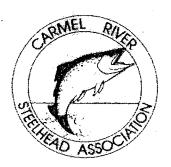


5 HARRIS COURT, BLDG. G POST OFFICE BOX 85 MONTEREY, CA 939420085 • (831) 658-5600 FAX (831) 644-9560 • http://www.mpwmd.dst.ca.us

SUPPLEMENT TO 5/21/09 MPWMD BOARD PACKET

Attached are copies of letters received between April 11, 2009 and May 13, 2009. These letters are also listed in the May 21, 2009 Board packet under item 19, Letters Received.

Author	Addressee	Date	Topic
Roy L. Thomas	MPWMD Board	4/6/09	Support for MPWMD Habitat, Infrastructure and Economic Stimulus Projects
Dick Butler	Andrew Barnsdale	4/14/09	Comments on Draft Coastal Water Project EIR
Todd Norgaard	Andrew Barnsdale	4/15/09	Comments on Draft Coastal Water Project EIR
Gary Wiegand	Darby Fuerst	5/7/09	Hidden Hills Unit of California-American Water Distribution System Suspension of Receipt of Applications for New or Intensified Water Use Addendum to Letter of 4-06-2009
Angela K Minkin	MPWMD	5/8/09	Administrative Law Judge's Ruling Setting Public Participation Hearings in Phase 2 and Requiring Customer Notice
David A. Gutierrez	Andrew Bell	5/1/09	Los Padres Dam, No. 642-4, Monterey County
Robert MacLean	Darby Fuerst	5/13/09	Follow up to Letter of Congratulations



RECEIVED APR 06 2009 MPWMD

CARMEL RIVER STEELHEAD ASSOCIATION P.O. BOX 1183 • MONTEREY, CALIFORNIA 93940

April 6, 2009

To Whom It May Concern:

We of the Carmel River Steelhead Association Inc. strongly support Monterey Peninsula Water Management Districts habitat, infrastructure and Economic Stimulus Projects.

The spawning gravel project is critically needed for threatened steelhead and all other aquatic resources because of the long term entrapment of bed load by two old dams.

The infrastructure projects remove a part-time migration barrier and provide all year access to wild rescued fish rearing facility. This project can also allow the removal of the old Carmel dam, which now is used only as a bridge, but it too is a migration barrier.

Sincerely,

Roy L Thomas, President Carmel River Steelhead Assoc.



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APR 1 7 2009

MPWMD

UNITED STATES DEPARTMENT OF COMMERCE National Oceanic and Atmospheric Administration

NATIONAL MARINE FISHERIES SERVICE

Southwest Region 777 Sonoma Ave., Room 325 Santa Rosa, CA 95404-4731

April 14, 2009

In response refer to: 151416SWR2006SR00613:JEA

Andrew Barnsdale **Environmental Science Associates** 225 Bush Street, Suite 1700 San Francisco, California 94104

Dear Mr. Barnsdale:

Thank you for the opportunity to comment on the Draft Environmental Impact Report (DEIR) for the Coastal Water Project (CWP) in Monterey County, California, proposed by California American Water (CAW). The CWP would provide a replacement water supply for CAW Monterey District customers through the development of a new seawater desalination plant, a product water conveyance system, and an aquifer storage and recovery system. The CWP will meet the requirements of State Water Resources Control Board Order 95-10, requiring CAW to secure a water supply to replace diversions (10,730 acre-feet per year (afy)) from the Carmel River Aquifer over and above the 3,376 afy that it is legally entitled, as well as comply with the Seaside Groundwater Basin Adjudication. The DEIR analyzes potential impacts of the CWP and its alternatives (Moss Landing and North Marina), in addition to a proposal for a project of more regional scope (Regional Project).

South-Central California Coast (SCCC) Distinct Population Segment (DPS) steelhead (Oncorhynchus mykiss) are listed as threatened under the Endangered Species Act of 1973 (ESA) and are present in the Carmel River. Populations of steelhead within the SCCC DPS are at critically low levels. Any adverse impacts to them must be minimized to assure these species do not become extinct. Decreasing flows in the river can delay the migration of upstream adults and downstream juveniles within the system. Decreased flows can contribute to increased water temperatures and a decrease in water quality, both detrimental to salmonids. The CWP will allow more water to remain in the river to benefit listed steelhead and their critical habitat.

Components of CWP alternatives are located within areas identified as essential fish habitat (EFH) for various life stages of marine and estuarine fish species managed by federal Fishery Management Plans (FMP) under the Magnuson-Stevens Fishery Conservation and Management Act (e.g., various rockfishes, flatfishes, sharks, northern anchovy, pacific sardine, Chinook salmon, coho salmon, etc.). In addition, the project components within Moss Landing/Elkhorn



Slough are located in an area designated as coastal estuary Habitat Areas of Particular Concern (HAPC) for various federally managed fish species within the Pacific Groundfish FMP. HAPC are described in the EFH regulations as subsets of EFH that are rare, particularly susceptible to human-induced degradation, especially ecologically important, or located in an environmentally stressed area. CAW should avoid and/or minimize adverse effects to EFH and HAPC resulting from proposed CWP alternatives.

NOAA's National Marine Fisheries Service (NMFS) supports desalination and ASR as a long-term water supply to lessen impacts on listed SCCC steelhead from over-pumping in the Carmel River. However, NMFS believes consideration must be taken not to increase impacts to marine species and their EFH while reducing riverine impacts. Co-locating CAW's desalination plant at Moss Landing Power Plant (MLPP) could result in the continuation of MLPP using once-through cooling, thereby continuing potential impingement and entrainment impacts from the proposed usage of the open water intake system. NMFS supports the use of slant or vertical wells as an intake system to directly avoid these impacts.

NMFS' comments by chapter and page follow.

Chapter 4

- 4.1-35 The DEIR states that "regulatory agencies" suggest a 10-percent exceedance of ambient salinity as maximum allowable due to project discharge. Please describe what regulatory agencies this is referring to and how this level was determined.
- 4.1-38 Mitigation measure 4.1-4a describes a monitoring program to document salinity in the project discharge, and states that plant operations would be reduced if discharge salinity is greater than 110 percent of ambient. This mitigation measure should include a plan for implementation, which at a minimum addresses the following issues: (1) How often will monitoring be evaluated to see if standard is being met; (2) The time threshold for exceedance that will initiate reduction of operations; and (3) How quickly can operations be reduced.
- 4.3-10 Table 4.3-1 should include green sturgeon in the list of Federal and State protected fish.
- 4.3-14, 19 DEIR states that MLPP entrainment and impingement impacts have been minimized and mitigated through the section 316(b) permitting process with technology changes and the Elkhorn Slough Enhancement Program. Is there any evidence that suggests these strategies have been effective at minimization and mitigation? Specifically, has there been monitoring to show that technology changes were effective in minimizing impacts, and have any actions been taken under the ESEP that would compensate for unavoidable impacts of the MLPP?
- 4.3-19 DEIR correctly states that once-through-cooling has come under increased scrutiny, and evaluates impacts from having to construct a stand alone desalination facility (Section 8). The DEIS does not evaluate impacts if the MLPP once-through-cooling remains in operation longer, because a desalination plant has been constructed at that site, than it would if there were no desalination plant associated with it.

- 4.4-67 Impact 4.4-1 Please include NMFS as one of the agencies listed as regulating threatened and endangered species.
- 4.4-69 Mitigation Measure 4.4-1. Please include NMFS as one of the regulators for required permits.
- 4.4-75 Mitigation Measure 4.4-2a Temporary disturbance and/or loss of riparian habitat requires Endangered Species Act section 7 or 10 consultation with NMFS if there is potential for impacts to listed species or critical habitat. Also add NMFS as an agency for approval of a Riparian Restoration Plan.
- 4.4-79 Impact 4.4-6 It is unclear in the DEIR during which seasons desalinated water and ASR water will be used to offset impacts to steelhead in the Carmel River. It is also unclear when CAW will utilize their legal 3,376 afy of recognized rights. Given the Carmel River's low natural summer stream flows, the substantial, existing authorized diversions, and the ongoing degradation of the Carmel River by existing water diversions, NMFS recommends the proposed project use desalinated water and recovered groundwater (ASR) from the Seaside Basin as the first source of supply during the summer season to decrease CAW's pumping of the Carmel River Aquifer during the low-flow period. This will minimize adverse impacts to listed steelhead. We recommend CAW perfect their authorized 3,376 afy from the Carmel River in the winter season when excess flows are available and few impacts from water withdrawals to listed species will occur. This operation will also comply with Order 95-10 to "maximize production from the Seaside Aquifer and reduce diversions from the river to the greatest practicable extent."
- 4.4-80 Juvenile Rearing The discussion focuses on stranding in the lower river for juveniles during the summer and fall months. Figure 4.4-10 shows the average number of days in June through December period during which juvenile steelhead would be at high risk of stranding below the Narrows, by water year type. While it shows the difference in the number of days between unimpaired, baseline, and proposed project, it is not clear as to the sequencing of these days. A figure showing the average length of dryback (stream miles) for all scenarios would inform the reader better as to the benefits of the project.
- 4.4-80 Fall/Winter Downstream Migration, Figure 4.4-11 shows the same thing as Juvenile Rearing only for the months of October March. This is confusing. A figure showing the average date (or how many days earlier) the river connects to the lagoon in the fall for all scenarios would inform the reader of true project benefits.
- 4.4-83 Spring Smolt Migration Figure 4.4-12. A figure showing the average date of dryback (when the river was disconnected from the lagoon) in the spring/summer period for all scenarios would inform the reader of true project benefits.

Chapter 6

6.4-13 Impact 6.4-6 The DEIR states the proposed winter diversion will only be operated when river flows exceed the existing instream requirements as set forth by NMFS as part of the Salinas Valley Water Project (SVWP) Biological Opinion. The DEIR correctly states NMFS analyzed

effects of the Salinas River Diversion Facility (SRDF) in our Biological Opinion for the SVWP. However, the SVWP did not envision surface water diversions at the SRDF during the months of November through March (not November through January), and NMFS did not consult on the effects of diversions on adult migration during March (only during April).

Mitigation Measure 6.4-6 It is NMFS' understanding the Regional Project is not part of the SVWP. If that is the case, the Project proponent will need to initiate consultation with NMFS (not re-initiate) for the Regional Project. Consultation would need to analyze impacts on upstream adult migration at the SRDF during the months of November through March, or whenever diversions would be occurring during that timeframe for the Regional Project. The passage criterion of 45 cfs when the lagoon is open to the ocean is for downstream migrating kelts. Diversion effects on attraction flows, flows needed to open and maintain an open lagoon during the winter, and upstream passage flows would need to be analyzed as well as impacts to adults from a partially inflated dam structure. Without these analyses, this criterion cannot be used as an interim mitigation measure for the November through March time period.

Significance after Mitigation: Impacts to upstream migrating adult steelhead during November through March needs to be analyzed before determining whether impacts will be significant or insignificant for Phase 1 and 2.

NMFS continues to support desalination and ASR as a long-term water supply for the Monterey Peninsula. These water supply options could help decrease the over-pumping of the river and benefit listed steelhead and their habitat in the Carmel River.

If you have any questions concerning the above comments please contact Ms. Joyce Ambrosius at (707) 575-6064 or joyce.ambrosius@noaa.gov.

Sincerely,

Dick Butler

Santa Rosa Area Office Supervisor Protected Resources Division

cc:

R. Strach, NMFS, Sacramento

K. Schaeffer, EFH, NMFS, Santa Rosa

M. Paul, CDFG, San Luis Obispo

D. Pereksta, USFWS, Ventura

D. Berger, CAW, Monterey

R. Thomas, CRSA, Monterey

D. Fuerst, MPWMD, Monterey

Carmel Valley Association P.O. Box 157, Carmel Valley, California 93924 www.carmelvalleyassociation.org

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APR 15 2009

April 15, 2009

MPWMD

Andrew Barnesdale California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Subject: DEIR for Coastal Water Project

Dear Mr. Barnesdale:

The Carmel Valley Association, whose mission is, "To preserve, protect, and defend the beauty and natural resources of Carmel Valley and the County of Monterey," is the largest homeowner association in Monterey County. We are greatly concerned about the outcome of the Coastal Water Project:

- The right project or group of projects could successfully implement the goals of the 95-10 Ruling.
- No project or a failure to complete the right project(s) could result in the continuing deterioration of the Carmel River and its aquifer.

We have reviewed the DEIR and believe it is a well crafted document that reasonably presents most of the proposed project and selected alternative projects. We do have questions and comments about the completeness of the document. We are concerned that the document does not include, 1) the substantial MPWMD water desal project already underway, and 2) does not include an alternative that both complies with the requirement of public ownership of desalination facilities and provides for the democratic accountability of the elected officials of the facility owning agencies to the populations served.

As a result, we are directing our specific comments to Section ES.6 – "Unresolved Issues" and "Areas of Controversy."

Unresolved Issues:

- 1. <u>Project Scope Development.</u> Please explain the process by which the scope and details of the North Marina and Regional Projects were developed. In your response to this request, please explain how the decision was made to move the treated wastewater/groundwater recharge element of the Regional Project to Phase II. Also, please explain why the MPWMD desal project (known as the 95-10 Project) which is already underway was left out of the plan altogether.
- 2. <u>Comparative environmental costs of energy</u>. The energy requirements and the attendant emission of greenhouse gasses is deemed to be an unavoidable environmental impact, yet the specific energy requirements of each component are not adequately shown. Please indicate the savings in greenhouse gases that would occur from reductions in desalination capacity.
- 3. <u>Representation.</u> How would water customers in the CalAm service area be represented under the proposed plans? How would they be heard regarding issues of rates, water quality and quantity, future water development, system expansion and conservation? Please add discussion of these issues to the FEIR.
- 4. <u>Ownership of Facilities.</u> If new facilities (desalination plants, water reclamation plants, distribution infrastructure) are paid for through bonding and the ratepayers, who will be the owners?
- Ownership of Water. If the higher costs of desal results in generally higher costs for water, a higher value may be placed on all forms of water, including wastewater before reclamation. What mechanisms can we create to equitably transfer all types of water between different watersheds and water agencies?

Areas of Controversy:

- 1. Growth Inducement Past water development measures, including desalination and building an additional dam on the Carmel River were defeated by voters in 1993 and 1995. Foes of local development and population growth were well organized then and are likely to be even better organized in the future. In spite of the requirements of 95-10 and the goal of restoring the Carmel River, possible growth inducements remain embedded in the proposed plans:
 - a) Phase II of the Regional Plan clearly provides additional water for future growth. Yet no projections for this growth are estimated beyond those included in the proposed GPU-5. The GPU-5 projections do not include the possibility of proceeding with Phase II. Please comment on the effects of this potential removal of a major restraint to growth. In your response, please address the potential effects of growth acceleration against the projected growth targets in GPU-5.

- b) The "Critical Dry Year" allowance of 7.8% in demand projections (Table 2.2) may be interpreted by developers and the courts as a growth allowance after a series of wet years. Please acknowledge and expand discussion of this issue.
- There is no discussion of "water banking" through ASR or other future storage means, and its possible growth inducement effects. Please include discussion of this issue.
- d) Future improvements in water conservation, system efficiency, reuse/recycling, changes in building codes, etc. may also be viewed as growth inducing. Please include discussion of these issues in the FEIR.

The pricing dynamics of mixing relatively expensive desal water with water derived from less expensive water from wells, conservation and reclamation are likely to produce growth-inducing cost aberrations.

As an example, the addition of new demands may raise the average price of water to all customers, thereby creating the situation where water for the new demands may be partly paid for by existing customers. Further, the initial capital cost of facilities sized for growth must initially be paid for by the existing customer base. As a result, both the operating cost and the capital component of the rates would have existing customers subsidizing future customers.

Please thoroughly address the issue of growth inducement and how it may be dealt with in light of the various options proposed in the FEIR.

2. <u>Independence of Consultants.</u> Viewing the importance of the role the consultants have played in the scoping and analysis of the several project alternatives, please state any and all of the business relationships or other forms of compensation, or other potential conflicts of interest that have occurred, existed, or now exist, between any of the consultants or other information providers who have contributed to the DEIR, and CalAm or any of the agencies that are or could have a role in the future water supply options.

Thank you for this opportunity to comment on the Coastal Water Project DEIR.

With best regards,

Todd Norgaard Chair, CVA Water Committee

Home Address: 7057 Valley Greens Circle Carmel, CA 93923 831-620-1316 toddnorg@aol.com

p.2

Gary Wiegand 50 Miramonte Road Carmel Valley, CA 93924

RECEIVED

May 7, 2009

MAY - 7 2009

Mr. Darby Fuerst, General Manager Monterey Peninsula Water Management District 5 Harris Court, Bldg. G P.O. Box 85 Monterey, CA 93942-0085 **MPWMD**

Subject:

Hidden Hills Unit of California-American Water Distribution System Suspension of Receipt of Applications for New or Intensified Water Use Addendum to Letter of 4-06-2009

Dear Mr. Fuerst:

This letter serves as an addendum to my April 6, 2009 letter to you concerning the suspension of receipt of applications for new water use in the Hidden Hills Unit of California-American Water Distribution System. I would like this letter to be included in the Board packet for their meeting on May 21, 2009 at which meeting they are to consider my appeal of the suspension of application receipts hereinafter referred to as the connection moratorium.

In my April 6, 2009 letter in stated that the PREC for Hidden Hills connections is substantially less than the PREC for connections in the Cal-Am Bishop subsystem, but I did not know the exact amount of the Bishop PREC. I have since learned that the PREC for the Bishop connections is 0.65 AFY/connection based on a production limit of 295 AFY and 454 connections. The PREC for Hidden Hills is 0.482 AFY/connection based on a production limit of 229.2 AFY and 477 connections.

I would like to know how the District justifies allowing Bishop users more water than Hidden Hills users when both systems draw water from wells in the same aquifer? I would like to know how the Board finds that it is fair and equitable to allow water for lots in Pasadera that were created about twelve years ago and not allow me to obtain water for my lot that was created over forty years ago?

The District states that the current average production per lot in Hidden Hills is 0.521 AFY, or 0.039 AFY more than the allowed PREC of 0.482 AFY. If all of the lots drawing water from the Laguna Seca subbasin were allotted an equal amount of water the PREC would be 0.564 AFY for all connections. If the water were allocated equitably, the Hidden Hills users would be 0.043 AFY under the allowed PREC, not 0.039 AFY over. Is there any reason why lots in Pasadera should have more water than those in Hidden Hills? I ask that the Board adjust the production limits of these two systems so that the allocation of water is fair and equitable.

p.3

Darby Fuerst, MPWMD May 7, 2009 Page 2 of 2

Utility Services

Condition #3 of the "Conditions for Approval for Amendment to Hidden Hills Unit Water Distribution System" adopted by MPWMD Board on April 16, 2001 states, "the expansion capacity limit is set at 477 water connections, an increase of 14 connections, in order to serve only the existing legal lots of record defined in Table 1 of the application dated December 6, 2000." Why has the District allowed additional connections for subdivisions creating lots since that date?

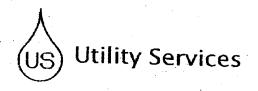
I look forward to discussing these issues with the Board at the May 21, 2009 meeting.

Sincerely,

Gary Wiegand

p.1





FAX COVER SHEET

DATE:

May 7, 2009

TO:

Darby Fuerst

AGENCY:

MPWMD

FAX#:

644-9560

PHONE #:

658-5600

FROM:

Gary Wiegand, P.E.

FAX #:

(831) 393-0472

PHONE #:

(831) 393-0468

SUBJECT: Appeal of Hidden Hills connection moratorium.

MESSAGE:

Following is an addendum to my letter of 4-06-09 that I would like to have included in the Board packet for the May 21, 2009 meeting. Thank you.

ANG/oma 5/8/2009

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MPWMD

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of California-American Water Company (U210W) for a certificate of public convenience and necessity to construct and operate its Coastal Water Project to resolve the long-term water supply deficit in its Monterey District and to recover all present and future costs in connection therewith in rates.

Application 04-09-019 (Filed September 20, 2004; amended July 14, 2005)

ADMINISTRATIVE LAW JUDGE'S RULING SETTING PUBLIC PARTICIPATION HEARINGS IN PHASE 2 AND REQUIRING CUSTOMER NOTICE

In this proceeding, California-American Water Company (Cal-Am) requests a certificate of public convenience and necessity to construct and operate a proposed water supply project known as the Coastal Water Project. The focus of Phase 2 of this proceeding is the selection of a long-term water supply solution to address the water deficit in Cal-Am's Monterey District and to explore a regional alternative to Cal-Am's proposed Project, as directed in Decision 03-09-022. The Draft Environmental Impact Report assessing the environmental impacts of Cal-Am's proposed Project and two alternative projects (locating the proposed desalination plant at North Marina and a regional approach to resolving the long-term water supply issues) was issued by the Commission Staff on January 30, 2009. Comments on the Draft Environmental Impact Report were due on April 15 and were posted on the website on May 1,

2009. Comments to the Draft Environmental Impact Report may be accessed at http://www.cwp-eir.com/downloads/CalAmCommentLetters May-2009.pdf.

Cal-Am may not proceed with its proposed project absent certification by the Commission that the present or future public convenience and necessity require it. As a basis for granting such certification, the Commission must consider costs, community values, recreational and park areas, historical and aesthetic values, and the influence on the environment. The Commission will convene Public Participation Hearings on July 13 and 14, 2009, to accept public comment on issues related to the Coastal Water Plan. The Scoping Memo Ruling issued on March 26, 2009 indicated that the Public Participation Hearings would be held on July 27 and July 28, but those dates have been changed. The Public Participation Hearings will be held:

July 13, 2009 2:00 p.m. & 7:00 p.m.	MONTEREY Monterey City Hall Council Chambers 580 Pacific Street Monterey, CA 93940
July 14, 2009 2:00 p.m. & 7:00 p.m.	SEASIDE Oldemeyer Center - Auditorium 986 Hilby Avenue Seaside, CA 93955

Members of the public who wish to present comments at the Public Participation Hearings may address issues related to Cal-Am's proposed Coastal Water Plan and the alternatives to the Project.

Cal-Am shall provide notice to its customers in its Monterey District of the Public Participation Hearings no less than 10 days prior to the hearings. It shall send written notices, in a form approved by the Public Advisor's Office, either by

A.04-09-019 ANG/oma

including them with customers' regular bills, or by mailing them postage prepaid directly to customers. To the extent that any customers are billed electronically via the Internet, notice to those customers may also be done electronically. If deemed necessary, in-language requirements may be identified by the Public Advisor's Office for either the bill insert notification or separate mailers for the benefit of Cal-Am's customers who may have limited proficiency in English.

Anyone who needs assistance with participation in this proceeding should make use of the resources of the Commission's Website, www.cpuc.ca.gov, or should contact our Public Advisor's Office, which is available to help parties understand how to participate in a proceeding, how to file a pleading, and to answer other questions about Commission procedure. The Northern California office can be reached at 415-703-2074 or public.advisor@cpuc.ca.gov.

Cal-Am shall provide to the Public Advisor's Office not later than five days prior to the first Public Participation Hearing, a letter certifying that it has complied with the customer notice requirement. The compliance letter shall state the date(s) notices were sent to customers and the approximate number of customers so notified. One copy of the actual notice used shall be attached.

IT IS SO RULED.

Dated May 8, 2009, at San Francisco, California.

/s/ ANGELA K. MINKIN
Angela K. Minkin
Administrative Law Judge

RECEIVED

MAY - 8 2009

MPWMD

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836 SACRAMENTO, CA 94236-0001 (916) 653-5791



MAY 0 1 2009

Mr. Andrew M. Bell, District Engineer Monterey Peninsula Water Management District Post Office Box 85 Monterey, California 93942-0085

Los Padres Dam, No. 642-4 Monterey County_

Dear Mr. Bell:

This is in reply to your letter dated April 8, 2009 requesting our comments for the three proposed alternatives to increase the storage capacity of Los Padres Dam. All three alternatives are acceptable conceptually, subject to the following general requirements:

Alternative 1) - "Remove Accumulated Sediment":

Removing the sediments from the reservoir will not require an application from this Division, as long as the dredging operation does not encroach into the dam embankment or the outlet works.

Alternative 2) - "Install Facilities to Seasonally Raise the Reservoir Level":

Altering the spillway to increase the storage capacity will require updated hydrology and stability studies, plans and specifications, submitted with an enlargement application and appropriate filing fee for our review and approval. The hydrology study must show adequate residual freeboard during spillway operation. The safety and stability of the dam and appurtenances must not be compromised.

Alternative 3) – "Increase the Height of the Dam by Adding to Existing Embankment or Removing the Existing Dam and Building a New Dam":

Enlarging the existing dam or building a new dam will require filing an "Application for Approval of Plans and Specifications for the Construction or Enlargement of a Dam and Reservoir," including a complete set of drawings, an engineering evaluation of the enlarged or new dam, and a filing fee. Building a new dam will require extensive geotechnical, hydrologic, and stability evaluations and will likely require more work compared to the other aforementioned alternatives.

Mr. Andrew M. Bell MAY 0 1 2009 Page 2

If you have any questions or need additional information, you may contact Area Engineer Aspet Ordoubigian at (916) 227-4625 or Regional Engineer Mike Zumot at (916) 227-4631.

Sincerely,

David A. Gutierrez, Chief Division of Safety of Dams

cc: Mr. Craig Anthony, General Manager California American Water Company Monterey Division Post Office Box 951

Monterey, California 93942-0951



Robert MacLean California American Water 1033 B Avenue, Suite 200 Coronado, CA 92118

www.calamwater.com

P 619-435-7401 F 619-435-7434

May 13, 2009

Via Electronic & Regular Mail

Mr. Darby Fuerst General Manager Monterey Peninusula Water Management District 5 Harris Court, Building G P.O. Box 85 Monterey, CA 93942-0085

Mr. Fuerst:

Thank you very much for your recent congratulations letter. As you can imagine, I am working hard to get up to speed on all the issues relating to my new role as President of California American Water. Of critical importance to me in this regard is the water supply situation in the Monterey area. As you may already be aware, I will be attending the District's open house this Thursday and am looking forward to meeting with you and the other board members at this event. I am very interested in getting your perspective on areas where we can work together for the good of our customers. Thank you again for your welcoming letter.

Sincerely,

Robert MacLean President