



EXHIBIT 21-F

**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

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March 26, 2003

Derinda L. Messenger
Lombardo & Gilles
P.O. Box 2119
Salinas, CA 93902-2119

**SUBJECT: THIRD LETTER REGARDING COMPLETENESS OF APPLICATION TO
AMEND CAÑADA WOODS WATER DISTRIBUTION SYSTEM PERMIT
(Multiple-Parcel Connection System)
MPWMD APPLICATION #20021031CAN; APN 169-221-017 through 169-221-
025, 169-011-004, 169-011-005, 169-011-011, and 169-011-017**

Dear Ms. Messenger:

This letter addresses the completeness of the above-referenced application to amend the Cañada Woods Water Distribution System (CWWDS) permit, which was submitted to the Monterey Peninsula Water Management District (MPWMD or District) on October 31, 2002. Additional information was provided via letters dated March 26, November 1, November 6, and November 13, 2002 responding to information requests by District Engineer Andrew Bell in letters dated January 18, 2002 and March 15, 2002 and by General Manager Ernesto A. Avila dated July 11, 2002 regarding the Cañada Woods and Monterra Ranch projects.

Upon review of the materials described above, the District sent you a letter dated December 2, 2002 stating that the application was not considered to be complete with regard to specific items. We received your response in a letter dated December 17, 2002. Based on that information, and questions that arose during discussions by representatives of the CWWDS and MPWMD on January 13, 2003, the District sent you a second letter regarding completeness of the application on January 17, 2003. Your response was provided in a letter dated February 14, 2003, which was received by the District on February 25, 2003.

Conclusion Regarding Completeness of Application to Amend CWWDS Permit

Taking into account all information submitted to date in this matter, we cannot accept this application as being complete. It is the District's conclusion that permits for the CWWDS and the Monterra Ranch Mutual Water Company Water Distribution System (MRMWCWDS) should be combined into a single water distribution system permit, or that separate applications for each system for which a

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permit is required be completed at a single time, so that all the various aspects of this complex project may be reviewed and acted on together.

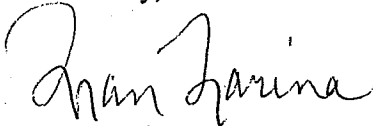
According to the information you have provided, some of the water currently produced from non-alluvial subpotable wells within the CWWDS is used within the boundaries of the adjacent MRMWCWDS, and the collection, treatment, and use of wastewater spans the two systems. It is our assessment, based on the manner in which these systems have been operated to date and are proposed to be operated in the future, that the two systems should not be piecemealed in separate permits. The water systems for the Cañada Woods and Monterra Ranch areas constitute a complex project that should be considered in its entirety for purposes of permitting. This complex project, if approved, may result in either a single complex permit, or separate permits for each facet of this complex project. It is important, however, for all aspects of this project to be reviewed and acted on together.

It is the District's determination that the non-alluvial subpotable wells and the wastewater system, along with their places of use, should be included in the overall water distribution system. In your February 14, 2003 letter you state your willingness to amend existing permits and obtain new permits to include these facilities and uses. These should be incorporated in a single application or set of applications that includes all sources and uses of water for the Cañada Woods and Monterra Ranch areas.

Although you have provided a significant amount of information regarding existing and proposed facilities, as part of our processing of the permit application, we wish to review as-built drawings of all water production and distribution facilities. It is anticipated that under the new permit or permits, water production and delivery reporting will be required for separate water sources and use types, similar to the requirements in place under the current water distribution system permits.

Thank you for your cooperation to date. If you need additional clarification of the permit application and amendment process, please call Henrietta Stern at 658-5621. For technical questions, please contact Joe Oliver at 658-5640 or Andy Bell at 658-5620.

Sincerely,



Fran Farina
Acting General Manager

cc list: (Please see next page.)

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cc: Scott Hennessy, Director, Monterey County Planning & Building Inspection Department
Alana Knaster, Chief Assistant Director, Monterey County Planning & Bldg. Inspection Dept.
Allen Stroh, Director of Environmental Health, Monterey County Health Department
MPWMD Board of Directors
David Laredo, MPWMD General Counsel
Henrietta Stern, MPWMD Project Manager
Andy Bell, MPWMD District Engineer
Joe Oliver, MPWMD Water Resources Manager