

EXHIBIT 3-A

March 7, 2008

Mr. David A. Berger, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Building G
P.O. Box 85
Monterey, CA 93942-0085

Dear Mr. Berger:

Pursuant to our conversation, I am submitting to you for consideration this proposal for JEA & Associates to provide governmental relations services for the Monterey Peninsula Water Management District (MPWMD).

First, let me thank-you for considering our firm. We would be very pleased to have the opportunity to work with you and believe that our firm would prove to be a valuable asset in assisting with your legislative and administrative activities.

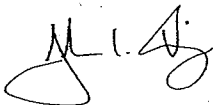
As we understand the scope of work required, we would propose the following:

1. JEA & Associates would propose to undertake legislative and administrative activities as directed and/or requested by the MPWMD, using our political and general experience to accomplish established goals. Specifically, working with the MPWMD on the State Water Resources Regional Control Board's (SWRCB's) **Cease and Desist Order (CDO) for the California American Water (CAW) unauthorized diversions from the Carmel River and also working with the California Public Utilities Commission (CPUC) and other entities on this issue.**
2. JEA & Associates would schedule, coordinate and participate in meetings with the Governor's Administration, the California Legislature, the CPUC, the SWRCB and others in addressing key issues and concerns regarding the CDO and attend public hearings of the CPUC, the SWRCB and of other agencies as requested and directed by the MPWMD.
3. JEA & Associates would provide written or oral reports as requested or directed by the MPWMD.
4. To enable JEA & Associates to carry out the prescribed scope of work, it is requested that the MPWMD provide our firm with technical assistance, expertise and information as may be necessary or required.

5. John Arriaga of JEA & Associates will be the principal contact from our firm and the responsible person in dealing with the MPWMD, its Board of Directors and staff as may be necessary. He will be assisted by Suzanne Fox of the firm as may be required.
6. JEA & Associates does not make any charge for incidental costs such as telephone, facsimiles, copies or the like. However, we would propose reimbursement for any extraordinary expenses, such as travel, which would have been approved in advance by the MPWMD.
7. As we discussed, based on our anticipated scope of work and projected workload, JEA & Associates would propose a monthly retainer fee of \$2,500, with the month of March 2008 being pro-rated and beginning April 1, 2008 for the full retainer amount. The retainer fee is based on the understanding that we would mutually discuss any adjustments to this fee schedule as we determine the actual scope of activity and involvement of work found to be required to carry out the goals of the MPWMD.
8. JEA & Associates have reviewed our current clients and have determined that no conflicts-of-interest exist. Should such a conflict-of-interest arise, we would notify you in writing and undertake measures to resolve the conflict. However, based on our past operation and experiences, we have found that conflicts rarely exist.

I look forward to hearing from you once you have had the opportunity to review this proposal. If there are issues or matters that require clarification or amplification, please let me know. If you find this proposal acceptable, we would like to make the contract effective immediately taking into consideration work completed. Feel free to contact me at (916) 669-1340.

Sincerely,



John E. Arriaga
President