

EXHIBIT 2-A



September 26, 2007
Project No. 06-0022

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

Attention: Mr. Joe Oliver, Senior Hydrogeologist

Subject: Bid Documents for Phase 1 Facilities for Santa Margarita ASR Well Facility

Dear Joe:

Sent to you under separate cover are the plans, specifications and bid documents (Plans) for the Phase 1 Santa Margarita ASR Well Facility. These plans address the construction of all underground mechanical, electrical and utility conduits and lines as well as grading of the site and installation of an all-weather road surface to serve both ASR wells. As you know, the project has been divided into two phases to best address the potential uncertainties of Coastal Water Project integration while still completing those facilities which are essential to placing both wells into immediate service for artificial recharge of the Santa Margarita Sandstone aquifer during the upcoming Water Year 2008 recharge period. This plan set will allow the artificial recharge program to continue while providing an opportunity for final facility details related to stored water recovery to be optimized and coordinated with Coastal Water Project facilities.

In order to solicit bids, award a contract, and complete construction of these essential facilities in time to be ready for the upcoming winter injection season, we recommend that the plan set be advertised as soon as possible, and that the District Board authorize the General Manager to make award of the contract on an expedited basis subject to the following conditions:

1. At least two responsive bids are received for the work.
2. The award is made to the lowest responsive and qualified bidder for the project.
3. The bid amount is within 10% of the Engineers Opinion of Probable Constructed Cost for the project.
4. Any anomalies in bidding or bid response are referred back to the Board for clarification or action.

This approach has been successfully utilized by other water agencies and, based on our experience, is the most efficient process to keep projects moving forward while maintaining agencies' ultimate responsibility to prudently manage and implement capital projects.



For the Phase 1 project, we have estimated the probable constructed cost of the work based on our experience with similar projects and costs gleaned from recent contractor bids. Our estimation is summarized as follows.

Civil and Mechanical work	\$195,000
Electrical and Instrumentation work	\$125,000
Total Estimate	\$320,000

We also recommend that a contingency of 10% of the actual bid price be budgeted by the District for use in the event that undiscovered conditions or unanticipated work is encountered during construction.

We hope this information will assist the District in expediting the solicitation and award of contract for this important project, and look forward to assisting the District in implementing additional artificial recharge of the Santa Margarita Sandstone aquifer this winter season.

Sincerely,
Pueblo Water Resources, Inc.



Stephen P. Tanner, P.E.
Principal Engineer