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**EXHIBIT 18-A**

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September 22, 2015

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RECEIVED

SEP 22 2015

MPWMD

**VIA HAND DELIVERY**

Monterey Peninsula Water Management District  
Attn: Henrietta Stern  
5 Harris Court, Building G  
Monterey, CA 93940

Re: DBO/Cal-Am Application to Amend WDS Permit- Seaside Basin Adjudicated Right  
Our File: 30646.27923

Dear Ms. Stern:

I am writing on behalf of D.B.O. Development No. 30 ("D.B.O.") to submit the enclosed Application for a Permit to Create or Amend a Water Distribution System to allow California-American Water Company ("Cal-Am") to "wheel" a portion of D.B.O.'s Seaside Groundwater Basin water right under the terms of the enclosed Agreement Regarding Front-Loading Delivery of Water between D.B.O. and Cal-Am ("Agreement"). Under the Agreement, D.B.O. will lease up to 15 acre-feet of its Standard Production Allocation ("SPA") right to Cal-Am, which Cal-Am will produce from its existing Seaside Basin wells and deliver through its existing distribution system to serve properties in the Seaside Basin and Cal-Am's service area designated by D.B.O. to receive such water.

The judgment in the Seaside Basin Adjudication as amended ("Amended Decision") established D.B.O.'s right to produce a percentage of the Operating Yield and Natural Safe Yield ("NSY") in the amounts described in the Amended Decision. D.B.O.'s share of NSY has averaged approximately 30 AF over the past 5 years. After the final ten-percent triennial reduction mandated under the Amended Decision, D.B.O.'s annual base allocation (i.e., share of NSY) will continue to exceed the 15 AF subject to lease under the Agreement. In addition to its annual base allocation, D.B.O. also has a substantial carryover credit balance under the Amended Decision.

While the D.B.O./Cal-Am arrangement is similar to Cal-Am's arrangement with Cypress Pacific Investors, LLC ("Cypress Pacific") approved by the MPWMD Board on September 15, 2014, there are two significant differences. First, whereas Cypress Pacific had to

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convert a portion of its Alternative Production Allocation (“APA”) right to an SPA right before the transfer, all of D.B.O.’s adjudicated right is already categorized as an SPA right under the Amended Decision. Therefore, no conversion from an APA right to an SPA rights is necessary.


Second, and more importantly, D.B.O. will rely on its “free” Carryover Credits and its share of the NSY under the Amended Decision as the source of water for its lease arrangement with Cal-Am. Neither of these amounts is subject to the triennial reductions under the Amended Decision. Therefore, the amount of water under D.B.O.’s lease arrangement with Cal-Am (15 AF) is not subject to the triennial reductions in Operating Yield mandated by the Amended Decision. This means that the reduction MPWMD applied to the Cypress Pacific wheeling amount would not be applied to reduce the 15 AF under D.B.O.’s lease arrangement with Cal-Am. The D.B.O. amount will, however, be subject to the 7% system loss reduction.

Like Cal-Am’s arrangement with Cypress Pacific, the parcels on which the D.B.O.’s leased water will be used will not be designated until a later time. Under the Agreement, Cal-Am cannot produce or use leased water except to deliver water to the designated properties. Consequently, Cal-Am’s account cannot be charged for pumping D.B.O. water under the Agreement until such properties have been designated and the use on such properties has actually commenced. D.B.O. has asked the Watermaster to debit D.B.O.’s Watermaster account for any such water used first against D.B.O.’s “free” Carryover Credits until such “free” Carryover Credits have been exhausted, and second against D.B.O.’s share of Natural Safe Yield.

We look forward to working with you toward approval of the enclosed application. Please let me know if you have any questions or comments regarding the foregoing.

Very truly yours,

FENTON & KELLER  
A Professional Corporation



David C. Sweigert

DCS:kmc

Enclosures

cc: David Stoldt (via email, w/encls.)  
Eric Sabolsice (via email, w/encls.)  
Patrick Orosco (via email, w/encls.)

**EXHIBIT 18-A**  
**MONTEREY PENINSULA**  
  
**WATER**  
**MANAGEMENT DISTRICT**

**APPLICATION for a PERMIT to CREATE or AMEND a  
WATER DISTRIBUTION SYSTEM or MOBILE WDS**

Revised May 21, 2014

For detailed guidance, maps and weblinks, please visit the District website at:  
<http://www.mpwmd.dst.ca.us/pae/wds/wds.htm> (see "2014 Implementation Guidelines").  
For staff assistance, contact 831-658-5621 or [henrietta@mpwmd.net](mailto:henrietta@mpwmd.net).

Form received on 9/22/2015 by J. Stern  
Fee Received: \$1,200 (Level 1 or 2);  \$3,000 (Level 3)  
ID# WDS- 20150922 DBO

Please complete the table below (attach extra sheets as needed):

#	QUESTIONS	FILL IN ANSWERS BELOW
1	<b>System Name</b>	Cal-Am/DBO
2	<b>Assessor's Parcel ## (list all)</b>	If multiple parcel, identify APN for well/facility location and APN of parcels receiving water from WDS or Mobile WDS. (See attached for APNs of water rights source)
3	<b>Physical Address or Location</b>	Seaside Adjudicated Basin
4	<b>Name of Applicant</b>	DBO Development No. 30
5	<b>Mailing Address</b>	(Street or PO) c/o Ted Lim, 10 Harris Court, Suite B-1
6	<b>City, State, Zip</b>	Monterey, CA 93940
7	<b>Phone/fax/email:</b>	831-649-0220
8	<b>Agent (if applicable)</b>	(i.e., person who may receive paperwork on behalf of applicant/owner)
9	<b>Agent mailing address</b>	
10	<b>Agent City, State, Zip</b>	
11	<b>Agent phone/fax/email</b>	
12	<b>Hydrogeologist (if applicable)</b>	(e.g., licensed professional who has conducted well testing and evaluation) N/A - Existing System
13	<b>Hydro mailing address</b>	
14	<b>Hydro City, State, Zip</b>	
15	<b>Hydro phone/fax/email</b>	
16	<b>Is this an amendment to an existing WDS?</b>	<input checked="" type="radio"/> YES or NO. If yes, identify previous MPWMD permit #, if any. # _____ Describe planned changes. (see attached)

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17	<b>Is this a Mobile WDS?</b>	YES or <input type="radio"/> NO. If yes, go to Row 50
18	<b>Is this a water well?</b>	YES or <input type="radio"/> NO. If no, go to Row 21.
19	<b>MCEHB<sup>1</sup> Permit # and issuance date</b>	(One for each well)
20	<b>DWR Well Completion Report # and date</b>	(One for each well)
21	<b>Within MPWRS<sup>2</sup> ?</b>	<input checked="" type="radio"/> YES or NO. Consult with District staff if unsure; see definition in footnote.
22	<b>&gt;1,000 ft. MPWRS?</b>	YES or NO. Consult with District staff if unsure. See Section 4.0 of 2014 Implementation Guidelines. N/A
23	<b>≤1,000 ft. MPWRS?</b>	YES or NO. Consult with District staff if unsure. Staff will assess well log re: potential impacts; additional testing may be required. See Section 4.2 of 2014 Implementation Guidelines. N/A
24	<b>Seaside Basin source?</b>	<input checked="" type="radio"/> YES or NO. If yes, Adjudication documentation and/or approval from Watermaster are required. See Section 5.0 of 2014 Implementation Guidelines.
25	<b>CV Alluvium source?</b>	YES or <input type="radio"/> NO. If yes, water rights documentation is required. See Section 6.0 of 2014 Implementation Guidelines. District staff will confirm if alluvial.
26	<b>Fractured rock spring or seep?</b>	YES or <input type="radio"/> NO. If yes, state if onsite or offsite use, and if potable (drinking water) or non-potable use. See Section 7.0 of 2014 Implementation Guidelines.
27	<b>River/tributary direct diversion?</b>	YES or <input type="radio"/> NO. If yes, water rights documentation is required. See Section 7.0 of 2014 Implementation Guidelines. Describe system.
28	<b>Dam/reservoir?</b>	YES or <input type="radio"/> NO. If yes, water rights documentation and EIR is required. See Section 7.0 of 2014 Implementation Guidelines.
29	<b>Desal plant?</b>	YES or <input type="radio"/> NO. If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines.
30	<b>Reclamation plant?</b>	YES or <input type="radio"/> NO. If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines.
31	<b>Rainwater harvest + offsite delivery?</b>	YES or <input type="radio"/> NO. If yes, describe. See Section 7.0 of 2014 Implementation Guidelines.
32	<b>Other water systems?</b>	YES or <input type="radio"/> NO. Describe. See Section 7.0 of 2014 Implementation Guidelines. (see attached)
33	<b>Estimated production</b>	Unit is acre-feet per year (AFY). See Section 2.9 of 2014 Implementation Guidelines. (see attached)
34	<b>Total acreage served</b>	(Break out acreage of each parcel served) To be determined
35	<b>Type of water use?</b>	(e.g., drinking water, irrigation only) To be determined
36	<b>Type of land use?</b>	(e.g., residential, commercial, agriculture) To be determined
37	<b>New subdivision?</b>	YES or <input type="radio"/> NO. CEQA document from lead agency is required.
38	<b>In CAW<sup>3</sup> service area?</b>	<input checked="" type="radio"/> YES or NO.
39	<b>Active CAW service?</b>	What is currently served by Cal-Am on the property (e.g., home or business)? N/A
40	<b>What is Zoning?</b>	N/A

<sup>1</sup> MCEHB= Monterey County Environmental Health Bureau

<sup>2</sup> MPWRS= Monterey Peninsula Water Resource System (i.e., Carmel Valley Alluvial Aquifer, Carmel River/tributaries, and Seaside Basin)

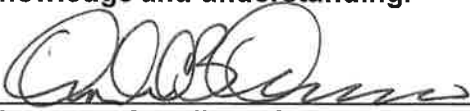
<sup>3</sup> CAW = California American Water Company

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41	<b>Environmental information</b>	Describe CEQA documentation and Lead Agency, if applicable. Per Appeal Court decision, no environmental review shall be required to process this application.
50	<b>Is Mobile WDS source within MPWMD?</b>	YES or <b>(NO)</b> If yes, describe source and location. See Rows 21 - 32 for possibilities.
51	<b>Is water source outside MPWMD?</b>	YES or <b>(NO)</b> If yes, describe source and location.
52	<b>Source agency and approval</b>	If outside MPWMD, identify source agency with authority. Attach written documentation that the source water may be exported to serve applicant. N/A
53	<b>Describe intended use (long-term)</b>	Mobile WDS may only be non-potable (e.g., irrigation, pools only) unless an emergency. N/A
54	<b># parcels served?</b>	Use Request for Exemption form if service is to 3 or fewer parcels from a source out side MPWMD. N/A
55	<b>Emergency drinking water service?</b>	YES or <b>(NO)</b> If yes, describe situation.
60	<b>Other relevant information or unique considerations?</b>	Refer to Question #. Attach explanatory sheets as needed.
<b>ATTACHMENTS</b>		
A1	<b>Parcel Maps</b>	Assessor's Parcel Map (see attached)
A2	<b>MCEHB permit(s)</b>	
A3	<b>DWR well log(s)</b>	
A4	<b>Well registration forms</b>	
A5	<b>Well meter sign-offs</b>	
A6	<b>Grant deed</b>	Grant Deed to D.B.O. Development No. 30 (see attached)
A7	<b>Water rights docs.</b>	Seaside Basin Amended Decision (see attached)
A8	<b>Environmental docs.</b>	
A9	<b>Mobile WDS approval</b>	
A10	<b>Application fee (check)</b>	(see attached)
A11	<b>Other</b>	Front Loading Agreement

*This Request for Exemption must be signed by the person who is identified in a recorded Deed as the owner of the parcel on which the well or other water producing facility is located. If multiple owners, at least two must sign.*

**Under penalty of perjury, I verify that the above information is accurate to the best of my knowledge and understanding.**

  
 \_\_\_\_\_  
**Signature of Applicant/System Owner**

9/17/15  
 \_\_\_\_\_  
**Date**

Printed name of Applicant: Donald B. Orosco

\_\_\_\_\_  
**Signature of Applicant/System Owner**

\_\_\_\_\_  
**Date**

Printed name of Applicant: \_\_\_\_\_

**EXHIBIT 18-A**

**ATTACHMENT TO  
DBO DEVELOPMENT NO. 30  
APPLICATION FOR A PERMIT TO CREATE OR AMEND A  
WATER DISTRIBUTION SYSTEM OR MOBILE WDS**

The following information is submitted in conjunction with the above-referenced application. Item numbers below refer to the item numbers on the accompanying application.

**APPLICATION ITEM # 2-** Assessor's Parcel Numbers for water supply source:

APN 011-011-035	APN 011-011-043
APN 011-011-036	APN 011-011-044
APN 011-011-037	APN 011-011-045
APN 011-011-038	APN 011-011-046
APN 011-011-039	APN 011-011-047
APN 011-011-040	APN 011-011-048
APN 011-011-041	APN 011-011-049
APN 011-011-042	APN 011-011-051

**APPLICATION ITEM # 16-** This application is to allow Cal-Am to produce up to 15 AF under DBO's adjudicated Seaside Basin Standard Production Allocation Right from Cal-Am's existing Seaside Basin wells to be distributed through Cal-Am's existing distribution system for use on parcels within the Seaside Basin and within Cal-Am's service area. The locations of specific properties to receive water will be determined at a later time.

**APPLICATION ITEM # 32-** See response to Application Item 16 (No. 2), above.

**APPLICATION ITEM # 33-** The proposed amendment will result in an increase in production of up to 15 AFA from Cal-Am's existing Seaside Basin wells.