



EXHIBIT 21-H

**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

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May 15, 2003

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

**SUBJECT: 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**

Derinda

Dear Ms. Messenger:

Based on requests submitted in the April 24, 2003 letter from Anthony L. Lombardo to me and on discussions at the April 24, 2003 meeting among Alan Williams and Michael Waxer representing the Cañada Woods Water Distribution System (CWWDS), Mary Ann Dennis of the Monterey County Health Department, and David Laredo, Stephanie Pintar, Andy Bell, and me representing the Monterey Peninsula Water Management District (MPWMD or District), I have determined that I am able to present your application in its current form for consideration by the MPWMD Board of Directors. This is in contrast with the conclusion stated in my March 26, 2003 letter to you ("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 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.").

I have determined that an amended permit for the CWWDS can be conditioned to require that the applicants apply in a timely fashion for amended or new permits for those water sources and uses that are not now included in the water distribution system permits for the Cañada Woods and Monterra Ranch projects. These sources and uses include sub-potable water from non-alluvial wells and reclaimed wastewater. The District may also require that the potable water systems for Cañada Woods and Monterra Ranch be combined into a single water distribution system.

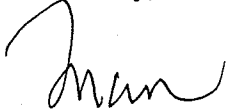
Alan Williams and Tony Lombardo requested that your application be considered at the earliest possible date. MPWMD staff members have continued reviewing and analyzing the information submitted to date in support of the application. Andy Bell has requested additional information this

Derinda L. Messenger
May 15, 2003
Page 2

week from Michael Waxer (see enclosed copy of an e-mail from Mr. Bell to Mr. Waxer dated May 15, 2003). This information has been requested to allow us to determine whether the application is complete. In order to make this determination in time to prepare for the MPWMD Board's consideration of the application at their June 16, 2003 meeting, the requested information must be received not later than May 21, 2003. Please understand that if this information is not submitted by May 21, or there is the need for additional information to support the application, we cannot meet the timeline for consideration on June 16.

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 Andy Bell at 658-5620.

Sincerely,



Fran Farina
Acting General Manager

Enclosure: May 15, 2003 e-mail from Andy Bell to Michael Waxer

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
Mary Ann Dennis, Division of Environmental Health, Monterey County Health Department
Michael Waxer, Carmel Development Company
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

Andy Bell

From: Andy Bell
Sent: Thursday, May 15, 2003 10:14 AM
To: WAXER, Michael (E-mail)
Cc: Henrietta Stern
Subject: Request for information re: Canada Woods application

Michael--

As we discussed yesterday, I'm listing below additional information the District is requesting in connection with the application for amendment of the Canada Woods Water Distribution System permit.

1. July 6, 2001 Application of Canada Woods Water Company for a Certificate of Public Convenience and Necessity (Application to the California Public Utilities Commission) [At minimum, we would like to borrow a copy of this document for inspection, and would like a copy of the service area map identified as Exhibit I (referred to in the April 4, 2002 CPUC Decision 02-04-006).]
2. January 4, 2002 report of the Water Branch of the CPUC Office of Ratepayer Advocates on its investigation of the Canada Woods Water Company application
3. May 7, 2002 (?-- date uncertain) transmittal or cover letter for Canada Woods Water Company's Advice Letter No. 1 to the CPUC
4. Sheet 6-W (Service Area Map) for Advice Letter No. 1 described in item 3 above
5. August 26, 2002 letter from Cheryl Sandoval, Monterey County Department of Health (referred to in November 11, 2002 letter from Derinda Messinger to Cheryl Sandoval re: Canada Woods TMF Responses)

As a reminder, on May 12, 2003 I requested copies of the following documents:

6. From Final EIR for Canada Woods North, Volume 2, Responses to Additional Comments, dated November 21, 1996:
 - a. Section 3.0 Final Corrections/Changes
 - b. Appendix A. Background on Pesticide Use at Proposed Golf Course(These items are listed in the Table of Contents for Volume 2, but were not included in the EIR materials submitted to the District last year.)
7. Information sent to the State Water Resources Control Board regarding the proposed "two-way dual metering" facility, and the State Board's response. The information was requested by the State Board in the August 13, 2002 letter from Edward C. Anton to Roy Kaufman: "Please submit a written proposal for our approval documenting how you intend to (a) meter the water pumped from the Carmel River, (b) meter water put into and taken from the tank, and (c) correlate the meter records to Carmel River water put to beneficial use within the permitted place of use for Permits 20831 and 20832." From our discussion, I understand these materials to be a written description or letter report by WDD Corporation. You also indicated the State Board had sent a letter responding to the submittal, and I would like a copy of that response.

In order to determine completeness of the application in time to prepare for a public hearing at the June 16, 2003 Board meeting, we will need these materials not later than May 21 (next Wednesday).

--Andy Bell
658-5620

5/15/2003