EXHIBIT A

ITEM: PUBLIC HEARING

16. CONSIDER APPEALS OF GENERAL MANAGER'S MARCH 20, 2009 DECISION REGARDING HIDDEN HILLS UNIT OF CALIFORNIA AMERICAN WATER DISTRIBUTION SYSTEM – NOTICE OF VIOLATION OF DISTRICT RULE 40-D AND SUSPENSION OF RECEIPT OF APPLICATIONS FOR NEW OR INTENSIFIED WATER USE

1. **CALIFORNIA AMERICAN WATER**
2. **JAMES DOUGLAS MEADOR AND LUANN MEADOR**
3. **GARY E. WIEGAND**

Meeting Date:	**July 20, 2009**	**Budgeted:**	**N/A**
From:	**Darby Fuerst, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Stephanie Pintar**	**Cost Estimate:**	**N/A**

General Counsel Approval: N/A
Committee Recommendation: N/A
CEQA Compliance: N/A

SUMMARY: This item is a continued Public Hearing from May 21, 2009, on three appeals of the General Managers March 20, 2009 Notice of Violation of Rule 40-D to California American Water (CAW) for exceeding its Pro Rata Expansion Capacity (PREC) in the Hidden Hills Water Distribution System. The General Manager's March 20 action implemented an immediate moratorium on Water Permits in the Hidden Hills system. The staff report and attachments from the May hearing are attached as **Exhibit 16-A**. The public hearing has been closed.

The Board is considering three separate appeals under this item. The appellants are:

1. California American Water, Water Purveyor
2. James Douglas Meador and LuAnn Meador, Property Owners
3. Gary E. Wiegand, Property Owner

In considering an appeal, the Board must consider the provision(s) of the Rules and Regulations that have been misapplied, as identified by the appellant. The Board may deny, approve or continue any appeal. The Board also has the discretion to reduce and rebate in full or in part the fee for appeal otherwise set by Rule 60 if the Board finds that an appeal has provided a significant benefit to the public and/or the environment or in unusual matters. (Rule 70)

DISCUSSION: On May 21, the Board directed staff to work with CAW to develop a remedy for the violation, such as increasing the expansion capacity limit in the Hidden Hills system. Staff developed a "Solutions Matrix" that was provided to CAW on July 7, 2009 (**Exhibit 16-B**).

The matrix provides a list of both physical and regulatory actions to address the PREC overage cited in the March 20, 2009 decision.

CAW Action

Craig Anthony, General Manager for CAW, submitted an action plan to address the Hidden Hills PREC on July 14, 2009 (**Exhibit 16-C**). The plan includes a list of actions that CAW has implemented or will be implementing to bring the PREC back into compliance. Mr. Anthony stated that CAW is working on physical solutions to the problem and that any administrative adjustments to the Water Distribution System Permit would not be acceptable. Mr. Anthony indicated to staff that he will speak further to the matter at the Board meeting.

CAW has taken the following actions since the May 21, 2009 Board meeting:

- CAW is in the process of replacing every water meter in the Hidden Hills system.

- The Public Utilities Commission approved the General Rate Case (GRC) on July 9, 2009. The decision allows CAW to spend $546,000 on main replacements in Hidden Hills.

- CAW continues to actively search for and repair leaks in the Hidden Hills system and has installed MLOG acoustic sensors on every tenth meter in Hidden Hills. Use of the system is being phased in.

- CAW has analyzed customer usage over the past 24 months. CAW staff has personally contacted high water users to search for leaks on the customer's side of the meter. Mr. Anthony provided District staff with two examples of leaks that had been identified and repaired in the past month.

- The recently approved rate structure will encourage conservation, particularly those with large landscaped areas. Water rates in the Hidden Hills system are scheduled to more than double in the next three years.

- CAW audited the number of connections it reports to the District by reviewing records back to 2000. Mr. Anthony has concluded that the accurate number of connections in the Hidden Hills system is 424. Previous reports to the District had wide fluctuations in the number of connections. According to Mr. Anthony, these fluctuations occur from billing reports: When a meter changes hands (e.g. when a property transfers ownership), a bill is generated for both the prior and the current owner. This would result in a report of two "connections" on the monthly consumption report.

MPWMD Action

District staff reviewed the number of pending applications at the County and the number of uncompleted new homes in the Hidden Hills system. Based on a list of pending County approvals, there are up to 15 new connections and several remodels/additions/rebuilds pending at the County. The amount of demand associated with these pending projects was not available. In addition, MPWMD identified eight new connections (i.e. properties that have received a Water

Permit but that haven't been occupied) that are estimated to add approximately 6 acre-feet of annual demand to the Hidden Hills system when they come on line.

RECOMMENDATION: Staff recommends the Board uphold the General Manager's decision and deny the appeals by California American Water, James Douglas Meador and LuAnn Meador, and Gary E. Wiegand. The PREC in the Hidden Hills Water Distribution System has been exceeded and District Rule 40-D was correctly implemented. Suspension of receipt of Water Permit applications for new connections and projects that increase water use should continue until the system has returned to compliance and until the General Manager has reviewed and concurs with credible expert analysis that the system can and will remain in compliance.

Upon Board direction, staff will prepare findings for adoption at the next Board meeting.

EXHIBITS

16-A Public Hearing Staff Report from May 21, 2009
16-B July 7, 2009 Letter from Darby Fuerst to Craig Anthony
16-C July 14, 2009 Letter from Craig Anthony to Darby Fuerst

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EXHIBIT 16-A

ITEM: PUBLIC HEARINGS

15. CONSIDER APPEALS OF GENERAL MANAGER'S MARCH 20, 2009 DECISION REGARDING HIDDEN HILLS UNIT OF CALIFORNIA AMERICAN WATER DISTRIBUTION SYSTEM – NOTICE OF VIOLATION OF DISTRICT RULE 40-D AND SUSPENSION OF RECEIPT OF APPLICATIONS FOR NEW OR INTENSIFIED WATER USE

A. CALIFORNIA AMERICAN WATER
B. JAMES DOUGLAS MEADOR AND LUANN MEADOR
C. GARY E. WIEGAND

Meeting Date:	**May 21, 2009**	**Budgeted:**	**N/A**
From:	**Darby Fuerst, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Darby Fuerst and Stephanie Pintar**	**Cost Estimate:**	**N/A**

General Counsel Approval: N/A
Committee Recommendation: N/A
CEQA Compliance: N/A

SUMMARY: On March 20, 2009, the District General Manager issued a Notice of Violation of Rule 40-D to California American Water for exceeding its Pro Rata Expansion Capacity in the Hidden Hills Water Distribution System (**Exhibit 15-A**). District Rule 40-D requires that when a water distribution system with ten or more connections and with 50 percent active connections exceeds its Pro Rata Expansion Capacity, the General Manager must initiate a number of steps, including suspending receipt of applications for new or intensified water use. The Pro Rata Expansion Capacity is defined as the projected water use anticipated to meet the water needs of each connection, as determined by the approved system limits. For example, if the annual production limit for a system is 10 acre-feet and the connection limit for the system is 20 connections, then the Pro Rata Expansion Capacity for the system is 0.50 acre-feet per connection per year. A courtesy letter was sent to California American Water regarding this situation on July 29, 2008.

Three appeals were filed regarding the General Manager's decision. Under the general heading of the appeal, the Board will consider three separate appeals from:

A. California American Water
B. James Douglas Meador and LuAnn Meador
C. Gary E. Wiegand

California American Water

California American Water is appealing the General Manager's decision on the grounds that (1) exceeding the Pro Rata Expansion Capacity is not a violation of the Rules and Regulations; (2) the Notice of Violation is vague and ambiguous; (3) Rule 40-D violates California Code or is preempted by other laws; (4) California American Water is in substantial compliance with Rule 40; and (5) California American Water has already established a plan for reducing water consumption in the Hidden Hills Water Distribution System, including changes in water rate structure and system improvements to reduce unaccounted-for-water Uses. California American Water's appeal application is included at **Exhibit 15-B.** California American Water requests the Board reverse the General Manager's determination and/or remove the restrictions imposed by Rule 40-D.

James Douglas Meador and LuAnn Meador

Mr. and Mrs. Meador are appealing the General Manager's decision on the grounds that the amount of time provided to applicants who were in the process of obtaining permit from the County of Monterey prior to the decision to suspend receipt of application for new or intensified water use in the Hidden Hills Water Distribution System was unreasonable and that the decision will result in significant hardship due to the loss of more than $450,000 and nine years of planning and design. Mr. and Mrs. Meador's appeal application is included at **Exhibit 15-C.** Mr. and Mrs. Meador request that their application for 37.7 fixture units of water for their proposed project be approved.

Gary E. Wiegand

Mr. Wiegand is appealing the General Manager's decision on the grounds that (1) the action to suspend receipt of applications for new or intensified water use in the Hidden Hills Water Distribution System, i.e., "connection moratorium", is based on arbitrary limits, (2) the connection moratorium in the Hidden Hills Water Distribution System is unfair with respect to the Pro Rata Expansion Capacity value that has been approved for California American Water's neighboring Bishop Water Distribution System and (3) the connection moratorium will result in significant hardship due to the loss of property value and inability to construct a residence on his property. Mr. Wiegand's appeal application and addendum letter are included at **Exhibit 15-D and 15-E.** Mr. Wiegand requests that the Board rescind the Hidden Hills connection moratorium and amend the Pro Rata Expansion Capacities in the Hidden Hills and Bishop systems so that all users in the two systems have the same allocation of water.

As required by Rule 40-D-1, California American Water, as owner and operator of the Hidden Hills Water Distribution System, was notified of the imbalance between the current average amount of production per connection per year (0.521 acre-feet per connection per year) and the permitted average amount of production for each connection (0.482 acre-feet per year) on March 20, 2009. At that time, pursuant to Rule 40-D-1, California American Water was asked to prepare and implement a plan to bring the Hidden Hills system back into balance. Suggested plan measures included installation of low water-use fixtures, landscape audits, removal of turf and landscape acreage, and modification of rate structure. To date, California American Water has not submitted the requested plan to bring the Hidden Hills system into balance.

RECOMMENDATION: The Board should address each appeal separately. Individual motions regarding each appeal should be made and voted upon. Based on water production and connection information provided by California American Water and criteria specified in District Rule 40-D, District staff recommends denial of each appeal. If this recommendation is accepted, staff will develop findings of denial for Board approval at the June 15, 2009 meeting.

EXHIBITS

15-A March 20, 2009 Notice of Violation from Darby Fuerst to California American Water
15-B Application for Appeal -- California American Water
15-C Application for Appeal -- James Douglas Meador and LuAnn Meador
15-D Application for Appeal -- Gary E. Wiegand
15-E May 7, 2009 Addendum letter -- Gary E. Wiegand

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EXHIBIT 15-A

MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT

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

March 20, 2009

Craig Anthony, General Manager
California American Water
PO Box 951
Monterey, CA 93942-0951

Subject: **Hidden Hills Unit of California American Water Distribution System – Notice of Violation of District Rule 40-D and Suspension of Receipt of Applications For New or Intensified Water Use**

Dear Mr. Anthony:

This letter follows my courtesy letter dated July 29, 2008 regarding violation of Monterey Peninsula Water Management District (MPWMD or District) Rules and Regulations associated with the Hidden Hills Unit of the California American Water (CAW) system, which functions as an independent Water Distribution System (WDS) from the main CAW system. For simplicity, I will refer to this system as the Hidden Hills Water Distribution System (HHWDS). As noted in my July 29, 2008 letter and as we have discussed, the current average annual amount of CAW production needed to meet the current average annual demand of each HHWDS connection exceeds the permitted average annual amount of CAW production needed to meet the permitted average annual demand of each HHWDS connection. At the current average annual production rate for each connection, only 441 connections can be served with the existing annual production limit of 229.9 acre-feet. This means that 36 of the 477 permitted connections cannot be served at the current average rate of production per connection, without exceeding the permitted production limit. Monthly production and connection values for the HHWDS for the period January 2005 through February 2009 are shown on **Enclosure 1**.

This imbalance, with the current average amount of production per connection greater than the permitted average amount of production for each connection, is addressed in District Rules 40-C and D. Specifically, the ratio between average annual production and the number of connections served, i.e., Pro Rata Expansion Capacity (PREC), is defined in District Rule 11.

As described in Rule 40-D, the current amount of average annual amount of CAW production needed to meet the current average annual demand of each HHWDS connection, i.e., 0.521 acre-feet per connection per year[1], exceeds the permitted HHWDS PREC value of 0.482 acre-feet of

[1] The current PREC value for the HHWDS is calculated as the average production limit of 226.7 acre-feet for the

production per connection per year[2] and meets all other criteria in Rule 40-C. These other criteria include: (1) more than ten connections, (2) at least fifty percent of the connections are active, and (3) the current PREC exceeds the permitted PREC. As shown on **Enclosure 1**, based on twelve-month moving averages, the current PREC for the HHWDS has exceeded the permitted PREC in each of the past 13 months.

Therefore, as required by MPWMD Rule 40-D (Enclosure 2), please review the following required enforcement actions, which include suspending receipt of applications in the HHWDS:

1. Pursuant to Rule 40-D-1, this letter is formal notification that the current PREC exceeds the permitted PREC for the HHWDS, is not in balance, and that CAW is required to prepare and implement a plan to bring the system back into balance.

2. Pursuant to Rule 40-D-2, CAW is required to provide a detailed breakdown of consumption by individual use types (e.g., single-family dwelling, commercial, etc.) as well as provide trends over time. Please note that the MPWMD spreadsheet, "*Pro Rata Expansion Capacity Tracking Form*," (**Enclosure 1**) serves as an acceptable substitute.

3. Pursuant to Rule 40-D-3, CAW shall provide monthly data to enable the MPWMD *Tracking Form* referenced above to remain current.

4. Pursuant to Rule 40-D-4, I have directed MPWMD permit staff to suspend receipt of Expansion or Extension applications in the HHWDS. This means that applications for new or expanded water service in Hidden Hills needed for a Monterey County building permit will not be accepted after the date of this letter. Applications received on or prior to the date of this letter shall be processed by the District.

5. Pursuant to Rule 40-D-5, the suspension of receipt of Expansion or Extension applications in the HHWDS will continue after the system returns to compliance until I have reviewed credible expert analysis that the system can and will remain in compliance.

6. Pursuant to Rule 40-D-6, CAW will be charged appropriate administrative fees as required by Rule 60 for MPWMD staff, legal or consultant time to implement these requirements.

It is noted that the actual annual HHWDS production for WY 2008 was just under the permitted limit of 229.9 acre-feet per year (AFY). Actual use was 227.9 or 99.1% of the limit. Thus, there is no enforcement action pursuant to Rule 20.4 at this time.

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preceding twelve months divided by the average number of connections (435 connections) during this twelve-month period, i.e., 226.7 AF/Connection/Year ÷ 435 Connections = 0.521 AF/Connection/Year.

[2] The permitted PREC value for the HHWDS is calculated as the annual production limit of 229.9 acre-feet per year divided by the maximum connection limit of 477 connections, i.e., 229.9 AF/Connection/Year ÷ 477 Connections = 0.482 AF/Connection/Year.

I encourage you to take all necessary steps to reduce overall production in the HHWDS and help bring the current PREC value into balance with the permitted PREC value. Possible measures include fixing leaks within the system, a variety of conservation programs, and rate adjustments. Our conservation staff is available to assist you, as needed.

For reference, the full MPWMD Rules and Regulations are available on the District website at: http://www.mpwmd.dst.ca.us/rules/2009Mar/TOC.htm. Please refer to this most recent version, as there have been several important changes over the past few months.

As a courtesy, I have attached my July 29, 2008 letter (**Enclosure 3**), which provides background information. I have also attached your letters dated August 29, 2008 (**Enclosure 4**) and September 5, 2008 (**Enclosure 5**) for reference.

Note that this is a determination by me, as General Manager, and is subject to the appeal process set forth in District Rule 70. Any appeal must be requested, in writing, within twenty-one (21) days of the date of this letter, must specify the grounds upon which it is taken, refer to applicable Rules of the District, and be accompanied by the fee prescribed by Rule 60.

Thank you in advance for your cooperation. I am available to meet again to discuss this situation, if needed. I can be reached at 831/658-5651 or darby@mpwmd.dst.ca.us.

Sincerely,

Darby Fuerst
General Manager

Enclosures:
1. Updated spreadsheet of monthly water use and PREC ratio for HHWDS
2. MPWMD Rule 40-D
3. July 29, 2008 letter from MPWMD (w/o attachments)
4. August 29, 2008 letter from CAW
5. September 5, 2008 letter from CAW

Cc: MPWMD Directors
Henrietta Stern, Project Manager
Stephanie Pintar, WDD Manager
David C. Laredo, General Counsel
Lloyd Lowery, HHSRA Counsel

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Pro Rata Expansion Capacity (PREC) Monthly Tracking Form: California American Water's Hidden Hills Unit

January 2005 through Present

Annual Production Limit:	229.9	Acre-Feet
Connection Limit:	477	Connections
Pro Rata Expansion Capacity:	0.482	Acre-Feet/Connection

Month	Production		Connections		PREC		Type of Connection				Transfers
	Monthly	12-Month Total	End of Month	12-Month Average	12-Month Average	Difference	Residential Single	Residential Multi	Commercial	Other	Non Revenue Metered	
Feb-2004	8.86		410		---	---	406	1	3	0	0	
Mar-2004	13.96		411		---	---	407	1	3	0	0	
Apr-2004	18.37		409		---	---	405	1	3	0	0	
May-2004	23.42		413		---	---	408	1	3	1	0	
Jun-2004	21.80		413		---	---	407	1	3	2	0	
Jul-2004	23.25		411		---	---	405	1	3	2	0	
Aug-2004	22.92		412		---	---	405	1	3	3	0	
Sep-2004	21.49		422		---	---	414	1	3	3	1	
Oct-2004	15.71		420		---	---	412	1	2	4	1	
Nov-2004	11.26		420		---	---	411	1	4	3	1	
Dec-2004	10.42		414		---	---	407	1	3	2	1	
Jan-2005	9.20	200.7	420	415	0.484	0.00	412	1	3	3	1	
Feb-2005	8.44	200.2	413	415	0.483	0.00	407	1	3	1	1	
Mar-2005	10.50	196.8	418	415	0.474	0.01	410	1	3	3	1	
Apr-2005	11.56	190.0	424	417	0.456	0.03	415	1	3	4	1	
May-2005	16.78	183.3	421	417	0.439	0.04	413	1	3	3	1	
Jun-2005	21.20	182.7	420	418	0.437	0.04	414	1	3	1	1	
Jul-2005	25.19	184.7	421	419	0.441	0.04	414	1	3	2	1	
Aug-2005	27.71	189.5	418	419	0.452	0.03	412	1	2	2	1	
Sep-2005	26.44	194.4	426	420	0.463	0.02	421	1	3	0	1	
Oct-2005	21.84	200.5	428	420	0.477	0.00	421	1	3	2	1	
Nov-2005	17.15	206.4	427	421	0.491	-0.01	421	1	3	1	1	
Dec-2005	11.90	207.9	431	422	0.492	-0.01	425	1	3	1	1	
Jan-2006	9.24	208.0	434	423	0.491	-0.01	425	1	3	4	1	
Feb-2006	10.24	209.8	433	425	0.493	-0.01	424	1	3	4	1	
Mar-2006	9.02	208.3	433	426	0.489	-0.01	424	1	3	4	1	
Apr-2006	9.47	206.2	433	427	0.483	0.00	424	1	3	4	1	
May-2006	18.18	207.6	427	428	0.485	0.00	422	1	3	0	1	
Jun-2006	23.32	209.7	436	429	0.489	-0.01	426	1	3	5	1	
Jul-2006	27.37	211.9	420	429	0.494	-0.01	414	1	3	2	0	
Aug-2006	25.70	209.9	420	429	0.489	-0.01	411	1	3	4	1	
Sep-2006	22.91	206.3	431	429	0.481	0.00	421	1	3	5	1	

Enclosure 1

Pro Rata Expansion Capacity (PREC) Monthly Tracking Form: California American Water's Hidden Hills Unit
January 2005 through Present

Annual Production Limit:	229.9	Acre-Feet
Connection Limit:	477	Connections
Pro Rata Expansion Capacity:	0.482	Acre-Feet/Connection

Month	Production		Connections		PREC		Type of Connection					Transfers
	Monthly	12-Month Total	End of Month	12-Month Average	12-Month Average	Difference	Residential Single	Residential Multi	Commercial	Other	Non Revenue Metered	
Oct-2006	20.86	205.4	430	430	0.478	0.00	421	1	3	4	1	
Nov-2006	15.14	203.4	439	431	0.472	0.01	429	1	3	5	1	
Dec-2006	11.41	202.9	435	431	0.471	0.01	425	1	3	5	1	
Jan-2007	11.36	205.0	439	431	0.475	0.01	431	1	3	3	1	
Feb-2007	8.71	203.5	434	431	0.472	0.01	425	1	3	4	1	
Mar-2007	12.72	207.2	438	432	0.480	0.00	428	1	3	5	1	
Apr-2007	15.42	213.1	422	431	0.495	-0.01	414	1	3	3	1	
May-2007	20.43	215.4	420	430	0.500	-0.02	410	1	3	5	1	
Jun-2007	23.26	215.3	432	430	0.501	-0.02	426	1	3	1	1	
Jul-2007	25.38	213.3	429	431	0.495	-0.01	420	1	3	4	1	
Aug-2007	24.41	212.0	427	431	0.492	-0.01	419	1	3	3	1	
Sep-2007	21.73	210.8	432	431	0.489	-0.01	424	1	3	3	1	
Oct-2007	18.43	208.4	441	432	0.482	0.00	432	1	3	4	1	
Nov-2007	16.10	209.4	444	433	0.484	0.00	435	1	3	4	1	
Dec-2007	12.48	210.4	437	433	0.486	0.00	428	1	3	4	1	
Jan-2008	10.84	209.9	437	433	0.485	0.00	430	1	3	2	1	
Feb-2008	11.28	212.5	441	433	0.490	-0.01	433	1	3	3	1	
Mar-2008	19.02	218.8	436	433	0.505	-0.02	430	1	3	1	1	6.92
Apr-2008	18.75	222.1	436	434	0.511	-0.03	428	1	3	3	1	
May-2008	23.31	225.0	424	435	0.518	-0.04	417	1	3	2	1	
Jun-2008	24.16	225.9	436	435	0.519	-0.04	430	1	3	1	1	
Jul-2008	24.38	224.9	431	435	0.517	-0.03	424	1	3	2	1	
Aug-2008	24.90	225.4	434	436	0.517	-0.04	429	0	2	2	1	
Sep-2008	24.27	227.9	433	436	0.529	-0.04	428	0	2	2	1	
Oct-2008	21.42	230.9	441	436	0.530	-0.05	435	0	2	3	1	
Nov-2008	15.21	230.0	435	435	0.529	-0.05	432	0	2	0	1	
Dec-2008	12.01	229.6	438	435	0.527	-0.05	432	0	2	3	1	
Jan-2009	10.22	228.9	432	435	0.527	-0.04	426	0	3	2	1	
Feb-2009	9.04	226.7	441	435	0.521	-0.04	435	0	3	2	1	
Mar-2009												
Apr-2009												
May-2009												

Pro Rata Expansion Capacity (PREC) Monthly Tracking Form: California American Water's Hidden Hills Unit

January 2005 through Present

Annual Production Limit:	229.9	Acre-Feet
Connection Limit:	477	Connections
Pro Rata Expansion Capacity:	0.482	Acre-Feet/Connection

Month	Production		Connections		PREC		Type of Connection					Transfers
	Monthly	12-Month Total	End of Month	12-Month Average	12-Month Average	Difference	Residential Single	Residential Multi	Commercial	Other	Non Revenue Metered	
Jun-2009												
Jul-2009												
Aug-2009												
Sep-2009												
Oct-2009												
Nov-2009												
Dec-2009												
Jan-2010												
Feb-2010												
Mar-2010												
Apr-2010												
May-2010												
Jun-2010												
Jul-2010												
Aug-2010												
Sep-2010												

Source: California American Water Monthly Production and Consumption Reports

Notes:

1. "PREC" refers to Pro Rata Expansion Capacity and is calculated as either (a) the permitted annual production limit divided by the permitted connection limit or (b) the reported production for the preceding 12 months divided by the average number of reported connections during the preceding 12 months.
2. "Transfers" refer to water provided to another CAW system. In March 2008, 6.92 AF were provided to CAW's Toro system.

ability of that System to supply water, and (ii) convene a hearing before the Board of Directors to determine whether, and to what extent, modifications shall be made to either the System Capacity or Expansion Capacity, or both, for that Water Distribution System.

3. Hearing. Upon notice that physical water supplies do not appear sufficient to support either the System Capacity or the Expansion Capacity, or both, for a Water Distribution System, the Board of Directors shall hold a public hearing to consider whether, and to what extent, modifications shall be made to either the System Capacity or Expansion Capacity, or both, for that Water Distribution System. Modification of these limits shall be supported by substantial evidence that establishes physical water supplies available to the Water Distribution System are not sufficient to meet permitted System Capacity or Expansion Capacity limits. Upon such a finding, the Board shall determine a new System Capacity or Expansion Capacity, or both, for that Water Distribution System. The Board's determination shall be based upon substantial evidence, including credible expert evidence.

4. Action Following Hearing.

Where a Water Distribution System has reached or exceeded its System Capacity or Expansion Capacity limit, as modified, the General Manager shall not receive or process any application for a permit to expand or extend that system until the further amendment, based upon credible expert analysis, is made to the System Capacity or Expansion Capacity, or both, for that Water Distribution System.

Once a Water Distribution System presents credible expert analysis to the satisfaction of the General Manager that the system has returned to full compliance and can operate within both the System Capacity or Expansion Capacity for that system, the General Manager shall again be authorized to receive and act upon permits to expand or extend that system within the amended System Capacity and Expansion Capacity limits.

C. ANNUAL WATER DELIVERY SYSTEM REPORT

The General Manager shall annually compile a report stating the quantity of water delivered from each Source of Supply, the total water produced, the average daily number of Connections in the system, and the number of new Connections in the system, and the number of new Connections and disconnections in the previous water year for each Water Distribution System in the District. The General Manager shall compile this report from the reports submitted by the Owner or Operator of Water Distribution Systems pursuant to Rule 22 and other sources as appropriate. The General Manager shall identify all Water Distribution Systems that meet all three of the following criteria: (i) have ten (10) or more Connections, and (ii) of these Connections, at least fifty percent (50%) are active Connections, and (iii) the System (production) Capacity exceeds the Pro Rata Expansion Capacity as defined in Rule 11. Such report shall be submitted to the Board.

D. SYSTEMS EXCEEDING PRO RATA EXPANSION CAPACITY

If the General Manager determines that a Water Distribution System exceeds its Pro Rata Expansion Capacity and meets all other criteria stated in Section C above, the General Manager shall:

1. Notify the Owner or Operator of a Water Distribution System that (i) the Pro Rata Expansion Capacity is not in balance with the System Capacity, and (ii) that the Owner or Operator is required to prepare and implement a plan to bring the system back into balance. Plan measures may include installation of Low Water-Use Plumbing Fixtures, Landscape Audits, removal of turf/landscape acreage, modification of rate structure, or other measures deemed acceptable by the General Manager;

2. Require systems with multiple use types to provide a detailed breakdown of consumption reporting by individual use types (e.g., Single-Family Dwellings in each area of the system, Multi-Family Residential, Public Authority, Commercial, and Industrial) together with comparison of trends in average use per Connection type over time;

3. Increase system reporting for all times system water use exceeds the Pro Rata Expansion Capacity, and for twelve (12) consecutive months after the system water use is less than its Pro Rata Expansion Capacity;

4. Suspend receipt of Expansion or Extension applications for any system that exceeded its Pro Rata Expansion Capacity within the preceding twelve (12) months;

5. For any system that exceeds its authorized Pro Rata Expansion Capacity on more than one occasion, the suspension on receipt of Expansion or Extension applications shall continue after the system again returns to compliance until the General Manager has reviewed and concurs with credible expert analysis that the system can and will remain in compliance; and

6. Collect administrative fees as required by Rule 60 for services required to implement these requirements.

E. HEARINGS FOR SYSTEMS THAT EXCEED THE PRO RATA EXPANSION CAPACITY

1. For systems which have not exceeded their System or Expansion Capacity Limit but have exceeded their Pro Rata Expansion Capacity limit on more than one occasion, and a credible expert indicates the Water Distribution System cannot sustain the Pro Rata Expansion Capacity, the Board of Directors shall provide notice and hold a public hearing to consider an adjustment to the System Limits based on credible evidence and make modifications in accordance therewith.

Enclosure 3

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

July 29, 2008

Craig Anthony, General Manager
California American Water
PO Box 951
Monterey, CA 93942-0951

SUBJECT: POTENTIAL VIOLATIONS ASSOCIATED WITH HIDDEN HILLS UNIT OF CALIFORNIA AMERICAN WATER DISTRIBUTION SYSTEM

Dear Mr. Anthony:

This letter is written as a courtesy to advise you of potential pending formal notices of violation of Monterey Peninsula Water Management District (MPWMD or District) Rules & Regulations associated with the Hidden Hills Unit of the California American Water (CAW) system, which functions as an independent Water Distribution System (WDS) from the main CAW system. For simplicity, I will refer to this system as the Hidden Hills Water Distribution System (HHWDS). There are two key issues as noted below, and related questions that will help the District assess the situation more accurately and completely:

- Imbalance of annual production and connections as measured by the Pro Rata Expansion Capacity (PREC) ratio as described in MPWMD Rules 40-B and C;

- Potential for the actual annual HHWDS production this year to exceed its permitted limit of 229.9 acre-feet per year (AFY), which would result in a violation notice pursuant to MPWMD Rule 20.4.

For reference, the MPWMD Rules & Regulations are available on the District website at: http://www.mpwmd.dst.ca.us/rules/Apr2008/TOC.htm. Pertinent excerpts relating to the above-referenced issues are attached for your convenience as **Enclosure 1**.

PREC Ratio Out of Balance

The PREC ratio, which represents the balance of production and connections, is meant to serve as an early warning system to help prevent a situation where existing customers consume more than their estimated share, resulting in the system exceeding its System Capacity Limit ("production limit") before the Expansion Capacity Limit ("connection limit") is reached. The PREC was created by MPWMD Ordinance No. 118 (adopted December 2004) due in part to the HHWDS situation at at

that time. The HHWDS was near 98% of the production limit with many vacant parcels yet to be developed with homes. MPWMD Rule 11 defines the PREC as follows:

> PRO RATA EXPANSION CAPACITY - "Pro Rata Expansion Capacity" means the projected water use anticipated to meet the needs of each Connection as determined by the System Capacity. For example, if the System Capacity (annual production) limit is 10 acre feet and the Expansion Capacity is 20 Connections, the Pro Rata Expansion Capacity shall be 0.50 acre feet per Connection.

MPWMD currently checks the PREC balance on an annual basis, when well production data for a Water Year (October 1-September 30) are submitted in an annual report. In previous annual checks, the HHWDS PREC has been in balance and production has remained below the production limit.

However, data for Water Year 2007 (October 1, 2006 through September 30, 2007) indicate that the PREC baseline of 0.48 acre-feet per connection was slightly exceeded, though the HHWDS was within its production limit. Due to multiple priorities this year, District staff has not carefully analyzed the HHWDS situation and communicated with you until now. Attached as **Enclosure 2** is a monthly overview of HHWDS production, connections, and PREC ratio from February 2004 through June 2008, based on monthly CAW production and consumption reports submitted to the District. Water use values in the table are well production, not metered sales. You will note that there are several consecutive months where the PREC baseline has been exceeded in recent years; these are marked by the negative numbers in bold in the column titled "Difference" Notably, the production values are relatively stable, but the number of connections varies from month to month, and the number of connections substantively affects the PREC ratio. ***This table raises several questions for which the District requests a written response, as follows:***

1. ***Why does the number of connections vary up and down in erratic jumps, especially for single family residences (SFR)?*** One would expect the SFR connections to steadily increase over time as homes are constructed, but what accounts for sudden drops in SFR connections (e.g., compare June 2006 to July 2006 with 426 and 414 connections, respectively)?
2. ***Please describe what the three "Commercial" connections serve?***
3. ***What do the "Other" connections serve?***
4. ***What does the "Non-revenue Metered" connection serve?*** Importantly, it is noted in the most recent CAW metered consumption report for Water Year 2007, attached as **Enclosure 3**, the water consumed by this use dramatically increased to nearly 24 AF, when in previous years it used less than three AF.

Rule 40-C directs District staff to initiate a series of actions and communications for a system with an imbalanced PREC. Importantly, Rule 40-C-4 directs the General Manager to "suspend receipt of Expansion or Extension applications for any system that exceeded its Pro Rata Expansion Capacity within the preceding twelve (12) months." This means that applications for new or expanded service in Hidden Hills would not be accepted. I am poised to direct District staff to suspend accepting applications, pending a discussion of this matter with you.

Water Year 2008 Production Concerns

Data from October 1, 2007 through June 30, 2008 indicates that the HHWDS could exceed its production limit for Water Year 2008 if expected trends for summer use (July-August-September) continue this year. Higher than normal production this past spring, due to lack of rainfall, may be one reason to explain this situation. Also, the connection values continue to rise, and the PREC ratio has begun to exceed the baseline by a greater amount than in the past. District staff has communicated with some homeowner association representatives who are active in conservation, and have asked them to spread the urgent message that conservation this summer is imperative. If the annual production limit is exceeded, then Rule 20.4 triggers a formal notice of violation process, including termination of accepting new applications for water service as described in Rule 40-C. Please note that on July 21, 2008, the District Board passed the first reading of Ordinance No. 136, which also could result in termination of applications in progress if first reading language is adopted at second reading on August 18, 2008.

Please contact me at your earliest convenience so that we can discuss these matters in more detail. I can be reached at 831/658-5651 or darby@mpwmd.dst.ca.us. Thank you in advance for your cooperation.

Sincerely,

Darby Fuerst
Interim General Manager

Enclosures:

1. Excerpts from MPWMD Rules
2. Spreadsheet of monthly water use and PREC ratio
3. CAW spreadsheet on metered sales for Water Year 2007

Cc: Henrietta Stern, Project Manager
Stephanie Pintar, WDD Manager

U:\Henri\wp\ceqa\2008\WDS2008\CAW_08\CAW_HidHills_letter_072908_HS.doc
Prepared 07/29/08 by H. Stern, reviewed by JO and DF

CALIFORNIA
AMERICAN WATER

California American Water – Monterey
511 Forest Lodge Rd, Suite 100
Pacific Grove, CA 93950
amwater.com

August 29, 2008

Darby Fuerst, General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942-0085

Dear Mr. Fuerst,

This letter is in response to your letter dated July 29, 2008 regarding the potential pending formal notices of violation of the Monterey Peninsula Water Management District (MPWMD) Rules and Regulations associated with the Hidden Hills unit of the California American Water (CAW) system.

Addressing the issue of the imbalance of annual production and connections as measured by the Pro Rata Expansion Capacity (PREC) ratio as described in MPWMD Rules 40-B and C, may be attributed to the fact that we have had several main breaks in the system that occurred during the water year 2006-2007 (October 1, 2006 through September 30, 2007).

As you know, each month California American Water provides the MPWMD the Net Consumption Report by region which lists the number of connections and the amount of water produced. In responding to your questions, the number of connections does vary on this report because the report is based on real time data. Connection data will fluctuate each time the report is requested due to accounts that have opened or closed.

The three commercial connections listed on the report as "commercial" currently serve two commercial connections in Hidden Hills and a residential home which was incorrectly coded and now has been corrected. The connection listed as "all other" serves one construction account and the connection listed as "non-revenue" serves the Hidden Hills Treatment Plant. Main breaks are also reflected on the non-revenue section of the report.

Should you have any questions, please contact me at 831-646-3214.

Sincerely,

Craig E. Anthony
General Manager
Central Division

Enclosure 5

CALIFORNIA
AMERICAN WATER

California American Water – Monterey
511 Forest Lodge Rd, Suite 100
Pacific Grove, CA 93950
amwater.com

September 5, 2008

Darby Fuerst, General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942-0085

Subject: Hidden Hills Emergency Water to Toro Water System

Dear Mr. Fuerst,

This letter is in regards to the emergency water provided to the Toro Water system from the Hidden Hills Water system. Due to equipment failures in our Toro Water system in March and July of 2008, we were forced to move a total of 6.92 acre feet from the Hidden Hills Water system to Toro Water system to avoid an extended system shut down. Seasonal demands in the Toro Water system and hydraulic factors force Californian American Water to wait until the winter period of 2008 to return the water back to the Hidden Hills Water System.

California American Water will keep you informed of our progress as we move forward with restoring the water to the Hidden Hills Water system.

If you have any questions, I can be reached at 831-646-3214.

Sincerely,

Craig E. Anthony
General Manager, Central Division

EXHIBIT 15-B

CALIFORNIA
AMERICAN WATER

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

CALIFORNIA
AMERICAN WATER

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

APPEAL APPLICATION

EXHIBIT 1

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

APPLICATION FOR APPEAL **EXHIBIT 2**

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 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 _____

EXHIBIT 15-C

RECEIVED
APR 7 2009
MPWMD

HAND DELIVERED

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: GARY E. WIEGAND
   Mailing Address: 50 MIRAMONTE RD.
   City: CARMEL VALLEY State: CA Zip: 93924
   Phone Number(s): Work (831) 238-6236 Home (831) 659-5035
2. Name of Agent(s) to Represent Applicant: _____
   Mailing Address: _____
   City: _____ State: _____ Zip: _____
   Phone Number(s): Work (_____) _____ Home (_____) _____

PROPERTY INFORMATION

1. Full Name of Property Owner: COLT LANE LLC
   Mailing Address: 50 MIRAMONTE RD.
   City: CARMEL VALLEY State: CA Zip: 93924
   Phone Number(s): Work (831) 238-6236 Home (831) 659-5035
2. Property Address: 25993 COLT LANE
   City: CARMEL VALLEY State: CA Zip: 93924
3. Assessor's Parcel Number: 416 - 122 - 018
4. Property Area: Acres: 10 Square Feet: — Other: _____
5. Past Land Use: VACANT
6. Present Land Use: VACANT
7. Proposed Land Use: SINGLE FAMILY RESIDENTIAL

   Existing buildings? Yes _____ No ✓

   Types of uses and square footage: N/A

APPEAL APPLICATION EXHIBIT 1

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?

   HIDDEN HILLS CONNECTION MORATORIUM DATED 3/20/09. (LETTER BY DARBY FUERST 3/23/09)

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?

   APPLICABLE IF ~~APPLIED~~ APPLIED FAIRLY & UNIFORMLY, PLEASE SEE ATTACHED LETTER FOR FURTHER EXPLANATION.

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

   PLEASE SEE ATTACHED LETTER TO MPWMD DATED 4/06/09

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

   PLEASE SEE ATTACHED LETTER.

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

   EXTREME. LOSS OF PROPERTY VALUE & INABILITY TO CONSTRUCT MY RESIDENCE.

6. What <u>specific</u> action are you requesting that the Board take?

   RESCIND HIDDEN HILLS CONNECTION MORITORIUM & REBALANCE P.REC. SO THAT ALL USER IN BISHOP & HIDDEN HILLS HAVE SAME ALLOCATION OF WATER. P.REC. FOR HIDDEN HILLS IS 0.482 AFY & FOR BISHOP IT IS 0.65 AFY.

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.

   YES.

APPLICATION FOR APPEAL EXHIBIT 2

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: ✓ New Construction _____ Remodel/Addition

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

   ✓ Residential No. Dwellings 1 Total No. Fixture Units (Residential Only)_____

   _____ Commercial/Industrial/Governmental

   Type of Use: _____ Square Footage: _____

   _____ Other (Specify): _____

3. Current Zoning Classification:

   LDR/5

4. Name of the water company which services the property:

   CAL-AM

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.

   THIS QUESTION NOT APPLICABLE - PLEASE SEE ATTACHED LETTER TO DARBY FULLERTON (4/06/09) FOR EXPLANATION OF APPEAL.

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.)

   NO - IN PROCESSING WITH MONTEREY COUNTY FOR SINGLE FAMILY RESIDENCE

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?

   YES

****

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.

Gary E Wyland
Signature of Applicant

4/07/09 MRWMD - MONTEREY, 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 4-7-09 Receipt No. 22974
Check No. 2832 Bank Routing No. 321173603
Received by _____

Gary Wiegand
50 Miramonte Road
Carmel Valley, CA 93924

April 6, 2009

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

Subject: Hidden Hills Unit of California-American Water Distribution System
Suspension of Receipt of Applications for New or Intensified water Use

Dear Mr. Fuerst:

I am an owner of a lot of record located in the Hidden Hills Unit of California-American Water (CAW) Distribution System (hereinafter referred to as HHWDS). More particularly, this lot is APN 416-122-018-000, located at 25993 Colt Lane. I am in processing with the Monterey County Planning Department to construct a single-family residence on this lot.

This letter serves as my appeal of your decision to suspend receipt of applications for new or intensified water use in the HHWDS as detailed in your March 20, 2009 letter to Craig Anthony of CAW. Hereinafter I refer to this decision as the connection moratorium. I realize that, in accordance with Monterey Peninsula Water Management District (District) Rule 40-D, your decision is directed to CAW, the Owner and Operator of this distribution system, and that the appeal of your decision is supposed to come from CAW and it is my understanding from discussions with Mr. Anthony that CAW will file an appeal with the District. However, I am compelled to protest your decision as I have far more at stake than CAW consequent to this decision. CAW will continue to sell water to Hidden Hills customers regardless of the outcome of their appeal and is currently in the process of filing for higher rates in the HHWDS. As a rule, as consumption decreases, CAW rates increase so that that CAW profits from operating this system do not decrease. On the other hand, if the connection moratorium stands, I suffer a great economic hardship. It is evident from your July 29, 2008 "courtesy letter" to CAW and their weak response and lack of remedial action that CAW is not very concerned about the consequences of this moratorium.

My appeal of the connection moratorium is based on the following circumstances and questions that I do not believe were considered or answered by the District:

1. The moratorium is based on arbitrary limits that apparently have no basis in fact or logic. The District has based its determination of the authorized Pro Rata Expansion Capacity (PREC) on numbers that the District apparently cannot verify or justify. As

detailed in your March 20, 2009 letter to CAW, at the current average annual production rate for each connection, only 441 of the permitted 477connections can be served with the existing annual production limit of 229.9 acre-feet. However, the District cannot verify or justify how the system capacity limit of 229.9 acre-feet or the expansion capacity limit of 477 connections was determined. I have been told that these were the numbers that Cal-Am supplied or put on their application when they applied for the HHWDS distribution permit from the District after acquiring the system from the former Carmel Valley Mutual Water Co. (CVMWC) in 1994. How was this production limitation established? Why is the PREC for Hidden Hills residents substantially less than the PREC for Pasadera residents? How many lots were there in the HHWDS when Cal-Am purchased it and how many new lots have been created that are served by CAW. These are questions that the District is unable to answer.

2. Since CAW acquired the HHWDS in 1994, the District has permitted water connections to allow for the subdivision of parcels so that one lot of record in 1994 is now subdivided into several parcels each with its own water connection. My lot and others in Hidden Hills are now denied water connections while the District permitted the subdivision of lots and allowed these additional connections. How does the District justify this action?

3. The HHWDS draws water from the Laguna Seca subarea of the Seaside Groundwater Basin as does the Bishop Unit of CAW that serves the Pasadera subdivision. However, the system capacity limit is higher and the connection limit is lower for the Bishop system resulting in a much higher authorized PREC value for the Bishop system. So, there is no moratorium on connections for lots in Pasadera that were created about twelve years ago, but there is a moratorium on connections for lots in Hidden Hills in that were created over forty years ago because the lots in Pasadera were given a higher allotment of water than those in Hidden Hills. This is completely unjust and greatly diminishes the value the lot that I own in Hidden Hills and precludes me from building on the property unless customers in HHWDS decrease their water use by over 8% and bring the system back into balance.

4. How did the number of connections in the HHWDS go from 436 in June 2006 to 420 in July 2006 and to 439 in November 2006? Why does the District need to use an average number of connections in determining the PREC? Apparently, the District and CAW do not know how many connections there are in the HHWDS so how can these numbers be relied upon to impose a moratorium when these numbers are so obviously flawed?

5. District figures state that CAW is exported approximately 1,250 AFY for Water Years 2003 through 2007 from the Seaside Basin to customers in the main CAW system that do not overlie the Seaside Basin. Why has the District allowed this exportation of water from the Seaside Basin that includes the Laguna Seca Subarea to non-overlying

users? If there is a shortage water in the Seaside / Laguna Seca Basin this exportation should be prohibited.

6. The authorized PREC established for the HHWDS is ostensibly intended to ensure that there is water for all lots of record. However, when system use exceeds the PREC, the penalty is imposed on the owners of the lots that are using no water instead of being imposed on the customers who are using more than their equitable share of water. How does this ensure that lots of record have access to their fair share of water? How does this moratorium encourage conservation by existing customers?

7. District Rule 40-E-1 requires the District Board of Directors to provide notice and hold a public hearing to consider an adjustment to the System Limits for systems that have not exceeded their System or Expansion Capacity Limit, but have exceeded their PREC on more than one occasion. The PREC Monthly Tracking Form for HHWDS prepared by the District indicates that the PREC was exceeded in January and February 2005 and then in almost every month since November 2005 while the System Limit has never been exceeded. Was this public meeting noticed and held and were the System Limits modified in accordance with this rule?

Possible actions to remove this moratorium discussed by the District and CAW are to repair leaking pipes and encourage conservation by existing customers. Neither of these solutions is mandatory. As long as customers pay their CAW water bills they can use and/or waste as much water as they want. The District cannot require that CAW fix leaks or that their customers decrease their water consumption. The District does however, penalize landowners who are using no water at all. It would be interesting to see how well this punitive action by the District would hold up in court.

District Rule 40-D-1 requires the owner or operator of the distribution system to prepare and implement a plan to bring the system back into balance by taking measures including installation of low water use plumbing fixtures, removal of turf/landscape acreage and modifying rate structures. Note that CAW is the owner and operator of the HHWDS, not the owner of the lots that are using the water and CAW cannot install plumbing fixture or remove turf from any of these lots.

The California Public Utilities Commission (CPUC) regulates CAW and modification of rates requires CPUC approval and as I noted above, tiered rates have limited influence on promoting conservation. If the District is in favor of limiting irrigated turf as a measure to promote water conservation, why doesn't the District impose and enforce rules that apply to the lot owners rather than the system owner?

I contend that a much simpler and more equitable solution is to balance the PREC values of all users within the Laguna Seca Subarea. In other words allocate the same amount of water to all lots and require that all customers use no more than the PREC amount and

enforce this requirement. It is not enough to simply apply a conservation rate schedule since wealthy people will buy as much water as they want.

If users in the Hidden Hills, Bishop and Ryan Ranch units were required to landscape with only drought tolerant plants and were forbidden to have irrigated turf there would be plenty of water for all lots. The District should be focusing its rule-making and enforcement efforts on limiting irrigation, not on depriving people of a minimal amount of water so as to be able to build on their property. Penalizing owners of vacant lots of record while allowing continued watering of lawns appears to be an effort to control growth, not to promote water conservation.
I presently live in a rented house on a one-acre parcel on Miramonte Road in Carmel Valley where our water use for 2007 and 2008 averaged only 0.20 AFY (average of 179 GPD). We are committed to building a residence on the Colt Lane lot that is even more conservative of water consuming less than one-half of the PREC amount for HHWDS.

Please note that I have no intention of sitting idly while waiting for CAW and the District to rectify this system PREC imbalance that is the result of an inherently inequitable water allocation scheme, poor accounting and shoddy system operation. Neither of these entities is really concerned about this moratorium as neither is affected by it. I, however, am greatly affected and will pursue every available remedy to remove this moratorium.

I would appreciate an opportunity to meet with District staff to discuss the water situation in Hidden Hills and to develop rules that are fair and equitable and will have a significant impact on reducing water use and extending our limited water resources. Please call me at (831) 238-6236.

Sincerely,

Gary Wiegand

c: Dave Potter, MRWMD

SUBMITTED BY APPLICANT

(10U

MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT

5 Harris Ct. Bld G, P.O. Box 85, Monterey, CA 93940 Ph: (408) 658-5600 Fax: (408) 644-9560

Receipt Number: 22974
Date: April 7, 2009

****** RECEIPT *******

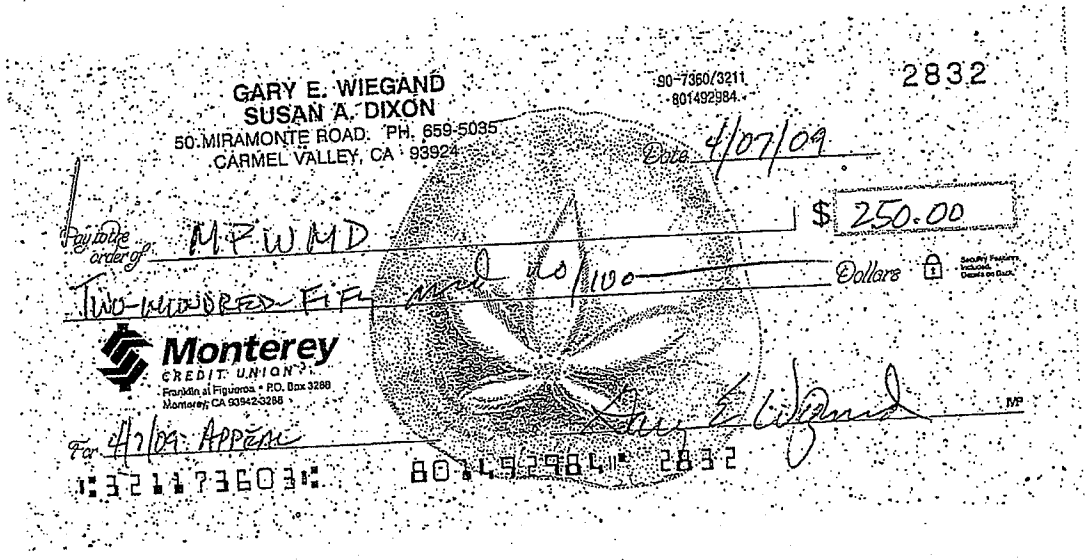
Description	Amount Paid
Appeals Application	250.00
*** TOTAL ***	250.00

Receipt Account Transaction 90-7360
Receipt info: Hiddens Hills

********** PAYMENT FROM: **********
Name Wiegand Gary
Company RE: Hiddens Hills
Street # 50 St. Name Miramonte Road PO Box #
City Carmel Valley State CA Zip 93924-
****

4/7/09
(Dated-I)

(signature)D1



HAND DELIVERED

RECEIVED
APR 7 2009
MPWMD

Monterey Peninsula Water Management District

DISCLOSURE STATEMENT
(EX PARTE COMMUNICATIONS)

Name or description of project, action, etc.: HIDDEN HILLS MORATORIUM (3-20-09)

Names and addresses of all persons authorized to communicate with the Board of Directors on this matter:

Name	Address
GARY WIEGAND	50 MIRAMONTE RD. CARMEL VLY 93924

This *Disclosure Statement* is completed in my capacity as ☐ the Applicant for matter referenced in the first line, or as ☐ an authorized Agent of the Applicant. My signature evidences I am duly authorized to act on behalf of all individuals and/or entities that have an ownership interest in this matter (exceptions shall be noted by checking this box ☐ and providing a complete explanation as an attachment to this *Disclosure Statement*).

I understand this *Disclosure Statement* is required to list the names and addresses of all persons authorized to communicate with the Directors of the Water Management District on this matter. I further understand and agree to revise and amend this *Disclosure Statement* whenever any other person is authorized to communicate regarding this matter. Oral disclosure of agents shall not satisfy this requirement.

I understand and agree that failure to disclose the name of individuals who shall communicate with the District Board Members on behalf of the applicant shall subject the matter referenced above to immediate review and denial. Further, I understand that if denial is based on failure of either the applicant or of an authorized agent of the applicant to comply with these disclosure requirements, no request for approval of an identical or similar matter shall be granted for a period of twenty-four (24) months from the date this matter is denied.

I declare the foregoing to be true and correct of my own personal knowledge. I have signed this form this 7th day of APRIL, 2009. This form is signed in the City of MONTEREY, State of CALIFORNIA.

GARY E. WIEGAND
Name (print)

Gary E Wiegand
Signature

EXHIBIT 15-D

Gary Wiegand
50 Miramonte Road
Carmel Valley, CA 93924

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

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.

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

EXHIBIT 15-E

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: James Douglas Meador / LuAnn Meador
   Mailing Address: 9648 Poplar Ct
   City: Carmel State: Ca Zip: 93923
   Phone Number(s): Work (831) 601-6355 Home (831) 624-4945
2. Name of Agent(s) to Represent Applicant: same as above
   Mailing Address: _____
   City: _____ State: _____ Zip: _____
   Phone Number(s): Work (_____) _____ Home (_____) _____

PROPERTY INFORMATION

1. Full Name of Property Owner: James Douglas Meador / LuAnn Meador
   Mailing Address: 9648 Poplar Ct
   City: Carmel State: Ca Zip: 93923
   Phone Number(s): Work (831) 601-6355 Home (831) 624-4945
2. Property Address: 24700 Bit RD
   City: Monterey State: Ca Zip: 93940
3. Assessor's Parcel Number: 416 - 193 - 013
4. Property Area: Acres: 19 Square Feet: _____ Other: _____
5. Past Land Use: Currently house and s
6. Present Land Use: House and small retention pound area.
7. Proposed Land Use: same (Destroy old house build a new house)

Existing buildings? Yes a (3 bedroom House) No _____
Types of uses and square footage: Approx 1750 sq ft.

APPEAL APPLICATION SUBMITTED BY APPLICANT EXHIBIT 1

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?

   Letter dated 3/20/09 - Notice of Violation of District Rule 40D and Suspension of Receipt of Applications for New or Intensified Water Use.

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?

   I feel a reasonable time frame should be given to people who have been in the process for a long time. (See attached letter)

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

   (See attached letter)

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

   (See attached letter)

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

   A huge financial loss of over 450,000 plus dollars and 9 yrs of work.

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

   To approve my project with 37.7 units future count per your form Residential Water Use form and Water Unit application.

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.

   John Bridges, attorney
   Doug Meador
   Luann Meador - will speak at the appeal hearing.

APPLICATION FOR APPEAL SUBMITTED BY APPLICANT **EXHIBIT 2**

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: ✓ New Construction _____ Remodel/Addition tear down of OLD House.

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

1 Residential No. Dwellings 2 Total No. Fixture Units (Residential Only) 37.7
(1) Main House & (1) Caretaker House (Barn)
_____ Commercial/Industrial/Governmental

Type of Use: _____ Square Footage: _____

_____ Other (Specify): _____

3. Current Zoning Classification:
RDR 10 — Total acres 19 with mostly in scenic easement.

4. Name of the water company which services the property:
Cal Am.

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.
No
Current House has 15.4 existing Fixture Count) Requesting 37.7

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.)
We are still in process of approval.

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?
Yes, we intend to obtain a county building Permit

****

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 of Applicant

4/9/09 Monterey
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 $250 — Receipt No. 22982
Check No. 1003 Bank Routing No. 121042882
Received by S. Kister

(10U

MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT

5 Harris Ct. Bld G, P.O. Box 85, Monterey, CA 93940 Ph: (408) 658-5600 Fax: (408) 644-9560

Receipt Number: 22982
Date: April 9, 2009

****** RECEIPT *******

Description	Amount Paid
APPEAL FEE	250.00
	.00
*** TOTAL ***	250.00

Receipt Account Transaction 1003
Receipt info: 24700 BIT RD

********** PAYMENT FROM: **********
Name MEADOR LUANN
Street # 9648 St. Name POPLAR CT PO Box #
City CARMEL State CA Zip 93923-
****

(Dated-I)

(signature)s5

WELLS FARGO BANK 1003
STONE CREEK VILLAGE 447 CANYON DEL REY BLVD DEL REY OAKS, CA 93940
DATE 4/9/09 11-4288/1210

PAY TO THE ORDER OF MPWMD $ 250—

Two hundred + fifty 3 00/100 DOLLARS

MEADOR TRUST UAD 100899
J DOUGLAS MEADOR TTE
LUANN MEADOR TTE
9648 POPLAR CT
CARMEL CA 93923-8031

Appeal Fee

⑈121042882⑆04124230488⑈1003

SUBMITTED BY APPLICANT

April 9, 2009

Monterey Peninsula Water
Management District
5 Harris Ct Bldg G
Monterey, Ca. 93942
Subject Property: 24700 Bit Rd Monterey, Ca. 93940
Owners: Doug and LuAnn Meador
Parcel: 416-193-013-000

Dear Board,

I'm submitting this appeal on 4/09/09.

Sequence of events.

We purchased this property in 1998 and started working on the process to remove the drainage facility so we could build on this property and remove the old house. After we higheréd many experts for this project to help the county water resource agency get it to an application phase. We were then able to submit it on Jun 6, 2006. We always had the long term to remove the existing house on the property and build a new house on these 19 acres, after the sediment dam was removed. So we could put back the property into a more natural state to clean up the property to build a beautiful home. This process has been a very grueling long process and very costly. The total is approximately $450,000.00 plus with the county, lawyers, civil engineers, working with the Monterey water resource agency, other experts to do analysis on the water, soil surveyors etc etc… in the last 9 yrs. This does not included the cost of the property.

The county still has not finalized the documents for this property on the below project as of 4/10/09 the county lawyers have been finalizing the amended map. The drainage easement was removed in Sept/Oct 2008. At this time we then started the house project to continue forward on the project. Hired an architect, civil engineers, mechanical engineers went to the county and to you, worked with the county agencies etc….

Numbers 1 through 3 where prepared by the county planner Elisa Manuguerra, who has been on this project since it's inception.

" According to our records, you started the process for the first permit on June 6, 2006. This is the chronology of your applications":

1. PLN060378 - COMBINED DEVELOPMENT PERMIT CONSISTING OF: (1) A USE PERMIT FOR DEVELOPMENT ON SLOPES IN EXCESS OF 30% TO ALLOW THE DEMOLITION OF AN EXISTING DRAINAGE FACILITY, THE CONSTRUCTION OF A REPLACEMENT DRAINAGE FACILITY REQUIRED TO MITIGATE STORMWATER RUNOFF WITHIN SUBWATERSHED NO. 7 AS DEFINED IN THE CANYON DEL REY WATERSHED MASTER DRAINAGE PLAN, AND GRADING (APPROX. 7,200 CU. YDS. CUT/7,200 CU. YDS. FILL); AND 2) AN ADMINISTRATIVE PERMIT TO ALLOW DEVELOPMENT WITHIN A SITE PLAN REVIEW DISTRICT OR "S" ZONING DISTRICT. THE PROPERTY IS LOCATED AT 24700 BIT ROAD, MONTEREY (ASSESSOR'S PARCEL NUMBER 416-193-013-000), GREATER MONTEREY PENINSULA AREA.

Application filed: August 4, 2006
Project approved by Planning Commission on July 9, 2008

2. PLN070643 - AMENDMENT TO THE MESA HILLS WEST FINAL MAP RECORDED AT VOL. 17, PG 12 PAR MAPS (RESOLUTION NO. MS 84-40) TO INCLUDE THE ABANDONMENT OF AN EXISTING 145,600 SQUARE FOOT DRAINAGE EASEMENT BOUNDARY AND THE DEDICATION OF A 25,000 SQUARE FOOT DRAINAGE EASEMENT BOUNDARY. THE PROPERTY IS LOCATED AT 24700 BIT ROAD, MONTEREY (ASSESSOR'S PARCEL NUMBER 416-193-013-000), GREATER MONTEREY PENINSULA AREA.

Application filed: February 14, 2008
Project approved by Minor Subdivision Committee on June 12, 2008

3. PLN090008 - COMBINED DEVELOPMENT PERMIT CONSISTING OF: (1) AN ADMINISTRATIVE PERMIT FOR DEVELOPMENT WITHIN A SITE PLAN REVIEW OR "S" ZONING DESIGNATION FOR THE DEMOLITION OF AND EXISTING 1,700 SQUARE FOOT SINGLE FAMILY DWELLING AND THE CONSTRUCTION OF A ONE-STORY 4,231 SQUARE FOOT SINGLE FAMILY DWELLING WITH ATTACHED 1,439 SQUARE FEET THREE CAR GARAGE AND A 600 SQUARE FOOT BARN WITH 156 SQUARE FOOT LOFT; (2) A USE PERMIT FOR THE CONSTRUCTION OF A ONE STORY 600 SQUARE FOOT CARETAKER'S UNIT WITH AN ATTACHED 580 SQUARE FOOT GARAGE AND 132 SQUARE FOOT OF COVERED PORCH. THE PROJECT IS LOCATED AT 24700 BIT ROAD, MONTEREY (ASSESSOR'S PARCEL NUMBER 416-193-013-000), GREATER MONTEREY PENINSULA AREA PLAN.

More History:

We went into the county to submit our plans on 1/15/09 got our PLN # 090008. The county then gave us the instructions and filing procedures on 1//29/09. They instructed me to visit the Monterey Peninsula Water Management and pick up the application. Which I did mid - February 09. I was told that I could only have the same fixtures in the current house applied to the new house, guest house with a bath room and a barn. I had already paid for plans for a 3 bedroom house with 4 bath rooms, hired mechanical engineers, civil engineers, soil surveyors etc...and had gone through the county health department that looked at the septic system to help us finalize the plans.

Much to my unhappiness after talking to your agency I started the process all over to convert the house to match the fixtures count. Now I was paying all the civil engineers, mechanical engineers, architect, Soil Surveys to relook

at the septic system a second time and re-do their work. This has caused us another major expense.

During this process I went to Water Management Resource Agency to have them sign your form as instructed by the County on 2/19/09. (I have enclosed the form they signed)While I was there they told me that my property was on the exempt list. I question them because I told them this is not what I was told at the Monterey Management offices and they made a call to your dept and confirmed what they were telling me, that this property was exempt from the exact water fixture count and that I could apply for the water needed on the project.

Needless to say, I was really upset that I was not told this at your agency after the costs I was now incurring costs a second time to redo everything to get the plans into the county plus the delay it had cause me in getting this back into the county.

I then stopped the process and went back to my original plans and visited your office a second time about 3/1/09 to pick up another form and I then asked again if there were any plans of any moratorium or any issues with water. They told me no but it could change at any time. I had also spoken to Gabbie and she had confirmed that I was in an exempt area but did say this could change at any time. I could not believe there was no prior notice of any kind on the final date and what does anytime really mean to a customer… nothing when you are in the process and have spend lots on money, time and energy into a project. You could not of just woke up one morning and said to day we are not taking applications but we will not tell the public for a week. This just can't be possible.

So I returned on 3/4/09 (See form attached) to the Monterey Resource agency had them sign again, the new form with my new request for water to complete my project. I was told to submit your form with my project to the county with my project.

Then on 3/25/09 I saw in the paper that there is a moratorium and you are no longer accepting applications received before last Friday, which was 3/20/09. There was no warning, no estimated time frame to get application into you. It was just unbelievable.

When I saw this in the paper I went right to your office on 3/26/09 and they showed me a paper that dated 3/20/09 for the Suspension of Receipt of Applications for New or Intensified Water use. On 3/31/09 I still handed in my list of things the county was requiring for the application. She had no knowledge of this notification.

I told your dept. that this process was totally criminal to put people through what I had been through with them for the last several months and not to be able to give them a pre- warning date or some kind of extended time frame date to get applications in to them knowing we were in the county process.

This seemed totally not fair to your public, your customers and that you had no desire to help those who have been in the process for development for a long time and who have spent an extreme amount of money preparing to get a permit from your dept and the county plus the time involved. I did everything I was told to do and then some. On this same day I still paid to have a water fixture count done on the property they accepted my payment and set the time

to have her come out. Your office let this move forward. On 4/7/09 the lady came to do the count and I told her how upset I was about the news release and asked her about sudden stoppage of applications. She told me I could file an appeal.

That same day 4/7/09 I went back to your office to get the form to complete. Then to be told that I had 21 days from 3/20/09 to get this into you. Which meant I had only 2 days left to complete this appeal application and get it you. Is this right? Your offices on 3/26/09 never even mentioned this to me that I could appeal. If I had not still continued on with the inspection of the water fixtures on the property I would of never known that I could appeal. How fair is this process.

I would not be in business if I ran my businesses in this fashion. I guess all that I have heard over the years about this dept being miss managed, not reasonable, unfair, was true? I did not believe it until now - when applicants in the process where given no formal warning with a lead time to facilitate people in the process of getting a permit with the county and you. Who have been working on a process for a very long time. A delayed press release with no prior notification of a reasonable time frame date, for people to finish up their applications and have completed projects into you to meet your deadlines- I mean no deadlines. I feel I have been working on this project for over 9 yrs and have been missed informed or I should say delayed informed in trying to get through your process with a very high cost to me financially.

I would understand if I had done nothing prior to your newspaper press release on 3/25/09 and had not visited your office many times as I had, asking the questions and had nothing into the county or been personally working on a project for a very long time.

I would hope you would re-look at this project and approve my appeal for the water credits needed to complete my project. This project would greatly improve the visual scenic site for the many hidden hills homeowners that drive past this property everyday and the fact they have been looking at this ugly site for so long. The very old house sitting on this property needs to be torn down and rebuilt - it is falling apart and needs a lot of work. The current size of this house would look very funny and unsightly to put a small house on this property. This property is the scenic gate way to this area. We are building on only a few of the 19 acres the rest is in scenic easement. I know that a big majority of homeowners would like to see this happen.

The reason is they (The homeowners of hidden hills) have had to financially participate in this project too. They were all responsible for the maintenance of this sentiment pond for over 25 years through their homeowner's dues. They have paid for part of the cost to have it removed, worked with us on this project for the last 9yrs and now the new area is almost maintenance free for them in the future.

If I can provide more information please let me know or if there is something else I should be doing to move this along to help you.

Sincerely,

LuAnn Meador

SUBMITTED BY APPLICANT

Owner
9648 Poplar Ct
Carmel,Ca. 93923
831-601-6355 Cell
831-624-4945 Home

SUBMITTED BY APPLICANT

MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY

PLANNING DEPARTMENT

168. Alisal St., Second Floor, Salinas CA. 93901
(831) 755-5025: (831) 757-9516
http://www.co.monterey.ca.us/pbi/

PLN090008

APPLICATION REQUEST FORM

Upon submittal of this Application Request Form, a planner will contact you to discuss your proposed application. In order to assist the planner in preparing for the appointment, please submit the information listed below with a $433.00 check payable to the County of Monterey. This fee will be credited to your application if submitted within six (6) months. If the Application is not submitted within six (6) months, the application will be voided.

1. **Owner(s)**
   Name: DOUG & LUANN MEADOR
   Address: 9648 POPLAR CT
   City: SALINAS Sate: CA Zip: 93908
   Phone: _____ Fax: _____ E-mail: _____

2. **Representative(s)/Applicant(s)**
   Name: Eric Miller Architects, INC
   Address: 157 Grand Ave – STE 106
   City: Pacific Grove State: CA Zip: 93950
   Phone: _____ Fax: _____ E-mail: _____

3. **Property Address/Location:** 24700 BIT ROAD - Monterey

4. **Assessors Parcel Number(s):** 416-193-013-000

5. **Describe Proposal:** See" Scope of Work"

6. **Submit a Conceptual Plot Plan indicating:**

- Parcel Size, Dimension, & Access
- Existing and/or Proposed Buildings
- Existing and/or Proposed Setbacks
- Proposed Height of Structures
- Contours (if applicable)
- Photographs of site
- Existing and/or Proposed Use of Buildings
- Existing and/or Proposed Wells & Septic Systems
- Proposed Tree Removal (Size and Type)
- Proposed Grading Estimate (cut & fill)
- Other: _____

x _____
Applicant Signature

x 1/15/09
Date:

Department Use Only

File #:
Zoning:
Area Plan:
Planning Team:
Permits Reqd:

Planner Assigned:
Date Submitted:
Submitted To:
Given Out By:
Comments:

SUBMITTED BY APPLICANT

MONTEREY COUNTY

PLANNING AND BUILDING INSPECTION DEPARTMENT

168 West Alisal Street, Salinas, CA 939061
Phone: (831) 755-5025

RECEIPT OF PAYMENT

Receipt #: R49873
Date: 03/31/2009
Paid By: MEADOR LU ANN PO BOX 22980 CARMEL CA 93922

File Number: PLN090008
Owner Name: MEADOR J DOUGLAS & LU ANN TRS
Parcel Number: 416-193-013-000
Project Location: 24700 BIT RD MONTEREY

Fee Code	Fee Description	Account	Payment Amt $
1000	Admin Permit-PLN	001-293-4171	2,000.00
1001	Admin Permit-PW	001-199-5313	404.00
1002	Admin Permit-WRA	203-930-5331	907.00
1003	Admin Permit-EH	001-414-5323	513.00
1006	Appt to Give Appl-PLN	001-293-4171	-450.00
1062	Design-Administrative	001-293-4171	450.00
1300	County Counsel	001-121-5279	170.00
1313	GP Implementation	001-293-4171	133.32
1329	Technology Fee	001-293-4171	147.00
2701	Plan Storage/Scanning	001-293-5333	24.50

PAYMENT INFORMATION

Method	Chk #	Amount $
Check		4,298.82

Receipt Issued by: ZURITAP Date 3/31/09

ZURITAP
Transaction ID: 000085011

SUBMITTED BY APPLICANT

MONTEREY COUNTY PLANNING AND
BUILDING INSPECTION DEPARTMENT
Salinas – 168 West Alisal, 2nd Floor, Salinas, CA 93902
Telephone: 831.755.5025 Fax: 831.757.9516
Coastal Office – 2620 First Avenue, Marina, CA 93933
Telephone: 831.883.7500 fax: 831.384.3261

INSTRUCTIONS AND FILING PROCEDURES FOR LAND USE AND DEVELOPMENT APPLICATIONS

Project Name: Meador

File Number: PLN090088 Project Planner: Elisa Manuguerra Phone: 755-5179

Planner E mail: manuguerrae @co.monterey.ca.us.

The attached sheet contains a checklist of materials, data and reports required for submittal of your development application where noted. Please feel free to contact your assigned project planner at any point in the development process regarding questions you may have about your application.

AN APPOINTMENT WITH STAFF IS NECESSARY TO SUBMIT APPLICATION MATERIALS.

FILING FEES:

The following filing fees have been calculated based on the submittal of your application request form and associated materials, and may be subject to change based upon final review of the application. Application fees are due and payable with submission of the application materials.

Type of Permit(s): Admin Permit & Design Approval

Planning and Building Inspection Department fees:	
Public Works fees:	See Attached
Water Resources Agency fees:	Statement
Environmental Health fees:	
County Counsel fees:	
Other Agency fees:	
Appointment request fee (subtract if submitted within 6 months of the appointment request)	
TOTAL FEE	$4,298.82

Certain types of applications are subject to an hourly fee of $84.00 per hour (see fee schedule). For those applications, the above fees are based on an estimate of the time normally spent on that type of project. The applicant will be charged $84.00 per hour for time spent in excess of the estimated time for the application.

Additional costs above the application fees will be incurred as part of the permit process, including costs necessary to comply with regulations and fees of other county agencies, conditions of approval, mitigation measures, and necessary agreements. **In addition, applications not exempt from the California Environmental Quality Act will require payment of a Fish and Game fee $1,275.00 ($875.00 if an EIR was prepared) as a condition of approval.**

THIS FORM MUST BE SUBMITTED WITH YOUR APPLICATION MATERIALS

SUBMITTED BY APPLICANT

APPLICATION PACKETS

The following information is required for submission of the project. This material must be collated and assembled into 8 packets of information. Plans must be full size, and folded into a size not to exceed 8½ by 14 inches. In addition, 1 sets of plans, reduced to 8½ by 11 inches will also be required. Reductions must be clearly legible. The packet shall be assembled in the following order:

		DEPT USE ONLY
1. 8	Copies of the completed Development Project Application	
2. N/A	Copies of the completed Coastal Development Permit supplemental application form. *(Coastal Zone Only)*	
3. 8	Copies of a site plan drawn to scale illustrating the following information:	
	a. Location of project (vicinity map)	
	b. Project Data Table listing the following items:	
	1. lot size	
	2. lot coverage (square foot and percentage covered)	
	3. floor area ratio for projects located in the Coastal Zone, Del Monte Forest and Carmel Valley Village only (square foot and percentage)	
	4. grading information (Cubic yards of cut and/or fill)	
	5. proposed tree removal (number and type of tree)	
	6. amount of impervious coverage (DMF only)	
	c. Entire lot and dimensions	
	d. Locations of all streets, rights-of-ways and easements	
	e. Location of all buildings and structures on the property including fences	
	f. Setbacks from property lines to proposed structures and between all existing and proposed structures	
	g. North arrow and scale	
	h. Contours, slope of land (the standard for contour intervals is 5' between lines of equal elevation. However, 2' or other contour interval may be required where necessary to address consistency with Ordinances or General Plan Policies. The contour interval to be shown on the plot plan for your project is 5')	
	i Location of all proposed grading and fill. Show maximum height of excavation and embankment	
	j. Location of all parking and access areas	
	k. Interior roadways and circulation	
	(l) Location of wells and septic system	
	m Existing vegetation (grasslands, brush, trees and vegetation to be removed) state size, type and number. Indicate diameter of trees, and indicate if the tree is proposed for removal	
	n. Location of wetlands, streams, creeks or any other water body	
	o. Proposed landscaping, if any	
	p. Areas subject to inundation and/or 100 year flood levels	

Include all easement areas to scale on sheet 1

Guesthouse must have same utilities as main house

SUBMITTED BY APPLICANT

q. Highlight or shade areas with slopes equal to or greater than 30% (in North County Coastal Zone indicate areas equal to or greater than 25%). Indicate on the plan the amount (in square feet) of land proposed for development equal to or greater than 30% (25% North County Coastal Zone)

r. Indicate any identified environmentally sensitive habitat, archaeological resources, historical sites and any identified hazards

4. 8 Copies of floor plans showing the following information:

a. Floor plans of all proposed buildings on the subject property showing room sizes, uses, entrances/exits, stairways and ramps

b. Floor plans of existing buildings on the subject property showing room sizes, uses, entrances/exits, stairways and ramps. If remodeling is involved, walls to be removed and/or to remain shall be clearly indicated

5. 8 Copies of exterior elevations showing the following:

a. All exterior elevations of proposed structures. If additions are proposed to an existing structure, existing and proposed portions of the structure shall be noted.

b. Types of materials and colors to be used

c. Roof appurtenances

d. Height of structures from average natural grade shall be dimensioned on elevations

e. Elevations and finished floor elevations shall be identified

f. Elevation of natural grade shall be identified

6. 8 Copies of the Assessor's page with the subject parcel highlighted

OTHER REQUIRED INFORMATION The following information is required for the application:

7. N/A One set of transparencies(maximum sheet size 8½" by 11") of each page of the plans

8. 1 A list of the names, addresses and Assessor's parcel numbers of all property owners within 300 feet of the property, including the owner of the subject property and representative for which this application is filed. The list shall be taken from the most recent records of the Monterey County Assessor.

N/A If the project is located in the Coastal Zone, the list must include tenants within 300 feet of the subject property.

9. 1 A copy of the Assessor's parcel book page showing the parcel on which development is proposed and parcels within 300 feet of the subject property. Please make a notation or highlight all the parcels on the map within 300 feet of the subject property

STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

On August 11, 2009, before me, LAURA F. BURGOS, a Notary Public for the State of California, personally appeared WILLIAM L. HOISINGTON, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Laura F. Burgos
Notary Public

LAURA F. BURGOS
Commission # 1747416
Notary Public - California
Contra Costa County
My Comm. Expires Jun 24, 2011

(Seal)

STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

On August 11, 2009, before me, LAURA F. BURGOS, a Notary Public for the State of California, personally appeared CAMERON W. WOLFE, JR., who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Laura F. Burgos
Notary Public

LAURA F. BURGOS
Commission # 1747416
Notary Public - California
Contra Costa County
My Comm. Expires Jun 24, 2011

(Seal)

SUBMITTED BY APPLICANT

10. N/A — Sets of pre-addressed stamped envelopes to be sent (no return address) to all persons listed on Item 8 within 300 feet of the subject property, including the applicant, owner, representative and *(Coastal Zone only)tenants*

11. ✓ — Legal description of subject property. Description must be typed on 8½" by 11" paper, with margins of at least one inch on all sides.

12. ✓ — Fire department requirements (additional information is attached)

ADDITIONAL REQUIRED INFORMATION

Information checked below is required because of the type of application and policies affecting the subject property and/or project.

13. ✓ — Completed Design Approval Request form with required materials

14. ✓ — Identification of water supply and sewage disposal methods, including names of systems involved (if any)

15. ✓ — Monterey Peninsula Water Management District Calculation forms

16. N/A — A hydrology report (additional information is attached)

17. N/A — Copies of well information sheet for projects with 5 or more water connections (see attached)

(18) 3 — Copies of a geological report prepared in conformance with California Division of Mines and Geology standards, that addresses seismic hazards, faulting, slope stability, liquefaction potential and other geologic hazards and which contains measures recommended by the geologist for any geologic hazards that are shown as a result of the report. The report shall be prepared by a California registered geologist (consultant list attached)

Can be contained in 1 Report

(19) 3 — Geotechnical report which addresses slope stability and foundation design prepared by a registered civil engineer or geological engineer (consultant list attached)

20. N/A — Copies of an archaeological report prepared by a recognized archaeologist (Society of Professional Archaeologists "SOPA" or Society of California Archaeologists "SCA") (consultant list attached)

21. N/A — Copies of a biotic survey prepared by a qualified biologist to determine presence of any rare and endangered species of habitat (consultant list attached)

22. ✓ — Copies of an erosion control plan

23. N/A — Copies of a forest management/assessment plan prepared by a registered forester are required (additional information is attached)

24 N/A — Copies of land disturbance target (LDT) for North County

SUBMITTED BY APPLICANT

25.	N/A	Copies of a coastal access plan are required (additional information is attached)	
26.	✓	Staking and flagging the proposed project are required before the project will be accepted for submittal. The staking and flagging shall conform to the height, dimensions and criteria adopted by the Board of Supervisors. Staking should be done in accordance with #2 of the attached criteria	
27.	N/A	Copies of supplemental application for 30% slope exception (in North County Coastal Zone 25% slope) (additional information is attached). The request for the slope exception shall include the amount of development proposed to be located on slopes greater than or equal to 30% (or 25% in North County Coastal Zone areas (see attached)	
28.	N/A	Copies of a Traffic Report prepared by a qualified consultant	
29.	N/A	Congestion management information form is required (additional information is attached)	
30.	✓	Criteria for guesthouse (additional information is attached)	
31.	N/A	Criteria for senior citizen units (additional information is attached)	
32.		A letter of justification for farm labor housing is required (see attached)	
33.		Copies of "Statement for Labor Camp" (see attached)	
34.		A letter of justification for a caretakers unit is required (see attached)	
35		Copies of an employee housing plan (additional information is attached)	
36.		A letter of justification for a variance is required (see attached)	
37.		Copies of an inclusionary housing intention compliance form are required (see attached)	
38.		Copies of surface mining reclamation plan (see attached)	
39.		Copies of a General Development Plan are required (additional information is attached)	
40.		Other:_____	

REVIEW AND APPEAL PROCEDURE FOR DEVELOPMENT PROJECT APPLICATIONS

1. All applications are reviewed by the Planning and Building Inspection Department, Division of Environmental Health, Public Works, Parks, Water Resources Departments and appropriate Fire District for conformity with adopted plans, zoning requirements, subdivision

SUBMITTED BY APPLICANT

determine if the proposed project may have significant impact upon the environment. One of the following determinations will be made:

a. The proposed project is "categorically exempt" -- no further environmental review is required.

b. The proposed project will not have significant effect on the environment, and a Negative Declaration will be prepared.

c. The proposed project may have a significant impact on the environment, and an Environmental Impact Report will be required to fully assess the potential environmental effects of the project.

3. After application review and environmental determination, an administrative meeting or public hearing will be scheduled before the appropriate hearing body or officer as required by either the Monterey County Zoning Ordinances or Monterey County Subdivision Ordinance.

4. The applicant will be notified of the hearing date. The applicant or the applicant's designated representative should be present at the public hearing or administrative hearing.

5. Approval or disapproval of a proposed development project application by the hearing body will be based upon recommendations and comments from County staff, other public agencies, citizens present or sending correspondence and all other public testimony taken at the hearing. The hearing body can accept, reject, or modify any findings or tentative conditions of approval at the time of the public hearing in an adopted resolution.

6. Any decision may be appealed to the appropriate hearing body by anyone aggrieved within ten days after the date the resolution is mailed to the applicant.

7. Building Permits will not be issued, nor any use conducted, other than in accordance with the conditions and terms of the development project application approval until ten days after the mailing of the resolution granting the permit by the Appropriate Approving Authority, or after granting of the permit by the Board of Supervisors in the event of an appeal.

8. When a development project application is denied, no new project application for substantially the same use shall be considered for one year following such denial.

Posting Procedure

Approximately two weeks before the public hearing date, the applicant will receive by mail three notices of public hearing and an "affidavit of posting" form. The applicant shall post the three notices, on or near the project site in places visible and attainable to the public, ten days before the public hearing date. The "affidavit of posting" form must be filled out and returned to the Monterey County Planning and Building Inspection Department seven days before the public hearing. Failure to post these notices will result in continuance or denial of the development project application.

Advisory Committee

The Monterey County Planning Commission has appointed various citizen advisory committees to comment and recommend on development project applications.

Your application will be referred to the Greater Hart. Penn. Land Use Advisory Committee.

NOTE: *Your development project application will not be accepted for review unless all the applicable materials, data and reports accompany the application. An application for a discretionary permit does not entitle or grant the land use for which the application has been made.*

Instructions and Procedures given by:

Elisa Manuglieva Date: 1/29/09

Received by:

_____ Date: _____

SUBMITTED BY AFI [illegible]

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

RESIDENTIAL WATER RELEASE FORM AND WATER PERMIT APPLICATION

NOTE: When approved and signed by the jurisdictions, this form must be submitted with final and complete Construction Plans to:
Monterey Peninsula Water Management District Permit Office
5 Harris Court, Bldg. G ~ Monterey, CA 93940 ~ (831) 658-5601 ~ www.mpwmd.dst.ca.us
Completing the Water Release Form & Water Permit Application does not guarantee issuance of a Water Permit.

ALL SPACES BELOW MUST BE COMPLETED OR THE APPLICATION MAY NOT BE PROCESSED. *(Please print firmly)*

1. OWNERSHIP INFORMATION:
Name: DOUG & LuANN MEADOR
Daytime telephone: (831) 601-6355
Mailing Address: 9648 POPLAR CT
CARMEL CA 93923

2. AGENT/REPRESENTATIVE INFORMATION:
Name: ERIC MILLER ARCHITECTS INC
Daytime telephone: (831) 372-0410
Mailing Address: 157 GRAND AVE STE 106
PACIFIC GROVE, CA, 93950

3. PROPERTY INFORMATION:
What year was the house constructed? 1970 Existing Square-footage 1750 Proposed Square-footage 4321
Address: 24700 Bit RD MONTEREY CA Assessor Parcel Number 416-193-013
Is a water meter needed? (Circle one) YES (NO) If yes, how many meters are requested? _____
Water company serving parcel: CAL-AM

NOTE: Separate water meters are required for each User. Residential uses require separate meters for all auxiliary housing that includes a kitchen.

4. PROJECT DESCRIPTION (Be thorough and detailed): DEMO OF (E) RESIDENCE, CONSTRUCTION OF (N) SINGLE FAMILY RESIDENCE W/ DETACHED 4-CAR GARAGE. (N) GUESTHOUSE W/ ATTACHED 2-CAR GARAGE. (N) BARN

5. INSTRUCTIONS: *Table #1 should list the fixtures on the property as they exist before the project. Table #2 should reflect all fixtures on the property after the project is completed. Only one Master Bathroom can be designated per residence.*

Table No. 1 Existing Property Fixture Count
(All fixtures before project)

Type of Fixture	Fixture		Value		Count
Washbasin (lavatory sink), each	11	x	1.0	=	2.0
Two Washbasins in the Master Bathroom•		x	1.0	=	
Toilet, Ultra Low-Flush (1.6 gallons-per-flush)	11	x	1.7	=	3.4
Toilet, High Efficiency (HET)*		x	1.3	=	
Toilet, Ultra Low-Flush (0.5 gallon-per-flush)*		x	1.0	=	
Urinal (1.0 gallon-per-flush)		x	1.0	=	
Urinal (0.5 gallon-per-flush)		x	0.5	=	
Zero Water Consumption Urinal*		x	0.0	=	
Masterbath (one per site): Tub & separate shower•		x	3.0	=	
Large Bathtub (may have Showerhead above)		x	3.0	=	
Standard Bathtub (may have Showerhead above)	17	x	2.0	=	4.0
Shower, Separate Stall		x	2.0	=	
Shower additional fixtures: heads, body spray, etc.		x	2.0	=	
Kitchen Sink (with optional Dishwasher)	1	x	2.0	=	2.0
Kitchen Sink with Ultra-Low Consumption Dishwasher*		x	1.5	=	
Dishwasher, each additional (with optional sink)		x	2.0	=	
Dishwasher, ultra-low consumption (with opt. sink)*		x	1.5	=	
Laundry Sink/Utility Sink (one per Residential Site)	1	x	2.0	=	2.0
Washing Machine	1	x	2.0	=	2.0
Washing Machine, ultra-low (18 gals. max. per cycle)*		x	1.0	=	
Washing Machine, ultra-low (28 gals. max. per cycle)*		x	1.5	=	
Bidet		x	2.0	=	
Bar Sink		x	1.0	=	
Entertainment Sink		x	1.0	=	
Vegetable Sink		x	1.0	=	
Swimming Pool (each 100 sq-ft of pool surface)		x	1.0	=	
Other _____		x		=	
Other _____		x		=	
Other _____		x		=	

• Use this fixture count if a previous Permit was issued under Ordinance 80 to utilize the Master Bathroom Credit. See District staff for more information.

Table No. 2 Post Project Fixture Count
(All fixtures after project)

Type of Fixture	Fixture		Value		Count
Washbasin (lavatory sink), each	5	x	1.0	=	5.0
Two Washbasins in the Master Bathroom	1	x	1.0	=	1.0
Toilet, Ultra Low-Flush (1.6 gallons-per-flush)	6	x	1.7	=	10.2
Toilet, High Efficiency (HET)*		x	1.3	=	
Toilet, Ultra Low-Flush (0.5 gallon-per-flush)*		x	1.0	=	
Urinal (1.0 gallon-per-flush)		x	1.0	=	
Urinal (0.5 gallon-per-flush)		x	0.5	=	
Zero Water Consumption Urinal*		x	0.0	=	
Masterbath (one per site): Tub & separate shower	1	x	3.0	=	3.0
Large Bathtub (may have Showerhead above)		x	3.0	=	
Standard Bathtub (may have Showerhead above)	4	x	2.0	=	8.0
Shower, Separate Stall		x	2.0	=	
Shower additional fixtures: heads, body spray, etc.		x	2.0	=	
Shower system (per specs)		x		=	
Kitchen Sink (optional dishwasher)	2	x	2.0	=	4.0 4
Kitchen Sink with Ultra Low Cons. Dishwasher*		x	1.5	=	
Dishwasher, each additional (optional sink)		x	2.0	=	
Dishwasher, ultra-low (with opt. sink)*		x	1.5	=	
Laundry Sink/Utility Sink (one per Site)	1	x	2.0	=	2.0
Washing Machine	2	x	2.0	=	4.0
Washing Machine, ultra-low (18 gals. max per cycle)*		x	1.0	=	
Washing Machine, ultra-low (28 gals. max per cycle)*		x	1.5	=	
Bidet		x	2.0	=	
Bar Sink		x	1.0	=	
Entertainment Sink		x	1.0	=	
Vegetable Sink	1	x	1.0	=	1.0
Outdoor Water Uses New Connection - Lot 10,000 sf or less					
1) 50% of interior fixtures or		x		=	
2) 25% of interior when native plants		x		=	
Lots over 10,000 sq-ft, see Water Budget Information for MAWA before proceeding.					
Outdoor Water Uses New Connection - Lot greater than 10,000 sf					36.2
1) 50% interior, plus MAWA over 50%		x		=	
Subtotal proposed fixtures				=	35.22
Swimming Pool (ea. 100 sq. ft. of surface)		x	1.0	=	
Instant Access Hot Water System (fixture credit)	1	x	<0.5>	=	-0.5

EXISTING FIXTURE UNIT COUNT TOTAL = 15.4 PROPOSED FIXTURE UNIT COUNT TOTAL = 35.22 27.1

*DEED RESTRICTION REQUIRED WHEN CREDIT IS APPLIED FOR ULF APPLIANCES-*EXPECT PERMIT PROCESS TO TAKE THREE WEEKS*

In completing the Water Release Form, the undersigned acknowledges that any discrepancy or mistake may cause rejection or delay in processing of the application. Additionally, the undersigned is responsible for accurately accounting for all water fixtures. If the fixture unit count changes without notification to the District, or if a difference in fixtures is documented upon official inspection, Water Permits for the property may be canceled. In addition, water fixtures installed without a Water Permit may be cause for interruption of the water service to the Site, additional fees and penalties, the imposition of a lien on the property, and deduction of water from the local Jurisdiction's Allocation. The property owner/Applicant is required to notify the District and provide Architectural Drawings as appropriate for each change in the Project made prior to use or occupancy that may affect the Project's Capacity to use water.

6. I certify, under penalty of perjury, that the information provided on this Water Release Form & Water Permit Application is to my knowledge correct, and the information accurately reflects water use presently planned for this property.

Signature of Owner/Agent — Date: 2/28/09 — Location Where Signed: 9648 Poplar Ct Carmel Ca 93923

Print Name: LuAnn Meador

File or Plan Check Number: PLN 090065

AUTHORIZATION FOR WATER PERMIT – JURISDICTION USE ONLY

_____ *AF Paralta Allocation* _____ *AF Public Allocation* _____ *AF 2nd Bathroom Protocol*
_____ *AF Pre-Paralta* _____ *WDS (Private Well)* _____ *Water Entitlement* ✓ *No water needed*

NOTES: HDDR HLS Authorized by: [signature] Date: 2/4/09

This form expires one year from date of authorization for this project by the jurisdiction.

White copy-MPWMD *Yellow copy-applicant* *Pink copy-jurisdiction*

SUBMITTED

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

RESIDENTIAL WATER RELEASE FORM AND WATER PERMIT APPLICATION

NOTE: When approved and signed by the jurisdictions, this form must be submitted with final and complete Construction Plans to:

Monterey Peninsula Water Management District Permit Office

5 Harris Court, Bldg. G – Monterey, CA 93940 ~ (831) 658-5601 ~ www.mpwmd.dst.ca.us

Completing the Water Release Form & Water Permit Application does not guarantee issuance of a Water Permit.

ALL SPACES BELOW MUST BE COMPLETED OR THE APPLICATION MAY NOT BE PROCESSED. *(Please print firmly)*

1. OWNERSHIP INFORMATION:

Name: DOUG & LuANN MEADOR

Daytime telephone: (831) 601-6355

Mailing Address: 9648 POPLAR CT

CARMEL, CA 93923

2. AGENT/REPRESENTATIVE INFORMATION:

Name: ERIC MILLER ARCHITECTS INC

Daytime telephone: (831) 372-0410

Mailing Address: 157 GRAND AVE STE 106

PACIFIC GROVE, CA, 93950

3. PROPERTY INFORMATION:

What year was the house constructed? 1970 Existing Square-footage 1750 Proposed Square-footage 4321

Address: 24700 Bit RD MONTEREY CA Assessor Parcel Number 416-193-013

Is a water meter needed? (Circle one) YES (NO) If yes, how many meters are requested? _____

Water company serving parcel: CAL-AM

NOTE: Separate water meters are required for each User. Residential uses require separate meters for all auxiliary housing that includes a kitchen.

4. PROJECT DESCRIPTION (Be thorough and detailed): DEMO OF (E) RESIDENCE, CONSTRUCTION OF (N) SINGLE FAMILY RESIDENCE W/DETACHED 4-CAR GARAGE, (N) GUESTHOUSE W/ATTACHED 2-CAR GARAGE, (N) BARN

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(All fixtures before project)

Type of Fixture	Fixture		Value		Count
Washbasin (lavatory sink), each	11	x	1.0	=	2.0
Two Washbasins in the Master Bathroom*		x	1.0	=	
Toilet, Ultra Low-Flush (1.6 gallons-per-flush)	11	x	1.7	=	3.4
Toilet, High Efficiency (HET)*		x	1.3	=	
Toilet, Ultra Low-Flush (0.5 gallon-per-flush)*		x	1.0	=	
Urinal (1.0 gallon-per-flush)		x	1.0	=	
Urinal (0.5 gallon-per-flush)		x	0.5	=	
Zero Water Consumption Urinal*		x	0.0	=	
Masterbath (one per site): Tub & separate shower*		x	3.0	=	
Large Bathtub (may have Showerhead above)		x	3.0	=	
Standard Bathtub (may have Showerhead above)	11	x	2.0	=	4.0
Shower, Separate Stall		x	2.0	=	
Shower additional fixtures: heads, body spray, etc.		x	2.0	=	
Kitchen Sink (with optional Dishwasher)	1	x	2.0	=	2.0
Kitchen Sink with Ultra-Low Consumption Dishwasher*		x	1.5	=	
Dishwasher, each additional (with optional sink)		x	2.0	=	
Dishwasher, ultra-low consumption (with opt. sink)*		x	1.5	=	
Laundry Sink/Utility Sink (one per Residential Site)	1	x	2.0	=	2.0
Washing Machine	1	x	2.0	=	2.0
Washing Machine, ultra-low (18 gals. max. per cycle)*		x	1.0	=	
Washing Machine, ultra-low (28 gals. max. per cycle)*		x	1.5	=	
Bidet		x	2.0	=	
Bar Sink		x	1.0	=	
Entertainment Sink		x	1.0	=	
Vegetable Sink		x	1.0	=	
Swimming Pool (each 100 sq-ft of pool surface)		x	1.0	=	
Other _____		x		=	
Other _____		x		=	
Other _____		x		=	

* Use this fixture count if a previous Permit was issued under Ordinance 80 to utilize the Master Bathroom Credit. See District staff for more information.

Table No. 2 Post Project Fixture Count
(All fixtures after project)

Type of Fixture	Fixture		Value		Count
Washbasin (lavatory sink), each	5	x	1.0	=	5.0
Two Washbasins in the Master Bathroom	1	x	1.0	=	1.0
Toilet, Ultra Low-Flush (1.6 gallons-per-flush)	6	x	1.7	=	10.2
Toilet, High Efficiency (HET)*		x	1.3	=	
Toilet, Ultra Low-Flush (0.5 gallon-per-flush)*		x	1.0	=	
Urinal (1.0 gallon-per-flush)		x	1.0	=	
Urinal (0.5 gallon-per-flush)		x	0.5	=	
Zero Water Consumption Urinal*		x	0.0	=	
Masterbath (one per site): Tub & separate shower	1	x	3.0	=	3.0
Large Bathtub (may have Showerhead above)		x	3.0	=	
Standard Bathtub (may have Showerhead above)	4	x	2.0	=	8.0
Shower, Separate Stall		x	2.0	=	
Shower additional fixtures: heads, body spray, etc.		x	2.0	=	
Shower system (per specs)		x		=	
Kitchen Sink (optional dishwasher)	2*	x	2.0	=	4.0 4
Kitchen Sink with Ultra Low Cons. Dishwasher*		x	1.5	=	
Dishwasher, each additional (optional sink)		x	2.0	=	
Dishwasher, ultra-low (with opt. sink)*		x	1.5	=	
Laundry Sink/Utility Sink (one per Site)	1	x	2.0	=	2.0
Washing Machine	2	x	2.0	=	4.0
Washing Machine, ultra-low (18 gals. max per cycle)*		x	1.0	=	
Washing Machine, ultra-low (28 gals. max per cycle)*		x	1.5	=	
Bidet		x	2.0	=	
Bar Sink		x	1.0	=	
Entertainment Sink		x	1.0	=	
Vegetable Sink		x	1.0	=	
Outdoor Water Uses New Connection - Lot 10,000 sf or less	1	x	1.0	=	1.0
1) 50% of interior fixtures or		x		=	
2) 25% of interior when-native plants		x		=	
Lots over 10,000 sq-ft, see Water Budget Information for MAWA before proceeding.					
Outdoor Water Uses New Connection - Lot greater than 10,000 sf					
1) 50% interior, plus MAWA over 50%		x		=	36.2
Subtotal proposed fixtures					35.2
Swimming Pool (ea. 100 sq. ft. of surface)		x	1.0	=	
Instant Access Hot Water System (fixture credit)	1	x	<0.5>	=	(0.5)
TOTAL				=	35.7

EXISTING FIXTURE UNIT COUNT TOTAL = 15.4 PROPOSED FIXTURE UNIT COUNT

*DEED RESTRICTION REQUIRED WHEN CREDIT IS APPLIED FOR ULF APPLIANCES-*EXPECT PERMIT PROCESS TO TAKE THREE WEEKS*

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In completing the Water Release Form, the undersigned acknowledges that any discrepancy or mistake may cause rejection or delay in processing of the application. Additionally, the undersigned is responsible for accurately accounting for all water fixtures. If the fixture unit count changes without notification to the District, or if a difference in fixtures is documented upon official inspection, Water Permits for the property may be canceled. In addition, water fixtures installed without a Water Permit may be cause for interruption of the water service to the Site, additional fees and penalties, the imposition of a lien on the property, and deduction of water from the local Jurisdiction's Allocation. The property owner/Applicant is required to notify the District and provide Architectural Drawings as appropriate for each change in the Project made prior to use or occupancy that may affect the Project's Capacity to use water.

6. I certify, under penalty of perjury, that the information provided on this Water Release Form & Water Permit Application is to my knowledge correct, and the information accurately reflects water use presently planned for this property.

Doug Meador — 2/28/09 — 9648 Poplar Ct Carmel, Ca 93923

Signature of Owner/Agent — Date — Location Where Signed

LuAnn Meador

Print Name

File or Plan Check Number PLN 090057

AUTHORIZATION FOR WATER PERMIT – JURISDICTION USE ONLY

_____ *AF Paralta Allocation* _____ *AF Public Allocation* _____ *AF 2nd Bathroom Protocol*

_____ *AF Pre-Paralta* _____ *WDS (Private Well)* _____ *Water Entitlement* ✓ *No water needed*

NOTES: #1 DEA #1 HLS Authorized by: _____ Date: 2/4/09

This form expires one year from date of authorization for this project by the jurisdiction.

White copy-MPWMD *Yellow copy-applicant* *Pink copy-jurisdiction*

SUBMITTED BY APPLICANT

HAND DELIVERED

RECEIVED
APR 09 2009
MPWMD

Monterey Peninsula Water Management District

DISCLOSURE STATEMENT
(EX PARTE COMMUNICATIONS)

Name or description of project, action, etc.: 24700 Bit RD Monterey, Calif

Names and addresses of all persons authorized to communicate with the Board of Directors on this matter:

Name	Address
LuAnn Meador	9648 Poplar Ct Carmel, Ca 93923
Doug Meador	9648 Poplar Ct Carmel, Ca 93923
John Bridges	Fenton & Keller 2801 Monterey-Salinas Hwy Monterey, Ca 93940

This *Disclosure Statement* is completed in my capacity as ☒ the Applicant for matter referenced in the first line, or as ☐ an authorized Agent of the Applicant. My signature evidences I am duly authorized to act on behalf of all individuals and/or entities that have an ownership interest in this matter (exceptions shall be noted by checking this box ☐ and providing a complete explanation as an attachment to this *Disclosure Statement*).

I understand this *Disclosure Statement* is required to list the names and addresses of all persons authorized to communicate with the Directors of the Water Management District on this matter. I further understand and agree to revise and amend this *Disclosure Statement* whenever any other person is authorized to communicate regarding this matter. Oral disclosure of agents shall not satisfy this requirement.

I understand and agree that failure to disclose the name of individuals who shall communicate with the District Board Members on behalf of the applicant shall subject the matter referenced above to immediate review and denial. Further, I understand that if denial is based on failure of either the applicant or of an authorized agent of the applicant to comply with these disclosure requirements, no request for approval of an identical or similar matter shall be granted for a period of twenty-four (24) months from the date this matter is denied.

I declare the foregoing to be true and correct of my own personal knowledge. I have signed this form this 9 day of April, 2009. This form is signed in the City of Monterey, State of California.

LuAnn Meador
Name (print)

Signature

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EXHIBIT 16-B

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

July 7, 2009

Craig Anthony, General Manager
California American Water
PO Box 951
Monterey, CA 93942-0951

Subject: **Hidden Hills Unit of California American Water Distribution System – Notice of Violation of District Rule 40-D and Suspension of Receipt of Applications For New or Intensified Water Use**

Dear Mr. Anthony:

This letter is a follow-up to my letter dated March 20, 2009 regarding the Hidden Hills system and the Board hearing dated May 21, 2009 regarding appeals of my decision that the Pro Rata Expansion Capacity (PREC) for the Hidden Hills system had been exceeded and, as a consequence, receipt of applications for new or intensified water use was suspended, effective March 20, 2009. In my March 20, 2009 letter, I noted that California American Water (Cal-Am), as owner and operator of the Hidden Hills system, is required to prepare and implement a plan to bring the system back into balance. To date, the District has not received any information from Cal-Am regarding its plan to bring the Hidden Hills system back into balance, e.g., to reduce the current amount of average annual amount of production needed to meet the current average annual demand of each Hidden Hills system connection, i.e., 0.521 acre-feet per year per connection as described in March 20, 2009 letter, to less than or equal to the permitted PREC value of 0.482 acre-feet of production per connection for the Hidden Hills system. Please let the District know in writing when Cal-Am will provide its plan to bring the Hidden Hill system into balance so that all permitted connections will receive water service.

To assist you, District staff has developed a "Solutions Matrix" that lists possible means to address the three appeals of my decision that were received and that would be consistent with District rules and regulations. This matrix is enclosed and includes physical and regulatory actions. The matrix also includes information regarding the process and timing for implementing each action. District staff is available to discuss the matrix with you and your staff.

Lastly, please note that the District Board's hearing to consider Cal-Am's appeal of my decision was continued and will be considered at the Board's July 20, 2009 meeting. Any information that you wish to provide in advance should be submitted to the District's Water Demand Manager, Stephanie Pintar, no later than Tuesday, July 14, 2009.

Thank you for your cooperation in this matter.

Sincerely,

Darby Fuerst
General Manager

Enclosures:
1. Hidden Hills PREC Solutions Matrix, dated July 7, 2009

Cc: MPWMD Directors
Henrietta Stern, Project Manager
Stephanie Pintar, WDD Manager
David C. Laredo, General Counsel
Lloyd Lowery, HHSRA Counsel

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Enclosure

HIDDEN HILLS PREC SOLUTIONS MATRIX
Possible Means to Address Appeals and Be Consistent with MPWMD Rules & Regulations
July 7, 2009

ACTION	PROCESS	TIMING	NOTES
PHYSICAL			
1. CAW reduces unaccounted for water (UAW) use to meet CPUC and MPWMD standards.	CAW can act at any time, but will likely request assurance of CPUC reimbursement for costs. MPWMD could require action based on water waste ordinance.	Uncertain—depends on CAW action. MPWMD water waste action could be within 1-2 months.	MPWMD standard for UAW use is 7%. Industry standard in CPUC order is 10%. Allowed standard in current CPUC rate case is 13.8%. Actual UAW use is 14.2% for WY 2008. Strongly recommend full CAW system audit, and replacement of all substandard pipelines in the system. Consider public-private partnership and other creative funding mechanisms to fix leaks rather than wait for 2012 CPUC rate case.
2. Merge Hidden Hills with other Hwy 68 Systems (Ryan Ranch and/or Bishop).	CAW must apply to amend WDS permit; CEQA review needed (may not be exempt); public hearing.	6-9 months for CEQA and permit on fast track	Goal is greater flexibility and treatment of three Hwy 68 systems as one unit, consistent with adjudication. Adjudication directive toward zero use for Hwy 68 systems is a formidable issue.
3. Permanent intertie of Hidden Hills to "main system" (Carmel River + Seaside Coastal).	CAW must apply to amend WDS permit; CEQA review needed (would not be exempt); public hearing.	1+ year due to environmental review	Significant environmental issues re: use of Carmel River, cumulative effects. Potential concerns re: main system customers subsidizing perceived excessive use in Hidden Hills due to large homes and extensive landscaping.
REGULATORY			
4. Increase Production Limit to increase baseline PREC.	CAW must apply to amend WDS permit; CEQA review (not exempt); public hearing.	6-9 months for CEQA and permit on fast track	Rule 22 requires denial if action will create or exacerbate an existing overdraft. Adjudication orders eventual reduction of CAW supply to zero for Hwy 68 systems. Changing PREC to match Bishop system's number (suggested at hearing) is not supportable because each system had an EIR or other assessment to support the original system limits. Questionable feasibility.
5. Decrease Connection Limit to increase baseline PREC.	Same as above.	4-9 months, depending on CEQA	Need careful assessment of CAW connection data; how tabulated; why does monthly number vary so greatly? Must assess how many vacant lots remaining. See also #4 above.
6. Reduce consumer demand, including County enforcement of its existing landscape restrictions and/or new, strict MPWMD outdoor water use rules.	Current and near-term rate changes, incentives, education to reduce consumer use. Work with County to enforce their landscape restrictions. MPWMD rule changes would require ordinance process and CEQA.	Education can begin immediately; County timing uncertain; at least 4 months for new MPWMD rules.	Requires coordination and cooperation with MPWMD, Monterey County, CAW and CPUC. Uncertain commitment by County to revise/enforce its regulations. MPWMD could adopt strict outdoor water use rules, but this would only impact new construction. Explore options under "water emergency."

Enclosure

HIDDEN HILLS PREC SOLUTIONS MATRIX
Possible Means to Address Appeals and Be Consistent with MPWMD Rules & Regulations
July 7, 2009

7. County limits future home size in Hidden Hills to match PREC.	Request County to limit number of fixtures and size of home to match PREC average for any new approval.	Uncertain – new County ordinance?	This entails action by Monterey County to limit fixtures and landscaping in any new home approved to meet PREC average. Such restrictions are in place for new subdivisions, but have not been applied to an already approved subdivision nearing buildout.
8. MPWMD allows only certain projects in progress to go forward – continue moratorium.	Board directive to keep moratorium, but allow projects that have achieved specified milestones to move forward.	Immediate action by Board	Must decide how far along in County process to set cutoff and what date. Assess water use for projects already permitted but not built, plus those in progress. Compare to anticipated use in WY 2009 to see if adverse risk of exceeding production limit. Assess water use data for WY 2009 through May (115 AF) and projected likely use for June-September (e.g., 98 AF for WY 2008). If total is reasonably below 229.9 AFY (it is 213 AF in this example), this may be a viable idea. Must have enough cushion to facilitate permitted projects that have yet to be built, and not go over 229.9 AF limit.
9. MPWMD lifts moratorium, but accepts only applications for homes within PREC limit.	Board directive to lift moratorium, but accept new applications only if estimated water use amount is $\leq$ PREC average	Immediate action by Board	See #8 re: assess if below 229.9 AFY for WY 2009. Increases risk of going over limit and automatic shutdown. Include weekly monitoring of all permits and monthly water use in system.
10. MPWMD lift moratorium only if specified action taken by CAW.	Board directive to lift moratorium and specify the action needed.	Immediate action by Board with multi-month timelines for CAW action	Suggest combining #9 and #10, if approved. Action should include required replacement of inadequate pipe. Alternatives are (1) lift moratorium now and re-impose if no timely action, or (2) do not lift until CAW achieves specified milestone first (e.g., contract to replace leaky pipe).
11. Relax PREC analysis triggers.	Board determines not to impose PREC restrictions unless actual PREC value is outside a specified "uncertainly margin" (e.g., $\pm$ 5%)	Requires new ordinance to amend Rule 40-C, D and E, with CEQA review	As an example, if goal PREC is 0.50 AFY/connection, then Rule 40-D enforcement would not occur unless a value of 0.525 AFY is exceeded consistently. This provides "wiggle room" to account for errors. However, it also enables greater use than was planned for in baseline EIRs and permits.

EXHIBIT 16-C

CALIFORNIA
AMERICAN WATER

California American Water – Monterey
511 Forest Lodge Rd, Suite 100
Pacific Grove, CA 93950
amwater.com

July 14, 2009

(transmitted via e-mail, fax and hard copy)

Mr. Darby Fuerst
General Manager
Monterey Peninsula Water Management District
5 Harris Court, Bldg G.
Post Office Box 85
Monterey, CA 93940-0085

Subject: Hidden Hills Implementation Plan

Dear Mr. Fuerst,

This letter presents the action plan to bring the Hidden Hills system back into compliance with the Pro Rata Expansion Capacity connection level of 0.482 acre-feet of production per connection. The plan relies on a number of actions to address customer over usage and reduction of system unaccountable water use.

The first issue is to verify the number of existing connections in Hidden Hills. The number of connections used for the connection pro rata calculation is the number of customers found on the CAW monthly Consumption Report. The Consumption Report actually identifies the number of bills generated by the monthly meter reading process. The Consumption Report overestimates the actual number of connections receiving water. For example, when a property is sold two bills are issued in a single month; both seller and buyer receive a bill resulting in over counting connections. CAW has audited the connection history for Hidden Hills with the following actual connection results:

Date	Connections
January 2000	395
October 2000	396
February 2000	397
April 2001	398
June 2001	399
August 2001	400
June 2002	401
August 2002	402
June 2003	403
September 2003	405
November 2003	407
August 2004	409
September 2004	411
February 2005	412
April 2005	413
May 2005	414
September 2005	415
October 2005	416

November 2005	418
August 2006	420
December 2006	421
July 2007	422
September 2007	423
July 2008	424

The following actions are in process to reduce customers' usage, address leaks and meter measurement issues:

1. Customer Meters: CAW is currently about half way complete in changing all customer meters. The meters in Hidden Hills were scheduled for replacement this year using the American Water 15 year replacement schedule (more aggressive than the CPUC 20 year replacement schedule). The entire system meter replacement program will be completed in 6 to 8 weeks. The meter replacement program insures that the water is being measured; a customer meter under registering overstates unaccounted for water. Also, the meter replacement program allows the visible inspection of all connections to insure the meters are not bypassed.

2. Water Main Replacement: The recent CPUC decision allows CAW to spend $546,000 on Hidden Hills main replacement. CAW is aggressively moving forward with this main replacement program targeting the existing electrical conduit that is used for water mains in a portion of Hidden Hills. In the recent month, two main breaks occurred on electrical conduit mains.

3. Acoustic Leak Detection (MLOG): CAW has installed an MLOG on every tenth meter in the main and satellite systems. While the MLOG is installed the activation of the MLOG is being phased in. Recently a main leak occurred on Boots Road in Hidden Hills and a nearby MLOG helped indentified the leak which was running under ground, down a French drain, and into a culvert. The MLOG will continue to have a positive impact on reducing water loss system wide.

4. CAW has analyzed all customer water usage for the last 24 months. The result of this review has identified several customer leaks and individual excessive water use. The review also identified that the water use at the CAW Hidden Hills treatment plant was excessive with CAW being one of the top 10 annual water users in the system, which has been corrected. The analysis also clearly identified that landscape watering is a major contributor to excessive water use in Hidden Hills. CAW is working with individuals to reduce landscape water demands.

5. The recent approved rate structure and rate level will encourage conservation, especially impacting customers with large landscaping use. The new rates will have a significant impact on customer behavior as the cost of water will more than double over the three year CPUC rate decision.

6. Over the recent months the 12-month rolling per connection average has been trending down. We believe this is a function of increased attention on Hidden Hills water issues and the anticipation of new water rates. The actions identified above should accelerate the downward trend.

CAW appreciates the District staff "Solutions Matrix" provided in their July 7, 2009 letter on the Hidden Hills issue. We are working on the physical solutions to reduce unaccounted for water and insuring that customer and production meters are accurate. We do not support increasing the system production limit, as any increase of system production limits or modification of existing connection limits will negatively impact bringing the system into line with existing water supplies.

This action plan will reduce water use in Hidden Hills and accelerate the decreasing downward per connection use trend. CAW recommends that all pending connection applications be approved and the Board direct CAW and staff to update the Board quarterly on the progress to bring the system within the production limit.

Sincerely,

Craig E. Anthony
General Manager
Central Division

Cc: Stephanie Pintar