



State Water Resources Control Board



Division of Water Rights

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Terry Tamminen
*Secretary for
Environmental
Protection*

Arnold Schwarzenegger
Governor

MAY 10 2004

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EXHIBIT 3-C

Anthony Lombardo
Lombardo & Gilles, PLC
P.O. Box 2119
Salinas, CA 93902-2119

MAY 12 2004

MPWMD

Dear Mr. Lombardo:

RESPONSE TO CORRESPONDENCE DATED APRIL 12, 2004 REGARDING PEBBLE BEACH COMPANY'S DEL MONTE FOREST PRESERVATION AND DEVELOPMENT PLAN - SCH# 2002011130

Division of Water Rights (Division) staff submitted comments on the 2004 Draft Environmental Impact Report (DEIR) for the Pebble Beach project identified above on March 17, 2004. The Pebble Beach Company, by correspondence dated April 12, 2004, requests that that the Division's comments be clarified. The Pebble Beach Company specifically requests the Division:

1. "correct errors contained in the March 17th letter;
2. "confirm to the County of Monterey that the three hundred eighty (380) acre-foot entitlement is available for use by Pebble Beach Company accounted for in the same manner as the remainder of the allocation has and will be allocated for through the fixture unit method; and,
3. "acknowledge that the environmental effects of that use (380 acre-feet entitlement) have already been studied in the prior environmental impact report prepared for the reclamation project."

The Division's comments stated that the California-American Water Company (Cal-Am) did not comply with the condition in State Water Resources Control Board (SWRCB) Order WR 95-10 that imposes an 11,285 acre-feet (af) diversion limit each year. This statement was based on Cal-Am's self-monitoring reports for water year October 1, 2002 through September 30, 2003. The Division has allowed certain exemptions to the diversion limit; however, Cal-Am did not identify a valid exemption to the diversion limit in its reported total diversion. Upon further review, Division staff has identified that some of the diversions that took place are subject to exemption. Consequently, Cal-Am's diversion report has now been adjusted to reflect the exemption. Cal-Am is in compliance with the diversion limit for the past water year. Nevertheless, it should be noted that Cal-Am has increased demand on the Carmel River beyond the 11,285 afa limitation as a result of the Seaside Groundwater Banking Pilot Project. Under the groundwater banking project, Cal-Am diverted 168 af from the Carmel River (resulting in the net diversion of 11,320 af described in the Division's March 17th DEIR comment letter). The 168 af was temporarily stored in the Seaside Aquifer. It was withdrawn from storage shortly after it was injected into the

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basin and put to use. This diversion is subject to the exemption from the diversion limitation; however, the diversion did result in increased demands upon the Carmel River.

The Pebble Beach Company requests that the Division confirm that the company has a valid water supply for the Pebble Beach project. Cal-Am has a 380 af exemption to the 11,285 afa limitation imposed by Order WR 95-10 as stated in the Division's March 17th comments. Cal-Am is responsible for obtaining valid water rights to serve its customers, including the Pebble Beach Company, and must operate within the restrictions described in Order WR 95-10.

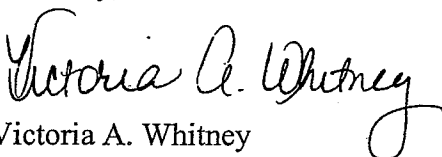
The project proponent also requests clarification on the validity of using the fixture unit method to account for water use by the Pebble Beach Company. The Division's April 21, 2004 response on this issue is enclosed. The Division has no objection to continued use of the fixture method.

As the lead agency pursuant to the California Environmental Quality Act (CEQA), Monterey County is responsible for full disclosure of the environmental effects of the proposed project. The Division's comments on the 2004 DEIR indicated that the impacts of any new diversions should be evaluated, including impacts associated with intensified pumping at Cal-Am's existing wells. The Pebble Beach Company requests that the Division acknowledge that the Carmel River diversion impacts were evaluated in a prior EIR for the reclamation project. The Division does not have the environmental document for Phase I of the reclamation project. The Division has the following documents: (1) Expanded Initial Study Phase II – CAWD/PBCSD Wastewater Reclamation Project, February 23, 1996 and (2) Addendum to Expanded Initial Study Phase II – CAWD/PBCSD Wastewater Reclamation Project, May 2001. Division staff did not find any discussion of potential impacts to public trust resources in the Carmel River in the two referenced documents.

To the extent that any reclamation project CEQA document contains relevant, current information on the impacts of diverting 380 af from the Carmel River at the wells that will be used to serve the Pebble Beach Project, the prior CEQA document may address comments from the Division's March 17th letter on the 2004 DEIR. Any applicable information from prior CEQA documentation for the reclamation project should be appropriately cited in the present document, and the mitigation measures deemed necessary should be incorporated in the final EIR.

Katherine Mrowka is the senior staff person presently assigned to this matter. If you require further assistance, Ms. Mrowka can be contacted at (916) 341-5363.

Sincerely,



Victoria A. Whitney
Division Chief

Enclosure

MAY 10 2004

cc: (without enclosure)

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