

DRAFT

FINDINGS of APPROVAL

**CONSIDER APPLICATION TO AMEND CALIFORNIA
AMERICAN WATER DISTRIBUTION SYSTEM –
INTERCONNECTION OF RYAN RANCH AND BISHOP UNITS
IN SEASIDE BASIN FOR EMERGENCY USE**

Donor Service area: Bishop Unit WDS

Recipient Service Area: Ryan Ranch Unit WDS

Application #20150430RRB, Permit #M15-03-L3

Adopted by MPWMD Board of Directors on June _____, 2015

*Unless noted otherwise, all cited documents and materials are available for review at the
MPWMD Office, 5 Harris Court, Building G, Monterey (Ryan Ranch).*

It is hereby found and determined as follows:

1. **FINDING:** Applicant **California-American Water Company (CAW)**, a California corporation, is the current owner and operator of two separate Water Distribution Systems (WDS) known as the Ryan Ranch Unit and the Bishop Unit. The 312-acre Ryan Ranch Unit is located within the City of Monterey, and serves non-residential uses. The 1,036-acre Bishop Unit is located within unincorporated Monterey County, and serves both residential subdivisions and non-residential uses. Both Units have Water Supply Permits from the State of California, and are considered valid WDS by the Monterey Peninsula Water Management District (MPWMD or District). In 2009, MPWMD reduced the System Capacity and instituted a moratorium on new Connections in the Ryan Ranch Unit due to insufficient supply. In most years, emergency augmentation is needed in summer/fall from the “main” CAW water system that draws water from the Monterey Peninsula Water Resource System (Carmel River Basin and Coastal Subarea of the Seaside Groundwater Basin). CAW requests an intertie between the Ryan Ranch and Bishop Units for emergency use, referred to herein as the “CAW/Ryan Ranch-Bishop Interconnection.”

EVIDENCE: Application #20150430RRB submitted April 30, 2015, including site maps, lists of Parcels, County and State Permits and other materials.

California Department of Public Health Services, *Certificate of Issuance of a Water Supply Permit to California American Water Company – Ryan Ranch Water System*, Permit #0524134 dated May 24, 2013; California Department of Public Health Services, *Certificate of Issuance of a Water Supply Permit to California American Water Company – Bishop Water System*, Permit #02-05P-2701882 dated February 1, 2013. MPWMD *Conditions of Approval in Support of the Cal-Am request to Annex the Ryan Ranch Mutual Water Company as a Subunit of the Cal-Am System*, dated November 13, 1989; MPWMD *Conditions of Approval for Application for Annexation of Laguna Seca Ranch Subdivision Into the Bishop Water Company Service Area*, dated October 21, 1996. MPWMD *Final Findings, Conclusions and Decision [regarding Ryan Ranch Unit] Hearing on Insufficient Supplies*, dated June 18, 2009; MPWMD *Annual Water Production Summary for Ryan Ranch Unit (1990-2014)*, dated November 24, 2014. Staff agenda package prepared for MPWMD Board of Directors Public Hearing (Item 18) on June 15, 2015.

2. FINDING: Both the Ryan Ranch and Bishop Units are within CAW’s Monterey Division, but are operated as separate independent units from CAW’s “main” WDS. The Ryan Ranch and Bishop Units (along with the Hidden Hills Unit) comprise the three CAW “satellite systems” in the Laguna Seca Subarea of the Seaside Groundwater Basin. The Seaside Groundwater Basin is an adjudicated basin governed by the Seaside Basin Watermaster in compliance with a 2006 Decision by the Monterey County Superior Court.

EVIDENCE: Permit application materials specified in Finding #1. Map of CAW Service Area. Seaside Groundwater Basin Adjudication Judgment dated March 27, 2006, as amended, Monterey Superior Court Case #M66343, *California American Water vs. City of Seaside et al.* (referred to herein as the “Adjudication Decision”).

3. FINDING: The Monterey County Environmental Health Bureau (MCEHB) approved Bishop Well #3 in 2010 to augment Bishop Unit production from Wells #1 and #2. Well #3 was completed in December 2010, and replaced Well #2, which was destroyed in 2011.

EVIDENCE: Permit application specified in Finding #1, including MCEHB Well #3 Construction Permit #10-11766 issued May 24, 2010, and California Well Completion Report #e0116033 signed April 26, 2011; MCEHB Well #2 Destruction Permit #11-11875, and California Well Completion Report #e0116034 (destruction) signed April 26, 2011.

4. FINDING: The Applicant has applied for a Permit to amend both the Ryan Ranch and Bishop Unit WDS Conditions of Approval to enable treated Bishop

Unit water to augment Ryan Ranch supply as an emergency measure during those periods when the Ryan Ranch Unit capacity is insufficient. The water would be conveyed via a new, 300-foot, one-way pipeline in the vicinity of York Road, the construction of which to be approved as a separate matter by the affected jurisdictions. No other changes to the Ryan Ranch Unit or Bishop Unit WDS are proposed.

EVIDENCE: Permit application materials specified in Finding #1; MPWMD Permit #M15-03-L3, Amended Conditions of Approval #1 through #4, and #13 for both the Ryan Ranch Unit and Bishop Unit WDS; Special Condition #27 for the Ryan Ranch Unit.

5. FINDING: Approval of the Application for the emergency interconnection does not change the current System Limits for either the Ryan Ranch Unit or Bishop Unit WDS.

EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit #M15-03-L3, Amended Condition of Approval #3 for both the Ryan Ranch Unit and Bishop Unit WDS; Special Condition #27 for the Ryan Ranch Unit.

6. FINDING: The application for CAW/Ryan Ranch-Bishop Interconnection, along with supporting materials, is in accordance with District Rule 21 and Rule 22.

EVIDENCE: Permit application materials specified in Finding #1; “Notice of Public Hearing” letter to CAW from MPWMD dated June 2, 2015; MPWMD Rules and Regulations.

Required Findings (MPWMD Rule 22-B)

7. FINDING: The approval of the Permit would not cause unnecessary duplication of Potable water service within any existing system. The proposed CAW/Ryan Ranch-Bishop Interconnection from the Bishop Unit would be used only in emergency situations when Ryan Ranch Unit supplies are insufficient to meet customer needs. [Rule 22-B-1]

EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit #M15-03-L3, Amended Conditions of Approval #1 through #4, and #13 for both the Ryan Ranch Unit and Bishop Unit WDS.

8. FINDING: The approval of the Permit would not result in water importation or exportation to or from the District, respectively. The referenced water systems are located wholly within the MPWMD and are within the Laguna Seca Subarea of the Seaside Groundwater Basin. [Rule 22-B-2]

EVIDENCE: District boundary location maps.

9. FINDING: Approval of the application would not result in significant adverse impacts to “Sensitive Environmental Receptors” (SER) as defined by MPWMD Rule 11, including the Seaside Groundwater Basin and the Carmel Valley Alluvial Aquifer (CVAA). The application would replace emergency supply from the main CAW system (CVAA and Seaside Coastal Basin sources) with supply from the Bishop Unit (Laguna Seca Subarea source). This would reduce impacts to the CVAA and comply with the Superior Court’s determination that using CAW Wells further inland is an overall benefit to the ongoing integrity of the Seaside Basin, and is part of the Physical Solution. [Rule 22-B-3]

EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit #M15-03-L3, Amended Condition of Approval #13 for both the Ryan Ranch Unit and Bishop Unit WDS; Seaside Basin Adjudication Decision referenced in Finding #2.

10. FINDING: The Ryan Ranch and Bishop Units have specified water rights as determined by the Superior Court as part of the Seaside Basin Adjudication Decision. [Rule 22-B-4]

EVIDENCE: Adjudication Decision specified in Finding #2.

11. FINDING: Previous action by MPWMD in 1996 determined that there is a long-term reliable source of water supply for the Bishop Unit with a System Capacity of 295 Acre-feet per Year (AFY) production for 454 Connections. Since then, Bishop Well #3 was added to further augment supply. Current (year 2014) production is 158 AFY serving 404 Connections. Based on the past five years of data (excluding year 2012 when the Ryan Ranch Unit treatment plant was being replaced), an estimated 1.9 AFY on average (with 4.91 AFY maximum) would be needed from the Bishop Unit for emergency supply to Ryan Ranch. Water use from Bishop Unit customers, combined with the anticipated intertie amount (~160 AFY), is roughly 46% below the 295 AFY production limit, with 89% of the Connections already active. Notably, the California Public Utilities Commission (CPUC) in April 2015 approved future CAW plans to fully integrate the three “satellite systems” described in Finding #2 with the main CAW system once the Monterey Peninsula Water Supply Project is completed, further adding to supply reliability in the future. [Rule 22-B-5]

EVIDENCE: Ryan Ranch production history and June 15, 2015 MPWMD staff agenda materials referenced in Finding #1; MPWMD Annual WDS Production Summary Report for Water Year 2014 received by the MPWMD Board on April 20, 2015; CPUC Decision 15-04-007

approving the General Rate Case for CAW Application A.13-07-002.

12. **FINDING:** The source of water supply for Ryan Ranch and Bishop Unit Wells is the Laguna Seca Subarea of the Seaside Groundwater Basin. The cumulative effects of issuance of this WDS Permit do not result in significant adverse impacts to the Source of Supply or the species and habitats dependent on the Source of Supply due to compliance with the Adjudication Decision issued by the Superior Court. [Rule 22-B-6]
- EVIDENCE:** MPWMD Permit #M13-03-L3, Amended Conditions of Approval #1 through #4, and #13 for both the Ryan Ranch Unit and Bishop Unit WDS; Adjudication Decision specified in Finding #2.
13. **FINDING:** The Source of Supply for the Ryan Ranch and Bishop Units is not derived from the Carmel Valley Alluvial Aquifer or the Monterey Peninsula Water Resource System. The Source of Supply is not within the jurisdiction of the State Water Resources Control Board (SWRCB), and has not been determined to be tributary to the Source of Supply for any other system. The Source of Supply is from aquifers within the Laguna Seca Subarea of the Seaside Groundwater Basin. [Rule 22-B-7]
- EVIDENCE:** MPWMD maps showing boundaries of project area and jurisdiction of the SWRCB; MPWMD hydrogeologic maps on file; MPWMD Permit #M15-03-L3, Amended Conditions of Approval #1 through #4, and #13 for Ryan Ranch Unit and Bishop Unit WDS.
14. **FINDING:** MPWMD Permit #M15-03-L3 allows a physical intertie from the Bishop Unit to the Ryan Ranch Unit to be used in emergency circumstances only. The proposed project will reduce emergency production from the main CAW WDS, which is currently used when Ryan Ranch Unit supplies are insufficient; this may be viewed as an environmental benefit. Augmentation from the main CAW WDS is only allowed via written permission by the MPWMD General Manager in emergency situations when both the Ryan Ranch and Bishop Units have documented insufficient supplies. Any CAW Source of Supply may be used in a fire emergency. [Rule 22-B-8]
- EVIDENCE:** Permit application materials specified in Finding #1; MPWMD Permit #M15-03-L3, Amended Conditions of Approval #1 and through #4, and #13 for both the Ryan Ranch Unit and Bishop Unit WDS.
15. **FINDING:** A back-flow protection device to prevent contamination of the CAW system is not necessary as CAW is the water purveyor. Both Units are certified by the State of California; only treated Bishop Unit water will be transferred to Ryan Ranch. [Rule 22-B-9]

EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit #M15-03-L3, Amended Conditions of Approval #13, #14 and #15 for both the Ryan Ranch Unit and Bishop Unit WDS.

Minimum Standards for Granting a Permit (MPWMD Rule 22-C)

16. FINDING: The application adequately identifies the Responsible Party as California- American Water Company, a California Corporation. [Rule 22-C-1]

EVIDENCE: Permit application materials specified in Finding #1.

17. FINDING: The application meets the definition of a “Multiple-Parcel Connection System” as water will be provided by CAW, a regulated Public Utility with roughly 40,000 customers, for commercial, residential and/or landscape use on Ryan Ranch Unit and Bishop Unit Parcels. Compliance with California Title 22 water quality standards is the authority of the SWRCB Division of Drinking Water. [Rule 22-C-2]

EVIDENCE: Permit application specified in Finding #1. MPWMD Permit #M15-03-L3, Conditions of Approval #1, #2, #3, and #15. California Administrative Code, Title 22.

18. FINDING: The application identifies the location of the Source of Supply for the Ryan Ranch and Bishop Units as CAW Wells in the Laguna Seca Subarea of the Seaside Groundwater Basin. [Rule 22-C-3]

EVIDENCE: Permit application materials specified in Finding #1; MPWMD Permit #M15-03-L3, Amended Condition of Approval #4 for both the Ryan Ranch Unit and Bishop Unit WDS.

19. FINDING: The approval of the application would not create an Overdraft or increase an existing Overdraft of a Groundwater basin. The Superior Court has determined the “natural safe yield” and specified pumping rights of property owners in the Seaside Basin as part of the Adjudication Decision. Reliance on Bishop Unit Wells rather than Wells in the Seaside Coastal Subarea for emergency supply for the Ryan Ranch Unit helps CAW comply with the Physical Solution ordered by the Superior Court. [Rule 22-C-4]

EVIDENCE: Adjudication Decision specified in Finding #2. MPWMD Permit #M15-03-L3, Amended Conditions of Approval #1 through #4, and #13 for Ryan Ranch Unit and Bishop Unit WDS.

20. FINDING: The approval of the application would not adversely affect the ability of existing systems to provide water to Users due to conditions of

approval that limit future water use to a reasonable and acceptable amount, consistent with the Seaside Basin Adjudication. [Rule 22-C-5]

EVIDENCE: Adjudication Decision specified in Finding #2; MPWMD Permit #M15-03-L3, Amended Conditions of Approval #1 through #4, and #13 for Ryan Ranch Unit and Bishop Unit WDS; California Water Code.

Compliance with California Environmental Quality Act (CEQA)

21. FINDING: In the review of this application, MPWMD has followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Section 15000, *et seq.* Specifically, the MPWMD as a lead agency under CEQA for the requested emergency water transfer determined that a Class 1 Categorical Exemption is applicable due to minor alterations to existing facilities that involve “negligible expansion” of an existing use, as defined in CEQA Guidelines Section 15301(b). This decision is based on facts regarding current water use, and negligible changes expected in the future with the approval of the subject application. The District also reviewed the CEQA “Exceptions” to exemptions (Guidelines 15300.2) and determined that the criteria to override an exemption were not met. The District has also determined that the City and/or County of Monterey have jurisdiction over the environmental review and approval of construction of the interconnection pipeline, which is not part of this action.

EVIDENCE: CEQA and CEQA Guidelines, Section 15301; CEQA Guidelines Section 15300.2. MPWMD Notice of Exemption for CAW/Ryan Ranch-Bishop Interconnection dated [to be inserted] 2015. Staff agenda package prepared for MPWMD Board of Directors Public Hearing (Item 18) on June 15, 2015. Minutes of MPWMD Board of Directors Public Hearing (Item 18) conducted on June 15, 2015. MPWMD Permit #M15-03-L3, Amended Conditions of Approval #1 through #5, and #13, and Special Conditions for Ryan Ranch Unit and Bishop Unit WDS.