

Submitted by
staff at
12/11/15 committee
meeting.
Item 2

Statement of the Problem

MPWMD believes it has a valid possessory interest in the Santa Margarita Easement. The U.S. Army granted an express easement to MPWMD through September 30, 2050, which was subsequently recorded. Said easement is for 1.09 acres of the 1.9 acre site or 57.4%. MPWMD believes the appraiser erred in not recognizing the easement and market rate should have been reduced through the term of the easement. Seaside and FORA assert the easement is invalidated by FORA's agreement with the U.S. Army. However, MPWMD believes it may assert a claim for a prescriptive or equitable easement and could perfect this right.

Proposed Solutions

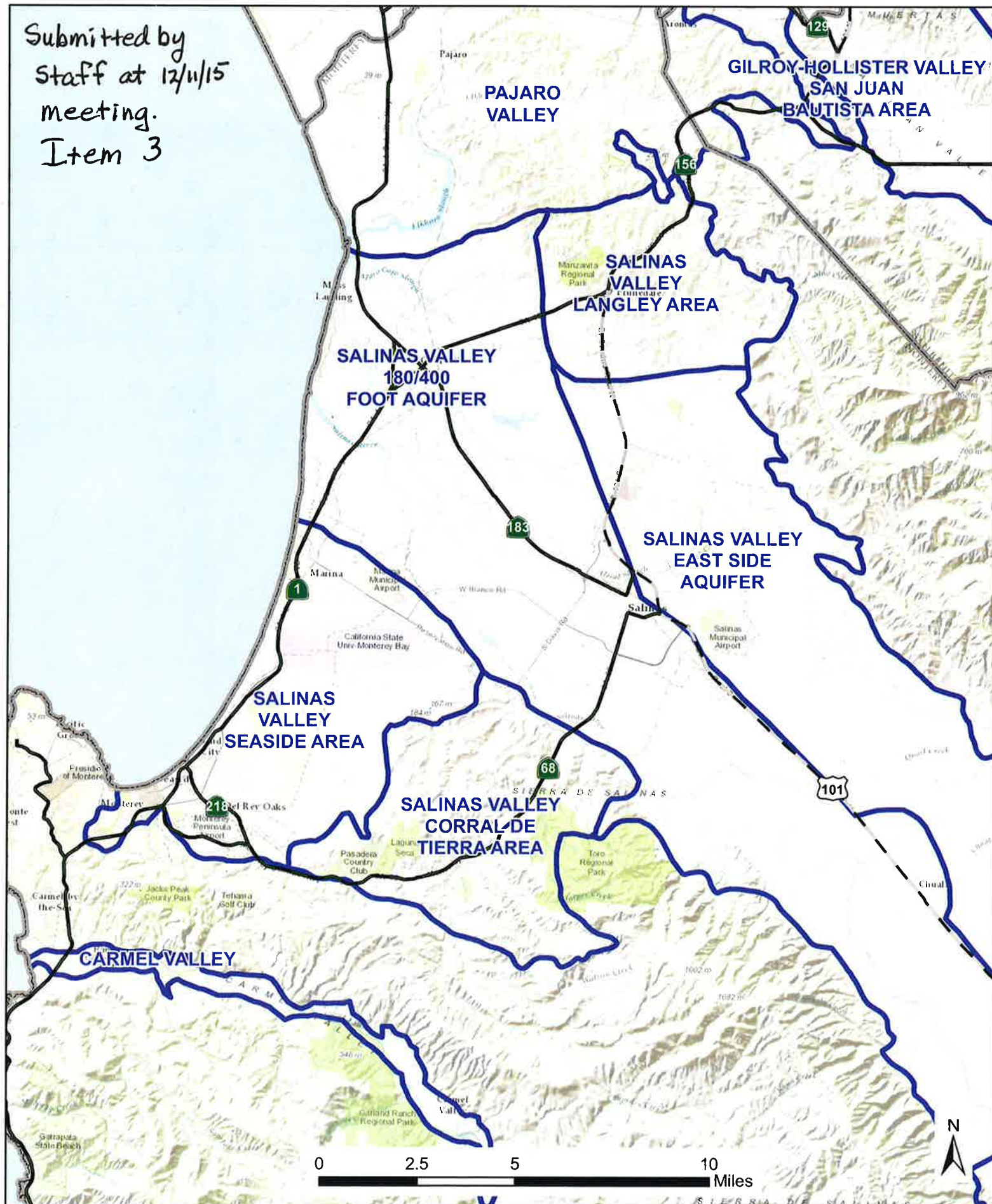
Alternative 1: Seaside and FORA agree with MPWMD. Market-based rent is reduced by 57.4% through 2050 and annual rent becomes \$6,978. After 2050, the rent returns to \$16,380 plus escalation to that time.

Alternative 2: Seaside and FORA recognize some value to existing easement and agrees to a negotiated market-based rent of \$11,680 which splits the difference in the two values in Alternative 1. City may also determine such rent is market-based due to in lieu contributions (see below.)

Alternative 3: Seaside and FORA seek judicial decision invalidating the easement and prevail. Annual market-based rent remains \$16,380.

At its October 19th Board meeting MPWMD awarded the City of Seaside a \$106,900 grant to develop a non-potable water supply at Laguna Grande in order to reduce the City's reliance on its municipal domestic supply. This can also be thought of as a contribution in lieu of rent.

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Item 3



Seaside Area Sub Basin
and Adjacent Salinas Valley Groundwater Basins

Source: DWR Bulletin 118, 2004



Date: 10/27/2011

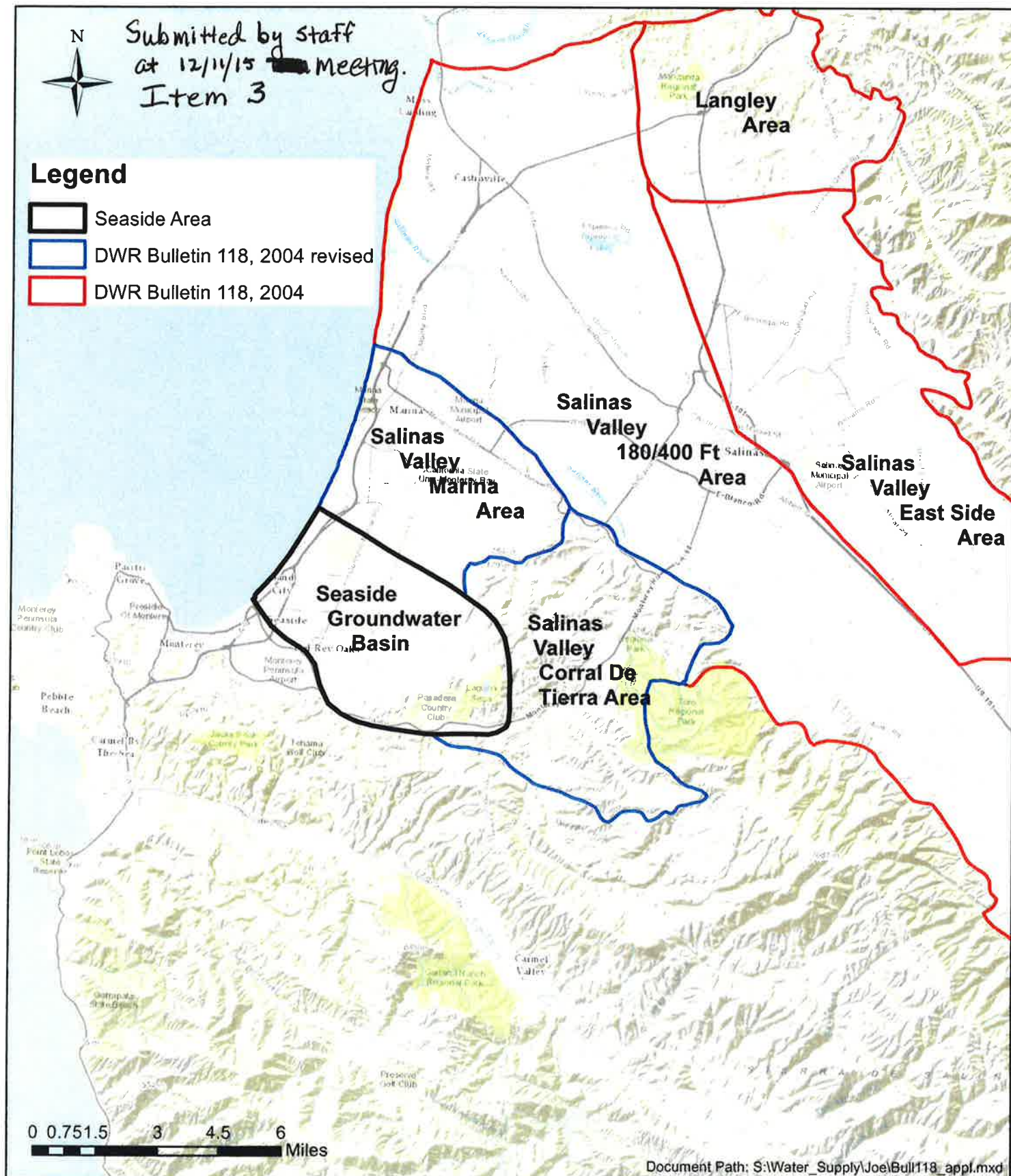


Plate 1: Regional Map showing location of Seaside Groundwater Basin Boundary