SEASIDE GROUNDWATER BASIN WATERMASTER

REGULAR MEETING AGENDA

WEDNESDAY, JUNE 4, 2008, 2:00 P.M.

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

BOARD ROOM, 5 HARRIS COURT, BUILDING “D”

“RYAN RANCH”
MONTEREY, CALIFORNIA

WATERMASTER BOARD:
City of Seaside – Mayor Ralph Rubio, Chair
Coastal Subarea Landowner – Director Paul Bruno, Vice Chair
Monterey Peninsula Water Management District – Director Judi Lehman, Secretary
City of Del Rey Oaks – Mayor Joseph Russell, Treasurer
California American Water – Director Tom Bunosky
Laguna Seca Subarea Landowner – Director Bob Costa
City of Sand City – Mayor David Pendergrass
Monterey County/Monterey County Water Resources Agency -- Supervisor Dave Potter, District 5
City of Monterey –Councilmember Frank Sollecito

I. CALL TO ORDER

II ROLL CALL

III. APPROVAL OF MINUTES;
The minutes of the Regular Board meeting of April 2, 2008 is attached to this agenda. Watermaster Board is requested to consider approving the minutes.

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

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

VI. CONSENT CALENDAR

A. Consider Approval of Summary for Payments Made in April & May 2008 totaling $52,743.47
C. Consider Ratifying CEO Approval of one new Contract and a Modification to an Existing Contract, each under $10,000:
   1. A Contract with Central Coast Surveyors to Perform the GPS Surveying Work necessary to determine water levels for 98 water wells in Seaside Basin for an amount of $8,000
   2. A Modification to the Existing Contract with MPWMD to Provide Assistance to Central Coast Surveyors in the Performance of Surveying Work for an amount of $5,000.

VII. ORAL PRESENTATION –None Scheduled
ITEM NO. VI.

CONSENT CALENDAR
TO: Board of Directors

FROM: Dewey D Evans, CEO

DATE: June 4, 2008

SUBJECT: Summary of Payments Authorized to be paid in April and May, 2008.

PURPOSE:

To advise the Board of payments authorized to be paid during the months of April and May, 2008.

RECOMMENDATIONS:

Consider approving the payment of bills submitted and authorized to be paid by the CEO during the months of April and May, 2008.

COMMENTS and FISCAL IMPACT:

APRIL:

**DDEvans Consulting** (Professional Services Agreement—CEO) - March 24, 2008 through April 20, 2008; worked on Watermaster business a total of 85.25 hours at $100.00 per hour or **$8,525.00**. Prepared and distributed Board of Director’s agenda packets for April 2, 2008 Board meeting. Discussed and coordinated contacts with various well owners/operators with added monthly reporting of water levels and water quality readings. Reviewed and analyzed a variety of reports and coordinated responses to inquiries from the public and interested parties. Had discussions with Russ McGlothlin on items for April Board meeting. Discussed and followed up on California American Water’s billings for delinquent payment of replenishment assessments. Reviewed TAC meeting agenda packet and related TAC minutes, worked with RBF Consulting on contract billings; attended SWRCB meeting on April 1st held in Monterey. Updated web site information, held discussions on Hydrometrics contract discussions. Prepared reports and suggestions for Rules and Regulations Committee meeting to be held later in month.

**Robert “Bob” Jaques** (Technical Program Manager) – March 24, 2008 through April 22, 2008 worked a total of 50 hours at $100.00 per hour and paid $8.25 for postage for Well Surveying RFPs for a total of **$5,008.25**. Worked on preparing TAC meeting agenda packet, attending and participating in TAC meeting. Prepared TAC minutes and distributed to TAC members and followed up on TAC meeting actions. Assisted with preparing Watermaster Board meeting agenda packet and e-mailing same to CEO. Attended Board meeting and meetings on follow-up items. Met with CEO and Laura Dadiw on outstanding list of WM items. Reviewed well surveying proposals, contacted submitting firms to clarify questions regarding proposals, checked references, prepared recommendation to TAC and to WM Board.
HydroMetrics, LLC—Contract for $145,530.00 dated February 7, 2008—one invoice was submitted and authorized for payment during the month of April for $2,143.83. The invoice dated April 1, 2008 was for 13.5 hours at $145.00 per hour or $1,957.50 for analyzing Bayonet well need, TAC meeting, BMAP meeting, discussion of long term solution to section of BMAP and $186.33 for mileage costs and lunch for the Watermaster Technical Group meeting.

MAY:

DDEvans Consulting (Professional Services Agreement—CEO) – April 21, 2008 through May 24, 2008; Spent a total of 58.5 hours on Watermaster business during this period of time; 58.5 hours at $100.00 per hour or $5,850.00. There was no Watermaster Board meeting during this time period. Spent majority of time on setting up, preparing information, attending and following up on committee meetings with the WM’s Rules and Regulations Committee and Budget and Finance Committee. Additionally, time was spent on general office duties which included answering correspondence, telephone, e-mail inquiries, etc.. Processed bill payments, reconciling financial accounts and working with RBF Consulting on settling contract financial issues. Reviewed TAC meeting agenda packet and follow up minutes. Discussed outstanding WM issues with Bob Jaques and Laura Dadiw.

Robert “Bob” Jaques (Technical Program Manager) – April 23, 2008 through May 23, 2008 worked a total of 26 hours at $100.00 per hour for a total of $2,600.00. Spent majority of time on preparing, attending, and following up on TAC meeting matters. Met with CEO and Laura Dadiw on WM outstanding items. Followed up on e-mails, telephone calls and other correspondence during month. Drafted contracts for Central Coast Surveyors and modifications to MPWMD contract. Met with R. Simonitch of Cregan and D’Angelo for briefing on CAW, CWP and ASR projects status. Reviewed RBF Consulting database issues in preparation for telecom with S. Bein of RBF; telephone contact with S. Bein of RBF.

HydroMetrics, LLC – Contract for $145,530.00 dated February 7, 2008—one invoice was submitted and authorized for payment during the month of May for $3,917.50. The invoice dated May 5, 2008 was for 5.5 hours at $145.00 per hour for $797.50 for participating in TAC meeting, reviewing well locations with Joe Oliver and review of sentinel well data for Seawater Intrusion Response Plan. Payment of $3,120.00 to Hydrologist Gus Yates for Seaside Basin Planning of water-level information gathering and attending project team meeting on March 18th to review previous storage calculations and seawater intrusion response plan.

MPWMD—Contract for $112,720.00 dated January 1, 2008—one invoice was submitted and authorized for payment during the month of May for $23,983.89. The invoice dated May 14, 2008 consists of labor costs of $12,680.00 amounting to some 156.5 hours of developing and reviewing of a database, monthly water level collection, collecting water quality samples and reporting and $11,303.89 of direct costs. The direct costs include water quality sampling equipment, laboratory testing, induction logging, retrofit, etc.

MPWMD—Contract for $17,460.00 dated January 1, 2008—one invoice was submitted and authorized for payment during the month of May for $715.00. The invoice dated May 14, 2008 consists of labor costs of $315.00 for 4.5 hours of water level and water quality sample collections and 2.0 hours of laboratory analysis of $400.00.

Total payments authorized to be paid during:

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>$15,677.08</td>
</tr>
<tr>
<td>May</td>
<td>37,066.39</td>
</tr>
</tbody>
</table>

Total for April and May $52,743.47
Seaside Groundwater Basin Watermaster

Budget vs. Actual Administrative Fund
Fiscal Year (January 1 - December 31, 2008)
Balance through May 31, 2008

<table>
<thead>
<tr>
<th>Available Balances &amp; Assessments</th>
<th>Estimated Balances &amp; 2008 Adopted Budget</th>
<th>Year to Date Income/Expenses</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated Reserve</td>
<td>25,000.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FY 2007 (Estimated Rollover)</td>
<td>21,216.00</td>
<td>21,216.00</td>
<td>-</td>
</tr>
<tr>
<td>FY 2008 Assessments</td>
<td>87,000.00</td>
<td>63,574.00</td>
<td>23,426.00</td>
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<tr>
<td><strong>Available</strong></td>
<td><strong>133,216.00</strong></td>
<td><strong>84,790.00</strong></td>
<td><strong>23,426.00</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Estimated Balances &amp; 2008 Adopted Budget</th>
<th>Year to Date Income/Expenses</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Staff</td>
<td>108,000.00</td>
<td>38,300.00</td>
<td>69,700.00</td>
</tr>
<tr>
<td><strong>Total Administrative</strong></td>
<td><strong>108,000.00</strong></td>
<td><strong>38,300.00</strong></td>
<td><strong>69,700.00</strong></td>
</tr>
<tr>
<td><strong>Total Available</strong></td>
<td><strong>25,216.00</strong></td>
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</tr>
<tr>
<td>Dedicated Reserve</td>
<td>25,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Available</strong></td>
<td><strong>216.00</strong></td>
<td></td>
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</tr>
</tbody>
</table>
### Estimated Balances & Budgets

<table>
<thead>
<tr>
<th>Available Balances &amp; Assessments</th>
<th>2008 Adopted Budget</th>
<th>Approved Contracts Budget</th>
<th>Income/Encumbrance Budget</th>
<th>Estimated Year to Date Income/Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring &amp; Management - Ops Fund</td>
<td>$430,240.00</td>
<td>$</td>
<td>$</td>
<td>$419,699.20</td>
</tr>
<tr>
<td>FY 2007 (Estimated Rollover)</td>
<td>110,000.00</td>
<td>-</td>
<td>-</td>
<td>110,000.00</td>
</tr>
<tr>
<td><strong>Estimated Total Available</strong></td>
<td><strong>$540,240.00</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
<td><strong>$529,699.20</strong></td>
</tr>
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</table>

### Appropriations & Expenses

#### GENERAL

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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Technical Project Manager</td>
<td>$100,000.00</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$22,273.76</td>
<td></td>
</tr>
<tr>
<td>Contingency @ 20% (not including TPM)</td>
<td>55,040.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total General</strong></td>
<td><strong>$155,040.00</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
<td></td>
<td><strong>$22,273.76</strong></td>
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#### CONSULTANTS (Hydrometrics)

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Program Administration</td>
<td>$12,000.00</td>
<td>18,630.00</td>
<td>$10,767.50</td>
<td>$1,232.50</td>
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</tr>
<tr>
<td>Production/Lvl/Qty Monitoring</td>
<td>13,000.00</td>
<td>35,240.00</td>
<td>12,855.00</td>
<td>145.00</td>
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<td></td>
</tr>
<tr>
<td>Basin Management</td>
<td>100,000.00</td>
<td>74,980.00</td>
<td>95,085.00</td>
<td>4,915.00</td>
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</tr>
<tr>
<td>Seawater Intrusion</td>
<td>40,000.00</td>
<td>16,680.00</td>
<td>39,692.50</td>
<td>307.50</td>
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<td></td>
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<tr>
<td>Direct Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>186.33</td>
<td></td>
</tr>
<tr>
<td><strong>Total Consultants</strong></td>
<td><strong>$165,000.00</strong></td>
<td><strong>$145,530.00</strong></td>
<td><strong>$158,400.00</strong></td>
<td><strong>$6,786.33</strong></td>
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#### MPWMD

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</thead>
<tbody>
<tr>
<td>Production/Lvl/Qty Monitoring</td>
<td>$91,700.00</td>
<td>94,040.00</td>
<td>81,520.00</td>
<td>$10,180.00</td>
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<tr>
<td>Basin Management</td>
<td>5,000.00</td>
<td>11,480.00</td>
<td>3,800.00</td>
<td>1,200.00</td>
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<tr>
<td>Seawater Intrusion</td>
<td>6,000.00</td>
<td>7,200.00</td>
<td>5,100.00</td>
<td>900.00</td>
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<td></td>
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<tr>
<td>Water Quality and Level Collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>715.00</td>
</tr>
<tr>
<td>Direct Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,303.89</td>
</tr>
<tr>
<td><strong>Total MPWMD</strong></td>
<td><strong>$102,700.00</strong></td>
<td><strong>$112,720.00</strong></td>
<td><strong>$90,420.00</strong></td>
<td><strong>$24,298.89</strong></td>
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#### MCWRA

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<tbody>
<tr>
<td>Program Administration</td>
<td>$</td>
<td></td>
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<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Production/Lvl/Qty Monitoring</td>
<td>2,500.00</td>
<td>2,645.00</td>
<td>2,500.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basin Management</td>
<td>1,000.00</td>
<td>920.00</td>
<td>1,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seawater Intrusion</td>
<td>4,000.00</td>
<td>4,370.00</td>
<td>4,000.00</td>
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<tr>
<td><strong>Total MCWRA</strong></td>
<td><strong>$7,500.00</strong></td>
<td><strong>$7,935.00</strong></td>
<td><strong>$7,500.00</strong></td>
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### Total Appropriations & Expenses

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</thead>
<tbody>
<tr>
<td><strong>Total Appropriations &amp; Expenses</strong></td>
<td><strong>$430,240.00</strong></td>
<td><strong>$266,185.00</strong></td>
<td><strong>$256,320.00</strong></td>
<td></td>
<td><strong>$53,358.98</strong></td>
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</table>

### Total Estimated Available

<table>
<thead>
<tr>
<th>Total Estimated Available</th>
<th>110,000.00</th>
</tr>
</thead>
</table>
## Seaside Groundwater Basin Watermaster
### Budget vs. Actual Replenishment Fund
**Fiscal Year (January 1 - December 31, 2008)**
**Balance through May 31, 2008**

<table>
<thead>
<tr>
<th>Assessments:</th>
<th>FY 2006 Adopted Budget</th>
<th>FY 2007 Adopted Budget</th>
<th>FY 2008 Revised Budget</th>
<th>Total to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WY 05/06</td>
<td>WY 06/07</td>
<td>WY 07/08</td>
<td></td>
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<tr>
<td><strong>Replenishment Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>California American Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exceeding Natural Safe Yield Considering Alternative Producers</td>
<td>$2,106,652.00</td>
<td>$2,594,166.34</td>
<td>$5,694,874.50</td>
<td>$10,395,040.84</td>
</tr>
<tr>
<td>Operating Yield Overproduction Replenishment</td>
<td></td>
<td>78,837.77</td>
<td>172,956.00</td>
<td>$251,793.77</td>
</tr>
<tr>
<td>(Credit Towared Replenishment Assessment 2006)</td>
<td>(465,648.00)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total California American Water</strong></td>
<td>$1,641,004.00</td>
<td>$2,673,004.11</td>
<td>$5,867,830.50</td>
<td>$10,646,834.61</td>
</tr>
</tbody>
</table>

| City of Seaside |                          |                        |                        |              |
| Exceeding Natural Safe Yield Considering Alternative Producers | $169,010.00 | $181,671.87 | $398,842.50 | $749,524.37 |
| Operating Yield Overproduction Replenishment |                        | 50,940.00         | 56,473.00            | $107,923.78  |
| **Total City of Seaside** | $219,950.00 | $182,182.65 | $455,315.50 | $857,448.15 |

| Total Assessments | $1,860,954.00 | $2,855,186.76 | $6,323,146.00 | $11,504,282.76 |

| Paid Assessments | $219,950.00 | $182,182.65 | 0.00 | $402,132.65 |

| Unpaid Balance | $11,102,150.11 |

**NOTE:**
- Cal Am 5% late payment penalty assessed 1/16/07 = $82,050.00; 5% penalty assessed 1/16/08 = $243,052.71
- City of Seaside 5% late payment penalty assessed 1/16/08 = $9,109.13
TO: Board of Directors  
FROM: Dewey D Evans, CEO  
DATE: June 4, 2008  
SUBJECT: Ratify CEO Approval of one new Contract for a fee not-to-exceed $8,000 and a Modification to an Existing Contract for a fee not-to-exceed $5,000.

PURPOSE:
In order to determine an accurate water level benchmark elevation for the 98 water wells identified in the Seaside Basin it was decided by the Watermaster TAC that the most cost effective way would be through the use of GPS technology, rather than conventional surveying techniques. In order to keep the work progressing so that the data would be developed by the time it is needed by the Watermaster’s consultants the CEO in consultation with the Board Chair approved a contract for a fee not-to exceed $8,000 with Central Coast Surveyors and a modification to an existing contract with MPWMD for a fee not-to-exceed $5,000 to assist the surveyors with their surveying work.

RECOMMENDATION:
That the Board ratify the decision of the CEO to approve both the new contract and the modification to an existing contract.

DISCUSSION:
For a thorough discussion please refer to the attached staff report from Robert S. Jaques, Watermaster Technical Program Manager.

FISCAL IMPACT:
Approval of both the new contract and the modification to an existing contract could cost the Watermaster a total of $13,000, ($8,000 plus $5,000). This amount is well within the remaining Contingency amount allocated for Phase 2 work in the 2008 Board adopted budget.

ATTACHMENTS:
1. Robert S. Jaques, Watermaster Technical Program Manager’s Staff Report on Background of Need  
2. Exhibit 1-Professional Services Agreement With Central Coast Surveyors  
3. Exhibit 2-Request for Service with Attached “Scope of Work” with Central Coast Surveyors  
4. Exhibit 3-Request for Service with Attached “Scope of Work” with MPWMD
TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: June 4, 2008

SUBJECT: Consider Ratifying CEO Approval of One New Contract and a Modification to an Existing Contract, Each Under $10,000

1. A contract with Central Coast Surveyors to Perform the GPS Surveying Work Necessary to Determine Water Levels for 98 Water Wells in the Seaside Basin for an Amount of $8,000
2. A Modification to the Existing Contract with MPWMD to Provide Assistance to Central Coast Surveyors in the Performance of Surveying Work for an Amount of $5,000

BACKGROUND:

As part of the Basin Monitoring and Management Program, data is being collected on water quality and water levels from numerous wells throughout the Seaside Basin. Water level data is being collected from 98 of these wells. The data is typically obtained as the depth-in-feet from a surface benchmark to the water surface in the well. However, most of the wells do not have established benchmark elevations, so it is not possible to convert these depth measurements into water surface elevations.

In order to be able to use this data to plot water surface elevation contour maps, so that changes in water surface elevations, areas of depression, and other basin characteristics can be identified, the elevation of each of these benchmarks needs to be determined by surveying. Also, many of these wells do not have accurate horizontal coordinates established for them, so it is not possible to accurately plot their locations on maps.

The most cost-effective way of obtaining the necessary benchmark elevations and horizontal coordinate locations will be through the use of GPS technology, rather than conventional surveying techniques. This will give us elevation and horizontal coordinate data that is accurate to the nearest few tenths of a foot, which will be satisfactory for our purposes.

The normally scheduled Board meeting for the month of May was cancelled due to the small number of items on the agenda. The CEO then sought, and received, Board approval via email contact with Board members to enable this work to proceed, so that the data would be developed by the time it is needed by the Watermaster’s consultants. These are the consultants who are preparing the Basin Management Action Plan and the Long-Term Sea Water Intrusion Report.

DISCUSSION

Central Coast Surveyors. The TAC authorized soliciting Proposals from local surveying firms to perform the GPS surveying work, and four Proposals were received. Of the four, there was consensus of
the TAC to request the Board to authorize issuing a contract for these services to Central Coast Surveyors. This firm offered the lowest cost Proposal, and based on reference checks and a review of their qualifications, this firm was determined to be well experienced and qualified to perform this type of work for the Watermaster. The firm has satisfactorily performed similar work for MPWMD, and has satisfactorily performed similar work for an environmental company currently using monitoring wells as part of the Fort Ord ground water cleanup program. In addition Mr. Paul Bruno reported that his company has worked with Central Coast Surveyors and has had satisfactory working experiences with them.

A detailed Scope of Work and cost were negotiated with Central Coast Surveyors, and formalized using the Professional Services Agreement format that is already in use with HydroMetrics, RBF, MPWMD, and MCWRA. The negotiated cost of these services is not-to-exceed $8,000. A copy of the Professional Services Agreement attached as Exhibit 1, and the Request for Service is attached as Exhibit 2.

MPWMD. In order for Central Coast Surveyors to perform the GPS surveying work, they will need to be taken to the various wells sites and shown where the well benchmarks are located, so they can survey them. The most efficient way to do this will be to have personnel from MPWMD, who are familiar with all of these wells, accompany the survey personnel during this work, to provide them access, guide them to the well sites, and to coordinate with the well owners for these purposes. The TAC concurred with having MPWMD provide this assistance.

A detailed Scope of Work and cost were negotiated with MPWMD, and formalized by issuing a Request for Service under their existing Agreement with the Watermaster. Based on the anticipated duration of the field surveying work, the negotiated cost of these services is not-to-exceed $5,000. A copy of the Request for Service is attached as Exhibit 3.

RECOMMENDATION:
Ratify the CEO’s approval of these contracts:

1. A Professional Services Agreement and Request for Service No. 2008-01 with Central Coast Surveyors to perform the GPS surveying work described above for an amount not-to-exceed $8,000.

2. Request for Service No. 2008-03 under the existing contract with MPWMD to provide assistance to Central Coast Surveyors in the performance of this work for an amount not-to-exceed $5,000.

These amounts are well within the remaining Contingency amount allocated for Phase 2 work in the 2008 budget. Work on these contracts, which were executed in mid-May, is currently in progress.
ITEM NO. VII.

ORAL PRESENTATION
ITEM NO. VIII.

OLD BUSINESS
ITEM NO. VIII. A. 1.

BUDGET AND FINANCE COMMITTEE
TO: Board of Directors

FROM: Dewey D Evans, CEO

DATE: June 4, 2008

SUBJECT: California American Water’s Document dated May 2, 2008 Requesting Credit for Replenishment Fees Assessed by Watermaster Board of Directors for Over Pumping Water from the Seaside Groundwater Basin

PURPOSE:
To discuss, evaluate and take action on the issues raised during discussions concerning the California American Water document requesting consideration for expenditures made for the “Coastal Water Project” to be applied against the replenishment fees assessed for over pumping the Seaside Basin.

RECOMMENDATION:
To carefully weigh any decisions made that may affect the intent of the Court’s Decision, Case No. M66343

DISCUSSION:
A meeting has been scheduled for 10:00AM, Tuesday morning, June 3, 2008 by the Watermaster Budget and Finance Committee and legal representatives from most parties involved with the Court Decision and representatives from California American Water.

If all goes well at the meeting a recommendation to the Board will be presented at the Board’s regularly scheduled Board meeting on Wednesday, June 4, 2008.

FISCAL IMPACT:
Depending on the Board’s decision there would be an impact on the Watermaster’s Replenishment Fund.

ATTACHMENTS:


TO: Board of Directors

FROM: Dewey Evans, CEO

DATE: June 4, 2008

SUBJECT: CEO approval of contracts and agreements up to $10,000

PURPOSE:

To allow the CEO the ability to approve contracts and agreements up to $10,000 upon verbal approval of the Chair or Vice Chair of the Watermaster Board.

RECOMMENDATION:

It is recommended by the Watermaster Budget/Finance Committee that the Board authorize the CEO to approve contracts and agreements up to $10,000 upon verbal or written approval of the Chair or Vice Chair of the Board.

BACKGROUND:

Item VI. C. of today’s meeting agenda is a request for the Board to ratify a contract approval made by the CEO for a new contract and a modification to an existing contract, each under $10,000. The contracts procure surveying and surveying support work necessary to establish benchmark water level readings for well data collection at the 98 wells being monitored as per the Basin Monitoring and Management Plan.

COMMENTS:

From time to time contracted services are needed to expeditiously carry out tasks in accordance with the Basin Court Order. The Watermaster Board generally meets monthly and contract services are sometimes needed during the time period between meetings. The ability of the CEO to approve contracts for services up to $10,000 would eliminate the need for formal Board approval of such an item when no other business warrants scheduling a special or regular meeting. If such authority is granted the CEO, any contracts approved in this manner would be presented under the Consent Calendar at the next regularly scheduled Board meeting.

FISCAL IMPACT:

Contracts let would be within Board adopted budgeted amounts for the work involved resulting in no fiscal impact.

ATTACHMENTS:

None
ITEM NO. VIII.A.2.

TECHNICAL ADVISORY COMMITTEE (TAC)
TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: June 4, 2008

SUBJECT: Consider Approving Interim Seawater Intrusion Contingency Plan

BACKGROUND:
As required in the Monitoring & Management Program (M&MP), the Watermaster is to develop an Interim Seawater Intrusion Contingency Plan (ISICP), to be implemented in the event seawater intrusion is detected prior to the development of a long-term Seawater Intrusion Contingency Plan. The long-term plan is being developed by HydroMetrics as part of the Watermaster’s Phase 2 implementation of the M&MP, and will be completed in the fall of 2008. In the meantime, Joe Oliver of MPWMD has prepared the attached ISICP to fulfill this commitment.

DISCUSSION:
The ISICP refines the definition of what constitutes a “seawater intruded aquifer,” as defined in the March 27, 2006 Court Decision, by stating that the basis for determining whether any given well has been intruded will be the mean value of ambient chloride concentrations at the well as calculated from the historical data available prior to the adoption of the adjudication decision in March 2006. The mean values for the coastal monitor wells (which were not in place at the time the Decision was entered) will be provided with the quarterly groundwater quality reports prepared for the Watermaster. These underlined refinements clarify what the historical period is for purposes of calculating these mean values.

With this refinement, the ISICP essentially adopts and formalizes the interim procedures to control seawater intrusion, as set forth in the M&MP. These procedures provide a rational and quantifiable approach to determining whether or not seawater intrusion is occurring and the steps to be taken if that does occur. The steps include:

- Cessation of pumping from any Coastal production well in which seawater intrusion is found to be occurring
- Incremental reductions in pumping from any Coastal production well within a one-half mile radius of any Coastal production or monitoring well where seawater intrusion is found to be occurring
- Increased frequency of monitoring, and the installation of additional monitoring well(s), in the vicinity of Coastal well(s) in which seawater intrusion has been detected

RECOMMENDATION:
The TAC reviewed and approved this document at its April 9, 2008 meeting and recommends that the Board adopt it.
ITEM. IX.

NEW BUSINESS
ITEM NO. X.

INFORMATIONAL REPORTS
(NO ACTION REQUIRED)
### ANNUAL MILESTONES

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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.

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.

### ADMINISTRATIVE MILESTONES

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Board Directors Terms

Budget (Administrative)

Budget (Operations)

Budget (Replenishment)

Voluntary Administrative Assessment Option

Operations Assessments

Replenishment Assessments

### MONTHLY MILESTONES

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<tr>
<th>Year</th>
<th>2006-07</th>
<th>Jan 08</th>
<th>Feb 08</th>
<th>Mar 08</th>
<th>Apr 08</th>
<th>May 08</th>
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</table>

Adjudication ordered by Court and filed

Watermaster submission of a revised Monitoring and Management Plan and Replenishment Assessment

Calculation to the Court

Fiscal Year tentative budgets distribution to all parties

Appoint/reappoint members & alternates for 2008/2009

Annual Report to Court & Resulting Minute Order

### SPECIAL ISSUES

<table>
<thead>
<tr>
<th>Year</th>
<th>2006-07</th>
<th>Jan 08</th>
<th>Feb 08</th>
<th>Mar 08</th>
<th>Apr 08</th>
<th>May 08</th>
<th>Jun 08</th>
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</table>

SWRCB Cease & Desist Order California American Water

Watermaster Board Regular Meeting Schedule

### SUMMARY PROJECT SCHEDULE (See detailed project schedule for more information)

<table>
<thead>
<tr>
<th>Program Administration (Hydrometrics)</th>
<th>BMPF Phase 2 Schedule 12/07/07</th>
<th>MRWPCA Groundwater Replenishment Project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1/1/08 - 12/31/08</td>
<td>Initial Study 04/2/08 - 6/19/08</td>
</tr>
<tr>
<td>Basin Monitor Well Construction (Feeney, RBF, MPWMD, ASR/Public)</td>
<td></td>
<td>Complete</td>
</tr>
<tr>
<td>Production Water Level &amp; Water Quality Monitoring (Hydrometrics, MPWMD, MCWRA)</td>
<td>10/1/07 - 12/31/08</td>
<td>Yet to be completed</td>
</tr>
<tr>
<td>Seaside Basin Management Program (Hydrometrics, MPWMD, MCWRA)</td>
<td>12/1/07 - 8/13/08</td>
<td>Scheduled for Board meeting</td>
</tr>
<tr>
<td>Seawater Intrusion Detection Program (Hydrometrics, MPWMD, MCWRA)</td>
<td>12/15/07-9/10/08</td>
<td>Imminent Critical Deadline</td>
</tr>
</tbody>
</table>

Revised May 27, 2008
# Seaside Groundwater Basin Watermaster

Reported Quarterly and Annual Water Production From the Seaside Groundwater Basin
For All Producers Included in the Seaside Basin Adjudication -- Water Year 2008
(All Values in Acre-Feet [AF])

<table>
<thead>
<tr>
<th>Producer</th>
<th>Oct-Dec 07</th>
<th>Jan-Mar 08</th>
<th>Apr-Jun 08</th>
<th>Jul-Sep 08</th>
<th>Reported Total</th>
<th>Base Operating Yield Allocation</th>
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<tr>
<td><strong>Coastal Subareas</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>CAW - Coastal Subareas</td>
<td>1,049.8</td>
<td>224.8</td>
<td></td>
<td></td>
<td>1,274.6</td>
<td>3,504.2</td>
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<td>City of Seaside (Municipal)</td>
<td>66.8</td>
<td>50.3</td>
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<td></td>
<td>117.1</td>
<td>287.4</td>
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<td>Granite Rock Company</td>
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<td>DBO Development No. 27</td>
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<td>49.3</td>
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<td>City of Seaside (Golf Courses)</td>
<td>87.1</td>
<td>67.1</td>
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<td></td>
<td>154.2</td>
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<td>Sand City</td>
<td>0.0</td>
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<td>0.0</td>
<td>9.0</td>
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<td>SNG (Security National Guaranty)</td>
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<td>2.0</td>
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<td>Calabrese (Cypress Pacific Inv.)</td>
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<td>0.0</td>
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<td>Mission Memorial (Alderwoods)</td>
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<td>1.4</td>
<td></td>
<td></td>
<td>5.6</td>
<td>31.0</td>
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<tr>
<td><strong>Coastal Subareas Totals</strong></td>
<td>1,209.9</td>
<td>343.6</td>
<td></td>
<td></td>
<td>1,553.5</td>
<td>4,611.0</td>
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<td><strong>Laguna Seca Subarea</strong></td>
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<tr>
<td>CAW - Laguna Seca Subarea</td>
<td>113.1</td>
<td>88.4</td>
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<td>201.5</td>
<td>345.0</td>
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<td>Pasadera Country Club</td>
<td>11.2</td>
<td>3.9</td>
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<td></td>
<td>15.1</td>
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<td>Bishop (Laguna Seca Golf Ranch)</td>
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<td>6.9</td>
<td>32.0</td>
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<td>Laguna Seca County Park</td>
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<td>10.4</td>
<td>41.0</td>
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<tr>
<td><strong>Laguna Seca Subarea Totals</strong></td>
<td>167.2</td>
<td>107.7</td>
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<td>274.9</td>
<td>989.0</td>
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<tr>
<td><strong>Seaside Basin Totals</strong></td>
<td>1,377.1</td>
<td>451.3</td>
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<td></td>
<td>1,828.4</td>
<td>5,600.0</td>
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</tbody>
</table>

**Notes:**
1. The Water Year (WY) begins October 1 and ends September 30 of the following calendar year. For example, WY 2008 began on October 1, 2007, and will end on September 30, 2008.
2. Values shown in the table are based on reports to the Watermaster as received by MPWMD by May 29, 2008.
3. 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.
4. "Operating Yield" values based on Seaside Basin Adjudication decision as amended, signed February 9, 2007 (Monterey County Superior Court Case No. M66343).
5. Any minor discrepancies in totals are attributable to rounding. CAW = California American Water.
Seaside Groundwater Basin Watermaster
Technical Advisory Committee Meeting
April 9, 2008

Attendees: TAC Members
City of Seaside – Tim O’Halloran
California American Water – Tom Bunosky (Vice Chair-via telephone), Craig Anthony
City of Monterey – Les Turnbeaugh
Laguna Seca Property Owners – Stanley Powell (via telephone)
MPWMD – Joe Oliver
Public Member – John Fischer
MCWRA – Kathy Thomasberg
City of Del Rey Oaks – No Representative
City of Sand City – No Representative
Coastal Subarea Landowners – No Representative

Watermaster
Technical Program Manager - Robert Jaques

Consultants
HydroMetrics LLC - Derrik Williams (via telephone)

Others:
None

The meeting was called to order at 1:33 p.m.

1. Administrative Matters:
   A. Approve Minutes from March 12, 2008

On a motion by Mr. O’Halloran, second by Ms. Thomasberg, the minutes were unanimously approved as presented, with Mr. Fischer abstaining because he had not attended that meeting.

2. Progress Reports

Mr. Williams summarized the agenda packet materials on the HydroMetrics item, and there were no questions.

Mr. Oliver summarized the agenda packet materials on the MPWMD item. He said he has received all necessary Watermaster authorizations to obtain water quality and water level data from the various wells in the enhanced monitoring network.

Mr. Jaques summarized the status of the RBF invoices as this pertains to resolution of some Database data input and reporting issues.
Mr. Oliver said that he had received all but some of the CAW well data (from Leslie Jordan) for the first quarter.

3. Draft Interim Seawater Intrusion Contingency Plan
Mr. Oliver briefly summarized the purpose and scope of the Sea Water Intrusion Contingency Plan. Mr. Fischer asked if the TAC was being asked to approve the draft plan at today's meeting, and Mr. Jaques responded yes. This will enable Mr. Oliver to make any revisions requested by the TAC, so that the plan can be presented to the Board for its approval at its May meeting.

Mr. Jaques pointed out, as noted on page 13 of the agenda packet, that each well will have its own specific ambient chloride levels for purposes of determining whether or not sea water intrusion is occurring at that well. This data will be prepared for presentation to the Board at their June 2008 meeting, according to Mr. Oliver.

Mr. Fischer asked Mr. Oliver if earthquakes could have an effect on sea water intrusion. Mr. Oliver responded that this is a complex issue. He said earthquakes can have an effect, but due to the geology of the area he did not expect this to be the case here.

There was consensus to approve the draft Sea Water Intrusion Contingency Plan as presented, and to have Mr. Oliver prepare it for presentation of the Board.

4. Request Board Direction Regarding Calculation of Replenishment Assessments
Mr. Jaques summarized each of the issues and the potential recommendations, as presented in the agenda packet.

Issue 1 Discussion-Mr. Oliver and Mr. Bunosky said they concurred with using all projects for determining the Replenishment Assessment unit cost. Mr. Bunosky said he recommended having a target date, such as 10 years into the future. There was consensus to use the ten-year target date horizon.

Issue 2 Discussion-Ms. Thomasberg said the Salinas Valley Water Project costs grew substantially as that project was being designed, due to additional unanticipated work which had to be done.

Mr. Bunosky recommended including inflation in the development of unit costs. Mr. O'Halloran suggested consideration be given to using the Engineering News Record Construction Cost Index for inflation purposes, if that is feasible.

Mr. Jaques suggested also including a separate contingency factor to account for unexpected work.

Mr. Oliver said that since the Replenishment Assessments are done every year, this will help keep things updated with regard to scope and cost changes for each of the project. Mr. Bunosky said it would be important to know if project costs had already been inflated to the year of startup, so that duplicating inflation markups would not occur. Mr. Anthony also recommended ensuring that multiple inflation factors and contingencies were not already being applied by the sponsoring agency when they provide their data to the Watermaster.
Mr. Jaques suggested applying a contingency factor in the range of 20 to 25 percent. Mr. Bunosky suggested lowering the contingency factor as project development progresses. There was discussion of potentially using a 50 percent contingency factor for Concept Level project development, and lowering it as design moves toward completion. Mr. Jaques said he would research the subject of contingency factors and discuss that with the subcommittee that had been appointed to study the Replenishment Assessment issues.

Mr. Powell commented that he felt it was appropriate for the Watermaster to receive interest earnings on the money it has on account with the City of Seaside. There was discussion leading to a recommendation by Mr. Bunosky that this matter be presented to the Budget and Finance Committee for them to address.

Issue 3 Discussion-Mr. Powell asked Mr. Williams if he had any idea of what ground water levels should be to prevent sea water intrusion from advancing inland. Mr. Williams said that it would probably be necessary to have replenishment water provided from supplemental sources in amounts greater than required to simply offset annual amounts pumped in excess of the Safe Operating Yield, but probably not to fully replenish the cumulative amounts pumped in excess of the Natural Safe Yield. He said he did not expect the Natural Safe Yield to change appreciably as a result of the work involved in preparing the Basin Management Action Plan.

Mr. Williams went on to say that it would be desirable to have water levels come up by some amount to keep sea water intrusion offshore and away from the production wells. He said that minimum water levels may be established for the coastal wells in order to ensure sea water intrusion does not move inland, but this work is beyond his current scope. He said it is likely that we will want water levels at the coastal wells to be one to two feet above sea level, but that there would be a better understanding of this as the Basin Management Action Plan is developed. Mr. Williams said it is quite an effort to arrive at specific recommended water levels for individual wells. In response to a request from Mr. Jaques, Mr. Williams said he would put together a rough estimate of the additional scope of work and cost to produce that level of detail. It was agreed that this topic would be discussed further at a subsequent TAC meeting.

Mr. Williams said he did not expect that we will need to replace the full cumulative amount of overpumping, because the objective is just to keep sea water intrusion some distance offshore.

Ms. Thomasberg asked how drought impacts would be addressed in the updated Natural Safe Yield calculations. Mr. Oliver noted that the existing Natural Safe Yield does in fact take drought history into account. Mr. Bunosky said the Natural Safe Yield has legal implications, too, since it affects water rights.

There was consensus to support the potential recommendations as contained in the agenda packet, and to defer providing recommendations to the Board on Issue 3 until more information is known through development of the Basin Management Action Plan.

5. Solicitation of Proposals to Perform Well Surveying Work
Mr. Jaques summarized the agenda packet material on this item.
Mr. Williams said that the timeline of getting the survey data by July meets his needs.

Mr. Powell suggested that, if high accuracy will be very costly, the TAC should further discuss this issue and decide what to do at that time.

Mr. Williams said that accuracy is important, since the water level data will be used to determine recommended water levels for preventing sea water intrusion from occurring.

Mr. Jaques said he anticipates that the Proposals may recommend that all wells be surveyed at the same (high) level of accuracy, but he won't know for sure until the Proposals come in. Mr. Powell suggested soliciting input from Mr. Williams and Mr. Oliver, if additional direction is needed after the Proposals come in.

There was consensus that Mr. Jaques would review and summarize the Proposals and e-mail this information to the TAC members, along with his recommendations, shortly after the Proposals are received. At that time a determination can be made by e-mail communication as to whether the issue should come back to the TAC for further discussion before presenting it to the Board.

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

In response to a question from Mr. Jaques with regard to the status of progress on the CAW ASR monitoring well, Mr. Oliver said that no response from the RWQCB had yet been received. This pertains to task ID numbers 37 and 38 in the schedule. He said that once that information is received, it will be shared with the TAC. He commented that this could influence whether or not the CAW ASR well will be installed in the near future.

7. MRWPCA Ground Water Replenishment Project Funding Assistance
Mr. Jaques summarized the agenda packet material on this item.

Mr. Fischer asked for an explanation of what the terms "coastal barrier" and "up gradient replenishment projects" mean, as noted on page 48 of the agenda packet. Mr. Oliver said he believed the term “barrier” referred to wells that would be close to the coast to serve as a barrier to sea water intrusion, as is done in some Southern California projects, and that the term "up gradient wells" referred to wells that would be further inland to serve primarily for replenishment only, and not as direct barriers to sea water intrusion.

Mr. Bunosky asked Mr. Jaques if the GWRP schedule could be added to the Watermaster schedule which is contained in the monthly TAC agenda packets. Mr. Jaques suggested getting the GWRP schedule directly from MRWPCA (the project sponsor) and either using it as a stand-alone schedule, or putting some of the milestones from that schedule into the Watermaster schedule.

There was some discussion with regard to the GWRP using the same pipeline for both urban reuse water and groundwater replenishment water, and the health implications of these two different levels of water quality passing through the same pipeline.
8. Other business
Mr. Oliver recommended making a presentation at an upcoming TAC meeting on the issue of whether or not an additional monitoring well is needed inland to fill in for the CAW Bayonet ASR well. Mr. Oliver said that an update on the MPWMD/CAW Phase 1 ASR project would also be another good topic for a future meeting agenda. Mr. Jaques said he would put these topics on the agenda for the next TAC meeting.

Mr. O'Halloran reported that the City of Seaside has made a request to MCWD to get water (as described on page 4 of today's agenda packet materials) and that this had been approved by the MCWD Board of Directors, and the FORA Administrative Committee. The Committee's recommendation to approve the request will be made to the FORA Board of Directors at its April 11, 2008 meeting. The request is to receive approximately 500 acre feet of water per year. This water would be used to irrigate the Bayonet and Black Horse golf courses, and therefore Seaside would stop pumping their golf course wells. Mr. O'Halloran said he would e-mail Mr. Jaques a description for this project for inclusion as informational material in the next TAC agenda packet.

Mr. Bunosky said that CAW will be providing a "white paper" on its Replenishment Assessment credit request to the Board at its May meeting. He anticipated this would likely be referred by the Board to the TAC for review and recommendations.

9. Set next meeting date for Wednesday May 14, 2008 at 1:30 p.m. at the Seaside City Hall Portable Office Buildings Conference Room
The next TAC meeting was set for this time, date, and location.

The meeting adjourned at 3:19 p.m.
The meeting was called to order at 1:42 p.m. (start of meeting delayed while waiting for members to arrive)

1. Administrative Matters:
   A. Approve Minutes from April 9, 2008
      Due to a lack of a quorum this item was deferred for action at the next TAC meeting.

2. Progress Reports
   Mr. Williams said he had received some preliminary information from RMC regarding the Supplemental Water Supplies component of his work. If he wondered if the R. P. O. G. project was one that should be considered as a package of projects, or whether each component of that project should be considered on its own merits. There was consensus to have each component project evaluated on its own.
Mr. Fischer noted that he is an R. P. O. G. member, and asked that only those projects which directly impact the Seaside Ground Water Basin be included as potential supplemental water supply projects in the Basin Management Action Plan. There was consensus in support of this request.

Mr. Williams briefly summarized the agenda packet materials on this item. He said he is not encountering any problems or unexpected issues that this point. There was some discussion with regard to how rising sea water levels will be addressed.

Mr. Feeney clarified that the Sentinel Well monitoring data loggers cannot continuously monitor water quality at the perforation depths being used. The equipment simply is not capable of performing this. This requirement was carried over from the original Court Order, but when the Sentinel Well program was revised in early 2007, quarterly monitoring replaced the continuous monitoring.

Mr. Jaques provided a brief update on the status of resolving the RBF database issues.

Mr. Oliver had not yet arrived at this point in the meeting, and therefore he did not provide any oral update to the agenda packet materials included for this item.

3. Progress Report on Phase 1 ASR Project

Mr. Jaques asked if there were any questions or comments with regard to the agenda packet materials on this item, as Mr. Oliver had not yet arrived.

Mr. Powell asked if the Watermaster was carrying out its responsibilities with regard to management of stored water within the groundwater basin. Mr. Jaques described an e-mail he had recently received from Mr. Oliver containing a legal opinion pertaining to MPWMD's responsibilities with regard to getting a Watermaster permit for its ASR storage. Mr. Jaques said he will put that information, along with an agenda topic on this matter, on the next TAC agenda for further discussion.

At this point in the meeting Mr. Oliver had arrived, and Mr. Jaques asked him if CAW's Bayonet ASR well will be needed for MPWMD's Phase 1 ASR well project. Mr. Oliver responded that it did not appear that CAW's ASR well would be required to meet regulatory agency requirements.

Mr. Powell said he felt the Judgment anticipated a somewhat different form of accounting for the injected and recovered waters from ASR. He said he interpreted the order of accounting to be as follows: (1) allocated amount, (2) carryover amount, and (3) stored water amount. He felt the subject should be examined to ensure that these aspects of the Judgment are being properly carried out.

4. Recommendations Regarding Installing an Additional Monitoring Well

Mr. Oliver summarized the agenda packet materials on this item. He reiterated that CAW is not planning to install their Bayonet ASR well, so a replacement well will be needed.
Mr. Oliver said he recommended that a well be installed further inland at Site No. 7 as shown on the map on page 20 of the agenda packet. He described some of the constraints with regard to installing the well, including depth of drilling and planned land uses. Site No. 7 is currently owned by the U.S. Army, but land transfer entitlements and future land uses are changing as the FORA reuse plans are being implemented.

Mr. Oliver recommended the installation of the well be included in next fiscal year's CIP budget. He commented that there is some flexibility in selecting exactly where the well would be installed. He recommended that the Watermaster begin the initial planning for the well installation project.

There was consensus of the TAC members to support Mr. Oliver's recommendations as described in the agenda packet.

Mr. Feeney suggested that Dave Eisen, who is a geologist at the BRAC office, would be a good point of contact. Mr. Jaques will work with Mr. Oliver to pursue this, and will also be in contact with the FORA office.

It was the consensus of Mr. Oliver, Mr. Feeney, and Mr. Williams that the Type "C" monitoring well installation, as shown on page 21 of the agenda packet, was preferred over Type "B", but that the Type "C" well is likely to cost more due to having a drill multiple bore holes. Further research should be done on this to better decide which type to use.

Mr. Oliver commented that there is also a "West Bay" approach using the Type "A" (individual well) with multiple perforations. Mr. Feeney said that this type of well has a similar risk of inter-aquifer leakage as the Type "B" well.

Mr. Jaques asked Mr. Feeney how he had been selected to undertake the Coastal Sentinel Well project, i.e. had there been a formal selection process. Mr. Feeney responded that the initial proposal from RBF had been very costly, and CAW had asked Mr. Feeney for a cost proposal. Mr. Feeney's proposal was much lower in cost, and the Watermaster Board therefore approved having Mr. Feeney undertake the work.

Mr. Williams asked what the purpose and objectives of the new well would be, i.e. water level, hydrogeology, water quality, etc. Mr. Oliver said he could provide a description of this for discussion at the next TAC meeting. Mr. Williams said that in order to save on costs, it may be possible to drill a pilot hole to get the geologic data, but then put in shallower monitoring wells to monitor the two aquifers.

5. Request Board Direction Regarding Calculation of Replenishment Assessments
Mr. Jaques summarized each of the issues and the potential recommendations, as presented in the agenda packet.

Issue 1 Discussion—There were no questions or comments on this Issue
Issue 2 Discussion- Mr. Powell pointed out some incorrect language on page 23 of the agenda packet regarding this issue, which stated that to date no replenishment assessment monies had been received by the Watermaster. Mr. Jaques will correct this in the version that goes to the Board for its action.

Issue 3 Discussion- Mr. Powell said he felt this issue will need to be addressed in conjunction with evaluating and responding to CAW’s request for a credit against its replenishment assessments, but agreed that at this time the issue did not need to be presented to the Board for direction.

There was consensus to forward Issues 1 and 2 to the Board at this time for their direction.

6. Update on Proposals to Perform Well Surveying Work
Mr. Jaques summarized the agenda packet material on this item.

He said he would be meeting at with Central Coast Surveyors tomorrow morning and was hopeful of having their contract executed within the next few days. Mr. Oliver said he had already executed his contract and provided signed copies to Mr. Jaques at the meeting.

Mr. Jaques said once the two contracts have been executed, he would ask Mr. Oliver to coordinate the scheduling of the work, since it will be essential for MPWMD personnel to escort the surveying personnel to each well site and to ensure that access has been obtained for that purpose.

7. Schedule
Mr. Jaques briefly summarized the agenda packet material on this item.

Mr. Williams said that he felt all of the milestone dates shown in the Schedule were still satisfactory for the work he is performing.

There were no other questions or comments.

8. Other business
Mr. Oliver asked when an update on the City of Seaside’s request to get potable water from MCWD for the City’s golf course resort hotel project could be expected. Mr. Jaques said he would inquire of the Seaside representatives and put this on the TAC agenda for discussion at the next meeting.

Mr. Fisher provided a short summary of recent FORA Board action in response to this request. It appeared that no formal approval had yet been granted, and that the request was still being processed.

9. Set next meeting date for Wednesday June 11, 2008 at 1:30 p.m. at the Seaside City Hall Portable Office Buildings Conference Room
The next TAC meeting was set for this time, date, and location.
The meeting adjourned at 3:09 p.m.
TO: Board of Directors
FROM: Dewey D Evans, CEO
DATE: June 4, 2008
SUBJECT: Status Report on Voluntary Administrative Assessment Program

PURPOSE:
This memorandum serves to apprise the Board on the current status of participation by Watermaster parties in the Voluntary Administrative Assessment Program for Fiscal Year 2008.

RECOMMENDATION:
This update is informational only and no action is recommended.

BACKGROUND:
The Watermaster Board, at the October 17, 2007 meeting, adopted a Volunteer Financial Assessment Policy for collection of a voluntary assessment from each party represented on the Board of Directors in the amount of one-thirteenth of the adopted annual administrative budgeted amount per vote allotted each party as stated in the court decision, with an annual cap of $200,000 total administrative expenses to be prorated. This served to prorate the administrative cost of the Watermaster by appealing to each party affected by the judgment to voluntarily pay a calculated assessment based on the voting strength of each. A member party with the equivalent of one vote out of the thirteen as specified in the judgment pays $6,692 or one thirteenth of the $87,000 Administrative Budget for 2008. A member party with ½ of a vote pays $3,346; 2 votes $13,384; 3 votes $20,076. If in the future it is necessary to spend in excess of $200,000 in any one year for administrative expenses, the current court decreed formula would continue for the amount over $200,000. For parties choosing not to voluntarily pay the assessment, the current court decreed formula continues for the amount of that party’s calculated assessment. Invoices were mailed by Watermaster on November 28, 2007 to the nine parties eligible to participate as listed in the second column of the attached Assessment Matrix.

COMMENTS:
Two parties have elected not to participate in the Voluntary Assessment: City of Del Rey Oaks and Laguna Seca Subarea Landowners; two parties have not submitted payment: Monterey Peninsula Water Management District and Coastal Subarea Landowners, each re-invoiced on May 29, 2008 with MPWMD planning to place the item on its July 2008 agenda; and one party has made a partial payment of $6,692 of the $13,384 originally assessed: Monterey County Water Resources Agency, invoiced for the balance on May 29, 2008.
California American Water was invoiced $20,076 and an additional $10,038 for the two parties electing not to participate on November 11, 2008, which was paid by CAW on April 8, 2008. CAW was invoiced additionally by Watermaster on May 29, 2008, for $23,422, the amount due from the parties that had not yet submitted payment or an indication that they would not participate. If any of these parties do submit a payment a corresponding credit and/or refund will be made to CAW.

**FISCAL IMPACT:**

No new fiscal impact to approved budget.

**ATTACHMENTS:**

Schedule of Volunteer Financial Assessment Proration
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ITEM NO. XI.

DIRECTOR’S REPORTS
ITEM NO. XII.

EXECUTIVE OFFICER COMMENTS