

**SEASIDE GROUNDWATER BASIN WATERMASTER
SPECIAL MEETING AGENDA**

**WEDNESDAY, NOVEMBER 15, 2006, 1:30 P.M.
SOPER FIELD, 220 COE AVENUE
SEASIDE, CALIFORNIA**

WATERMASTER BOARD:

City of Seaside – Mayor Ralph Rubio, Chairman
Laguna Seca Subarea Landowner – Director Bob Costa, Vice Chairman
Monterey Peninsula Water Management District – Director Michelle Knight, Secretary
City of Monterey – Mayor Dan Albert, Treasurer
City of Sand City – Mayor David Pendergrass
California American Water – Director Steve Leonard
City of Del Rey Oaks – Mayor Joseph Russell
Monterey County/Monterey County Water Resources Agency - Supervisor Jerry Smith,
District 4
Coastal Subarea Landowner – Director Paul Bruno

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC PARTICIPATION/ ORAL 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 state their names. Oral communications are now open.

IV. SPECIAL MEETING BUSINESS

1. Approve Petition to Court regarding Update of Watermaster Activities and Proposed Amendments to Decision.
2. Approve revisions to the Seaside Basin Monitoring and Management Program regarding the installation of the new monitoring wells.
3. Approve revisions to the Seaside Basin Monitoring and Management Program Implementation Schedule.
4. Approve amendments to adopted Rules and Regulations regarding timing of assessments and other administrative matters.

5. Approve an increase in Mr. Martin Feeney's consulting contract from \$13,600 to \$14,600 to offset increased cost insurance requirements.
6. Establish a budgeted amount of \$14,000 in the Monitoring and Management Plan Operational Budget to cover the anticipated travel and meeting costs associated with the four consultants assisting with the Seaside Basin groundwater flow modeling: Foreman Yates, Durbin and Scalmanini.
7. Ms. Diana Ingersoll, Chair of Seaside Groundwater Basin Watermaster Technical Committee will update and make a recommendation to the Board on the selection of the consultants to manage and implement the Seaside Basin Monitoring and Management Program.

V. NEXT MEETING DATE – DECEMBER 6, 2006

VI. DIRECTOR'S REPORTS

VII. ADJOURNMENT

This agenda was posted at the City Clerks Office at the City of Seaside on Tuesday November 14, 2006 per the Ralph M. Brown Act. Government Code Section 54954.2(a). The agenda was forwarded via e-mail to the City Clerks of 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 Water Resources Agency and the California American Water Company for posting on November 14, 2006.

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF MONTEREY**

10 CALIFORNIA AMERICAN WATER,

11 Plaintiff,

12 vs.

13 CITY OF SEASIDE; CITY OF MONTEREY;
14 CITY OF SAND CITY; CITY OF DEL REY
15 OAKS; COUNTY OF MONTEREY;
16 SECURITY NATIONAL GUARANTY INC.;
17 GRANITE ROCK COMPANY; D.B.O.
18 DEVELOPMENT NO. 27; MURIEL E.
19 CALABRESE 1987 TRUST; ALDERWOODS
20 GROUP (CALIFORNIA), INC.; PASADERA
21 COUNTRY CLUB, LLC; LAGUNA SECA
22 RESORT, INC.; BISHOP McINTOSH &
23 McINTOSH, a general partnership; THE YORK
24 SCHOOL, INC.; and DOES 1 through 1,000,
25 Inclusive,

26 Defendants.

22 MONTEREY PENINSULA WATER
23 MANAGEMENT DISTRICT,

24 Intervenor

25 MONTEREY COUNTY WATER
26 RESOURCES AGENCY,

27 Intervenor

28 AND RELATED CROSS-ACTIONS

Case No. M66343

**WATERMASTER'S POST-JUDGMENT
PETITION TO: (A) REQUEST APPROVAL
OF THE REVISED BASIN MONITORING
AND MANAGEMENT PLAN; (B)
REQUEST SPECIFIC CLARIFICATIONS
AND AMENDMENTS TO THE COURT'S
FINAL DECISION; AND (C) UPDATE THE
COURT ON VARIOUS WATERMASTER
TASKS AND ACTIVITIES**

**[Assigned to the Honorable Roger D. Randall
(Ret.) for all purposes]**

1 **I. INTRODUCTION**

2 This post-judgment petition was prepared jointly by California American Water and the City
3 of Seaside, and is submitted on behalf of the Seaside Basin Watermaster (“Watermaster”) to update
4 the Court on various Watermaster tasks and activities, and to request specific clarifications and
5 amendments to the Court’s Final Decision, issued on March 27, 2006 (“Decision”). The matters
6 addressed in this petition, include the following:
7

- 8 1. Request to approve the Basin Monitoring and Management Program, revised
9 to address issues raised in the Court’s order of June 20, 2006.
- 10 2. Request to amend Decision to change the timing of Basin activities. The
11 proposed changes include:
 - 12 a. substitution of the terms “Water Year” and “Fiscal Year” for
13 “Administrative Year,” as appropriate throughout the Decision;”
 - 14 b. changing the deadline for the completion of Watermaster’s Annual
15 Report from February 15th to November 15th to follow the close of
16 the Water Year; and
 - 17 c. clarification that the Replenishment Assessment shall be assessed
18 within 60 days of the end of the Water Year, and due no later than
19 January 15th of the following year.
- 20 3. Information update to the Court regarding Watermaster tasks and activities,
21 including:
 - 22 a. the completion of the Rules and Regulations, subject to clarification of
23 the formula to be used to determine the Over-Production
24 Replenishment Assessment (see concurrently filed pleading);
 - 25 b. the 2007 Administrative Budget and Assessment;
 - 26 c. the 2007 Basin Monitoring and Management Budget and Assessment;
 - 27 d. the initial Over-Production Replenishment Assessment per acre-foot
28 and the basis for the amount; and
 - e. the status of various Watermaster tasks and the Watermaster schedule.

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1 **II. REQUEST FOR APPROVAL OF THE REVISED BASIN MONITORING AND**
2 **MANAGEMENT PROGRAM**

3 The Seaside Basin Monitoring and Management Program (“Program”) was revised to
4 respond to the Court’s June 20, 2006 Minute Order. A copy of the revised Program is attached as
5 Exhibit A.

6 The Program was amended to address the concerns of the Laguna Seca Alternative Producers
7 by including the highlighted text at Section II(D)(4)(a) at page 9, and in Section III(A)(3)(b) at
8 pages 18-19. These changes provide for:
9

- 10 1. Investigation of potential monitor well sites within the Laguna Seca and
11 Southern Coastal Sub-areas to gain additional hydrogeologic understanding in
12 these areas and to facilitate groundwater flow modeling;
- 13 2. Investigation of whether water quality constituents in groundwater originating
14 from the Laguna Seca Sub-area should be analyzed to improve the basic
15 hydrogeologic understanding and to compliment groundwater flow modeling;
16 and
- 17 3. Groundwater flow modeling to determine whether relocation of production
18 from existing wells can be achieved to optimize the Natural Safe Yield within
19 the Coastal and Laguna Seca Subareas.

20 To address the Court’s instructions that an expedited process be created to determine the
21 occurrence of seawater using currently available tools, the Program was amended to establish an
22 interim data analysis component to compile and evaluate water quality data available from existing
23 sampling programs for coastal wells. (See highlighted text at Section IV(B)(4) at pages 23-24.)
24 Moreover, a timeline was added to Section IV(B)(4) to show the schedule for accomplishing the
25 various tasks relating to water quality data analysis.

26 Watermaster respectfully requests that the Court approve the revised Program.

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1 **III. REQUEST TO AMEND DECISION REGARDING TIMING OF SEASIDE BASIN**
2 **ACTIVITIES**

3 **A. Substitution of the Terms “Water Year” and “Fiscal Year” for “Administrative Year**

4 The Watermaster proposes to remove the term “Administrative Year” from the Decision and
5 replace it with the terms “Water Year” and “Fiscal Year.” The purpose of this proposed change is to
6 better coordinate the system of accounting/calendaring for certain Seaside Basin activities with the
7 accounting/calendaring systems of California American and the public agency parties. Following is
8 an explanation of the benefits of this proposed change, followed by a description of specific
9 proposed revisions necessary to effectuate the change.
10

11 The Decision contains the term “Administrative Year,” which is defined as a January through
12 December calendar year. The Administrative Year defines the annual period for key activities of the
13 parties and Watermaster, including: (1) tracking each party’s water allocation; (2) payment of the
14 three forms of assessments - Administrative, Monitoring and Management Plan and Replenishment;
15 (3) preparation of the annual report; and (4) preparation of the annual budget. After several months
16 of implementing the Decision it is now clear that tracking all matters January through December
17 “Administrative Year” will present significant challenges to Watermaster, California American and
18 the other parties. Party representatives have discussed these issues, and consensus exists that to
19 better address these challenges, planning and budget efficiencies could be achieved by replacing the
20 concept of an “Administrative Year” with a “Water Year” and “Fiscal Year.”
21

22 Currently, California American and the Monterey Peninsula Water Management District
23 (MPWMD) both operate by accounting for water production on a “Water Year” that begins on
24 October 1st and ends on September 30th of the next year. Use of an October through September
25 water year is a common practice among water service providers, and generally reflects the seasonal
26 hydrologic cycle. The water year is used to track compliance with California American’s limitation
27 on diversions from the Carmel River imposed by the State Water Resources Control Board in Water
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1 Rights Order 95-10. Using the same water year for Seaside Basin activities would allow the
2 Watermaster to achieve administrative efficiencies by allowing it to rely on existing production
3 records. Converting to a Water Year would also relieve the parties, and California American in
4 particular, of the burden of maintaining two sets of water productions records. Moreover, the
5 Replenishment Assessment would more appropriately be based on overproduction during a Water
6 Year. Furthermore, the change to a Water Year would allow California American and the MPWMD
7 to coordinate a system-wide (Carmel River and Seaside Basin) water production accounting system.
8

9 The Watermaster proposes, therefore, that the Decision be amended to replace the term
10 “Administrative Year” with the terms “Fiscal Year” and “Water Year.” The January 1st to
11 December 31st “Fiscal Year” would apply to: (1) the administrative assessment; (2) the Monitoring
12 and Management Plan assessment; and (3) the timing of the annual administrative budget. The
13 October 1st through September 30th “Water Year” would apply to: (1) collecting the replenishment
14 assessment; (2) tracking use of the water allocations; and (3) the due date for the annual report. The
15 following amendments would effectuate these changes:
16

17 a. Delete the definition for Administrative Year, which is found on page 11, lines 4 and
18 5 of the Decision.

19 b. Define “Water Year” as the twelve (12) month period from October 1st through
20 September 30th.

21 c. Define “Fiscal Year” as the twelve (12) month period from January 1st through
22 December 30th.

23 d. Replace the term “Administrative Year” with “Water Year” at the following
24 locations:

25 Decision, p. 11, lines 12 and 23;

26 Decision, p. 14, line 27;

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B. Amend the Decision to Require Payment of the Administrative Assessment and Monitoring and Management Assessment on or Before January 15th of the Fiscal Year for which the Assessments are Levied.

The Decision currently provides that all assessments must be paid within 40 days of the mailing of the tentative budget. (Decision, p. 34, lines 26-28.) The tentative budget must be mailed no later than 60 days prior to the beginning of the next Administrative Year, which is currently defined to begin on January 1. (Decision, p. 36, lines 13-15.) Thus, under the current budgeting system, assessments are due no later than December 10th of the year prior to the year for which they are levied.

The Watermaster respectfully requests that the Decision be amended to allow payment of the Administrative Assessment and Monitoring and Management Assessment on or before January 15th of the same Fiscal Year for which the assessments are levied. Changing the due date for the Administrative Assessment and the annual Monitoring and Management Assessment will allow California American and the other parties subject to these assessments to record these expenditures in the same calendar year in which they are spent. This is a practice consistent with generally accepted principles of accounting and is consistent with the business practice of California American. To make this change, the relevant part of the first sentence of the final paragraph on page 34 should be amended to read, “payment of the Administrative Assessment and the Monitoring and Management Assessment, subject to any adjustment by the Court as provided in Section III.N., shall be made on or before January 15th of the Fiscal Year for which the assessments have been levied.”

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1 **C. Clarification that the Replenishment Assessment Shall be Assessed Within 60 Days**
2 **of the End of the Water Year, and Due no Later Than January 15th of the Following**
3 **Year**

4 The Decision does not state when the Replenishment Assessment will be assessed or
5 payment will be due. (See Decision, p. 33.) Because the Replenishment Assessment is assessed
6 upon Over-Production during the immediately preceding year, it logically follows that the
7 Replenishment Assessment should be assessed shortly after the close of the Water Year. However,
8 some amount of time is required to complete the calculation of production quantities (individual and
9 collective) during the preceding Water Year. Watermaster proposes allowing sixty days from the
10 close of the Water Year for the purposes of calculating and approving the Replenishment
11 Assessment, with payment due not later than January 15th of the following year. Under this
12 schedule, the Replenishment Assessment notices would go out to each affected Producer no later
13 than December 1st, and then the Producers would have until January 15th to remit payment.
14 Accordingly, Watermaster respectfully requests that first full paragraph at page 33 of the Decision,
15 commencing at line 9, be amended as follows:
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17 “Replenishment Assessments based on Over-Production and on
18 Operating Yield Over-Production shall be assessed *within 60 days*
19 *of the end of each Water Year* on a per acre-foot basis on each
20 acre-foot, or portion of an acre-foot, of Over-Production, and
 payment shall be due no later than January 15th of the following
 year.

21 **IV. INFORMATION UPDATE TO THE COURT REGARDING WATERMASTER**
22 **TASKS AND ACTIVITIES**

23 **A. Completion of Rules and Regulations**

24 With the exception of a single outstanding issue (the formula for calculating the Over-
25 Production Replenishment Assessment (see concurrently filed joint-petition by California American
26 Water and City of Seaside), the Watermaster Rules and Regulations (“R&Rs”) have been completed
27 and approved by Watermaster. A copy of the approved R&Rs are attached as Exhibit “B.” The
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1 R&Rs are designed to set forth additional procedures for implementing the Decision. The R&Rs
2 correspond with the proposed amendments to the Decision relating to the timing of Basin Activities.
3 (See Section III, above). If the Court denies Watermaster's request for these timing amendments,
4 the R&Rs will be promptly amended consistent with the existing provisions of the Decision.
5

6 **B. 2007 Administrative Budget and Assessment**

7 The Watermaster approved the 2007 Administrative Budget on October 27, 2006 in the
8 amount of \$96,000, plus a reserve account of \$25,000. The budget includes funding for the
9 Administrative Director's salary, nominal legal and administrative support services, and office and
10 operating expenses. Watermaster approved the levying of an Administrative Assessment in the
11 amount of \$64,000 to accompany the Administrative Budget. A copy of the Administrative Budget
12 is attached hereto as Exhibit C.
13

14 **C. 2007 Basin Monitoring and Management Budget and Assessment**

15 The Watermaster approved the 2007 Basin Monitoring and Management Program Budget on
16 October 27, 2006, consisting of two components: the operating component and the capital
17 improvement component. The operating component is currently budgeted at \$90,280. This
18 component will fund the administrative and operating components of the Basin Monitoring and
19 Management Program. There are several task and expenses that are not currently budgeted because
20 those expenses are unknown. Watermaster acknowledged these uncertainties in the budget and
21 agreed to review and refine the budget on a quarterly basis throughout 2007 when additional
22 information becomes available. Watermaster has assessed sufficient revenue to cover all likely
23 expenses.
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26 There is an existing \$200,000 balance in the operating component of the Monitoring and
27 Management Program Budget remaining from the 2006 assessment. The Watermaster approved a
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1 2007 assessment of an additional \$200,000 so that the total available revenue for 2007 will be
2 \$400,000. The surplus of \$309,720, available after deducting the known expenses, will be used to
3 fund the additional expenses that are still uncertain.

4 The capital improvement component of the Monitoring and Management Program Budget is
5 budgeted to be \$948,000. This component will fund the construction of five additional monitoring
6 wells, and the installation of data loggers in twenty-two coastal wells and two inland wells.
7 Watermaster approved an assessment of \$1,000,000 to cover these capital expenses with \$250,000,
8 due on or before January 15, 2007, and the remainder due at least 30 days prior to execution of
9 contracts for the drilling and construction of the monitoring wells. The Watermaster's Executive
10 Director will assess the remainder in sufficient time for payments to be made as proposed in the
11 schedule established in the Monitoring and Management Program. A copy of the Monitoring and
12 Management Program Budget is attached hereto as Exhibit D.

13 **D. Initial Budgeted Over-Production Replenishment Assessment per Acre-Foot**

14 Watermaster approved an Over-Production Replenishment Assessment of \$1,132 per acre-
15 foot, which was a figure recommended by the Watermaster Technical Committee. The amount of
16 the Over-Production Replenishment Assessment was determined in a two-step process. First, the
17 Technical Committee researched and compiled a list of water sources that could realistically provide
18 replenishment water within the three-year period when the initial Operating Yield and assumed
19 Natural Safe Yield are in effect.¹ The Technical Committee relied on its members, many of whom
20 are directly involved in water supply planning for the region, to identify and describe the sources of
21 supply available for purchase by Watermaster within the three-year period. The list, a copy of which
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26 ¹ The use of a three-year planning period was chosen because it coincides with the period established
27 within the Decision for maintaining the initial Operating Yield and, therefore, allowed the Technical
28 Committee to accurately estimate the needed quantity of replenishment water, and because three

1 is attached as Exhibit E, includes estimated costs for each source of water and describes the
2 assumptions underlying the costs, quantities and availability of each water source.

3 The Technical Committee identified projects that can cumulatively yield 1,692 acre-feet per
4 year of water available for Replenishment, and which are projected to be completed within the next
5 three years. This quantity of yield is less than the 2,600 acre-foot Over-Production that could occur
6 annually if the parties pump the full 5,600 acre-foot initial Operating Yield. Although the projected
7 yield from these initial projects is significantly less than the maximum possible Over-Production,
8 Watermaster will be collecting the Replenishment Assessments for each acre-foot of Over-
9 Production. If Over-Production exceeds the quantity of available replenishment sources,
10 Watermaster will retain the Replenishment Assessments until such time as sources are available for
11 purchase and use, consistent with the provision in the Decision that acknowledges the accumulation
12 of Replenishment funds for multiple years if necessary

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15 Using the estimated available supplies and associated costs, the Technical Committee then
16 created a weighted cost of \$1,132 for each acre-foot of replenishment water. This process involved
17 first determining the percentage of 1,692 acre-feet associated with each project. Then, the
18 percentage is applied to the estimated cost per acre foot of that project. As shown on Exhibit E, the
19 Replenishment Assessment is the sum of the percentage-adjusted costs for an acre-foot of water
20 from each identified project.

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22 The Watermaster Technical Committee will refine the methodology used to calculate the
23 Over-Production Replenishment Assessment in 2007 by updating the projected water supply
24 projects available to provide Replenishment water and the associated costs.

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28 years seemed an appropriate time frame beyond which the costs and availability of water supplies
becomes increasingly speculative.

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E. Watermaster Tasks and Schedule

The Watermaster and its Technical Committee are diligently moving forward to implement the administrative and technical components of the physical solution set forth within the Decision. As shown in Exhibits “F” (Watermaster Task Schedule) and Exhibit “G” (Basin Monitoring and Management Program Implementation Schedule), many of the near-term tasks have been completed and appropriate deadlines have been set for future tasks to ensure that the Decision is properly implemented and that the Basin is perpetually protected.

V. CONCLUSION

The Watermaster respectfully requests that the Court (a) approve the Basin Monitoring and Management Program, and (b) amend the Decision to change the timing of Basin activities as forth above. Watermaster further requests that the Court provide Watermaster with any feedback or instructions in relation to the Watermaster activities that are discussed herein. A hearing has been set for December __, 2006 for the Court to receive oral argument and to answer any additional questions the Court may have in relation to the contents of this Petition or any other matter concerning Watermaster activities or the management of the Seaside Basin.

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA)
3) ss
4 COUNTY OF)
5 SANTA BARBARA)

6 I am employed by Hatch & Parent, A Law Corporation in the County of Santa Barbara,
7 State of California. I am over the age of 18 and not a party to the within action; my business
8 address is: 21 East Carrillo Street, Santa Barbara, California 93101. On February 7, 2006, I served
9 the within documents:

10 **WATERMASTER’S POST-JUDGMENT PETITION TO: (A) REQUEST APPROVAL OF**
11 **THE REVISED BASIN MONITORING AND MANAGEMENT PLAN; (B) REQUEST**
12 **SPECIFIC CLARIFICATIONS AND AMENDMENTS TO THE COURT’S FINAL**
13 **DECISION; AND (C) UPDATE THE COURT ON VARIOUS WATERMASTER TASKS**
14 **AND ACTIVITIES**

- 15 By placing the document(s) listed above in a sealed envelope with postage thereon
16 fully prepaid, in the United States mail at Santa Barbara, addressed as set forth
17 below.
- 18 By placing the document(s) listed above in a sealed envelope with postage thereon
19 fully prepaid, (with billing directed to sender) picked up by or delivered to an
20 overnight delivery service in Santa Barbara, California, addressed as set forth below.
- 21 By sending a true copy of the above document to the parties as set forth on the
22 service list at the fax numbers indicated. The facsimile machine used complied with
23 CRC Rule 2003(3), and the transmission was reported as complete and without error.
24 Pursuant to CRC Rule 2005(i), a transmission confirmation report was properly
25 issued by the transmitting facsimile machine, stating the time and date of such
26 transmission.

27 **SEE ATTACHED SERVICE LIST**

28 I am readily familiar with the firm’s practice of collection and processing correspondence
for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same
day with postage thereon fully prepaid in the ordinary course of business. I am aware that on
motion of the party served, service is presumed invalid if postal cancellation date or postage meter
date is more than on day after the date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is
true and correct. Executed on November 10, 2006, at Santa Barbara, California.

Rachel Robledo

HATCH & PARENT, A LAW CORPORATION
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SERVICE LIST

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Proposed Revisions to the Monitoring and Management Program

1. At the end of the first incomplete paragraph on Page 5, insert the following two sentences:

In sum, the program provides that up to six additional “sentinel” monitoring wells may be constructed with the funds made available. The priority in which the monitoring well installations are constructed will be determined in accordance with the criteria herein described.

2. Figure 5 on page 16 of the Monitoring and Management Program should be partially revised to reflect the following new time schedules:

Basin Monitor Well Construction Program

No.	Task	Duration Days	Start	Finish
1	Develop scope of services and RFP for consultant program oversight	60	7/1/2006	8/31/2006
2	Review proposals, secure oversight consultant contract	75	9/1/2006	11/16/2006
3	Oversight consultant completes site acquisition approvals	180	11/16/2007	5/15/2007
4	Develop scope of services and request bids for drilling/monitor wells	90	3/1/2007	5/29/2007
5	Review bids, secure contract(s)	30	5/31/2007	6/30/2007
6	Drill, equip and collect initial monitoring data	150	6/30/2007	11/27/2007
7	Prepare and submit completion report to Watermaster	60	11/28/2007	1/27/2008

Creation of Consolidated Basic Groundwater Resource Database

No.	Task	Duration Days	Start	Finish
1	Develop database RFP	30	7/1/2006	7/31/2006
2	Review proposals, select consultant	30	8/1/2006	8/31/2006
3	Develop and approve database format	30	9/1/2006	10/1/2006
4	Populate database (historical data from all sources)	60	10/1/2006	11/30/2006
5	Populate database (current monitoring data)	30	12/1/2006	12/31/2006
6	Prepare database documentation report	30	1/1/2007	1/31/2007

V. Basin Monitoring and Management Program Implementation Schedule

No.	Task	Duration (Days)	Start	Finish	2006						2007							
					July	August	September	October	November	December	January	February	March	April	May	June	July	August
Groundwater Modeling for Seaside Basin Through Consultant:																		
1	Review (E) groundwater models, select best model for enhancement	61	7/1/2006	8/31/2006														
2	Develop scope of services & budget for model enhancement project	29	8/1/2006	8/30/2006														
3	Advertise, select consultant, execute contract	59	9/1/2006	10/30/2006														
4	Complete model development & calibration, run scenario evaluations, develop improved estimates of basin recharge and safe-yield	180	10/1/2006	3/30/2007														
5	Provide training in use of model to Watermaster Technical Committee	29	4/1/2007	4/30/2007														
Seaside Basin Management Program:																		
1	Develop scope of services & budget for consultant	60	7/1/2006	8/30/2006														
2	Advertise, select consultant, execute contract	90	9/1/2006	11/30/2006														
3	Develop Basin Monitoring Plan, Seaside Basin Watermaster Database & data collection & analysis protocol	180	12/1/2006	5/30/2007														
4	Evaluate options for importation of supplemental water supplies into the Seaside Basin, develop action plan	89	12/1/2006	2/28/2007														
5	Using groundwater model from task above, analyze & develop strategies for improved basin management	122	4/30/2007	8/30/2007														
6	Develop action plan to avoid adverse impacts on the basin	152	2/28/2007	7/30/2007														
7	Draft Seaside Basin Management Plan Report for Watermaster review	121	6/1/2007	9/30/2007														
8	Produce Final Seaside Basin Management Plan	29	10/1/2007	10/30/2007														
Basin Monitor Well Construction Program:																		
1	Develop scope of services and RFP for consultant program oversight	60	7/1/2006	8/31/2006														
2	Review proposals, secure oversight consultant contract	75	9/1/2006	11/16/2006														
3	Oversight consultant completes site acquisition approvals	180	11/16/2006	5/15/2007														
4	Develop scope of services and request bids for drilling/monitor wells	90	3/1/2007	5/29/2007														
5	Review bids, secure contract(s)	30	5/31/2007	6/30/2007														
6	Drill, equip and collect initial monitoring data	150	6/30/2007	11/27/2007														
7	Prepare and submit completion report to Watermaster	60	11/28/2007	1/27/2008														
Creation of Consolidated Basic Groundwater Resource Database:																		
1	Develop database RFP	30	7/1/2006	7/31/2006														
2	Review proposals, select consultant	30	8/1/2006	8/31/2006														
3	Develop and approve database format	30	9/1/2006	9/30/2006														
4	Populate database (historical data from all sources)	60	10/1/2006	11/30/2006														
5	Populate database (current monitoring data)	30	12/1/2006	12/31/2006														
6	Prepare database documentation report	30	1/1/2007	1/31/2007														
Water Quality Data Analysis Tools																		
1	Interim data analysis	90	8/1/2006	10/31/2006														
2	Obtain software and train personnel	150	8/1/2006	12/31/2006														
3	Compile and check data	120	9/1/2006	12/31/2006														
4	Evaluate existing monitoring data	90	11/1/2006	1/31/2007														
5	Evaluate data representation and establish baseline chloride levels	120	11/1/2006	2/28/2007														
6	Evaluate baseline chloride contours	120	12/1/2006	3/31/2007														

NOTE: This schedule is subject to change

RULES AND REGULATIONS
OF THE
SEASIDE GROUNDWATER BASIN WATERMASTER

1.0 Introduction

The Watermaster for the Seaside Basin was created on March 27, 2006 by entry of Judgment in *California American Water v. City of Seaside, et al.* (Case No. M66343, California Superior Court, Monterey County). A copy of the Judgment is appended to these Rules and Regulations. The purpose of the Watermaster is to assist the Court in the administration and enforcement of the provisions of the Judgment. All actions of the Watermaster shall be governed by the terms of the Judgment and these Rules and Regulations. In the event of any conflict between the terms of the Judgment and these Rules and Regulations, the Judgment, together with any further or supplemental orders or directions from the Court, shall control the actions of the Watermaster.

2.0 Definitions

Words and phrases which are defined in the Judgment shall have the same meaning when used in these Rules and Regulations. Other terms used in these Rules and Regulations shall have the meaning ascribed to them herein.

2.1 Parties

“**Parties**” shall mean and refer, individually and collectively, to California American Water Company (“**CalAm**”), the Public Agency Parties and the Landowner Group Parties. “**Public Agency Party**” shall mean and refer individually to the cities of Seaside, Sand City, Del Rey Oaks and Monterey, the County of Monterey, the Monterey County Water Resources Agency and the Monterey Peninsula Water Management District. “**Landowner Party**” shall mean and refer to a Producer in the Coastal Subarea and the Laguna Seca Subarea which is not a Public Agency Party or CalAm.

3.0 Watermaster Board

3.1 Representatives and Voting

The Watermaster may only act by and through the Watermaster Board. The Watermaster Board shall consist of nine (9) members (“**Members**”). Members shall be appointed by each of the following Parties or group of Parties in accordance with the procedures set forth in section 4 of these Rules and Regulations. A vote by a Member shall cast the following number of voting positions on the question presented to the Watermaster Board.

<u>Party/Group</u>	<u>Votes</u>
California American Water	3 votes
City of Seaside	2 votes
Monterey County Water Resources Agency	2 votes
Monterey Peninsula Water Management District	2 votes
City of Sand City	1 vote
City of Monterey	1 vote
City of Del Rey Oaks	1 vote
Landowner Parties Group (Coastal Subarea)	1/2 vote
Landowner Parties Group (Laguna Seca Subarea)	1/2 vote

3.1.1 Quorum

A minimum of six (6) Members shall be required to constitute a quorum of the Watermaster Board. No fewer than seven (7) affirmative votes shall be required for any action by the Watermaster. Any Member may request a roll call vote on any question or motion considered by the Watermaster Board, and the ayes and noes thereon shall be recorded in the minutes of the meeting.

3.2 Organization of the Watermaster Board

At the first meeting of the Watermaster Board each year, the Watermaster Board shall elect a Chairperson, and a Vice Chairperson from its Membership. The Watermaster Board shall also select a Secretary, Treasurer and such assistant secretaries and assistant treasurer as may be appropriate. The Secretary, Treasurer, or any assistant or administrator appointed by the Watermaster Board need not be a Member.

3.3 Advisory Committees

The Watermaster Board may establish such committees and subcommittees as it deems necessary to advise Watermaster Board on specific issues. Persons appointed to such committees or subcommittees need not be a Member. No more than five (5) Members or their Alternates shall sit on any individual committee or subcommittee. Each committee member shall be entitled to one (1) vote only.

3.3.1 Standing Committees

The Watermaster Board has established the following standing committees.

A. Technical Advisory Committee

The purpose of the Technical Advisory Committee is to advise the Watermaster Board regarding implementation of the physical solution, and to perform

such specific tasks as the Watermaster assigns to the Technical Advisory Committee from time to time.

B. Budget and Finance Committee

The purpose of the Budget and Finance Committee is to advise the Watermaster Board regarding the funding of implementation of the physical solution, including operations of the Watermaster.

3.4 Regular Meetings

Regular meetings of the Watermaster Board shall be held on the first Wednesday of each month. The meetings will be held at Soper Field Community Center, in Seaside, California or another location set forth in the monthly meeting agenda and will begin at 1:30 p.m., unless a different time is set forth in the agenda.

3.5 Special Meetings

3.5.1 Special Meetings Called by Watermaster Board

A special meeting of the Watermaster Board may be called by the Watermaster Board at any regular or special meeting of the Watermaster Board.

3.5.2 Special Meetings Called by Chair or Members

A special meeting of the Watermaster Board may be called at any time by the Chairperson or Vice Chairperson or by any three (3) Members, by written notice delivered personally or mailed to all Parties and Interested Persons, at least twenty-four (24) hours on a business day before the time of each such meeting in the case of personal delivery, and five (5) days' notice prior to such meeting in the case of mail if the special meeting is being called under urgent circumstances. If a special meeting is called by the Chairperson, Vice Chairperson or by any three (3) Members, and no urgent circumstance exists, then at least ten (10) days' notice must be provided to all Parties. The notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the Watermaster Board. The written notice may be dispensed with as to any Member who at or prior to the time the special meeting convenes, files with the Secretary of the Watermaster Board a written waiver of notice. The written notice may also be dispensed with as to any Member who is actually present at the meeting at the time it convenes. The notice shall be posted at least seventy-two (72) hours prior to the special meeting in the posting locations referred to in section 3.6 of these Rules and Regulations.

3.6 Meeting Agendas

At least 72 hours before a regular meeting of the Watermaster Board, or at least 24 hours before a special meeting of the Watermaster Board, the Secretary of the

Watermaster, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session, and deliver a copy of the agenda to the Members and to Persons who have made a written request to be added to the Watermaster's list of interested Persons. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular or special meeting and shall be posted at the places which have been designated by the Public Agency Parties for the posting of official agendas in their respective jurisdictions. If requested, the agenda 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. The agenda shall include information regarding how, to whom, and when a request for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

3.7 Meeting Procedures

3.7.1 Conduct for Meetings

Meetings of the Watermaster Board shall be called to order by the Chairperson or, in his or her absence, the Vice Chairperson. Watermaster Board meetings shall be conducted in conformity with the procedures established for meetings of public agencies pursuant to the California Open Meeting Law (the "**Brown Act**"), California Government Code section 54950 et seq., as it may be amended from time to time.

3.7.2 Minutes

The Secretary shall keep accurate minutes of all meetings of the Watermaster Board which reflect all actions taken by the Watermaster. Copies thereof shall be furnished to all Members and Interested Persons. Copies of minutes shall constitute notice of any Watermaster Board action therein reported.

3.7.3 Closed Session

The Watermaster Board may convene closed session meetings in accordance with Brown Act procedures.

4.0 Members

4.1 Appointment of Members

The Public Agency Parties, groups of Landowner Parties identified in section 3.1 and CalAm have each appointed an initial Member to sit on the Watermaster Board for a two (2) year term ending at the first regular meeting of the Watermaster in January of

2008. The Public Agency Parties, groups of Landowner Parties and CalAm shall each appoint or reappoint one Member in November of every second year, beginning in November of 2007, to sit on the Watermaster Board for a two (2) year term. Except for the initial Members, each Member shall assume office at the first regular meeting of the Watermaster Board held in January of every second year, beginning in January of 2008. The Secretary shall give notice of this requirement to each of the Parties during the October preceding each such January.

4.2 Alternate Members

In addition to appointing a Member, CalAm and the Public Agency Parties may also appoint an alternate Member in the same manner and for the same terms as provided for Members in these Rules and Regulations. Each Member representing a group of Landowner Parties may act as an alternate for the Member representing the other group of Landowner Parties. A duly appointed Alternate Member may exercise all of the rights of a Member at a meeting of the Watermaster Board where the Member for whom the Alternate Member sits, is absent.

4.3 Appointments

Appointments of Members and Alternate Members, if any, shall be made in a writing signed on behalf of the Party or group of Parties identified in section 3.1 which is delivered to the Secretary no later than the close of public comment for the agenda item regarding announcement of appointment of new Members at the November meeting. The Watermaster Board shall give notice to the Court of any person appointed as a Member or Alternate Member.

4.4 Vacancies

Should a Member or Alternate Member resign or otherwise be unable to complete his or her term on the Watermaster Board, the Party or group of Parties which appointed such Member shall appoint a new Member to complete the unexpired term, and deliver notice of that appointment to the Secretary.

4.5 Special Rules for Appointment of Members by Landowner Groups

Appointment of Members by the Landowner Parties shall take place at each November meeting of the Watermaster Board (except for the appointment of initial Members) where the appointment of new Members is to be announced. Each Landowner Party will vote for their preferred Member in writing, signed by an agent of the Landowner Party and delivered to the Watermaster Board no later than the close of public comment for the agenda item regarding election of the Landowner Group Members. Voting rights may only be transferred upon permanent sale of 51% or more of the Landowner's respective Production Allocation. Landowner Parties may only vote for the representative for their respective subarea (i.e., Coastal Subarea Landowner Group Parties vote for the Coastal Subarea Member; and Laguna Seca Landowner Group Parties

vote for the Laguna Seca Subarea Member). Should a Member appointed by a Landowner Group be unable to complete his or her term on the Watermaster Board, the Landowner Group which appointed such Member shall give notice to the Secretary who shall schedule an election at the next meeting of the Watermaster Board for the replacement of that Member to be held in the same manner as regular appointments of Landowner Group Members. Landowner Group Members are elected by cumulative voting, with each member of the Landowner Group entitled to one vote for each acre-foot of Production Allocation established in the Judgment.

4.6 Compensation

No Member shall be compensated by the Watermaster for their service on the Watermaster Board.

5.0 Administration

5.1 Watermaster Office

The Watermaster office shall be located at 2600 Garden Road, Suite 228, Monterey, California 93940. The Watermaster Board may change the location of the Watermaster office from time to time to a place located in Monterey County.

5.2 Records

The minutes of Watermaster Board meetings shall be open to inspection and maintained at the Watermaster office. Copies of minutes and other Watermaster records may be obtained for inspection in accordance with the procedures set forth in the California Public Records Act. Copies of records may be obtained upon payment of the actual cost of duplication established by the Watermaster.

5.3 Notice Lists

The Watermaster shall maintain at all times a current list of the Parties to whom notices are to be sent and their addresses for purposes of service. The Watermaster shall also maintain a list of interested Persons (“**Interested Persons**”) that shall include all Persons who have made a written request to the Watermaster to be included on the list of Interested Persons. All notices, determinations, requests, demands, objections, reports and other papers and processes required to be delivered to Interested Persons under the Judgment, these Rules and Regulations or by Order of the Watermaster, shall be delivered to all Parties and Interested Persons.

6.0 Budget

The Watermaster Board will annually adopt a budget for each Fiscal Year stating the anticipated annual expenses required for implementation of the Judgment, including reasonable reserve funds. Each annual budget will contain three (3) separate

components: (1) an Administrative Budget; (2) a Monitoring and Planning Budget; and, (3) a Replenishment Budget. Seven (7) affirmative votes shall be required for the adoption of any budget or budget assessment by the Watermaster Board. No Member representing a Landowner Party may participate in any vote concerning the approval of the Administrative Budget or Mitigation and Monitoring Plan Budget or the amount of any assessment levied by the Watermaster Board to fund those budgets.

6.1 Adoption of Budget and Budget Assessments

No later than October of 2006, and no later than May of each year thereafter, the Watermaster Board shall adopt a tentative budget, including assessments, for the ensuing Fiscal Year. The tentative budget will be mailed by the Secretary to each Party no earlier than November 1 and no later than November 15 before the beginning of the next Fiscal Year.

6.1.2 Objections

Objections to the tentative budget by any Producer must be submitted in writing to the Watermaster Board within fifteen (15) days after the date of mailing of the tentative budget. If no timely objections are received, the tentative budget shall become the final budget. If objections are received, the Watermaster Board shall consider the objections within ten (10) days thereafter and shall prepare a final budget. The final budget will be thereafter mailed to each Producer together with a statement of the amount assessed to each Producer.

6.1.3 Appeal to Court

Any Producer may apply to the Court within fifteen (15) days after the mailing of the final budget for revision based on specific objections. Payments of assessments otherwise required shall be made despite the filing of a request for revision with the Court. Upon any revision by the Court, the Watermaster shall either remit to the Producers their pro rata portions of any reduction in the budget, or credit their accounts with respect to any assessment for the next ensuing Administrative Year as the Court shall direct.

6.2 Payment of Assessments

All amounts assessed by the Watermaster Board in the final budget shall be paid to the Watermaster by the Party assessed no later than January 15th of the Fiscal Year to which the assessment relates. If such payment by any Producer is not timely made, the Watermaster shall add a penalty of five percent (5%) thereof to the amount assessed against such Producer.

6.2.1 Contributions to Budget

The Watermaster Board may accept contributions of money, goods or services in furtherance of its purposes.

6.3 Administrative Budget

The Watermaster Board shall adopt an Administrative Budget for each Fiscal Year in an amount sufficient to fund the costs associated with the administration of the Watermaster. The Administrative Budget for the first Fiscal Year shall not exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000). The first ONE HUNDRED THOUSAND DOLLARS (\$100,000) of the Administrative Budget shall be assessed against California American Water Company, City of Seaside and City of Sand City in the following percentage shares:

California American Water	83%
City of Seaside	14.4%
City of Sand City	2.6%

6.4 Monitoring and Management Program Budget

The Watermaster Board shall develop a budget called the “**Planning and Monitoring Budget**”, in an amount sufficient to fund the cost of the Monitoring and Management Plan referred to in section 7. The Planning and Monitoring Budget for the first Fiscal Year shall not exceed TWO HUNDRED THOUSAND DOLLARS (\$200,000). The Watermaster Board shall also levy a one time assessment called the “**Capital Improvement and Groundwater Model Assessment**” in an amount sufficient to fund the cost of the capital improvements and groundwater model described in the Monitoring and Management Program, including but not limited to (1) installation of water quality and water level monitoring wells; (2) implementation of piezometric and water quality monitoring program; (3) installation of sentinel wells to detect seawater intrusion into on-shore portions of the Basin; (4) development of a groundwater model, including if necessary, exploratory borehole drilling, geophysical surveys and improved estimates of natural and secondary recharge in the Basin. The total amount of the Capital Improvement and Groundwater Model Assessment shall not exceed ONE MILLION DOLLARS (\$1,000,000). The total amount of both the Planning and Monitoring Budget and the Capital Improvement and Groundwater Model Assessment shall be assessed against the Standard Producers in the Coastal Subarea in the following shares:

California American Water	91%
City of Seaside	7%
Granite Rock	1%
D.B.O. Development No. 27	1%

At such time as a Party within the Coastal Subarea chooses to change its Alternative Production to a Standard Production Allocation, that Party will be assessed a proportionate share of the Monitoring and Management Plan Budget.

6.5 Replenishment Budget

As a part of its annual budget process, the Watermaster Board shall declare the per-acre-foot cost of the Replenishment Assessments in October of each Water Year. The per-acre foot cost of Replenishment Assessments for Production in excess of Natural Safe Yield shall be based on the anticipated cost of Artificial Replenishment, including the cost to construct, operate, and maintain facilities necessary for replenishment of the Basin. Replenishment Assessments may only be used for Artificial Replenishment.

6.5.1 Assessment on Production Over Natural Safe Yield

[Reserved for Clarification re Method of Calculating the Over-Production Replenishment Assessment]

6.5.2 Assessment on Production Over Operating Yield

The Watermaster Board shall levy an additional Replenishment Assessment on any Alternative Producer for each acre-foot of water produced over their respective Alternative Allocation, and on any Standard Producer for each acre-foot produced over their respective percentage share of the Operating Safe Yield. Should the Watermaster be unable to procure replenishment water to offset Production over the Operating Safe Yield in the previous Water Year, the Watermaster will prohibit any Production over the Operating Safe Yield in the current year or until such time as replenishment water is provided.

6.5.3 Payment of Replenishment Assessment

At the end of each Water Year, the Watermaster will promptly notify each Producer by mail of any Replenishment Assessment owed. Payment must be made by January 15th of the following year. If such payment by any Producer is not timely made, the Watermaster shall add a penalty of five percent (5%) thereof to the amount assessed against such Producer.

6.5.4 California American Credit Toward Replenishment Assessment

California American's expenditures for water supply augmentation may also provide replenishment water for the Seaside Basin. Accordingly, on an annual basis, California American will provide the Watermaster Board 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 Board 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 Board 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 Board and California American cannot agree, the matter may be referred to the Court through a request filed by California American.

7.0 Monitoring and Management Program

Within sixty (60) days of entry of Judgment, the Watermaster Board shall approve the Seaside Groundwater Basin Monitoring and Management Program. The Monitoring and Management Program shall conform to the criteria set forth in Exhibit A to the Judgment, and shall include but not be limited to a seawater intrusion contingency plan, criteria for the annual collection and analysis of groundwater production and quality data, land use data, and the development of criteria for modification of the Operating Safe Yield. The Monitoring and Management Program shall also include criteria to determine the Total Useable Storage Space in the Basin. The Watermaster Board may amend the Monitoring and Management Program from time to time.

8.0 Operating Yield and Material Injury

Pursuant to the Judgment, the Watermaster must continually monitor for Material Injury to the Seaside Basin. If the Watermaster Board determines that groundwater extractions at the Operating Yield are resulting in Material Injury, the Watermaster Board will immediately present the Court with a report detailing the circumstances constituting such Material Injury and, if Watermaster deems appropriate, a recommendation for a reduction in the Operating Yield to respond to the perceived material Injury. In the event that the Court concurs in the Watermaster's conclusion of Material Injury, the Watermaster Board shall determine a lower Operating Yield in accordance with the Principles and Procedures attached as Exhibit A to the Judgment, and through the application of criteria that it shall develop for this purpose.

9.0 Procedures For Assignment and Transfer of Production Allocations

Parties proposing to assign or transfer any portion of their Production Allocation must submit a written notice to the Watermaster forty-five (45) days prior to the effective date of the proposed assignment or transfer. The notice shall include all details of the assignment/transfer (other than details related to consideration for such assignment or transfer), including thorough descriptions of: (1) the Production Allocation being assigned/transferred; (2) the assignor/assignee or transferor/transferee; (3) the duration of assignment/transfer; and (4) the quantity of Production Allocation being assigned/transferred. The Secretary shall transmit a copy of the notice to each of the Members. Within twenty-one (21) days of the mailing of the notice from the Secretary, any Member may file an objection to the proposed assignment/transfer with the Secretary. If no objection is received within that time, the proposed assignment/transfer shall become effective in accordance with its terms. If an objection is received within that time, the Secretary shall cause the matter to be placed on the agenda for the next available meeting of the Watermaster Board. At the meeting, the Member who filed the objection will carry the burden of proving to the Watermaster Board that the production contemplated by the assignment/transfer will significantly increase the risk of Material

Injury to the Basin above the risk posed by production absent the assignment/transfer. At the conclusion of the hearing, the Watermaster Board shall make its determination regarding any increased risk of Material Injury. If the Watermaster Board determines that the proposed assignment/transfer will not significantly increase risk of Material Injury, the proposed the assignment/transfer shall thereupon become effective. If the Watermaster Board determines, based on its detailed written findings, that the proposed assignment/transfer will result in significant increase of risk of Material Injury, the Watermaster may impose such conditions on the proposed assignment/transfer as it deems necessary to reduce such risk.

10.0 Storage

Prior to the beginning of the next Administrative Year, the Watermaster Board shall declare the next year's Total Useable Storage Space for the Seaside Basin. The Watermaster Board may periodically amend the quantity of Total Useable Storage Space throughout the year based upon criteria set forth in the Seaside Groundwater Basin Monitoring and Management Plan. Parties seeking to store water in the Seaside Basin shall follow the procedures set forth in the Judgment.

11.0 Reporting by Parties

Pursuant to the terms of the Judgment, all Parties are required to install, at their own cost, devices to measure the quantity of water they extract from the Seaside Basin. All Parties shall report their extraction quantities to Watermaster for the preceding calendar quarter, in writing, on January 15, April 15 and July 15 and October 15 of each Water Year.

12.0 Notice

All notices, determinations, requests, and reports required to be delivered to interested persons shall be delivered to all Parties and all persons on Watermaster's list of Interested Persons. Delivery or service of any notice of document required to be served upon or delivered shall be deemed made by deposit in the mail, first class postage prepaid, addressed as shown on the Watermaster's list of Parties or Interested Persons, or by alternative means of delivery (such as email or facsimile) agreed to in advance by a Party or Interested Party. Any Party or Interested Person desiring to be relieved of receiving deliveries from Watermaster may file, in writing, a waiver.

13.0 Watermaster Annual Report

The Watermaster will prepare and file with the Court, and mail to each of the Parties on or before November 15th of each Water Year, an annual report for the preceding Administrative Year. The Watermaster's annual report shall address the following matters, in addition to other matters deemed appropriate by the Watermaster or requested by the Court: (1) groundwater extractions; (2) groundwater storage; (3) amount of artificial replenishment, if any, performed by the Watermaster; (4) leases or sales of

Production Allocations; (5) use of imported, reclaimed, or desalinated water as a source of water for storage or as a water supply for lands overlying the Seaside Basin; (6) violations of the Judgment or the Rules and Regulations of the Watermaster, and any corrective action taken; (7) Watermaster administration costs; (8) the fixed per acre fee for replenishment assessments, and the amount of replenishment assessments levied and paid; (9) all components of the Watermaster budget; and, (10) recommendations.

14.0 Compliance With Judgment and Rules and Regulations

The Watermaster Board will promptly review the written request for compliance with all terms of the Judgment and these Rules and Regulations, and the Watermaster Board will promptly place the matter on a regular meeting agenda for consideration and action by the Watermaster Board.

15.0 Computation of Time

The time in which any act provided by the Judgment or these Rules and Regulations shall be computed by excluding the first day and including the last, unless the last is a holiday. Holidays are every Sunday and any other days that are specified or provided as holidays in Government Code sec. 6700.

16.0 Review of Watermaster Decisions

Any action, decision, rule or procedure of the Watermaster shall be subject to review by the Court on motion filed by any Party in accordance with the following procedure.

16.1 Effective Date of Watermaster Action

Any order, decision or action of the Watermaster on a noticed specific agenda item shall be deemed to have occurred on the date of the order, decision or action.

16.2 Notice of Motion

Any Party, by a regularly noticed motion, may petition the Court for review of the Watermaster's action or decision. The motion shall be deemed filed when a copy, conformed as filed with the Court, has been delivered to the Watermaster with the service fee established by the Watermaster. The fee shall be sufficient to cover the cost of photocopying and mailing the motion to each Party. The Watermaster shall prepare copies and mail a copy to each Party on the Watermaster's list of Parties.

16.3 Time for Motion

A motion to review any Watermaster action or decision shall be filed within thirty (30) days after such Watermaster action or decision, except that motions to review Budget Assessments and Replenishment Assessments shall be filed within fifteen (15) days of mailing a notice of assessment.

RULES AND REGULATIONS
OF THE
SEASIDE GROUNDWATER BASIN WATERMASTER

1.0 Introduction

The Watermaster for the Seaside Basin was created on March 27, 2006 by entry of Judgment in *California American Water v. City of Seaside, et al.* (Case No. M66343, California Superior Court, Monterey County). A copy of the Judgment is appended to these Rules and Regulations. The purpose of the Watermaster is to assist the Court in the administration and enforcement of the provisions of the Judgment. All actions of the Watermaster shall be governed by the terms of the Judgment and these Rules and Regulations. In the event of any conflict between the terms of the Judgment and these Rules and Regulations, the Judgment, together with any further or supplemental orders or directions from the Court, shall control the actions of the Watermaster.

2.0 Definitions

Words and phrases which are defined in the Judgment shall have the same meaning when used in these Rules and Regulations. Other terms used in these Rules and Regulations shall have the meaning ascribed to them herein.

2.1 Parties

“**Parties**” shall mean and refer, individually and collectively, to California American Water Company (“**CalAm**”), the Public Agency Parties and the Landowner Group Parties. “**Public Agency Party**” shall mean and refer individually to the cities of Seaside, Sand City, Del Rey Oaks and Monterey, the County of Monterey, the Monterey County Water Resources Agency and the Monterey Peninsula Water Management District. “**Landowner Party**” shall mean and refer to a Producer in the Coastal Subarea and the Laguna Seca Subarea which is not a Public Agency Party or CalAm.

3.0 Watermaster Board

3.1 Representatives and Voting

The Watermaster may only act by and through the Watermaster Board. The Watermaster Board shall consist of nine (9) members (“**Members**”). Members shall be appointed by each of the following Parties or group of Parties in accordance with the procedures set forth in section 4 of these Rules and Regulations. A vote by a Member shall cast the following number of voting positions on the question presented to the Watermaster Board.

<u>Party/Group</u>	<u>Votes</u>
California American Water	3 votes
City of Seaside	2 votes
Monterey County Water Resources Agency	2 votes
Monterey Peninsula Water Management District	2 votes
City of Sand City	1 vote
City of Monterey	1 vote
City of Del Rey Oaks	1 vote
Landowner Parties Group (Coastal Subarea)	1/2 vote
Landowner Parties Group (Laguna Seca Subarea)	1/2 vote

3.1.1 Quorum

A minimum of six (6) Members shall be required to constitute a quorum of the Watermaster Board. No fewer than seven (7) affirmative votes shall be required for any action by the Watermaster. Any Member may request a roll call vote on any question or motion considered by the Watermaster Board, and the ayes and noes thereon shall be recorded in the minutes of the meeting.

3.2 Organization of the Watermaster Board

At the first meeting of the Watermaster Board each year, the Watermaster Board shall elect a Chairperson, and a Vice Chairperson from its Membership. The Watermaster Board shall also select a Secretary, Treasurer and such assistant secretaries and assistant treasurer as may be appropriate. The Secretary, Treasurer, or any assistant or administrator appointed by the Watermaster Board need not be a Member.

3.3 Advisory Committees

The Watermaster Board may establish such committees and subcommittees as it deems necessary to advise Watermaster Board on specific issues. Persons appointed to such committees or subcommittees need not be a Member. No more than five (5) Members or their Alternates shall sit on any individual committee or subcommittee. Each committee member shall be entitled to one (1) vote only.

3.3.1 Standing Committees

The Watermaster Board has established the following standing committees.

A. Technical Advisory Committee

The purpose of the Technical Advisory Committee is to advise the Watermaster Board regarding implementation of the physical solution, and to perform

such specific tasks as the Watermaster assigns to the Technical Advisory Committee from time to time.

B. Budget and Finance Committee

The purpose of the Budget and Finance Committee is to advise the Watermaster Board regarding the funding of implementation of the physical solution, including operations of the Watermaster.

3.4 Regular Meetings

Regular meetings of the Watermaster Board shall be held on the first Wednesday of each month. The meetings will be held at Soper Field Community Center, in Seaside, California or another location set forth in the monthly meeting agenda and will begin at 1:30 p.m., unless a different time is set forth in the agenda.

3.5 Special Meetings

3.5.1 Special Meetings Called by Watermaster Board

A special meeting of the Watermaster Board may be called by the Watermaster Board at any regular or special meeting of the Watermaster Board.

3.5.2 Special Meetings Called by Chair or Members

A special meeting of the Watermaster Board may be called at any time by the Chairperson or Vice Chairperson or by any three (3) Members, by written notice delivered personally or mailed to all Parties and Interested Persons, at least twenty-four (24) hours on a business day before the time of each such meeting in the case of personal delivery, and five (5) days' notice prior to such meeting in the case of mail if the special meeting is being called under urgent circumstances. If a special meeting is called by the Chairperson, Vice Chairperson or by any three (3) Members, and no urgent circumstance exists, then at least ten (10) days' notice must be provided to all Parties. The notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the Watermaster Board. The written notice may be dispensed with as to any Member who at or prior to the time the special meeting convenes, files with the Secretary of the Watermaster Board a written waiver of notice. The written notice may also be dispensed with as to any Member who is actually present at the meeting at the time it convenes. The notice shall be posted at least seventy-two (72) hours prior to the special meeting in the posting locations referred to in section 3.6 of these Rules and Regulations.

3.6 Meeting Agendas

At least 72 hours before a regular meeting of the Watermaster Board, or at least 24 hours before a special meeting of the Watermaster Board, the Secretary of the

Watermaster, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session, and deliver a copy of the agenda to the Members and to Persons who have made a written request to be added to the Watermaster's list of interested Persons. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular or special meeting and shall be posted at the places which have been designated by the Public Agency Parties for the posting of official agendas in their respective jurisdictions. If requested, the agenda 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. The agenda shall include information regarding how, to whom, and when a request for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

3.7 Meeting Procedures

3.7.1 Conduct for Meetings

Meetings of the Watermaster Board shall be called to order by the Chairperson or, in his or her absence, the Vice Chairperson. Watermaster Board meetings shall be conducted in conformity with the procedures established for meetings of public agencies pursuant to the California Open Meeting Law (the "**Brown Act**"), California Government Code section 54950 et seq., as it may be amended from time to time.

3.7.2 Minutes

The Secretary shall keep accurate minutes of all meetings of the Watermaster Board which reflect all actions taken by the Watermaster. Copies thereof shall be furnished to all Members and Interested Persons. Copies of minutes shall constitute notice of any Watermaster Board action therein reported.

3.7.3 Closed Session

The Watermaster Board may convene closed session meetings in accordance with Brown Act procedures.

4.0 Members

4.1 Appointment of Members

The Public Agency Parties, groups of Landowner Parties identified in section 3.1 and CalAm have each appointed an initial Member to sit on the Watermaster Board for a two (2) year term ending at the first regular meeting of the Watermaster in January of

2008. The Public Agency Parties, groups of Landowner Parties and CalAm shall each appoint or reappoint one Member in November of every second year, beginning in November of 2007, to sit on the Watermaster Board for a two (2) year term. Except for the initial Members, each Member shall assume office at the first regular meeting of the Watermaster Board held in January of every second year, beginning in January of 2008. The Secretary shall give notice of this requirement to each of the Parties during the October preceding each such January.

4.2 Alternate Members

In addition to appointing a Member, CalAm and the Public Agency Parties may also appoint an alternate Member in the same manner and for the same terms as provided for Members in these Rules and Regulations. Each Member representing a group of Landowner Parties may act as an alternate for the Member representing the other group of Landowner Parties. A duly appointed Alternate Member may exercise all of the rights of a Member at a meeting of the Watermaster Board where the Member for whom the Alternate Member sits, is absent.

4.3 Appointments

Appointments of Members and Alternate Members, if any, shall be made in a writing signed on behalf of the Party or group of Parties identified in section 3.1 which is delivered to the Secretary no later than the close of public comment for the agenda item regarding announcement of appointment of new Members at the November meeting. The Watermaster Board shall give notice to the Court of any person appointed as a Member or Alternate Member.

4.4 Vacancies

Should a Member or Alternate Member resign or otherwise be unable to complete his or her term on the Watermaster Board, the Party or group of Parties which appointed such Member shall appoint a new Member to complete the unexpired term, and deliver notice of that appointment to the Secretary.

4.5 Special Rules for Appointment of Members by Landowner Groups

Appointment of Members by the Landowner Parties shall take place at each November meeting of the Watermaster Board (except for the appointment of initial Members) where the appointment of new Members is to be announced. Each Landowner Party will vote for their preferred Member in writing, signed by an agent of the Landowner Party and delivered to the Watermaster Board no later than the close of public comment for the agenda item regarding election of the Landowner Group Members. Voting rights may only be transferred upon permanent sale of 51% or more of the Landowner's respective Production Allocation. Landowner Parties may only vote for the representative for their respective subarea (i.e., Coastal Subarea Landowner Group Parties vote for the Coastal Subarea Member; and Laguna Seca Landowner Group Parties

vote for the Laguna Seca Subarea Member). Should a Member appointed by a Landowner Group be unable to complete his or her term on the Watermaster Board, the Landowner Group which appointed such Member shall give notice to the Secretary who shall schedule an election at the next meeting of the Watermaster Board for the replacement of that Member to be held in the same manner as regular appointments of Landowner Group Members. Landowner Group Members are elected by cumulative voting, with each member of the Landowner Group entitled to one vote for each acre-foot of Production Allocation established in the Judgment.

4.6 Compensation

No Member shall be compensated by the Watermaster for their service on the Watermaster Board.

5.0 Administration

5.1 Watermaster Office

The Watermaster office shall be located at 2600 Garden Road, Suite 228, Monterey, California 93940. The Watermaster Board may change the location of the Watermaster office from time to time to a place located in Monterey County.

5.2 Records

The minutes of Watermaster Board meetings shall be open to inspection and maintained at the Watermaster office. Copies of minutes and other Watermaster records may be obtained for inspection in accordance with the procedures set forth in the California Public Records Act. Copies of records may be obtained upon payment of the actual cost of duplication established by the Watermaster.

5.3 Notice Lists

The Watermaster shall maintain at all times a current list of the Parties to whom notices are to be sent and their addresses for purposes of service. The Watermaster shall also maintain a list of interested Persons (“**Interested Persons**”) that shall include all Persons who have made a written request to the Watermaster to be included on the list of Interested Persons. All notices, determinations, requests, demands, objections, reports and other papers and processes required to be delivered to Interested Persons under the Judgment, these Rules and Regulations or by Order of the Watermaster, shall be delivered to all Parties and Interested Persons.

6.0 Budget

The Watermaster Board will annually adopt a budget for each Fiscal Year stating the anticipated annual expenses required for implementation of the Judgment, including reasonable reserve funds. Each annual budget will contain three (3) separate

components: (1) an Administrative Budget; (2) a Monitoring and Planning Budget; and, (3) a Replenishment Budget. Seven (7) affirmative votes shall be required for the adoption of any budget or budget assessment by the Watermaster Board. No Member representing a Landowner Party may participate in any vote concerning the approval of the Administrative Budget or Mitigation and Monitoring Plan Budget or the amount of any assessment levied by the Watermaster Board to fund those budgets.

6.1 Adoption of Budget and Budget Assessments

No later than October of 2006, and no later than May of each year thereafter, the Watermaster Board shall adopt a tentative budget, including assessments, for the ensuing Fiscal Year. The tentative budget will be mailed by the Secretary to each Party no earlier than November 1 and no later than November 15 before the beginning of the next Fiscal Year.

6.1.2 Objections

Objections to the tentative budget by any Producer must be submitted in writing to the Watermaster Board within fifteen (15) days after the date of mailing of the tentative budget. If no timely objections are received, the tentative budget shall become the final budget. If objections are received, the Watermaster Board shall consider the objections within ten (10) days thereafter and shall prepare a final budget. The final budget will be thereafter mailed to each Producer together with a statement of the amount assessed to each Producer.

6.1.3 Appeal to Court

Any Producer may apply to the Court within fifteen (15) days after the mailing of the final budget for revision based on specific objections. Payments of assessments otherwise required shall be made despite the filing of a request for revision with the Court. Upon any revision by the Court, the Watermaster shall either remit to the Producers their pro rata portions of any reduction in the budget, or credit their accounts with respect to any assessment for the next ensuing Administrative Year as the Court shall direct.

6.2 Payment of Assessments

All amounts assessed by the Watermaster Board in the final budget shall be paid to the Watermaster by the Party assessed no later than January 15th of the Fiscal Year to which the assessment relates. If such payment by any Producer is not timely made, the Watermaster shall add a penalty of five percent (5%) thereof to the amount assessed against such Producer.

6.2.1 Contributions to Budget

The Watermaster Board may accept contributions of money, goods or services in furtherance of its purposes.

6.3 Administrative Budget

The Watermaster Board shall adopt an Administrative Budget for each Fiscal Year in an amount sufficient to fund the costs associated with the administration of the Watermaster. The Administrative Budget for the first Fiscal Year shall not exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000). The first ONE HUNDRED THOUSAND DOLLARS (\$100,000) of the Administrative Budget shall be assessed against California American Water Company, City of Seaside and City of Sand City in the following percentage shares:

California American Water	83%
City of Seaside	14.4%
City of Sand City	2.6%

6.4 Monitoring and Management Program Budget

The Watermaster Board shall develop a budget called the “**Planning and Monitoring Budget**”, in an amount sufficient to fund the cost of the Monitoring and Management Plan referred to in section 7. The Planning and Monitoring Budget for the first Fiscal Year shall not exceed TWO HUNDRED THOUSAND DOLLARS (\$200,000). The Watermaster Board shall also levy a one time assessment called the “**Capital Improvement and Groundwater Model Assessment**” in an amount sufficient to fund the cost of the capital improvements and groundwater model described in the Monitoring and Management Program, including but not limited to (1) installation of water quality and water level monitoring wells; (2) implementation of piezometric and water quality monitoring program; (3) installation of sentinel wells to detect seawater intrusion into on-shore portions of the Basin; (4) development of a groundwater model, including if necessary, exploratory borehole drilling, geophysical surveys and improved estimates of natural and secondary recharge in the Basin. The total amount of the Capital Improvement and Groundwater Model Assessment shall not exceed ONE MILLION DOLLARS (\$1,000,000). The total amount of both the Planning and Monitoring Budget and the Capital Improvement and Groundwater Model Assessment shall be assessed against the Standard Producers in the Coastal Subarea in the following shares:

California American Water	91%
City of Seaside	7%
Granite Rock	1%
D.B.O. Development No. 27	1%

At such time as a Party within the Coastal Subarea chooses to change its Alternative Production to a Standard Production Allocation, that Party will be assessed a proportionate share of the Monitoring and Management Plan Budget.

6.5 Replenishment Budget

As a part of its annual budget process, the Watermaster Board shall declare the per-acre-foot cost of the Replenishment Assessments in October of each Water Year. The per-acre foot cost of Replenishment Assessments for Production in excess of Natural Safe Yield shall be based on the anticipated cost of Artificial Replenishment, including the cost to construct, operate, and maintain facilities necessary for replenishment of the Basin. Replenishment Assessments may only be used for Artificial Replenishment.

6.5.1 Assessment on Production Over Natural Safe Yield

[Reserved for Clarification re Method of Calculating the Over-Production Replenishment Assessment]

6.5.2 Assessment on Production Over Operating Yield

The Watermaster Board shall levy an additional Replenishment Assessment on any Alternative Producer for each acre-foot of water produced over their respective Alternative Allocation, and on any Standard Producer for each acre-foot produced over their respective percentage share of the Operating Safe Yield. Should the Watermaster be unable to procure replenishment water to offset Production over the Operating Safe Yield in the previous Water Year, the Watermaster will prohibit any Production over the Operating Safe Yield in the current year or until such time as replenishment water is provided.

6.5.3 Payment of Replenishment Assessment

At the end of each Water Year, the Watermaster will promptly notify each Producer by mail of any Replenishment Assessment owed. Payment must be made by January 15th of the following year. If such payment by any Producer is not timely made, the Watermaster shall add a penalty of five percent (5%) thereof to the amount assessed against such Producer.

6.5.4 California American Credit Toward Replenishment Assessment

California American's expenditures for water supply augmentation may also provide replenishment water for the Seaside Basin. Accordingly, on an annual basis, California American will provide the Watermaster Board 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 Board 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 Board 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 Board and California American cannot agree, the matter may be referred to the Court through a request filed by California American.

7.0 Monitoring and Management Program

Within sixty (60) days of entry of Judgment, the Watermaster Board shall approve the Seaside Groundwater Basin Monitoring and Management Program. The Monitoring and Management Program shall conform to the criteria set forth in Exhibit A to the Judgment, and shall include but not be limited to a seawater intrusion contingency plan, criteria for the annual collection and analysis of groundwater production and quality data, land use data, and the development of criteria for modification of the Operating Safe Yield. The Monitoring and Management Program shall also include criteria to determine the Total Useable Storage Space in the Basin. The Watermaster Board may amend the Monitoring and Management Program from time to time.

8.0 Operating Yield and Material Injury

Pursuant to the Judgment, the Watermaster must continually monitor for Material Injury to the Seaside Basin. If the Watermaster Board determines that groundwater extractions at the Operating Yield are resulting in Material Injury, the Watermaster Board will immediately present the Court with a report detailing the circumstances constituting such Material Injury and, if Watermaster deems appropriate, a recommendation for a reduction in the Operating Yield to respond to the perceived material Injury. In the event that the Court concurs in the Watermaster's conclusion of Material Injury, the Watermaster Board shall determine a lower Operating Yield in accordance with the Principles and Procedures attached as Exhibit A to the Judgment, and through the application of criteria that it shall develop for this purpose.

9.0 Procedures For Assignment and Transfer of Production Allocations

Parties proposing to assign or transfer any portion of their Production Allocation must submit a written notice to the Watermaster forty-five (45) days prior to the effective date of the proposed assignment or transfer. The notice shall include all details of the assignment/transfer (other than details related to consideration for such assignment or transfer), including thorough descriptions of: (1) the Production Allocation being assigned/transferred; (2) the assignor/assignee or transferor/transferee; (3) the duration of assignment/transfer; and (4) the quantity of Production Allocation being assigned/transferred. The Secretary shall transmit a copy of the notice to each of the Members. Within twenty-one (21) days of the mailing of the notice from the Secretary, any Member may file an objection to the proposed assignment/transfer with the Secretary. If no objection is received within that time, the proposed assignment/transfer shall become effective in accordance with its terms. If an objection is received within that time, the Secretary shall cause the matter to be placed on the agenda for the next available meeting of the Watermaster Board. At the meeting, the Member who filed the objection will carry the burden of proving to the Watermaster Board that the production contemplated by the assignment/transfer will significantly increase the risk of Material

Injury to the Basin above the risk posed by production absent the assignment/transfer. At the conclusion of the hearing, the Watermaster Board shall make its determination regarding any increased risk of Material Injury. If the Watermaster Board determines that the proposed assignment/transfer will not significantly increase risk of Material Injury, the proposed the assignment/transfer shall thereupon become effective. If the Watermaster Board determines, based on its detailed written findings, that the proposed assignment/transfer will result in significant increase of risk of Material Injury, the Watermaster may impose such conditions on the proposed assignment/transfer as it deems necessary to reduce such risk.

10.0 Storage

Prior to the beginning of the next Administrative Year, the Watermaster Board shall declare the next year's Total Useable Storage Space for the Seaside Basin. The Watermaster Board may periodically amend the quantity of Total Useable Storage Space throughout the year based upon criteria set forth in the Seaside Groundwater Basin Monitoring and Management Plan. Parties seeking to store water in the Seaside Basin shall follow the procedures set forth in the Judgment.

11.0 Reporting by Parties

Pursuant to the terms of the Judgment, all Parties are required to install, at their own cost, devices to measure the quantity of water they extract from the Seaside Basin. All Parties shall report their extraction quantities to Watermaster for the preceding calendar quarter, in writing, on January 15, April 15 and July 15 and October 15 of each Water Year.

12.0 Notice

All notices, determinations, requests, and reports required to be delivered to interested persons shall be delivered to all Parties and all persons on Watermaster's list of Interested Persons. Delivery or service of any notice of document required to be served upon or delivered shall be deemed made by deposit in the mail, first class postage prepaid, addressed as shown on the Watermaster's list of Parties or Interested Persons, or by alternative means of delivery (such as email or facsimile) agreed to in advance by a Party or Interested Party. Any Party or Interested Person desiring to be relieved of receiving deliveries from Watermaster may file, in writing, a waiver.

13.0 Watermaster Annual Report

The Watermaster will prepare and file with the Court, and mail to each of the Parties on or before November 15th of each Water Year, an annual report for the preceding Administrative Year. The Watermaster's annual report shall address the following matters, in addition to other matters deemed appropriate by the Watermaster or requested by the Court: (1) groundwater extractions; (2) groundwater storage; (3) amount of artificial replenishment, if any, performed by the Watermaster; (4) leases or sales of

Production Allocations; (5) use of imported, reclaimed, or desalinated water as a source of water for storage or as a water supply for lands overlying the Seaside Basin; (6) violations of the Judgment or the Rules and Regulations of the Watermaster, and any corrective action taken; (7) Watermaster administration costs; (8) the fixed per acre fee for replenishment assessments, and the amount of replenishment assessments levied and paid; (9) all components of the Watermaster budget; and, (10) recommendations.

14.0 Compliance With Judgment and Rules and Regulations

The Watermaster Board will promptly review the written request for compliance with all terms of the Judgment and these Rules and Regulations, and the Watermaster Board will promptly place the matter on a regular meeting agenda for consideration and action by the Watermaster Board.

15.0 Computation of Time

The time in which any act provided by the Judgment or these Rules and Regulations shall be computed by excluding the first day and including the last, unless the last is a holiday. Holidays are every Sunday and any other days that are specified or provided as holidays in Government Code sec. 6700.

16.0 Review of Watermaster Decisions

Any action, decision, rule or procedure of the Watermaster shall be subject to review by the Court on motion filed by any Party in accordance with the following procedure.

16.1 Effective Date of Watermaster Action

Any order, decision or action of the Watermaster on a noticed specific agenda item shall be deemed to have occurred on the date of the order, decision or action.

16.2 Notice of Motion

Any Party, by a regularly noticed motion, may petition the Court for review of the Watermaster's action or decision. The motion shall be deemed filed when a copy, conformed as filed with the Court, has been delivered to the Watermaster with the service fee established by the Watermaster. The fee shall be sufficient to cover the cost of photocopying and mailing the motion to each Party. The Watermaster shall prepare copies and mail a copy to each Party on the Watermaster's list of Parties.

16.3 Time for Motion

A motion to review any Watermaster action or decision shall be filed within thirty (30) days after such Watermaster action or decision, except that motions to review Budget Assessments and Replenishment Assessments shall be filed within fifteen (15) days of mailing a notice of assessment.

Dewey D. Evans

From: Carole Dawson [CDawson@ci.seaside.ca.us]
Sent: Monday, November 13, 2006 1:50 PM
To: watermasterseaside@sbcglobal.net
Subject: Walter Feeney's Contract

Dewey:

Martin Feeney's contract cost went from \$13,600 to \$14,600 to cover the cost of additional insurance (as required by the City of Seaside). The required limit for Errors and Omissions (E&O) insurance is \$2,000,000 (for this project only). His E&O limit was only \$1 million. He stated in an email dated 9/28/06 that the additional insurance cost is \$1,000.

Carole