

SEASIDE GROUNDWATER BASIN WATERMASTER

Wednesday, October 5, 2016 – 2:00pm

Monterey Regional Water Pollution Control Agency

Board Room, 5 Harris Court, Building “D”

Ryan Ranch, Monterey, California

Watermaster Board

Coastal Subarea Landowner – Director Paul Bruno

City of Seaside – Mayor Ralph Rubio, Chair

California American Water – Director Eric Sabolsice

City of Sand City – Mayor David Pendergrass, Vice Chair

Monterey Peninsula Water Management District – Director Bob Brower

Laguna Seca Subarea Landowner – Director Bob Costa

City of Monterey – Vice Mayor Libby Downey

City of Del Rey Oaks – Mayor Jerry Edelen

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

I. CALL TO ORDER

II. ROLL CALL

III. 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.

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. Adopt Resolution No. 16-01, citing meritorious services and expressing appreciation to Dewey Evans for over 10 years as Chief Executive Officer of Watermaster

VI. MINUTES

Approve Minutes of Regular Board meeting held May 4, 2016.....4

VII. CONSENT CALENDAR

A. Consider approval of Summary for Payments made during April - September, 2016 totaling ~~\$58,362.89~~ \$64,362.89.....8

B. Consider Approving Fiscal Year 2016 Financial Reports through September 30, 2016.....11

C. Consider approving Watermaster Administrative Officer contract with Dadiw Associates13

VIII. ORAL PRESENTATION

None Scheduled

IX. OLD BUSINESS

None Scheduled

X.	NEW BUSINESS	
	A. COMMITTEE REPORTS	
	1. BUDGET & FINANCE COMMITTEE / TECHNICAL ADVISORY COMMITTEE (TAC)	
	a. Discussion/Consider Approving the Proposed Fiscal Year 2017 Annual Work Plan and Annual Budgets	
	i. Administrative Fund	20
	ii. Monitoring and Management – Work Plan and Operations and Capital Funds	23
	b. Discussion/consider approving the proposed Replenishment Assessment Unit Cost for Water Year October 1, 2016 through September 30, 2017.....	41
XI.	INFORMATIONAL REPORTS (No Action Required)	
	A. Timeline Schedule of Milestone Dates (Critical date monitoring).....	46
	B. Technical Advisory Committee (TAC) minutes from meetings of June 8, July 13, August 10, and September 14, 2016.....	47
	C. The transcript of the June 17, 2016 Watermaster Status Conference Hearing is available for viewing on the Watermaster web site at http://www.seasidebasinwatermaster.org/ under Postings and Records on the June 17, 2016 date line in the Court Docs column.	
	D. Notice of future Status Conference Hearing.....	61
	E. Letter from Marina Coast Water District regarding formation of GSAs. (The TAC discussed this matter at the September 14, 2016 meeting and had the GM of MCWD in attendance to answer questions. TAC found the MCWD proposed action to pose no problems for the Watermaster. Refer to the TAC minutes of the September 14, 2016 for the discussion.).....	63
	F. Watermaster report of water year production of the Seaside Basin through June 30, 2016.....	67
XII.	DIRECTOR’S REPORTS	
XIII.	EXECUTIVE ADMINISTRATIVE OFFICER COMMENTS	
XIV.	NEXT REGULAR MEETING DATE – Wednesday, November 2, 2016 - 2:00 P.M.	
XV.	ADJOURNMENT	

This agenda was forwarded via e-mail to the City Clerks of Seaside, Monterey, Sand City and Del Rey Oaks; the Clerk of the Monterey Board of Supervisors, the Clerk to the Monterey Peninsula Water Management District; the Clerk at the Monterey County Water Resources Agency, Monterey Regional Water Pollution Control Agency and the California American Water Company for posting on September 29, 2016 per the Ralph M. Brown Act, Government Code Section 54954.2(a).

ITEM NO. VI.

MINUTES

**REGULAR MEETING MINUTES
FOR THE 2016-17 BOARD TERM**
Seaside Groundwater Basin Watermaster (Watermaster)
May 4, 2016

I. **CALL TO ORDER** – Chair Bruno called the meeting to order at 2:09 p.m.

II. **ROLL CALL**

City of Seaside – Mayor Ralph Rubio

City of Sand City – Mayor David Pendergrass

California American Water (CAW) – Director Roger Hulbert, Alternate

Coastal Subarea Landowner – Director Paul Bruno

Laguna Seca Subarea Landowner – Director Bob Costa

City of Del Rey Oaks – Mayor Jerry Edelen

City of Monterey – Vice Mayor Libby Downey

Monterey Peninsula Water Management District (MPWMD) – Director Jeanne Byrne, Alternate

Absent: Monterey County/Monterey County Water Resources Agency – Supervisor Dave Potter

III. **ELECTION AND APPOINTMENT OF OFFICERS FOR CALENDAR YEAR 2016-17**

A. Chairperson – (must be a member of the Board of Directors)

B. Vice Chairperson – (must be a member of the Board of Directors)

C. Secretary – (need not be a member of the Board of Directors)

D. Treasurer – (need not be a member of the Board of Directors)

Moved by Mayor Edelen and seconded by Mayor Pendergrass to nominate Mayor Rubio as Chairperson;

Moved by Mayor Edelen and seconded by Director Bruno to nominate Mayor Pendergrass as Vice Chair;

Moved by Director Bruno and seconded by Director Byrne to nominate Watermaster Administrator Laura Dadiw as Secretary; and

Moved by Mayor Rubio and seconded by Vice Mayor Downey to nominate Daphne Hodgson, City of Seaside, as Treasurer.

The board voted unanimously to approve officer appointments as nominated.

Mayor Rubio assumed chairmanship of the meeting.

IV. **REVIEW OF AGENDA:** There were no requested changes to the agenda.

V. **PUBLIC COMMUNICATIONS:** There were no public communications.

VI. **CONSENT CALENDAR**

A. Consider approval of Summary for Payments made during January - March 2016 totaling \$74,965.63.

B. Consider approving Fiscal Year 2016 Financial Reports through March 31, 2016.

Moved by Mayor Pendergrass, seconded by Director Bruno, and unanimously carried, to approve the consent calendar as presented.

VII. **ORAL PRESENTATION:** None Scheduled

VIII. **OLD BUSINESS:** None Scheduled

IX. **NEW BUSINESS**

B. Discussion/Consider approving the attached draft document “Request for Status Conference, and Adjudication Background Report and Update” prepared by Mr. Russell McGlothlin, Esq. with the firm of Brownstein Hyatt Farber Schreck LLP.

Mr. McGlothlin, being present, addressed the board, stating the document presented would be for the benefit of the newly appointed Judge, Honorable Leslie Nichols (Ret.), assigned to the Decision as of January 29, 2016. The conference hearing is anticipated to be scheduled the first quarter of 2017. No action would be requested from Judge Nichols, only input and direction. Mr. McGlothlin recommended the document be filed with the Court after non-substantive edits and any board member comments and corrections are incorporated.

Moved by Mayor Pendergrass, seconded by Vice Mayor Downey, and unanimously carried, to approve the Request for Status Conference, and Adjudication Background Report and Update with noted non-substantive edits.

A. Discussion/Consider request by Monterey Peninsula Water Management District regarding boundary revisions to the California Department of Water Resources (DWR) boundary modification Bulletin 118 for the Seaside Basin.

Mr. Evans reviewed the staff memorandum by Robert Jaques, Technical Program Manager, on the Sustainable Groundwater Management Act update. The MPWMD has requested that a letter signed by each Watermaster board member be sent to the Monterey Peninsula Water Management District stating the Watermaster’s support of MPWMD’s planned approach to seek boundary revisions. Mr. Oliver noted that the public review of the boundary modification documents closes May 15th and he was unsure if the letter could be subsequently submitted to DWR. Mr. Freeman recommended that each Watermaster board member seek his or her respective entity’s authorization to sign the letter. Mr. McGlothlin suggested Mr. Oliver contact staff at DWR to determine if the agency is willing to accept the letter of support subsequent to the close of public comment; if not, the letter could be reworded so that it is a Watermaster submission instead of signed by the individual entities that comprise the Watermaster board.

Moved by Mayor Edelen, seconded by Director Hulbert, and unanimously carried, to direct Mr. Oliver to contact DWR staff to determine if the agency will accept the letter of support subsequent to the close of public comment on boundary modification Bulletin 118 to allow time for each Watermaster board entity to sign; and, if not, authorize revision to the letter for signature by the Watermaster chairperson prior to close of public comment on May 15, 2016.

X. **INFORMATIONAL REPORTS:**

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

B. Technical Advisory Committee (TAC) minutes from meetings of January 13 and March 9, 2016.

XI. DIRECTOR'S REPORTS

XII. EXECUTIVE OFFICER COMMENTS: Mr. Evans announced his retirement and that his last day as Watermaster CEO will be May 31, 2016 after almost 10 years of service. Chair Rubio thanked Mr. Evans for all his hard work administering the Watermaster. Mr. Bruno recapped the Administrative Committee meeting where it was determined that Laura Dadiw and Robert Jaques would be handing all of the administrative duties as of June 1, 2016. The Watermaster office is being closed as of May 31, 2016 and the furnishings, phone and internet line will be moved to the home office of Mrs. Dadiw in Pacific Grove. A permanent repository of the Watermaster records is being sought, if there is any room at a participating agency's offices. Mr. Bruno expressed his gratitude and deep appreciation for Mr. Evan's professionalism and exemplary service.

The TAC meeting scheduled for May 11 has been canceled.

XIII. NEXT MEETING DATE: The next meeting of the Watermaster board will be held June 1, 2016 at the Monterey Regional Water Pollution Control Agency (MRWPCA) Board meeting room at 5 Harris Court, Building "D" on Ryan Ranch in Monterey at 2:00 p.m.

XIV. There being no further business, Chair Rubio adjourned the meeting at 3:02 p.m.

ITEM NO. VII.

CONSENT CALENDAR

SEASIDE GROUNDWATER BASIN
WATERMASTER

TO: Board of Directors

FROM: Dewey D Evans, CEO

DATE: December 3, 2014

SUBJECT: Summary of Payments made during the months of June – September 2016

RECOMMENDATIONS:

Consider approving the payment of bills submitted and authorized to be paid during the months of June – September 2016.

COMMENTS and FISCAL IMPACT:

JUNE 2016

Dadiw Associates (Professional Services Agreement—Administrative Officer (AO))— May 26, 2016 through June 25, 2016 worked on Watermaster business a total of 20 hours at \$100.00 per hour or **\$2,000.00**. Responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin. Gathered and posted water production and water level data. Send email regarding status conference; review TAC meeting packet; meeting w/Jaques to determine staff duties; listing of staff duties and provide to Board Chair regarding AO contract; change Watermaster address at USPS; determine balances on Hydrometrics' accounts for TAC; Graniterock ACH request; develop resolution for retired CEO; items to post on web for status hearing; update address with counsels; email McGlothlin to update Watermaster address; prepare for and attend hearing; arrange meeting notice; pick up mail from PO Box; review and post items to web site; well monitoring contract to Joe Oliver for review before sending to producers; web postings; process invoices to producers for Watermaster well monitoring; review TAC minutes.

Robert “Bob” Jaques (Technical Program Manager) — May 27 through June 27, 2016 worked on Watermaster business a total of 14.5 hours at \$100.00 per hour or **\$1,450.00**. Responded to emails, telephone inquiries, and other correspondence on a variety of Watermaster issues; prepared for and attended the TAC meeting on June 8th; reviewed HydroMetrics request for additional compensation.

Brownstein Hyatt Farber Schreck/Russ McGlothlin (Watermaster Legal Counsel) — There were two invoices for **\$1,476.00** and **\$3,966.75** submitted for payment. The \$1,476 covers telephone conversations with Dewey Evans and Lori Girard regarding status conference report to court; Cal-Am and Ron Donlan revisions to report; \$36 administrative fee. The \$3,966.75 covers communications regarding, and revisions to, the report to court in relation to the Status Conference Hearing; \$96.75 administrative fee.

Total for June 2016

\$8,892.75

JULY 2016

Dadiw Associates (Professional Services Agreement—Administrative Officer (AO))— June 26 through July 25, 2016 worked on Watermaster business a total of 14 hours at \$100.00 per hour or **\$1,400.00**. Responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin. Gathered and posted water production and water level data. Remove Roth from SNG as counsel; prepare meeting cancellation notice; process invoices for payment; research HydroMetrics invoice for payment; RA for OYO documents to Jaques; agenda items notice; review TAC agenda packet; send out water quality reporting notice; send out follow up water quality reporting notices; teleconference with Jaques regarding unit cost of replenishment water & approval authority; coordinate with Jaques to pay HydroMetrics; arrange transmittal for unit cost; send out 2nd & 3rd production reporting request; review TAC minutes and comment.

Robert “Bob” Jaques (Technical Program Manager) — June 28 through July 25, 2016 worked on Watermaster business a total of 17 hours at \$100.00 per hour or **\$1,700.00**. Responded to email, telephone inquiries and other correspondence on a variety of Watermaster issues; teleconference with E. Sabolsice re: CAW water rights questions; prepare Amendment No. 1 to MPWMD RFS No. 2016-01; prepare MPWMD RFS No. 2017-01 Draft and send to J. Oliver; start work on B&F Committee agenda transmittal.

Brownstein Hyatt Farber Schreck/Russ McGlothlin (Watermaster Legal Counsel) — There was one invoice for **\$2,675.48** submitted for payment covering edit of draft agenda for Status Conference Hearing; communications regarding the hearing with various legal representatives; arrange court reporter; attend hearing; reimbursable expenses for hearing attendance; \$51.07 administrative fee; less \$3,222.37 discount given to stay within \$25,000 total contract for legal services for the hearing.

HydroMetrics Water Resources, Inc.—Two invoices were received totaling **\$5,852.50**; the first invoice totaling \$4,742.50 was for 27.50 hours of work on the Laguna Seca groundwater flow divide; the second invoice totaling \$1,110.00 was for 6 hours of work discussing Laguna Seca safe yield with staff.

Monterey Peninsula Water Management District—Two invoices were received totaling **\$30,992.16**. The first invoice for \$1,335.00 was for work completed performing water level and water quality data collection for specified wells within the Seaside Basin; including laboratory analysis totaling sum 15.0 hours of work. The second invoice for \$29,657.16 included 137.0 hours of work performing database entry/maintenance; collecting water levels and water quality samples for the period from January 1st through June 30th, 2016; newly established reporting of CASGEM data; and analyzing the water quality, induction logging by Martin Feeney, etc.

Total for July 2016

\$42,620.14

AUGUST 2016

Dadiw Associates (Professional Services Agreement—Administrative Officer (AO)) — July 26 through August 25, 2016 worked on Watermaster business a total of 29.5 hours at \$100.00 per hour or **\$2,950.00**. Responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin; gathered and posted water production and water level data; posted documents to website; picked up mail from PO Box daily, organized invoices from Dec 2015; process revenue from

Cypress Pacific for data collection; HydroMetrics invoice; City of Seaside broken meter-requested production data from T Karl; invoice approvals; begin reconciliation with City of Seaside financials; scanner difficulties; checks to Seaside; process invoices to submit to Seaside; consult w/D Evans on admin matters; organize for 9/7 board meeting; schedule Budget/Finance meeting; read through TAC packet; MPWMD invoices review; Girard call; revised production report to J Lear; MPWMD invoices to Seaside; email notice call for agenda items; Status Conference Hearing transcript request to McGlothlin; set up Budget/Finance meeting agenda; Replenishment Assessment Fund budget; organize computer files.

Robert “Bob” Jaques (Technical Program Manager) — July 27 through August 27, 2016 worked on Watermaster business a total of 41 hours at \$100.00 per hour or **\$4,100.00**. Responded to email, telephone inquiries and other correspondence on a variety of Watermaster issues; develop Replenishment Assessment Unit Cost data and prepare Budget and Finance Committee agenda transmittal re: same; work on 2017 RFSs for MPWMD; work on 2017 RFS for Martin Feeney; work on 2017 M&MP; prepare for meeting with MCWD on 8/25; work on 2017 consultant contracts.

Total for August 2016 **\$ 7,050.00**

SEPTEMBER 2016

Dadiw Associates (Professional Services Agreement—Administrative Officer (AO)) — August 26 through September 25, 2016 worked on Watermaster business a total of 23.5 hours at \$100.00 per hour or **\$2,350.00**. Responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin; gathered and posted water production and water level data; posted documents to website; picked up mail from PO Box daily; Sept. 7 board meeting cancellation notice; list agenda items for Oct. 5 board meeting; process invoices; prepare B/F Com agenda; email request to McGlothlin for 2017 services proposal; prepare Admin Fund budget and transmittal; unit cost transmittal; send out B/F Com meeting packet; prepare for and attend B/F Com meeting; email call for agenda items; water production and level reporting email notice; resolution of appreciation for Evans.

Robert “Bob” Jaques (Technical Program Manager) — August 28 through September 26, 2016 worked on Watermaster business a total of 34.5 hours at \$100.00 per hour or **\$3,450.00**. Responded to email, telephone inquiries and other correspondence on a variety of Watermaster issues; work on 2017 M&MP budgets and work plan; work on 2017 RFSs for consultants; revise MPWMD RFS 2017-01 per input from J. Lear; research Sand City well water quality anomaly issues and prepare TAC agenda item; attend MCWD board meeting re: GSA issues @Marina City Hall; Prepare for and attend Salinas Valley Groundwater Basin model TAC @MCWRA offices; research annual water production data per Sabolsice request.

Total for September 2016 **\$ 5,800.00**

Total for April through September, 2016 **\$64,362.89**

Seaside Groundwater Basin Watermaster
Budget vs. Actual Administrative Fund
 Fiscal Year (January 1 - December 31, 2015)
 Balance through September 30, 2016

	2016 Adopted Budget	Contract Amount	Year to Date Revenue / Expenses
Available Balances & Assessments			
Dedicated Reserve	-		-
FY (Rollover)	32,000.00		32,000.00
Admin Assessments	58,000.00		58,000.00
Available	90,000.00		90,000.00
Expenses			
Contract Staff	65,000.00	65,000.00	32,653.19
Legal Advisor	-	25,000.00	22,324.74
Total Expenses	65,000.00	90,000.00	54,977.93
Total Available	25,000.00		
Dedicated Reserve	25,000.00		25,000.00
Net Available	-		10,022.07

Seaside Groundwater Basin Watermaster
Budget vs. Actual Monitoring & Management - Operations Fund
 Fiscal Year (January 1 - December 31, 2015)
 Balance through September 30, 2016

	<u>2016 Adopted Budget</u>	<u>Contract Encumbrance</u>	<u>Year to Date Revenue/Expenses</u>
Available Balances & Assessments			
Operations Fund Assessment	\$ 127,488.00	\$ -	\$ 127,488.00
Pass Through 2016	-	-	-
FY 2015 Rollover	279,632.55	-	279,632.55
Total Available	\$ 407,120.55	\$ -	\$ 407,120.55
Appropriations & Expenses			
GENERAL			
Technical Project Manager	\$ 60,000.00	\$ 60,000.00	\$ 21,350.00
Contingency @ 20% (not including TPM)	36,248.00	-	-
Total General	\$ 96,248.00	\$ 60,000.00	\$ 21,350.00
CONSULTANTS (Hydrometrics; Todd Groundwater; Web Site Database)			
Program Administration	\$ 11,400.00		
Production/Lvl/Qlty Monitoring	-	\$ 11,400.00	\$ 4,093.75
Basin Management Action Plan	67,300.00		
Seawater Intrusion Analysis Report	20,390.00	20,390.00	-
Total Consultants	\$ 99,090.00	\$ 31,790.00	\$ 4,093.75
MPWMD			
Production/Lvl/Qlty Monitoring	\$ 79,222.00	79,222.00	29,657.16
Pass Through 2015	-	-	1,335.00
Basin Management	-		-
Seawater Intrusion	2,928.00	2,928.00	-
Direct Costs	-	-	-
Total MPWMD	\$ 82,150.00	\$ 82,150.00	\$ 30,992.16
Reserve			-
Transfer Out to Capital Fund			-
Total Appropriations & Expenses	\$ 277,488.00	\$ 173,940.00	\$ 56,435.91
Total Available	129,632.55		350,684.64

**AGREEMENT BETWEEN THE SEASIDE GROUNDWATER BASIN WATERMASTER AND
LAURA J. DADIW dba "DADIW ASSOCIATES" FOR THE PROFESSIONAL SERVICES
OF
"ADMINISTRATIVE OFFICER"**

THIS AGREEMENT is effective as of June 1, 2016 by and between SEASIDE GROUNDWATER BASIN WATERMASTER, (WATERMASTER) and LAURA J. DADIW dba DADIW ASSOCIATES, (DADIW ASSOCIATES), 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 DADIW ASSOCIATES as an independent contractor to perform the services set forth herein, and DADIW ASSOCIATES hereby accepts such engagement, as detailed in this contract.

2. **Term of Agreement.** The term of engagement shall commence on June 1, 2016 and be for the duration of the Court imposed WATERMASTER adjudication as stipulated in the Superior Court Decision of March 27, 2006 Case Number M66343 or until terminated pursuant to section 7 of this Agreement.

a. **General.** As Administrative Officer (AO), DADIW ASSOCIATES 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 DADIW ASSOCIATES using such procedures as the Board determines appropriate.

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

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

b. DADIW ASSOCIATES will devote such time as necessary and use the best efforts, talents, knowledge, and experience to serve as the Watermaster AO.

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

d. DADIW ASSOCIATES 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 DADIW ASSOCIATES 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. DADIW ASSOCIATES shall maintain the books, accounts and records of the Seaside Groundwater Basin Watermaster in conformance with the Judgment.

f. DADIW ASSOCIATES shall house the books, accounts and records of the Seaside Groundwater Basin Watermaster in a space in DADIW ASSOCIATES home office dedicated solely to Watermaster business with a mailing address of P.O. Box 51502, Pacific Grove, CA 93950.

4. **Hours of Work.** Hours of work will vary depending upon the duties to be performed.

5. **Wages and Benefits.** Watermaster shall pay DADIW ASSOCIATES, and DADIW ASSOCIATES shall accept from Watermaster as full compensation for services and WATERMASTER office space hereunder, a wage of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) for each hour worked during each week of DADIW ASSOCIATES employment. On the first day of each month DADIW ASSOCIATES shall submit an invoice of the amount of time worked per activity [Seaside Basin Watermaster Staff Duties June 1, 2016] during the previous month and the amount owed. Invoicing shall include substantiating details for hours worked. Watermaster, through its fiscal agent, City of Seaside, shall pay the invoice on or before the fifteenth day of each month.

6. **Taxes and Benefits.** WATERMASTER shall not be responsible for withholding taxes with respect to DADIW ASSOCIATES'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. DADIW ASSOCIATES and WATERMASTER specifically agree that DADIW ASSOCIATES is not an employee of the WATERMASTER. DADIW ASSOCIATES 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 DADIW ASSOCIATES 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.** DADIW ASSOCIATES 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

DADIW ASSOCIATES: C/O Laura J. Dadiw
P.O. Box 51502
Pacific Grove, CA 93950

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: LAURA J. DADIW
dba DADIW ASSOCIATES
PRINCIPAL**

ATTACHMENT "A"
SEASIDE GROUNDWATER BASIN WATERMASTER
"ADMINISTRATIVE 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 Administrative Officer (AO) provides day-to-day leadership for the Seaside Groundwater Basin Watermaster (Watermaster).

SUPERVISION RECEIVED AND EXERCISED

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

The AO is directly responsible for monitoring the budgets of 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 AO's essential and ancillary duties are as follows:

1. Assist the Board in complying 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. Assist in developing the agenda for all Watermaster subcommittee meetings.
5. Coordinate agreements for the replenishment of the Seaside Basin either by direct or in lieu means.
6. Coordinate updates on legislative issues and applicable federal, state, regional and local issues, events, policies, regulations, laws, etc. that may affect the Seaside Basin or Watermaster activities.
7. Develop the Watermaster Administrative Budget and manage all Watermaster budgets.
8. Build positive and cooperative relationships with the members of Watermaster, the Seaside Basin producers, local governments, and members of the public.
9. Promote good customer service, ensuring that Watermaster accomplishes activities in a safe, efficient, friendly, and courteous manner, resolve complaints quickly and reasonably.

**SEASIDE GROUNDWATER BASIN WATERMASTER
STAFF DUTIES
June 1, 2016**

ACTIVITY (TPM = TECHNICAL PROGRAM MANAGER, AO = ADMINISTRATIVE OFFICER)	PROPOSED STAFF PERSON TO BE RESPONSIBLE FOR THIS ACTIVITY	
	TPM	AO
Prepare meeting agenda packets for Board, Budget & Finance Committee, and Administrative Committee meetings	Support	Lead
Prepare minutes of Board, Budget & Finance Committee, and Administrative Committee meetings		X
Attend Board, Budget & Finance Committee, and Administrative Committee meetings	X	X
Administer Board matters such as election of officers and appointment of Board members		X
Coordinate with MRWPCA to reserve Board room for meetings		X
Monitor schedule of Administrative (non-TAC) milestone activities (as shown in the table included in each Board meeting agenda packet) and see that those activities are carried out, including such things as are required by the Rules and Regulations (election of officers, filing of any necessary Board member papers, etc.)		X
Serve as point-of-contact for Board members and members of the public on any Watermaster issues		X
Provide documents for web site posting	X	X
Monitor web site postings	X	X
Maintain Watermaster file copies of documents		X
Process requests from parties to transfer, sell, or otherwise transact water business		X
Receive and monitor court notices and proceedings pertaining to the adjudication	X	X
Attend Court hearings related to the adjudication	X	X
Send Notices to producers of quarterly water production & levels due (by Apr, July, October, and January 15 th)		X
Compile Production Reports and Water Level Data and contact Producers when necessary to get needed data		X
Send Notices to producers of water quality reporting due by August 31 st		X
Compile Water Quality Analyses and provide to MPWMD		X
Perform all calculations and prepare annual Declaration of Availability of Replenishment Water	Support	Lead
Meet with parties or discuss with parties' legal counsel as needed to clarify calculations used to determine Replenishment Assessments or production allocations		X
Prepare Summary of Payments for meeting consent calendar		X
Manage contracts and review/approve consultant invoices for Dean Paxton, Russ McGlothlin, any other non-technical consultants		X
Calculate annual Replenishment Assessments and send out invoices		X
Calculate annual Administrative Assessments and send out invoices		X
Invoice and collect payments from private well owners for monitoring work performed on their behalf by MPWMD for Watermaster		X

Seaside Groundwater Basin Watermaster

Staff Duties

Page 2 of 2

Receive and set up for processing by the Budget / Finance Committee the CAW Request for Credit Against Replenishment, if any		X
Prepare Administrative budget		X
Mail out budgets to all parties for 15-day response before finalizing		X
Technical		
Attend and prepare agendas and minutes for TAC meetings	X	
Monitor schedule of TAC and M&MP milestone activities (as shown in TAC meeting agenda packets) and carry out those activities	X	
Attend meetings of and/or monitor activities of other agencies and organizations for issues of interest to the Watermaster, e.g. Salinas Valley Basin development of Groundwater Sustainability Agency, MPWMD, MRWPCA, MCWRA, etc.	X	
Develop and manage contracts and review/approve consultant invoices for HydroMetrics, Martin Feeney, MPWMD, Todd Groundwater, and any other technical consultants	X	
Monitor SWRCB, DWR, and other entities for activities of interest to the Watermaster, e.g. grant programs, loan programs, regulatory requirements, etc. and provide recommendations to the TAC and/or Board on these activities	X	
Prepare and administer Management and Monitoring Program (M&MP) Operations and Capital annual work plans and budgets	X	
Prepare analysis for development of Replenishment Assessment Unit Cost for each Water Year, if requested by Budget & Finance Committee	X	
Develop Seawater Intrusion Analysis Report with consultant	X	
Prepare Annual Report	Lead	Support

ITEM. X.

NEW BUSINESS

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors
FROM: Laura Dadiw, Administrative Officer
DATE: October 5, 2016
SUBJECT: Proposed Fiscal Year 2017 Annual Administrative Fund Budget

PURPOSE:

To advise the Board of the estimated amount necessary to properly fund the Administrative oversight portion of the Seaside Groundwater Basin Watermaster for Fiscal Year 2017

RECOMMENDATION:

Board consider approval of the attached proposed Administrative Fund Budget for FY 2017

DISCUSSION:

The Watermaster Budget and Finance Committee met on September 16, 2016 and reviewed and unanimously voted to recommend for approval the attached proposed Administrative Fund Budget for FY 2017. During FY 2016 a detailed financial reconciliation from 2006 through July 2016 of the Administrative Fund financial records held at the Watermaster office against the Administrative Fund financial records held by the City of Seaside – Watermaster’s fiscal agent.

That means the individual assessments for the administrative portion of the budget will be

California American Water 83.0%	\$43,160
City of Seaside 14.4%	7,488
City of Sand City 2.6%	<u>1,352</u>
Total Assessment for FY 2017	<u>\$52,000</u>

The court decision states that the next fiscal year’s budgets must be approved by the Board of Directors no later than the end of October each year in order for the tentative budgets to be circulated to each Party to the adjudication “no earlier than November 1 and no later than November 15” of each fiscal year.

FISCAL IMPACT:

Provides sufficient funds for the proposed administrative oversight of the financial spending plan for next fiscal year 2017

ATTACHMENTS

1) Proposed Administrative Fund Budget for FY 2017

**Seaside Groundwater Basin Watermaster
Administrative Fund
Proposed Budget
Administrative Year 2017**

	<u>2016 Adopted Amended Budget</u>	<u>2016 Estimated Total</u>	<u>2017 Proposed Budget</u>
Assessment Income			
Reserve/Rollover*	\$ 57,000	\$ 47,000	\$ 47,000
Administrative Assessment	<u>58,000</u>	<u>58,000</u>	<u>52,000</u>
Totals	<u>115,000</u>	<u>105,000</u>	<u>99,000</u>
Expenditures			
Contractual Services - Administrativ	65,000	55,000	60,000
Legal Services**	<u>25,000</u>	<u>25,000</u>	<u>14,000</u>
Total Expenses	<u>90,000</u>	<u>80,000</u>	<u>74,000</u>
Total Available	25,000	25,000	25,000
Less Reserve	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Net Available	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

** Note: The reserve balance of \$47,000 was determined upon completion by Watermaster staff of a detailed reconciliation from 2006 through July 2016 of the Administrative Fund financial records held at the Watermaster office against the Administrative Fund financial records held by the City of Seaside - the Watermaster fiscal agent.*

*** December 3, 2014 board action to amend 2015 Administrative Fund Budget to include \$25,000 for legal services expended in 2015 and 2016*

Memorandum

Russell M. McGlothlin
Attorney at Law
805.882.1418 tel
805.965.4333 fax
RMcglathlin@bhfs.com

DATE: September 9, 2016
TO: Seaside Groundwater Basin Watermaster
FROM: Russell M. McGlothlin
RE: Estimated 2017 Budget for Legal Services from Brownstein Hyatt Farber Schreck

You have requested that we estimate the budget for legal services from our firm for 2017. The subjects we anticipate working on in 2017 and our estimated fees are as follows:

Task	Low	High
Assistance with and file annual report	2,000	4,000
Prepare for and attend status conference (and related filings)	6,000	10,000
Miscellaneous research and legal counsel (no travel)	6,000	10,000
Total	14,000	24,000

The variance between the low and high estimates reflects the inherent uncertainty concerning the scope of necessary work.

This budget anticipates one appearance in Monterey County for a status conference with the court in 2016, but no other travel or appearances. Additional work beyond the matters listed, or work unrelated to these proceedings, may necessitate expenditures beyond those estimated below. One subject that we have not budgeted for, but which could become active in 2017, is the anticipated negotiation and coordination with other Monterey County entities concerning the groundwater issues in the Laguna Seca Subarea arising from pumping within and outside the subarea in the Corral de Tierra Subbasin (e.g., discussions with pumpers, the Monterey County Water Resources Agency, the anticipated Groundwater Sustainability Agency, etc.) We anticipate that these issues will arise more in 2018 than in 2017 and also that much of the negotiation and coordination will be of a non-legal nature. However, should legal issues arise in this respect, for which the Watermaster desires our assistance, that work would be in addition to the budget specified above unless relatively minor and therefore captured within the miscellaneous section.

We are grateful for the opportunity to represent the Watermaster and welcome all questions and instruction as to our work on Watermaster's behalf.

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

REVIEWED BY: Laura Dadiw, Administrative Officer

DATE: October 5, 2016

SUBJECT: Consider Approval of Proposed FY 2017 M&MP Work Plan, and Proposed 2017 M&MP Operations and Capital Budgets

RECOMMENDATION:

It is recommended that the Board approve the attached M&MP FY 2017 Work Plan and M&MP O&M and Capital Budgets for FY 2017.

The projected 2018 O&M and Capital Budgets are provided only for information and no action on them is requested at this time.

BACKGROUND:

At its September 14, 2016 meeting the TAC approved the Proposed FY 2017 M&MP Work Plan, and proposed 2017 M&MP Operations and Capital Budgets, and recommended that the Board approve these. On September 16, 2016 the Budget and Finance Committee reviewed the TAC-approved Work Plan and Budgets, and approved these documents with the following revisions and qualifications:

- Reduce the Contingency line item in the 2017 M&MP Operations Budget from 20%, as proposed by the TAC, to 10%.

DISCUSSION:

The M&MP 2017 Work Plan which is attached reflects revisions resulting from the TAC's discussion on the Work Plan as well as subsequent input from our consultants, contractors, and MPWMD.

The major changes from the 2016 M&MP Work Plan are:

Task M.1.e: This Task has not been used in recent years. Its budget amount was reduced, but not eliminated, in case some work of this type is necessary in 2017.

Task M.1.g: This Task is new this year and is a result of the implementation by the State of the Sustainable Groundwater Management Act.

Task I.2.a.2: This task that was completed in 2015 and no further work on this Task is expected to be required in 2017.

Task I.2.b.3: In 2012 a concern was identified through monitoring data that there was something different about the City of Sand City's Public Works Well that was causing it to exhibit different water quality characteristics than other wells in the same general vicinity within the Seaside Basin. As a result the Watermaster had MPWMD perform an analysis to try to determine the cause of these differences, and also increased the water quality sampling frequency of this well from annually to quarterly.

Due to a lack of historical data, MPWMD was not able to reach a definitive conclusion as to the cause of the differences. However, several years of quarterly data on this well have now been acquired. The well does not appear to be showing any indications of seawater intrusion, and its water quality is generally staying within a reasonable range of variation. This is confirmed in the 2015 Seawater Intrusion Analysis Report. Task I.2.b.3 reflects reverting the monitoring frequency for the Sand City Public Works Well back to annually beginning in 2017.

In WY 2017 we are to again sample the BLM monitoring well site (SBWM-5). We had previously determined we would sample this site every 3 years, and WY 2014 was the last year we sampled it, so it is due for sampling in WY 2017. The cost for this sampling work is included under Task I.2.b.3.

MPWMD recommended that the Watermaster directly contract with the contractor that performs induction logging to obtain some of the water quality data under this Task. This recommendation was made due to a reduction in available staff at MPWMD to manage that work, and because it would result in a cost savings to the Watermaster. The Watermaster contacted the induction logging contractor and his cost for performing this work under a contract directly with the Watermaster is included in this Task. This Task also reflects a reduced cost by MPWMD due to not having to manage the contract for that portion of the work.

The net result in these changes is a small increase in the budget for this Task in 2017.

Task I.2.b.6: MPWMD reports they no longer have the staff to prepare one of the reports that was originally listed under this Task in the 2016 M&MP Budget. That report was described as follows: “One report containing a compilation of the available water level records for monitor wells that are part of the Seaside Basin Monitoring & Management Plan (M&MP) in a format to allow assessment of the long-term trends in water levels in each of the wells. This report will contain a table showing pertinent well construction data, existing average annual water level changes, and projected future water level changes. This will be accompanied by a brief description and recommendations regarding those monitor wells for which future monitoring complications may arise due to falling water levels.”

In view of this situation the TAC recommends that we not perform this work at all. This would have been a “nice to do” evaluation so we would get a heads-up on the possible need to purchase new higher head sampling pumps if some more wells had their levels drop too far. However, we have already included \$2,000 in this Task to purchase one new sample pump if necessary. If more are found to be needed during the year we can always fund the purchase of additional pumps from the Contingency line-item that is set up in the M&MP Operations Budget. So during the course of the year if we encounter the need to purchase more than one new sample pump we can handle it that way and avoid the expense of having one of our other consultants perform this evaluation.

This results in a decrease in the budget for this Task in 2017.

Task I.2.b.7: This Task is new this year and is a result of the implementation by the State of the Sustainable Groundwater Management Act.

Task I.3.a.1: Updating of the Watermaster’s groundwater model of the Seaside Basin is not expected to be necessary in 2017.

Task I.4.c: In 2016 the amount budgeted for this Task was \$28,678. However, when the cost for HydroMetrics to prepare the 2016 Seawater Intrusion Analysis Report (SIAR) was being negotiated they

found that they always had considerable unspent budget left over in prior years. Consequently, their 2016 RFS was reduced accordingly and the actual amount spent on this Task in 2016 was considerably lower than the budgeted amount.

For 2017 the budget for this Task was increased slightly to reflect an increase in the hourly rate for one of HydroMetrics' staff members who work on this assignment. However, the budget was also decreased to reflect (1) fewer hours needed by MPWMD to interface with HydroMetrics in the preparation of the SIAR, and (2) needing fewer hard copies of the SIAR than previously budgeted. Thus, the overall result is a reduction in the budget for this Task compared to 2016.

Contingency: The Contingency line items in the 2017 and 2018 M&MP Operations Budgets reflect a reduction from 20% to 10% as recommended by the Budget and Finance Committee.

As indicated by comparing the right-hand column titled "Comparative Costs from 2016 Budget" to the column titled "Total" in the proposed 2017 M&MP Operations Budget in Attachment 2, the proposed Budget is \$57,657 lower (\$313,454-\$255,797) than the 2016 Budget.

The TAC is not recommending that any new monitoring wells be installed in either 2017 or 2018. Consequently, it is proposed that no monies be budgeted in the M&MP Capital Budgets proposed for 2017 or projected for 2018, as shown in Attachment 3.

ATTACHMENTS:

1. Proposed 2017 M&MP Work Plan
2. M&MP Operations Budgets Proposed for 2017 and Projected for 2018
3. M&MP Capital Budgets Proposed for 2017 and Projected for 2018

ATTACHMENT 1

Seaside Groundwater Basin Management and Monitoring Program FY 2017 Work Plan

The tasks outlined below are those that are anticipated to be performed during 2017. Some Tasks listed below are specific to 2017, while others Tasks recur throughout the program, such as data collection and database entry, and Program Administration Tasks.

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). The term "Contractor" refers to a firm providing construction or field services such as well drilling, induction logging, or meter calibration.

M.1 Program Administration

M. 1. a Project Budget and Controls (\$0)	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 (\$0)	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. & M. 1. d Preparation for and Attendance at Meetings (\$7,000)	<p>The Consultants' work will require internal meetings and possibly meetings with outside governmental agencies and 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 Tasks M.1.c and M.1.d will be:</p> <p>Those associated with attendance at TAC meetings (either in person or by teleconference connection), including providing periodic progress reports to the Watermaster for inclusion in the agenda packets for the TAC meetings, when requested by the Watermaster to do so. These progress reports will typically include project progress that has been made, problem identification and resolution, and planned upcoming work. and</p> <p>From time-to-time when Watermaster staff asks Consultants to make special presentations to the Watermaster Board and/or the TAC, and which are not included in the Consultant's contracts for other tasks.</p> <p>Appropriate Consultant representatives will attend TAC meetings when requested to do so by Watermaster Staff (either in person or by teleconference connection), 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.d) at the TAC meetings.</p>
M. 1. e Peer Review of Documents and Reports (\$2,500)	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 other Watermaster Consultants and/or entities.
M. 1. f QA/QC (\$0)	A Consultant (MPWMD) will provide general QA/QC support over the Seaside Basin Monitoring and Management Program. These costs are included in the other tasks.

**M.1.g
Prepare Documents for
SGMA Reporting (\$1,900)**

Section 10720.8 of the Sustainable Groundwater Management Act (SGMA) requires adjudicated basins to submit annual reports. Most of the documentation that needs to be reported is already generated by the Watermaster in conjunction with preparing its own Annual Reports. However, some information such as changes in basin storage is not currently generated and will require consultant assistance to do so. This task will be used to obtain this consultant assistance, as needed.

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

I. 2. a. Database Management

**I. 2. a. 1
Conduct Ongoing Data
Entry and Database
Maintenance/
Enhancement
(\$13,452)**

The database will be maintained by a Consultant (MPWMD) performing this work for the Watermaster. MPWMD will enter new data into the consolidated database, including water production volumes, water quality and water level data, and such other data as may be appropriate. Another Consultant will periodically post database information to the Watermaster's website, so it will be accessible to the public and other interested parties. No enhancements to the database are anticipated during 2017.

**I. 2. a. 2
Verify Accuracy of
Production Well Meters
(\$0)**

To ensure that water production data is accurate, the well meters of the major producers were verified for accuracy during 2009 and again during 2015. No additional work of this type is anticipated during 2017.

I. 2. b. Data Collection Program

**I. 2. b. 1
Site Representation and
Selection (\$0)**

The monitoring well network review that was started in 2008 has been completed, and sites have been identified where future monitoring well(s) could be installed, if it is deemed necessary to do so in order to fill in data gaps. No further work of this type is anticipated in 2017.

**I. 2. b. 2
Collect Monthly Manual
Water Levels (\$5,872)**

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. All wells where the use of dataloggers is feasible or appropriate have been equipped with dataloggers. It is anticipated that no additional dataloggers will need to be purchased in 2017. It is anticipated that installed dataloggers will periodically fail and need replacement. Accordingly, the cost for two replacement dataloggers at \$750 apiece and \$100 for installation parts has been included in this Task for budgeting purposes.

I. 2. b. 3
Collect Quarterly Water
Quality Samples.
(\$56,007)

Water quality data will be collected quarterly from certain of the monitoring wells. In 2012 water quality analyses were expanded to include barium and iodide ions, to determine the potential benefit of performing these additional analyses. These two parameters have been useful in analyzing seawater intrusion potential in other vulnerable coastal groundwater basins, and are briefly mentioned in the Watermaster's annual Seawater Intrusion Analysis Reports. These parameters were added to the annual water quality sampling list for the four Watermaster Sentinel wells (SBWM-1, SBWM-2, SBWM-3, and SBWM-4), and also for the 3 most coastal MPWMD monitoring wells (MSC, PCA, and FO-09). Barium and iodide analyses will continue being performed in 2017.

Water quality 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. The Consultant or Contractor selected to perform this work will make this judgment based on consideration of costs and other factors.

Under this Task in 2013 retrofitting to use the low-flow purge approach for getting water quality samples was completed on all of the wells that are sampled. This sampling equipment sits in the water column and may periodically need to be replaced or repaired. Accordingly, an allowance to perform maintenance on previously installed equipment has been included in this Task. Also, in the event a sampling pump is found to be no longer adequate due to declining groundwater levels, an allowance of \$2,000 to purchase a replacement sampling pump has been included in this Task.

\$1,000 has been included in this Task to perform additional semi-annual water quality sampling at Sentinel Well SBMW-1 as recommended in the 2014 SIAR.

I. 2. b. 4
Update Program Schedule
and Standard Operating
Procedures.
(\$0)

All recommendations from prior reviews of the data collection program have been implemented. No additional work of this type is anticipated in 2017.

I. 2. b. 5.
Monitor Well Construction
(\$0)

An additional monitoring well was installed in 2009. No further work of this type is anticipated in 2017.

**I. 2. b.6
Reports (\$2,688)**

The groundwater level and quality monitoring will be conducted on a monthly, quarterly, and annual basis, as described in the Consultant's Scope of Work. Reports summarizing data collected and analyzed will be submitted to the Watermaster on a schedule to be established during the year, and will consist of:

1. A review the water quality and water level data at the end of each quarter of the Water Year, including tabularized data summaries of the WQ/WL data twice per year, once for the Q1 and Q2 period and once for the Q3 and Q4 period, so this data can be posted to WATERMASTER's website. No reporting on a quarterly basis is required but the Consultant will promptly notify the Watermaster of any missing data or data collection irregularities that were encountered during the quarterly reporting period.

2. An annual report summarizing the water quality and water level data for the Water Year, and containing tables of this data for the complete Water Year. The report will include a brief cover letter describing any missing data or data collection irregularities that were encountered during the reporting period, and any recommendations for changes to be made to the data collection program.

**I.2.b.7
CASGEM Data Submittal
(\$1,792)**

Compile and submit data on the Watermaster's "Voluntary Wells" into the State's CASGEM groundwater management database. The term "Voluntary Well" refers to a well that is not currently having its data reported into the CASGEM system, but for which the Watermaster obtains data. This will be done in the format and on the schedule required by the Department of Water Resources under the Sustainable Groundwater Management Act.

I. 3 Basin Management

**I. 3. a.
Enhanced Seaside Basin
Groundwater Model
(Costs listed in subtasks
below)**

The Watermaster and its consultants use a Groundwater Model for basin management purposes.

**I.3.a.1
Update the Existing Model
(\$0)**

The existing Model, described in the report titled "Groundwater Flow and Transport Model" dated October 1, 2007, was updated in 2009 in order to develop protective water levels, and to evaluate replenishment scenarios and develop answers to Basin management questions (Tasks I.3.a.2 and I.3.a.3). The scope and budget in 2014 for again updating the Model included the following:

Step1: Update the model and check its accuracy - \$10,000

Step 2: Recalibrate the model - \$15,000

Step 3: Prepare report describing the work that was done - \$5,000

Step 1 was completed in 2014 by incorporating recent pumping data, groundwater level data, and rainfall data, and then checking to see if the recently simulated groundwater levels match the recently measured groundwater levels. These are the principle findings and conclusions of this Step 1 work:

- The model still provides reliable results in the Laguna Seca Subarea.
- Although the performance of the model during the updated period is worsening, the calibration of the model remains within acceptable standards.
- The northern boundary condition needs to be updated to reflect real groundwater elevation variations for the model period of 2005-2013. The behavior of the northern boundary will impact flows and the ability to calibrate the model for the area of the model that is adjacent to the northern boundary. An alternative method for defining this boundary condition will have to be developed that does not rely upon simulations from the Salinas Valley Integrated Groundwater Surface Water Model (SVIGSM).
- The groundwater model should be updated in a maximum of five years and its calibration reevaluated at that time. However, if groundwater related projects are implemented in the Basin before that time, the update and calibration reevaluation may need to be performed sooner.

Modeling of the Laguna Seca Subarea was performed in 2014 and a peer review of that work was performed in 2015. The peer review concluded that the model is a reasonable representation of the Seaside Basin groundwater flow system. No major errors in assumptions, data or results were identified during this peer review, and the simulated water levels generally matched observed water levels for the historical calibration simulation. The peer review recommended some aspects of the model should be explored to try to determine some differences between field-measured conditions and model-predicted conditions in some parts of the Basin, but stated that the model should be used for estimating the operational safe yield of the basin and subareas, and for simulating the effects of possible management measures. It also recommended that some additional simulations should be completed for management measures likely to be implemented. Therefore, Steps 2 and 3 will not be needed and no further work of this type is anticipated in 2017.

**I. 3. a. 2
Develop Protective Water
Levels (\$0)**

A series of cross-sectional models was created in 2009 in order to develop protective water levels for selected production wells, as well as for the Basin as a whole. This work is discussed in Hydrometrics' "Seaside Groundwater Basin Protective Water Elevations Technical Memorandum." In 2013 further work was started to refine these protective water levels, but it was found that the previously developed protective water levels were reasonable. Therefore, no further work of this type is anticipated.

**I. 3. a. 3
Evaluate Replenishment
Scenarios and Develop
Answers to Basin
Management Questions
(\$40,000)**

In 2009 the updated Model was used to evaluate different scenarios to determine such things as the most effective methods of using supplemental water sources to replenish the Basin and/or to assess the impacts of pumping redistribution. This work is described in HydroMetrics' "Seaside Groundwater Basin Groundwater Model Report." In 2010, and again in 2013, HydroMetrics used the updated Model to develop answers to some questions associated with Basin management. Modeling performed in 2014, 2015, and 2016 led to the conclusion that groundwater levels in parts of the Laguna Seca Subarea will continue to fall even if all pumping within that subarea is discontinued, because of the influence of pumping from areas near to, but outside of, the Basin boundary. Additional modeling work may be performed in 2017 to further examine this situation.

**I. 3. b.
Complete Preparation of Basin
Management Action Plan (\$0)**

The Watermaster's Consultant completed preparation of the Basin Management Action Plan (BMAP) in February 2009. The BMAP serves as the Watermaster's long-term seawater intrusion prevention plan. The Sections that are included in the BMAP are:

Executive Summary

Section 1 – Background and Purpose

Section 2 – State of the Seaside Groundwater Basin

Section 3 – Supplemental Water Supplies

Section 4 –Groundwater Management Actions

Section 5 – Recommended Management Strategies

Section 6 – References

The only work which may be performed on the BMAP in 2017 is discussed under Task I. 3. c.

**I. 3. c.
Refine and/or Update the
Basin Management Action
Plan (\$25,000)**

During 2017 it may be beneficial to update the BMAP based on new data, and/or knowledge that is gained from the work described under Task I. 3. a. 3. Such work might involve issues pertaining to Operational and Natural Safe Yields or pumping redistribution strategies. Updating the BMAP has been scheduled and budgeted in several of the preceding years, but was not deemed to be necessary. This task is included primarily for budgeting purposes in the event such work is deemed necessary during 2017.

**I. 3. d.
Evaluate Coastal Wells for
Cross-Aquifer Contamination
Potential (\$0)**

If seawater intrusion were to reach any of the coastal wells in any aquifer, and if a well was constructed without proper seals to prevent cross-aquifer communication, or if deterioration of the well had compromised these seals, it would be possible for the intrusion to flow from one aquifer to another. An evaluation of this was completed in 2012 and is described in MPWMD's Memorandum titled "Summary of Seaside Groundwater Basin Cross-Aquifer Contamination Wells Investigation Process and Conclusions" dated August 8, 2012. This Memorandum did not recommend performing any further work on this matter at this time, other than to incorporate into the Watermaster's Database data from wells that were newly identified by the work performed in 2012. That data has now been incorporated into the Database, and no further work on this matter is anticipated.

***I. 4 Seawater Intrusion Response Plan (formerly referred to as the
Seawater Intrusion Contingency Plan)***

**I. 4. a.
Oversight of Seawater
Intrusion Detection and
Tracking (\$0)**

Consultants will provide general oversight over the Seawater Intrusion detection program under the other Tasks in this Work Plan.

I. 4. b. Focused Hydrogeologic Evaluation (\$0)	<p>MPWMD attempted to compile historical and current water quality data in the coastal area to provide more in-depth evaluation of conditions in the shallow Dune Sand/Aromas Sand aquifer in the vicinity of the Sand City Public Works well, where unique water quality conditions and variability have recently been observed as discussed at TAC meetings. However, it was found that no historical water quality data from Cal Am's now-abandoned wells existed, and consequently it was not possible to answer the question of why water quality in the Sand City Public Works well differs from water quality in other wells in the Basin. The Sand City desalination plant could be affecting water quality in this area, but without the prior water quality data from now-abandoned wells, this could not be determined. The results of this work were summarized in 2013 in a brief Technical Memorandum prepared by MPWMD with conclusions and recommendations, and no further work on this matter is planned.</p>
I. 4. c. Annual Report- Seawater Intrusion Analysis (\$21,786)	<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 Complete Preparation of Seawater Intrusion Response Plan (\$0)	<p>The Watermaster's Consultant (HydroMetrics) completed preparation of the long-term Seawater Intrusion Response Plans (SIRP) in February 2009. The Sections that are included in the SIRP are:</p> <ul style="list-style-type: none"> Section 1 – Background and Purpose Section 2 – Consistency with Other Documents Section 3 – Seawater Intrusion Indicators and Triggers Section 4 –Seawater Intrusion Contingency Actions Section 5 - References <p>No further work on the SIRP is anticipated in 2017.</p>
I. 4. e. Refine and/or Update the Seawater Intrusion Response Plan (\$0)	<p>At the beginning of 2009 it was thought that it might be beneficial or necessary to perform work to refine the SIRP and/or to update it based on new data or knowledge that was gained subsequent to the preparation of the SIRP. However, this did not prove to be necessary, and no further work of this type is anticipated in 2017.</p>
I. 4. f. If Seawater Intrusion is Determined to be Occurring, Implement Contingency Response Plan (\$0)	<p>The SIRP will be implemented if seawater intrusion, as defined in the Plan, is determined by the Watermaster to be occurring.</p>

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ATTACHMENT 2

Management and Monitoring Plan Operations Budget For Tasks to be Undertaken in 2017							Comparative Costs from 2016 Budget	
Task	Subtask	Sub-Subtask	Cost Description	CONSULTANTS & CONTRACTORS ⁽³⁾				Total
				MPWMD	Private Consultants	Contractors		
Labor								
			Technical Project Manager	\$0	\$60,000	\$0	\$60,000	\$60,000
M.1 Program Administration								
	M.1.a		Project Budget and Controls	\$0	\$0	\$0	\$0	\$0
	M.1.b		Assist with Board and TAC Agendas	\$0	\$0	\$0	\$0	\$0
	M.1.c & M.1.d		Preparation for and Attendance at Meetings ⁽⁸⁾	\$0	\$7,000	\$0	\$7,000	\$7,000
	M.1.e		Peer Review of Documents and Reports ⁽⁸⁾	\$0	\$2,500	\$0	\$2,500	\$3,100
	M.1.f		QA/QC	\$0	\$0	\$0	\$0	\$0
	M.1.g		SGMA Documentation Preparation	\$0	\$1,900	\$0	\$1,900	\$0
I.1 Initial Phase 1 Monitoring Well Construction (Task Completed in Phase 1)								
I.2 Production, Water Level and Quality Monitoring								
	I.2.a.		Database Management					
		I.2.a.1.	Conduct Ongoing Data Entry/ Database Maintenance/Enhancement	\$11,052	\$2,400	\$0	\$13,452	\$13,452
		I.2.a.2.	Verify Accuracy of Production Well Meters	\$0	\$0	\$0	\$0	\$10,000
	I.2.b.		Data Collection Program					
		I.2.b.1.	Site Representation and Selection ⁽⁷⁾	\$0	\$0	\$0	\$0	\$0
		I.2.b.2.	Collect Monthly Water Levels ⁽⁶⁾	\$5,872	\$0	\$0	\$5,872	\$5,872
		I.2.b.3.	Collect Quarterly Water Quality Samples ⁽¹⁾⁽⁵⁾⁽⁶⁾	\$31,321	\$0	\$24,686	\$56,007	\$51,906
		I.2.b.4.	Update Program Schedule and Standard Operating Procedures.	\$0	\$0	\$0	\$0	\$0
		I.2.b.5.	Monitor Well Construction ⁽⁷⁾	\$0	\$0	\$0	\$0	\$0
		I.2.b.6.	Reports	\$2,688	\$0	\$0	\$2,688	\$6,204
		I.2.b.7.	CASGEM Data Submittal for Watermaster's Voluntary Wells	\$1,792	\$0	\$0	\$1,792	\$0
I.3 Basin Management								
	I.3.a.		Enhanced Seaside Basin Groundwater Model	(Costs Shown in Subtasks Below)				
		I.3.a.1	Update the Existing Model	\$0	\$0	\$0	\$0	\$20,000
		I.3.a.2	Develop Protective Water Levels	\$0	\$0	\$0	\$0	\$0
		I.3.a.3	Evaluate Replenishment Scenarios and Develop Answers to Basin Management Questions ⁽¹⁰⁾	\$0	\$40,000	\$0	\$40,000	\$40,000
	I.3.b.		Complete Preparation of Basin Management Action Plan	\$0	\$0	\$0	\$0	\$0
	I.3.c.		Refine and/or Update the Basin Management Action Plan ⁽¹¹⁾	\$0	\$25,000	\$0	\$25,000	\$25,000
	I.3.d.		Evaluate Coastal Wells for Cross-Aquifer Contamination Potential	\$0	\$0	\$0	\$0	\$0
I.4 Seawater Intrusion Contingency Plan								
	I.4.a.		Oversight of Seawater Intrusion Detection and Tracking	\$0	\$0	\$0	\$0	\$0
	I.4.b.		Provide focused area hydrogeologic investigation for Sand City Public Works	\$0	\$0	\$0	\$0	\$0
	I.4.c.		Annual Report- Seawater Intrusion Analysis	\$896	\$20,890	\$0	\$21,786	\$28,678
	I.4.d.		Complete Preparation of Seawater Intrusion Response Plan ⁽²⁾	\$0	\$0	\$0	\$0	\$0
	I.4.e.		Refine and/or Update the Seawater Intrusion Response Plan ⁽²⁾⁽⁹⁾	\$0	\$0	\$0	\$0	\$0
	I.4.f.		If Seawater Intrusion is Determined to be Occurring, Implement Contingency Response Plan ⁽²⁾	(No Costs are Included for This Task, as This Task Will Likely Not be Necessary During 2017. If it Does Become Necessary, Use of Contingency Funds or a Budget Modification Will Likely be Necessary)				\$0
TOTALS CONSULTANTS & CONTRACTORS				\$53,621	\$159,690	\$24,686		
SUBTOTAL not including Technical Program Manager =							\$177,997	\$211,212
Contingency (not including Technical Program Manager) @ 10% ⁽⁴⁾ =							\$17,800	\$42,242
Technical Program Manager =							\$60,000	\$60,000
TOTAL=							\$255,797	\$313,454

Footnotes:					
(1)	An outside contractor would be used to perform the induction logging, and potentially to also collect some water quality samples in conjunction with doing the induction logging. MPWMD is expected to perform portions of the work of this Subtask, and will be the party that subcontracts with the Contractor to perform the induction logging and sample collection work on certain of the wells.				
(2)	The response plan would only be implemented in the event sea water intrusion is determined to be occurring.				
(3)	Within the context of this document the term "Consultant" refers either to a Private Consultant providing professional engineering or other types of technical services, or to the Monterey Peninsula Water Management District (MPWMD). The term "Contractor" refers to a firm providing construction or field services such as well drilling, induction logging, or meter calibration.				
(4)	Due to the uncertainties of the exact scopes of some of the Tasks listed above at the time of preparation of this Budget, e.g. Tasks I.3.a.3 and I.3.c, it is recommended that a 10% Contingency be included in the Budget.				
(5)	Includes \$1,000 to maintain equipment previously installed for this purpose. Also includes lab costs to analyze for barium and iodide ions in certain of these wells as was done in preceding years beginning in 2012.				
(6)	Does not include costs for MPWMD to collect water level data or water quality samples from wells other than those that are part of the basic monitoring well network, i.e. for private well owners who have requested that the Watermaster obtain this data for them. Costs to obtain that data are to be reimbursed to the Watermaster by those well owners, so there should be no net cost to the Watermaster for that portion of the work under these Tasks.				
(7)	No additional monitoring well is expected to be constructed in 2016.				
(8)	For HydroMetrics to provide hydrogeologic consulting assistance to the Watermaster, beyond that associated with performing other Tasks, when requested to do so by the Technical Program Manager.				
(9)	If work under this Task is found to be necessary, it will be funded through the Contingency line item in this Budget.				
(10)	If requested by the Board.				
(11)	If necessary to reflect knowledge gained from modeling work or other data sources.				

Management and Monitoring Plan Operations Budget							
For Tasks to be Undertaken in 2018 ⁽¹²⁾							
Task	Subtask	Sub-Subtask	Cost Description	CONSULTANTS & CONTRACTORS ⁽³⁾			Total
				MPWMD	Private Consultants	Contractors	
Labor							
			Technical Project Manager	\$0	\$60,000	\$0	\$60,000
M.1 Program Administration							
	M.1.a		Project Budget and Controls	\$0	\$0	\$0	\$0
	M.1.b		Assist with Board and TAC Agendas	\$0	\$0	\$0	\$0
	M.1.c & M.1.d		Preparation for and Attendance of at Meetings ⁽⁸⁾	\$0	\$7,210	\$0	\$7,210
	M.1.e		Peer Review of Documents and Reports ⁽⁸⁾	\$0	\$2,575	\$0	\$2,575
	M.1.f		QA/QC	\$0	\$0	\$0	\$0
	M.1.g		SGMA Documentation Preparation	\$0	\$1,957	\$0	\$1,957
I.1 Initial Phase 1 Monitoring Well Construction (Task Completed in Phase 1)							
I.2 Production, Water Level and Quality Monitoring							
	I.2. a.		Database Management				
		I.2. a. 1.	Conduct Ongoing Data Entry/ Database Maintenance/Enhancement	\$11,384	\$2,472	\$0	\$13,856
		I.2. a. 2.	Verify Accuracy of Production Well Meters	\$0	\$0	\$0	\$0
	I.2. b.		Data Collection Program				
		I.2. b. 1.	Site Representation and Selection ⁽⁷⁾	\$0	\$0	\$0	\$0
		I.2. b. 2.	Collect Monthly Water Levels ⁽⁶⁾	\$6,048	\$0	\$0	\$6,048
		I.2. b. 3.	Collect Quarterly Water Quality Samples ⁽¹⁾⁽⁵⁾⁽⁶⁾	\$32,261	\$0	\$25,427	\$57,687
		I.2. b. 4.	Update Program Schedule and Standard Operating Procedures.	\$0	\$0	\$0	\$0
		I.2. b. 5.	Monitor Well Construction ⁽⁷⁾	\$0	\$0	\$0	\$0
		I.2. b. 6.	Reports	\$1,846	\$0	\$0	\$1,846
I.3 Basin Management							
	I.3. a.		Enhanced Seaside Basin Groundwater Model	(Costs Shown in Subtasks Below)			
		I.3. a. 1	Update the Existing Model	\$0	\$0	\$0	\$0
		I.3. a. 2	Develop Protective Water Levels	\$0	\$0	\$0	\$0
		I.3. a. 3	Evaluate Replenishment Scenarios and Develop Answers to Basin Management Questions	\$0	\$41,200	\$0	\$41,200
	I.3. b.		Complete Preparation of Basin Management Action Plan	\$0	\$0	\$0	\$0
	I.3. c.		Refine and/or Update the Basin Management Action Plan ⁽¹¹⁾⁽¹³⁾	\$0	\$25,750	\$0	\$25,750
	I.3. d.		Evaluate Coastal Wells for Cross-Aquifer Contamination Potential ⁽¹⁴⁾	\$0	\$0	\$0	\$0
I.4 Seawater Intrusion Contingency Plan							
	I.4. a.		Oversight of Seawater Intrusion Detection and Tracking	\$0	\$0	\$0	\$0
	I.4. b.		Analyze and Map Water Quality from Coastal Monitoring Wells	(Costs Included Under I.4.a)			
	I.4. c.		Annual Report- Seawater Intrusion Analysis	\$923	\$21,517	\$0	\$22,440
	I.4. d.		Complete Preparation of Seawater Intrusion Response Plan ⁽²⁾	\$0	\$0	\$0	\$0
	I.4. e.		Refine and/or Update the Seawater Intrusion Response Plan ⁽²⁾⁽⁹⁾	\$0	\$0	\$0	\$0
	I.4. f.		If Seawater Intrusion is Determined to be Occurring, Implement Contingency Response Plan ⁽²⁾	(No Costs are Included for This Task, as This Task Will Likely Not be Necessary During 2016. If it Does Become Necessary, Use of Contingency Funds or a Budget Modification Will Likely be Necessary)			
TOTALS CONSULTANTS & CONTRACTORS				\$52,461	\$162,681	\$25,427	
SUBTOTAL not including Technical Program Manager =							\$180,568
Contingency (not including Technical Program Manager) @ 10% ⁽⁴⁾ =							\$18,057
Technical Program Manager							\$60,000
TOTAL=							\$258,625

Footnotes:			
(1)	An outside contractor would be used to perform the induction logging, and potentially to also collect some water quality samples in conjunction with doing the induction logging. MPWMD is expected to perform portions of the work of this Subtask, and the Watermaster will be the party that subcontracts with the Contractor to perform the induction logging and sample collection work on certain of the wells.		
(2)	The response plan would only be implemented in the event sea water intrusion is determined to be occurring.		
(3)	Within the context of this document the term "Consultant" refers either to a Private Consultant providing professional engineering or other types of technical services, or to the Monterey Peninsula Water Management District (MPWMD). The term "Contractor" refers to a firm providing construction or field services such as well drilling, induction logging, or meter calibration.		
(4)	Due to the uncertainties of the exact scopes of some of the Tasks listed above at the time of preparation of this Budget, e.g. Tasks I.3.a.3 and I.3.c, it is recommended that a 10% Contingency be included in the Budget.		
(5)	A portion of this cost is for maintaining sampling equipment that was installed in prior years.		
(6)	Does not include costs for MPWMD to collect water level data or water quality samples from wells other than those that are part of the basic monitoring well network, i.e. for private well owners who have requested that the Watermaster obtain this data for them. Costs to obtain that data are to be reimbursed to the Watermaster by those well owners, so there should be no net cost to the Watermaster for that portion of the work under		
(7)	No additional monitoring well is expected to be constructed in 2018.		
(8)	For HydroMetrics to provide hydrogeologic consulting assistance to the Watermaster, beyond that associated with performing other specified Tasks, when requested to do so by the Technical Program Manager.		
(9)	If work under this Task is found to be necessary, it will be funded through the Contingency line item in this Budget.		
(10)	Not used.		
(11)	If necessary to reflect knowledge gained from modeling work or other data sources.		
(12)	Includes a 3% inflation factor on most annually recurring costs in the 2017 Budget, except the Technical Program Manager cost which has no inflation factor applied to it.		
(13)	Costs included for these Tasks would only be incurred if the Board determined to defer this work from 2017 to 2018, or determined to perform additional work beyond that performed in 2017.		
(14)	No further work on this Task is anticipated in 2018.		

ATTACHMENT 3

Management and Monitoring Plan Capital Budget For Tasks to be Undertaken in 2017

No Capital projects are anticipated to be undertaken in 2017, so this budget is \$0.

Management and Monitoring Plan Capital Budget For Tasks to be Undertaken in 2018

No Capital projects are anticipated to be undertaken in 2018, so this budget is \$0.

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**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

REVIEWED BY: Laura Dadiw, Administrative Officer

DATE: October 15, 2016

SUBJECT: Consider Approval of Unit Cost for Water Year 2016/17 Over Production Replenishment Assessment

RECOMMENDATION:

Adopt a Replenishment Assessment Unit Cost of \$2,872/AF for Water Year 2017 which begins on October 1, 2016 and ends on September 30, 2017.

BACKGROUND:

Per page 33 of the Decision, “The per acre-foot (AF) amount of the Replenishment Assessments shall be determined and declared by Watermaster in October of each Water Year in order to provide Parties with advance knowledge of the cost of Over-Production in that Water Year.” Thus, the per acre-foot amount determined by the Board on or before October of 2016 will be used to calculate Replenishment Assessments for pumping that occurs during Water Year 2017 which begins on October 1, 2016 and ends on September 30, 2017.

For each of the past three Water Years (2014, 2015, and 2016) the Board has adopted a Replenishment Assessment Unit Cost of \$2,702/AF. This unit cost was developed starting with Water Year 2014 by taking the average of the Base Unit Cost (\$/AF) of the four potential water supply projects that the Board felt were the most likely to be implemented. The Water Year 2014 unit cost was carried over to the two subsequent Water Years because no updated cost data was available for those projects, and no other viable projects could be identified.

DISCUSSION:

The attached Table presents the most recent cost data for each of these same four projects. In that Table a blended unit cost value is provided for the Monterey Peninsula Water Supply Project based on a reduced size desalination plant offset by water to be provided by the Pure Water Monterey Project. The blended unit cost for that combined project is \$4,591/AF. Since using both desalination and groundwater replenishment together is the current plan being pursued by Cal Am, it would seem reasonable to use the blended unit cost rather than the individual unit costs for those two sources of water.

The updated Unit Cost would therefore be \$2,872/AF, calculated as: $(\$4,591 + \$2,025 + \$2,000) / 3$. These are the three **bold-faced** unit costs in the attached Table.

ATTACHMENTS:

Updated Unit Cost Data

WATER YEAR 2017 (October 1, 2016-September 30, 2017)

ANTICIPATED UNIT COSTS OF WATER COULD POTENTIALLY BE USED FOR REPLENISHMENT OF THE SEASIDE BASIN

POTENTIAL SOURCE OF REPLENISHMENT WATER	POTENTIAL DATE REPLENISH-MENT WATER COULD BECOME AVAILABLE	POTENTIAL VOLUME OF WATER THAT COULD BE SUPPLIED BY THE PROJECT (AFY) ⁽¹⁾	BASE UNIT COST (\$/AF)	BASE UNIT COST YEAR
Regional Desalination ⁽²⁾	2020	6,250	\$6,147	2019
Groundwater Replenishment Project (Pure Water Monterey) ⁽²⁾	2018	3,500	\$1,811	2018
Monterey Peninsula Water Supply Project (Combined Regional Desalination with Groundwater Replenishment Project)	GWRP in 2018 Regional Desalination in 2020	9,750	\$4,591⁽³⁾	2018-2019
Seaside Basin ASR Expansion ⁽⁴⁾	2020	1,000	\$2,025	2016
Regional Urban Water Augmentation Project ⁽⁵⁾	2018	1,400-1,700	\$2,000	2018

FOOTNOTES:

(1) For the Regional Desalination Project this is the total amount of water from this source which could potentially come to the CAW distribution system, based on the desalination plant having a 6.4 MGD capacity which is equivalent to 7,169 AFY. Only a portion of this amount might be available as initially unused capacity that could be used to help replenish the Seaside Basin. For the RUWAP this is the total amount of non-potable water from this source. Only a portion of this amount might be used for in-lieu replenishment of the Seaside Basin. For the ASR Expansion Project this is the additional amount of water that could potentially be provided by this project (see footnote 4). For the GWRP this is the quantity of water that is being planned at this time by CAW for inclusion in its Monterey Peninsula Water Supply Project.

(2) Base unit cost data based on PUC filing documents and provided by Dave Stoldt of MPWMD .

(3) Flow-weighted average unit cost of the combined desalination and groundwater replenishment projects, calculated as:

$$(6,250 \times \$6,147 + 3,500 \times \$1,811) / 9,750 = \mathbf{\$4,591}.$$

(4) Base unit cost data provided by MPWMD. The 1,000 AFY of potential water that this project could supply would be in addition to the 1,300 AFY included as part of the Monterey Peninsula Water Supply Project, and would be an annual average taking into account river flow and hydrologic conditions that change from year to year.

(5) Project data provided by MCWD.

Seaside Groundwater Basin Watermaster

Replenishment Fund

Water Year 2016 (October 1 - September 30) / Fiscal Year (January 1 - December 31, 2016)

Balance through June 2016 (and Proposed 2017 RA Budget)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Projected Totals Through WY 2016	Totals WY 2006 Through 2016	Proposed Budget WY 2017	Projected Totals Through WY 2017
Replenishment Fund														
Assessments:	WY 05/06	WY 06/07	WY 07/08	WY 08/09	WY 09/10	WY 10/11	WY 11/12	WY 12/13	WY 13/14	WY 14/15	WY 15/16		WY 16/17	
Unit Cost:	\$1,132 / \$283	\$1,132 / \$283	\$2,485 / \$621.25	\$3,040 / \$760	\$2,780 / \$695	\$2,780 / \$695	\$2,780 / \$695	\$2,780 / \$695	\$2,702 / \$675.50	\$2,702 / \$675.50	\$2,702 / \$675.50			
Cal-Am Water Balance Forward	\$ -	\$ 1,641,004	\$ 4,226,710	\$ (2,871,690)	\$ (2,839,939)	\$ (3,822,219)	\$ (6,060,164)	\$ (8,735,671)	\$ (6,173,771)	\$ (3,102,221)	\$ (676,704)		\$ (3,276,704)	
Cal-Am Water Production	3710.0 AF	4059.9 AF	3862.9 AF	2966.0 AF	3713.5 AF	3416.0 AF	3070.9 AF	3076.6 AF	3232.1 AF					
Exceeding Natural Safe Yield Considering Alternative Producers	2,106,652	2,565,471	5,199,014	3,773,464	4,112,933	3,187,854	2,280,943	2,380,842	2,790,539	2,113,414	2,100,000	\$ 32,611,126	2,100,000	\$ 34,711,126
Operating Yield Overproduction Replenishment	-	20,235	8,511	-	-	-	154,963	181,057	281,012	312,103	300,000	1,257,881	300,000	1,557,881
Total California American	\$ 2,106,652	\$ 2,585,706	\$ 5,207,525	\$ 3,773,464	\$ 4,112,933	\$ 3,187,854	\$ 2,435,907	\$ 2,561,899	\$ 3,071,550	\$ 2,425,516	\$ 2,400,000	\$ 33,869,007	\$ 2,400,000	\$ 36,269,007
CAW Credit Against Assessment	(465,648)		(12,305,924)	(3,741,714)	(5,095,213)	(5,425,799)	(5,111,413)	-	-	-	(5,000,000)	(37,145,711)	(5,000,000)	(42,145,711)
CAW Unpaid Balance	\$ 1,641,004	\$ 4,226,710	(2,871,690)	\$ (2,839,939)	\$ (3,822,219)	\$ (6,060,164)	\$ (8,735,671)	\$ (6,173,771)	\$ (3,102,221)	\$ (676,704)	\$ (3,276,704)	\$ (3,276,704)	\$ (5,876,704)	\$ (5,876,704)
City of Seaside Balance Forward	\$ -	\$ 243,294	\$ 426,165	\$ 1,024,272	\$ 1,619,973	\$ 891,509	\$ (110,014)	\$ (773,813)	\$ (1,575,876)	\$ (2,889,325)	\$ (3,346,548)		\$ (3,376,548)	
City of Seaside Municipal Production	332.0 AF	387.7 AF	294.3 AF	293.4 AF	282.9 AF	240.7 AF	233.7 AF	257.7 AF	223.6 AF	\$ 185.0				
Exceeding Natural Safe Yield Considering Alternative Producers	219,689	174,082	402,540	465,300	314,721	141,335	163,509	236,782	142,410	69,630	70,000	\$ 2,399,996	70,000	\$ 2,469,996
Operating Yield Overproduction Replenishment	12,622	85	4,225	16,522	20,690	-	1,689	27,007	3,222	38	-	86,099	-	86,099
Total Municipal	232,310	174,167	406,764	481,823	335,412	141,335	165,198	263,788	145,631	69,667	70,000	2,486,095	70,000	2,556,095
City of Seaside - Golf Courses														
Exceeding Natural Safe Yield - Alternative Producer	-	-	131,705	69,701	-	-	-	-	-	-	-	201,406	-	201,406
Operating Yield Overproduction Replenishment	-	-	32,926	17,427	-	-	-	-	-	-	-	50,353	-	50,353
Total Golf Courses	-	-	164,631	87,128	-	-	-	-	-	-	-	251,759	-	251,759
Total City of Seaside*	\$ 232,310	\$ 174,167	\$ 571,395	\$ 568,951	\$ 335,412	\$ 141,335	\$ 165,198	\$ 263,788	\$ 145,631	\$ 69,667	\$ 70,000	\$ 2,737,854	\$ 70,000	\$ 2,807,854
City of Seaside Late Payment 5%	10,984	8,704	26,712	26,750	15,737							88,887		88,887
In-lieu Credit Against Assessment	-	-	-	-	(1,079,613)	(1,142,858)	(828,996)	(1,065,852)	(1,459,080)	(526,890)	(100,000)	(6,203,289)	(100,000)	(6,303,289)
City of Seaside Unpaid Balance	\$ 243,294	\$ 426,165	\$ 1,024,272	\$ 1,619,973	\$ 891,509	\$ (110,014)	\$ (773,813)	\$ (1,575,876)	\$ (2,889,325)	\$ (3,346,548)	\$ (3,376,548)	\$ (3,376,548)	\$ (3,406,548)	\$ (3,406,548)
Total Replenishment Fund Balance	\$ 1,884,298	\$ 4,652,874	\$ (1,847,417)	\$ (1,219,966)	\$ (2,930,710)	\$ (6,170,178)	\$ (9,509,483)	\$ (7,749,648)	\$ (5,991,546)	\$ (4,023,252)	\$ (6,653,252)	\$ (6,653,252)	\$ (9,283,252)	\$ (9,283,252)
Replenishment Fund Balance Forward	-	\$ 1,884,298	\$ 4,652,874	\$ (1,847,417)	\$ (1,219,966)	\$ (2,930,710)	\$ (6,170,178)	\$ (9,509,483)	\$ (7,749,648)	\$ (5,991,546)	\$ (4,023,252)		\$ (6,653,252)	
Total Replenishment Assessments	2,349,946	2,768,576	5,805,632	4,369,165	4,464,082	3,329,189	2,601,104	2,825,688	3,217,182	2,495,183	2,470,000	36,695,748	2,470,000	39,165,748
Total Paid and/or Credited	(465,648)	-	(12,305,924)	(3,741,714)	(6,174,826)	(6,568,657)	(5,940,409)	(1,065,852)	(1,459,080)	(526,890)	(5,100,000)	(43,349,000)	(5,100,000)	(48,449,000)
Grand Total Fund Balance	\$ 1,884,298	\$ 4,652,874	\$ (1,847,417)	\$ (1,219,966)	\$ (2,930,710)	\$ (6,170,178)	\$ (9,509,483)	\$ (7,749,648)	\$ (5,991,546)	\$ (4,023,252)	\$ (6,653,252)	(6,653,252)	\$ (9,283,252)	\$ (9,283,252)

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ITEM XI.

**INFORMATIONAL
REPORTS**

SEASIDE GROUNDWATER BASIN WATERMASTER CRITICAL MILESTONE DATES

ITEM X.A.

ANNUAL MILESTONES	Water Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10/5/2016	
Alternative Producers may change to Standard Production by March 27, 2009 (see amendment at right) by filing a declarator with the Court and with the other parties.		27-Mar-06	30-Sep-07	APA to SPA election amended to in-perpetuity 12/12/2009			Cypress converted 8 of its 14 AF APA to SPA 1/21/15							
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 decreased 10% Jan 1, 2009; and 100% of 5,600 acre feet decreased 10/1/09			100% of the Operating Yield of 5,040 decreased another 10% of 5,600 on Oct 1, 2011; again on October 1, 2014					1-Oct	
After the close of each Water Year, the Watermaster will determine and levy a Replenishment Assessment against all Producers that incurred Operating Yield Over Production during the Water Year, with payment due from Producer 40 days after the mailing of a statement for the assessment by Watermaster.		15-Nov			30-Nov	30-Nov	23-Jan	30-Nov	30-Nov	30-Nov	Revised calculation method adopted	30-Nov	1-Oct	
California American Water to submit annually to Watermaster any augmentation to water supply for possible credit toward Repl Assessment	Annually	15-Nov			CAW Credit Request Granted (signed MOU) January 15, 2009		CAW Credit Req Granted 2/3/10	CAW Credit Req Granted 2/2/11	CAW Credit Req Granted 2/1/12	15-Nov	15-Nov	15-Nov	15-Nov	
Water level monitoring - monthly data collection from all members for inclusion in the consolidated database.	Reported Annually	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly		
Water quality yearly data collection from all members for entry in consolidated database	Reported Annually	15-Nov	28-Feb & 15-Nov	15-Nov	15-Nov	15-Nov	31-Aug	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
Summary report of water resources data to all members/parties the 15th each quarter month: Annual Report to Court	Quarterly	15-Jan	15-Nov	15-Nov	15-Nov	23-Dec	8-Dec	15-Dec	15-Dec	15-Dec	15-Dec	15-Dec		
ADMINISTRATIVE MILESTONES	Calendar Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Adjudication ordered by Court and filed		27-Mar-06												
Board Directors Terms		7-Nov						1-Feb-12	1-Feb-12	1-Feb-14	1-Feb-14	4-May-16	4-May-16	
Budget (Administrative) Adopted / distributed						15-Jan-10	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	5-Oct-16	15-Jan-17	
Budget (Operations) Adopted/distributed						15-Jan-10	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	5-Oct-16	15-Jan-17	
Budget (Replenishment) Adopted / distributed						15-Jan-10	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	5-Oct-16	15-Jan-17	
Administrative Assessments		15-Jan-06	15-Jan-07	15-Jan-08	15-Jan-09	15-Jan-10	15-Jan-11	NONE	15-Jan-13	15-Jan	15-Jan-15	15-Jan-16	15-Jan-17	
Operations Assessments		15-Jan-07	15-Jan-07	15-Jan-08	15-Jan-09	15-Jan-10	15-Jan-11	NONE	NONE	NONE	15-Jan-15	15-Jan-16	15-Jan-17	
Capital Assessments		15-Jan-07	15-Jan-07	NONE	15-Jan-09	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	
Replenishment Assessments		CAW credit	CAW credit	CAW credit	CAW credit	CAW credit	CAW credit	CAW credit	15-Jan-14	27-Jul-15	15-Jan-16		15-Jan-17	
Annual Report to Court		15-Nov-06	15-Nov-07	15-Nov-08	15-Nov-09	23-Dec-10	8-Dec-11	15-Dec	15-Dec	15-Dec-14	15-Dec-15	15-Dec-16		
Answers to Judge's Questions re: Annual Report		30-Jan-09	28-Feb-08	1-Feb-09	1-Aug-12	None	None	None	None	None	None			
Declaration of Replenishment Water Availability		Feb-06	Dec-06	Dec-07	18 Mar	2-Dec-09	1-Dec-10	30-Nov-11	4-Dec-13	3-Dec-14	15-Dec-15	15-Dec-16		
MONTHLY MILESTONES	2006-15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	
Tentative budgets distribution to all parties											5-Oct-16			
(Operating Yield 5,600 decreased 10% end of 2014 WY)		1-Oct-15	15-Dec-16											
Declaration of Repl Water Available			15-Jan-16											
Administrative Assessments			15-Jan-16											
Operations Assessments			15-Jan-16											
Capital Assessments			None											
Replenishment Assessments			15-Jan-16											
Develop Repl Assessment Unit Cost			\$2,702								5-Oct-16			
SPECIAL ISSUES	2006-15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	
Cal-Am CWP / Alt. Projects EIR / Basin Repl MOU	MOU amend													
SWRCB Cease Desist Order Cal-Am	2/5/14													
Storage and Recovery Application and Agreement	In Effect													
MPWMD Basin Boundary Modification Request to DWR	Complete										Amendment pending			
Watermaster Board Regular Meeting Schedule 2016		6-Jan-cncl	17-Feb	2-Mar-cncl	6-Apr-cncl	4-May	1-Jun-cncl	6-Jul-cncl	3-Aug-cncl	7-Sep-cncl	5-Oct	2-Nov	7-Dec	
SUMMARY PROJECT SCHEDULE (See detailed project schedule for more information)														
Program Administration, Database Management (MPWMD)												Complete or deferred =		
Status Conference and Report to Court												Yet to be completed =		
Enhanced Groundwater Model; LSSA Modeling (Hydrometrics, Todd GW)												Scheduled for Board meeting =		
Seawater Intrusion Detection & Tracking/ Analysis & SIAR (Hydrometrics & MPWMD)												Imminent Critical Deadline =		
Refine and/or Update Basin Management Action Plan (Hydrometrics & MPWMD)												Revised September 26, 2016		

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D-R-A-F-T
MINUTES

**Seaside Groundwater Basin Watermaster
Technical Advisory Committee Meeting
June 8, 2016**

Attendees: TAC Members

City of Seaside – Scott Ottmar (via telephone)
California American Water – Roger Hulbert
City of Monterey – Laurie Williamson (via telephone)
Laguna Seca Property Owners – Bob Costa
MPWMD – Joe Oliver
MCWRA – German Criollo
City of Del Rey Oaks – No Representative
City of Sand City – Leon Gomez (via telephone)
Coastal Subarea Landowners – No Representative

Watermaster

Technical Program Manager - Robert Jaques

Consultants

HydroMetrics – Georgina King (via telephone)

Others

None

The meeting was convened at 1:37 p.m. after a quorum had been established.

1. Public Comments

There were no public comments.

2. Administrative Matters:

A. Approve Minutes from the March 9, 2016 Meeting

On a motion by Mr. Oliver, seconded by Mr. Gomez the minutes from this meeting were unanimously approved as presented.

B. Progress Update on Salinas River Groundwater Basin Investigation Model TAC

Mr. Jaques summarized the agenda packet materials for this item. There was no other discussion of the item.

C. Sustainable Groundwater Management Act (SGMA) Update

Mr. Jaques summarized the agenda packet materials for this item. There was no other discussion of the item.

D. Proposed Method of Having the Watermaster's Volunteer Monitoring Well Data Submitted to the State's CASGEM Database

Mr. Oliver reported that MPWMD has started working with the CASGEM system to incorporate the Watermaster's Volunteer Monitoring Wells into their regular CASGEM reports. However, they have encountered some unanticipated complexity with the CASGEM data management system. In spite of this Mr. Oliver was optimistic that they would be able to perform the work and stay within the amount authorized by their RFS No. 2016-01. This would be accomplished by using monies for Item I.4.c of that RFS which will likely not need to be spent on working with HydroMetrics to prepare the 2016 SIAR. He noted that MPWMD currently performs semi-annual CASGEM reporting, whereas for Adjudicated Basin's DWR is requiring quarterly reporting. Mr. Criollo said he concurred with having MPWMD perform the Watermaster's CASGEM data reporting since it would be time-consuming to have the Watermaster do the reporting itself. On a motion by Ms. Williamson, seconded by Mr. Costa, the TAC unanimously approved having MPWMD perform the work by using unspent monies from their RFS No. 2016-01.

3. Request from HydroMetrics LLC for Additional Compensation for RFS No. 2015-04

Mr. Jaques summarized the agenda packet materials for this item.

Mr. Oliver asked Ms. King if one option, in the event the TAC felt that additional compensation should be paid for the cost overrun, would be to transfer unspent monies from other HydroMetrics RFSs. Ms. King responded that under the "General Consulting" RFS (RFS No. 2016-10) there may be monies remaining. After checking her records she found that there was approximately \$10,900 remaining unspent under that RFS. She also noted that the SIAR RFS (RFS No. 2016-02) often has unspent monies left in it after the SIAR has been completed. Mr. Oliver asked the TAC if there was any feeling that the complexity and/or pace of getting the modeling work done caused more work to be done than HydroMetrics had anticipated.

Mr. Hulbert commented that when a consultant identifies a potential cost overrun the client should be promptly notified, rather than after the overrun has occurred.

Mr. Ottmar asked if the additional work outlined in Ms. King's March 16, 2016 letter had been performed and if it was beyond the scope of the RFS for this work. Mr. Jaques responded that the Watermaster cannot tell precisely what work the consultant envisioned performing when they prepared their scope and cost proposal, i.e. the scope is generally reasonably broad rather than detailed enough to determine if the work was beyond the scope they envisioned. However, the work described in Ms. King's letter does fall within the description of the work to be performed as set forth in the RFS.

At this point in the discussion Ms. King excused herself and concluded her participation in the meeting.

Mr. Costa noted that over the past number of years HydroMetrics has done a considerable amount of work for the Watermaster and has received considerable compensation for that work. He felt that HydroMetrics should be responsible for absorbing the amount of this cost overrun.

After further brief discussion there was consensus to continue discussion of this matter to the next TAC meeting. In the meantime Mr. Jaques will obtain accounting information on each of HydroMetrics' RFSs for 2016 to determine if there are monies left unspent in any of them, and will provide that information to the TAC when discussion of this matter is continued. He will also contact HydroMetrics to discuss the matter with them and report back to the TAC on the outcome of that discussion.

4. Schedule

With regard to ID Nos. 50 and 51 in the Schedule, Mr. Jaques briefly discussed the upcoming Status Conference with the newly appointed Judge who is overseeing the Adjudication Decision. There was no other discussion of the item.

5. Other Business

Mr. Oliver proposed that MPWMD's Water Quality/Water Level (WQ/WL) Report be streamlined to reduce costs and to avoid redundancy with the SIAR, which covers some of the same material that MPWMD's Report does. He explained that when the Adjudication Decision was issued in 2006 this type of data was not being documented, so it was beneficial to have MPWMD prepare their in-depth WQ/WL Reports. However, now that the SIAR is being prepared annually there is no longer a need for the depth of data analysis that is included in the WQ/WL Reports. He recommended that future WQ/WL Reports contain a compilation of the data, and that only anomalies or unusual findings would be reported in the Reports. The Reports would take the form of simple "letter reports" rather than the more comprehensive reports that have been prepared in the past. The Reports could also be posted to the Watermaster's website so the data would be available to interested parties. He pointed out that the SIAR provides the necessary data analysis to alert the Watermaster of any concerns regarding incipient seawater intrusion. Mr. Oliver said he felt that streamlining the Reports could save the Watermaster approximately \$3,000/year.

Mr. Jaques said he concurred with Mr. Oliver's proposal and will put this topic on the next TAC agenda for discussion and potential TAC approval of a change in scope and cost for this work.

6. Set Next Meeting Date

The next regular meeting will be held on Wednesday July 13, 2016 at 1:30 p.m. at the MRWPCA Board Room.

The meeting adjourned at 2:43 p.m.

D-R-A-F-T
MINUTES

**Seaside Groundwater Basin Watermaster
Technical Advisory Committee Meeting
July 13, 2016**

Attendees: TAC Members

City of Seaside – Scott Ottmar (via telephone)
California American Water – Roger Hulbert
City of Monterey – Laurie Williamson (via telephone)
Laguna Seca Property Owners – No Representative
MPWMD – Joe Oliver
MCWRA – German Criollo (via telephone)
City of Del Rey Oaks – No Representative
City of Sand City – Leon Gomez (via telephone)
Coastal Subarea Landowners – No Representative

Watermaster

Technical Program Manager - Robert Jaques

Consultants

HydroMetrics – Georgina King (via telephone)

Others

None

The meeting was convened at 1:34 p.m. after a quorum had been established.

1. Public Comments

There were no public comments.

2. Administrative Matters:

B. Approve Minutes from the June 8, 2016 Meeting

Ms. Williamson requested that the wording in the Minutes on page 4 of the Agenda packet, for Item 3 of that meeting, be revised to clarify that Mr. Hulbert asked Ms. King if she would leave the meeting and the TAC would then continue discussion on that item, and that Ms. King agreed to do so. With this revision made, on a motion by Mr. Oliver, seconded by Ms. Williamson the minutes from this meeting were unanimously approved.

C. Sustainable Groundwater Management Act (SGMA) Update

Mr. Jaques summarized the agenda packet materials for this item. There was no other discussion of the item.

3. Amendment to MPWMD RFS No. 2016-01

Mr. Jaques summarized the agenda packet materials for this item and responded to questions from Ms. Williamson. On a motion by Mr. Criollo, seconded by Mr. Gomez Amendment No. 1 to MPWMD RFS No. 2016-01 was unanimously approved as presented.

4. Continued Discussion of Request from HydroMetrics LLC for Additional Compensation for RFS No. 2015-04

Mr. Jaques summarized the agenda packet materials for this item, and Mr. Hulbert opened the item for discussion.

Mr. Oliver asked if the work described in item 2 on page 18 of the agenda packet (the HydroMetrics' letter) was included in the scope of work of their contract. Mr. Jaques responded that the scope of work does not list all of the specifics of what the consultant will need to do to carry out the work assignment. He went on to say that in his opinion the contract language was broad enough with regard to the issues raised in that item of the HydroMetrics' letter that those issues were within their authorized scope of work.

Mr. Criollo commented that as an Alternate member of the TAC he was not involved in the previous discussions of this topic. He went on to say that in working with consultant contracts he would want a written approved authorization in advance of the consultant performing work that would result in costs being incurred that would exceed the originally authorized amount. Mr. Hulbert said he concurred with this.

Mr. Hulbert asked Ms. King why a request for additional compensation was not made before performing the work their letter described as being beyond the scope of their contract. Ms. King responded that HydroMetrics spent additional time to respond to questions and to make clarifications that were requested, and that they had not originally intended to prepare a comparison to the Safe Yield Study. She said they felt their work needed to be completed rapidly, and that they did not identify the cost overrun until after it had already occurred.

Mr. Hulbert described these options for the TAC to consider: (1) approve the Technical Program Manager's recommendation as set forth in the Agenda packet, or (2) provide other direction on what the Technical Program Manager should do. Mr. Ottmar made a motion recommending approval of the Technical Program Manager's recommendation and Ms. Williamson seconded the motion. On a vote of 5 to 1 the motion passed, with Mr. Oliver dissenting. Mr. Oliver commented that he could consider the preparation of a comparison to the Safe Yield Study as being out-of-scope work.

5. Schedule

There was discussion of several topics described on page 20 of the Agenda packet:

- Due to Mr. Oliver's upcoming retirement, MPWMD will be temporarily short-staffed. With regard to preparing the Monitoring Well Report under Task I.2.b.6 of MPWMD's RFS No. 2016-01 Mr. Oliver felt there were two options: (1) See if HydroMetrics could prepare this report instead of having MPWMD prepare it, or (2) defer having the report prepared until MPWMD was able to fill its staffing vacancies, either later this year or in 2017. Mr. Oliver went on to say that he did not feel preparing the report was a time-critical activity, and that it could be deferred until there was adequate MPWMD staff to prepare it. He said that if the decision was made to ask HydroMetrics to prepare the report, it would take MPWMD some time to compile and send to HydroMetrics the data and information that would be needed to prepare the report. Mr. Jaques recommended having MPWMD prepare the report as soon as they had adequate staff

to do so, but said he understood it was unlikely the report would be ready in time to be included in the Watermaster's 2016 Annual Report. He said he anticipated that the Monitoring Well Report would be included in the 2017 Annual Report, not the 2016 Annual Report.

- Also due to MPWMD being short-staffed, Mr. Oliver reported that preparation of the Q1/Q2 water level and water quality report would likely be delayed to the point that it would make sense to forgo it this year and just have the full Water Year water level and water quality report included in the Annual Report.
- Mr. Jaques summarized the items on page 20 of the Agenda packet which he envisioned being included as revisions in the 2017 Management and Monitoring Program (M&MP), and asked TAC members to notify him if they had any other revisions they would like to have considered when the topic comes to the TAC for discussion at the August 10 TAC meeting.

Mr. Oliver provided a brief oral update on the issues that had delayed MPWMD's submittal of the Watermaster's Voluntary Well data to the CASGEM system. He said that those issues had been resolved and that this data will likely be submitted in August.

6. Other Business

There was no Other Business to discuss.

7. Set Next Meeting Date

The next regular meeting will be held on Wednesday August 10, 2016 at 1:30 p.m. at the MRWPCA Board Room.

The meeting adjourned at 2:15 p.m.

D-R-A-F-T
MINUTES

**Seaside Groundwater Basin Watermaster
Technical Advisory Committee Meeting
August 10, 2016**

Attendees: TAC Members

City of Seaside – Rick Riedl (via telephone)
California American Water – Roger Hulbert
City of Monterey – Laurie Williamson (via telephone)
Laguna Seca Property Owners – No Representative
MPWMD – Jon Lear
MCWRA – Peter Kwiek
City of Del Rey Oaks – No Representative
City of Sand City – Leon Gomez (via telephone)
Coastal Subarea Landowners – No Representative

Watermaster

Technical Program Manager - Robert Jaques

Consultants

None

Others

MRWPCA-Bob Holden

The meeting was convened at 1:34 p.m. after a quorum had been established.

1. Public Comments

There were no public comments.

2. Administrative Matters:

A. Approve Minutes from the July 13, 2016 Meeting

On a motion by Ms. Williamson, seconded by Mr. Gomez, the minutes from this meeting were unanimously approved as presented.

3. MRWPCA's Title 22 Engineering Report for the Pure Water Monterey Groundwater Replenishment Project

Mr. Jaques introduced this agenda topic. Mr. Holden then provided a PowerPoint presentation including the following points:

- He described the purpose of the public hearing as being to obtain public input on the project.
- He described the Pure Water Monterey project's purpose is to provide 3,500 acre feet per year of water to CAW by storing it in the Seaside Groundwater Basin for subsequent recovery and potable use.
- He said the facility will be completely new and separate from the existing Salinas Valley Reclamation Project facilities to avoid issues related to the Bureau of Reclamation loan that was used to help fund the Salinas Valley Reclamation Project facilities.

- The Pure Water Monterey project is expected to begin delivering water in early 2018. The first delivery will be approximately 1,000 acre feet to CAW as its operational reserve, then another 1,000 acre feet for drought reserve.
- He described the treatment steps which include ozonation, membrane filtration, reverse osmosis, advanced oxidation, and product water stabilization.
- A demonstration facility has been built for purposes of conducting tours and providing public education on the treatment processes.
- No DDT or dieldrin has been detected in the pilot testing product water. The Pure Water Monterey treatment steps are very effective at removing these constituents.
- Constituents of Emerging Concern were very well removed by the treatment processes.
- The pilot study product water met all applicable drinking water standards.
- The Injection Facilities will be located east of General Jim Moore Boulevard on the former Fort Ord.
- Monitoring wells will monitor water quality in the Paso Robles and Santa Margarita aquifers.
- CEQA modeling work was done by Hydrometrics using the Watermaster's groundwater model. Mr. Holden described the method that Title 22 prescribes for determining travel time from injection wells to the nearest production well.
- They will probably use intrinsic tracers rather than injected tracers due to problems associated with using injected tracers, but they are still looking into this possibility. Tracers are used to determine travel time in the groundwater aquifers.
- Construction is likely to start in early 2017 and the facilities are expected to begin producing water for testing purposes in late 2017. Complete construction and delivery of water to the Seaside Basin is projected to occur in March 2018
- He described the regulatory compliance issues which include the number of log removals of pathogens, RRT, chemical constituent limits, primary and secondary and MCLs for drinking water, and anti-degradation policy requirements.
- He noted that Water Factory 21 in Orange County discovered that dioxane and NDMA were getting through their R0 process and their Response Retention Time plan came into play. At the time that project was developed there were no regulatory requirements for these particular constituents. The Pure Water Monterey advanced oxidation process removes these constituents. So the Pure Water Monterey's response retention time would likely only come into play if a new constituent of concern emerges. They would probably use granular activated carbon for wellhead treatment, but they do not anticipate that this will be necessary.
- He discussed the groundwater quality field programs that were used to assess geochemical and other issues.
- Although the city of Seaside well is the closest well to the injection wells, the travel time to reach there is quite long-over a year.

- Comments will be accepted up to ten days after the public hearing, and then the Final Engineering Report will be prepared and submitted to the Department Drinking Water for permit issues purposes. Comments should be sent to MRWPCA.

Mr. Riedl pointed out that considerable time may be needed to process the project for approvals from the City of Seaside. He expressed concern about the discussion in the Engineering Report with regard to the Response Retention Time and proposed response actions if any groundwater quality issues are encountered. The Engineering Report includes asking pumpers to shut down wells as one of the possible response actions, and said he felt this was unrealistic in situations where there was no other source of water to supply the demand. Mr. Riedl questioned why Seaside had not been invited to participate in the development of the response actions. Mr. Holden responded that as the Response Plan is further developed and refined, Seaside, CAW, and others will be involved. Mr. Holden described experience with Response Retention Time issues in other projects and some treatment methods that could be used to respond to groundwater quality problems.

Mr. Riedl asked for information on the schedule so he could estimate staff time for Seaside's approval processes. He also asked about "water banking" which must be approved by the Watermaster. Mr. Jaques commented that the Watermaster raised this with MRWPCA during the CEQA process. Mr. Holden said the water will become CAW's under the water purchase agreement that is currently before the Public Utilities Commission for approval. He went on to say that it was his understanding that CAW would be the party to pursue a storage agreement with the Watermaster. Mr. Jaques asked Mr. Hulbert to pursue this, noting that this was a topic that Mr. Sabolsice had brought up earlier but decided to defer until more details about the project and water quality were available.

Mr. Hulbert asked if any evaluation of threshold odor number issues had been performed. Mr. Holden said he was not sure but would look into this.

Mr. Riedl asked some questions about CAW's 700 acre feet per year groundwater replenishment commitment to the Watermaster and there was some discussion on this matter.

Mr. Riedl noted that on page 10 of the agenda packet it says that the number of the injection wells is uncertain until more testing is completed. Mr. Holden explained that the project will be moving forward with well drilling tests as soon as necessary approvals can be obtained. He also discussed "buffer zone" questions with Mr. Riedl. There was also some discussion about the taste-testing findings when people tasted the water.

Mr. Jaques said he would send a letter containing the comments contained on page 6 of today's agenda packet to MRWPCA.

Mr. Hulbert commented that using "bottled water" as a potential response tool is not realistic.

Mr. Holden said he would provide a copy of his PowerPoint slides to Mr. Jaques who in turn will send them to TAC members.

4. Initial Discussion Regarding Scope of Work for Monitoring and Management Program (M&MP) for FY 2017

Mr. Jaques summarized the agenda packet materials for this item. Mr. Lear and Mr. Jaques clarified some of the items during discussion of this topic. Mr. Lear said that the CASGEM reporting process was moving along after some of the batch-uploading problems that DWR had encountered with the system had been corrected. He said that the Watermaster's data will probably be input within the next month. He also said that data updates would be made each quarter into the CASGEM system.

No changes to the Draft Scope of Work for Monitoring and Management Program (M&MP) for FY 2017 were proposed or requested, so the Draft version will be finalized for presentation to the TAC for approval at its September meeting.

5. Schedule

Mr. Jaques summarized the agenda packet materials for this item and highlighted several of the items that are discussed on page 25 the agenda packet.

6. Other Business

Mr. Jaques said that with the retirement of Mr. Oliver, who has been the Vice Chairperson, it would be appropriate for the TAC to elect a replacement Vice Chairperson. Mr. Hulbert said he had discussed this with Mr. Lear, and that Mr. Lear had indicated a willingness to take on this responsibility. Ms. Williamson said she did not know Mr. Lear and he introduced himself. Mr. Jaques will put election of a new Vice Chairperson on the next TAC agenda as an action item.

7. Set Next Meeting Date

The next regular meeting will be held on Wednesday September 14, 2016 at 1:30 p.m. at the MRWPCA Board Room.

The meeting adjourned at 2:50 p.m.

D-R-A-F-T
MINUTES

**Seaside Groundwater Basin Watermaster
Technical Advisory Committee Meeting
September 14, 2016**

Attendees: TAC Members
City of Seaside – Rick Riedl (via telephone)
California American Water – Eric Sabolsice
City of Monterey – Laurie Williamson (via telephone)
Laguna Seca Property Owners – No Representative
MPWMD – Jon Lear
MCWRA – Howard Franklin
City of Del Rey Oaks – No Representative
City of Sand City – Leon Gomez (via telephone)
Coastal Subarea Landowners – No Representative

Watermaster
Technical Program Manager - Robert Jaques

Consultants
None

Others
MCWD – Keith Van Der Maaten, General Manager
Todd Groundwater – Phyllis Stanin

The meeting was convened at 1:34 p.m. after a quorum had been established.

1. Public Comments

There were no public comments.

2. Administrative Matters:

A. Approve Minutes from the August 10, 2016 Meeting

On a motion by Mr. Lear, seconded by Mr. Franklin, the minutes from this meeting were unanimously approved as presented.

B. Election of New Vice Chairperson

Mr. Jaques summarized the agenda packet materials for this item. Mr. Lear said he would be willing to serve as Vice Chair. Mr. Franklin nominated Mr. Lear to fill the position of Vice Chair and Mr. Sabolsice seconded that nomination. Mr. Sabolsice asked if there were any other nominations. Hearing no other nominations Mr. Sabolsice closed the nomination process. On a unanimous vote the TAC elected Mr. Lear to serve as Vice Chair.

C. Report on MRWPCA's Public Hearing for its Title 22 Engineering Report for the Pure Water Monterey Groundwater Replenishment Project

Mr. Jaques summarized the agenda packet materials for this item.

The question was asked about what the next steps will be in this process. Mr. Jaques said it was his understanding that the State Department of Drinking Water would review the comments and MRWPCA's responses to them, and determine if the Final version of the Title 22 Engineering Report was acceptable. If it is acceptable, DDW would approve the Title 22 Engineering Report. Thereafter, the RWQCB would prepare a permit for the Project, incorporating any requirements proposed by DDW.

Ms. Stanin (who is serving as a consultant to MRWPCA on the Pure Water Monterey Project) responded that comments were received up until the comment deadline of September 2, 2016, and that no comments after that date would be considered. MRWPCA is in the process of preparing responses to comments, in a prioritized sequence, responding to the more critical comments first. Responses will be posted to the Pure Water Monterey Project's website. Mr. Jaques asked if commenters would be notified by MRWPCA when the response to their comments had been posted. Ms. Stanin said she would see that the Watermaster and the City of Seaside were notified when the responses to their comments had been posted.

Mr. Riedl asked about the land use restrictions described in the Title 22 Engineering Report, and what area was included in those restrictions. Mr. Jaques responded that Title 22 requires that a zone of controlled well construction (control zone) be delineated around the Project injection wells based on the Response Retention Time travel time. The RRT is specified in the Title 22 Engineering Report. Ms. Stanin went on to describe the Buffer Zone that is also required around the ASR wells by Title 22.

D. Sustainable Groundwater Management Act (SGMA) Update

Mr. Jaques summarized the agenda packet materials for this item. There were no questions or discussion of the item.

3. Discussion of Marina Coast Water District's Plans to Form a Groundwater Sustainability Agency

Mr. Jaques summarized the agenda packet materials for this item, and Mr. Van Der Maaten elaborated on Mr. Jaques comments.

Mr. Sabolsice asked Mr. Van Der Maaten if MCWD's proposed GAS boundary included any of California Water Service's service area. Mr. Van Der Maaten responded that the proposed boundary is only within MCWD's service area. He added that MCWD will continue to participate in the County's Collaborative Work Group that is working on developing the GSA for the other portions of the Salinas Valley Basin. He went on to say that MCWD plans to submit its GSA request to DWR this week, and that DWR has 90 days to respond to the request. If there are no objections, it is expected that DWR would then approve the request.

Mr. Sabolsice asked Mr. Jaques how coordination between the Watermaster and the GSA(s) of the subbasins adjoining the Adjudicated Seaside Basin boundary would be accomplished. Mr. Jaques responded that DWR does not lay out any requirements or guidelines on that matter, but he said he envisioned the Watermaster and the GSA(s) would meet to discuss issues of mutual interest and/or concern and try to come to agreement on the actions that these parties could take to address those issues. In any event SGMA does require that the GSAs develop Groundwater Sustainability Plans that will ensure that the subbasins that are covered by those GSAs are managed in a sustainable manner.

4. Revise Sampling Frequency for Sand City Public Works Well

Mr. Jaques summarized the agenda packet materials for this item.

Mr. Lear asked Mr. Jaques how the Court would be notified of the revised sampling frequency. Mr. Jaques responded that the topic would be included in the Watermaster's 2016 Annual Report.

Mr. Riedl asked how the conclusion was drawn regarding seawater intrusion in the Public Works Well. Mr. Lear provided an explanation, since he had been involved in preparing MPWMD's report on this topic. He explained that unlike most other wells in this part of the Seaside Basin, the Public Works Well is perforated in a shallow dune formation that contains brackish water. The brackish water has shown variations in water quality that are different from the variations in seawater itself, thus indicating that the variations are not due to seawater intrusion.

On a motion by Mr. Sabolsice, seconded by Mr. Lear, the proposal to reduce the water quality monitoring frequency for the Public Works Well from quarterly to annually was unanimously approved. Mr. Lear added that MPWMD takes monthly conductivity readings at this well when it is there to get water level measurements, and is thereby monitoring the salinity of the well on a regular basis.

5. Approve Work Plan for FY 2017 Management and Monitoring Program (M&MP) and FY 2017 and 2018 M&MP Operations and Capital Budgets

Mr. Jaques summarized the agenda packet materials for this item.

Mr. Riedl asked if the Watermaster's Budget and Finance Committee would be considering these documents at its September 16 meeting and Mr. Jaques said yes.

On a motion by Mr. Riedl, seconded by Mr. Sabolsice, the Work Plan for the FY 2017 Management and Monitoring Program (M&MP) and the FY 2017 and 2018 M&MP Operations and Capital Budgets were unanimously approved.

6. Schedule

Mr. Jaques highlighted that there will not be a need for the TAC to meet in October, and that the next TAC meeting would be in November, probably on November 16 which is the 3rd, not the 2nd, Wednesday in November. However, an email will be sent out in early November confirming the meeting date.

7. Other Business

There was no other business to discuss.

8. Set Next Meeting Date

There will be no TAC meeting in October. The next regular meeting date will be in November, tentatively set for November 16. However, the date will be confirmed via email to TAC members in early November. The meeting will be held on a Wednesday at 1:30 p.m. at the MRWPCA Board Room

The meeting adjourned at 2:16 p.m.

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EXEMPT FROM FILING FEES
(Cal. Gov. Code § 6103)

8 Attorneys for Seaside Groundwater Basin Watermaster

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF MONTEREY

11 CALIFORNIA AMERICAN WATER,
12 Plaintiff,
13 v.
14 CITY OF SEASIDE, et al.,
15 Defendants.

Case No. M66343

Assigned for All Purposes to the
Honorable Leslie C. Nichols

**NOTICE OF FURTHER STATUS
CONFERENCE HEARING**

16 MONTEREY PENINSULA WATER
17 MANAGEMENT DISTRICT,
18 Intervenor.

DATE: March 17, 2017
TIME: 9:00 a.m.
DEPT.: 13

Action Filed: August 14, 2003
Trial Date: December 13, 2005

19 MONTEREY COUNTY WATER
20 RESOURCES AGENCY,
21 Intervenor.

22 AND RELATED CROSS-ACTIONS.
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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

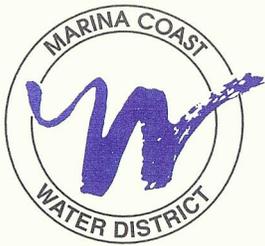
PLEASE TAKE NOTICE that the Court has set a further Status Conference Hearing in the above-referenced matter for March 17, 2017, at 9:00 a.m., in Dept. 13 of the above-entitled Court, located at 1200 Aguajito Road, Monterey, California.

Dated: June 20, 2016

**BROWNSTEIN HYATT FARBER
SCHRECK, LLP**

By: 

RUSSELL M. MCGLOTHLIN
Attorneys for Seaside Groundwater Basin
Watermaster



MARINA COAST WATER DISTRICT

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Home Page: www.mcwd.org

TEL: (831) 384-6131 • FAX: (831) 883-5995

September 21, 2016

Seaside Groundwater Basin Watermaster
Chair Ralph Rubio
P.O. Box 51502
Pacific Grove, CA 93950

Re: Groundwater Sustainability Agency

Dear Chair Rubio;

After many months of research, study and discussion, the Marina Coast Water District (MCWD) Board of Directors on September 6, 2016 conducted a public hearing on whether to form one or two Exclusive Groundwater Sustainability Agencies (GSAs) for the Seaside Area and Corral de Tierra Subbasins within our service area. At that hearing, the Board voted unanimously to proceed with the formation of a GSA for each of the afore mentioned areas. The Board did not form a third GSA for its service area within the 180/400 Foot Aquifer Subbasin, which has been designated by the State as a Critically Overdrafted Subbasin, but reserves the right to do so if necessary to protect MCWD's groundwater rights. Attached are the exhibit maps for the proposed MCWD GSA areas that were submitted to the Department of Water Resources.

I think it is important that you, as a regional leader and stakeholder, understand MCWD's motivations to pursue this path to avoid any misunderstanding.

The 2014 State Groundwater Management Act defines "basin" as subbasin or basin and the Department of Water Resources' staff have further explained that in multi-subbasin groundwater basins, SGMA GSA and Groundwater Sustainability Plan (GS Plan) requirements apply to each subbasin and not to the larger basin as a whole. It's fundamental to the implementation of SGMA that each subbasin be viewed as the individual building block for effective sustainable groundwater management. Under SGMA, each subbasin is required to have one or more GSAs and a GS Plan or coordinated GS Plans. While it's still early in this process and the eventual outcomes are unknown at this time, I can assure you that MCWD will approach the development of GS Plans for the respective GSA areas in a collaborative fashion with other GSAs serving the Salinas Valley Groundwater Basin (SVGB).

MCWD has a unique profile of customers. Our approximately 33,000 customers are almost exclusively residential users with a diverse socio-economic demographic profile. Formation of GSAs within the MCWD service areas ensures that our ratepayers have a voice in the management of their only water source. In a recent survey of our ratepayers, we learned of their strong desire for MCWD to focus on regional collaboration to secure future water supplies and to keep rates affordable. We view formation of GSAs very much in keeping with the desires of the ratepayers to whom we are ultimately accountable.

MCWD has proven its commitment to collaboratively identify regional solutions to secure future water supplies for the Monterey Region. Examples include the recent completion of the Urban Water Management Plan; water facility master planning; implementing the Regional Urban Water Augmentation Plan (RUWAP); securing 1,427 acre-feet per year of advanced treated water (Pure Water Monterey) for the Ord Community; entering into an agreement with MRWPCA to design, finance, construct, own and operate the Pure Water Monterey transmission pipeline; entering into a three-party agreement with FORA and MRWPCA to identify 973 acre-feet of water to satisfy the vision established via the Fort Ord Base Reuse Plan. Implementation of SGMA will require that the GS Plan be consistent and complimentary with these efforts. Establishing GSAs as MCWD has proposed will also allow us the flexibility to pursue the most cost effective solutions.

For nearly 60 years, MCWD has effectively and responsibly managed its water supply and defended its rights while collaborating with organizations and leaders such as yourself. We have given the formation of GSAs a great deal of study and thought and do not take this policy decision lightly. If you have any questions or require any additional information, I am happy to meet at a mutually convenient time.

Sincerely,
MARINA COAST WATER DISTRICT



Keith Van Der Maaten,
General Manager

Attachments:

- Attachment 1: "Exhibit 5: MCWD GSA Map- Seaside Area Subbasin"
- Attachment 2: "Exhibit 3: MCWD GSA Map-Corral De Tierra Subbasin"

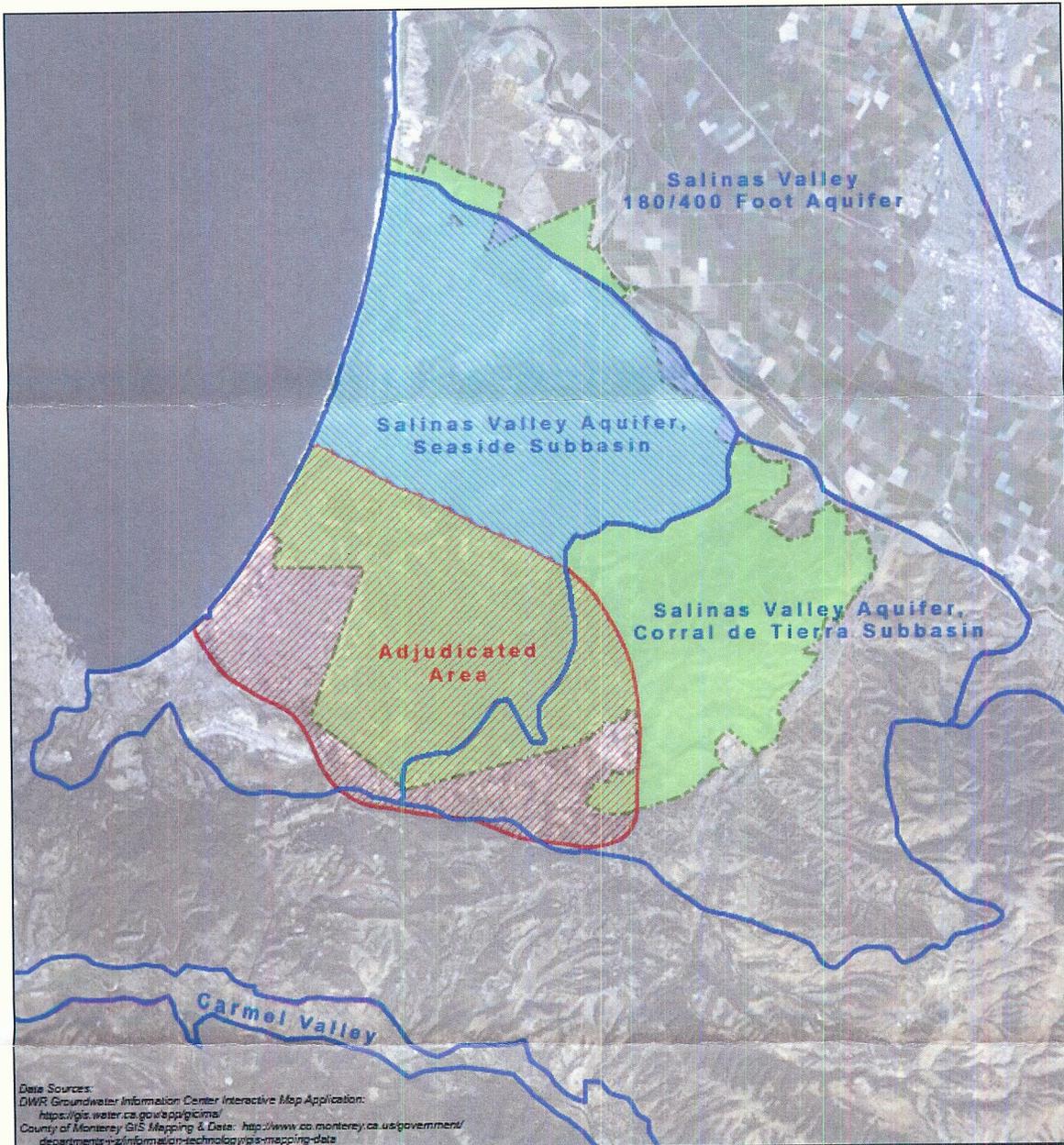
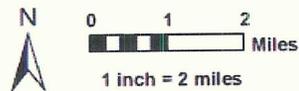
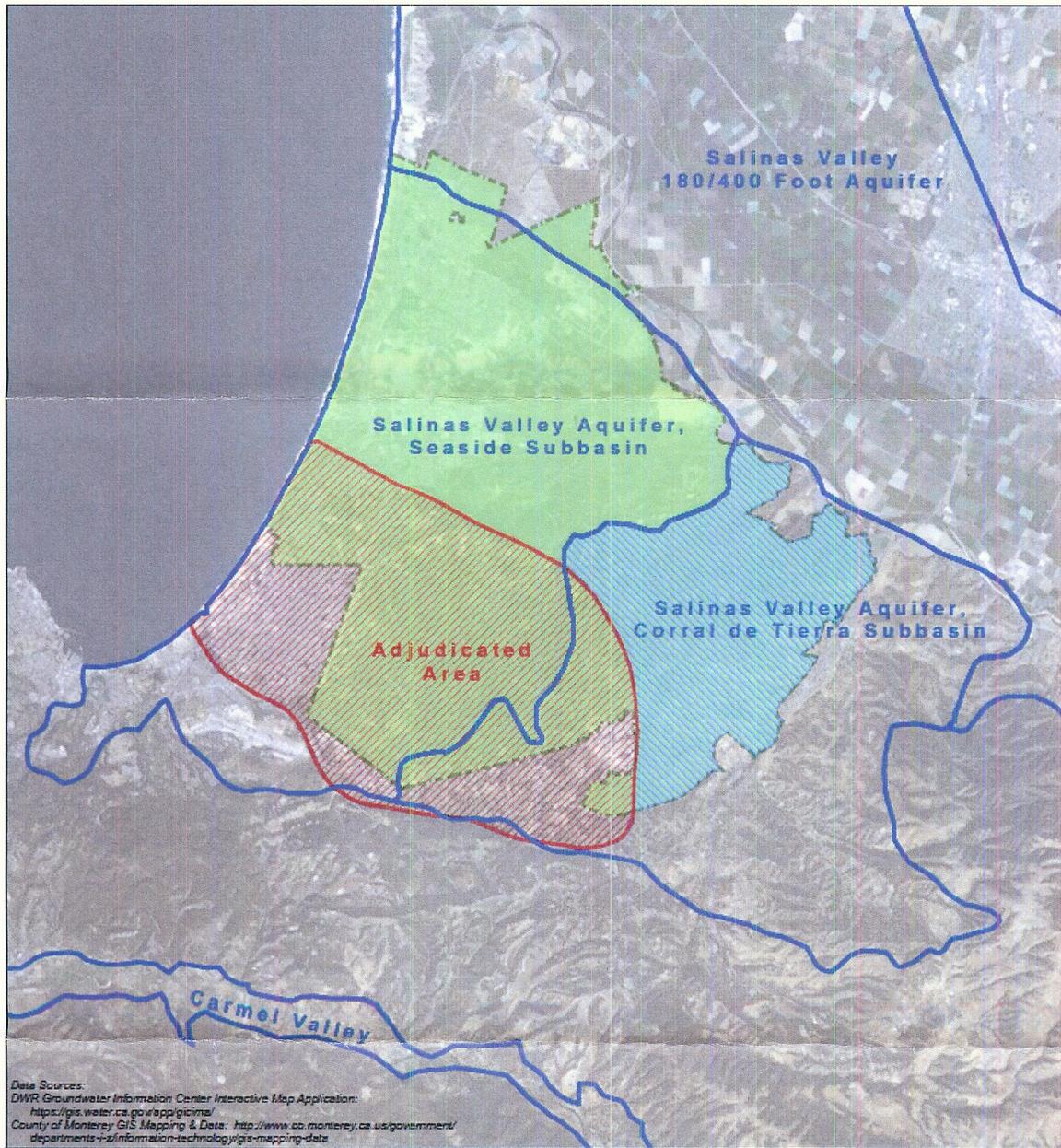


Exhibit 5: MCWD GSA Map - Seaside Area Subbasin

-  Marina Coast Water District service area
-  Proposed MCWD GSA Area - Seaside Subbasin
-  Adjudicated Seaside Groundwater Basin
-  Bulletin 118 Groundwater Basin boundary



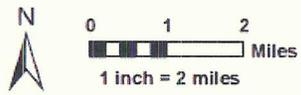
Map Date: September 2016



Data Sources:
 DWR Groundwater Information Center Interactive Map Application:
<https://gis.water.ca.gov/app/gicims/>
 County of Monterey GIS Mapping & Data: <http://www.co.monterey.ca.us/government/departments-2/information-technology/gis-mapping-data>

Exhibit 3: MCWD GSA Map - Corral de Tierra Subbasin

-  Marina Coast Water District service area
-  Proposed MCWD GSA Area - Corral de Tierra Subbasin
-  Adjudicated Seaside Groundwater Basin
-  Bulletin 118 Groundwater Basin boundary



Map Date: September 2016

Seaside Groundwater Basin Watermaster

Reported Quarterly and Annual Water Production From the Seaside Groundwater Basin For All Producers Included in the Seaside Basin Adjudication -- Water Year 2016 (All Values in Acre-Feet [AF])

	Type	2015			2016			2017			2018			2019			Reported Total	Yield Allocation	from WY 2015	for WY 2016	
		Oct	Nov	Dec	Oct-Dec 15	Jan	Feb	Mar	Jan-Mar 16	Apr	May	Jun	Apr-Jun 16	Jul	Aug	Sep					Jul-Sep 16
<u>Coastal Subareas</u>																					
CAW - Coastal Subareas	SPA	257.59	165.72	97.15	520.46	68.73	24.90	119.32	212.95	28.99	68.07	132.39	229.45	0.00	0.00	0.00	0.00	962.86	2,254.40	0.00	2,254.40
City of Seaside (Municipal)	SPA	16.53	13.67	13.04	43.24	13.55	13.67	14.99	42.22	16.79	18.55	17.89	53.23	18.50	0.00	0.00	18.50	157.18	184.96	0.00	184.96
Granite Rock Company	SPA	--	--	--	0.00	--	--	--	0.00	--	--	--	0.00	--	--	--	0.00	0.00	17.45	217.87	235.32
DBO Development No. 30	SPA	--	--	--	0.00	--	--	--	0.00	--	--	--	0.00	--	--	--	0.00	0.00	31.66	423.06	454.72
Calabrese (Cypress Pacific Inv.)	SPA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--	--	0.00	0.00	0.00	4.24	4.24	8.48
City of Seaside (Golf Courses)	APA	39.90	6.77	0.07	46.75	0.00	7.43	15.13	22.56	57.31	64.40	70.53	192.23	78.13	0.00	0.00	78.13	339.67	540.00		540.00
Sand City	APA	0.07	0.06	0.07	0.20	0.04	0.06	0.07	0.17	0.01	0.05	0.05	0.11	0.00	0.00	0.00	0.00	0.48	9.00		9.00
SNG (Security National Guaranty)	APA	--	--	--	0.00	--	--	--	0.00	--	--	--	0.00	--	--	--	0.00	0.00	149.00		149.00
Calabrese (Cypress Pacific Inv.)	APA	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.07	0.00	0.00	0.06	0.06	--	--	0.00	0.00	0.13	6.00		6.00
Mission Memorial (Alderwoods)	APA	1.67	0.45	0.01	2.13	0.01	0.05	0.04	0.11	0.81	1.70	1.91	4.41	0.00	0.00	0.00	0.00	6.65	31.00		31.00
Coastal Subareas Totals					612.77				278.07				479.50				96.62	1,466.97	3,227.70	645.17	3,872.87
<u>Laguna Seca Subarea</u>																					
CAW - Laguna Seca Subarea	SPA	30.62	20.97	19.70	71.29	18.69	18.71	19.21	56.61	24.79	29.77	40.04	94.60	0.00	0.00	0.00	0.00	222.50	48.30		48.30
Ryan Ranch Unit		5.12	3.46	3.36	11.94	3.51	4.77	5.06	13.34	4.66	5.62	12.54	22.82	0.00	0.00	0.00	0.00	48.10			
Hidden Hills Unit		12.34	8.69	7.85	28.88	7.11	7.43	7.36	21.90	10.12	11.11	12.54	33.77	0.00	0.00	0.00	0.00	84.55			
Bishop Unit		13.16	8.82	8.49	30.47	8.07	6.51	6.79	21.37	10.01	13.04	14.96	38.01	0.00	0.00	0.00	0.00	89.85			
Nicklaus Club Monterey	APA	3.67	0.00	0.00	3.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.90	0.00	0.00	18.90	22.57	251.00		251.00
Laguna Seca Golf Resort (Bishop)	APA	20.89	0.83	0.00	21.72	0.00	0.00	0.00	0.00	13.74	27.94	43.27	84.96	0.00	0.00	0.00	0.00	106.68	320.00		320.00
York School	APA	1.12	0.20	0.17	1.49	0.01	0.01	0.32	0.33	1.58	1.95	2.11	5.63	2.89	0.00	0.00	2.89	10.34	32.00		32.00
Laguna Seca County Park	APA	0.91	1.29	0.65	2.85	0.51	0.80	0.70	2.01	1.73	2.27	1.79	5.79	0.00	0.00	0.00	0.00	10.66	41.00		41.00
Laguna Seca Subarea Totals					101.01				58.96				190.99				21.79	372.74	692.30	0.00	692.30
Total Production by WM Producers					713.78				337.03				670.49				118.41	1,839.71	3,920.00	645.17	4,565.17
Annual Production from APA Producers																	497.17				
Annual Production from SPA Producers																	1,342.54				

<u>City of Seaside Golf Courses In-Lieu (MCWD source water)</u>																				
MCWD delivery		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>CAW / MPWMD ASR (Carmel River Basin source water)</u>																				
(Injection)		0.00	0.00	0.00	0.00	210.60	59.64	376.78	647.02	52.16	0.00	0.00	52.16	0.00	0.00	0.00	0.00	0.00	699.18	
Recovery		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149.45	149.45	0.00	0.00	0.00	0.00	0.00	149.45	
Net ASR		0.00	0.00	0.00	0.00	210.60	59.64	376.78	647.02	52.16	0.00	149.45	201.61	0.00	0.00	0.00	0.00	0.00	848.63	

- Notes:
- The Water Year (WY) begins October 1 and ends September 30 of the following calendar year. For example, WY 2016 begins on October 1, 2015, and ends on September 30, 2016.
 - "Type" refers to water right as described in Seaside Basin Adjudication decision as amended, signed February 9, 2007 (Monterey County Superior Court Case No. M66343).
 - Values shown in the table are based on reports to the Watermaster as received by MPWMD by January 15, 2016.
 - All values are rounded to the nearest hundredth of an acre-foot. Where required, reported data were converted to acre-feet utilizing the relationships: 325,851 gallons = 43,560 cubic feet = 1 acre-foot.
 - "Base Operating Yield Allocation" values are based on Seaside Basin Adjudication decision. These values are consistent with the Watermaster Producer Allocations Water Year 2016 (see Item IX C. in 12/2/2015 Board packet).
 - Any minor discrepancies in totals are attributable to rounding.
 - APA = Alternative Producer Allocation; SPA = Standard Producer Allocation; CAW = California American Water.
 - It should be noted that CAW/MPWMD ASR "Injection" and "Recovery" amounts are not expected to "balance" within each Water Year. This is due to the injection recovery "rules" that are part of SWRCB water rights permits and/or separate agreements with state and federal resources agencies that are associated with the water rights permits.
 - CAW now takes physical meter readings as of 1/15/13 per Eric Sabolsice instead of SCADA readings.

ITEM XII.

DIRECTORS' REPORTS

ITEM XIII.

**ADMINISTRATIVE
OFFICER COMMENTS**