

**SEASIDE GROUNDWATER BASIN WATERMASTER
REGULAR MEETING AGENDA
WEDNESDAY, DECEMBER 5, 2007, 2:45 P.M.
MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY
BOARD ROOM, 5 HARRIS COURT, BUILDING "D"
"RYAN RANCH"
MONTEREY, CALIFORNIA**

WATERMASTER BOARD:

City of Seaside – Mayor Ralph Rubio, Chairman
Laguna Seca Subarea Landowner – Director Bob Costa, Vice Chairman
Monterey Peninsula Water Management District – Director Michelle Knight, Secretary
City of Monterey – Vice Mayor Jeff Haferman, Treasurer
City of Sand City – Mayor David Pendergrass
California American Water – Director Tom Bunosky
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

Observe a Moment of Silence for the passing of Supervisor Jerry Smith, (8/27/45-11/25/07)

II. ROLL CALL

III. APPROVAL OF MINUTES;

The minutes of the Regular Board meeting of November 7, 2007 is attached to this agenda. Watermaster Board is requested to consider approving the minutes.

IV. REVIEW OF AGENDA

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

V. PUBLIC COMMUNICATIONS

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

VI. CONSENT CALENDAR

- A. Consider Request for Payment to CEO for November Compensation of \$5,100.00 and Reimbursement of out of pocket expenditures of \$3,298.53
- B. Consider Approval of Summary for Payments made in November totaling \$36,143.17
- C. Consider Current Year Financial Reports – Through November 30, 2007

VII. ORAL PRESENTATION

None Scheduled

VIII. OLD BUSINESS

A. COMMITTEE REPORTS

1. BUDGET/FINANCE COMMITTEE

- a) Consider Approving Independent Contractor Agreement with DDEvans Consulting for Professional Services as “Chief Executive Officer” for FY 2008.
- b) Consider Approving the Revision of the Replenishment Fund Budget for FY 2008

IX. NEW BUSINESS

A. COMMITTEE REPORTS

1. TECHNICAL COMMITTEE

- a) Consider Approving FY 2008 Contracts for Professional Services with:
 - 1) Monterey Peninsula Water Management Agency (MPWMD)
 - 2) Monterey County Water Resources Agency (MCWRA)
 - 3) RBF Consulting

X. INFORMATIONAL REPORTS (No Action Required)

- A. Timeline schedule of Milestone dates (Critical date monitoring)
- B. Technical Action Committee (TAC) draft minutes of November 14, 2007 meeting
- C. Court Order—dated November 26th to provide supplemental information regarding data collections referred to TAC for evaluation

XI. DIRECTOR’S REPORTS

XII. EXECUTIVE OFFICER COMMENTS

XIII. NEXT MEETING DATE –JANUARY 2, 2008 (MRWPCA-Board Room) 1:30 P.M.

XIV. ADJOURNMENT

ITEM NO. III.

**APPROVAL OF
MINUTES**

REGULAR MEETING
Seaside Groundwater Basin Watermaster
November 7, 2007

DRAFT MINUTES

I. CALL TO ORDER

Vice Chair Costa called the meeting to order at 2:35 p.m. in the Monterey Regional Water Pollution Control Agency Boardroom at 5 Harris Court, Building D, Monterey.

II. ROLL CALL

City of Seaside – (Alternate) Steve Bloomer
Laguna Seca Subarea Landowner – Director Bob Costa, Vice Chairman
Monterey Peninsula Water Management District – (Alternate) Judi Lehman
California American Water – Director Tom Bunosky
City of Monterey – (Alternate) Les Turnbeaugh
City of Sand City – Mayor David Pendergrass
City of Del Rey Oaks – Mayor Joseph Russell
Monterey County/Monterey County Water Resources Agency – (Alternate) Curtis Weeks
Coastal Subarea Landowner – Director Paul Bruno

III. APPROVAL OF MINUTES

Moved by Director Turnbeaugh, seconded by Mayor Russell, and unanimously carried, to approve the Watermaster Special Meeting minutes of October 17, 2007.

IV. REVIEW OF AGENDA

There were no changes to the agenda.

V. PUBLIC PARTICIPATION/ORAL COMMUNICATIONS

There were no questions or comments from the public.

VI. CONSENT CALENDAR

- | | | |
|----|---|--------------|
| A. | Contract Compensation – CEO for October 2007 | \$6,750.00 |
| | Reimbursable – General for October 2007 | 2,430.70 |
| B. | Approval of Summary for Payments made in September 2007 | \$123,244.03 |
| C. | Current Year Financial Reports – Through October 31, 2007 | |

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

VII. ORAL PRESENTATION – None scheduled.

VIII. OLD BUSINESS

A. COMMITTEE REPORTS

- 1. BUDGET/FINANCE COMMITTEE** – No current report.
- 2. TECHNICAL ADVISORY COMMITTEE** – No current report.

B. OTHER OLD BUSINESS

- 1. Appointment of Voting Members and Alternate Board Members for Fiscal Year 2008 & 2009** – CEO Evans reported that written notices of appointments had been received from four Board parties: Sand City – Voting member Mayor David Pendergrass and Alternate Kelly Morgan; California American Water – Voting member Tom Bunosky and Alternate Charles Kemp; Laguna Seca Subarea Landowners – Voting Member Robert Costa and Alternate Gary Cursio; City of Del Rey Oaks – Voting member Mayor Joseph Russell and Alternate Jerry Edelen. Mr. David Berger, Monterey Peninsula Water Management District General Manager, provided CEO Evans a written notification of appoint of Voting member Michelle Knight and Alternate Judi Lehman. Director Bruno will submit an email to the CEO stating an endorsement from Laguna Seca Landowner representatives that he continue as the appointed voting member. Director Turnbeaugh stated that the City of Monterey had not yet determined the appointments and requested to continue with the current appointments in the interim. Ms. Diana Ingersoll, City of Seaside, advised the Board that the City Council at its November 1, 2007 meeting, did reappoint Mayor Rubio as the Watermaster voting member and Mayor Pro-tem Bloomer as alternate. Mr. David Laredo, MPWMD Counsel, advised the Board that appointments are timely if made by November 30th. He indicated to Director Bruno that there are specific rules for appointment of the landowner groups in section 4.5 of the Watermaster Rules and Regulations. Alternate Director Weeks stated that Monterey County has not yet determined appointments to the Watermaster Board for 2008 and 2009, but that he would insure that the appointments would be addressed at the November 27th meeting of the Board of Supervisors to be reported to Watermaster before November 30th.

IX. NEW BUSINESS

- A. Watermaster Annual Report due to be filed with the Court before November 15, 2007**
CEO Evans, before reviewing the draft report, thanked Mr. Robert Jaques, Watermaster Technical Program Manager, for coordinating the compilation the report.

Mr. Charles Kemp, California American Water (“Cal-Am”), pointed out that the replenishment assessment amount for Cal-Am calculated on Attachment 4 page 3 was not the same as the amount stated in the body of the Annual Report on page 3 under item H second paragraph: \$18,837.77 should be \$78,837.77. Mr. Jaques was aware of the typographical error in the body of the report and would make the correction.

Director Turnbeaugh pointed out that Attachment 7 – Seawater Sentinel Wells Project Executive Summary beginning on page 3 indicates that the report is a

draft. Mr. Jaques stated that he has the final form of the report that will be included as Attachment 7 of the Annual Report and is available to the Board on a CD at this meeting. A few minor typographical errors were corrected on the final report with no substantive changes.

The page numbering for Attachment 9 will be corrected to reflect a sequence beginning with ATTACHMENT 9 Page-1 (instead of beginning with ATTACHMENT 9 Page-9). Director Weeks requested the formatting issue in Attachment 10, page 3 be corrected.

Mr. Jaques advised the Board that in email correspondence from Mr. Eric Robinson of Kronick, Moskovitz, Tiedemann & Girard on behalf of Laguna Seca Landowners, a request was made that the In-lieu Recharge Project for the Laguna Seca Basin be included in the Supplemental Water Supply Projects Overview report prepared by RBF Consultants. Mr. Jaques stated that the exclusion of the In-lieu Recharge Project was an oversight and Sarah Hardgrave, RBF, was working to gather the project information to include in Attachment 10 of the Annual Report.

Mr. Robinson of Kronick, Moskovitz, Tiedemann & Girard on behalf of Laguna Seca Subarea alternative producers group (York School, Pasadera Country Club, Laguna Seca Resort, and Bishop, McIntosh & McIntosh), addressed the Board and submitted correspondence dated November 7, 2007, a copy of which was submitted to the Watermaster CEO on November 6, 2007, regarding comments on documentation and use of groundwater model and on the Seawater Intrusion Report. Mr. Robinson requested that indications of groundwater surface levels that are above sea level in the Southern Coastal sub-area be called out and emphasized in the body of the Annual Report as well as in the Seawater Intrusion Report. On page two of the submitted correspondence, editing changes to the body of the Annual Report and to Attachment 12 – Seawater Intrusion Report have been suggested.

Mayor Russell supported the changes indicated in the correspondence from Mr. Robinson if the information stated was factual. Upon cursory review of the submitted correspondence, Mr. Jaques stated that the comments looked to be factual with the exception of the comment that no seawater intrusion has thus far been detected anywhere in the Seaside Basin. He stated that previous reports indicate that shallow aquifer seawater intrusion has been in existence for decades. He felt the remainder of the language was acceptable and that the suggested changes would be made.

Sarah Hardgrave, RBF Consulting, submitted two additional excerpts from the Seawater Intrusion Report that address the groundwater level issue with respect to preclusion of seawater intrusion. The Board questioned the timeliness of the 1999 chloride contour levels from the Salinas Valley and the October 2006 data point information for the Seaside Basin. Ms. Hardgrave advised the Board that

the data sets were intended to establish a baseline of conditions for the Seaside Basin. Curtis Weeks, MCWRA, stated there is more current data for the area however he recalled that the contour conditions have not changed noticeably since 1999. Director Turnbeaugh requested a footnote be added to the excerpt that explains the data used. Director Bloomer noted that the Seaside City boundaries indicated in the excerpts are not correct. Mr. Jaques suggested not including the excerpts in the Annual Report; a full explanation of many aspects of the data used in the excerpts is provided in the full Seawater Intrusion Memorandum, and that the memorandum would be sufficient for Watermaster annual reporting purposes.

The Annual Report will contain Mr. Feeney's Executive Report on the Seawater Sentinel Wells Project Summary with the full report available on the Watermaster web site for reference.

Moved by Director Weeks, seconded by Director Turnbeaugh, and unanimously carried, to approve the Watermaster Annual Report, with the inclusion of indicated language from page 2 of the correspondence from Laguna Seca Subarea alternative producers' attorney Eric Robinson with the exception of no seawater intrusion having thus far been detected anywhere in the Seaside Basin, and not to include the excerpts to the Seawater Intrusion Memorandum.

X. INFORMATIONAL REPORTS (No Action Required)

A. Timeline schedule of Milestone Dates (Critical date monitoring)

XI. DIRECTOR'S REPORTS

Director Turnbeaugh announced that the City of Monterey at last night's Council meeting voted to approve the City's participation in the Watermaster Volunteer Financial Assessment Policy to Share the Cost of Providing Annual Administrative Support. Vice Chair Costa confirmed that the issue of the 20% retention on the Monitoring and Management – Operations Budget for 2008 and 2009 and the CEO contract for services would be taken up at the next regular Watermaster Board meeting.

XII. EXECUTIVE OFFICER STATEMENTS

CEO Evans advised the board that the regular Watermaster Technical Advisory Committee meeting would be held at Seaside City Hall on Wednesday, November 14, at 1:30 p.m.

CEO Evans provided copies of the final report of the Watermaster Seawater Sentinel Wells Project by Martin B. Feeney to Board members on a compact disc. Others may request copies of the report from the Watermaster CEO.

Attorney Nick Jacobs, Somach, Simmons, & Dunn, representing California American Water, would be providing the cover letter for the Watermaster Annual Report to be used to submit

the Board approved report to Judge Randall on or before November 15, 2007. Vice Chair Costa requested that the Annual Report in final form be provided to the Board at the next Board meeting.

XIII. NEXT MEETING DATE – DECEMBER 5, 2007 at the Monterey Regional Water Pollution Control Agency (MRWPCA) Board meeting room at 5 Harris Court, Building "D" on Ryan Ranch in Monterey at 1:30 P.M.

XIV. There being no further business, Vice Chair Costa adjourned the meeting at 3:35 p.m.

ITEM NO. VI.

CONSENT CALENDAR

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: December 5, 2007
SUBJECT: Consider Request for Approval of Payment of CEO Compensation and Expense Reimbursements for November, 2007

PURPOSE:

Compensation for CEO time spent on direct Watermaster issues, rental of office space, administrative support time and supplies needed to conduct Watermaster monthly business

RECOMMENDATION:

Consider approving the payment to the CEO for time spent directly on Watermaster business. In addition, reimburse the CEO for out-of-pocket expenditures made on behalf of direct Watermaster related business.

COMMENTS:

Contract Compensation— (68 hours) For the period from October 28, 2007 through November 24, 2007 a total of 68 billable hours were recorded working directly on Watermaster related business. During this time one Watermaster Board meeting agenda was prepared, a newsletter was prepared and distributed, a number of meetings arranged and attended. Additionally, time was spent preparing the Annual Report submitted to the court before November 15th, reviewing and following up with water extraction reports, sending out and following up on financial matters, collection of assessments, monitoring the progress of contractors, TAC and Budget and Finance Committee meeting requirements, and responding to and answering a series of general inquiries from the various Watermaster interested parties and the general public.

Reimbursables—Direct expenditures that are being requested to be reimbursed for are: rent of office space at 2600 Garden Road, Suite 228 for the month of December, 2007. Administrative support services which include; recording and transcribing of Board meeting minutes, data entry into Watermaster's accounting and financial systems and account and budget reconciliations and various other tasks as assigned. Other monthly expenditures include; telephone, teleconferencing and internet services, office supplies, computer related services and supplies and other related expenses as necessary.

FISCAL IMPACT:

Payment of bills reduces the adopted budget amounts in the Administrative Fund by a total of \$8,398.53.

**SEASIDE GROUNDWATER BASIN
WATERMASTER
November, 2007**

Request for Payment of CEO Compensation and Expense Reimbursements

Request for Payment:

Contract Compensation:

Chief Executive Officer—Dewey D Evans

68 hours—October 28, 2007 through November 24, 2007

At \$75.00 per hour--

\$5,100.00

Reimbursables:

Pay to Dewey D Evans for personal expenses paid on behalf of
Watermaster program:

Office rental-2600 Garden Road, Suite 228 (December, 2007)

\$280.00

Administrative Support-- general administrative support (October)

2,150.00

Computer Maintenance and Supplies

604.99

Telephone, Internet Services and Teleconferencing

134.28

Office supplies (Printer Ink Cartridges)

129.26

\$3,298.53

Total Reimbursables

Monthly total for November, 2007

\$8,398.53

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: December 5, 2007
SUBJECT: Summary of Payments Authorized to be Paid in November, 2007.

PURPOSE:

To advise the Board of payments authorized to be paid during the month of November, 2007

RECOMMENDATIONS:

Consider approving the payment of bills submitted and authorized to be paid by the CEO during the month of November, 2007

COMMENTS and FISCAL IMPACT:

Robert “Bob” Jaques (Technical Project Manager) – October 27, 2007 through November 24, 2007 worked a total of 50.75 hours at \$100.00 per hour for **\$5,075.00**. Coordinated and worked on preparing Annual Report due to Court by November 15th. Prepared and sent out TAC agenda for November 14th. Attended and recorded minutes of TAC meeting. Prepared TAC minutes and took follow-up actions. Worked on new contracts for MPWMD and MCWRA for fiscal year 2008.

Martin Feeney –Contract for \$850,000 dated February 20, 2007—One invoice was submitted and approved for payment during November. The invoice was submitted for **\$34,520.19** which included the completion of field activities, subcontractor services, preparation and presentation of draft report to TAC and Board of Directors This invoice was reviewed and authorized for payment less the 10% retention of **\$3,452.02** for **\$31,068.17**.

Total payments authorized to be paid during November, 2007--**\$36,143.17**.

Seaside Groundwater Basin Watermaster
Budget vs. Actual Administrative Fund
Fiscal Year (January 1 - December 31, 2007)
Balance through November 30, 2007

	Adopted Budget	Year to Date Expenses	Balance
Assessment			
FY 2006 Rollover	58,866.47		58,866.47
Administrative Fund	64,000.00		64,000.00
Additional Assessment 4/18/07	27,150.00		27,150.00
Total Assessment	150,016.47		150,016.47
Expenses			
Administrative			
Computer Maint. & Supplies	3,000.00	975.47	2,024.53
Contract Staff	73,000.00	70,912.50	2,087.50
Meetings, Travel & Membership	2,000.00	125.70	1,874.30
Mileage Reimbursement	1,500.00	0.00	1,500.00
Office Consumables & Other	6,000.00	2,135.30	3,864.70
Office Equip. Maint. & Rental	1,000.00	0.00	1,000.00
Office Rental	3,500.00	3,080.00	420.00
Administrative Support	22,150.00	15,962.50	6,187.50
Legal	10,000.00	0.00	10,000.00
Utilities	1,000.00	1,261.22	-261.22
Total Administrative	123,150.00	94,452.69	28,697.31
Total Available	26,866.47		
Dedicated Reserve	25,000.00		
NET AVAILABLE	1,866.47		

Seaside Groundwater Basin Watermaster
 Budget vs. Actual
 Monitoring & Management - Operations Fund
 Fiscal Year January 1 - December 31, 2007
 Balance Through November 30, 2007

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Assessment	Adopted Budget	Encumbrance	Year to Date Expense
Monitoring & Management - Ops Fund	\$ 400,000.00		
Additional Assessment 4/18/07	300,000.00		
Total 2007 Assessment	<u>\$ 700,000.00</u>		
Appropriations & Expenses			
GENERAL			
Technical Project Manager	\$ 64,000.00		\$ 29,050.00
Groundwater Modeling	30,970.00	-	31,619.74
BMMP Implementation Work Plan	35,000.00	\$ 3,500.00	31,500.00
Coastal Monitoring (MPWMD)	7,080.00	-	6,940.52
Total General	<u>\$ 137,050.00</u>	<u>\$ 3,500.00</u>	<u>\$ 99,110.26</u>
RBF CONSULTING			
Labor Costs			
Program Administration	\$ 80,900.00	\$ 53,831.88	\$ 27,068.12
Monitor Well Contr Oversight	14,471.00	3,043.01	11,427.99
Production/Lvl/Qlty Monitoring	144,600.00	69,838.59	74,761.41
Basin Management	6,300.00	4,315.48	1,984.52
Seawater Intrusion	88,800.00	75,293.52	13,506.48
Subtotals	<u>335,071.00</u>	<u>206,322.48</u>	<u>128,748.52</u>
Direct Costs			
Durbin Model Documentation	40,000.00	36,400.00	3,600.00
Reproduction, mileage, misc.	15,000.00	11,270.32	3,729.68
Subtotals	<u>55,000.00</u>	<u>47,670.32</u>	<u>7,329.68</u>
Total RBF Consulting	<u>\$ 390,071.00</u>	<u>\$ 253,992.80</u>	<u>\$ 136,078.20</u>
MPWMD			
Labor Costs			
Program Administration	\$ 24,552.00	\$ 19,428.75	\$ 5,123.25
Monitor Well Contr Oversight	3,168.00	2,079.00	1,089.00
Production/Lvl/Qlty Monitoring	21,280.00	14,771.20	6,508.80
Basin Management	3,280.00	2,984.80	295.20
Subtotals	<u>52,280.00</u>	<u>39,263.75</u>	<u>13,016.25</u>
Direct Costs			
Data Archiving Hardware	3,600.00	3,600.00	-
Data Server	4,200.00	4,200.00	-
Water Quality Sampling Services	16,000.00	16,000.00	-
Reproduction, mileage, misc.	-	-	1,063.63
Subtotals	<u>23,800.00</u>	<u>23,800.00</u>	<u>1,063.63</u>
Total MRWMD	<u>\$ 76,080.00</u>	<u>\$ 27,400.00</u>	<u>\$ 14,079.88</u>
MCWRA			
Labor Costs			
Seawater Intrusion	20,064.00	20,064.00	-
Total MCWRA	<u>\$ 20,064.00</u>	<u>\$ 20,064.00</u>	<u>\$ -</u>
TOTALS	<u>\$ 623,265.00</u>	<u>\$ 304,956.80</u>	<u>\$ 249,268.34</u>

**Seaside Groundwater Basin Watermaster
Budget vs. Actual
Monitoring & Management - Capital Fund
Fiscal Year January 1 - December 31, 2007
Balance Through November 30, 2007**

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	<u>Adopted Budget</u>	<u>Encumbrance</u>	<u>Year to Date Expense</u>
Assessments:			
Monitoring & Management Fund - Capital	\$ 1,000,000.00		
Appropriations & Expenses:			
Martin Feeney (Contract)			
Professional Services			
Project Management	97,600.00	41,896.21	55,703.79
Subtotal	<u>97,600.00</u>	<u>41,896.21</u>	<u>55,703.79</u>
Direct Costs			
Other related costs	26,000.00	338.66	25,661.34
Permitting - Denise Duffy	34,040.00	4,796.96	29,243.04
Well Drilling - Bradley	690,000.00	61,210.14	628,789.86
Subtotal	<u>750,040.00</u>	<u>66,345.76</u>	<u>683,694.24</u>
Total Monitoring & Management - Capital Fund	<u>847,640.00</u>	<u>108,241.97</u>	<u>739,398.03</u>
NET AVAILABLE	\$ 152,360.00		

Seaside Groundwater Basin Watermaster
 Budget vs. Actual
 Monitoring & Management - Replenishment Fund
 Fiscal Year January 1 - December 31, 2007
 Balance Through November 30, 2007

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	FY 2007-2008 Adopted Budget	FY 2007-2008 Revised Budget
Assessments:		
Replenishment Fund	\$ 1,000,000.00	
California American Water 2007		
Exceeding Natural Safe Yield Considering Alternative Producers (Credit Towared Replenishment Assessment 2007) (5% Finance Charge for Non-Payment)	\$ 2,106,000.00 (465,648.00)	\$ 2,106,000.00 (465,648.00) 82,050.00
California American Water 2008		
Exceeding Natural Safe Yield Considering Alternative Producers Operating Yield Overproduction Replenishment		2,594,166.34 78,837.77
Total California American Water Assessment	\$ 1,640,352.00	\$ 4,395,406.11
City of Seaside 2007		
Exceeding Natural Safe Yield Considering Alternative Producers Operating Yield Overproduction Replenishment	\$ 169,010.00 50,940.00	\$ 169,010.00 50,940.00
City of Seaside 2008		
Exceeding Natural Safe Yield Considering Alternative Producers Operating Yield Overproduction Replenishment		181,671.87 510.78
Total City of Seaside	\$ 219,950.00	\$ 402,132.65
Total Assessment	\$ 2,860,302.00	\$ 4,797,538.76
TOTAL AVAILABLE		\$ 4,797,538.76

ITEM NO. VIII.

OLD BUSINESS

ITEM NO. VIII. A. 1.

**BUDGET AND FINANCE
COMMITTEE**

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: December 5, 2007
SUBJECT: Professional Services Agreement with Dewey D Evans dba DDEvans Consulting an Independent Contractor to act as “Chief Executive Officer”.

PURPOSE:

To revoke the “Employment Agreement” originally entered into on August 2, 2006 with Dewey D Evans to act as the Chief Executive Officer of the Seaside Groundwater Basin Watermaster and to enter into a Professional Services Agreement with Dewey D Evans dba DDEvans Consulting acting as an independent contractor to serve as the Chief Executive Officer.

RECOMMENDATION:

Consider approving the attached Professional Services Agreement and Attachment “A” to retain Dewey D Evans dba DDEvans Consulting as the Chief Executive Officer as an “Independent Contractor” at a full compensation amount of \$100.00 per hour, which will include the total cost of providing an office either at the present site located at 2600 Garden Road, Suite #228 or one of equivalent accessibility at a site located at or near the Seaside Groundwater Basin.

DISCUSSION:

In August of 2006 the Chief Executive Officer Dewey Evans entered into an “Employment Agreement” which could be interpreted by various taxing authorities as meaning that the CEO is really an employee subject to all of the rules and regulations of a regular employee. Some of these taxing laws and benefits may include; withholding of Federal and State Income Tax, Workers Compensation Laws, vacation pay, sick leave benefits, retirement benefits, social security tax and benefits, health and disability benefits, unemployment insurance benefits, etc. At the time of entering into the agreement it was the intent of both parties that the CEO was being retained as an independent contractor and that the total compensation would be limited to the hourly rate of \$75.00 plus being reimbursed for the direct cost of equipping and maintaining a Watermaster office to conduct the day-to-day business activities of the Watermaster.

In order to fully compensate the CEO for the cost of renting and maintaining an office as well as covering the previously agreed upon hourly rate of \$75.00 per hour it would only be fair to increase the hourly compensation rate to \$100.00 per hour. The method used to determine this amount is outlined as follows:

Reviewing the actual billable hours and the direct expenses for the past fifteen (15) months it was found that it took an average of 82.25 hours at \$75.00 an hour or \$6,167.50 and \$1,912.06 of direct office expense for a total of \$8,079.56 a month to adequately conduct the day to day activities of the Watermaster. Dividing this total by the 82.25 hours a month equals \$98.23 per hour, (say \$100.00), per hour to cover the cost of maintaining an office and covering the previously agreed upon hourly rate.

The attached Agreement to retain Dewey D Evans dba DDEvans Consulting attempts to more clearly define the position of the Watermaster CEO as an independent contractor by attempting to adhere to the guidelines provided by the Internal Revenue Service, (IRS). In order to strictly comply with the IRS guidelines we are attaching IRS Form SS-8 titled “Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding” for your review. If and when the Board decides to approve the recommendation outlined above it is our intent to complete the IRS Form SS-8 to get an official, IRS determination as to the status of the position of the Watermaster CEO for federal employment and income tax withholding purposes.

It recently came to my attention that some people did not know that the City of Seaside has been designated as the Watermaster’s official fiscal agent. All assessments and all money of any kind for the Watermaster are deposited with the City of Seaside. The City of Seaside keeps and accounts for these funds and disburses these funds only with proper approval and with the necessary backup required to satisfy acceptable auditing standards. The City also issues Form 1099s for all compensation received by any Watermaster contractor including the CEO and TPM. I hope this explanation helps clarify any misunderstandings or confusions that may have existed.

The original “employment agreement” is not part of this packet, but copies of the agreement are on the Watermaster web site at www.seasidebasinwatermaster.com. If anyone would like a copy please let me know.

FISCAL IMPACT:

As was explained above any fiscal impact of increasing the hourly rate of compensation will be offset by the incumbent assuming the cost of providing the office, equipment, supplies, administrative support and other expenses currently reimbursed monthly by the Watermaster.

ATTACHMENTS:

There are three attachments:

- 1) Agreement Between the Seaside Groundwater Basin Watermaster and Dewey D Evans dba DDEvans Consulting for the Professional Services of “Chief Executive Officer”
- 2) Attachment “A” Position Description of “Chief Executive Officer”
- 3) IRS Form SS-8 “Determination of Worker Status for Purposes of Federal Employment Taxes And Income Tax Withholding”

**AGREEMENT BETWEEN THE SEASIDE GROUNDWATER BASIN WATERMASTER AND
DEWEY D EVANS dba “DDEVANS CONSULTING” FOR THE PROFESSIONAL SERVICES
OF
“CHIEF EXECUTIVE OFFICER”**

THIS AGREEMENT is effective as of _____, by and between SEASIDE GROUNDWATER BASIN WATERMASTER, (WATERMASTER) and DEWEY D EVANS dba DDEVANS CONSULTING, (DDEVANS), an independent contractor, to perform the services set forth herein;

1. **Independent Contractor.** Subject to the terms and conditions of this Agreement, WATERMASTER hereby engages DDEVANS as an independent contractor to perform the services set forth herein, and DDEVANS hereby accepts such engagement, as detailed in this contract.

2. **Term of Agreement.** The term of engagement shall commence on January 1, 2008 and be for the duration of the Court imposed WATERMASTER adjudication as stipulated in the Superior Court Decision of March 27, 2006 Case No. M66343 or until terminated pursuant to section 7 of this Agreement.

a. **General.** As Chief Executive Officer, DDEVANS serves at the pleasure of the WATERMASTER BOARD OF DIRECTORS. No one other than the Board has the authority to alter this arrangement, or to make any agreement contrary to the terms of this agreement. Furthermore, any such agreement or arrangement must be in writing and must be signed by the Chairman of the Board.

b. **Annual Review.** The Board shall arrange for an annual review of work performance by DDEVANS using such procedures as the Board determines appropriate.

3. **Scope of Duties.** During the Term of this Agreement:

a. DDEVANS will perform duties assigned by the Watermaster Board provided that DDEVANS shall not be assigned tasks inconsistent with the position description for the CEO attached hereto as Attachment A. Subject to the direction of the Board the CEO provides day-to-day leadership for the Watermaster and is directly responsible to the Board on all matters pertaining to the administration and operations of the Seaside Groundwater Basin (Basin), pursuant to the provisions of the Judgment. The CEO is responsible for overseeing the operative budget and the other contractor and/or consultants, if any, of the Watermaster. The CEO must keep the Board apprised of all applicable federal, state, regional and local policies regulating Watermaster activities.

b. DDEVANS will devote such time as necessary and use the best efforts, talents, knowledge, and experience to serve as the Watermaster CEO, which may not be unreasonably withheld by the Board.

c. Watermaster recognizes DDEVANS is an independent contractor with other public agency clients. Should a conflict of interest arise for DDEVANS between the Watermaster and any of the other public agency clients of DDEVANS, DDEVANS shall notify the Watermaster Board and DDEVANS shall not participate in any material preparation, discussion or decisions regarding the subject matter of the conflict

d. DDEVANS will perform the duties competently and shall act in conformity with Watermaster's written and oral policies and within the limits, budgets and business plans set by the Board. Except as provided in sub-section 3.c. above DDEVANS shall not engage in consulting work or any trade or business, or for or on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of the duties hereunder in any material way.

e. DDEVANS shall maintain the books, accounts and records of the Seaside Groundwater Basin Watermaster in conformance with the Judgment.

6. **Taxes and Benefits.** WATERMASTER shall not be responsible for withholding taxes with respect to DDEVANS'S compensation hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, Workers' Compensation, health or disability benefits, unemployment insurance benefits, of any kind. DDEVANS and WATERMASTER specifically agree that DDEVANS is not an employee of the WATERMASTER. DDEVANS shall be liable for and shall indemnify the WATERMASTER against any and all taxes and any other assessments or obligations due with respect to the contractual obligation of DDEVANS and the WATERMASTER.

7. **Termination.** This Agreement may be terminated by either party at any time without cause by giving the other party thirty (30) days written notice in the manner set forth in sub-section 9.a. below.

8. **Conflict of Interest.** DDEVANS represents and warrants to WATERMASTER that the firm presently has no interest, and covenants that the firm will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or interfere with the performance of services required to be performed under this Agreement.

9. **General Provisions.**

a. **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service personally served, or on the first day after mailing if mailed by Federal Express or a similar overnight delivery services, or on the second day after mailing if mailed by first-class mail, registered or certified, return receipt requested, postage prepaid and properly addressed as follows:

WATERMASTER

Watermaster Board of Directors
C/O City of Seaside
441 Harcourt Street
Seaside, CA 93955

DDEVANS CONSULTING

C/O Dewey D Evans
3110 Hermitage Road
Pebble Beach, CA 93953:

Either party may change their address for the purpose of this section by giving the other party written notice of the new address in the manner set forth in this section.

b. **Waiver.** No waiver of a provision of this Agreement shall constitute a waiver of any other provision whether or not similar. No waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

c. **Construction of Terms.** All parts of this Agreement shall in all cases be construed according to their plain meaning and shall not be construed in favor or against either of the parties. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, the remainder of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated thereby. In the event of such invalidity, voidness or unenforceability the parties hereto agree to enter into supplement agreements to effectuate the intent of the parties and the purposes of this Agreement.

d. **Controlling Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California, with venue proper only in Monterey County, California.

e. **Entire Agreement and Amendment.** In conjunction with the matters considered herein this Agreement contains the entire understanding and agreement of the parties; and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, cancelled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

**By: RALPH RUBIO
CHAIRMAN OF THE WATERMASTER BOARD**

**By: DEWEY D EVANS
dba DDEVANS CONSULTING
PRINCIPAL**

ATTACHMENT “A”

SEASIDE GROUNDWATER BASIN WATERMASTER

“CHIEF EXECUTIVE OFFICER”

(AN INDEPENDENT CONTRACTOR POSITION)

*Class specifications are intended to present a descriptive list of the range of duties performed by incumbent in this position. Specifications are **not** intended to reflect all duties performed within the position.*

DEFINITION

The Chief Executive Officer (CEO) provides day-to-day leadership for the Seaside Groundwater Basin Watermaster (Watermaster)

SUPERVISION RECEIVED AND EXERCISED

The CEO receives direction from, and is responsible to, the Watermaster Board of Directors (Board) on all matters pertaining to the administration and operations of the Seaside Basin.

The CEO is directly responsible for overseeing all other independent contractors and others receiving remuneration from the Watermaster.

ESSENTIAL AND ANCILLARY DUTIES

The following are anticipated typical duties for this position. Incumbent may not perform all of these duties and/or may perform similar related duties not listed here.

The CEO’s essential and ancillary duties are as follows:

1. Ensure compliance with the Judgment, the Rules and Regulations established by the Watermaster, the Basin Monitoring and Management Plan, and any other court mandates prescribed.
2. Ensure that Watermaster Board meeting notices and agendas are timely developed and provided to all persons on the Watermaster service list in advance of each Board meeting.
3. Ensure that minutes of each meeting are properly taken, approved by the Watermaster Board and filed.

4. Keep the Board apprised of all applicable federal, state, regional and local issues, events, policies, regulations, laws, etc. that may affect the Seaside Basin or Watermaster activities.
5. Assist in developing the agenda for all Watermaster subcommittee meetings.
6. Solicit, analyze and negotiate agreements for the replenishment of the Seaside Basin either by direct or in lieu means.
7. Remain current and report to the Board on legislative issues that may affect the Seaside Basin or Watermaster activities.
8. Develop and manage the Watermaster budget; understand and explain budgetary issues to the Board, the Seaside Basin Producers, and the public.
9. Build positive and cooperative relationships with the members of Watermaster, the Seaside Basin producers, local governments, and members of the public.
10. Promote good customer service, ensuring that Watermaster accomplishes activities in a safe, efficient, friendly, and courteous manner, resolve complaints quickly and reasonably.

**Determination of Worker Status
for Purposes of Federal Employment Taxes
and Income Tax Withholding**

Name of firm (or person) for whom the worker performed services		Worker's name	
Firm's address (include street address, apt. or suite no., city, state, and ZIP code)		Worker's address (include street address, apt. or suite no., city, state, and ZIP code)	
Trade name	Daytime telephone number ()	Worker's social security number	
Telephone number (include area code) ()	Firm's employer identification number	Worker's employer identification number (if any)	

Note. If the worker is paid by a firm other than the one listed on this form for these services, enter the name, address, and employer identification number of the payer. ►

Disclosure of Information

The information provided on Form SS-8 may be disclosed to the firm, worker, or payer named above to assist the IRS in the determination process. For example, if you are a worker, we may disclose the information you provide on Form SS-8 to the firm or payer named above. The information can only be disclosed to assist with the determination process. If you provide incomplete information, we may not be able to process your request. See *Privacy Act and Paperwork Reduction Act Notice* on page 5 for more information. **If you do not want this information disclosed to other parties, do not file Form SS-8.**

Parts I-V. All filers of Form SS-8 must complete all questions in Parts I-IV. Part V must be completed if the worker provides a service directly to customers or is a salesperson. If you cannot answer a question, enter "Unknown" or "Does not apply." If you need more space for a question, attach another sheet with the part and question number clearly identified.

Part I General Information

- 1 This form is being completed by: Firm Worker; for services performed _____ to _____
(beginning date) (ending date)
- 2 Explain your reason(s) for filing this form (for example, you received a bill from the IRS, you believe you erroneously received a Form 1099 or Form W-2, you are unable to get worker's compensation benefits, or you were audited or are being audited by the IRS).
- 3 Total number of workers who performed or are performing the same or similar services _____.
- 4 How did the worker obtain the job? Application Bid Employment Agency Other (specify) _____
- 5 Attach copies of all supporting documentation (contracts, invoices, memos, Forms W-2 or Forms 1099-MISC issued or received, IRS closing agreements, IRS rulings, etc.). In addition, please inform us of any current or past litigation concerning the worker's status. If no income reporting forms (Form 1099-MISC or W-2) were furnished to the worker, enter the amount of income earned for the year(s) at issue \$ _____.
If both Form W-2 and Form 1099-MISC were issued or received, explain why.
- 6 Describe the firm's business.
- 7 Describe the work done by the worker and provide the worker's job title.
- 8 Explain why you believe the worker is an employee or an independent contractor.
- 9 Did the worker perform services for the firm in any capacity before providing the services that are the subject of this determination request?
 Yes No N/A
If "Yes," what were the dates of the prior service?
If "Yes," explain the differences, if any, between the current and prior service.
- 10 If the work is done under a written agreement between the firm and the worker, attach a copy (preferably signed by both parties). Describe the terms and conditions of the work arrangement.

Part II Behavioral Control

- 1 What specific training and/or instruction is the worker given by the firm?
- 2 How does the worker receive work assignments?
- 3 Who determines the methods by which the assignments are performed?
- 4 Who is the worker required to contact if problems or complaints arise and who is responsible for their resolution?
- 5 What types of reports are required from the worker? Attach examples.
- 6 Describe the worker's daily routine such as, schedule, hours, etc.
- 7 At what location(s) does the worker perform services (e.g., firm's premises, own shop or office, home, customer's location, etc.)? Indicate the appropriate percentage of time the worker spends in each location, if more than one.
- 8 Describe any meetings the worker is required to attend and any penalties for not attending (e.g., sales meetings, monthly meetings, staff meetings, etc.).
- 9 Is the worker required to provide the services personally? Yes No
- 10 If substitutes or helpers are needed, who hires them?
- 11 If the worker hires the substitutes or helpers, is approval required? Yes No
If "Yes," by whom?
- 12 Who pays the substitutes or helpers?
- 13 Is the worker reimbursed if the worker pays the substitutes or helpers? Yes No
If "Yes," by whom?

Part III Financial Control




- 1 List the supplies, equipment, materials, and property provided by each party:
The firm
- The worker
- Other party
- 2 Does the worker lease equipment? Yes No
If "Yes," what are the terms of the lease? (Attach a copy or explanatory statement.)
- 3 What expenses are incurred by the worker in the performance of services for the firm?
- 4 Specify which, if any, expenses are reimbursed by:
The firm
- Other party
- 5 Type of pay the worker receives: Salary Commission Hourly Wage Piece Work
 Lump Sum Other (specify)
- If type of pay is commission, and the firm guarantees a minimum amount of pay, specify amount \$
- 6 Is the worker allowed a drawing account for advances? Yes No
If "Yes," how often?
- Specify any restrictions.
- 7 Whom does the customer pay? Firm Worker
If worker, does the worker pay the total amount to the firm? Yes No If "No," explain.
- 8 Does the firm carry worker's compensation insurance on the worker? Yes No
- 9 What economic loss or financial risk, if any, can the worker incur beyond the normal loss of salary (e.g., loss or damage of equipment, material, etc.)?

Part IV Relationship of the Worker and Firm

- 1 List the benefits available to the worker (e.g., paid vacations, sick pay, pensions, bonuses, paid holidays, personal days, insurance benefits). _____
- 2 Can the relationship be terminated by either party without incurring liability or penalty? Yes No
If "No," explain your answer. _____
- 3 Did the worker perform similar services for others during the same time period? Yes No
If "Yes," is the worker required to get approval from the firm? Yes No
- 4 Describe any agreements prohibiting competition between the worker and the firm while the worker is performing services or during any later period. Attach any available documentation. _____
- 5 Is the worker a member of a union? Yes No
- 6 What type of advertising, if any, does the worker do (e.g., a business listing in a directory, business cards, etc.)? Provide copies, if applicable. _____
- 7 If the worker assembles or processes a product at home, who provides the materials and instructions or pattern? _____
- 8 What does the worker do with the finished product (e.g., return it to the firm, provide it to another party, or sell it)? _____
- 9 How does the firm represent the worker to its customers (e.g., employee, partner, representative, or contractor)? _____
- 10 If the worker no longer performs services for the firm, how did the relationship end (e.g., worker quit or was fired, job completed, contract ended, firm or worker went out of business)? _____

Part V For Service Providers or Salespersons. Complete this part if the worker provided a service directly to customers or is a salesperson.

- 1 What are the worker's responsibilities in soliciting new customers? _____
- 2 Who provides the worker with leads to prospective customers? _____
- 3 Describe any reporting requirements pertaining to the leads. _____
- 4 What terms and conditions of sale, if any, are required by the firm? _____
- 5 Are orders submitted to and subject to approval by the firm? Yes No
- 6 Who determines the worker's territory? _____
- 7 Did the worker pay for the privilege of serving customers on the route or in the territory? Yes No
If "Yes," whom did the worker pay? _____
If "Yes," how much did the worker pay? \$ _____
- 8 Where does the worker sell the product (e.g., in a home, retail establishment, etc.)? _____
- 9 List the product and/or services distributed by the worker (e.g., meat, vegetables, fruit, bakery products, beverages, or laundry or dry cleaning services). If more than one type of product and/or service is distributed, specify the principal one. _____
- 10 Does the worker sell life insurance full time? Yes No
- 11 Does the worker sell other types of insurance for the firm? Yes No
If "Yes," enter the percentage of the worker's total working time spent in selling other types of insurance _____%
- 12 If the worker solicits orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments, enter the percentage of the worker's time spent in the solicitation _____%
- 13 Is the merchandise purchased by the customers for resale or use in their business operations? Yes No
Describe the merchandise and state whether it is equipment installed on the customers' premises. _____

Sign Here  _____ Title  _____ Date  _____

Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and to the best of my knowledge and belief, the facts presented are true, correct, and complete.

Type or print name below signature.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose

Firms and workers file Form SS-8 to request a determination of the status of a worker for purposes of federal employment taxes and income tax withholding.

A Form SS-8 determination may be requested only in order to resolve federal tax matters. If Form SS-8 is submitted for a tax year for which the statute of limitations on the tax return has expired, a determination letter will not be issued. The statute of limitations expires 3 years from the due date of the tax return or the date filed, whichever is later.

The IRS does not issue a determination letter for proposed transactions or on hypothetical situations. We may, however, issue an information letter when it is considered appropriate.

Definition

Firm. For the purposes of this form, the term "firm" means any individual, business enterprise, organization, state, or other entity for which a worker has performed services. The firm may or may not have paid the worker directly for these services.



If the firm was not responsible for payment for services, be sure to enter the name, address, and employer identification number of the payer on the first page of Form SS-8, below the identifying information for the firm and the worker.

The SS-8 Determination Process

The IRS will acknowledge the receipt of your Form SS-8. Because there are usually two (or more) parties who could be affected by a determination of employment status, the IRS attempts to get information from all parties involved by sending those parties blank Forms SS-8 for completion. Some or all of the information provided on this Form SS-8 may be shared with the other parties listed on page 1. The case will be assigned to a technician who will review the facts, apply the law, and render a decision. The technician may ask for additional information from the requestor, from other involved parties, or from third parties that could help clarify the work relationship before rendering a decision. The IRS will generally issue a formal determination to the firm or payer (if that is a different entity), and will send a copy to the worker. A determination letter applies only to a worker (or a class of workers) requesting it, and the decision is binding on the IRS. In certain cases, a formal determination will not be issued. Instead, an information letter may be issued. Although an information letter is advisory only and is not binding on the IRS, it may be used to assist the worker to fulfill his or her federal tax obligations.

Neither the SS-8 determination process nor the review of any records in connection with the determination constitutes an examination (audit) of any federal tax return. If the periods under consideration have previously been examined, the SS-8 determination process will not constitute a reexamination under IRS reopening procedures. Because this is not an examination of any federal tax return, the appeal rights available in connection with an examination do not apply to an SS-8 determination. However, if you disagree with a determination and you have additional information concerning the work relationship that you believe was not previously considered, you may request that the determining office reconsider the determination.

Completing Form SS-8

Answer all questions as completely as possible. Attach additional sheets if you need more space. Provide information for all years the worker provided services for the firm. Determinations are based on the entire relationship between the firm and the worker. Also indicate if there were any significant changes in the work relationship over the service term.

Additional copies of this form may be obtained by calling 1-800-829-4933 or from the IRS website at www.irs.gov.

Fee

There is no fee for requesting an SS-8 determination letter.

Signature

Form SS-8 must be signed and dated by the taxpayer. A stamped signature will not be accepted.

The person who signs for a corporation must be an officer of the corporation who has personal knowledge of the facts. If the corporation is a member of an affiliated group filing a consolidated return, it must be signed by an officer of the common parent of the group.

The person signing for a trust, partnership, or limited liability company must be, respectively, a trustee, general partner, or member-manager who has personal knowledge of the facts.

Where To File

Send the completed Form SS-8 to the address listed below for the firm's location. However, only for cases involving federal agencies, send Form SS-8 to the Internal Revenue Service, Attn: CC:CORP:T:C, Ben Franklin Station, P.O. Box 7604, Washington, DC 20044.

Firm's location:

Send to:

Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, Wyoming, American Samoa, Guam, Puerto Rico, U.S. Virgin Islands

Internal Revenue Service
SS-8 Determinations
P.O. Box 630
Stop 631
Holtsville, NY 11742-0630

Alabama, Connecticut, Delaware, District of Columbia, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, all other locations not listed

Internal Revenue Service
SS-8 Determinations
40 Lakemont Road
Newport, VT 05855-1555

Instructions for Workers

If you are requesting a determination for more than one firm, complete a separate Form SS-8 for each firm.



Form SS-8 is not a claim for refund of social security and Medicare taxes or federal income tax withholding.

If the IRS determines that you are an employee, you are responsible for filing an amended return for any corrections related to this decision. A determination that a worker is an employee does not necessarily reduce any current or prior tax liability. For more information, call 1-800-829-1040.

Time for filing a claim for refund. Generally, you must file your claim for a credit or refund within 3 years from the date your original return was filed or within 2 years from the date the tax was paid, whichever is later.

Filing Form SS-8 does not prevent the expiration of the time in which a claim for a refund must be filed. If you are concerned about a refund, and the statute of limitations for filing a claim for refund for the year(s) at issue has not yet expired, you should file Form 1040X, Amended U.S. Individual Income Tax Return, to protect your statute of limitations. File a separate Form 1040X for each year.

On the Form 1040X you file, do not complete lines 1 through 24 on the form. Write "Protective Claim" at the top of the form, sign and date it. In addition, you should enter the following statement in Part II, Explanation of Changes: "Filed Form SS-8 with the Internal Revenue Service Office in (Holtsville, NY; Newport, VT; or Washington, DC; as appropriate). By filing this protective claim, I reserve the right to file a claim for any refund that may be due after a determination of my employment tax status has been completed."

Filing Form SS-8 does not alter the requirement to timely file an income tax return. Do not delay filing your tax return in anticipation of an answer to your SS-8 request. In addition, if applicable, do not delay in responding to a request for payment while waiting for a determination of your worker status.

Instructions for Firms

If a **worker** has requested a determination of his or her status while working for you, you will receive a request from the IRS to complete a Form SS-8. In cases of this type, the IRS usually gives each party an opportunity to present a statement of the facts because any decision will affect the employment tax status of the parties. Failure to respond to this request will not prevent the IRS from issuing a determination letter based on the information he or she has made available so that the worker may fulfill his or her federal tax obligations. However, the information that you provide is extremely valuable in determining the status of the worker.

If you are requesting a determination for a particular class of worker, complete the form for one individual who is representative of the class of workers whose status is in question. If you want a written determination for more than one class of workers, complete a separate Form SS-8 for one worker from each class whose status is typical of that class. A written determination for any worker will apply to other workers of the same class if the facts are not materially different for these workers. Please provide a list of names and addresses of all workers potentially affected by this determination.

If you have a reasonable basis for not treating a worker as an employee, you may be relieved from having to pay employment taxes for that worker under section 530 of the

1978 Revenue Act. However, this relief provision cannot be considered in conjunction with a Form SS-8 determination because the determination does not constitute an examination of any tax return. For more information regarding section 530 of the 1978 Revenue Act and to determine if you qualify for relief under this section, you may visit the IRS website at www.irs.gov.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. This information will be used to determine the employment status of the worker(s) described on the form. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes on wages. Sections 3121(d), 3306(a), and 3401(c) and (d) and the related regulations define employee and employer for purposes of employment taxes imposed under Subtitle C. Section 6001 authorizes the IRS to request information needed to determine if a worker(s) or firm is subject to these taxes. Section 6109 requires you to provide your taxpayer identification number. Neither workers nor firms are required to request a status determination, but if you choose to do so, you must provide the information requested on this form. Failure to provide the requested information may prevent us from making a status determination. If any worker or the firm has requested a status determination and you are being asked to provide information for use in that determination, you are not required to provide the requested information. However, failure to provide such information will prevent the IRS from considering it in making the status determination. Providing false or fraudulent information may subject you to penalties. Routine uses of this information include providing it to the Department of Justice for use in civil and criminal litigation, to the Social Security Administration for the administration of social security programs, and to cities, states, and the District of Columbia for the administration of their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. We may provide this information to the affected worker(s), the firm, or payer as part of the status determination process.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 22 hrs.; Learning about the law or the form, 47 min.; and Preparing and sending the form to the IRS, 1 hr., 11 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send the tax form to this address. Instead, see *Where To File* on page 4.



**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: December 5, 2007
SUBJECT: Replenishment Fund Budget Revisions

PURPOSE:

To revise the 2008 Watermaster Replenishment Fund Budget to reflect the assessments levied for Water Year 2007 based on the Board approved Anticipated Costs of Replenishment Water for the Seaside Basin of \$1,132.

RECOMMENDATION:

Consider adopting the revised 2008 Watermaster Replenishment Fund Budget.

COMMENTS:

The Watermaster Board, at its November 7, 2007 regular meeting, in order to comply with the requirements of submitting the Annual Report to Court by November 15, 2007, adopted an estimated 2008 Replenishment Fund Budget of \$1 million, an estimated amount due to the Watermaster CEO office not having received all of the production reports for the last quarter (July through September 2007) of Water Year 2007 in time to formulate an actual budget amount prior to the November 7th meeting. The proposed revisions to the 2008 Replenishment Fund Budget are based on actual assessments derived from production reporting for all four quarters of Water Year 2007 and calculated on the \$1,132 Flow-weighted Replacement Water Cost Per Acre-foot.

FISCAL IMPACT:

The 2008 Replenishment Fund Budget balance is now equal to the actual amount of Replenishment Fund assessments levied to date: \$4,797,538.76.

ATTACHMENTS:

Revised 2008 Replenishment Assessment Fund Budget

Seaside Groundwater Basin Watermaster

Proposed Revised Replenishment Fund Budget

Fiscal Year (January 1, 2007 - December 31, 2008)

	FY 2007-2008 Adopted Budget	FY 2007-2008 Revised Budget
Assessments:		
Replenishment Fund	\$ 1,000,000.00	
California American Water 2007		
Exceeding Natural Safe Yield Considering Alternative Producers	\$ 2,106,000.00	\$ 2,106,000.00
(Credit Towared Replenishment Assessment 2007)	(465,648.00)	(465,648.00)
(5% Finance Charge for Non-Payment)		82,050.00
California American Water 2008		
Exceeding Natural Safe Yield Considering Alternative Producers		2,594,166.34
Operating Yield Overproduction Replenishment		78,837.77
Total California American Water Assessment	\$ 1,640,352.00	\$ 4,395,406.11
City of Seaside 2007		
Exceeding Natural Safe Yield Considering Alternative Producers	\$ 169,010.00	\$ 169,010.00
Operating Yield Overproduction Replenishment	50,940.00	50,940.00
City of Seaside 2008		
Exceeding Natural Safe Yield Considering Alternative Producers		181,671.87
Operating Yield Overproduction Replenishment		510.78
Total City of Seaside	\$ 219,950.00	\$ 402,132.65
Total Assessment	\$ 2,860,302.00	\$ 4,797,538.76
Total Available		\$ 4,797,538.76

ITEM. IX.

NEW BUSINESS

ITEM NO. IX. A. 1.

**TECHNICAL
COMMITTEE**

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: December 5, 2007
SUBJECT: Agreements and Requests for Services for Professional Services

PURPOSE:

To execute Agreements for Professional Services and associated Requests for Services (RFSs) with Monterey Peninsula Water Management District (MPWMD), Monterey County Water Resources Agency (MCWRA), and RBF Consulting Services, Inc. (RBF) for the Seaside Groundwater Basin Management and Monitoring Program (BMMP) 2008 Phase 2 scope of work.

RECOMMENDATIONS:

Consider approving the submitted tentative agreements and requests for service pending legal review and comments to be incorporated into final form for submission to the Watermaster Board at a future meeting.

COMMENTS:

The Board's authorization of the proposed contracts at today's meeting will ensure that the parties can begin performing work on Phase 2 of the BMMP on January 1, 2008. The contracts will be submitted for legal review and any resulting changes will be incorporated into a final form of the agreements to be presented at the next regularly scheduled Board meeting. (Subsequent RFSs will be submitted for Board approval as the BMMP proceeds and needed work is defined.)

FISCAL IMPACT:

If the proposed agreements are approved by the Board, the Monitoring and Management – Operations Fund for 2008 will be encumbered by the agreement terms for at total amount not to exceed \$142,000.

12/5/07

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: December 5, 2007

SUBJECT: Consider Approving Contracts

1. Monterey Peninsula Water Management District (MPWMD)
 2. Monterey County Water Resources Agency (MCWRA)
 3. RBF Consulting
-

PURPOSE:

The Watermaster Board approved the Budget for the 2008 Phase 2 Scope of Work for the Seaside Groundwater Basin Management and Monitoring Program (M&MP) at its meeting of October 17, 2007. For reference purposes the complete 2008 Phase 2 Scope of Work is attached as Attachment 1.

Now that the Watermaster is entering into Phase 2 of the Monitoring and Management Program, and a new Fiscal Year - 2008, it is appropriate to execute contracts with MPWMD, MCWRA, and RBF for them to continue providing services to support the M&MP, as they have during Phase 1.

RECOMMENDATIONS:

Scopes of work for each of these contracts have been developed, and price negotiations are nearly complete. Authorizing these contracts to be executed at today's Board meeting will ensure that the parties can begin performing work as soon as the new fiscal year begins on January 1, 2008.

It is recommended that the Board authorize Staff to execute Professional Services Agreements, and the initial work assignments described in Attachment 2 to this Agenda Transmittal, for amounts not-to-exceed the following:

1. MPWMD - \$115,000
2. MCWRA - \$9,000
3. RBF - \$18,000

The actual amounts are expected to be somewhat lower than these not-to-exceed amounts, once price negotiations are completed.

COMMENTS:

The contract format used for the Phase 1 contracts with each of these parties was a format really intended for use as a one-time contract, such as a construction contract, and not for an ongoing series of work assignments. Since it is anticipated that each of these parties will be performing other work for the Watermaster in the future, I am proposing to use a new contract format that lends itself to an ongoing series of work assignments. The contract does not make any commitments beyond those contained in each individual work assignment, but is much easier to use when either the exact scope of services cannot be defined at the time when services first start being provided, or when there will likely be future work assignments that will not be determined or defined until some of the initial work is completed.

The new contract format is one that has been in use by the Monterey Regional Water Pollution Control Agency to contract for a variety of types of professional services for over ten years. It has similar language to that contained in the original contracts on all of the usual contract provisions that pertain to professional services, e.g. insurance, schedule, time of performance, compensation, etc. However, it has other features that will make it easier to use for the types of work being done for the Watermaster. These features include:

- Use of a Request for Services (RFS) form for making and authorizing work assignments. Each RFS is a stand-alone document which does not have to be amended when and if there is additional work that the Watermaster wants the contractor to perform. This is really helpful when there is a body of work to be done, but when the exact scope of the work cannot be fully ascertained at the onset of the work, for example because studies have to be performed, testing has to be performed, etc. before the subsequent stages of the work can be fully defined. In such cases an initial RFS is issued for the work that can be well defined at the onset, and then subsequent RFS(s) are issued to carry out the later stages of the work, when the scope of that work can be clearly defined.
- Several choices of the type of compensation to be used depending on the nature of the work assignment. These are Lump Sum, Cost-Plus-a-Fixed-Fee, and Time and Expense. This is helpful in establishing the most reasonable compensation approach, depending on how well defined the scope of work, and conditions impacting that work, can be determined when the work assignment is being prepared.
- A provision for imposing a penalty for late performance of work. The language in this section is fair to both the contractor and the Watermaster, in that it allows for delays that are beyond the contractor's control. But it does provide the Watermaster with some leverage in the (hopefully very rare) instance when a contractor is not performing as required by his time schedule for reasons that are within his control.
- Assures that all work products produced by contractors under their contracts with the Watermaster are provided to the Watermaster in both hard copy and electronic format. Further, that the Watermaster has the right to use those work products for any purpose which the Watermaster deems appropriate. This is important when things like groundwater models, databases, etc. are developed for the Watermaster by contractors.

These three contracts, and their associated RFSs, will authorize the parties to begin performing many of the services described in the Phase 2 M&MP.

Attachment 2 contains a synopsis of the work that these RFSs will authorize. The Task numbers listed in the synopses correspond to the Task numbers in the 2008 Phase 2 Scope of Work contained in Attachment 1.

At this point the RFSs for MPWMD and MCWRA are expected to cover all of the services these parties will be asked to perform during 2008. For RBF's contract there may be additional services the TAC will recommend having RBF perform during 2008, once it determines the most effective manner of contracting out the consulting services that are needed to carry out the Phase 2 work. If so, any further RFSs to RBF would come before the Board for approval before being issued.

Attachment 1

2008 Phase 2 Scope of Work
for the
Seaside Groundwater Basin Management and Monitoring
Program

2008 Phase 2 Scope of Work for the Seaside Groundwater Basin Management and Monitoring Program

The tasks outlined below are those that are not anticipated to be completed as apart of Phase 1 of the Seaside Basin Monitoring and Management Program. It has been determined that the Tasks listed below are either dependent on results of the initial phase of the Program (and therefore subject to scope refinement); or, they are recommended for Phase 2 because Tasks in the initial phase must be completed before the tasks below can commence. By phasing implementation of the MMP, the Watermaster can better understand the Basin’s baseline condition through the Phase 1 work effort before determining the exact scope and budget for Phase 2. Some Tasks listed below are also depicted in the Initial Phase Scope of Work. This is because some Tasks recur throughout the program. For instance, data collection and database entry are continuous activities that will occur throughout the program. Program Administration Tasks will also occur on a day-to-day, as needed basis throughout the program.

Within the context of this document the term “Consultant” refers either to a firm providing professional engineering or other types of technical services, or to the Monterey Peninsula Water Management District (MPWMD), or to the Monterey County Water Resources Agency (MCWRA). The term “Contractor” refers to a firm providing construction or field services such as well drilling or induction logging.

M.1 Program Administration

M. 1. a. Project Budget and Controls	Consultants will provide monthly or bimonthly invoices to the Watermaster for work performed under their contracts with the Watermaster. Consultants will perform maintenance of their internal budgets and schedules, and management of their subconsultants. The Watermaster will perform management of its Consultants.
M. 1. b. Assist with Board and TAC Agendas	Watermaster staff will prepare Board and TAC meeting agenda materials. No assistance from Consultants is expected to be necessary to accomplish this Task.
M. 1. c. Preparation and Attendance of Meetings	<p>The Consultants’ work will require meetings both internally and with outside governmental agencies, and possibly with the public. For meetings with outside agencies, other Consultants, or any other parties which are necessary for the conduct of the work of their contracts, the Consultants will set up the meetings and prepare agendas and meeting minutes to facilitate the meetings. These may include planning and review meetings with Watermaster staff. The costs for these meetings will be included in their contracts, under the specific Tasks and/or subtasks to which the meetings relate. The only meeting costs that will be incurred under Task M.1.c will be:</p> <p>Those associated with attendance at TAC meetings, and From time-to-time when Watermaster staff asks Consultants to make presentations to the Watermaster Board and/or TAC.</p> <p>For TAC meetings appropriate Consultant representatives will attend the TAC meetings, but will not be asked to prepare agendas or meeting minutes. As necessary, Consultants may provide oral updates to their progress reports (prepared under Task M.1.b) at the TAC meetings.</p>
M. 1. d. Prepare Board/ TAC Status Updates and Reports	Consultants will provide written monthly progress reports to the Watermaster for inclusion in the agenda packets for the TAC meetings. These progress reports will typically include project progress that has been made, and problem identification and resolution.

M. 1. e. Peer Review of Documents and Reports	When requested by the Watermaster staff, Consultants may be asked to assist the TAC and the Watermaster staff with peer reviews of documents and reports prepared by various Watermaster entities.
M. 1. f. QA/QC	MPWMD will provide general QA/QC support over the Seaside Basin Monitoring and Management Program.

I. 2 Comprehensive Basin Production, Water Level and Water Quality Monitoring Program

I. 2. a. Conduct ongoing data entry/ database maintenance	The database will be maintained by a Consultant performing this work for the Watermaster. Either the Consultant or the Watermaster staff will enter new data into the consolidated database. Such data will include water production volumes, water quality, and water levels.
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I. 2. b. Data Collection Program Enhancements

I. 2. b. 1. Site Representation and Selection.	The monitoring well network will be reviewed, and if warranted, addition monitoring well sites will be identified to fill data gaps or to develop additional data that would be beneficial to the management of the basin.
I. 2. b. 2. Collect Monthly Water Levels.	Each of the monitoring wells will be visited on a monthly basis. Water levels will be determined by either taking manual water levels using an electric sounder, or by dataloggers, if it is determined that dataloggers are appropriate. It is expected that dataloggers, if used, will only be installed on the Coastal Sentinel monitoring wells, and that the other wells will be manually measured.
I. 2. b. 3. Collect Quarterly Water Quality Samples.	Water quality data will be collected quarterly from certain of the monitoring wells. This data may come from water quality samples that are taken from these wells and submitted to a State Certified analytic laboratory for general mineral and physical suite of analyses, or the data may come from induction logging of these wells and/or other data gathering techniques. A decision on the most cost-effective method of obtaining the desired data will be made early in the 2008 Water Year.
I. 2. b. 4. Update Program Schedule and Standard Operating Procedures.	The TAC will conduct periodic reviews of the data collection program and will recommend to the Watermaster improvements as warranted.
I. 2. c. Reports	The groundwater level and quality monitoring will be conducted on a monthly, quarterly, and annual basis, as described herein. Reports summarizing data collected and analyzed will be submitted to the Watermaster on a schedule to be established. Reports would include: Water Quality and Water Level Quarterly Reports Annual Reports

I. 3 Basin Management

I. 3. a. Enhanced Seaside Basin Groundwater Model	As a result of the data obtained during Phase 1, including constructing new coastal sentinel monitoring wells and developing a consolidated database of groundwater production, water levels, and water quality, it is no longer recommended that an enhanced model be developed at this time. The basis for this decision will be included in the Phase 1 documents submitted with the November 15, 2007 Annual Report.
I. 3. b. Prepare Basin Management and Action Plan	Watermaster staff will prepare and distribute a Request for Proposals (RFP) to qualified Consultants to perform certain subtasks of Task I.3.c, as indicated below.

I. 3. b. 1. Supplemental Water Supplies	<p>The Supplemental Water Supplies analysis performed in Phase 1 will be updated by a Consultant, and a Technical Memorandum on this issue will be prepared. This update may address the following:</p> <ul style="list-style-type: none"> • Updated status and review Of Monterey Peninsula Water Supply Projects • Distribution and Delivery System/ End Use Consumer Improvements and Mandatory Conservation Efforts • Non-Potable Water Resources • Out-of-Basin Imports
I. 3. b. 2. Pumping Redistribution Strategies	<p>Based on the work performed during Phase 1, a Consultant will develop additional pumping redistribution strategies, and a Technical Memorandum on this issue will be prepared. This work may include addressing the following:</p> <p>Basin overdraft, mandatory GW reduction Salinity detection, mandatory GW reduction Reduced GW delivery impacts and solutions In Lieu, Voluntary pumping reductions Water Banking Salinity barrier system Develop TM on pumping variability Storage capacity of the basin</p>
I. 3. b. 3.	<p>A Consultant will perform analyses to determine the storage capacity of the basin, and of the Natural Safe Yield of the basin. The Consultant will also evaluate the hydrogeologic information obtained from construction of the four Coastal Sentinel Wells during Phase 1, and will take this information into account when performing these analyses.</p>
I. 3. c. Plan Preparation	<p>A Consultant will prepare a detailed Basin Management and Action Plan, summarizing the results of Tasks I.3.a through I.3.b, and presenting appropriate conclusions and recommendations.</p>
I. 4 Seawater Intrusion Contingency Plan	
I. 4. a. Oversight of Seawater Intrusion Detection and Tracking	<p>A Consultant will provide general oversight over the Seawater Intrusion detection program.</p>
I. 4. b. Analyze and Map Water Quality from Coastal Monitoring Wells	<p>Annual chloride concentration maps will be produced incorporating the data from the coastal wells. During Phase 2, water quality data from the Phase 1 coastal sentinel wells will be used to develop time series graphs that are not included in the Phase 1 water quality graphs.</p>
I. 4. c. Annual Report-Seawater Intrusion Analysis	<p>At the end of each water year, a Consultant will reanalyze all water quality data. Semi-annual chloride concentration maps will be produced for each aquifer in the basin. Time series graphs, trilinear graphs, and stiff diagram comparisons will be updated with new data. The annual EM logs will be analyzed to identify changes in seawater wedge locations. All analyses will be incorporated into an annual report that follows the format of the initial, historical data report. Potential seawater intrusion will be highlighted in the report, and if necessary, recommendations will be included. The annual report will be submitted for review by the TAC and the Board. Modifications to the report will be incorporated based on input from these bodies, as well as Watermaster staff.</p>

I. 4. d. Prepare Response Plan	With assistance from a Consultant and the TAC, the Watermaster will develop a response plan to be implemented in the event seawater intrusion within the basin is determined to be occurring. The response plan will be designed to ensure that adequate water supplies are available for reasonable beneficial uses within the basin. This plan will likely include implementing the measures detailed in Exhibit A of the Decision, and may also include implementing a pumping redistribution plan and securing alternative water sources.
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Attachment 2

Synopses of Work for Each Work Assignment

Synopsis of Scope of Work for MPWMD

M&MP TASK NO.	TASK DESCRIPTION	WORK TO BE PERFORMED
I. 2. a.	Conduct ongoing data entry/ database maintenance	MPWMD will perform water level and water quality data entry and data editing as necessary, and will provide appropriate quality control and quality assurance for this data. WATERMASTER will perform water production data entry and data editing as necessary. MPWMD will review the data entered by WATERMASTER for quality assurance and quality control purposes, and will notify WATERMASTER of any discrepancies MPWMD observes in this data. WATERMASTER will followup as appropriate with the water producers to resolve any such discrepancies. The database will be maintained by a separate consultant performing database maintenance work for WATERMASTER.
I. 2. b. 1.	Site Representation and Selection	MPWMD will review the list of monitoring wells recommended for addition to the existing monitoring well network, as described in the report prepared by MPWMD titled "Enhancement of Seaside Groundwater Basin Monitor Well Network" dated October 23, 2007. If warranted, MPWMD will identify additional monitoring well sites to fill data gaps or to develop additional data that would be beneficial to the management of the basin. The monitoring wells in the existing monitoring well network are listed in Table 1 of the October 23, 2007 report. The monitoring wells recommended to be added to the existing monitoring well network in the October 23, 2007 report are contained in Table 2 of this Attachment 1.
I. 2. b. 2.	Collect Monthly Water Levels	MPWMD will visit each of the Coastal monitoring wells on a monthly basis, and will visit all of the other monitoring wells from which water level data is to be collected on a quarterly basis. At these visits MPWMD will measure and record water levels by either taking manual water levels using an electric sounder, or by dataloggers. Dataloggers, which have been installed on the four Coastal Sentinel and four ASR monitoring wells, will be used to measure the levels on those wells. All of the other wells will be manually measured.

M&MP TASK NO.	TASK DESCRIPTION	WORK TO BE PERFORMED
I. 2. b. 3.	Collect Quarterly Water Quality Samples	MPWMD will collect water quality samples quarterly from each of the monitoring wells for which water quality data is to be obtained, and will perform water quality analyses on these samples. The water quality constituents that will be measured in these analyses are: Specific Conductance (micromhos/cm), Total Alkalinity (as CaCO ₃), pH, Chloride, Sulfate, Ammonia Nitrogen (as NH ₃), Nitrate Nitrogen (as NO ₃), Nitrate (as NO ₃ -N), Total Organic Carbon, Calcium, Sodium, Magnesium, Potassium, Iron, Manganese, Orthophosphate, Total Dissolved Solids, Hardness (as CaCO ₃), Boron, Bromide, and Fluoride. This data may either come from water quality samples that are taken from these wells and submitted to a State Certified analytic laboratory for analysis, from induction logging of these wells and/or other data gathering techniques, or combinations of these methods, at the discretion of MPWMD.
I. 2. b. 4.	Update Program Schedule and Standard Operating Procedures	MPWMD will conduct periodic reviews of the data collection program and provide to WATERMASTER any recommended improvements or modifications which MPWMD believes will be beneficial to the program. MPWMD will conduct these reviews and provide these recommendations at least twice during calendar year 2008. The recommendations may be provided in the form of a memorandum.
I. 2. c.	Reports	MPWMD will prepare and submit reports to WATERMASTER summarizing and analyzing the data that is collected, according to the following schedule: <ol style="list-style-type: none"> 1. Submit four quarterly reports summarizing and analyzing the water quality and water level data. 2. Submit one annual report that contains tables consolidating the data from the quarterly reports and a narrative summarization of the findings, conclusions, and recommendations from the quarterly reports. This annual report shall include, as attachments, each of the four quarterly reports.
I. 3. b.	Prepare Basin Management and Action Plan	WATERMASTER will have one or more consultants prepare a Basin Management and Action Plan. MPWMD will participate in meetings with the consultant(s) during the course of their work, and will provide review comments and recommendations to WATERMASTER regarding this work as it is being carried out by the consultant.
I. 4. a, b, and c	Perform Seawater Intrusion Analyses	WATERMASTER will have a consultant perform analyses and prepare mapping and other documents pertaining to seawater intrusion detection. MPWMD will participate in meetings with the consultant during the course of its work, and will provide review comments and recommendations to WATERMASTER regarding this work as it is being carried out by the consultant.

M&MP TASK NO.	TASK DESCRIPTION	WORK TO BE PERFORMED
I. 4. d.	Prepare Response Plan	<p>With assistance from a consultant and the TAC, WATERMASTER will prepare a Long-term Seawater Intrusion Contingency Response Plan to be implemented in the event seawater intrusion within the basin is determined to be occurring. The response plan will be designed to ensure that adequate water supplies are available for reasonable beneficial uses within the basin. This plan will likely include implementing the measures detailed in Exhibit A of the Decision, and may also include implementing a pumping redistribution plan and securing alternative water sources. Prior to development of the Long-term Seawater Intrusion Contingency Response Plan, MPWMD will prepare an Interim Seawater Intrusion Response Plan, based on the measures detailed in Exhibit A of the Decision. MPWMD will also provide review comments and recommendations regarding the consultant's work and work products, as the consultant prepares the Long-term Seawater Intrusion Contingency Response Plan.</p>

Synopsis of Scope of Work for MCWRA

M&MP TASK NO.	TASK DESCRIPTION	WORK TO BE PERFORMED
I. 2. a.	Conduct ongoing data entry/ database maintenance	MPWMD will perform water level and water quality data entry into the database. MCWRA will periodically examine this data and will provide quality assurance and quality control assistance to MPWMD in the form of comments and suggestions. The database will be maintained by a separate consultant performing database maintenance work for WATERMASTER.
I. 2. b. 4.	Update Program Schedule and Standard Operating Procedures	MCWRA will conduct periodic reviews of the data collection program and provide to WATERMASTER any recommended improvements or modifications which MCWRA believes will be beneficial to the program. MCWRA will conduct these reviews and provide these recommendations at least twice during calendar year 2008. The recommendations may be provided in the form of a memorandum.
I. 2. c.	Reports	<p>MPWMD will prepare and submit the following reports to WATERMASTER summarizing and analyzing the data that is collected:</p> <ol style="list-style-type: none"> 1. Four quarterly reports summarizing and analyzing the water quality and water level data. 2. One annual report that contains tables consolidating the data from the quarterly reports and a narrative summarization of the findings, conclusions, and recommendations from the quarterly reports. This annual report shall include, as attachments, each of the four quarterly reports. <p>MCWRA will review each of these reports and provide its comments and recommendations to WATERMASTER.</p>
I. 3. b.	Prepare Basin Management and Action Plan	WATERMASTER will have one or more consultants prepare a Basin Management and Action Plan. MCWRA will provide review comments and recommendations to WATERMASTER regarding this work as it is being carried out by the consultant.
I. 4. a, b, and c	Perform Seawater Intrusion Analyses	WATERMASTER will have a consultant perform analyses and prepare mapping and other documents pertaining to seawater intrusion detection. MCWRA will participate in meetings with the consultant during the course of its work, and will provide review comments and recommendations to WATERMASTER regarding this work as it is being carried out by the consultant.

M&MP TASK NO.	TASK DESCRIPTION	WORK TO BE PERFORMED
I. 4. d.	Prepare Response Plan	<p>With assistance from a consultant and the TAC, WATERMASTER will prepare a Long-term Seawater Intrusion Contingency Response Plan to be implemented in the event seawater intrusion within the basin is determined to be occurring. The response plan will be designed to ensure that adequate water supplies are available for reasonable beneficial uses within the basin. This plan will likely include implementing the measures detailed in Exhibit A of the Decision, and may also include implementing a pumping redistribution plan and securing alternative water sources.</p> <p>Prior to development of the Long-term Seawater Intrusion Contingency Response Plan, MPWMD will prepare an Interim Seawater Intrusion Response Plan, based on the measures detailed in Exhibit A of the Decision.</p> <p>MCWRA will provide review comments and recommendations to WATERMASTER regarding this work as it is being carried out by MPWMD and the consultant.</p>

Synopsis of Scope of Work for RBF

M&MP TASK NO.	TASK DESCRIPTION	WORK TO BE PERFORMED
M.1.c	Preparation and Attendance at Meetings	RBF will prepare for and attend WATERMASTER TAC meetings, WATERMASTER Board meetings, and/or other meetings pertaining to WATERMASTER business, when and if requested to do so by WATERMASTER. RBF may attend TAC and/or Board meetings when not requested to do so by WATERMASTER, but will not be compensated for doing so.
M.1.d	Prepare Board/TAC Status Updates and Reports	RBF will prepare progress reports and other types of reports for presentation at WATERMASTER TAC meetings, WATERMASTER Board meetings, and/or other meetings pertaining to WATERMASTER business, when and if requested to do so by WATERMASTER.
M.1.e	Peer Review of Documents and Reports	When and if requested to do so by WATERMASTER, RBF will review documents pertaining to WATERMASTER business and provide review comments and recommendations regarding those documents.
I. 2. a.	Conduct ongoing data entry/ database maintenance	MPWMD and WATERMASTER will perform water level, water quality, and water production data entry and data editing into the comprehensive database that was developed by RBF during Phase 1. RBF will provide technical services to support and maintain the database, and make changes to the database structure when and if requested to do so by WATERMASTER.

ITEM. X.

**INFORMATIONAL
REPORTS
(NO ACTION REQUIRED)**

SEASIDE GROUNDWATER BASIN WATERMASTER CRITICAL MILESTONE DATES

ANNUAL MILESTONES	2006	2007	2008	2009	2010	2011	2012	2013
Each Producer ¹ is authorized to Produce its Production Allocation ² within the designated Subarea ¹ in each of the first three Water Years. ³ Alternative Producers may change to Standard Production by March 27, 2009 by filing a declarator with the Court and with the other parties.	27-Mar-06	30-Sep-07		27-Mar-09				
Commencing with the fourth Water Year and Triennially thereafter, the Operating Yield for both Subareas will be decreased by 10% until the Operating Yield is equivalent to the Natural Safe Yield unless by recharge or reclaimed water use results in a decrease in production of Native Water as required by the decision.				75% of the Operating Yield of 5,600 af could be decreased 10% Jan 1, 2009		Operating yield could decrease 10% every three years on October 1st until it is the equivalent of Natural Safe Yield		
Each Water Year by November 15th, the Watermaster will determine and levy a Replenishment Assessment ⁴ on each Standard Producer ¹ , with payment due from Producer 40 days after the levy is mailed		15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov
After the close of each Water Year, the Watermaster will determine and levy a Replenishment Assessment ⁴ against all Producers ¹ that incurred Operating Yield Over Production during the Water Year, with payment due from Producer by January 15th.		30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov
California American Water is to submit annually to the Watermaster any augmentation to the water supply for possible credit toward Replenishment Assessment	Annually	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov
Water level monitoring - monthly data collection from all members for inclusion in the consolidated database.	Reported Annually	15-Nov	28-Feb & 15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov
Water quality monitoring - yearly data collection from all members for inclusion in the consolidated database	Reported Annually	15-Nov	28-Feb & 15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov
Summary report of water resources data to all members/parties Reported the 15th each quarter month:	Quarterly		Jul, Oct 15th	Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th
Annual Report to Court	January 15	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov
ADMINISTRATIVE MILESTONES	2006	2007	2008	2009	2010	2011	2012	2013
Board Directors Terms		7-Nov						
Budget (Administrative)				15-Jan	15-Jan	15-Jan	15-Jan	15-Jan
Budget (Operations)				15-Jan	15-Jan	15-Jan	15-Jan	15-Jan
Budget (Replenishment)			7-Dec	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan
MONTHLY MILESTONES	2006	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07
Adjudicator ordered by Court and filed	27-Mar-07							
Monitoring and Management Plan submitted to Court								
Watermaster submission of a revised Monitoring and Management Plan and Replenishment Assessment Calculation to the Court		12-Jan-07						
Service Contract for Well Installation and Implementation of BMMP			2/28/2007					
1-Year Anniversary of Adjudication: Provide further estimates, programs and plans				27-Mar-07				
Report to Court designation of sites for drilling groundwater monitoring wells required by BMMP						11-Jun-07		
Fiscal Year tentative budgets for distribution to all parties								
Appoint/reappoint members and alternates for Jan 2008-Dec 2009								
Annual Report to Court								
Watermaster Board Regular Meeting Schedule								
SUMMARY PROJECT SCHEDULE (See RBF detailed project schedule for more information)				<i>Court update on various Watermaster tasks and activities 3/15/07</i>	<i>BMMP Project Schedule 5/25/07</i>	<i>BMMP Phase I Schedule 10/17/07</i>	<i>BMMP Phase 2 Schedule 12/07/07</i>	
Program Administration (RBF, MPWMD)				1/15/07-4/16/07	1/15/07-6/19/07	1/15/07-12/28/07	1/1/08 - 12/31/08	
Basin Monitor Well Construction (Feeney, RBF, MPWMD, ASR/Pueblo)				1/31/07-11/30/07	1/31/07-9/28/07	1/13/07-12/31/07		
Production Water Level and Water Quality Monitoring (RBF, MPWMD, ASR/Pueblo)				4/16/07-10/26/07	1/29/07-12/31/07	5/14/07-12/31/07	10/1/07 - 12/31/08	
Seaside Basin Management Program (RBF, MPWMD)				4/2/07-10/26/07	5/14/07-12/31/07	8/1/07-10/10/07	12/1/07 - 8/13/08	

D-R-A-F-T **MINUTES**

Seaside Groundwater Basin Watermaster Technical Advisory Committee Meeting November 14, 2007

Attendees: TAC Members

City of Seaside – Tim O’Halloran (Acting Chair)
California American Water Company – Tom Bunosky (via telephone) (Vice-Chair) and Charley Kemp
City of Monterey – Les Turnbeaugh
Laguna Seca Property Owners – Stanley Powell (via telephone)
MPWMD – Joe Oliver
Public Member – John Fischer
MCWRA – Kathy Thomasberg
City of Del Rey Oaks – No Representative
City of Sand City – No Representative

Watermaster

Technical Program Manager - Robert Jaques

Consultants

RBF Consulting – Sarah Hardgrave

Others:

MRWPCA – Keith Israel and Bob Holden

The meeting was called to order at 1:38 p.m. (Start of meeting delayed while technical repairs were being made to the conference phone system)

1. Administrative Matters:

A. Approve Minutes from October 9, 2007

On a motion by Mr. Oliver, second by Mr. Fischer, the minutes of were unanimously approved as presented.

2. Consultant Progress Reports

- **Monitoring Well Construction**
- **Production, Water Level, and Water Quality Monitoring (Including Water Quality Sampling Services Provided by MPWMD)**
- **Basin Management**
- **Seawater Intrusion Contingency Plan**

Mr. Jaques opened the discussion on this agenda topic. There were no updates to be made on any of the listed projects, other than those described below with regard to development of the comprehensive Database and the installation of Data Loggers..

Comprehensive Database: Ms. Hardgrave said that the Storm Water Intrusion Report contains useful background information on the hydrogeology of the Seaside basin. She said that the comprehensive Database has now been developed. She reviewed the agenda packet materials on this item and reported that data regarding approximately 150 wells in the Seaside basin are being input into the database. RBF is also putting in the MPWMD and former Fort Ord database information to form a single comprehensive database.

The water quality, water production, and water level data can all be input to the Database. It is Web-based i.e. you log on through the Internet to the Database Web address using a password to access the Database to review data, perform data entry, prepare reports, etc. depending on what Access Level you have.

She noted that the photograph on the Database homepage (on page 14 of the agenda packet materials) will be changed.

Ms. Hardgrave reviewed the planned Access Levels on page 16 of the agenda packet.

Mr. Powell asked if the General User Access Level can look at all wells and generate reports on them, or just on specific wells. Ms. Hardgrave responded that the General User Access Level can access all wells and generate reports on them.

Ms. Hardgrave said that security issues require that the exact locations of production wells not be divulged on the Database Web site.

Mr. Oliver said that in the future the Watermaster made wish to take over the Database administrator role, either with its own staff or using a consultant, if it wishes to do so. However at this point in time it appears beneficial to all parties to have RBF perform that function.

Ms. Hardgrave said she will finish setting up passwords for all users by mid-December. Then MPWMD and the Watermaster staff will do the ongoing data entry and editing.

Mr. Jaques asked if everyone involved concurred with the planned Access Levels. Mr. Kemp said he felt the proposed levels were appropriate, and there was consensus that the planned Access Levels were satisfactory.

Ms. Hardgrave said that when the Database development is completed in December, all of RBF's Phase 1 work will have been completed.

Ms. Thomasberg said that MCWRA found some problems when it started using its database, and if this comes up wondered if RBF would be able to respond. Ms. Hardgrave responded that RBF would be able to perform that type of assistance, and that a budget line item had been included for them for this purpose.

Dataloggers: Mr. Jaques briefly reviewed the findings from Martin Feeney's memo regarding the installation of the dataloggers on the Sentinel wells. Mr. Oliver said this data will be very helpful.

3. Request from MRWPCA for Funding Assistance for Groundwater Replenishment Project

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

Ms. Hardgrave said that the first 10% reduction in Operating Yield could occur starting in January 2009.

Mr. Turnbeaugh said that MPWMD has, as part of its role, development of additional water supplies within the CAW service area. He asked why it is not MPWMD's responsibility to provide money to help fund the MRWPCA's GWRP, since it is a partial solution to the problem. Mr. Oliver said he was not in a position to provide a response to this particular question, but noted that work has been funded by MPWMD for the Carmel Valley dam project, desalination projects, and their current ongoing ASR work.

Mr. Bunosky said that the Watermaster, MPWMD, and/or CAW could be funding sources for the GWRP. He recommended that the decision regarding funding be made by the Board of the Watermaster. Mr. Turnbeaugh concurred, but noted that the Board looks to the TAC for technical input on such matters.

Mr. Israel said that MRWPCA is looking to all three of these parties for funding, but believes that the Watermaster may be able to respond more rapidly than the other two parties.

Mr. Turnbeaugh asked if the GWRP would also eventually eliminate the 10,000 acre foot of over drafting of the Carmel basin. Mr. Kemp said that CAW cannot supply total system demand from either the Carmel or Seaside basins alone, so they need to use both basins. Ms. Hardgrave said that CAW is trying to reduce over pumping from the Carmel basin, and to do this has increased its pumping from the Seaside basin. Mr. Kemp said that CAW has been ordered by the SWRCB to pursue additional water supply projects. He noted that at this point in time CAW's legal right to water from the Carmel basin is only 3,376 acre feet per year.

Mr. O'Halloran asked if Sand City's 300 acre feet desalination project will be available as a replenishment source. Mr. Bunosky said that initially the answer is yes, but that the amount that would be available will reduce over time as Sand City development projects come online.

Ms. Thomasberg asked if the GWRP is really feasible. Mr. Oliver said the technical questions currently being explored pertain to the method of recharge to be used.

Mr. Bunosky said he still had technical questions with regard to pharmaceuticals, RWQCB concerns, etc. Mr. Oliver said he concurred that there may be regulatory agency issues to be overcome to confirm the feasibility of the GWRP.

Mr. Holden said that the RWQCB has been contacted and said that the California Department of Public Health will make recommendations to the RWQCB with regard to permit approval for the GWRP. He noted that the Department of Public Health uses an Independent Advisory Panel to help make their recommendations.

Mr. Bunosky said the RWQCB has objected to even putting potable water into the Seaside basin, because it has different water quality characteristics than the native ground water. Mr. Israel said meetings had been held with RWQCB staff, and that their reaction to the project was positive. He reported that Jim Crook (formerly with the California State Department Of Health Services) will be working as a consultant to MRWPCA on this project for at least a year.

Mr. Israel said that MRWPCA will not need to get voter approval for the project, as is the case with MPWMD for its projects. Also, MRWPCA is seeking grant funding and other funding assistance to help keep the local cost of the project down. He said that thus far no environmental groups have voiced opposition to the project, and that MRWPCA views the issues more as public perception issues. He commented that some of the other replenishment projects may also encounter delays due to their own project specific issues.

Ms. Hardgrave asked how waste streams from the reverse osmosis process will be disposed of. Mr. Israel said that the constituents removed by the reverse osmosis will be discharged through the MRWPCA's outfall, just as these constituents are currently disposed of while the reverse osmosis process is not being operated. Mr. Israel handed out some supplemental comments to the agenda material on this item.

Mr. O'Halloran asked if the funding request breakdown on page 29 of the agenda packet was for concurrent tasks. Mr. Israel responded in the affirmative.

Mr. Bunosky said that CAW supports the project and will also be providing funding assistance to MRWPCA.

Mr. Bunosky said that in the near future CAW will be submitting a request to the Watermaster for a credit against the entire amount of its replenishment assessments to date.

Ms. Thomasberg recommended that any recommendation the TAC makes to the Board of Directors with regard to the GWRP should be formatted into the following components:

- What the project will accomplish
- The feasibility of the project from the technical, regulatory agency, and public perception perspectives
- Funding

Mr. Bunosky said there should be a comfort level shown by the regulatory agencies during any initial phase of funding, before providing any further funding. Mr. Holden said the regulatory agencies are involved in all aspects of the project, and are thus building a level of comfort.

Mr. Bunosky expressed concern that the RWQCB considered even potable water to be a contaminant if injected into the basin. Mr. Oliver concurred with Mr. Bunosky's concerns, but also acknowledged that, according to Mr. Israel, the California Department of Public Health makes the recommendation to the RWQCB with regard to public health issues, and that the RWQCB typically issues a permit, if the Department of Public Health recommends doing so.

Mr. Fischer expressed concern with regard two issues: (1) public health and (2) potable water as a contaminant. He said in his view these are separate issues, and may be ruled upon by different agencies.

Mr. Bunosky asked questions about dilution water - how much will be needed, and where will come from. He also asked for an explanation of the note contained in the MRWPCA materials that use of the vadosz zone for injection could add 6 to 12 months to the schedule. Mr. Holden responded that vadosz zone injection would likely require a pilot project of approximately one year duration to perform, whereas the other recharge options would not require this. He said that getting dilution water is an issue, and the amount will depend on what the regulatory agencies require. Some will likely be required for up to five years. He noted that Orange County hopes to eliminate the requirement in its project for dilution water after approximately three years of operation. MRWPCA may wish to see if some of MPWMD's ASR injection water could not be pumped for period of time in order to provide the dilution water. He said that it may be necessary to do some basin modeling in order to determine the dilution water quantity that will be needed. Initially the amount may be up to 1,400 acre feet per year, then dropping to 0 after period of time, if MRWPCA is successful in getting regulatory agency approval of that approach.

Ms. Thomasberg recommended getting these issues clarified by MRWPCA before making a TAC recommendation to the Board. Mr. Bunosky concurred, as did Mr. Fischer. There was consensus to have Mr. Jaques ask MRWPCA to provide information pertaining to the various issues of concern, so that this matter can be continued for discussion at the next TAC meeting, before making a TAC recommendation to the Board.

4. Request Board Direction Regarding Calculation of Replenishment Assessments

Due to time constraints, this item was deferred for discussion to the next TAC meeting.

5. Proposed Scopes of Work for MPWMD and MCWRA Contracts for 2008

Mr. Jaques summarized the agenda packet material on this item, and there was consensus for him to use these scopes of work and costs in preparing the contracts for 2008 with these agencies.

6. Discussion of Soliciting Requests for Proposal for Private Consultant Work in 2008

Due to time constraints, this item was deferred for discussion to the next TAC meeting.

7. Schedule

Due to time constraints, this item was deferred for discussion to the next TAC meeting.

8. Other business

There was no other business.

9. Set next meeting date for Wednesday December 12, 2007 at 1:30 p.m. at the Seaside City Hall Portable Office Buildings Conference Room

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

The meeting adjourned at 3:30 p.m.

SUPERIOR COURT OF CALIFORNIA
COUNTY OF MONTEREY

Date: November 26, 2007

Hon. Roger D. Randall
--

, Judge
, Bailiff

Erika D. Dunn
--

, Deputy Clerk
, Court Reporter

California American Water,

vs.

City of Seaside; City of Monterey; City of Sand City; City of Del Rey Oaks; Security National Guaranty, Inc.; Granite Rock Company, Inc; D.B.O. Development Company No. 27, Inc.; Muriel E. Calabrese 1987 Trust; Alderwoods Group (California), Inc.; Pasadera Country Club, LLC; Laguna Seca Resort, Inc.; Bishop McIntosh & McIntosh, a general partnership; The York School, Inc.; County of Monterey; and does 1 through 1,000, inclusive
Defendants.

Monterey Peninsula Water Management District,

Intervenor,

Monterey County Water Resources Agency,

Intervenor,

And Related Cross-Actions.

No. M66343

Minute Order re: Seaside Groundwater Basin Watermaster 2007 Annual Report

The Court has received and read the 2007 Watermaster Report for the Seaside Groundwater Basin. It notes that Attachment 9, Page 10 of the report summarizes: "Existing provisions in the court-approved Seaside Basin Monitoring and Management Program (SBMMP) require certain groundwater-level and groundwater-quality data collection and reporting from Watermaster member production wells for incorporation into the Watermaster's consolidated groundwater-resources database. It appears that at least some of the required data collections have not been conducted by Watermaster members as prescribed in the SBMMP. If these required data had been available they would have significantly benefited the groundwater-level quality analyses recently undertaken as part of the Phase 1 implementation of the SBMMP."

The Annual Report references the Joe Oliver report (Attachment 9) at page 6, and states: "The Watermaster Board approved Fiscal Year 2008 Budgets that will fund implementation of all these recommendations, so that enhanced monitoring well network will be put into place during Water Year 2008."

To ensure full implementation of the judgment, the Court now orders that Watermaster provide supplemental information regarding the deficiencies noted above, and present a specific plan of action to cure those deficiencies, no later than February 28, 2008.

ITEM NO. XI.

**DIRECTOR'S
REPORTS**

ITEM NO. XII.

**EXECUTIVE OFFICER
COMMENTS**