

SEASIDE GROUNDWATER BASIN WATERMASTER

REGULAR BOARD MEETING AGENDA

WEDNESDAY, DECEMBER 1, 2010 - 2:00 P.M.

MEETING LOCATION

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

BOARD ROOM, 5 HARRIS COURT, BUILDING "D"

"RYAN RANCH"

MONTEREY, CALIFORNIA

WATERMASTER BOARD:

City of Seaside – Mayor Ralph Rubio, Chair

Coastal Subarea Landowner – Director Paul Bruno, Vice Chair

Monterey Peninsula Water Management District – Director Judi Lehman, Secretary

City of Del Rey Oaks – Mayor Jerry Edelen

California American Water – Director Craig Anthony

Laguna Seca Subarea Landowner – Director Bob Costa

City of Monterey – Mayor Chuck Della Sala

City of Sand City – Mayor David Pendergrass

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

I. CALL TO ORDER

II. ROLL CALL

III. MINUTES

The minutes of the Regular Board meeting of November 3, 2010 are attached to this agenda. The Board is requested to consider approving the minutes.

IV. REVIEW OF AGENDA

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

V. PUBLIC COMMUNICATIONS

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

VI. CONSENT CALENDAR

A. Consider Approval of Summary for Payments made during November, 2010 totaling **\$22,965.00**

B. Consider Fiscal Year Financial Reports through November 30, 2010

VII. ORAL PRESENTATION

None scheduled

VIII. OLD BUSINESS

- A.** Discussion/Consider Adopting for Water Year 2011 a **Declaration regarding the Availability of Artificial Replenishment Water** (Water Year 2011 Allocations attached)
- B.** Discussion/Consider Approving Watermaster Annual Report for WY 2010 due to be filed with the Court on or before December 31, 2010

IX. NEW BUSINESS

- A.** Discussion/Consider Approving Memorandum of Understanding (MOU) between the Monterey Peninsula Water Management District (MPWMD), the Marina Coast Water District (MCWD), the City of Seaside and the Seaside Groundwater Basin Watermaster regarding the repayment of 68.8 acre feet of water loaned by MCWD to MPWMD for aquifer storage and recovery testing done in January, 2009.

X. INFORMATIONAL REPORTS (No Action Required)

- A.** Timeline Schedule of Milestone Dates (Critical date monitoring)
- B.** Technical Advisory Committee (TAC) notes from October 13, 2010 meeting
- C.** Establishing Regular Board of Directors and Technical Advisory Committee (TAC) meeting dates for Calendar Year 2011

XI. DIRECTOR'S REPORTS

XII. EXECUTIVE OFFICER COMMENTS

XIII. NEXT REGULAR MEETING DATE –JANUARY 4, 2011 (MRWPCA-Board Room) 2:00 P.M.

XIV. ADJOURNMENT

This agenda was forwarded via e-mail to the City Clerks of Seaside, Monterey, Sand City and Del Rey Oaks; the Clerk of the Monterey Board of Supervisors, the Clerk to the Monterey Peninsula Water Management District; the Clerk at the Monterey County Water Resources Agency, Monterey Regional Water Pollution Control Agency and the California American Water Company for posting on November 23, 2010 per the Ralph M. Brown Act, Government Code Section 54954.2(a).

ITEM NO. III.

MINUTES

REGULAR MEETING
Seaside Groundwater Basin Watermaster
November 3, 2010

DRAFT MINUTES

I. CALL TO ORDER

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

II. ROLL CALL

City of Seaside – Mayor Ralph Rubio, Chair

City of Del Rey Oaks – Mayor Jerry Edelen

California American Water (“CAW”) – Director Craig Anthony

Monterey Peninsula Water Management District (“MPWMD”) – Director Judi Lehman, Secretary

Laguna Seca Subarea Landowner – Bob Costa

City of Monterey – Mayor Charles “Chuck” Della Sala

City of Sand City – Mayor David Pendergrass

Monterey County/Monterey County Water Resources Agency (“MCWRA”) – Supervisor Dave Potter

Absent: Coastal Subarea Landowner – Director Paul Bruno, Vice Chair

III. APPROVAL OF MINUTES

Moved by Director Lehman, seconded by Mayor Edelen, and unanimously carried, to approve the minutes of the Watermaster Special Meeting held September 22, 2010.

IV. PUBLIC PARTICIPATION/ORAL COMMUNICATIONS

There were no questions or comments from the public.

VI. CONSENT CALENDAR

A. Approval of Summary for Payments made during September and October, 2010 totaling \$49,283.40

B. Fiscal Year Financial Reports through October 31, 2010

C. Approval of the following Professional Service Contracts for Fiscal Year 2011

1) Two Contracts with MPWMD - one for \$81,010 covering normal M&MP tasks as in preceding years and the second for \$4,140 for continuing monitoring and other work on the Seaside Groundwater Basin Management and Monitoring Program (M&MP)

2) Two Contracts with HydroMetrics Water Resources, Inc.—one for \$22,020 to prepare the Seawater Intrusion Analysis Report (SIAR) for 2011 and the second for \$12,000 for providing ongoing and as requested general hydrogeologic consulting services during the year.

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

VII. ORAL PRESENTATION

There were no oral presentations.

VIII. OLD BUSINESS – None.

IX. NEW BUSINESS

A. COMMITTEE REPORTS

1. TECHNICAL ADVISORY COMMITTEE (“TAC”)

a) Consider Approving the Seawater Intrusion Analysis Report (SIAR) for FY 2010.

The Executive Summary was provided in the agenda packet for today’s meeting and the complete SIAR could be found on the Watermaster website at www.seasidebasinwatermaster.org. CEO Evans summarized the report findings stating that it had been determined that seawater intrusion could occur however none had to-date been observed. Technical Program Manager Robert Jaques stated that the SIAR was prepared each year to determine the health of the Basin with specific focus on whether there was any indication of seawater intrusion occurring or threatening to occur.

Moved by Director Lehman, seconded by Mayor Della Sala, and unanimously carried, to approve the Seawater Intrusion Analysis Report for Fiscal Year 2010.

b) Discussion/Consider approving a request to redefine a “quorum” and voting requirements for TAC meetings.

Mr. Jaques provided the TAC’s recommendation to the Board to 1) approve the language revisions to its Rules and Regulations to redefine a quorum and voting requirements for TAC meetings and 2) determine whether or not to continue having a Public Member on the TAC, and if having a Public Member is to be continued, to name a replacement for Mr. Fischer, who was recently deceased. CEO Evans provided the Board written alternate language developed by California American Water legal counsel regarding the quorum requirement. Legal Counsel Freeman stressed the need to follow the Brown Act interpreted to require a quorum based on a fixed number of committee members, a number that the Board could revise when desired. Mr. George Riley, Citizens for Public Water, addressed the board. He felt that the primary issue hindering the advancement of the Regional Water Project was fair representation of the public interest. He urged the Board to retain a public member on the TAC to enrich discussion, provide a level of transparency to the public in technical Watermaster issues, and aid in obtaining a quorum. Mr. Riley also stressed that the TAC should be comprised of members genuinely interested in the technical issues who attend meetings willingly. Mayor Pendergrass felt that a public member could potentially harbor a political agenda outside of the best interests of the Basin and could disrupt the committee’s progress. Each board member concurred to strive to get their respective representative to attend all TAC meetings.

Moved by Supervisor Potter, seconded by Mayor Edelen, and carried, with Mayor Pendergrass voting no, to approve the public member position remaining on the TAC with full voting membership.

The Board also concurred that the voting member be a resident within the Basin boundaries. Mr. Jaques suggested contacting city managers, elected officials, mayors, etc. and posting the recruitment on websites and in newsletters. Boundary maps of the Basin would be provided to the Board to help in the selection of the public member.

B. Discussion/Consider Adopting for Water Year 2011 a Declaration regarding the Availability of Artificial Replenishment Water

The Board received the 2011 Declaration of the availability of replenishment water and production limits. Also provided was the body of the 2010 Annual Report minus the attachments due to the full report being 198 pages. Mr. Jaques pointed out a correction on page 53: the administrative costs would be changed from \$90,000 to \$65,000. CEO Evans noted that the deadline for the filing of the 2010 Annual Report to court was November 15th; there simply was not enough time between the close of the water year on September 30th and the deadline of November 15th for filing the report to get it prepared in time, especially now that artificial replenishment water availability had to be articulated. Out of four other basins researched, the Seaside Basin had the shortest deadline requirement at 1.5 months for filing its report to court.

Director Anthony did not concur with staff that the 1,110.5 acre-feet of Aquifer Storage and Recovery (ASR) Program water pumped into the Basin was considered artificial replenishment. He stated that he could not approve the Annual Report if it included ASR water as replenishment to the Basin. Legal Counsel Freeman suggested that both staff's interpretation and CAW's interpretation be presented to the judge. Director Anthony also noted that the Annual Report had not been posted to the web site as indicated in the body of the report provided. He would not be able to take action on the item when he had not seen the complete documentation. There was consensus that the public had not had time for sufficient review as well.

Moved by Supervisor Potter, seconded by Mayor Della Sala, and unanimously carried, to request from the court an extension to December 31, 2010 to file the 2010 Annual Report, and to defer the item to the December 1, 2010 board meeting when a finalized draft made available to the public would be presented.

C. Discussion/Consider Assessing Replenishment Assessments for WY 2010 Over Production

Darby Fuerst, General Manager, MPWMD, requested that staff ensure that CAW calculations of replenishment assessment included the 495 acre-feet of carry over from the previous water year. He noted that 115 acre-feet should remain from the original 495 to be carried over to the 2011 water year. He also requested that staff ensure that the 12 acre-feet that CAW supplied to the City of Seaside's municipal water system during the 2010 water year be adjusted out of CAW's production and applied to the City of Seaside's production.

Moved by Director Costa, seconded by Mayor Edelen, and unanimously carried, to approve the Replenishment Assessments for WY 2010 Over Production as presented with assurance that CAW carry over was accounted for and the City of Seaside assumed the 12 acre-feet in the calculations.

X. INFORMATIONAL REPORTS (No Action Required)

- A. Timeline Schedule of Milestone Dates (Critical date monitoring)
- B. Technical Advisory Committee (TAC) minutes of October 13, 2010
- C. Water Production Report for Fourth Quarter of Water Year 2010 (July 1st through September 30, 2010) and for the entire Water Year 2009-2010
- D. Groundwater Quality and Groundwater Level Report for Water Year 2010
- E. Annual Assessments Invoiced for FY 2011: Administration, and Monitoring and Management—Operations

XI. **DIRECTORS' REPORTS** – None

XII. **EXECUTIVE OFFICER COMMENTS**

The Technical Advisory Committee regular meeting of November 10, 2010 would be held at the MRWPCA boardroom at 1:30 p.m.

Staff would coordinate the submission of a filing to the court requesting an extension of the deadline for filing the 2010 Annual Report.

Proposed budgets for 2011 would be sent out to all parties by November 15, 2010.

A Memorandum of Understanding between four parties regarding reimbursement of water to Marina Coast Water District used by MPWMD in its ASR project would be presented at the December 1st meeting.

The revised draft 2010 Annual Report and 2011 Declaration and pumping limits would be presented at the December 1st meeting.

NEXT MEETING DATE – It was agreed that the next Regular Meeting would be held on Wednesday, December 1, 2010, 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.

XIII. There being no further business, Chairman Rubio adjourned the meeting at 3:35 p.m.

ITEM NO. VI.

CONSENT CALENDAR

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Dewey D Evans, CEO

DATE: December 1, 2010

SUBJECT: Summary of Payments Authorized to be paid during the month of November, 2010.

PURPOSE:

To advise the Board of payments authorized to be paid during the month of November, 2010

RECOMMENDATIONS:

Consider approving the payment of bills submitted and authorized to be paid during the month of November, 2010.

COMMENTS and FISCAL IMPACT:

DDEvans Consulting (Professional Services Agreement—CEO)—November 1, 2010 through November 20, 2010 worked on Watermaster business a total of 65.25 hours at \$100.00 per hour or **\$6,525.00**. Responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin. Prepared, attended and provided follow-up action from November 3rd Board meeting. Spent time discussing requesting extension of deadline for filing of Annual Report with Russ McGlothlin's office. Prepared language for extension document. Received and reviewed TAC agenda packet from Bob Jaques. Discussions, review of documents and preparing agenda packet for the December 1st regular Board meeting Exchange of e-mails on public member on TAC with Bob Jaques. Worked with MRWPCA staff on calendar year 2011 Board and TAC meeting schedule at MRWPCA Board room. Prepared and sent out tentative FY2011 budgets to all producers and all interested parties as required by Court Decision. Sent out Bob Jaques's e-mail on public member selection and TAC lack of quorum to Board and all Interested Parties. Sent annual report to Craig Anthony and Lori Girard at CAW.

Robert "Bob" Jaques (Technical Program Manager)—October 26, 2010 through November 19, 2010 worked on Watermaster business a total of 30.5 hours at \$100.00 per hour or **\$3,050.00**. Worked on TAC agenda for November 10th meeting. Worked on Preliminary Draft of Annual Report and e-mailed to CEO. Prepared for and attended November 3rd Board meeting and follow-up meetings. Worked on revisions to Annual Report and worked on TAC meeting agenda. Prepared for and attended November 10 TAC meeting with followup meeting. Review and edit documents for Annual Report and Replenishment Assessment calculations. Prepared Board meeting agenda items and sent to CEO. Prepared and sent out notes of November 10th TAC meeting.

HydroMetrics Water Resources Inc.—Two invoices were submitted for payment totaling **\$13,390.00**. The first invoice was for \$680.00 preparing for and attending by telephone the TAC meeting of October 13th. The second invoice for \$12,710.00 was for 77.5 hours of work preparing piper and stiff diagrams for SIAR and preparing figures and water level contour maps for SAIR and also for reviewing 2010 SIAR water table contour maps.

Total payments authorized to be paid during the month of November, 2010 totaled **\$22,965.00**

Seaside Groundwater Basin Watermaster
Budget vs. Actual Administrative Fund
 Fiscal Year (January 1 - December 31, 2010)
 Balance through November 30, 2010

	2010 Adopted Budget	Contract Amount	Year to Date Revenue / Expenses
Available Balances & Assessments			
Dedicated Reserve	25,000.00		25,000.00
FY 2008 (Rollover)	43,000.00		47,416.90
FY 2009 Assessments	82,000.00		48,792.00
Available	150,000.00		121,208.90
Expenses			
Contract Staff	100,000.00	100,000.00	53,175.00
Legal Advisor	25,000.00	-	-
Total Expenses	125,000.00	100,000.00	53,175.00
Total Available	25,000.00		
Dedicated Reserve	25,000.00		
Net Available	-		

Administrative Fund Assessments owed by City of Seaside

FY 2009 (including 5% penalty)	16,444
FY 2010 (including 5% penalty)	8,618

Seaside Groundwater Basin Watermaster
Budget vs. Actual Monitoring & Management - Operations Fund
 Fiscal Year (January 1 - December 31, 2010)
 Balance through November 30, 2010

VI.B.
 12/1/2010

	<u>2010 Adopted Budget</u>	<u>Contract Encumbrance</u>	<u>Year to Date Revenue/Expenses</u>
Available Balances & Assessments			
Monitoring & Management - Ops Fund	\$ 351,664.00	\$ -	\$ 327,047.52
FY 2009 Rollover	361,581.00	-	361,581.00
Total Available	\$ 713,245.00	\$ -	\$ 688,628.52
Appropriations & Expenses			
GENERAL			
Technical Project Manager	\$ 100,000.00	\$ 100,000.00	\$ 36,575.00
Contingency @ 20% (not including TPM)	41,944.00	\$ 41,944.00	-
Total General	\$ 141,944.00	\$ 141,944.00	\$ 36,575.00
CONSULTANTS (Hydrometrics)			
Program Administration	\$ 8,000.00		
Production/Lvl/Qlty Monitoring	30,000.00	\$ 12,000.00	\$ 24,953.56
Basin Management (BMAP, Modeling)	50,000.00		
Seawater Intrusion (Plan, Analysis)	27,000.00	22,020.00	22,050.00
Total Consultants	\$ 115,000.00	\$ 34,020.00	\$ 47,003.56
MPWMD			
Production/Lvl/Qlty Monitoring	\$ 91,120.00	74,780.00	\$ 30,025.69
Basin Management	-	5,000.00	-
Seawater Intrusion	3,600.00	3,600.00	-
Direct Costs	-	-	-
Total MPWMD	\$ 94,720.00	\$ 83,380.00	\$ 30,025.69
Transfer Out to Capital Fund			
			-
Total Appropriations & Expenses	\$ 351,664.00	\$ 259,344.00	\$ 113,604.25
Total Available	361,581.00		

Operations Fund Assessments owed by City of Seaside

FY 2009 (including 5% penalty)	50,274
FY 2010 (including 5% penalty)	25,847

**Seaside Groundwater Basin Watermaster
 Budget vs. Actual Monitoring and Management - Capital Fund
 Fiscal Year (January 1 - December 31, 2010)
 Balance through November 30, 2010**

VI.B.
 12/1/2010

	2010 Adopted Budget	Contract Encumbrance	Year to Date Revenue / Expense
Available Balances and Assessments:			
Monitoring & Management Fund - Capital	\$ -		\$ -
FY 2007-2008 Rollover to 2009	5,499		5,499
Transfer in from Operations Fund	-		-
Subtotal	<u>5,499</u>		<u>5,499</u>
Appropriations & Expenses:			
Professional Services			
Project Management	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Direct Costs			
Well Drilling -	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Total Appropriations and Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Available	<u><u>\$ -</u></u>		
Capital Fund Assessments owed by City of Seaside			
FY 2009 (including 5% penalty)		16,538	
Total		<u><u>\$ 16,538</u></u>	

Seaside Groundwater Basin Watermaster									VI.B.
Budget vs. Actual - Replenishment Fund									12/1/2010
Water Year 2010 (October 1 - September 30) / Fiscal Year (January 1 - December 31, 2010)									
Balance through November 30, 2010									
Replenishment Fund		2006	2007	2008	2009	2010	Totals Through WY 2010	Proposed Budget 2011	Projected Totals Through WY 2011
Assessments:		WY 05/06	WY 06/07	WY 07/08	WY 08/09	WY 09/10		WY 10/11	
Unit Cost:		\$1,132	\$1,132	\$2,485	\$3,040	\$2,780		\$2,780	
California American Water									
	Exceeding Natural Safe Yield Considering Alternative Producers	2,108,570	2,484,533	5,164,969	3,773,464	3,861,420	\$ 17,392,956	3,319,320	\$ 20,712,276
	Operating Yield Overproduction Replenishment	-	80,938	34,045	-	-	\$ 114,983	-	\$ 114,983
	Total California American	2,108,570	2,565,471	5,199,014	3,773,464	3,861,420	\$ 17,507,939	3,319,320	\$ 20,827,259
	CAW Credit Against Assessment	(465,648)		(12,305,924)	\$ (3,741,714)	-	\$ (16,513,286)	-	\$ (16,513,286)
	CAW Unpaid Balance	\$ 1,642,922	\$ 2,565,471	\$ (2,898,517)	\$ (2,866,767)	\$ 994,653	\$ 994,653	\$ 3,319,320	\$ 4,313,973
City of Seaside - Municipal									
	Exceeding Natural Safe Yield Considering Alternative Producers	169,200	173,739	385,642	399,211	370,296	\$ 1,498,088	369,740	\$ 1,867,828
	Operating Yield Overproduction Replenishment	50,487	340	16,898	66,090	61,438	\$ 195,253	61,438	\$ 256,691
	Total Municipal	219,687	174,079	402,540	465,300	431,734	\$ 1,693,340	431,178	\$ 2,124,518
City of Seaside - Golf Courses									
	Exceeding Natural Safe Yield - Alternative Producer	-	-	131,705	69,701	-	\$ 201,406	-	\$ 201,406
	Operating Yield Overproduction	-	-	131,705	69,701	-	\$ 201,406	-	\$ 201,406
	Total Golf Courses	-	-	263,410	139,402	-	\$ 402,812	-	\$ 402,812
	Total City of Seaside*	219,687	174,079	665,950	604,702	431,734	2,096,152	431,178	2,527,330
	City of Seaside Late Payment 5%	10,984	8,704	26,712	26,750		73,150		
	In-lieu Credit Against Assessment	-		-	\$ -	(888,349)	\$ (888,349)	-	\$ (888,349)
	City of Seaside Unpaid Balance	\$ 230,671	\$ 182,783	\$ 692,662	\$ 631,453	\$ (456,615)	\$ 1,280,954	\$ 431,178	\$ 1,712,132
Total Replenishment Fund Balance		\$ 1,873,593	\$ 2,748,254	\$ (2,205,855)	\$ (2,235,314)	\$ 538,038	\$ 718,716	\$ 3,750,498	\$ 6,026,105
Total Replenishment Assessments		2,339,241	2,748,254	5,891,676	4,404,917	4,293,154	19,677,242	3,750,498	\$ 23,427,740
Total Replenishment Paid and/or Credited		(2,108,570)	(2,565,471)	(5,199,014)	(3,773,464)	(2,866,767)	(16,513,286)	-	\$ (16,513,286)
MRWPCA GWRP Payment									\$ (100,000)
Grand Total Replenishment Fund Balance		\$ 230,671	\$ 182,783	\$ 692,662	\$ 631,453	\$ 1,426,387	\$ 2,275,607	\$ 3,750,498	\$ 6,814,454

ITEM NO. VIII.

OLD BUSINESS

SEASIDE GROUNDWATER BASIN
WATERMASTER

TO: Board of Directors

FROM: Dewey D Evans, CEO

DATE: December 1, 2010

SUBJECT: Watermaster Declaration of Replenishment Water Available for Water Year 2011

PURPOSE:

To notify all Seaside Groundwater Basin producers that the Watermaster has declared for Water Year 2011 that Artificial Replenishment Water is available for the Seaside Groundwater Basin pursuant to the Amended Decision entered in the Seaside Adjudication.

RECOMMENDATION:

Consider approving the Declaration of Artificial Replenishment Water Available for Water Year 2011.

DISCUSSION:

The Court has declared in Section III L 3 j iii of the adjudication Decision that in the event Watermaster cannot procure Artificial Replenishment Water to offset Operating Yield Over-Production during the ensuing Water Year that the Watermaster Board shall so declare in December that no Operating Yield Over-Production then in effect may occur during the ensuing Water Year. *Watermaster has determined that there is foreseeable replenishment water available for Water Year 2011.*

Non-native water has been added to the Basin during Water Year 2010 and is foreseeable for Water Year 2011 from injections from the California American Water and Monterey Peninsula Water Management District Aquifer Storage and Recovery (ASR) Program. Additionally, a Memorandum of Understanding agreement entered into with the City of Seaside for its golf course irrigation program created in-lieu replenishment water for the Basin available to producers. 1,110.5 acre-feet and 319.551 acre-feet were replenished to the Basin in the respective programs in Water Year 2010.

In accordance with the Decision, all producers are notified by Watermaster of such availability. Limits of production in the attached notice are inclusive of the 319.551 acre-foot off-set in pumping from the Basin by the City of Seaside golf course in-lieu program. The 1,110.5 acre-feet of ASR replenishment water injected into the Basin during Water Year 2010 under the ASR Program is held by CAW as Stored Water Credits and is not included in the limits of production for CAW as per the footnote in the Declaration.

As ordered by the Court at the January 12, 2007 hearing, the 10% reduction in Operating Yield will continue in effect for the entire Water Year 2011. (*Commencing with the fourth Water Year, and triennially thereafter the Operating Yield for both Subareas will be decreased by ten percent (10%) until the Operating Yield is equivalent of the Natural Safe Yield.*) The Operating Yield net of the 1,110.5 acre-feet of Artificial Replenishment equaled 3,437.0 acre-feet in the 2010 Water Year, 437.0 acre-feet over the 3,000 acre-foot Natural Safe Yield limit.

ATTACHMENTS

- 1) Declaration of Availability of Replenishment Water for Water Year 2011 and limits on production
- 2) Watermaster Producer Allocations Water Year 2010 calculations including a 10% Reduction for the entire Water Year listing Carry-over Credits to 2011
- 3) Production Report for 2011 with Base Yield, Carry-over, and Stored Water Credit amounts

NOTICE TO ALL SEASIDE GROUNDWATER PRODUCERS:

Case No. M66343 Amended Decision Section III.B.2.

Commencing with the fourth Water Year, and triennially thereafter, the Operating Yield for both Subareas will be decreased by ten percent (10%) until Operating Yield is the equivalent of the Natural Safe Yield unless:

- a. The Watermaster has secured and is adding an equivalent amount of Non-Native water to the Basin on an annual basis; or*
- b. The Watermaster has secured reclaimed water in an equivalent amount and has contracted with one or more of the Producers to utilize said water in lieu of their Production Allocation, with the Producer agreeing to forego their right to claim a Stored Water Credit for such forbearance; or*
- c. Any combination of a and b above which results in the decrease in Production of Native Water required by this Decision; or*
- d. The Watermaster has determined that Groundwater levels within the Santa Margarita and Paso Robles aquifers are not at sufficient levels to ensure a positive offshore gradient to prevent seawater intrusion.*

The Watermaster hereby declares that the requirements of items a through c above have been met as follows:

- a. Watermaster has not formally secured water for adding an equivalent amount of Non-Native water to the Basin on an annual basis by contract, agreement or memorandum of understanding. However, Standard Producer California American Water (CAW), in conjunction with Monterey Peninsula Water Management District (MPWMD), *is* adding an equivalent amount of Non-Native water to the Basin through its Aquifer Storage and Recovery program (to wit 1,110.5 acre-feet in Water Year 2010) and Watermaster anticipates the addition of Non-native water by CAW/MPWMD will continue in the 2011 Water Year.
- b. The City of Seaside has secured Non-native water for irrigation of its Golf Courses through its In-lieu Replenishment Program. Through a Memorandum of Understanding and Agreement between the Watermaster and the City of Seaside the City of Seaside has agreed to utilize said water in lieu of its Alternative Production Allocation, with the City of Seaside agreeing to forego its right to claim a Stored Water Credit for such forbearance (to wit 319.551 acre-feet in Water Year 2010). Watermaster anticipates the continued forbearance of pumping by the City of Seaside from its Alternative Production Allocation in the 2011 Water Year. (Memorandum of Understanding attached.)
- c. The combination of a and b above in Water Year 2010 resulted in a decrease in Production of Native Water required by this Decision. The amount extracted from the Seaside Groundwater Basin in Water Year 2010 was 4,547.6 acre-feet with 1,110.5 acre-feet injected in for a net of 3,437.1 acre-feet of production out of the total Base Operating Yield Allocation of 5,040 acre-feet. (2010 Production Report attached.)
- d. The firm contracted by Watermaster for technical analyses continued to report in 2010 that Groundwater levels within the Santa Margarita and Paso Robles aquifers are not at sufficient levels to ensure a positive offshore gradient to prevent seawater intrusion, so the requirement for this item continues to not be met.

Watermaster has determined that if any of items a through d are met again at the end of Water Year 2011 in acre-foot amounts similar to Water Year 2010, the 10% reduction in Operating Yield called for in the Decision to commence on 10/1/2011 (the beginning of Water Year 2012) would not be warranted.

Watermaster declares that for Water Year 2011 Artificial Replenishment Water is available and producers are limited in production to the following quantities of water:

Coastal Subarea Alternative Producers:

Seaside (Golf)	540.0 acre-feet
SNG	149.0 acre-feet
Cypress (Calabrese)	14.0 acre-feet
Mission Memorial (Alderwood)	31.0 acre-feet
Sand City	9.0 acre-feet

Laguna Seca Subarea Alternative Producers:

Pasadera	251.0 acre-feet
Bishop	320.0 acre-feet
York School	32.0 acre-feet
Laguna Seca County Park	41.0 acre-feet

Coastal Subarea Standard Producers:

California American Water	3,201.8 acre-feet*
Seaside (Municipal)	253.1 acre-feet
Granite Rock	138.6 acre-feet**
D.B.O. Development 27	279.2 acre-feet***

Laguna Seca Subarea Standard Producers:

California American Water	246.1 acre-feet
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* Total includes 115.1 acre-feet of “not-free” carryover credit from previous water years. In addition to its “not free” carryover credit, California American Water has 1,110.5 acre-feet of stored water credit in WY 2011 from injections into the Basin through the CAW/MPWMD ASR Program in 2010, being formalized through a Storage Agreement.

** Total includes 56.4 acre-feet of “free” carryover and 58.4 acre-feet of “not-free” carryover credit from previous water years, plus the 2011 base allocation of 23.8 acre-feet.

*** Total includes 120.6 acre-feet of “free” carryover and 115.3 acre-feet of “not-free” carryover credit from previous water years, plus the 2011 base allocation of 43.3 acre-feet.

2010 WATER YEAR

Seaside Groundwater Basin Watermaster

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

Producer	Type	Quarters				Annual To-Date Reported Total	Base Operating Yield Allocation	Carry Over from 2008/09	Stored Water Credit for 2010
		Oct-Dec 2009	Jan-Mar 2010	Apr-Jun 2010	Jul-Sep 2010				
<u>Coastal Subareas</u>									
CAW (Coastal Subareas)	SPA	888.3	31.4	950.9	1,412.9	3283.5	3,086.7	495.9	1,110.5
Seaside (Municipal)1	SPA	69.7	61.1	76.7	75.3	282.9	253.1	-	-
Granite Rook Company	SPA	Exempt	Exempt	Exempt	Exempt	0.0	23.8	90.9	-
DBO Development No. 30*	SPA	Exempt	Exempt	Exempt	Exempt	0.0	43.3	192.6	-
City of Seaside (Golf Courses)	APA	62.8	21.7	16.1	0.0	100.6	540.0	-	-
Sand City	APA	0.0	0.0	0.1	-	0.1	9.0	-	-
Security National Guaranty	APA	-	-	-	-	0.0	149.0	-	-
Cypress Pacific Investors**	APA	Exempt	Exempt	Exempt	Exempt	0.0	14.0	-	-
Alderwoods Group (Mission Memorial)	APA	2.3	-	3.9	6.6	12.8	31.0	-	-
Coastal Subarea Totals		1,023.1	114.2	1,047.7	1,491.9	3,679.9	4,149.9	779.4	1,110.5
<i>Previous Year Totals (2009)</i>		<i>1,128.4</i>	<i>111.3</i>	<i>912.8</i>	<i>1,361.5</i>	<i>3,514.0</i>	<i>4,265.2</i>	<i>224.1</i>	<i>0.0</i>
<u>Laguna Seca Subareas</u>									
CAW (Inland Subareas)	SPA	101.1	66.5	110.7	151.7	430.0	246.1	-	-
Pasadena Country Club	APA	14.8	1.9	53.6	99.7	170.0	251.0	-	-
Laguna Seca/Bishop	APA	19.1	0.0	68.4	136.7	224.3	320.0	-	-
York School	APA	4.1	1.8	5.1	7.6	18.6	32.0	-	-
Laguna Seca Park (County)	APA	3.7	2.7	7.9	10.5	24.8	41.0	-	-
Laguna Seca Subarea Totals		142.8	72.9	245.7	406.3	867.7	890.1	-	-
<i>Previous Year Totals (2009)</i>		<i>186.3</i>	<i>93.0</i>	<i>366.3</i>	<i>415.1</i>	<i>1,060.7</i>	<i>914.8</i>	-	-
Subtotal Pumped (Not Including ASR)		1,165.9	187.1	1,293.4	136.7	4,547.6	5,040.0		
						Alternative Producers =	551.1		
						Standard Producers =	3,996.4		
<u>CAW ASR (Injection)/Recovery</u>									
Monterey County District		(129.5)	(576.2)	(404.8)	0.0	(1,110.5)			
Total Pumped (Including ASR)		1,036.4	(389.1)	888.6	1,901.2	3,437.1	5,040.0		
						Total Production by Alternative Producers =	551.1		
						Total Production by Standard Producers =	2,885.9		
						Grand Total Production =	3,437.0		

*Transfer of Parcel and Assignment of Rights from D.B.O. Development No. 27 to D.B.O. Development No. 30

**Referred to as "M.E. Calabrese 1987 Trust" in Decision

Notes:

- The Water Year (WY) begins October 1 and ends September 30 of the following calendar year. For example, WY 2010 began on October 1, 2009, and ended on September 30, 2010.
- "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 **October 18, 2010**.
- All values are rounded to the nearest tenth of an acre-foot. Where required, reported data were converted to acre-feet utilizing the relationships: 325,851 gallons = 43,560 cubic feet = 1 acre-foot.
- Each producer's total authorized production allocation is the sum of Base Operating Yield Allocation and Carry Over from Prior Year and is taken from the Watermaster Producer Allocations for this Water Year.
- Any minor discrepancies in totals are attributable to rounding.
- APA = Alternative Producer Allocation; SPA = Standard Producer Allocation; CAW = California American Water.
- During September 2010, CAW - Coastal Subareas provided 12.6 AF of water to City of Seaside (Municipal); the production volumes for both these producers were adjusted accordingly.

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Dewey Evans, Chief Executive Officer

DATE: December 1, 2010

SUBJECT: Discussion/Consider Approving Watermaster Annual Report for WY 2010

RECOMMENDATIONS:

It is recommended that the Board approve the Watermaster Annual Report for WY 2010.

BACKGROUND:

The Watermaster submits an Annual Report to the Court after the end of each Water Year to fulfill one of its obligations under the Court Decision that created the Watermaster.

The Board received a presentation on the Draft WY 2010 Annual Report at its November 3, 2010 meeting. Several comments and/or requested edits were discussed, and the Draft Annual Report was edited in response to these discussions, as described below. Because the entire Annual Report is quite lengthy due to its numerous attachments, only the body of the Annual Report is attached. However, the entire Final Draft of the Annual Report has been posted on the Watermaster's website for review by anyone interested in reviewing the attachments as well as the body.

DISCUSSION

The edits made to the Draft Annual Report that was presented to the Board at its November 3rd meeting in order to prepare the Final Draft Annual Report, the body of which is attached, consisted primarily of the following:

- Creating a new Attachment 15 containing the legal documents filed with the Court requesting an extension of the Annual Report filing deadline from November 15 to December 31, 2010, and adding language referencing this in the opening paragraph of the Annual Report.
- Removing the word "unlawful" from the language under Section B in response to CAW's request.
- Reviewing the carryover credit figures in Section B to ensure they are accurate, in response to MPWMD's request.
- Revising the language regarding Artificial Replenishment in Section C to reflect water injected into the Seaside Basin via the ASR project and the in-lieu replenishment at the Seaside Golf Courses.
- Inserting the quantity of water MCWD provided to the Seaside Golf Courses for in-lieu replenishment in Section E. The figure was not available when the earlier Draft was prepared, but has now been provided and is 319.551 AF of water supplied during WY 2010.

- Inserting a revised declaration regarding the Availability of Artificial Replenishment water for WY 2011 in Attachment 2, and revising the language in Section F accordingly to be consistent with Attachment 2. The revised declaration is the one that is the subject of Agenda Item VIII.A of today's meeting.
- Revising the Replenishment Assessment calculations that are contained in Attachment 6, and revising the language in Section H accordingly to be consistent with Attachment 6.

As reported at the November 3rd Board meeting, the Annual Report also includes a proposal that the deadline for submittal of the Annual Report be revised to February 15 of the following year, rather than the presently-required November 15 of the current year, to allow more time to prepare the report. This proposal is contained in the Conclusions and Recommendations section of the Annual Report.

The Final Draft version will be made into a Final version, reflecting any comments or recommendations from the Board at today's meeting. The Final version will be submitted to the Court.

ATTACHMENTS:

Body of the Final Draft version of the Watermaster 2010 Annual Report.

SEASIDE BASIN WATERMASTER

ANNUAL REPORT – 2010

Integral to the Superior Court Decision (Decision) rendered by Judge Roger D. Randall on March 27, 2006 is the requirement to file an Annual Report. The ruling of the Court requires that the Annual Report be prepared and filed with the Court and mailed to all the parties on or before the 15th day of November every year for the preceding Water Year. In a Court filing dated November 12, 2010 the City of Seaside on behalf of Watermaster requested an extension of time to file the Water Year 2010 Annual Report until December 31, 2010. A copy of this filing is contained in Attachment 15. Watermaster required an extension of time to file its Annual Report because it needed additional time to prepare and have the Watermaster Board of Directors review, analyze, discuss and approve the Annual Report, as well as to allow for public review. This 2010 Annual Report is being filed on or before December 31, 2010. This Annual Report addresses the specific Watermaster functions set forth in Section III. L. 3. x. of the Decision. In addition this Annual Report includes a section pertaining to Water Quality Monitoring and Basin Management.

A. Groundwater Extractions

The schedule summarizing the Water Year 2010 (WY 2010) groundwater production from all the producers allocated a Production Allocation in the Seaside Groundwater Basin is provided in Attachment 1, “Seaside Groundwater Basin Watermaster, Reported Quarterly and Annual Water Production from the Seaside Groundwater Basin for all Producers Included in the Seaside Basin Adjudication During Water Year 2010.” For the purposes of this Annual Report Water Year 2010 is defined as beginning October 1, 2009 and ending on September 30, 2010.

B. Groundwater Storage

Monterey Peninsula Water Management District (MPWMD), in cooperation with California American Water (CAW), operated the Seaside Basin Aquifer Storage and Recovery (ASR) program during WY 2010. During WY 2010, a total of 1,110.5 acre-feet (AF) of water was diverted by CAW from its Carmel River sources during periods of flow in excess of NOAA-Fisheries’ recommended bypass flows, and transported through the existing CAW distribution system for injection and storage in the Seaside Basin at the MPWMD’s Santa Margarita ASR Well Nos. 1 and 2 located on former Fort Ord property. This is the only reported storage of non-native groundwater into the Seaside Basin in WY 2010.

Also during WY 2010, work was completed on installation of a permanent water delivery pipeline in the newly realigned section of General Jim Moore Boulevard south of Eucalyptus Road, as well as the installation of Pressure Regulating Valves (PRVs) at key locations within the CAW distribution system to allow the Phase 1 ASR Project to operate at its full design capacity of 3,000 gallons per minute (13 acre-feet per day). In addition, the MPWMD and CAW proceeded with installation of a test ASR well at the nearby Seaside Middle School. Installation of this new well is intended to satisfy one of the requirements of State Water Resources Control Board Order 2009-0060 (i.e., the Cease and Desist Order) that requires CAW to implement one or more “small projects” that total not less than 500 AF per year to reduce unlawful diversions from the Carmel River.

Based upon production reported for WY 2009, the following Standard Producers are entitled to Free and Not-Free Carryover Credits in accordance with the Decision, Section III. H. 5. for WY 2010:

<u>Producer</u>	<u>Free Carryover Credit</u>	<u>Not-Free Carryover Credit</u>
Granite Rock	40.39 acre-feet	50.47 acre-feet
DBO Development	91.60 acre-feet	101.03 acre-feet
CAW	0 acre-feet	495.90 acre-feet

C. Amount of Artificial Replenishment, if any, performed by Watermaster

Per the Decision, “Artificial Replenishment” means the act of the Watermaster, directly or indirectly, engaging in contracting for Non-Native Water to be added to the Groundwater supply of the Seaside Basin through Spreading or Direct Injection to offset the cumulative Over-Production from the Seaside Basin in any particular Water Year pursuant to Section III.L.3.j.iii. It also includes programs in which Producers agree to refrain, in whole or in part, from exercising their right to produce their full Production Allocation where the intent is to cause the replenishment of the Seaside Basin through forbearance in lieu of the injection or spreading of Non-Native Water (referred to herein as “In-lieu Replenishment”).

Staff has interpreted the above language to mean that the following two Artificial Replenishment actions were undertaken in WY 2010:

- 1) Watermaster indirectly engaged in In-lieu Replenishment of the Basin during Water Year 2010. Non-native water was made available to the Basin during Water Year 2010 and is foreseeable for Water Year 2011 under a Memorandum of Understanding and Agreement entered into by Watermaster with the City of Seaside for its golf course irrigation program creating in-lieu replenishment water. 319.551 acre-feet was in-lieu replenished to the Basin by the program in Water Year 2010.
- 2) Watermaster indirectly engaged in Non-Native Water being added to the Basin in Water Year 2010. The CAW/MPWMD ASR Program occurred in Water Year 2010 with 1,110.5 acre-feet of water injected into the Basin as Stored Water Credits and zero acre-feet extracted, offsetting the cumulative Over-Production from the Basin for the year. A Storage and Recovery Agreement between Watermaster and California American Water governing the ASR Program recharge and storage is being developed to formalize the terms and conditions of the ASR program.

D. Leases or sales of Production Allocation

No sale of Production Allocation occurred during WY 2010.

However, two actions pertaining to real property and/or water rights occurred, as described below:

1. One Standard Producer, DBO Development No. 27, conveyed the real property it owned that is subject to the Decision to D.B.O. Development No. 30. In addition, D.B.O. No. 27 assigned to D.B.O. No. 30 all its right, title, and interest

under the Decision, including but not limited to its water rights, water allocations, carryover credits, storage rights, and all other rights defined in the Decision, and also delegated, and D.B.O. No. 30 agreed to assume, all D.B.O. No. 27's duties and obligations under the Judgment and Decision. A copy of the legal document pertaining to this action is contained in Attachment 13.

2. One Alternative Producer, Security National Guaranty (SNG), executed a Front Loading Agreement (wheeling agreement) with CAW in May of 2009 in order for SNG's property to be served water from the Seaside Basin via CAW's distribution system. A copy of the legal document pertaining to this action is contained in Attachment 13.

E. Use of imported, reclaimed, or desalinated Water as a source of Water for Storage or as a water supply for lands overlying the Seaside Basin

In addition to the water imported from the Carmel Basin for the ASR program described in Section B above, during WY 2010 319.551 acre-feet of imported water was used to irrigate golf courses owned by the City of Seaside overlying the Seaside Basin. The terms and conditions under which this in-lieu replenishment water was used to generate a credit to be applied against the City of Seaside's overproduction replenishment assessments is described in the "Memorandum of Understanding Between the Seaside Basin Watermaster and the City of Seaside" contained in Attachment 3. This is the only imported, reclaimed or desalinated water used either directly or for storage in the groundwater basin that has been reported to the Watermaster during WY 2009-2010.

F. Violations of the Decision and any corrective actions taken

Section III. D. of the Decision enjoins all Producers from any Over-Production beyond the Operating Yield in any Water Year in which the Watermaster declares that Artificial Replenishment is not available or possible. Section III. L. 3. j. iii. requires that the Watermaster declare the unavailability of Artificial Replenishment prior to the beginning of the Water Year so that the Producers are informed of the prohibition against pumping in excess of the Operating Yield.

The Watermaster made a declaration regarding the availability of Artificial Replenishment for WY 2011 at its Board meeting of December 1, 2010. In 2010 the Watermaster increased the original production allocation reduction of 7.5%, made during WY 2009, by an additional 2.5% to bring the reduction up to the full 10% as required under Section III.B.2 of the Decision. A copy of this declaration is contained in Attachment 2.

Total pumping for WY 2010 did not exceed the Operating Yield (OY) for the Seaside Basin, but it did exceed the Natural Safe Yield (NSY) of the Basin.

CAW and the City of Seaside reported annual pumping quantities that exceeded their Standard Production NSY allocations by 1,479.47 and 83.44 acre-feet, respectively, and the City of Seaside's reported annual pumping quantity exceeded its OY by 29.77 acre-feet. The City of Seaside did not exceed its Alternative Production NSY. The

Watermaster has assessed CAW and the City of Seaside a Replenishment Assessment for these over-productions, as further described in Section H, below.

G. Watermaster administrative costs

The total estimated Administrative costs for Fiscal Year 2010 amounted to \$90,000 including a \$25,000 dedicated reserve. This included the cost of maintaining an office and paying a part time administrator and some part time staff to take and transcribe minutes of the Watermaster Board meetings during 2010. The “Fiscal Year 2010 Administrative Fund Report” is provided as Attachment 4.

H. Replenishment Assessments

A Replenishment Assessment of \$2,780 per acre-foot was established by the Watermaster Board at its October 7, 2009 meeting for use against WY 2010 pumping. At its meeting of September 22, 2010 the Watermaster Board determined that this same \$2,780 per acre-foot Replenishment Assessment unit cost should be used against WY 2011 pumping. The Agenda transmittal from that meeting discussing this determination is contained in Attachment 5.

Alternative and Standard Producers report their production amounts from the Basin to the Watermaster on a quarterly basis. Based upon the reported production for WY 2010, CAW’s Replenishment Assessment for Overproduction in excess of its share of the NSY is \$4,112,933.15. CAW did not incur any assessment for Operating Yield Over Production in WY 2010. The City of Seaside’s Replenishment Assessment for its Municipal System for Overproduction in excess of its share of the NSY is \$231,960.82 and its Replenishment Assessment for Operating Yield Over Production is \$82,760.60. The City of Seaside did not exceed its Alternative Production Allocation for its Golf Course System production. A summary of the calculations for Replenishment Assessment for WY 2010 is contained in Attachment 6.

I. All components of the Watermaster budget

The Watermaster budget has four separate funds: Administrative Fund; Monitoring & Management–Operations; Monitoring and Management–Capital Fund and; Replenishment Fund. Copies of the Fiscal Year 2011 adopted budgets are contained in Attachment 7. The Chief Executive Officer provides monthly financial status reports to the Watermaster Board on all financial activities for each month with year-to-date totals.

J. Water Quality Monitoring and Basin Management

Water Quality Analytical Results

Groundwater quality data continued to be collected and analyzed on a quarterly basis during WY 2010 from the enhanced network of monitoring wells. As initiated in the preceding year, a new low-flow sampling method continued to be implemented to improve the efficiency of sample collection, and will continue to be employed during the upcoming year. Data collection with the new method will continue for two full years at these coastal monitor well locations prior to requesting any modifications to the quarterly data collection frequency at these wells for WY 2012. This is consistent with the process used prior to recommending a reduction in induction logging frequency at the

Watermaster Sentinel wells. Where feasible, water quality at selected locations may be supplemented with continuous water-quality dataloggers to offset the reduction in sample collection frequency.

In addition, quarterly geophysical (induction) logging continued to be performed at the four Watermaster Sentinel wells that were installed in 2007. The induction logging results have shown very little variations and trends have been steady since this monitoring began, indicating that the coastal water quality conditions are not changing at this sample frequency. Therefore, beginning in WY 2010, as approved by the Court's Order dated February 19, 2010, the induction logging frequency was reduced to semi-annually at these wells. Water samples from these wells continue to be collected on an annual basis.

Copies of the sampling results are contained in Attachment 8. Analysis of the results indicate no evidence of water quality changes indicative of seawater intrusion at the locations and depths sampled in the coastal areas of the basin.

All of the recommendations contained in the report in Attachment 8 are being actively pursued by the Watermaster. Funds to pursue these recommendations have been included in the adopted FY 2011 budgets contained in Attachment 7.

Construction of New Monitoring Well in the Northern Inland Subarea

During WYs 2009 and 2010 an additional monitoring well in the northern inland subarea of the Basin was constructed at the BLM site. Construction began in August 2009, but drilling difficulties were encountered that delayed completion of the well until November 2009. The consultant that managed this work prepared a report describing the construction, hydrogeologic findings, and initial water quality sampling results of this project. However, that report could not be completed until after the 2009 Annual Report had been prepared, so it is included in Attachment 9 to this 2010 Annual Report.

The principle conclusions described in that report are:

- At the location of the new monitoring well, the depth to the Monterey Formation, the adopted base of freshwater for the Seaside Basin, is greater than previously believed by approximately 450 feet.
- The thickness of the Santa Margarita Sandstone and Paso Robles Formations at this location are significantly thicker than have been encountered at other locations in the Basin.
- The observed water levels at the new well were accurately predicted by the Watermaster's Groundwater Model.
- It is likely that the deep aquifer at the new well site is impacted by pumping in the highly-confined Santa Margarita Sandstone from wells in Seaside proper. It is also likely that water levels will be influenced by injection operations in the Santa Margarita Sandstone.

Basin Management Database

Pertinent groundwater resource data obtained from a number of sources has been consolidated into the Watermaster's database to allow more efficient organization and data retrieval.

In 2009 initial internal testing and debugging of the Database was completed, and the Database was placed on the Watermaster's website for access by all interested parties. In 2010 enhancements to the Database were being completed to improve its usefulness and user-friendliness. Those enhancements are described in Attachment 10.

Enhanced Monitoring Well Network

The Seaside Basin M&MP uses an Enhanced Monitoring Well Network to fill in data gaps in the previous monitoring well network used by the Monterey Peninsula Water Management District (MPWMD), and others, in order to improve the Basin management capabilities of the Watermaster. The Enhanced Monitoring Well Network has been described in detail in previous Watermaster Annual Reports. It continues to be used to obtain additional data that is useful to the Watermaster in managing the Basin.

Basin Management Action Plan (BMAP)

HydroMetrics Water Resources, Inc. was hired by the Watermaster to prepare the BMAP which contains these Sections:

- Executive Summary
- The Background and Purpose of the Plan
- The State of the Basin
- Supplemental Water Supplies (long-term water supply solutions)
- Groundwater Management Actions (to be taken as interim measures while long-term supplies are being developed)
- Recommended Management Strategies
- References

The Final BMAP was approved by the Watermaster Board at its February 2009 meeting, and the Executive Summary from the BMAP was contained in Attachment 9 of the 2009 Annual Report. The complete document may be viewed and downloaded from the Watermaster's website at: <http://www.seasidebasinwatermaster.org/>.

Updating of the BMAP was planned for FY 2010, but certain information (coming from other parties) that would be needed to perform that work was not yet available. Therefore, updating the BMAP has been rescheduled for FY 2011, as described in the M&MP Work Plan contained in Attachment 12.

Seawater Intrusion Response Plan

HydroMetrics Water Resources, Inc. was hired by the Watermaster to prepare a long-term Seawater Intrusion Response Plan (SIRP), as required in the M&MP.

The Final SIRP was approved by the Watermaster Board at its January 2009 meeting, and a summary of the Seawater Intrusion Contingency Actions from the SIRP was contained in Attachment 10 of the 2009 Annual Report. The complete document may be viewed and downloaded from the Watermaster's website at: <http://www.seasidebasinwatermaster.org/>.

Seawater Intrusion Analysis

The Watermaster retained HydroMetrics Water Resources, Inc. to prepare the WY 2010 Seawater Intrusion Analysis Report (SIAR) required by the M&MP. The WY 2010 SIAR provides an analysis of data collected during this Water Year.

The principle conclusions reported in the SIAR are that depressed groundwater levels, continued pumping in excess of recharge and fresh water inflows, and ongoing seawater intrusion in the nearby Salinas Valley all suggest that seawater intrusion could occur in the Seaside Groundwater Basin. However, in spite of these factors, multiple forms of analyses led to the conclusion that no seawater intrusion is currently being observed in existing monitoring wells within the Basin.

The SIAR is lengthy, but the full *Executive Summary Section* from it is provided in Attachment 11. A complete copy of the document may be viewed and downloaded from the Watermaster's website at: <http://www.seasidebasinwatermaster.org/>.

The Watermaster continues to analyze the data that is being gathered at the various monitoring sites in order to keep a close watch on the conditions within the Basin, as discussed under the "Enhanced Monitoring Well Network" heading above.

Groundwater Modeling

During FY 2009 the previous Groundwater Model of the Basin was updated and a separate Groundwater Model was developed to determine protective water levels within the Basin. The modeling work was performed by HydroMetrics Water Resources, Inc. This Model development work was described in the 2009 Annual Report.

Modeling Scenarios

In FY 2010 two Scenarios to be modeled using the updated Groundwater Model were developed, and funds to model those Scenarios were included in the FY 2010 M&MP Budget.

These two Scenarios are described below:

Scenario 1 models the effects of additional pumping in the Laguna Seca Subarea. Although no additional pumping from wells in this Subarea is currently being considered, the purpose of this scenario was to begin addressing questions about the impacts on other subareas of the Basin resulting from pumping by wells in the Laguna Seca subarea. Under Scenario 1 three new simulations were run, with pumping from all wells in the Laguna Seca subarea increased by 0%, 10%, and 20% for all years. Each simulation was analyzed for the following:

- A. Impact on coastal groundwater levels,
- B. Impact on amount of groundwater flowing into the Southern Coastal subarea,
- C. Impact on amount of groundwater flowing into the Northern Inland subarea, and
- D. Changes to Laguna Seca subarea groundwater levels.

Work on Scenario 1 was completed, and a full copy of the Technical Memorandum describing that work is contained in Attachment 14. The principle conclusions from this work were:

- At current pumping rates, groundwater levels in the Laguna Seca subarea will continue to decline.
- After 5 years of pumping at 10% increased rates, the groundwater levels within the Laguna Seca Subarea where the greatest drop in groundwater levels occurs will be 3 feet lower than they would be without this increase in pumping. This grows to 5 feet lower after 22 years of 10% increased pumping rates.
- After 5 years of pumping at 20% increased rates, the groundwater levels within the Laguna Seca Subarea where the greatest drop in groundwater levels occurs will be 5 feet lower than they would be without this increase in pumping. This grows to 10 feet lower after 22 years of 20% increased pumping rates.
- Continued pumping even at current (Water Year 2009) rates is unsustainable because groundwater levels will eventually fall low enough to cause some wells to no longer be operational. This problem would be accelerated by increasing the pumping rates of the Alternative Producers within the Laguna Seca subarea.
- Increasing Alternative Producer's pumping rates by 10% or 20% reduces groundwater flow to the Southern Coastal subarea by only a minor amount because of the wells' distance from the Southern Coastal subarea. However, it considerably reduces groundwater flow into the Northern Inland subarea.
- The Laguna Seca subarea is not isolated. Although increasing pumping has only minor impacts on the Southern Coastal subarea, it has more significant impacts on groundwater flows into the Northern Inland subarea. Increasing Laguna Seca pumping also significantly impacts areas outside the Seaside Groundwater Basin, including the Toro area.

Scenario 2 will be to model the effects of implementing the "Monterey Regional Water Supply Project –Phase 1" as that project is defined in the Final EIR for the Coastal Water Project. A key component of this project will be a Regional Desalination Plant.

One of the initial steps in beginning work on this Scenario would be for HydroMetrics to determine the quantities of water that would be supplied to the Seaside Groundwater Basin by the Monterey Regional Water Supply Project. During the course of starting to compile this information it became clear that there were some water supply issues that were not fully or clearly explained in the Final EIR, and that those issues would likely be at least partially clarified when the PUC acts to approve the project. The issues will be further clarified when water quality data from monitoring wells that will be constructed to help refine the estimate of how much groundwater will be taken from the Salinas Valley Basin by the proposed Regional Desalination Plant intake wells has been obtained. Data from the monitoring wells is anticipated to become available in mid-summer of 2011.

For these reasons the Watermaster has deferred proceeding with work on Scenario 2 at this time, and to reconsider starting that work in FY 2011. This Scenario 2 modeling work has been included in the Monitoring and Management Program Scope of Work and Budget for FY 2011, so that this work can be performed when the more definitive data necessary to perform this work will be available.

If the Watermaster were to proceed with Scenario 2 without having a clear understanding of each of these issues, HydroMetrics would have to make assumptions on some of the water supply quantities for the Seaside Basin. This could result in having to re-run the model after decisions on those issues have been made, which would cause the expenditure of additional funds by the Watermaster beyond those currently budgeted for this work. Since the Regional Water Supply Project will take at least several years to be completed after PUC approval is granted, there does not appear to be any risk in delaying this modeling work until clearer answers to these water supply issues are available.

Protective Water Levels

In FY 2009 the Watermaster completed development of preliminary Protective Water Levels (PWLs) for each of the Basin's production aquifers at the locations of several coastal wells. There was discussion of performing refined analyses and/or to determine how the PWLs would be affected if less than 100% of the Basin was to be protected. Performing these refinements was included as a Task in the 2010 M&MP Work Plan, and in the M&MP Budget.

However, certain information (water supply information from the Regional Water Supply Project as discussed above under *Modeling Scenarios*) that would be needed to perform that work was not yet available. There was consensus that there was no danger at this time in delaying refining the Protective Water Levels. Therefore, refining the PWLs has been rescheduled and budgeted for FY 2011, as described in the M&MP Work Plan contained in Attachment 12.

K. Conclusions and Recommendations

The Seaside Basin Watermaster Board has worked diligently to meet all of the Court's established deadline dates. All of the Phase 1 Scope of Work activities that are described in the "Implementation Plan for the Seaside Basin Monitoring and Management Program" dated March 7, 2007 have been completed. At the Watermaster Board meeting held on September 22, 2010 the Board adopted the budgets contained in Attachment 7, which support carrying out all elements of the "Seaside Groundwater Basin Management and Monitoring Program Anticipated 2011 Work Plan." That Work Plan describes the M&MP activities that will be conducted during Fiscal Year 2011. A copy of this Work Plan is contained in Attachment 12.

As described in Section J above, information from the Enhanced Monitoring Well Network is being utilized to detect any seawater intrusion. The response actions described in the Watermaster's Seawater Intrusion Response Plan, which was contained in the 2009 Annual Report, will be implemented if seawater intrusion is detected within the Basin.

Each year that the Watermaster has prepared its Annual Reports as required by the Decision, it has been very difficult to assemble all of the data that is necessary to complete the report in time for the completed draft document to be reviewed by the Watermaster’s Technical Advisory Committee, which sometimes proposes edits to the draft document, and then by the Board, which sometimes also proposes edits to the draft document.

Water production data is needed to prepare the Production Report that goes into Attachment 1. The production data, as well as water quality data, is also needed in order to complete preparation of the SIAR which goes into Attachment 11. However, the 4th quarter production data cannot be generated until the 4th quarter of the Water Year has ended, on September 30, and is often not received by the Watermaster until October 15 or later. In addition production reports from the de minimis producers are submitted only to the MPWMD, not to the Watermaster, and HydroMetrics would like to include that production data when it prepares the SIAR. However, MPWMD’s reporting deadline for that data is November 15 which means that much of that data cannot be included in the SIAR, if the SIAR is to be included as part of the Annual Report which is due to the Court by November 15.

Similarly, water quality data is needed in order for MPWMD to complete preparation of its 4th quarter Water Quality Analytical Results report that goes into Attachment 8, and for the SIAR to be completed. However, water quality data from some of the producers is also often not received until at least mid-October. In some instances this has led to the necessity of holding special meetings in order to complete the Annual Report in time to submit it to the Court by the currently-required November 15th filing deadline.

Several other adjudicated basin Watermasters were contacted regarding the submittal schedules for their annual reports. Based on the information that was received it appears that Watermaster annual reports are required anywhere between 2 and 6 months after the end of the reporting period. The information is summarized in the table below. The Seaside Basin’s schedule for submitting its Annual Report 1.5 months after the end of the Water Year is shorter than any of the other adjudicated basins.

Basin	Reporting Period	Report Due Date	Time Allotted for Preparing Report
Main San Gabriel Basin	July 1 – June 30	November 1	4 Months
Raymond Basin	July 1 – June 30	September 1	2 Months
Chino Basin	July 1 – June 30	January 1	6 Months
Santa Maria Basin	January 1 – December 31	April 30	4 Months
Seaside Basin	October 1 – September 30	November 15	1.5 Months

For future Annual Reports, subject to the Court’s approval of this proposal following its review of this Annual Report, it is proposed that Annual Reports be filed with the Court by February 15 following the end of each Water Year. This is 3.5 months after the end of the reporting period.

ITEM. IX.

NEW BUSINESS

SEASIDE GROUNDWATER BASIN
WATERMASTER

TO: Board of Directors

FROM: Dewey D Evans, CEO

DATE: December 1, 2010

SUBJECT: Discussion/Consider Approving Memorandum of Understanding (MOU) between Monterey Peninsula Water Management District (MPWMD), the Marina Coast Water District (MCWD), the City of Seaside (City), and the Seaside Groundwater Basin Watermaster (SGBW), regarding the repayment of 68.8 acre feet of water loaned by MCWD to MPWMD for aquifer storage and recovery testing done in January, 2009

RECOMMENDATION

It is recommended that the Board approve the four party MOU that allows the 68.8 acre feet of water to remain in the Seaside Groundwater Basin and give the City of Seaside a credit against their replenishment assessment of \$191,264 (68.8 AF x \$2,780 per AF).

DISCUSSION

In March of 2008 the MPWMD, MCWD and the Monterey County Water Resources Agency (MCWRA) entered into a Coordination Agreement for Aquifer Storage and Recovery (ASR) Injection Testing. Pursuant to the agreement, MCWD loaned MPWMD water from MCWD's existing Salinas Groundwater Basin wells to the MPWMD for aquifer storage and recovery testing done by the MPWMD at the Seaside Basin's Santa Margarita test well site. The total amount loaned for the testing was 68.8 acre feet and the testing was done in January, 2009. The water used was not produced from the Seaside Basin, but was produced from the Salinas Basin.

MPWMD now wants to facilitate the return of the 68.8 acre feet of water loaned by MCWD to MPWMD. Physical return of the 68.8 acre feet of loaned water is difficult because of infrastructure limitations. It has been determined that a full and fair "return" of the 68.8 acre feet of loaned water can be made through credits assigned by the Watermaster to the City with respect to the City's In Lieu Replenishment Program. This can occur by Watermaster treating the 68.8 acre feet of groundwater produced by the City's Golf Course wells between October 2009 and April 2010 (before commencement of the In Lieu Replenishment Program) as imported water delivered by MCWD to the City (the 68.8 acre feet of loaned water is imported water stored in the Seaside Basin through the ASR injection), thereby increasing the City's in lieu replenishment credit under the In Lieu Replenishment Program by 68.8 acre feet.

FISCAL IMPACT

Approval of this MOU will allow the 68.8 acre feet of injected water to stay in the Seaside Basin and would give the City of Seaside a credit against their replenishment assessment of \$191,264 (68.8 acre feet times \$2,780 per acre foot).

ATTACHMENTS

(1) MOU—4 Party Agreement

**MEMORANDUM OF UNDERSTANDING BETWEEN THE MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT, THE MARINA COAST WATER DISTRICT,
THE CITY OF SEASIDE, AND THE SEASIDE BASIN WATERMASTER REGARDING
WATER USED FOR IRRIGATION OF GOLF COURSES**

This Memorandum of Understanding is entered into between the Monterey Peninsula Water Management District (“MPWMD”), the Marina Coast Water District (“MCWD”), the City of Seaside (“City”) and the Seaside Basin Watermaster (“Watermaster”) (individually “Party,” collectively “Parties”) this ____ day of December, 2010 (“Effective Date”) with respect to the following:

RECITALS

1. The amended decision (“Decision”) entered in the lawsuit, *California American Water v. City of Seaside et al.*, Monterey County Superior Court (Case No. M66343) governs the groundwater production within the Seaside Groundwater Basin (“Basin”).
2. Under the Decision the City received an allocation of 540 acre feet (“AF”) of Alternative Production Allocation in relation to the City-owned Blackhorse and Bayonet Golf Courses (“Golf Courses”).
3. The Decision obligated the Watermaster to procure new sources of water for replenishment of the Basin to offset any cumulative over production.
4. The Decision provided that any party that exceeded its allocation of Natural Safe Yield and/or its allocation of Operating Yield was subject to a Replenishment Assessment for each acre foot of over production during each Water Year.
5. In April 2010, the City owed certain sums to the Watermaster for previously accrued Replenishment Assessments.
6. In April 2010, the City and the Watermaster entered into a Memorandum of Understanding to memorialize the terms of an in lieu replenishment program (“In Lieu Replenishment Program”) entered into by City and MCWD whereby the City and MCWD agreed that the City would purchase MCWD water to irrigate the City’s Golf Courses, in order to reduce or eliminate its production of Seaside Basin groundwater for irrigation.
7. Separately, in March of 2008, the MPWMD, MCWD and the Monterey County Water Resources Agency (“MCWRA”) entered into a Coordination Agreement for Aquifer Storage and Recover (ASR) Injection Testing. Pursuant to the agreement, MCWD loaned MPWMD water from MCWD’s existing Salinas Groundwater Basin wells (i.e., imported water

from a separate groundwater basin) to the MPWMD for aquifer storage and recovery testing done by the MPWMD at its Santa Margarita test well site. The total amount loaned for the testing was 68.8 AF, and the testing was done in January of 2009. The water used for testing was not produced from the Seaside Basin, but was produced from another groundwater basin.

8. MPWMD desires to facilitate the return of 68.8 AF of water loaned by MCWD to MPWMD.

9. Physical return of the 68.8 AF of loaned water is difficult because of infrastructure limitations.

10. However, a full and fair “return” of the 68.8 AF of loaned water can be made through credits assigned by Watermaster to the City with respect to the City’s In Lieu Replenishment Program. This can occur by Watermaster treating 68.8 AF of groundwater produced by the City’s Golf Course wells between October 2009 and April 2010 (before commencement of the In Lieu Replenishment Program) as imported water delivered by MCWD to the City (the 68.8 AF of loaned water is imported water stored in the Basin through the ASR injection), thereby increasing the City’s in lieu replenishment credit under the In Lieu Replenishment Program by 68.8 AF.

11. The Parties desire to effectuate this return of loaned water and crediting of in lieu replenishment credits, as set forth herein.

AGREEMENT

The Parties agree as follows:

1. Repayment and Assignment of Loaned Water. The right to return of the 68.8 AF of water loaned to MPWMD by MCWD for ASR injection and storage testing in January of 2009 is hereby assigned to the City, and Watermaster will treat this assignment as a delivery by MCWD to the City of 68.8 AF of imported water from MCWD’s Salinas Groundwater Basin for the City’s Golf Course irrigation in Water Year 2010 as part of the In Lieu Replenishment Program.

2. Credit to City. This assignment shall increase the monetary credit to the City in an amount attributable to an additional 68.8 AF of in lieu replenishment in Water Year 2010 pursuant the accounting methods set forth in Section 3.2 of the MOU that the City and Watermaster entered into in April 2010.

3. Commensurate Reduction in Basin Pumping by City. The amount of native groundwater pumped by City under its Alternative Production Allocation in the first nine months of Water Year 2010 shall be deemed reduced by 68.8 AF -- from 100.6 AF to 31.8 AF.

4. Satisfaction of Water Loan. Pursuant to the provisions above, the Parties agree that MPWMD's obligation to return the water loaned to it by MCWD is hereby satisfied.

5. Approval of Watermaster Board. The approval of the Seaside Basin Watermaster Board shall be a condition precedent to this Memorandum of Understanding taking effect.

6. No Effect on Existing Water Rights. The Parties agree that no provision of this Memorandum of Understanding shall have any force or effect, directly or indirectly, on water rights of any nature held by a Party. No water right of any kind, including but not limited to prescriptive water rights, nor any claim thereto, shall arise or be created in favor of or against any Party or other person, directly or indirectly, nor shall any water right be lost as a result of this Memorandum of Understanding

7. Remedies. This Agreement shall be specifically enforceable; damages are not an adequate remedy for a failure to perform pursuant to its terms and conditions.

8. Arbitration. In the case of any disagreement, difference, or controversy arising between any of the Parties with respect to any matter in relation to or arising out of or under this Memorandum of Understanding, whether as to the construction or operation thereof, or the respective rights and liabilities of the Parties, and all Parties cannot mutually agree as to the resolution thereof, then such disagreement, difference or controversy shall be determined by arbitration by and under the arbitration rules of JAMS or by such other arbitrator and under such other rules as the Parties may agree, provided that the arbitrator shall be a former judge of the Superior Court or the Court of Appeal. Any arbitration hearing shall be noticed and open to the public. The submission to arbitration in accordance with the requirements of this section of any and all agreements, differences, or controversies that may arise hereunder is made a condition precedent to the institution of any action or appeal at law or in equity with respect to the controversy involved. The award by the arbitrators shall have the same force and effect and may be filed and entered, as a judgment of the Superior Court of the State of California, and shall be subject to appellate review upon the same terms and conditions as law permits for judgments of Superior Courts. A "Prevailing Party" shall be determined in the Arbitration, and the Prevailing Party shall be entitled to reasonable attorneys' fees and costs incurred, and accrued interest on any unpaid balance that may be due. Costs shall include the cost of any expert employed in the preparation or presentation of any evidence. All costs incurred and reasonable attorneys' fees shall be considered costs recoverable in that proceeding and be included in any award.

9. Litigation. In the event any of the Parties to this Memorandum of Understanding brings a judicial or arbitration proceeding to enforce or interpret any provision of its terms, then, and in that event, the Prevailing Party shall be entitled to recover reasonable attorneys' fees and

related expenses and costs, including but not limited to court costs, expert witness fees and expenses, and accountant fees and expenses. Costs shall include the cost of any expert employed in the preparation or presentation of any evidence, whether or not any such witness or accountant shall be called to testify. Recovery of these fees and costs shall be as additional costs awarded to the Prevailing Party, and shall not require initiation of a separate legal proceeding.

10. Notices. Notices regarding this Memorandum of Understanding shall be given to the Parties at the following addresses:

**Monterey Peninsula Water
Management District**
Attn: General Manager
P. O. Box 85
Monterey, CA 93942

City of Seaside
Attn: City Manager
440 Harcourt Avenue
Seaside, CA 93955

Marina Coast Water District
Attn: General Manager
11 Reservation Road
Marina, CA 93933

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

11. Entire Agreement. This document represents the entire Memorandum of Understanding between the Parties, and supersedes any prior written or oral negotiations and representations between the Parties with regard to the matters described herein.

12. Severability. If any provision, or any portion thereof, contained in this Memorandum of Understanding is held unconstitutional, invalid, unenforceable, or contrary to public policy, the remainder of this Memorandum of Understanding, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

13. Mutuality. This Memorandum of Understanding is the product of negotiation and preparation by and among the Parties. All sides have reviewed and have had the opportunity to revise this Memorandum of Understanding. The Parties waive the provisions of Section 1654 of the Civil Code of California and any other rule of construction to the effect that ambiguities are to be resolved against the drafting Party, and the Parties warrant and agree that the language of this Memorandum of Understanding shall neither be construed against or in favor of any Party.

14. Waiver. A Party's failure to insist on the strict performance of any provision of this Memorandum of Understanding or to exercise any right, power, or remedy upon a breach of this Memorandum of Understanding shall not constitute a waiver of any provision of this Memorandum of Understanding. Neither shall such action or inaction limit the Party's right to later enforce any provision or exercise any right to the fullest extent allowed under this Memorandum of Understanding. A waiver of any covenant, term or condition contained in this Memorandum of Understanding shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent, authorization or approval by a Party of any act shall not be deemed to waive or render unnecessary the consent, authorization or approval of any subsequent similar act.

15. Amendment. This Memorandum of Understanding shall be amended or modified only by an instrument in writing duly approved and signed by each party hereto. Any waiver of any terms or conditions must be in writing and signed by the Parties.

16. Effective Date. This Memorandum of Understanding shall take effect on December _____, 2010, subject to the qualification described in paragraph 5 of this Memorandum of Understanding.

IN WITNESS WHEREOF the Parties hereto execute this Memorandum of Understanding pursuant to the terms set forth herein.

MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT

CITY OF SEASIDE

Darby Fuerst, General Manager

Ray Corpuz, City Manager

Date: _____

Date: _____

MARINA COAST WATER DISTRICT

SEASIDE BASIN WATERMASTER

James Heitzman, General Manager

Dewey Evans, Chief Executive Officer

Date: _____

Date: _____

ITEM X.

**INFORMATIONAL
REPORTS**

(NO ACTION REQUIRED)

SEASIDE GROUNDWATER BASIN WATERMASTER CRITICAL MILESTONE DATES

X.A.

ANNUAL MILESTONES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	12/1/2010	
Each Producer is authorized to Produce its Production Allocation within the designated Subarea in each of the first three Water Years. Alternative Producers may change to Standard Production by March 27, 2009 by filing a declaration 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										
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.				100% of the Operating Yield of 5,600 decreased 10% Oct 1, 2009		Operating yield could decrease 10% every three years on October 1st until it is the equivalent of Natural Safe Yield			1-Oct	1-Oct	1-Oct		
Each Water Year by November 15th, the Watermaster will determine and levy a Replenishment Assessment on each Standard Producer, with payment due from Producer 40 days after the levy is mailed	15-Nov		15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
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 by January 15th	15-Nov		30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov		
California American Water to submit annually to Watermaster any augmentation to water supply for possible credit toward Replenishment Assessment	Annually	15-Nov	CAW Credit Request Granted (signed MOU) January 15, 2009		CAW Credit Req Granted 2/3/10	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
Water level monitoring - monthly data collection from all members for inclusion in the consolidated database.	Reported Annually	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly		
Water quality monitoring - yearly data collection from all members for inclusion in consolidated database	Reported Annually	15-Nov	28-Feb & 15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
Summary report of water resources data to all members/parties Reported the 15th each quarter month:	Quarterly	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th	Jan, Apr, Jul, Oct 15th		
Annual Report to Court	15-Jan	15-Nov	15-Nov	15-Nov	31-Dec								
ADMINISTRATIVE MILESTONES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Adjudication ordered by Court and filed	27-Mar-06												
Board Directors Terms		7-Nov											
Budget (Administrative) Adopted/distributed					15-Jan-10	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan		
Budget (Operations) Adopted/distributed					15-Jan-10	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan		
Budget (Replenishment) Adopted/distributed					15-Jan-10	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan	15-Jan		
Administrative Assessments	15-Jan-06	15-Jan-07	15-Jan-08	15-Jan-09	15-Jan-10	15-Jan-11	15-Jan-12	15-Jan-13	15-Jan-14	15-Jan-15	15-Jan-16		
Operations Assessments	15-Jan-07	15-Jan-07	15-Jan-08	15-Jan-09	15-Jan-10	15-Jan-11	15-Jan-12	15-Jan-13	15-Jan-14	15-Jan-15	15-Jan-16		
Capital Assessments	15-Jan-07	15-Jan-07	NONE	15-Jan-09	NONE	15-Jan-11	15-Jan-12	15-Jan-13	15-Jan-14	15-Jan-15	15-Jan-16		
Replenishment Assessments	CAW credit	CAW credit	CAW credit	CAW credit	CAW credit	15-Jan-12	15-Jan-13	15-Jan-14	15-Jan-15	15-Jan-16	15-Jan-17		
Annual Report to Court	15-Nov-06	15-Nov-07	15-Nov-08	15-Nov-09	31-Dec-10	31-Dec-10	15-Nov	15-Nov	15-Nov	15-Nov	15-Nov		
Answers to Judge's Questions re: Annual Report		30-Jan-09	28-Feb-08	1-Feb-09	5-Feb-10								
Declaration of Replenishment Water Availability	Feb-06	Dec-06	Dec-07	18 Mar	2-Dec-09	1-Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15		
MONTHLY MILESTONES	2006-09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10
Board Directors Terms													
Fiscal Year tentative budgets distribution to all parties												15-Nov	
Operating Yield of 5,600 decreased 10% ; Declaration of Replenishment Water Available	18-Mar-09												12/1/2010
Administrative Assessments													2009 & 10 Seaside Not Recvd
Operations Assessments													2009 & 10 Seaside Not Recvd
Capital Assessments													2009 Seaside Not Recvd
Replenishment Assessments													2005/06 - 2008/09 Seaside Not Recvd
Develop Repl Assessment Unit Cost													
SPECIAL ISSUES	2006-09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10
Cal-Am CWP/Alternative Projects EIR	ALJ & Commission FEIR Proceedings				Board Support							Per A.JL Proceed w/Reg Project	
SWRCB Cease Desist Order California American Water	Stay Issued				Stay Lifted							Moratorium sought by CAW	
Storage and Recovery Application and Agreement Development						Templates Approved							
Watermaster Board Regular Meeting Schedule		6-Jan cancel'd	3-Feb	3-Mar	7-Apr	5-May cancel'd	2-Jun	7-Jul cancel'd	4-Aug cancel'd	22-Sep Sp Mtg	6-Oct cancel'd	3-Nov	1-Dec
SUMMARY PROJECT SCHEDULE (See detailed project schedule for more information)			Monitoring and Management Program 2010										
Program Administration, Database Management			1/1/10 - 12/31/10										Complete =
Coastal Wells Cross-Aquifer Contamination Potential Evaluation			01/01/11 - 12/31/11										Yet to be completed =
Enhanced Groundwater Model: Protective Water Levels & Basin Scenarios (Hydrometrics)			1/13/10 - 8/4/10										Scheduled for Board or TAC meeting =
Production Water Level & Water Quality Monitoring (Hydrometrics, MPWMD)			1/1/10 - 12/31/10										Imminent Critical Deadline =
Refine/Update BMAP (Hydrometrics)			6/9/10 - 11/3/10										
Seawater Intrusion Analysis (Hydrometrics)			10/6/10 - 11/3/10										

MEETING NOTES

**Seaside Groundwater Basin Watermaster
Informal Gathering of Technical Advisory Committee Members
November 10, 2010**

Attendees: TAC Members
City of Seaside – No Representative
California American Water – Eric Sabolsice
City of Monterey – No Representative
Laguna Seca Property Owners – No Representative
MPWMD – Joe Oliver
Public Member – No Representative
MCWRA – Howard Franklin
City of Del Rey Oaks – Dan Dawson
City of Sand City – Richard Simonitch
Coastal Subarea Landowners – No Representative

Watermaster
Technical Program Manager - Robert Jaques

Consultants
None

Others:
MPWMD – Jonathan Lear
MCWRA – Amy Gagne

It was concluded by the TAC members that were present for the meeting that the lack of a quorum would preclude having a formal TAC meeting. Mr. Riedl became ill this morning and Mr. Green had received a work assignment that prevented their attending the meeting.

Instead of a meeting, informal discussion of the agenda items occurred, as described below:

1. Administrative Matters:

A. Approve Minutes from October 13, 2010 Meeting

Discussion of this item was not held and will be deferred to the next TAC meeting.

B. Alternate TAC Member Named for Sand City

Mr. Simonitch, who was named by Sand City as its Alternate to the TAC, introduced himself and was welcomed by the other TAC members.

2. Report on Board Action Regarding Revising Definition of Quorum for TAC Meetings and Voting Requirements for Taking Action at TAC Meetings

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

Mr. Dawson said he felt that having less than a quorum of 6 present would render the TAC unable to take action or vote on issues. However, even with less than a quorum present it would still constitute a "meeting" that would be subject to the Brown Act. He described a recent Del Rey Oaks City Council meeting where a similar situation had arisen.

Mr. Sabolsice said that he would make an effort to have meetings be time-efficient in recognition of the fact that the time of all TAC meeting attendees is valuable. He will also discuss the Board's decisions on this topic at their November meeting with Mr. Anthony of CAW.

3. Progress Report on Implementing Database Enhancements

Mr. Oliver gave a brief oral report on this item. He said pilot-testing is currently in progress, and he hopes to be able to do a live demonstration with a computer accessing the Database via the Internet at the January, 2011 TAC meeting.

Mr. Simonitch asked Mr. Oliver if any GIS capability would be included. Mr. Oliver responded that some limited ability is presently available by clicking on wells on the map to pull up well data.

Mr. Oliver noted that current users have "User Access Passwords". Any new TAC members who wish access can be provided with their own passwords by contacting Mr. Jaques.

The on-line Database at the Watermaster's web site does not incorporate the enhancements yet, pending completion of pilot testing and approval by the TAC.

Mr. Sabolsice asked Mr. Oliver if the project was on budget, and Mr. Oliver responded that it was.

4. Draft Request for Service to Perform Another Wellhead Elevation Survey in 2011 to Determine Whether or Not Subsidence is Occurring

Mr. Jaques summarized the agenda packet materials on this item. He also suggested that perhaps a map should be prepared that would visually depict the amount of elevation changes that are found from the resurveying of the wells. Mr. Simonitch suggested this could be done with colored circles or varying sizes of circular symbols, as a means of depicting us.

Mr. Oliver said that MPWMD assisted Central Coast Surveyors with access, and locations of the wells, when they performed the work in 2008, and that he anticipated MPWMD would need to provide assistance to Central Coast Surveyors again this time. He felt it might be on the order of 40 hours of time for this assistance. Mr. Sabolsice said that CAW will provide assistance on its own well sites to the surveyors.

Mr. Franklin said it was important to ensure that the same reference points are used this time. Also, U.S.G.S. is doing a LIDAR survey at this time, and that this might be useful in the future to detect elevation changes. He noted that the new U.S.G.S. work is being done to sub-one meter elevation accuracy. Mr. Sabolsice asked Mr. Franklin if the LIDAR data could be used instead of performing another field survey. Mr. Franklin responded no, because at this time the LIDAR data is not nearly as accurate as the previously developed survey data. Mr. Sabolsice said he hoped the U.S. G. S. LIDAR data could be used in the future to look for subsidence, rather than having to perform further field surveys.

Mr. Franklin asked if the geology of the area made prone it to subsidence. Mr. Oliver and Mr. Simonitch responded that the geology did not make it prone to subsidence, but that there was no data upon which to make a firm conclusion that subsidence was not occurring, and that this is why the 2008 survey, and the proposed 2011 survey, were recommended.

Mr. Jaques suggested including in the RFS a second component to do the mapping, if the TAC approves doing mapping after first seeing the results of the field survey work.

Mr. Dawson noted that since this time the scope of work will include only getting the elevation data, not the horizontal data, the work should be less costly than in the past.

There was a consensus not to come back to the TAC again before proceeding with this work, once sufficient information has been received from Central Coast Surveyors to finalize the RFS. Rather, the RFS would go directly to the Board for approval, unless significant unanticipated cost or scope issues arise.

5. Schedule

Mr. Jaques and Mr. Oliver briefly described the decision by the Board to file a request to the Court to extend the deadline to submit the 2010 annual report to December 31, 2010.

6. Set Next Meeting Date and Consider Not Meeting in December

There was consensus to have no December TAC meeting. Mr. Jaques will send out the cancellation notice, and the next meeting will be held in January, 2011.

7. Other Business

There was no Other Business.

This informal gathering of TAC members ended at approximately 2:40 p.m.

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: December 1, 2010
SUBJECT: Calendar Year 2011 Schedule of Regular Meeting Dates For Watermaster Board of Directors and Technical Advisory Committee (TAC)

RECOMMENDATION:

None, Information only

DISCUSSION:

The attached schedule reflects the regular meeting dates for both the Watermaster Board of Directors and the Technical Advisory Committee (TAC) for calendar year 2011. All of these meetings are scheduled to be held at the Monterey Regional Water Pollution Control Agency Board Room located at 5 Harris Court, Building "D" in the City of Monterey (Ryan Ranch). The Board of Director's meetings are held the first Wednesday of each month and are scheduled to start at 2:00 PM. The Technical Advisory Committee are held the second Wednesday of each month and are scheduled to start at 1:30 PM.

If and when special meetings are necessary those meetings will be duly noticed and may be scheduled at other dates, and times at locations as needed.

ATTACHMENTS:

(1) Calendar Year 2011---Schedule of Regular Meetings

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

**2011
SCHEDULE OF REGULAR MEETINGS**

	<u>BOARD</u>	<u>TAC</u>
JANUARY	5	12
FEBRUARY	2	9
MARCH	2	9
APRIL	6	13
MAY	4	11
JUNE	1	8
JULY	6	13
AUGUST	3	10
SEPTEMBER	7	14
OCTOBER	5	12
NOVEMBER	2	9
DECEMBER	7	14

ITEM NO. XI.

**DIRECTOR'S
REPORTS**

ITEM NO. XII.

**EXECUTIVE OFFICER
COMMENTS**