

EXHIBIT 7-K

**MPWMD Water Supply Project
Permitting and Regulatory Agency Involvement Questionnaire**

Regulatory Time Frame

Agency: U.S. Army, Fort Ord BRAC Office

1. What permits/approvals would be needed for project action by your agency?

For the Cal Am/County, MPWMD ASR, and MPWMD desal projects:

Right-of-way applications would be needed for pipelines and probably lease requests for lands over one-quarter acre in size. For project facilities crossing lands to be transferred to other entities, a letter would be needed from that entity stating approval of right-of-way or lease.

A NEPA document would be needed if T&E species, cultural resources or toxic and hazardous materials involved in the project.

For Pajaro/Sunny Mesa project:

There is no evidence that the project pipeline would cross Army-controlled land.

2. What is an estimated time frame for receiving those permits/approvals?

The Army is hesitant to speculate on the time frame for issuance of rights-of-way or leases for projects that are controversial or involve lands to be transferred. Ordnance clearance may be needed before entitlements are issued.

3. Do you have any property interest in the project?

Likely yes for all projects except Pajaro/Sunny Mesa and MRWPCA reclamation.

4. Contact information:

Name: Rob Robinson

Phone number: 831-242-7900

Title: BRAC Coordinator

Date of contact: 9/9/04

**MPWMD Water Supply Project
Permitting and Regulatory Agency Involvement Questionnaire**

Regulatory Time Frame

Agency: U.S. Army Corps of Engineers, San Francisco District

1. What permits/approvals would be needed for project action by your agency?

For Cal Am/County, Pajaro/Sunny Mesa; MPWMD Desal. and ASR; MRWPCA Reclamation:

Clean Water Act Section 404 and Rivers and Harbors Act Section 10 permits if trenching across Moro Cojo Slough, Carmel River, Salinas River, or smaller (navigable) waters of the U.S. If boring under the river less than 7 miles upstream from the river mouth, just a Section 10 permit. Also need a BO from USFWS if endangered species potentially affected.

2. What is an estimated time frame for receiving those permits/approvals?

Time frame dependent on too many factors to give a specific estimate. He mentioned that the San Clemente Dam retrofit 404 permit ongoing since 1998. Jones & Stokes information suggests that individual permits can be issued within 90-180 days following Corps receipt of all other federal approvals (ESA, NHPA, CWA, CZMA).

3. Do you have any property interest in the project?

No.

4. Contact information:

Name: Ed Wylie

Phone number: 415-977-8464

Title: Chief of South Section Regulatory Branch

Date of contact: 9/7/04

**MPWMD Water Supply Project
Permitting and Regulatory Agency Involvement Questionnaire**

Regulatory Time Frame

Agency: U.S. Bureau of Land Management

1. What permits/approvals would be needed for project action by your agency?

For MPWMD ASR:

If project facilities were located on lands already transferred to BLM, a right-of-way permit would be needed. An application form (#299), archeological and biological studies, and plans and maps would have to be submitted. A NEPA document may also be needed (Vaughn).

For Cal Am/County, Pajaro/Sunny Mesa, and MPWMD desal:

The Cal Am/County project would not involve BLM-administered land (according to information provided to Eric Morgan by Cal Am). It does not appear that the Pajaro/Sunny Mesa pipelines cross BLM lands. The MPWMD desal pipelines do not cross BLM lands.

2. What is an estimated time frame for receiving those permits/approvals?

Time frame depends on the complexity of the project and staff backlog. A simple, straightforward project would take 3-6 months (Vaughn).

3. Do you have any property interest in the project?

BLM currently has no property interest in the area of injection wells and pipelines; it is unlikely that BLM will receive the property within the next 10 years (Morgan).

4. Contact information:

Name: Dan Vaughn

Phone number: 661-391-6125

Title: Lead Real Estate Specialist, Bakersfield Field Office

Date of contact: 9/8/04

Name: Eric Morgan

Phone number: 831-394-8314

Title: Fort Ord Project Manager

Date of Contact: 9/8/04

**MPWMD Water Supply Project
Permitting and Regulatory Agency Involvement Questionnaire**

Regulatory Time Frame

Agency: NOAA Monterey Bay National Marine Sanctuary

- 1. What permits/approvals would be needed for project action by your agency?**
For all three desalination projects:

MBNMS Authorization, if the action requires a permit from the Coastal Commission, EPA, California Resources Agency, or RWQCBs.

MBNMS reviews others permits and provides authorization or requests conditions for approval.

- 2. What is an estimated time frame for receiving those permits/approvals?**
Permit review and authorization process takes a **minimum of 45 days**; is likely to be longer for controversial projects. There is no statutory limit to the amount of time NOAA can take to review an application.

- 3. Do you have any property interest in the project?**
No

- 4. Contact information:**

Name: Scott Kathey

Phone number: 831-647-4201

Title: Federal regulatory coordinator

Date of contact: 9/07/04

**MPWMD Water Supply Project
Permitting and Regulatory Agency Involvement Questionnaire**

Regulatory Time Frame

Agency: U.S. Fish and Wildlife Service

1. What permits/approvals would be needed for project action by your agency?

For the Cal Am/County, MPWMD desal and MPWMD ASR projects:

ESA compliance; if there is a federal agency that is willing to take lead responsibility for the entire project, that agency could conduct Section 7 consultation. If no federal lead for entire project, the project lead would have to complete an HCP and submit it to USFWS for review and approval.

A NEPA document would be needed before providing a BO through the Section 7 process.

For the Pajaro/Sunny Mesa project:

May require same compliance as other projects, but not enough information on facilities locations to make a determination.

2. What is an estimated time frame for receiving those permits/approvals?

If Section 7 consultation occurs, BO could be issued 135 days following receipt of a BA. If Section 10 consultation occurs (no federal lead), HCP time frame can be relatively quick or extremely long, depending on issues, controversy and USFWS staffing (not willing to speculate on specific time frame).

3. Do you have any property interest in the project?

No

4. Contact information:

Name: Dianne Steeck

Phone number: 805-644-1766

Title: Ecologist (lead person for FORA HCP)

Date of contact: 9/7/04

**MPWMD Water Supply Project
Permitting and Regulatory Agency Involvement Questionnaire**

Regulatory Time Frame

Agency: California State Water Resources Control Board, Division of Water Rights

1. What permits/approvals would be needed for project action by your agency?

For MPWMD desal, MPWMD ASR projects:

Submit a completed water rights permit application indicating how the project would meet the requirements of 95-10 and flow requirements of NOAA Fisheries. A completed CEQA document would also be needed.

For Cal Am/County and Pajaro/Sunny Mesa:

Projects could be done independent of 95-10; injection of desalinated water into the Seaside Basin not directly regulated by SWRCB. However, if project pursued by Cal Am that does not resolve the Carmel River problem, the SWRC B could decide to take enforcement action on 95-10 (fines).

2. What is an estimated time frame for receiving those permits/approvals?

There is no time frame for Cal Am/County or Pajaro/Sunny Mesa.

For MPWMD projects, there would have to be a Board hearing on its water rights applications. Once the permit application, Draft EIR, and Draft EIR comments were completed, it would take at least 6 months to schedule a Board hearing. A Board action could be taken after the Final EIR is completed.

3. Do you have any property interest in the project?

No

4. Contact information:

Name: Steve Herrera

Phone number: 916-341-5337

Title: Chief of Water Rights Permitting

Date of contact: 9/9/04