

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF MONTEREY**

Date: **JAN 06 2010**

Hon. Roger D. Randall
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, Judge
, Bailiff

Erika D. Catania
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, Deputy Clerk
, Court Reporter

California American Water,

vs.

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

Monterey Peninsula Water Management District,

Intervenor,

Monterey County Water Resources Agency,

Intervenor,

And Related Cross-Actions.

No. M66343

Minute Order re: 2009 Annual report of the Water Master

The Court has received and read the 2009 Annual Report of the Water Master. In doing so, the following matters are of concern to it:

- a) The Report, Section F, Page 3, references the MOU between City of Seaside and SGBW regarding proposed in lieu replenishment assessments. The MOU is attached as Attachment 3. The MOU, paragraph 4, appears ambiguous to the court, in that it can be read to allow a stay of enforcement of replenishment assessments in advance of the securing of replenishment water for the golf courses, and to stay enforcement of any replenishment assessment after such replenishment water is obtained, even though the assessment might accrue beyond 200AF. If this is the intent of the parties, it is not acceptable to the court, since it would tend to reduce the funds available to secure additional water resources for the basin.
- b) Concerning the question raised by Cal Am and City of Seaside regarding Double RA on Operating Yield Overproduction, there is no ambiguity in the use of the term "additional Water Master

Replenishment Assessment” in Amended Decision III.L.j.iii. The OYO assessment is to be assessed *in addition to* the base assessment for production in excess of NSY, which applies to all production exceeding NSY. The additional assessment, of course, only impacts that portion of usage exceeding the Operating Yield allotment.

- c) The Report, Paragraph J, proposes to reduce monitoring of sentinel wells, but provides no basis for such a reduction. This reduction is not acceptable absent a basis presented to the court for such a significant reduction.

The Water Master is directed to respond to the court’s concerns regarding these matters within thirty (30) days of the mailing of this minute order.