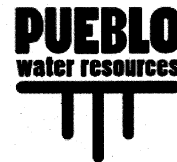


EXHIBIT 7-A



June 26, 2012
Project No. 06-0017

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

Attention: Ms. Henrietta Stern

Subject: Proposal for Continuing Professional Hydrogeologic Services;
Water Distribution System Permitting Assistance, Fiscal Year 2012-2013

Dear Henrietta:

Pursuant to your request, Pueblo Water Resources, Inc. (PWR) is pleased to submit this proposal for continuing assistance with the processing of Water Distribution Systems (WDS) permit applications during Fiscal Year 2012-2013 (FY 2012-2013). As you know, for the past six years PWR has provided technical assistance with the review and evaluation of Well Source and Pumping Impact Assessments (assessments) for compliance with District technical procedures. It is our understanding that the District desires to continue these services during FY 2012-2013. The District also desires assistance in performing other hydrogeologic tasks related to the WDS permit program that may fall under its purview, as well as in making refinements to the District's technical procedures. Presented in this proposal is a scope of services and associated costs to provide continuing assistance with WDS permit program during FY 2012-2013.

SCOPE OF SERVICES

The following services are proposed to be provided during FY 2012-2013. Consistent with past practice, our work will be performed with direct oversight of the General Manager or his/her designee (e.g., the District Water Resources Manager) on an as-needed and directed basis.

Task 1 – Assist with Assessment Reports. This task consists of the review and evaluation of assessments submitted by applicants for compliance with District technical procedures, and providing written documentation summarizing our findings for each reviewed assessment. It is understood that these evaluations will be coordinated with the District Water Resources Manager. This task also includes providing assistance in the preparation of any hydrogeologic evaluations requested by the District related to the WDS program.

Task 2 – Assist with Technical Procedures. This task consists of assisting the District Water Resources Manager in refining the technical procedures and data requirements for assessments to be used by applicants and their consultants. This task also includes responding to technical questions from applicants or their consultants regarding the District's technical procedures.

PUEBLO WATER RESOURCES, INC

4478 Market Street, Suite 705 • Ventura, CA 93003 • 805.644.0470 • 805.644.0480 (FAX)



PROJECT PERSONNEL

PWR personnel assigned to this project will include Mr. Robert C. Marks, P.G., C.Hg. and Mr. Michael S. Burke, P.G., C.Hg. Mr. Marks will serve as project manager and be primarily responsible for providing services for the subject work. Mr. Marks has provided similar services to the District during Fiscal Years 2006-2007 through 2011-2012. Mr. Marks is a California Professional Geologist and a Certified Hydrogeologist, and has approximately 20 years of hydrogeologic experience in the Monterey Peninsula area and working with the District.

SCHEDULE AND FEES

The proposed work will occur during FY 2012-2013 on an as-requested basis. Our services will be billed on a time-plus expenses basis in accordance with our current Fee Schedule (attached) for a not-to-exceed amount of \$16,000 to be allocated as follow:

- Task 1 – Assist with Assessment Reports: \$12,000 (reimbursable by applicants)
- Task 2 – Assist with Technical Procedures: \$4,000 (non-reimbursable).

Consistent with past practice, we will track our costs associated with each task and WDS applicant separately to facilitate reimbursement by the applicants. In the event that the overall number or complexity of the assessments to be evaluated requires effort beyond the established budget, we will notify you in writing as soon as possible.

We appreciate the opportunity to provide assistance to the District, and look forward to the timely and successful performance of the work. As always, if you have any questions please call us.

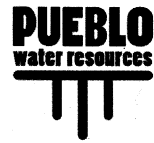
Sincerely,

Pueblo Water Resources, Inc.

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

RCM

Attachments: 2012 Fee Schedule



**PUEBLO WATER RESOURCES, INC
2012 FEE SCHEDULE**

Professional Services

Principal Professional.....	\$175/hr
Senior Professional.....	\$160/hr
Project Professional.....	\$145/hr
Staff Professional.....	\$115/hr
Technician.....	\$ 105/hr
Illustrator.....	\$ 90/hr
Word Processing.....	\$ 70/hr

Other Direct Charges

Subcontracted Services.....	Cost Plus 15%
Outside Reproduction.....	Cost Plus 15%
Travel Expenses.....	Cost Plus 15%
Per Diem*.....	\$ 150/day
Vehicle	\$ 75/day

Equipment Charges

Drilling Fluid Test Kit.....	\$100/day, \$400/week
Field Water Quality Meter (Hach DR890).....	\$75/day, \$275/week
Orion ORP/pH/Temp Probe.....	\$75/day, \$275/week
Water Level Probes (In-Situ Mini-Troll/Level Troll).....	\$100/day, \$300/week
Fuji Ultrasonic Flowmeter.....	\$200/day, \$750/week

*Regionally and seasonally specific to project.