



ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

EXHIBIT 5-A

June 6, 2006
Project No. 2005-3359

Monterey Peninsula Water Management District
Post Office Box 85
Monterey, California 93942

Attention: Ms. Henrietta Stern

Subject: Proposal for Professional Hydrogeologic Services, Water Distribution System
Permitting Assistance

Dear Henrietta:

In accordance with your request, Padre Associates, Inc. (Padre) is pleased to present this proposal for hydrogeologic assistance with the processing of Water Distribution Systems (WDS) permit applications. It is our understanding that Monterey Peninsula Water Management District (District) Rules 20 and 21 require that applications to create or amend a WDS within the District boundaries be submitted to the District, and that Ordinance 122 established 'impact-based' criteria for evaluating the WDS applications. The 'impact-based' criteria include specific information that is to be provided by the WDS applicants in Well Source and Pumping Impact Assessment reports (Assessments), and the District has established step-by-step procedures for conducting the Assessments depending on the site-specific hydrogeologic setting.

Based on our discussions, we understand that the District desires assistance from a qualified hydrogeologic professional in evaluating Assessments for compliance with District Rules and Regulations, as well as providing general assistance in the processing of WDS applications. Presented below is a proposed scope of work to provide the needed support and assistance to District staff in processing WDS permit applications.

Scope of Services

Based on our understanding of your needs, we have prepared the following scope of services to assist District staff in processing WDS permit applications. We understand that the work will be performed with direct oversight of the General Manager or his/her designee (e.g., the Water Resources Division Manager) on an as-needed/directed basis:

Task 1 – Evaluate Assessment Reports. This task includes assisting District staff in the processing and evaluation of applications for WDS permits. Specifically, we will review and evaluate applicant Well Source and Pumping Impact Assessment reports to determine compliance with District procedures, and will provide written documentation summarizing our findings for each Assessment reviewed. It is anticipated that we will be closely coordinating these evaluations with the Water Resources Division Manger.

Task 2 – Assist with Performing Assessments. Under this task, Padre will provide assistance in the preparation of the limited Assessments that the District currently performs under the WDS program, such as in the Carmel Valley Alluvial Aquifer where sufficient data are available from other nearby wells.

Task 3 – Assist with Technical Procedures. This task includes assisting the Water Resources Division Manager in preparing and refining technical procedures and data requirements for aquifer testing of wells and new WDSs to be used by applicants and their consultants, including responding to technical questions from applicant consultants regarding the District's procedures.

Project Personnel and Qualifications

Staff assigned to this project will include Mr. Robert Marks, P.G., C.Hg. and Mr. Michael S. Burke, P.G., C.Hg., and will not be changed unless approved by the District. Mr. Robert C. Marks, P.G., C.Hg. will serve as project manager and provide lead hydrogeologic services for the subject work. Mr. Marks is a California Professional Geologist and a Certified Hydrogeologist, and has over 13 years of hydrogeologic experience on the Monterey Peninsula and working with the District. Mr. Marks' general expertise focuses on groundwater basin analysis and management, aquifer storage and recovery (ASR), water well design, aquifer testing and analysis, and groundwater modeling.

Particularly germane to the subject work, Mr. Marks has designed and supervised the performance and analysis of more than fifty water well pumping tests throughout California in a variety of hydrogeologic settings, many of them on the Monterey Peninsula. Selected project experience specific to the Monterey Peninsula includes the following¹:

- *Hydrogeologic Investigation, Carmel Valley Aquifer System, Aquifer Subunit 4 Test Well Installation and Aquifer Testing*, for MPWMD, November 1993.
- *Water Supply Opportunities and Constraints Analysis, St. John's College/Marks Ranch Property, Monterey County, California*, for St. John's College, February 1996.
- *Reconnaissance-Level Hydrogeologic Study, Alternative Sources of Water Supply to Carmel Valley Filter Plant*, for California-American Water Company Monterey District, September 1996.
- *Hydrogeologic Assessment of Seaside Coastal Groundwater Subareas, Phase III Update, Monterey County, California*, for MPWMD, September 1997.
- *Engineering Analysis, Development of Non-Potable Irrigation Water Systems*, for City of Monterey, August 1999.

¹ Some of this work was performed while under previous employment.

- *Seaside Pilot Injection Well Project (aka Paso Robles Test Injection Well [PRTIW] Project)*, for MPWMD, 1998 through 2000.
- *Santa Margarita Test Injection Well (SMTIW) Project*, for MPWMD, ongoing since 2001.

Mr. Michael S. Burke, P.G., C.Hg will provide periodic support to Mr. Marks for the project on an as-needed basis. Mr. Burke is also a California Professional Geologist and a Certified Hydrogeologist and has 16 years of experience consulting on water resource related projects on the Monterey Peninsula. Mr. Burke has participated in most of the projects mentioned above, and has also been involved in the design, testing and analysis of over fifty water production wells throughout California.

Schedule

It is anticipated that the subject work will consist of evaluating Assessments that document pumping tests to be conducted in the upcoming well testing period of June 1 through November 30, 2006. Accordingly, the review and evaluations will occur during the period July 1, 2006 through June 30, 2007 as Assessments are submitted to the District and provided to us for review and evaluation. We also understand that in order to authorize this work, a formal contract amendment must first be approved by your Board, and signed with the District. Based on our current workload, we believe that we can commence work within 14 days of your authorization.

Fees

Our services will be provided on an as-requested basis, and will be billed on a time-plus-expenses basis in accordance with our current Fee Schedule (attached) for a not-to-exceed amount of \$25,000. In the event that the overall number or complexity of the Assessments to be evaluated requires effort beyond \$25,000, we notify you in writing as soon as possible.

We appreciate the opportunity to assist the District on this important project, and look forward to a timely and successful completion of the work. As always, if you have any questions or would like to modify the scope of services, please call us.

Sincerely,

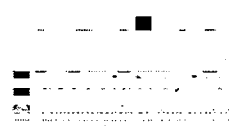
PADRE ASSOCIATES, INC.



Robert C. Marks, P.G., C.Hg.
Project Hydrogeologist

RCM:av

Attachments: Fee Schedule



2006 WATER RESOURCES FEE SCHEDULE

Professional Services

Senior Principal Professional.....	\$	150/hr
Principal Professional	\$	140/hr
Senior Professional.....	\$	125/hr
Project Professional.....	\$	115/hr
Staff Professional.....	\$	90/hr
Senior Technician	\$	85/hr
Technician.....	\$	75/hr
Drafting.....	\$	50/hr
Word Processing	\$	45/hr

Other Direct Charges

Subcontracted Services.....	Cost Plus 15%
Outside Reproduction.....	Cost Plus 15%
Travel, Subsistence, and Expenses.....	Cost Plus 15%
Vehicle	\$ 75/day
Automobile Mileage (beyond 50 miles from Padre offices).....	\$ 0.36/mile