

EXHIBIT 15-B



303 H Street
Suite 250
Chula Vista, CA 91910
www.calamwater.com
tim.miller@amwater.com

P 619.409.7733
F 619.409.7701

April 10, 2009

VIA E-MAIL AND HAND DELIVERY

Darby Fuerst
General Manager
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93942

Re: Appeal of Notice of Violation of MPWMD Rule 40D For the Hidden Hills Unit of the California American Water Distribution System

Dear Mr. Fuerst:

In response to the above-referenced Notice of Violation sent on March 20, 2009, California American Water [California American] hereby appeals the General Manager's determination that the Hidden Hills Water Distribution System is in violation of the Monterey Peninsula Water Management District [MPWMD] Rules and Regulations. The grounds for this appeal include, but are not limited to, the following:

1. Exceeding the Pro Rata Expansion Capacity is not a violation of any MPWMD rule.
2. The Notice of Violation is vague and ambiguous.
3. As applied, Rule 40D violates California law or is preempted by other laws, including but not limited to: Article X, Section 2 and Article XII of the California Constitution, and California American's duty to serve under the Public Utilities Code.
4. California American is in substantial compliance with Rule 40.
5. California American has already established a plan for reducing water consumption in the Hidden Hills service area, including, but not limited to, changes in water rate structure and system improvements to reduce unaccounted for water. That plan requires approval of the California Public Utilities Commission, and that approval is pending.

Based on these grounds, California American requests the MPWMD Board to reverse the General Manager's determination that the Hidden Hills Water Distribution System has exceeded the Pro Rata Expansion Capacity, or remove those restrictions listed in Rule 40D that went into effect due to the General Manager's determination, or both.

The Notice of Violation states that any appeal must be accompanied by an appeal fee, and the General Manager has stated that a fee of \$250 applies to this appeal. California American appreciates your accommodation of allowing us to timely file the appeal on Friday, April 10, 2009



but provide you with the appeal fee on Monday April 13, 2009 to account for delays in our accounting system.

California American hereby requests that this appeal process be delayed for a period of 30 days from the date of this letter so that California American can continue its investigation into this matter. If California American does not either notify the MPWMD that it wishes to prosecute the appeal or withdraw this appeal by May 10, 2009, California American requests this appeal to be set for hearing in due course. At such a hearing, California American will present evidence and argument to support the grounds listed above. If the MPWMD cannot implement a delay in processing this appeal, please notify me immediately.

If you have questions about this appeal, please contact the undersigned or Craig Anthony, General Manager of California American's Central Division.

Best regards,

Tim Miller
Corporate Counsel

cc: Carrie Gleeson (w/o enc.)
Craig Anthony
Tom Bunosky (w/o enc.)
Kent Turner (w/o enc.)
David Laredo (w/o enc.)

enc. MPWMD Appeal Form



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

5 HARRIS COURT, BLDG. G
POST OFFICE BOX 85
MONTEREY, CA 93942-0085 • (831) 658-5601
FAX (831) 644-9558 • <http://www/mpwmd.dst.ca.us>

Please **PRINT OR TYPE** all information. **Applications must be received within twenty-one (21) days after an appealable decision has been made pursuant to District Rule 70.** To be considered for an appeal hearing, please submit a completed application and include a non-refundable processing fee (\$250 for less than half acre-foot of water, \$500 for half - one acre-foot of water, and \$750 for more than one acre-foot of water, plus \$70.00 an hour for more than 10 hours of staff time); other information as necessary which may include 5 years of water records from purveyor. The Board will support or deny your appeal based on the pertinent information you have provided. Submission of an incomplete application may constitute grounds for denial of your request.

APPLICATION FOR APPEAL

APPLICANT INFORMATION

1. Applicant's Full Name: California American Water
Mailing Address: 303 H Street, Suite 250
City: Chula Vista State: CA Zip: 91910
Phone Number(s): Work (619) 409-7700 Home ()
2. Name of Agent(s) to Represent Applicant: Tim Miller
Mailing Address: 303 H Street, Suite 250
City: Chula Vista State: CA Zip: 91910
Phone Number(s): Work (619) 409-7733 Home ()

PROPERTY INFORMATION

1. Full Name of Property Owner: N/A
Mailing Address: N/A
City: N/A State: N/A Zip: N/A
Phone Number(s): Work () N/A Home () N/A
2. Property Address: N/A
City: N/A State: N/A Zip: N/A
3. Assessor's Parcel Number: N/A - -
4. Property Area: Acres: N/A Square Feet: N/A Other: N/A
5. Past Land Use: N/A
6. Present Land Use: N/A
7. Proposed Land Use: N/A
Existing buildings? Yes N/A No N/A
Types of uses and square footage: N/A

STATEMENT OF APPEAL REQUEST

**If additional space is needed for response to any question, please continue on a separate piece of paper and attach it to the back of this application.*

1. From which rule(s) or staff's decision(s) are you requesting an appeal?

See accompanying letter

2. Do you feel the rule or staff's decision is applicable in most cases, or do you believe it should be revoked or changed?

See accompanying letter

3. What were the circumstances surrounding your decision to appeal?

See accompanying letter

4. Please state the special circumstances that distinguish your application from all others which are subject to enforcement of this process.

See accompanying letter

5. What difficulties or hardships would result if your appeal request is denied?

See accompanying letter

6. What specific action are you requesting that the Board take?

See accompanying letter

7. Please indicate if you intend to make a statement at the appeal hearing, and list the names of any other individuals who may speak on your behalf.

See accompanying letter

PROJECT INFORMATION

**If additional space is needed for response to any questions, please continue on a separate piece of paper and attach it to the back of this application.*

1. Type of Project: N/A New Construction N/A Remodel/Addition

2. Proposed New Use: (Please refer to the District's current Fixture Unit/Use Category sheet for assistance with this question.)

N/A Residential No. Dwellings N/A Total No. Fixture Units (Residential Only) N/A

N/A Commercial/Industrial/Governmental

Type of Use: N/A Square Footage: N/A

N/A Other (Specify): N/A

3. Current Zoning Classification: N/A

4. Name of the water company which services the property: N/A

5. Do you feel this project will use less water than that calculated by the District? If so, please explain how much you believe the project will use, and the basis on which you make this assumption.

N/A

6. Has this project been approved by the local jurisdiction? If so, please list or attach a copy of all conditions which have been imposed on the project. (Attach a copy of these conditions and approvals received.)

N/A

7. Does the applicant intend to obtain a municipal or county building permit for the project within ninety (90) days following the granting of a water connection permit? If not, when will water be needed at the site?

N/A

I declare under penalty of perjury that the information in the application and on accompanying attachments is correct to the best of my knowledge and belief.

[Signature]
Signature of Applicant

4/10/2009 CHULA VISTA, CA
Date/Location

NOTE TO APPLICANT: You may attach written findings for the Board to review and consider in support of the action you have requested.

Official Use Only	
Fee Received _____	Receipt No. _____
Check No. _____	Bank Routing No. _____
Received by _____	