced over time. On October 20, 2009, the SWRCB issued Order WR 2009-0060, a Cease and Desist Order that requires Cal-Am to take additional measures to reduce its diversions from the Carmel River and to terminate all such diversions no later than December 31, 2016. The proposed project and the alternatives studied in the Final Environmental Impact Report (FEIR) are known as the Coastal Water Project.

The Commission certified the FEIR in D.09-12-017. By D.10-12-016, the Commission approved a Settlement Agreement and Water Purchase Agreement related to the Regional Desalination Project which resolved Phase 2 of A.04-09-019. D.10-12-016 also issued a CPCN for the Cal-Am facilities related to the Regional Project.

On January 18, 2012, Cal-Am filed a compliance filing in A.04-09-019 to provide an update to the mediation efforts of Cal-Am, Marina Coast Water District, and the Monterey County Water Resources Agency. In that filing, Cal-Am explained that the parties to the Water Purchase Agreement had met with a Commission-sponsored mediator to try and pursue the Regional Desalination Project, but due to overarching events, Cal-Am no longer supported that project. On April 23, 2012, Cal-Am filed A.12-04-019 to propose the Monterey Peninsula Water Supply Project.²

This short overview provides a snapshot of the long history impacting the water situation on the Monterey Peninsula. We emphasize that the instant application is concerned only with costs accrued in 2010. Cal-Am did not formally withdraw its support of the Regional Desalination Project until January 2012.

¹ Order WR 95-10.

² On June 12, 2012, the assigned ALJ in A.04-09-019 issued a proposed decision, recommending that the Commission grant Cal-Am's motion to withdraw its petition to modify D.10-12-016 and to close that proceeding.

4. The Settlement Agreement is in the Public Interest, Consistent with the Law and Reasonable in Light of the Whole Record

The Settling Parties have reached agreement on the disputed issues in the Application. The parties agree that the Commission should authorize Cal-Am to transfer \$5,111,492.96 in preconstruction costs incurred for the Coastal Water Project in A.04-09-019 for services rendered through 2010 to the Special Request 1 Surcharge Balancing Account. They also agree that Cal-Am's total request for recovery should be reduced by \$214,569.87. The agreed-upon disallowances include: 1) reduction of \$1,839 in consultant RMC's bills to correct contract billing rates; 2) reduction of \$3,028 in American Water's bills to correct for contract billing rates; 3) removal of withdrawn legal fees of \$13,135.78; d) reduction of \$28,156.41 to remove a portion of customer information costs; and 4) reduction of \$196,657.02 to adjust legal costs.

The Settlement Agreement was reached after DRA conducted a thorough review and audit of the 2010 preconstruction costs. The agreement represents a reasonable resolution of the dispute between Cal-Am and DRA regarding the Coastal Water Project preconstruction costs. We find that the adjustments strike a reasonable balance between the costs incurred by Cal-Am and the disallowances recommended by DRA. We concur that the agreed-upon 2010 preconstruction costs were reasonably and properly incurred in the pursuit of a long-term water supply solution on the Monterey Peninsula. We also find that the Settlement Agreement complies with our prior decisions addressing the Coastal Water Project preconstruction costs.

With the approval granted in today's decision, Cal-Am ratepayers will be paying for a total of approximately \$28.69 million in preconstruction costs incurred from 2006 through 2010. In D.11-03-008, we stated that "we would

expect that certain preconstruction costs would be reduced in 2011 and future years.”³ Cal-Am should carefully demonstrate and substantiate the need for additional ongoing preconstruction costs in any future applications.

The proposed Settlement Agreement is in the public interest both because the agreed-upon costs are reasonable and because it will avoid potentially costly litigation. It is certainly preferable that parties develop their own mutually-agreeable solution regarding the relatively-minor disputed amounts. There is no need for the Commission or the parties to invest further time and resources in litigation. For all of the foregoing reasons, we grant the Settling Parties’ Motion and adopt the Settlement Agreement as proposed.

5. Categorization and Need for Hearings

In Resolution ALJ 176-3277, dated July 14, 2011, the Commission preliminary categorized this application as Ratesetting and preliminarily determined that hearings were necessary. Given the uncontested Settlement Agreement that we adopt today, a public hearing is not necessary, and we modify the preliminary determination.

6. Comments on Proposed Decision

As a result of the Settlement Agreement, this matter is uncontested. Pursuant to Pub. Util. Code § 311(g)(2) and Rule 14.6(c)(2), comments on the proposed decision of the ALJ are waived.

7. Assignment of Proceeding

Michael R. Peevey is the assigned Commissioner and Angela K. Minkin is the assigned ALJ in this proceeding.

³ D.11-03-008 at 5.

Findings of Fact

1. As detailed in the Settlement Agreement, we find that Cal-Am should be allowed to recover \$5,111,492.96 in 2010 preconstruction costs incurred in A.04-09-019, and this amount constitutes the entirety of Cal-Am's preconstruction costs incurred for services rendered through December 31, 2010, for which recovery has not been previously authorized.

2. \$5,111,492.96 should be transferred from the Coastal Water Project Memorandum Account to the Special Request 1 Surcharge Balancing Account for recovery from Cal-Am's ratepayers.

3. Cal-Am's ratepayers have been responsible for \$23.58 million in preconstruction costs incurred from 2006 through 2009. As a result of today's decision, ratepayers are now responsible for an additional \$5.11 million in preconstruction costs incurred in 2010, for a total of approximately \$28.69 million.

Conclusions of Law

1. The Settlement Agreement between Cal-Am and DRA is reasonable in light of the whole record, consistent with the law, and in the public interest and should be approved.

2. This decision should be effective today so that the Settlement Agreement may be implemented expeditiously.

3. A.11-06-030 should be closed.

O R D E R

Therefore, **IT IS ORDERED** that:

1. The Settlement Agreement between California-American Water Company and the Division of Ratepayer Advocates is approved without modification.

2. California-American Water Company is authorized to transfer \$5,111,492.96 of costs incurred for the Coastal Water Project in Application 04-09-019 for services rendered through December 31, 2010 from the Coastal Water Project Memorandum Account to the Special Request 1 Surcharge Balancing Account.

3. Evidentiary hearings are not necessary.

4. Application 11-06-030 is closed.

This order is effective today.

Dated August 2, 2012, at San Francisco, California.

MICHAEL R. PEEVEY

President

TIMOTHY ALAN SIMON

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

MARK J. FERRON

Commissioners

Summary of Costs Charged to CWP in 2010-11

**CALIFORNIA AMERICAN WATER COMPANY
COASTAL WATER PROJECT
EXHIBIT ON 2010-11 EXPENSES**

Line No.	Item	Vendor	2010-11
Engineering & Environmental			
1	Consulting, Engineering and PEA/EIR Technical Support	RBF Consulting Engineers	1,531,306.45
2	Design Engineering, Conveyance Facilities	Parsons Water & Infrastructure, Inc.	184,177.95
3	Design Engineering, ASR Facilities	ASR Systems, LLC	24,523.50
4	Consulting ASR Phase 1	Creegan & D'Angelo	14,000.00
5	Environmental Impact Report	California Public Utilities Commission	731,241.18
6	Desalination Study	RMC Water & Environmental	182,735.75
7	Subtotal Engineering		2,667,984.83
8	<i>Excluded from recovery</i>		<i>(1,838.75)</i>
9	Final Subtotal		2,666,146.08
Pilot Plant, O & M			
10	Pilot Plant, Laboratory	Williams Scotsman Inc.	9,156.56
11	Pilot Plant, Electric Utility	Pacific Gas & Electric Co	5,042.68
12	Consulting, Pilot Plant	American Water Pridesa LLC	116,086.59
		Granite Construction, L S & G Electric, Layne	
13	Pilot Plant Construction, Mechanical & Electrical	Christensen	201,687.73
14	Pilot Plant Consultant Support	MWH Americas, Inc	115,821.71
15	Consulting, Water Quality Testing	Test America	236,054.60
16	Pilot Plant, Materials and Supplies	Various	93,087.41
17	Subtotal Construction & PP Startup		776,937.28
18	<i>Excluded from recovery</i>		<i>0.00</i>
19	Final Subtotal		776,937.28
ASR Pipeline			
20	Pipeline Installation	Monterey Peninsula Engineers	325,025.00
23	Subtotal ASR Pipeline		325,025.00
24	<i>Excluded from recovery</i>		<i>0.00</i>
25	Final Subtotal		325,025.00
Legal			
26	Legal, Environmental	Allen Matkins Leck Gamble & Mallory LLP, Nossaman LLP	598,739.15
27	Legal, CPUC Matters	Manatt, Phelps & Phillips LLP	611,053.65
28	Subtotal Legal		1,209,792.80
29	<i>Excluded from recovery</i>		<i>(209,792.80)</i>
30	Final Subtotal		1,000,000.00
Public Outreach & Consulting			
31	Consulting	BNA Communications	63,156.41
32	Subtotal Public Outreach		63,156.41
33	<i>Excluded from recovery</i>		<i>(28,156.41)</i>
34	Final Subtotal		35,000.00
CAW Labor, Overhead and Miscellaneous Expense			
35	Company Labor & Overhead		242,000.81
36	Employee Expenses		5,421.15
37	P-Card Expenditures		3,930.92
38	Utility Plant Overhead		19,349.89
39	Reclassified Charges		7,476.55
40	AFUDC		50,135.14
41	AWWSC Charges		2,151.45
42	Subtotal Labor, Expense, Miscellaneous		330,465.91
43	<i>Excluded from recovery</i>		<i>(41,269.20)</i>
44	Final Subtotal		289,196.71
Miscellaneous Charges			
45	SWRCB Accounting Office	Waste Discharge Fee	1,452.00
46	Monterey County	Pilot Plant Demolition Permit Fee	2,709.31
47	Company Tax	2010-11 Sabrix Tax Account	1,977.84
48	Subtotal Miscellaneous Charges		6,139.15
49	<i>Excluded from recovery</i>		<i>0.00</i>
50	Final Subtotal		6,139.15
51	GRAND TOTAL BEFORE EXCLUSION		5,379,501.38
52	GRAND TOTAL EXCLUDED		(281,057.16)
	GRAND TOTAL INTEREST		12,968.74
53	GRAND TOTAL REQUESTED		5,111,412.96

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 2011 invoice, paid in 2011, may be for work done in 2010).

Seaside Groundwater Basin Watermaster										VI.C.
Replenishment Fund										4/3/2013
Water Year 2013 (October 1 - September 30) / Fiscal Year 2013 (January 1 - December 31)										
Balance through March 31, 2013										
Replenishment Fund	2006	2007	2008	2009	2010	2011	2012	Totals Through WY 2012	Budget 2013	Projected Totals Through WY 2013
Assessments:	WY 05/06	WY 06/07	WY 07/08	WY 08/09	WY 09/10	WY 10/11	WY 11/12		WY 12/13	
Unit Cost:	\$1,132	\$1,132	\$16,538	\$3,040	\$2,780	\$2,780	\$2,780		\$2,780	
California American Water Balance Forward	\$ -	\$ 1,641,004	\$ 4,206,475	\$ (2,900,435)	\$ (2,868,685)	\$ (3,850,964)	\$ (6,088,910)		\$ (3,807,966)	
Exceeding Natural Safe Yield Considering Alternative Producers	2,106,652	2,484,533	5,164,969	3,773,464	4,112,933	3,187,854	1,661,090	\$ 22,491,495	3,449,961	\$ 25,941,456
Operating Yield Overproduction Replenishment	-	80,938	34,045	-	-	-	619,853	734,836	-	734,836
Total California American	\$ 2,106,652	\$ 2,565,471	\$ 5,199,014	\$ 3,773,464	\$ 4,112,933	\$ 3,187,854	\$ 2,280,943	\$ 23,226,332	\$ 3,449,961	\$ 26,676,293
CAW Credit Against Assessment	(465,648)		(12,305,924)	\$ (3,741,714)	(5,095,213)	(5,425,799)	-	(27,034,298)	-	(27,034,298)
CAW Unpaid Balance	\$ 1,641,004	\$ 4,206,475	\$ (2,900,435)	\$ (2,868,685)	\$ (3,850,964)	\$ (6,088,910)	\$ (3,807,966)	\$ (3,807,966)	\$ (358,005)	\$ (358,005)
City of Seaside Balance Forward	\$ -	\$ 230,671	\$ 413,454	\$ 1,106,116	\$ 1,737,569	\$ 988,414	\$ (13,109)		\$ (678,596)	
City of Seaside Municipal	332.0 AF	287.7 AF	294.3 AF	293.4 AF	282.9 AF	240.7 AF				
Exceeding Natural Safe Yield Considering Alternative Producers	169,200	173,739	385,642	399,211	231,961	141,335	156,752	\$ 1,657,840	150,000	\$ 1,807,840
Operating Yield Overproduction Replenishment	50,487	340	16,898	66,090	82,761	-	6,757	223,332	-	223,332
Total Municipal	219,687	174,079	402,540	465,300	314,721	141,335	163,509	1,881,172	150,000	2,031,172
City of Seaside - Golf Courses										
Exceeding Natural Safe Yield - Alternative Producer	-	-	131,705	69,701	-	-	-	201,406	-	201,406
Operating Yield Overproduction Replenishment	-	-	131,705	69,701	-	-	-	201,406	-	201,406
Total Golf Courses	-	-	263,410	139,402	-	-	-	402,812	-	402,812
Total City of Seaside*	\$ 219,687	\$ 174,079	\$ 665,950	\$ 604,702	\$ 314,721	\$ 141,335	\$ 163,509	\$ 2,283,984	\$ 150,000	\$ 2,433,984
City of Seaside Late Payment 5%	10,984	8,704	26,712	26,750	15,737			88,887		88,887
In-lieu Credit Against Assessment*	-		-	\$ -	(1,079,613)	(1,142,858)	(828,996)	(3,051,467)	(1,200,000)	(4,251,467)
City of Seaside Unpaid Balance	\$ 230,671	\$ 413,454	\$ 1,106,116	\$ 1,737,569	\$ 988,414	\$ (13,109)	\$ (678,596)	\$ (678,596)	\$ (1,728,596)	\$ (1,728,596)
Total Replenishment Fund Balance	\$ 1,871,675	\$ 4,619,929	\$ (1,794,319)	\$ (1,131,116)	\$ (2,862,551)	\$ (6,102,019)	\$ (4,486,563)	\$ (4,486,563)	\$ (2,086,602)	\$ (2,086,602)
Replenishment Fund Balance Forward	-	\$ 1,871,675	\$ 4,619,929	\$ (1,794,319)	\$ (1,131,116)	\$ (2,862,551)	\$ (6,102,019)		\$ (4,486,563)	
Total Replenishment Assessments	2,337,323	2,748,254	5,891,676	4,404,917	4,443,391	3,329,189	2,444,452	25,599,202	3,599,961	29,199,163
Total Replenishment Paid and/or Credited	(465,648)	-	(12,305,924)	(3,741,714)	(6,174,826)	(6,568,657)	(828,996)	(30,085,765)	-	(30,085,765)
Grand Total Replenishment Fund Balance	\$ 1,871,675	\$ 4,619,929	\$ (1,794,319)	\$ (1,131,116)	\$ (2,862,551)	\$ (6,102,019)	\$ (4,486,563)	(4,486,563)	\$ (886,602)	\$ (886,602)
* 2010 = 319.55 AF golf course in-lieu replenishment and 68.8 AF 4-party agmt in-lieu replenishment										
2011 = 411.1 AF golf course in-lieu replenishment										
2012 = 298.2 AF golf course in-lieu replenishment										