



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

5 HARRIS COURT, BLDG. G
POST OFFICE BOX 85
MONTEREY, CA 93942-0085 • (831) 658-5600
FAX (831) 644-9560 • <http://www.mpwmd.dst.ca.us>

SUPPLEMENT TO 1/25/07 MPWMD BOARD PACKET

Attached are copies of letters received between November 22 and December 11, 2006. These letters are also listed in the January 25, 2007 Board packet under item 18, Letters Received.

Author	Addressee	Date	Topic
Sandra K. Dunn	Victoria A. Whitney	11/22/06	Petition for Change – Permit 7130B and 20808 <i>David A. Berger' s response letter attached</i>
Marilyn Maxner	David Berger	12/1/06	Membership on Community Advisory Committee
Lew C. Bauman	David A. Berger	12/6/06	2006-07 MPWMD Strategic Plan Water Needs Proposal
Glorietta F. Rowland	Michelle Knight	12/7/06	Formation of Community Advisory Committee
Tom Rowley	MPWMD Board	12/11/06	Formation of Community Advisory Committee

SOMACH, SIMMONS & DUNN

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

613 SIXTH STREET
THIRD FLOOR
SACRAMENTO, CA 95814-2403
9161 446-7979
FACSIMILE 9161 446-8199
WEBSITE: www.lawssd.com

November 22, 2006

RECEIVED

NOV 22 2006

MPWMD

VIA FACSIMILEVictoria A. Whitney, Chief
Division of Water Rights
State Water Resources Control Board
1001 I Street, 14th Floor
Sacramento, CA 95814Re: Petition for Change- Permit 7130B and 20808

Dear Ms. Whitney:

It has come to the attention of California American Water (California American) that the State Water Resources Control Board (SWRCB) is in the process of issuing an order granting a change in water right permits 7130B and 20808 for the diversion of approximately 2,500 acre-feet of water from the Carmel River for the Monterey Peninsula Water Management District's (MPWMD) Phase I Aquifer Storage and Recovery (ASR) program. In order to issue such an order without hearing by the SWRCB, all protests to the petition for change must be resolved. It is our understanding that MPWMD and members of the staff of the SWRCB are currently negotiating with National Marine Fisheries Service (NMFS) and the California Department of Fish and Game (DFG) to resolve their respective protests.

This letter is to inform the SWRCB that, as joint owner of the water rights with MPWMD for Phase I ASR, California American has major concerns regarding the terms and conditions being proposed for inclusion in the water right permit in settlement of the protests filed by NMFS and DFG. California American is not directly involved in the settlement discussions but has reviewed early drafts of the proposed conditions and has expressed its concerns and opposition regarding the inclusion of these conditions to MPWMD. To date, the issues raised by California American have not been adequately addressed.

Moreover, and in any event, based upon our understanding, the proposed conditions will unduly restrict California American's ability to efficiently manage the various water resources in order to supply the water needs of the Monterey Peninsula and will constrain the operations of California American's water delivery system. From an operational perspective, California American's interests are much different from those of

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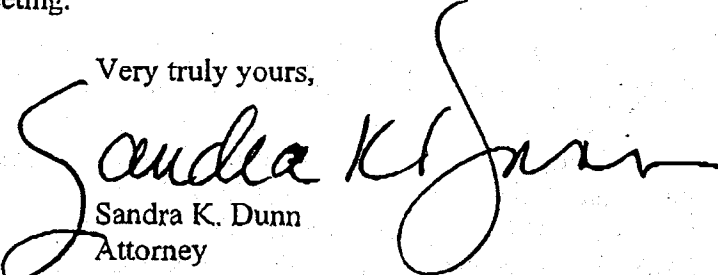
Victoria A. Whitney, Chief
November 22, 2006
Page 2

either the MPWMD or the resource agencies. Furthermore, California American does not agree that such restrictions will result in tangible benefits to the public resources associated with the Carmel River. Additionally, to the extent they serve as precedent for any future water rights, they are unacceptable to California American.

Given California American's direct involvement in both the direct diversion of these water rights through the use of its diversion facilities and its ultimate beneficial use of the water through water service to its customers, the proposed conditions are unenforceable without California American's concurrence. California American submits that the SWRCB should proceed with a full hearing on the petitions for change as the appropriate means for resolving the protests of NMFS and DFG. In the interim, until such a hearing process is complete, California American urges the SWRCB to allow continuation of the Phase I ASR under a temporary permit.

We suggest that a meeting be held as soon as possible with you, MPWMD and California American to discuss an acceptable approach for proceeding. We will be contacting you to schedule such a meeting.

Very truly yours,



Sandra K. Dunn
Attorney

SKD:sb

cc: David Laredo
David Berger
Steve Leonard
Jan S. Driscoll
Kent Turner
Ben Lewis



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December 7, 2006

Victoria A. Whitney, Division Chief
Division of Water Rights
State Water Resources Control Board
P.O. Box 2000
Sacramento, CA 95812-2000

SUBJECT: Response to November 22, 2006 Somach, Simmons & Dunn Letter Regarding Petitions for Change to Permit 7130B (Application 11674B) and Permit 20808 (Application 27614) – Seaside Basin Aquifer Storage and Recovery Project

Dear Ms. Whitney:

I am writing to clarify statements made in the November 22, 2006 letter from Sandra K. Dunn, representing California American Water (Cal-Am), to you (**copy enclosed**) regarding the Monterey Peninsula Water Management District's (MPWMD) Petitions for Change to Permits 7130B and 20808 for the Seaside Basin Aquifer Storage and Recovery (ASR) Project.

In her letter, Ms. Dunn made several misstatements of fact, but one in particular requires correction. In the second paragraph, the second and third sentences are as follows:

“California American is not directly involved in the settlement discussions but has reviewed early drafts of the proposed conditions and has expressed its concerns and opposition regarding the inclusion of these conditions to MPWMD. To date, the issues raised by California American have not been adequately addressed.”

In contrast to what Ms. Dunn states, MPWMD has included Cal-Am representatives in the exchange of proposed changes to the existing permit conditions and has requested their input at each stage since before Cal-Am became co-owner of the portions of the permits pertaining to the Phase 1 ASR Project. Cal-Am has submitted oral comments on the proposed conditions on two occasions, and MPWMD responded each time by incorporating Cal-Am's suggestions into the subsequent set of proposed conditions. However, MPWMD has not had any response to the most recent set of proposed conditions, which was transmitted to Cal-Am on October 18, 2006.

MPWMD has provided Cal-Am four sets of documents related to the permit conditions. The first set was transmitted by letter dated July 5, 2006 to Steve Leonard of Cal-Am (**copy enclosed**). The second set was provided to Cal-Am and its consultants during a meeting on July 17. (See Revised


Victoria A. Whitney
December 7, 2006
Page 2

Agenda for the July 17 meeting [copy enclosed], Part I, item 2: "Review proposed resolution of CDFG and NOAA Fisheries protests re: proposed changes to current water rights permit conditions.") During the July 17 meeting, Cal-Am and its consultants suggested changes to certain conditions. The third set of proposed changes, which includes revisions based on comments by Cal-Am and its consultants during the July 17 meeting, was submitted to Cal-Am by copy of an August 10 letter from MPWMD to representatives of California Department of Fish and Game (CDFG) and NOAA Fisheries, the two parties who protested the petitions, transmitting the results of MPWMD's negotiations with them and discussions with Cal-Am (copy enclosed). A subsequent negotiation meeting with CDFG and NOAA Fisheries representatives resulted in the fourth and most recent set of proposed changes that was submitted to Cal-Am and its consultants by e-mail from Andrew Bell of my staff on October 18 (copy enclosed). This e-mail transmitted the proposed changed conditions to Steven Leonard and John Klein of Cal-Am and to Larry Gallery and Paul Findley of RBF Consulting, an engineering firm retained by Cal-Am for services in support of Cal-Am's Coastal Water Project. In that e-mail, Mr. Bell requested that the recipients review the proposed revised permit conditions and respond by October 31 with comments and questions. No response to this e-mail was received from Cal-Am or its consultants. On November 1, Mr. Bell sent a follow-up e-mail (copy enclosed) to the parties who had received the October 18 e-mail, asking the status of their review of the proposed permit conditions. By reply e-mail later that day (copy enclosed) John Klein of Cal-Am stated that Mr. Leonard "... has been working on this and will get back to you with our comments as soon as possible." To date, no comments on the October 18 set of proposed conditions have been received from Cal-Am or its consultants.

I believe MPWMD has kept Cal-Am well-informed of the protest dismissal negotiations with CDFG and NOAA Fisheries. We have directly involved Cal-Am in the development of permit conditions since before Cal-Am and MPWMD formally requested that Cal-Am become co-owner of the portions of Permits 7130B and 20808 pertaining to the Phase 1 ASR Project (see enclosed July 21, 2006 letter from Steven D. Leonard and me to Steve Herrera, SWRCB). We have provided Cal-Am copies of all sets of draft permit conditions from July 5, 2006 to the present, and we have been responsive to their expressed concerns by revising the proposed conditions.

I believe that Ms. Dunn may not have been adequately informed of the situation she addresses in her letter. However, I think it important to inform you of the efforts made by my staff and me in collaboration with Cal-Am to bring a reasonable and efficient resolution of the protests to our Petitions for Change. We are anxious to see the Seaside Basin ASR Project proceed and be a part of the solution to the replacement water needs mandated by SWRCB Order 95-10. We look forward to the January 2, 2007 meeting at your offices involving all affected parties that hopefully will bring us closer to that goal.

Sincerely,



David A. Berger
General Manager

Victoria A. Whitney
December 7, 2006
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Enclosures: November 22, 2006 – letter from Sandra K. Dunn, Somach, Simmons & Dunn, to Victoria A. Whitney, SWRCB, regarding Petitions for Change – Permits 7130B and 20808
July 5, 2006 – letter from Andrew Bell, MPWMD to Steve Leonard, Cal-Am, regarding Proposed Resolution of Protests by DDFG and NOAA Fisheries to MPWMD Petitions for Change to Permits 7130B and 20809 for Phase 1 ASR Project (without enclosures)
July 17, 2006 - Revised Agenda for meeting among Cal-Am, RBF Consulting, MPWMD, and Padre Associates regarding the Phase 1 Aquifer Storage and Recovery Project
August 10, 2006 – letter from MPWMD to CDFG and NOAA Fisheries, with copy to Steven Leonard, Cal-Am, transmitting Proposed Changes to Conditions in Water Rights Permits 7130B and 20808 for the Phase 1 Aquifer Storage and Recovery Project (without enclosures)
October 18, 2006 – e-mail from Andy Bell, MPWMD, to Steven Leonard and John Cline of Cal-Am and Larry Gallery and Paul Findley of RBF Consulting (without attachments)
November 1, 2006 - e-mail from Andrew Bell, MPWMD, to Steven Leonard and John Klein of Cal-Am and Larry Gallery and Paul Findley of RBF Consulting
November 1, 2006 - e-mail from John Klein, Cal-Am, to Andrew Bell, MPWMD
July 21, 2006 – letter from David A. Berger, MPWMD, and Steven D. Leonard, Cal-Am, to Steve Herrera, SWRCB

cc: Steven D. Leonard, Cal-Am
Sandra K. Dunn, Somach, Simmons & Dunn
Linda Hanson, California Department of Fish and Game, Yountville
Joyce Ambrosius, NOAA Fisheries, Santa Rosa
David C. Laredo, MPWMD General Counsel
Andrew M. Bell, MPWMD District Engineer

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November 22, 2006

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MPWMD

VIA FACSIMILE

Victoria A. Whitney, Chief
Division of Water Rights
State Water Resources Control Board
1001 I Street, 14th Floor
Sacramento, CA 95814

Re: Petition for Change- Permit 7130B and 20808

Dear Ms. Whitney:

It has come to the attention of California American Water (California American) that the State Water Resources Control Board (SWRCB) is in the process of issuing an order granting a change in water right permits 7130B and 20808 for the diversion of approximately 2,500 acre-feet of water from the Carmel River for the Monterey Peninsula Water Management District's (MPWMD) Phase I Aquifer Storage and Recovery (ASR) program. In order to issue such an order without hearing by the SWRCB, all protests to the petition for change must be resolved. It is our understanding that MPWMD and members of the staff of the SWRCB are currently negotiating with National Marine Fisheries Service (NMFS) and the California Department of Fish and Game (DFG) to resolve their respective protests.

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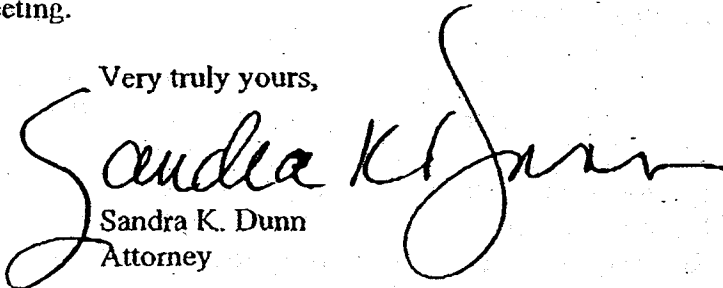
Victoria A. Whitney, Chief
November 22, 2006
Page 2

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We suggest that a meeting be held as soon as possible with you, MPWMD and California American to discuss an acceptable approach for proceeding. We will be contacting you to schedule such a meeting.

Very truly yours,



Sandra K. Dunn
Attorney

SKD:sb

cc: David Laredo
David Berger
Steve Leonard
Jan S. Driscoll
Kent Turner
Ben Lewis



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July 5, 2006

Steve Leonard
California American Water
P.O. Box 951
Monterey, CA 93942

**SUBJECT: Proposed Resolution of Protests by CDFG and NOAA Fisheries to MPWMD
Petitions for Change to Permits 7130B and 20808 for Phase 1 ASR Project**

Dear Mr. Leonard: *Steve* —

During the June 16, 2006 meeting between Cal-Am and MPWMD staff, MPWMD committed to providing you copies of documents relating to resolution of protests by California Department of Fish and Game (CDFG) and NOAA Fisheries to our Petitions for Change to our water rights permits for the Phase 1 ASR Project. Enclosed are the following documents:

- Amended Permit 7130B (January 6, 1999)
- Amended Permit 20808 (January 6, 1999)
- Revised Petition for Change to Permit 7130B (September 15, 2003)
- Revised Petition for Change to Permit 20808 (September 15, 2003) (portions only – attachments are virtually identical to the attachments for Permit 7130B)
- Protest by NOAA Fisheries (letter dated May 12, 2005) and subsequent interchange of letters between SWRCB, MPWMD and NOAA Fisheries
- Protest by CDFG (memorandum dated May 20, 2005) and subsequent correspondence from SWRCB and MPWMD
- Proposed Resolution of CDFG and NOAA Fisheries Protests (June 2006 summary by MPWMD of protest negotiations and proposals)

Please review the Petitions for Change and the proposed resolution of the protests as it may affect Cal-Am operations. Following your review, please advise Dave Berger or me if you have any questions or comments about any of the enclosed documents.

Sincerely,

Andy
Andrew M. Bell
District Engineer

Enclosures

cc: Berger, Laredo, Oliver, Fuerst, Dettman (with selected enclosures)

REVISED AGENDA**CALIFORNIA AMERICAN WATER / RBF CONSULTING
AND
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT / PADRE ASSOCIATES****PHASE 1 AQUIFER STORAGE AND RECOVERY PROJECT**

**Monday July 17, 2006
2:00 PM – 4:00 PM
Cal-Am Office, Monterey**

Part I – Phase 1 ASR Project EIR/EA / Water Rights Conditions

1. Status of MPWMD Draft EIR/EA on Phase 1

2. Review proposed resolution of CDFG and NOAA Fisheries protests, re: proposed changes to current water rights permit conditions (summary of proposed conditions will be provided at the meeting)

Part II – Cal-Am ASR-Related Infrastructure

3. Status of Easements / ROE for Hilby Pipeline and second MPWMD ASR well site

4. Status / results of RBF hydraulic modeling analysis and temporary pipeline extension from Del Rey Oaks reg. station to Hilby Ave. (Options A and B from June 2 meeting)

5. Hilby temporary pipeline – Design issues and implementation status

6. Summer SMTIW production schedule / alternatives (PG&E Billing rate changes?)

7. Status of Cal- Am CWP Conveyance and ASR component RFP review / awards

8. Next meeting / Other



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August 10, 2006

Robert W. Floerke, Regional Manager
Central Coast Region
California Department of Fish and Game
P. O. Box 47
Yountville, California 94599

Dick Butler, Santa Rosa Area Office Supervisor
Protected Resources Division
National Marine Fisheries Service
777 Sonoma Avenue, Room 325
Santa Rosa, California 95404

SUBJECT: Proposed Changes to Conditions in Water Rights Permits 7130B and 20808 for the Phase I Aquifer Storage and Recovery Project

Dear Messrs. Floerke and Butler:

This letter is a follow-up to the June 14, 2006 meeting among representatives of the California Department of Fish and Game (CDFG), National Marine Fisheries Service (NOAA Fisheries), and Monterey Peninsula Water Management District (MPWMD) to resolve protests by CDFG and NMFS of MPWMD's Petitions for Change to Permits 7130B (Application 11674B) and 20808 (Application 27614) for the Phase I Aquifer Storage and Recovery Project (Phase I ASR Project).

At the June 14 meeting, the attendees reviewed the protests and responses with a goal of developing conditions for dismissal of the protest, and tentative agreement was reached on a number of issues. By agreement dated March 30, 2006, Cal-Am and MPWMD have agreed to cooperate on development, management and operation of the project, including shared ownership of the related water rights permits for the Phase I ASR Project. Subsequent to the June 14 meeting among CDFG, NOAA Fisheries, and MPWMD, MPWMD and Cal-Am jointly reviewed the proposed changes to conditions in the existing permits. The enclosed proposed changes to conditions in the existing permits represent a joint proposal by MPWMD and Cal-Am.

Enclosed are two documents:

1. Proposed Changes to Current Permit Conditions. This document has two parts: Part A contains proposed changes to conditions pursuant to issues raised in CDFG's and NOAA Fisheries' protests. Part B contains proposed changes to conditions not addressed by CDFG and NOAA Fisheries.
2. Attachment 3 to the Petition for Change to Application 11674 (Permit 7130B) – Proposed Amendments to Permit Conditions. This is the complete list of changes we requested in our

Robert W. Floerke, CDFG
and
Dick Butler, NOAA Fisheries
August 10, 2006
Page 2

Revised Petitions for Change to the permits, transmitted to SWRCB by letters dated September 15, 2003. The proposed changes and condition numbers for Permit 20808 are identical to those for Permit 7130B.

Please review the proposed changes to the water rights permits. Our goal is to reach consensus with your agencies such that you will agree to withdraw your protests subject to the proposed changes. **We would appreciate your response by August 25, 2006.** We are available to meet with you to discuss any questions or comments you may have. You may call me at (831) 658-5620.

Sincerely,



Andrew M. Bell
District Engineer

Enclosures: As noted in text

cc: Victoria A. Whitney, State Water Resources Control Board, Division of Water Rights
Steven Leonard, California American Water
David C. Laredo, MPWMD General Counsel

Andy Bell

From: Andy Bell
Sent: Wednesday, October 18, 2006 6:40 PM
To: LEONARD, Steven (LeonardSD@amwater.com); KLEIN, John (john.klein@amwater.com); GALLERY, Larry (gallery100@rbf.com); FINDLEY, Paul (pfindley@rbf.com)
Cc: HARDGRAVE, Sarah (shardgrave@rbf.com); David Berger (david@mpwmd.dst.ca.us); Joe Oliver (Joe Oliver); Darby Fuerst (Darby Fuerst)
Subject: Please review revised water rights conditions for Phase 1 ASR Project
Attachments: Proposed Changes to Permit Conditions.20061018.doc; Proposed Changes to Permit Conditions.20060810.doc

Steve, John, Larry, and Paul--

Please review the attached document dated October 18, 2006. We would appreciate your comments, and hopefully, your concurrence, not later than Tuesday Oct. 31. We want to get CDFG and NOAA Fisheries' dismissal of their protests as soon as possible so that the State Board can process and issue the permits for the Phase 1 ASR Project by December 1, the start of the season for diverting water from the Carmel River for the project

We last discussed proposed conditions for the water rights permits for the Phase 1 ASR Project at our August 29 meeting. At that meeting, we discussed the conditions in the document dated August 10, 2006 (copy attached), and you had some comments and recommended changes. Since that time, MPWMD staff has met with Linda Hanson of CDFG and Joyce Ambrosius of NOAA Fisheries to sort our resolution to their protests. MPWMD has made revisions to the August 10 document based on our August 29 discussion with you and subsequent discussions with CDFG and NOAA Fisheries. A compilation of all discussions to date is found in the attached document dated October 18.

Two significant sets of changes have been made based on your comments, combined with those of CDFG and NOAA Fisheries:

1. **Condition 33 changed** – CDFG and NOAA Fisheries wanted the first paragraph of this condition (addresses the environmental goals of the project and specifying that the "... restrictions shall not apply during an emergency," and defining what constitutes an emergency) be moved to Condition 17. The first portion of the paragraph was moved to the beginning of the first paragraph of Condition 17. The second portion of what had been the first paragraph of Condition 33 became Condition 17.b. The language regarding emergencies comes from State Board Order WRO 2002-0002 (condition 1 on page 17 of the order). Hanson of CDFG requested that we add the language from that condition regarding notification of an emergency. Since it's already in Order WRO 2002-0002, we agreed to add those provisions to Condition 17.b.

Based on our discussions with Hanson and Ambrosius, we also made changes to the remainder of Condition 13 regarding MPWMD monitoring and reporting activities. Most notably, we added Condition 33.e specifying how MPWMD is to report each year's monitoring results.

2. **Condition 17.k in the August 10 version deleted** – At our August 29 meeting, Paul Findley expressed concern about the wording of this condition (*"In all cases, to the maximum extent feasible and consistent with Condition 33, water produced from groundwater storage in the Seaside Basin for recovery and provided to Cal-Am during the upcoming recovery season shall be used by Cal-Am before diverting water from Carmel River sources for customer service."*). Since a similar provision is now found in the new Condition 17.b (*"Whenever water is delivered from the ASR wells to the Cal-Am distribution system, Cal-Am, shall, to the maximum extent operationally feasible, reduce water production from its wells in the Carmel Valley Alluvial Aquifer, proportionate to the water produced by the ASR wells and delivered to the Cal-Am distribution system."*), former Condition 17.k has been deleted.

Several other more have been made to the August 10 version, but I don't believe them to be as significant as the changes I've described above. Some are simply correcting typos and other mistakes, and other changes were made for clarity.

Please let me know if you have any questions. Also, if you have a need to meet with us to discuss the proposed permit condition changes, please contact me as soon as possible so that we can set a meeting.

Thank you in advance for your quick response!

—Andy Bell
 (831) 658-5620

10/18/2006

Andy Bell

From: Andy Bell
Sent: Wednesday, November 01, 2006 11:25 AM
To: LEONARD, Steven (LeonardSD@amwater.com); KLEIN, John (john.klein@amwater.com); GALLERY, Larry (gallery100@rbf.com); FINDLEY, Paul (pfindley@rbf.com)
Cc: HARDGRAVE, Sarah (shardgrave@rbf.com); David Berger (david@mpwmd.dst.ca.us); LAREDO, David (dave@laredolaw.net); Joe Oliver (Joe Oliver); Darby Fuerst (Darby Fuerst); Kevan Urquhart (kevan@mpwmd.dst.ca.us)
Subject: RE: Please review revised water rights conditions for Phase 1 ASR Project

To All—

What is the status of your review of the proposed permit conditions? During an October 20 meeting, Steve Leonard, Dave Berger and I discussed the process, and agreed upon the following approach, once you have completed your review:

- Assemble comments and any proposed changes to what I transmitted to you on Oct. 20, based on your input.
- Steve and I go to Santa Rosa or Yountville to meet and discuss the resulting proposed changes face-to-face with Joyce Ambrosius (NOAA Fisheries) and Linda Hill (CDFG). This meeting would be as soon as possible – we all agreed the week of Nov. 6 (next week) would be good timing.

The main reason for moving this forward as rapidly as possible is to obtain the amended permits in time to divert water and inject this season. Optimal would be by December 1, the first day allowed, if there is adequate flow in the Carmel River. The main alternative we've had in mind is to file another application with SWRCB for a temporary permit, just for this coming season (December 1 through May 31). But in the past we have filed for a temporary permit in August, and it has taken until mid-December, or even mid-January, to receive the permit. Also, the application fees total around \$7,500, and it takes a significant amount of staff time by MPWMD, SWRCB, and anyone who decides to object, such as NOAA Fisheries, CDFG, the Carmel River Steelhead Association, etc.

We've been told that the CDFG process for dismissing their protest is relatively rapid, once Linda Hill is in agreement with the proposed conditions – Linda said about a week. We don't know how long NOAA Fisheries will take. The State Board staff will likely need about a month, once they receive formal dismissals of protests from CDFG and NOAA Fisheries. So that means that even if we obtain dismissals by mid-November, the earliest we could expect amended permits is mid-December.

So you can see that time is of essence. Please let me know the status of your review, and send any proposed revisions or questions to me as soon as possible.

–Andy Bell
831) 658-5620

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Sent: Wednesday, October 18, 2006 6:40 PM
To: LEONARD, Steven (LeonardSD@amwater.com); KLEIN, John (john.klein@amwater.com); GALLERY, Larry (gallery100@rbf.com); FINDLEY, Paul (pfindley@rbf.com)
Cc: HARDGRAVE, Sarah (shardgrave@rbf.com); David Berger (david@mpwmd.dst.ca.us); Joe Oliver (Joe Oliver); Darby Fuerst (Darby Fuerst)
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discussion with you and subsequent discussions with CDFG and NOAA Fisheries. A compilation of all discussions to date is found in the **attached document dated October 18.**

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2. **Condition 17.k in the August 10 version deleted** – At our August 29 meeting, Paul Findley expressed concern about the wording of this condition (“*In all cases, to the maximum extent feasible and consistent with Condition 33, water produced from groundwater storage in the Seaside Basin for recovery and provided to Cal-Am during the upcoming recovery season shall be used by Cal-Am before diverting water from Carmel River sources for customer service.*”). Since a similar provision is now found in the new Condition 17.b (“*Whenever water is delivered from the ASR wells to the Cal-Am distribution system, Cal-Am, shall, to the maximum extent operationally feasible, reduce water production from its wells in the Carmel Valley Alluvial Aquifer, proportionate to the water produced by the ASR wells and delivered to the Cal-Am distribution system.*”), former Condition 17.k has been deleted.

Several other more have been made to the August 10 version, but I don't believe them to be as significant as the changes I've described above. Some are simply correcting typos and other mistakes, and other changes were made for clarity.

Please let me know if you have any questions. Also, if you have a need to meet with us to discuss the proposed permit condition changes, please contact me as soon as possible so that we can set a meeting.

Thank you in advance for your quick response!

-Andy Bell
831) 658-5620

Andy Bell

From: John.Klein@amwater.com
 Sent: Wednesday, November 01, 2006 5:11 PM
 To: Andy Bell
 Cc: LeonardSD@amwater.com
 Subject: RE: Please review revised water rights conditions for Phase 1 ASR Project

Hi Andy: Thanks for the information. As we discussed on the phone today, Steve has been working on this and will get back to you with our comments as soon as possible.

Thanks,
 John

John Klein, P.E.
 Senior Operations Engineer
 California American Water
 Coastal Division
 50 Ragsdale Dr., Suite 100
 P.O. Box 951
 Monterey, CA 93942-0951
 Phone: 831/646-3273
 FAX: 831/375-4367

"Andy Bell"

<Andy@mpwmd.dst.ca.us>

To: <LeonardSD@amwater.com>, <john.klein@amwater.com>, <gallery100@rbf.com>, <pfindley@rbf.com>
 cc: "HARDGRAVE, Sarah \(\shardgrave@rbf.com\)" <SHARDGRAVE@rbf.com>, <david@mpwmd.dst.ca.us>, <dave@laredolaw.net>, "Joe Oliver \(\Joe Oliver\)" <joe@mpwmd.dst.ca.us>, "Darby Fuerst \(\Darby Fuerst\)" <darby@mpwmd.dst.ca.us>, <kevan@mpwmd.dst.ca.us>
 Subject: RE: Please review revised water rights conditions for Phase 1 ASR Project

11/01/2006 11:25 AM

To All—

What is the status of your review of the proposed permit conditions? During an October 20 meeting, Steve Leonard, Dave Berger and I discussed the process, and agreed upon the following approach, once you have completed your review:

- Assemble comments and any proposed changes to what I transmitted to you on Oct. 20, based on your input.
- Steve and I go to Santa Rosa or Yountville to meet and discuss the resulting proposed changes face-to-face with Joyce Ambrosius (NOAA Fisheries) and Linda Hill (CDFG). This meeting would be as soon as possible – we all agreed the week of Nov. 6 (next week) would be good timing.

The main reason for moving this forward as rapidly as possible is to obtain the amended permits in time to divert water and inject this season. Optimal would be by December 1, the first day allowed, if there is adequate flow in the Carmel River. The main alternative we've had in mind is to file another application with SWRCB for a temporary permit, just for this coming season (December 1 through May 31). But in the past we have filed for a temporary permit in August, and it has taken until mid-December, or even mid-January, to receive the permit. Also, the application fees total around \$7,500, and it takes a significant amount of staff time by MPWMD, SWRCB, and anyone who decides to object, such as NOAA Fisheries, CDFG, the Carmel River Wheelhead Association, etc.

²⁰
We've been told that the CDFG process for dismissing their protest is relatively rapid, once Linda Hill is in agreement with the proposed conditions -- Linda said about a week. We don't know how long NOAA Fisheries will take. The State Board staff will likely need about a month, once they receive formal dismissals of protests from CDFG and NOAA Fisheries. So that means that even if we obtain dismissals by mid-November, the earliest we could expect amended permits is mid-December.

So you can see that time is of essence. Please let me know the status of your review, and send any proposed revisions or questions to me as soon as possible.

--Andy Bell
(831) 658-5620

From: Andy Bell
Sent: Wednesday, October 18, 2006 6:40 PM
To: LEONARD, Steven (LeonardSD@amwater.com); KLEIN, John (john.klein@amwater.com); GALLERY, Larry (gallery100@rbf.com); FINDLEY, Paul (pfindley@rbf.com)
Cc: HARDGRAVE, Sarah (shardgrave@rbf.com); David Berger (david@mpwmd.dst.ca.us); Joe Oliver (Joe Oliver); Darby Fuerst (Darby Fuerst)
Subject: Please review revised water rights conditions for Phase 1 ASR Project

Steve, John, Larry, and Paul--

Please review the attached document dated October 18, 2006. We would appreciate your comments, and hopefully, your concurrence, not later than Tuesday Oct. 31. We want to get CDFG and NOAA Fisheries' dismissal of their protests as soon as possible so that the State Board can process and issue the permits for the Phase 1 ASR Project by December 1, the start of the season for diverting water from the Carmel River for the project

We last discussed proposed conditions for the water rights permits for the Phase 1 ASR Project at our August 29 meeting. At that meeting, we discussed the conditions in the **document dated August 10, 2006 (copy attached)**, and you had some comments and recommended changes. Since that time, MPWMD staff has met with Linda Hanson of CDFG and Joyce Ambrosius of NOAA Fisheries to sort our resolution to their protests. MPWMD has made revisions to the August 10 document based on our August 29 discussion with you and subsequent discussions with CDFG and NOAA Fisheries. A compilation of all discussions to date is found in the **attached document dated October 18.**

Two significant sets of changes have been made based on your comments, combined with those of CDFG and NOAA Fisheries:

I. **Condition 33 changed** -- CDFG and NOAA Fisheries wanted the first paragraph of this condition (addresses the environmental goals of the project and specifying that the "... restrictions shall not apply during an emergency," and defining what constitutes an emergency) be moved to Condition 17. The first portion of the paragraph was moved to the beginning of the first paragraph of Condition 17. The second portion of what had been the first paragraph of Condition 33 became Condition 17.b. The language regarding emergencies comes from State Board Order WRO 2002-0002 (condition 1 on page 17 of the order). Hanson of CDFG requested that we add the language from that condition regarding notification of an emergency. Since it's already in Order WRO 2002-0002, we agreed to add those provisions to Condition 17.b.

Based on our discussions with Hanson and Ambrosius, we also made changes to the remainder of Condition 13 regarding MPWMD monitoring and reporting activities. Most notably, we added Condition 33.e specifying how MPWMD is to report each year's monitoring results.

Condition 17.k in the August 10 version deleted -- At our August 29 meeting, Paul Findley expressed concern about the wording of this condition ("*In all cases, to the maximum extent feasible and consistent with Condition 33, water produced from groundwater storage in the Seaside Basin for recovery and provided to Cal-Am during the upcoming recovery season shall be used by Cal-Am before diverting water from Carmel River sources for customer service.*"). Since a similar provision is now found in the new Condition 17.b ("*Whenever water is delivered from the ASR wells to the Cal-Am distribution system, Cal-Am, shall, to the maximum extent operationally feasible, reduce water production from its wells in the Carmel Valley Alluvial Aquifer, proportionate to the water produced by the ASR wells and delivered to the Cal-Am distribution system.*"), former Condition 17.k has been deleted.

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Please let me know if you have any questions. Also, if you have a need to meet with us to discuss the proposed permit condition changes, please contact me as soon as possible so that we can set a meeting.

Thank you in advance for your quick response!

—Andy Bell
(831) 658-5620

De LAY & LAREDO

Attorneys at Law
606 Forest Avenue
Pacific Grove, California 93950

Paul R. De Lay
David C. Laredo

Telephone: 831 646-1502
Facsimile: 831 646-0377

Heidi A. Quinn
Frances M. Farina, of Counsel

July 21, 2006

Steve Herrera
Chief, Water Rights Permitting Section
Division of Water Rights
State Water Resources Control Board
P.O. Box 2000
Sacramento, CA 95812-2000

Re: September 15, 2003 Petition for Change to Permit 7130B (Application 11674B)
and Permit 20808 (Application 27614) Relating to Phase 1 of the Seaside
Groundwater Basin Aquifer Storage Recovery Project (ASR)

Dear Mr. Herrera:

This letter is submitted, pursuant to California Code of Regulations, Title 23, sections 831 and 691, on behalf of the Monterey Peninsula Water Management District (Water Management District or MPWMD) and California American Water (Cal-Am) and notifies the State Water Resources Control Board (SWRCB) of the joint ownership of that incremental portion of Permit 7130B (Application 11674B) and Permit 20808 (Application 27614) that solely relates to the Water Management District Phase 1 Aquifer Storage and Recovery Project (ASR) as denoted by the Petition to Change Permit submitted by MPWMD to SWRCB on September 12, 2003. This increment relates to the diversion up to 2,426 acre-feet per annum (afa) of Carmel River water to offstream storage in the Seaside Groundwater Basin from December 1 of each year through May 31 of the succeeding year.

MPWMD and Cal-Am jointly request that this ownership change be made and be reflected in the records of the SWRCB. The Water Management District shall retain full and sole ownership of all remainder rights relating to either Permit 7130B (Application 11674B), and/or Permit 20808 (Application 27614), and/or any Petition to Change related thereto.

Notices and correspondence related to the jointly owned portion of the permits shall be directed to:

Monterey Peninsula Water Management District
Attention: District Engineer
P.O. Box 85
Monterey, CA 93942-0085

Steve Herrera
July 21, 2006
Page 2 of 3

David C. Laredo
De Lay & Laredo
606 Forest Avenue
Pacific Grove, CA 93950

and

Steven D. Leonard
California American Water
P.O. Box 951
Monterey, CA 93942-0951

Stuart L. Somach
Somach, Simmons & Dunn
813 Sixth St., 3rd Floor
Sacramento, CA 95814

Notices and correspondence related to the remainder rights relating under Permit 7130B (Application 11674B), and/or Permit 20808 (Application 27614), and/or any Petition to Change solely owned by the Water Management District shall be directed to:

Monterey Peninsula Water Management District
Attention: District Engineer
P.O. Box 85
Monterey, CA 93942-0085

David C. Laredo
De Lay & Laredo
606 Forest Avenue
Pacific Grove, CA 93950.

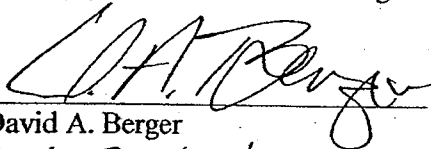
The nature and extent of the jointly held rights of MPWMD and Cal-Am are set forth in the attached ASR Management & Operations Agreement between those parties.

This letter shall further constitute the formal withdrawal, and request for dismissal with prejudice, by Cal-Am of each and every complaint or protest it has lodged with the SWRCB in reference to any aspect of the Water Management District's request to obtain or use water rights associated with the above referenced incremental portion of Permits 7130B and 20808 (Applications 11674 and 27514), Carmel River in Monterey County as it relates to the Water Management District's Phase I ASR Project.

Steve Herrera
July 21, 2006
Page 3 of 3

Sincerely,

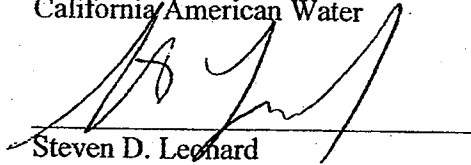
Monterey Peninsula Water Management District



David A. Berger

Dated: 7-21-06

California American Water



Steven D. Leonard

Dated: 7/31/06

Enclosure:

cc: Stuart L. Somach
Somach, Simmons & Dunn

David C. Laredo
De Lay & Laredo

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DEC - 4 2006

MPWMD



LEAGUE OF WOMEN VOTERS®
OF THE MONTEREY PENINSULA

December 1, 2006

David Berger
General Manager
MPWMD
P.O. Box 85
Monterey, CA 93942

Dear Mr. Berger:

The League of Women Voters of the Monterey Peninsula appreciates receiving a copy of the staff report on the Public Outreach Committee's recommendation regarding the formation of an ad hoc community advisory committee. The proposed committee is an important step for increasing citizen involvement in the water planning process, and the League supports the formation of the committee. We would also be interested in having a member of our organization serve on the committee. Thank you for your consideration.

Sincerely,

Marilyn Maxner
President

The LWVMP is a broad-based, non-partisan political organization providing voter and citizen education and public policy advocacy for the Monterey community.

PO BOX 1995
Monterey CA 93942

648-VOTE (648-8683)
LWVMPca@yahoo.com
www.lwvmp.org

MONTEREY COUNTY



COUNTY ADMINISTRATIVE OFFICE

LEW C. BAUMAN
COUNTY ADMINISTRATIVE OFFICER

168 W ALISAL ST, 3RD FL
SALINAS, CA 93901-2439
(831) 755-5115
FAX (831) 757-5792
www.co.monterey.ca.us

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DEC 11 2006

MPWMD

December 6, 2006

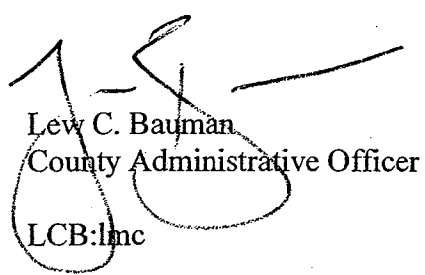
Mr. David A. Berger
General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942-0085

Re: 2006-07 MPWMD Strategic Plan Water Needs Proposal

Dear Mr. Berger: *DAJK*

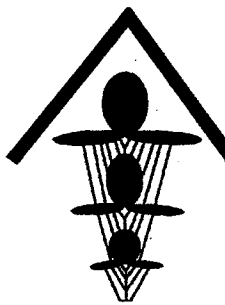
Thank you for your letter dated November 30, 2006 regarding water needs as proposed by the Board of Directors of the MPWMD at their public hearing on November 20, 2006. I have forwarded this matter to Nick Chiulos, Interim Chief of Intergovernmental Affairs, for review and response. In the interim, please do not hesitate to contact Mr. Chiulos at 831-755-5145.

Sincerely,


Lew C. Bauman
County Administrative Officer
LCB:lmc

cc: Nick Chiulos

[Faint, illegible text at the bottom of the page, possibly a carbon copy or bleed-through from another document.]



Coalition of Homeless Services Providers

Martinez Hall, 220 12th Street, Marina, CA 93933 Ph: (831) 883-3080 Fx: (831) 883-3085
E-Mail: chspmontry@aol.com

Member Agencies

Catholic Charities
Diocese of Monterey

Children's Services
Incorporated

Community
Human Services

Housing
Advocacy Council

Housing Authority
County of Monterey

Interim, Inc.

John XXIII AIDS Ministry

Shelter Outreach Plus

The Salvation Army
Monterey Peninsula Corps

Sun Street Centers

Unity Care Group

Veterans Transition Center

Associate Members

Food Bank

Franciscan Workers of
Junipero Serra

Habitat for Humanity
of Monterey County

Community Advisors

Monterey County Department
of Social and Employment
Services

Monterey County Office of
Education

City of Marina

Sand City

City of Salinas

U.S. Department of
Veterans Affairs

December 7, 2006

Michelle Knight
Chair
MPWMD Board of Directors
5 Harris Court, G
Monterey, CA 93942

Dear Ms Knight:

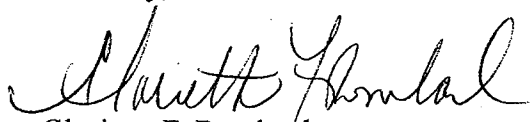
The Coalition of Homeless Services Providers has reviewed the revised change for the Community Advisory Committee. We do not support this proposed change.

First, we are interested in having the Committee discuss issues other than proposed water supply projects. As indicated in prior correspondence, we are interested in having the committee review and make recommendations on the current system of water credit transfers and to develop a system that would help to produce more permanent affordable low-income housing by allowing water credit transfers for this purpose.

Secondly, we think that the method of formation of this committee would not meet the Coalition's needs. Exhibit 16 B indicated a list of 17 groups that had expressed an interest in participation on this committee. The proposed method of appointment does not guarantee that there will be representation from any group interested in the issues of development of affordable housing.

We suggest that either all interested groups be allowed to participate, or that there be slots allocated to specific community interests. We hope that MPWMD will revise this proposal.

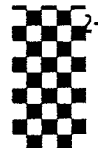
Sincerely,


Glorietta F. Rowland
Executive Officer

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DEC 11 2006

MPWMD



Jenna

4:56 p.m

December 11, 2006

TO: MPWMD

(Att'n: Arlene TRAVANT)

TEL: 658-5652

FAX: 644-9560

Re: Item 16, MPWMD B/D's Mtg of 12-11-06

1. Per my previous oral comments to you, GM David Berger, and Chair Michelle Knight, this confirms the willingness of MPWA to provide a representative (Tom Rowley) and an Alternate (Dick Donnegan) to serve on the proposed CAC.

2. Comments:

a. Ad hoc (vs. Standing) Committee preferred.

b. CAC should be able to ADVISE/recommend + Comment.

c. Task should take max of 3 months to accomplish, with report submitted to B/D's NLT than end of 4th month.

3. We look forward to participating on this important CAC.

Sincerely,

Tom Rowley (Tel: (w) 648-7271 (mext 113))

Tom Rowley, V.P.

Monterey Peninsula Taxpayers Assn

P.O. Box 15, Monterey, CA 93943

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DEC 11 2006

MPWMD