

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month. The meetings begin at 7:00 PM.



AGENDA

Regular Meeting Board of Directors Monterey Peninsula Water Management District

Monday, August 17, 2015

Closed Session - 6:30 pm

Regular Meeting - 7:00 pm

**Conference Room, Monterey Peninsula Water Management District
5 Harris Court, Building G, Monterey, CA**

Staff notes will be available on the District web site at
<http://www.mpwmd.net/asd/board/boardpacket/2015>
by 5 PM on Friday, August 14, 2015.

Brenda Lewis will participate by telephone from 1758 Broadway Avenue, Seaside, CA 93955

The 7 PM Meeting will be televised on Comcast Channels 25 & 28. Refer to broadcast schedule on page 3.

6:30 PM - CLOSED SESSION

As permitted by Government Code Section 54956 et seq., the Board may adjourn to closed or executive session to consider specific matters dealing with pending or threatened litigation, certain personnel matters, or certain property acquisition matters.

PUBLIC COMMENT – Members of the public may address the Board on the item or items listed on the Closed Session agenda.

ADJOURN TO CLOSED SESSION

1. **Conference with Real Property Negotiators (Gov. Code 54956.8)**
 - A. Address: 1910 General Jim Moore Blvd., Seaside, CA 93955
Agency Negotiator: David J. Stoldt, General Manager
Under Negotiation: Price and Terms

2. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
 - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO (6th District Appellate Case #H039566

ADJOURN TO 7 PM SESSION

Board of Directors

Kristi Markey, Chair – Division 3
Jeanne Byrne, Vice Chair – Division 4
Brenda Lewis – Division 1
Andrew Clarke - Division 2
Robert S. Brower, Sr. – Division 5
David Pendergrass, Mayoral Representative
David Potter, Monterey County Board of Supervisors Representative

General Manager

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Wednesday, August 12, 2015. Staff reports regarding these agenda items will be available for public review on 8/13/15, at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District office during normal business hours, and posted on the District website at <http://www.mpwmd.net/asd/board/boardpacket/2015>. Documents distributed at the meeting will be made available in the same manner. The next regular meeting of the Board of Directors is scheduled for September 21, 2015 at 7 pm.

7:00 PM - REGULAR BOARD MEETING

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

ORAL COMMUNICATIONS: Anyone wishing to address the Board on Consent Calendar, Information Items, Closed Session items, or matters not listed on the agenda may do so only during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on all other items at the time they are presented to the Board.

CONSENT CALENDAR: The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes.

1. Consider Adoption of Minutes of the July 20, 2015 Regular Board Meeting
2. Consider Contract with Maddaus Water Management Inc. for Commercial Water Efficiency Training
3. Authorize a Change to the Organization Chart Adding a Conservation Representative I/II Position
4. Consider Expenditure for Carmel River Thalweg Profile
5. Authorize Expenditure for Software Maintenance Agreements
6. Consider Approval of Fourth Quarter Fiscal Year 2014-2015 Investment Report
7. Consider Approval of May 2015 Treasurer's Report

GENERAL MANAGER'S REPORT

8. Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision
9. Report from DeepWater Desal Project Representatives
10. Report on Drought Response

ATTORNEY'S REPORT

11. Report from District Counsel on 6:30 pm Closed Session

DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

12. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations

PUBLIC HEARINGS – Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

13. **Consider Second Reading and Adoption of Ordinance No. 165 Amending Rules 11, 21, 23 and 23.1 and Adding Rule 23.7 to Establish a Water Entitlement for Malpasos Water LLC**
Action: The Board will receive public comment and consider second reading and adoption of Ordinance No. 165.
14. **Consider Approval of Application #WDS-20150715MAL to Create Malpasos Water Distribution System (WDS) and Amend California-American Water Company WDS Pursuant to SWRCB License #13868A, California-American Water Company and Malpasos Water Company, LLC, Co-Applicants**
 - A. Approve Application to Create Malpasos WDS, Parcel APN 015-162-038 (Well Lot)
 - B. Approve Application to Amend California-American Water Company WDS to Receive Malpasos Source of Supply (CAW/Malpasos Amendment)

***Action:** The Board will consider approval of an application to create the Malpas Water Distribution System, and amend the California-American Water Distribution System. The MPWMD serves as a Responsible Agency in this matter in compliance with the California Environmental Quality Act (CEQA). The District relies on the Environmental Impact Report for the Eastwood/Odello Water Right Change Petition certified by the SWRCB on July 3, 2015.*

- 15. Consider Approval of Application #WDS-20150715RYA to Transfer Cypress Pacific Water Rights to Community Hospital of the Monterey Peninsula (CHOMP) Parcels in Ryan Ranch**
- A. Consider Approval of Amendment to Ryan Ranch Unit Water Distribution System (WDS) to Enable Service to CHOMP, Parcels APN 259-221-004 and -005, California-American Water Company, Applicant**
- B. Consider Approval of Ryan Ranch WDS System Capacity Amendment in Compliance with MPWMD Decision on Insufficient Physical Supplies (June 2009)**

***Action:** The Board will consider two actions related to California-American Water Company's use of Cypress Pacific water rights within the Seaside Basin, which was approved by the Board in September 2014: (1) amend Ryan Ranch WDS to enable service to the CHOMP parcels, and (2) formally approve an increase to the Ryan Ranch WDS System Capacity (production limit) in compliance with the Board's June 15, 2009 Decision.*

ACTION ITEMS – Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

- 16. Consider District Assuming Role of Groundwater Sustainability Agency for Carmel Valley Alluvial Aquifer**

***Action:** The Board will consider authorizing staff to post notice of public hearing scheduled for the September Board meeting; hold public hearing at September Board meeting; and file Notice of Intent with State Department of Water Resources.*

- 17. Consider Entering into an Agreement with California American Water for Los Padres Dam Long-Term Plan**

***Action:** The Board will consider an agreement with California American Water Company to co-fund studies to evaluate long-term options for the future of Los Padres Dam and Reservoir.*

INFORMATIONAL ITEMS/STAFF REPORTS The public may address the Board on Information Items and Staff Reports during the Oral Communications portion of the meeting. Please limit your comments to three minutes.

- 18. Letters Received Supplemental Letter Packet
- 19. Committee Reports
- 20. Monthly Allocation Report
- 21. Water Conservation Program Report
- 22. Carmel River Fishery Report
- 23. Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project
- 24. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Board Meeting Broadcast Schedule – Comcast Channels 25 & 28	
View Live Webcast at Ampmedia.org	
Ch. 25, Sundays, 7 PM	Monterey
Ch. 25, Mondays, 7 PM	Monterey, Del Rey Oaks, Pacific Grove, Sand City, Seaside
Ch. 28, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Fridays, 9 AM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside

Upcoming Board Meetings			
Mon. September 21, 2015	Regular Board Meeting	7:00 pm	District conference room
Mon. October 19, 2015	Regular Board Meeting	7:00 pm	District conference room
Mon. November 16, 2015	Regular Board Meeting	7:00 pm	District conference room

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by 5:00 PM on Thursday, August 13, 2015. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

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ITEM: CONSENT CALENDAR

1. CONSIDER ADOPTION OF MINUTES OF THE JULY 20, 2015 REGULAR BOARD MEETING

Meeting Date:	August 20, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Arlene Tavani	Cost Estimate:	N/A

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

SUMMARY: Attached as **Exhibit 1-A** are draft minutes of the July 20, 2015 Regular meeting of the Board of Directors.

RECOMMENDATION: District staff recommends approval of the minutes with adoption of the Consent Calendar.

EXHIBIT

1-A Draft Minutes of the July 20, 2015 Regular Board Meeting



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
July 20, 2015**

The meeting was called to order at 7:00 p.m. in the Water Management District conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Kristi Markey – Chair, Division 3
Jeanne Byrne – Vice Chair, Division 4
Brenda Lewis – Division 1
Andrew Clarke – Division 2
Robert S. Brower, Sr. – Division 5
David Pendergrass – Mayoral Representative
David Potter – Monterey County Board of Supervisors Representative

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

Stoldt announced that items 13 and 14 had been pulled from the agenda. On a motion by Potter and second of Lewis, the amendments to the agenda were accepted by the Board on a unanimous vote of 7 – 0 by Potter, Lewis, Brower, Byrne, Clarke, Markey and Pendergrass.

The following comments were directed to the Board during Oral Communications. **(1) George Riley**, representing Public Water Now (PWN), reiterated a request made by letter dated July 10, 2015, that PWN have an opportunity to provide input on California American Water (Cal-Am) rate setting proposals prior to submission of the application to the California Public Utilities Commission. **(2) Andy Bell** submitted a letter dated July 20, 2015 requesting that the Water Management District website include information on the alternative desalination project proposed by DeepWater Desal. **(3) Rudy Fischer**, member of the Pacific Grove City Council, submitted a statement entitled Water Savings at Pacific Grove Golf Links, 2008-2010 prepared by Daniel Gho. Mr. Fischer requested that the Board review the

ORAL COMMUNICATIONS

information provided and disregard data provided by persons that are protesting development of the proposed Pacific Grove recycled water project and water entitlement.

On a motion by Pendergrass and second of Potter, the Consent Calendar was adopted except for item 5 that was pulled for separate consideration. The motion was approved on a vote of 7 – 0 by Pendergrass, Potter, Brower, Byrne, Clarke, Lewis and Markey.

Approved.

Approved extension to September 30, 2015.

Approved.

Approved.

On a motion by Byrne and second of Brower, the contract for \$49,200 was approved on a unanimous vote of 7 – 0 by Byrne, Brower, Clarke, Lewis, Markey, Pendergrass and Potter.

Tom Rowley, representing the Monterey Peninsula Taxpayers Association (MPTA), noted that the consultant’s scope of work used the term “misguided lawsuits.” He stated that there was no intent by the MPTA to misguide the public when it filed a lawsuit against the Water Management District.

Approved not-to-exceed amount of \$2,100.

A summary of General Manager Stoldt’s report can be viewed on the Water Management District’s website and at the agency office. He reported that as of July 1, 2015, cumulative water production in the Monterey Peninsula Water Resources System was 11% below cumulative production in 2014. For the month of June, rainfall received was 76% of long-term average; unimpaired flow was estimated as 32% of long-term average; and storage was at 91% of long-term average.

CONSENT CALENDAR

1. Consider Adoption of Minutes of the June 15, 2015 Regular Board Meeting
2. Consider Extension of Memorandum of Understanding Regarding Source Waters and Water Recycling - Amendment No. 2
3. Consider Adoption of Resolution 2015-14 for State Revolving Fund Application for Pure Water Monterey Project
4. Consider Adoption of Resolution 2015-15 Restating Intent to Reimburse Expenditures for Pure Water Monterey Project
5. Consider Contract for Public Outreach and Communications Services with Thomas Brand Consulting for Fiscal Year 2015-2016
6. Consider Awarding \$125.00 Scholarships for ARCSA Attendance to Residents/Professionals Within the MPWMD Boundaries

GENERAL MANAGER’S REPORT

7. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**

Stoldt reported that the Coastal Commission may schedule a hearing on August 12, 13 or 14, 2015 for Cal-Am's amended permit for slant well testing. The comment period for Cal-Am's EIR on the Monterey Peninsula Water Supply Project has been extended to September 30, 2015. Stoldt noted that 28 comment letters were received on the Pure Water Monterey Project EIR. He stated that Monterey Peninsula Airport has estimated that production from three subpotable wells on its property could yield 107 acre-feet per year, but additional well production testing must be completed to verify that number. Stoldt responded to questions from the Board. Chair Markey requested that Cal-Am and DeepWater Desal provide updates on their projects at the August 20, 2015 Board meeting. It was also suggested that Stoldt submit a letter to Cal-Am requesting that the geotechnical section of the EIR on the Monterey Peninsula Water Supply Project (MPWSP) be revised without delay. Chair Markey asked staff to determine if the referenced letter should be prepared.

Tom Rowley, MPTA, addressed the Board during the public comment period on this item. He stated that it was premature to prepare EIRs on the MPWSP and the Pure Water Monterey Project before source water was finalized for the projects. He expressed support for a delay in order to update the EIR, which would allow time for source water issues to be resolved.

A summary of Stoldt's presentation can be viewed on the Water Management District website or at the agency office.

Counsel Laredo reported that the Board reviewed item 1 and determined that Action Item 14 should be deferred to the August 17, 2015 Board meeting agenda.

Counsel Laredo reported that he provided status reports on items 2.A, 2.C and 2.D, but no reportable action was taken.

8. Update on Development of Water Supply Projects

9. Report on Drought Response

ATTORNEY'S REPORT

10. Report from District Counsel on Closed Sessions of June 15 and July 20, 2015

July 20, 2015 Closed Session

- 1. Conference with Real Property Negotiators (Gov. Code 54956.8)**
Address: 1910 General Jim Moore Blvd.,
Seaside, CA 93955
Agency Negotiator: David J. Stoldt, General Manager

June 15, 2015 Closed Session

- 1. Conference with Real Property Negotiators (Gov. Code 54956.8)**
Address: 1910 General Jim Moore Blvd.,
Seaside, CA 93955

Agency Negotiator: David J. Stoldt, General Manager

2. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
 - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO
 - B. Application of Cal-Am to CPUC (No. 12-04-019) - Mon. Pen. Water Supply Project
 - C. MPTA v MPWMD Case No. M123512
 - D. Thum v. MPWMD; Monterey Case No. M113598; 6th District Appellate Case #HO39566
 - E. MPWMD v CPUC (Cal-Am); CA supreme Court Case No. S208838
 - F. Water Plus v. MPWMD, Case No. M125274
 - G. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 – CDO

DIRECTORS’ REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

No reports from the Directors.

11. **Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations**

PUBLIC HEARINGS

12. **Consider First Reading of Ordinance No. 165 Amending Rules 11, 21, 23 and 23.1 and Adding Rule 23.7 to Establish a Water Entitlement for Malpas Water LLC**

Potter offered a motion that was seconded by Brower to adopt the first reading of Ordinance 165 with the following changes: (1) Amend Rule 23.7.A.1 to reflect conveyance losses. (2) Amend Rule 23.7A.3 to state “and that are located ~~within~~ in the California American Water Service Area and ~~within~~ in the Carmel River watershed ~~and~~ or the City of Carmel-by-the-Sea” The motion was adopted on a unanimous vote of 7 – 0 by Potter, Brower, Byrne, Clarke, Lewis, Markey and Pendergrass.

The following comments from the public were directed to the Board on this item. (1) **Alan Williams**, Manager of Malpas Water System, stated that the staff report was complete, and offered to answer questions about the project. (2) **Jeannette Tuitele-Lewis**, President and CEO of the Big Sur Land Trust, requested that the Board approve the first reading of Ordinance No. 165, as it would facilitate completion of the Carmel River Free Project. (3) **Morgan Gillman**, resident of Carmel Point, asked how property owners would access entitlement water. Stoldt stated that Water Management District staff would contact Mr. Gillman after the meeting with a response.

No discussion.

No discussion. Item deferred to a future meeting date.

Brower offered a motion that was seconded by Potter to submit the response letter to the Grand Jury.

On a motion of Brower and second of Potter, the motion was amended to request that: (1) the response letter be submitted to the Grand Jury; and (2) that the General Manager contact the Grand Jury administrator and suggest that the process for report preparation be modified to allow fact checking by the local agency so that errors could be corrected before the final report is released to the public. The motion was approved unanimously on a vote of 7 – 0 by Brower, Potter, Byrne, Clarke, Lewis, Markey and Pendergrass. No comments from the public were directed to the Board on this item.

On a motion by Brower and second of Pendergrass, the General Manager was authorized to sign the Application to Modify Cease and Desist Order WR 2009-0060 on behalf of the Board. The motion was approved on a unanimous vote of 7 – 0 by Brower, Pendergrass, Byrne, Clarke, Lewis, Markey and Potter.

The following comments were directed to the Board on this item. (1) **Tom Rowley**, MPTA, agreed with the need for the Board to take action. However, he stated that procedurally it may not be wise for the Water Management District and Cal-Am to be joint signatories to the application. (2) **George Riley** objected to section 3A2(ii) and (iii) of Attachment 1 to the Application to Modify. He stated that in order to avoid the loss of 1,000 acre-feet of water production for the community, the Water Management District would likely defend any failure of Cal-Am to meet a deadline.

There was no discussion of the Informational Items/Staff Reports.

13. ~~7/17/2015 Consider First Reading of Ordinance No. 166 Amending Rule 11 and Adding Rule 23.8 to Establish a Water Entitlement for the City of Pacific Grove~~

ACTION ITEMS

14. Consider Approval of Ground Lease with City of Seaside for Santa Margarita ASR Site Expansion
15. Consider Approval of Response to 2014-2015 Monterey County Grand Jury Report

16. Consider Approval of Proposal to Modify Cease and Desist Order 2009-0060

INFORMATIONAL ITEMS/STAFF REPORTS

17. Letters Received
18. Committee Report
19. Receive Notice of Appointments to Carmel River Advisory Committee
20. Carmel River Fishery Report for June 2015

- 21. Quarterly Carmel River Riparian Corridor Management Program Report**
- 22. Monthly Allocation Report**
- 23. Water Conservation Program Report**
- 24. Quarterly Water Use Credit Transfer Status Report**
- 25. Monthly Water Supply and California American Water Production Report**
- 26. Semi-Annual Groundwater Quality Monitoring Report**

The meeting was adjourned at 8:45 pm.

ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary

ITEM: CONSENT CALENDAR

2. CONSIDER CONTRACT WITH MADDAUS WATER MANAGEMENT INC. FOR COMMERCIAL WATER EFFICIENCY TRAINING

Meeting Date:	August 17, 2015	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Conservation Program 4-2-3-C
Prepared By:	Stephanie Locke	Cost Estimate:	\$10,000 (Reimbursable)

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

SUMMARY: Staff is requesting authorization to contract with Maddaus Water Management (MWM) to host a water efficiency workshop focused on the hospitality industry. The workshop will be scheduled in October or November 2015 and will be held at a local large hotel complex that offers participants to learn about multiple aspects of efficiency including mechanical and food service operations. This one day training will cover Best Management Practices, complex water saving equipment retrofits and staff training programs. Maddaus Water Management has 20 years of experience in water resources planning, specializing in demand analysis, cost-benefit analysis, water conservation and drought planning. MWM's proposal is attached as **Exhibit 2-A**.

Funding for this workshop is reimbursable through the 2015-2017 conservation budget approved by the California Public Utilities Commission in 2015.

RECOMMENDATION: Staff recommends the Board approve an expenditure of up to \$10,000 and authorize the General Manager to contract with Maddaus Water Management for this one day hospitality conservation workshop. Funding is currently in the budget for this training under 4-2-3-C, Conservation Programs.

EXHIBIT

2-A MWM Proposal for Commercial Water Efficiency Training

EXHIBIT 2-A



MADDAUS WATER MANAGEMENT INC.

105 Zephyr Place, Danville, CA 94526 (925) 831-0194

July 30, 2015

Stevie Kister
Monterey Peninsula Water Management District
Conservation Representative
5 Harris Ct Building G
Monterey CA 93940

Subject: Proposal for Maddaus Water Management (MWM) Conducting Commercial Water Efficiency Training

Dear Ms. Kister and Mr. Dimaggio:

Maddaus Water Management is pleased to present this proposal to provide engineering services for conducting water efficiency training for customers in the Monterey, California region. This letter proposal presents information about Maddaus Water Management, a project scope, schedule and estimated fee.

LIST OF PROJECT TASKS

It is assumed that the following scope of work outlined in Tasks 1 through 3 would be completed by October, 31 2015.

Task 1. Review Facility Data & Coordination before Site Visit

MWM will spend up to 11 hours on Task 1 reviewing data provided by MPWMD//California American Water.

- MPWMD//California American Water will collect some of the data needed by the project. This will include historical water meter data from the main meter and any submeters, a description of buildings and their purpose, building occupancy data.
- Data to be collected by MPWMD//California American Water for each training facility will include such items as:
 - (1) Square footage of facility
 - (2) Purpose of the building, as it relates to water use level
 - (3) Occupant (employee and student) load
 - (4) Special water uses such as cooling, number of rooms or number of beds on building meter, any landscape use
 - (5) Age of facility
 - (6) Recent remodeling, especially related to end uses of water (restrooms, kitchens)

Task 2. Conduct Training

Provide one day of hands-on training of instruction at MPWMD//California American Water provided sites located in Monterey. It is assumed half of the instruction time will be dedicated to classroom training and half dedicated to water audit instruction in the field.

- Training would focus on hotel / restaurant indoor water use (except restrooms)
 - 1 hour high level overview for management level attendees
 - 3 hour overview of kitchens
 - 4 hour afternoon on pools, linen programs, cooling towers, etc.

EXHIBIT 2-A

Task 3. Create Handout Worksheets, Phone Meetings, Project Management

Create worksheets on common hotel equipment up to allowable budget. The worksheets should have the following items to allow customers to know how they change to a higher efficient appliance.

- Type of appliance they have now and its efficiency rating
- Where to find a more efficient appliance
- Potential Water Savings
- Potential Dollar Savings
- Payback period

Assumptions:

- MPWMD//California American Water will provide all site and attendee coordination and logistics associated with the training, including site support, outreach, attendee sign-up, sign-in, food for attendees, copies training materials/handouts, compilation of attendee feedback forms, etc.
- MPWMD//California American Water has stated that this will be in-person training and not a webinar format. The existing material is modular such that it could be a webinar series at a future date.
- MWM will provide training material content in the form of MS PowerPoint slides (existing materials) and electronic course CD with additional reference materials arranged by technology type. Our existing material will need to be selectively pared down to one day format with the most relevant information for the attendees.
- MPWMD//California American Water will provide three audit kits for in-class use and a list of what simple items attendees can bring with them (stop watch timers, pens, note paper, laptop computers, measuring containers, etc.)
- Given Michelle Maddaus is located in the Bay Area, prep time will be done electronically over the phone or via Go To Meetings and may include a review of existing materials and QA/QC of final training handout materials.
- MWM will travel the day prior to the training and be available for training from 8 a.m. to 5 p.m. Travel arrangements and costs for travel are not included in this proposal other than mileage. It is assumed the hotel cost would be covered by the sponsoring hotel or to be paid by MPWMD//California American Water at an additional cost to this proposal.

Description of presentation materials for classroom portion of training

Based on previous trainings (described below), MWM has materials that are readily available and current. We will provide power point presentations on the following 5 topic areas (individual modules) that may be used for this training focused on indoor commercial water use:

1. Introduction (16 slides)
2. Toilets, Urinals, Showers, Faucets (13 slides) – may be used in limited overview
3. Cooling Towers / Thermodynamics (23 slides) – the cooling tower section can be eliminated or reduced as desired
4. Pools / Wash Down (6 slides)
5. Kitchens (21 slides)

We recommend a mixture of classroom instruction and field visits, though this can be adjusted. We feel our suggested format provides a comprehensive overview of the most common and key CII water uses. However, the set-up is flexible and topics can be added or removed if desired after the review of materials by MPWMD//California American Water staff. The aforementioned 5 topics focused on indoor use are too comprehensive for a 1-day training, but will easily be reduced to the appropriate desired training length with consensus by MWM and MPWMD//California American Water staff.

EXHIBIT 2-A

Description of water audit materials for field portion of class

We will demonstrate both electronic and paper data collection techniques. We will provide examples of electronic software data collection in the field, as well as provide paper forms for use.

The field survey time will support the classroom instruction and may include tours of kitchens, restrooms, landscape, cooling towers.

During our field training we will utilize the facilities we are granted access. We are very comfortable on a commercial setting completed over 200 water audits over the past two decades.

MWM has conducted seven (8) hands field and Power Point based CII audit trainings in the past 3 years (2012-2015).

- City of Santa Barbara (7 day field training – marina, laundry facility, hotels, retirement community)
- Army Corps of Engineers (4 day field training – army base) – 10 attendees – William Maddaus and Michelle Maddaus instructors



- Honolulu Board of Water Supply (24 attendees representing all the Hawaiian Islands). (2 day field training) (large hotel) – William Maddaus, Lisa Maddaus and Michelle Maddaus instructors.



EXHIBIT 2-A

- Abbotsford, Canada (3 day field training – poultry processing / agriculture)
- Cambria Services District (2 day field training – restaurant, hotels)
- San Luis Obispo County (2 day field training – grocery stores, golf course, hotel resort)
- Stanford University (6 days in the field – over 3 trips – turf and landscape areas)
- State of Illinois Community Colleges (hosted by Lewis and Clark Community College) (2 day field training, cooling tower, laboratory, pool, kitchens, restrooms)

References for these training are available upon request.

Schedule & Proposed Time and Cost Estimate

William Maddaus, Michelle Maddaus, Lisa Maddaus and Chris Matyas are all fully trained and capable of leading the CII Training instruction. For this project, it is intended the Michelle Maddaus will be the trainer as she is an experienced with restaurants and hotels. However as a backup, with four trained professionals, two trainers are guaranteed to be available during the potential training dates requested in October 2015.

MWM is willing to start the training preparation upon the successful execution of an agreement, and will continue through October 31, 2015, or until funds have been depleted. Due to previous training experience and existing materials MWM guarantees the instruction materials and instructors will be ready to conduct the training in the requested time window of the last three weeks in October 2015. MWM has four fully trained instructors and can complete the project in the requested time period.

The cost for the project is based on a number of items – number of class attendees, number of instructors required, complexity of training requested and prep work required (i.e. do you want to cover cooling towers etc.), location of the hotel, and amount of requested changes to training materials, amount of coordination logistics required between MPWMD/California American Water and MWM instructors.

As this is a hands-on technical training, we have found the following instructor-student ratios seem to work well: Up to 12-15 attendees per day warrant 1 instructor, 15-30 per day are best served by 2 instructors. We would not count MPWMD//California American Water staff as attendees in the number of attendees count. The projected range in cost is \$8,000, which can be further discussed and settled upon after the selection of site, preferred option of training, number of attendees, and reflect the needs and yields high quality training. The minimum fee of \$8,000 includes a short kick-off meeting, 1 day on site, and minimum of 1 day of preparations of slides, materials and site review. Due to our previous experience, we are confident we can provide a very cost efficient and high quality training for MPWMD//California American Water. At this time it is assumed there will be 30 attendees which is well suited to 2 instructors.

Task	Title – OPTION #1	Michelle Maddaus \$185/hr.	Tess Kretschmann \$125/hr.	Total Budget
	Project Role	Trainer #1	Trainer #2	
1	Project Kick-off and Training Prep	10	1	\$2,025
2	Conduct Training – 1 day trainings	8	8	\$2,520
3	Create Worksheets for participants, Meetings, Project Management	12	8	\$3,280
	ODCs - Mileage			\$125
	Total Hours and Labor Cost	30	17	\$7,945

EXHIBIT 2-A

Summary of Key Staff and 2015 Rate Schedule

The following table presents specific individual qualifications for all MWM personnel. Michelle Maddaus will be serving as Project Manager. Resumes for personnel are available upon request.

Person	Position	Service/Discipline	Years Exp.	Education Degree /	License	Hourly Rate
William Maddaus	Principal	Technical Director/Reviewer	50	M.S. Engineering	P.E.	\$280
Lisa Maddaus	Senior Engineer	Project Manager	20	M.S. Engineering	P.E.	\$185
Michelle Maddaus	Senior Engineer	Technical Advisor	16	M.B.A., B.S. Engineering	P.E.	\$180
Christopher Matyas	Software Engineer	Software for Water Efficiency	16	B.S. Engineering	E.I.T.	\$175
Tess Kretschmann	Staff Engineer	Technical Analyst, Modeler	9	B.S. Engineering	E.I.T.	\$125
Andrea Pacheco	Document Review	Word Processing	9	B.S. Sociology	--	\$85

We look forward to having the opportunity to work with MPWMD//California American Water. If you have any questions or would like additional information, please contact Michelle at (925) 831-0194 or michelle@maddauswater.com.

Sincerely,



Michelle Maddaus P.E. and M.B.A.
President

FIRM OVERVIEW AND QUALIFICATIONS

Maddaus Water Management is a woman-owned business incorporated in January 2013 that was originally founded by William O. Maddaus in 1995. The firm has five employees and has completed over 325 projects in 20 years. The firm operates from its offices in Danville, California and Folsom, California.

MWM gives clients the personal attention expected of a small business. As registered engineers, MWM has always taken a technically rigorous approach to water management planning using proven engineering estimates of water savings and cost effectiveness analysis, including detailed financial

EXHIBIT 2-A

analysis of utility costs and benefits. The company is widely recognized for our expertise and capabilities in water resources management, drought, water auditing, and water conservation planning evaluations.

MWM started supporting Best Management Practice design during the original negotiations of the Memorandum of Understanding for Urban Water Conservation in California back in 1990. MWM has since helped more than more than a 150 California utilities prepare and implement water conservation plans. MWM covers a broad range of services needed for BMP planning and implementation and qualifies in all areas of technical expertise on the CUWCC Qualified Consultants Roster.

Bill and Lisa Maddaus were original authors of the first edition of the American Water Works Association, Manual of Practice of M52, Water Conservation Programs – A Planning Manual (AWWA, 2006). The Manual is peer-reviewed and accepted by AWWA and currently being updated by Maddaus Water Management and reviewed and commented on by AWWA members. In November 2013, Maddaus Water Management also completed a new publication for the International Water Association, Preparing Urban Water Use Efficiency Plans – A Best Practices Guide (IWA, 2013).

ITEM: CONSENT CALENDAR

3. AUTHORIZE A CHANGE TO THE ORGANIZATION CHART ADDING A CONSERVATION REPRESENTATIVE I/II POSITION

Meeting Date:	August 17, 2015	Budgeted:	No
From:	David Stoldt General Manager	Program:	N/A
		Line Item No.:	N/A
Prepared By:	Cynthia Schmidlin Stephanie Locke	Cost Estimate:	\$57,700

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

SUMMARY: There is a critical need for an additional Conservation Representative I/II in the Water Demand Division to perform commercial property inspections to determine compliance with water efficiency requirements and to locate and enforce water waste, in addition to other demand management and conservation program responsibilities. Newly acquired reimbursement for rebate program work performed by the Division's Conservation Technician will offset the cost of funding this position for the next three years.

Despite the high levels of conservation already achieved by the Peninsula, recent calculations related to proposed amendments to the Cease and Desist Order (CDO) against California American Water (Cal-Am) indicate that additional reductions in water use are necessary to ensure the community can avoid mandatory rationing. Continued conservation outreach and enforcement with existing staff cannot achieve the results needed. There simply are not enough trained Water Demand personnel to visit uninspected commercial properties in order to determine if the retrofit actions required by the District have actually been performed and to continue the high level of public education and outreach currently taking place. In all likelihood there are a significant number of noncompliant businesses. Identifying noncompliance and using enforcement to compel compliance will add significant savings to the Cal-Am system until the completion of new water supply projects without additional efforts to enforce existing water efficiency regulations and to implement new programs. This position could be reevaluated after the completion of a new water supply.

An additional position is needed to focus on non-residential water efficiency compliance inspections and to increase water waste enforcement and outreach. The Conservation Representative I/II job description is attached as **Exhibit 3-A**. This is a developmental position placed at Ranges 20 and 24 on the District's salary chart.

RECOMMENDATION: Authorize a change to the current District Organization Chart, attached as **Exhibit 3-B**. Add a funded Conservation Representative I/II position to the Water Demand Division, as shown in **Exhibit 3-C**.

IMPACTS TO STAFF/RESOURCES: Salary, benefits, and payroll taxes for ten months of employment in FY 2015-2016 would cost approximately \$57,700. Most of the cost during FY 2015-2016 (\$53,000) can be funded by District cost savings for the Conservation Technician position that is being partially funded by the District's portion of California American Water's conservation budget. The remaining \$4,700 shortfall will be addressed in the mid-year budget adjustment.

BACKGROUND: The organization chart for the Water Demand Division includes the Water Demand Manager, three Conservation Representative I/II positions, two Conservation Technician I/II positions and one Conservation Analyst position. The Conservation Analyst position and one of the Conservation Technician positions are not filled and are currently unfunded.

EXHIBITS

3-A Conservation Representative I/II Job Description

3-B Current Organization Chart

3-C Proposed Organization Chart

EXHIBIT 3-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

**CONSERVATION REPRESENTATIVE I
CONSERVATION REPRESENTATIVE II**

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

DEFINITION

To provide information and educate the public on the need for water conservation and water demand management; to assist other agencies and the general public in understanding conservation and permit requirements and ensure that District conservation rules are carried out; to review permit applications; to perform inspections on properties to ensure compliance with water conservation standards, rules and regulations and with water permit specifications; and to assist in research, analysis, and reporting on water demand management and conservation programs.

DISTINGUISHING CHARACTERISTICS

Conservation Representative I--This is the entry level class in the Conservation Representative series. This class is distinguished from the Conservation Representative II by the performance of the more routine tasks and duties assigned to positions within the series including data input of property transfers and inspection reports, update of Cal-Am accounts, generation of enforcement letters and preparation of notices of compliance. Since this class is typically used as a training class, employees may have only limited or no directly related work experience. Positions in this class are expected to learn the full scope of duties and responsibilities and demonstrate proficiency over time.

Conservation Representative II--This is the full journey level class within the Conservation Representative series. Employees within this class are distinguished from the Conservation Representative I by the performance of the full range of duties as assigned including interpreting and applying water conservation rules to specific projects. Employees at this level receive only occasional instruction or assistance as new or unusual situations arise, and are fully aware of the operating procedures and policies of the work unit. Employees at this level may provide general direction and information to lower level staff in the division, attend Board meetings, and prepare and present staff notes related to assigned projects. Positions in this class are flexibly staffed and are normally filled by advancement from the I level, or when filled from the outside, have prior experience.

SUPERVISION RECEIVED AND EXERCISED

Conservation Representative I

Receives immediate supervision from the Water Demand Manager.

Conservation Representative II

Receives general supervision from the Water Demand Manager.

ESSENTIAL AND MARGINAL FUNCTION STATEMENTS

The following duties are typical for positions in this classification. Any single position may not perform all of these duties and/or may perform similar related duties not listed here:

Essential Functions:

1. Inspect property for compliance with water conservation standards, rules and regulations, and with permit specifications; document water use on site and complete inspection report forms for entry into database.

EXHIBIT 3-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT Conservation Representative I/II (*Continued*)

2. Compile statistics on inspections performed and make estimate of water savings; use spreadsheet software to organize and present data; prepare monthly narrative conservation report for the Board.
3. Analyze water use, including but not limited to on site use, as it relates to permit applications and make recommendations to property owners as to actions to take to save water and conform to permit requirements.
4. Investigate water waste complaints and issue notices of violation, where appropriate; recommend legal action to be taken by District where compliance has not been achieved.
5. Review architectural blueprints and other information to analyze potential water use expansion and determine compliance with District rules and regulations.
6. Interpret application rules to specific projects and calculate connection charges and water allocation required for project.
7. Enter permit information into computer, collect payment, stamp plans and issue receipts; issue permits as necessary.
8. Send letters regarding permit violations and enforcement action to be taken by the District.
9. Assist the public, in person and over the phone in understanding District rules and regulations related to permit requirements; provide information on how to meet conservation requirements on specific properties.
10. Advise architects, realtors and project planners on permit procedures; assist in interpretation of ordinance and how they apply to specific types of projects.
11. Respond to questions from city planners and other representatives from the jurisdiction regarding the interpretation of District permit rules and how they apply to specific projects.
12. Plan and facilitate distribution of water conservation books, videos and software to libraries throughout the county.
13. Represent the District on various committees, as assigned; meet with businesses and other agencies regarding the need for water conservation; explain conservation rules and encourage an on-going conservation effort; conduct speaking engagements as needed.
14. Write press releases and articles on water conservation programs; prepare public service announcements as required.
15. Research water conservation programs and devices; collect and analyze water use data; contact manufacturers to learn specific information on conservation devices.
16. Research other water conservation programs promoted by state and local agencies.
17. Perform related duties and responsibilities as required.

EXHIBIT 3-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT Conservation Representative I/II (*Continued*)

QUALIFICATIONS

Conservation Representative I

Knowledge of:

Basic water conservation methods and devices.
Word processing, database and spreadsheet software.
Customer service techniques.
Principles and practices of public relations.
Basic accounting principles and practices.
Record keeping methods and techniques.
Modern office procedures, methods and computer equipment.
Principles of mathematics.
Techniques used in dealing with delinquent accounts.

Ability to:

Conduct field inspections and identify non-compliance with District requirements.
Perform research, analyze and evaluate data.
Read and interpret water conservation ordinances and rules.
Maintain tactfulness and courtesy in high stress situations.
Perform mathematical calculations accurately and quickly.
Operate a computer and modern office equipment.
Utilize maps to locate properties.
Prepare clear and concise reports and correspondence.
Learn to interpret and explain District policies and procedures.
Learn and enforce pertinent Federal, State and local laws, codes and ordinances.
Communicate clearly and concisely, both orally and in writing.
Establish and maintain cooperative working relationships with those contacted in the course of work.
Maintain physical condition appropriate to the performance of assigned duties and responsibilities.

Experience and Training Guidelines — *Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

Experience:

One year of water conservation service experience is desirable.

Training:

Equivalent to completion of twelfth grade supplemented by college level course work in public administration, business administration, public relations or a related field.

License or Certificate

Possession of, or ability to obtain, an appropriate, valid driver's license.

Conservation Representative II

In addition to the qualifications for Conservation Representative I:

Knowledge of:

Advanced water conservation methods, devices and ordinances.
Public speaking and motivational techniques.
Advanced water conservation research practices.

EXHIBIT 3-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT Conservation Representative I/II (*Continued*)

Pertinent Federal, State, and local laws, codes and regulations.

Ability to:

Make measurements and apply complex mathematical equations.
Interpret complex rules and specific applications.
Handle the more difficult public inquiries and situations.

Experience and Training Guidelines — *Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

Experience:

Two years of increasingly responsible water conservation experience.

Training:

Equivalent to the completion of the twelfth grade supplemented by major course work in public administration, business administration, public relations or a related field.

License or Certificate

Possession of, or ability to obtain, an appropriate, valid driver's license.

WORKING CONDITIONS

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

Environmental Conditions:

Office and field environment; exposure to computer screens, work closely with others and work alone; exposure to dust, atmospheric conditions and slippery and uneven conditions.

Physical Conditions:

Essential and marginal functions may require maintaining physical condition necessary for walking, standing or sitting for prolonged periods of time; light to moderate lifting and carrying; use of both hands, fingers, arms and legs.

Vision:

See in the normal visual range with or without correction; vision sufficient to conduct inspections; specific vision abilities required by this job include close and distant vision and depth perception.

Hearing:

Hear in the normal audio range with or without correction.

EXHIBIT 3-B

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
ORGANIZATION CHART
FY 2015-2016**

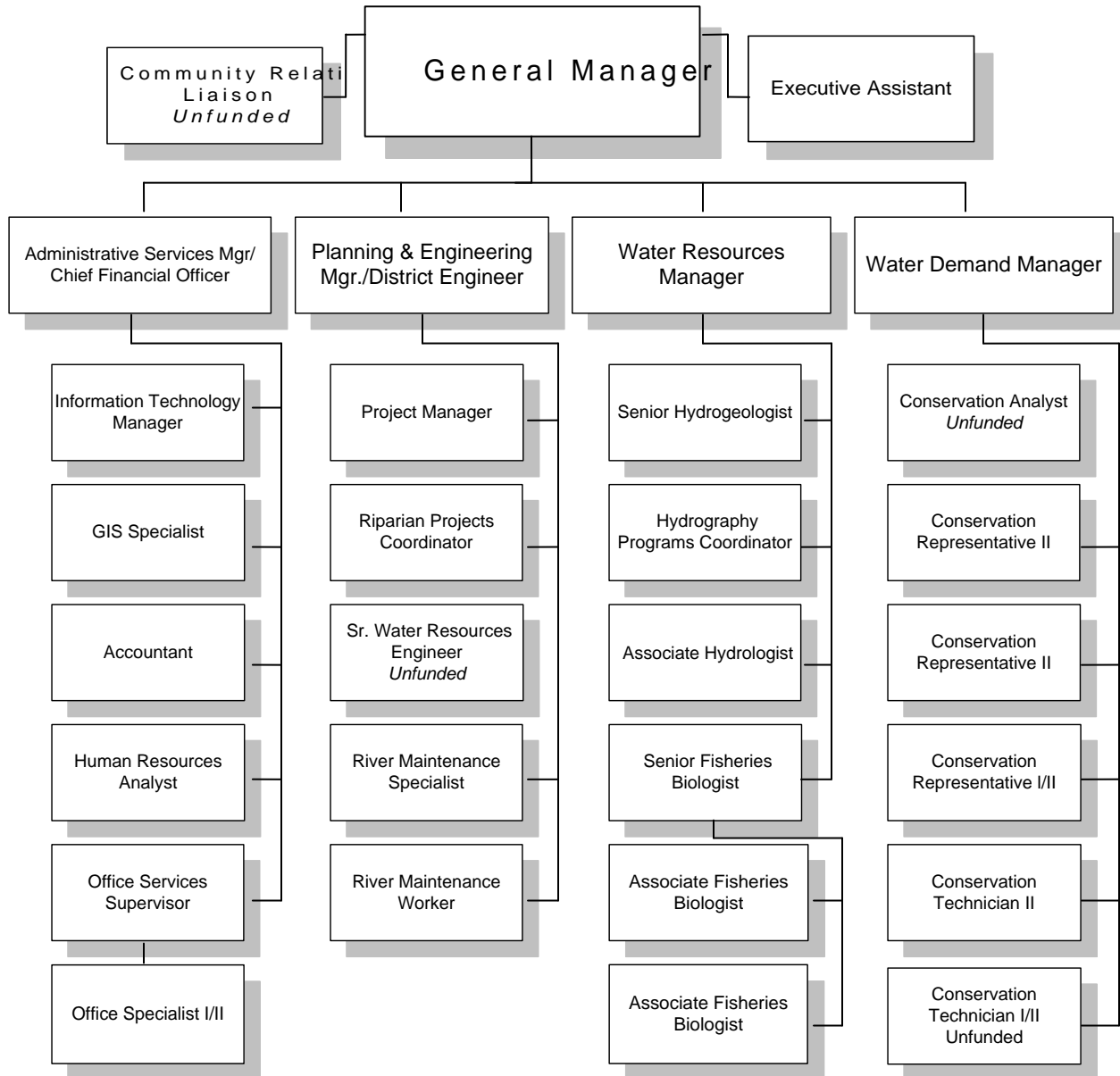
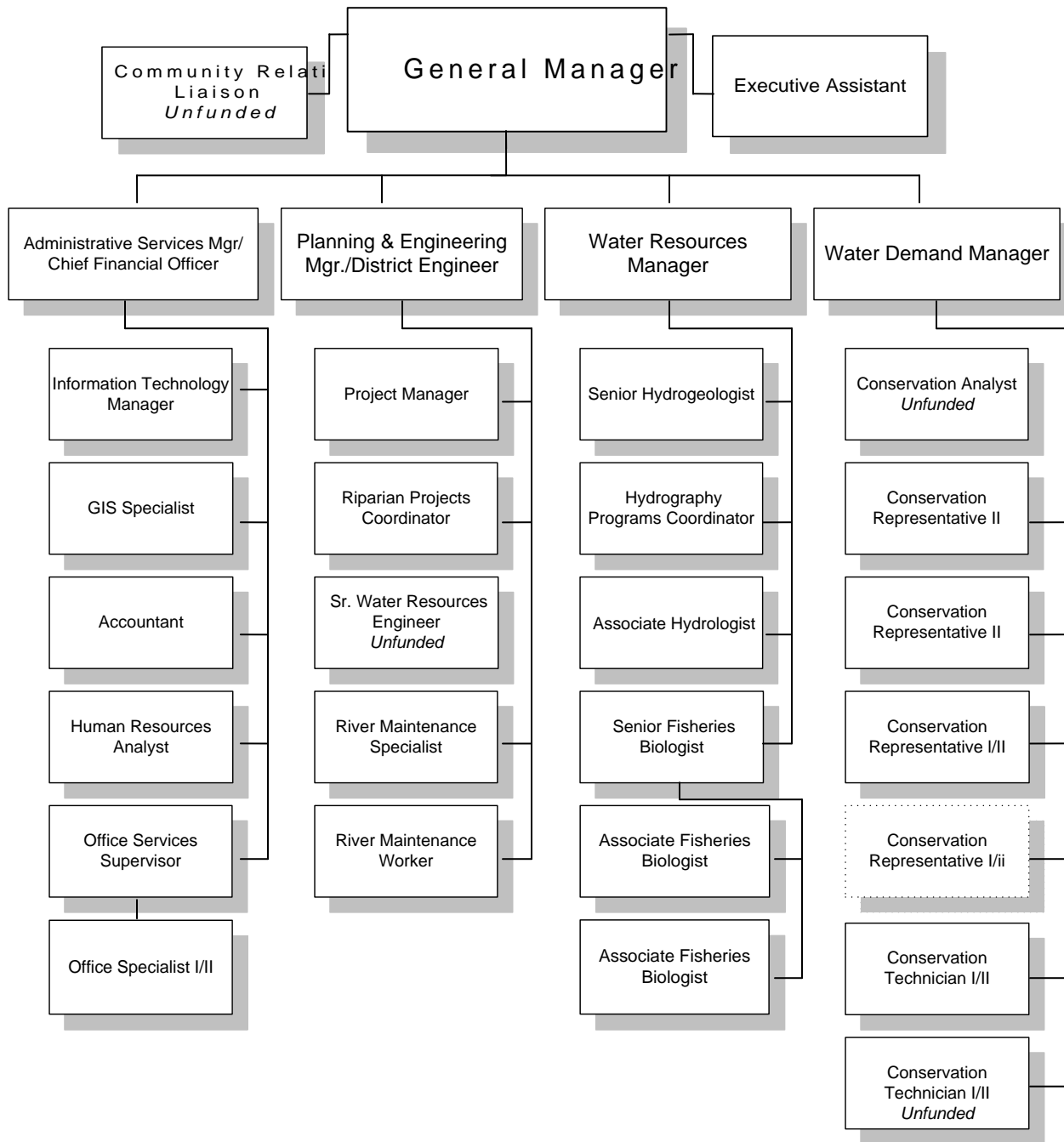


EXHIBIT 3-C

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
PROPOSED ORGANIZATION CHART
August 2015**



ITEM: CONSENT CALENDAR

4. CONSIDER EXPENDITURE FOR CARMEL RIVER THALWEG PROFILE

Meeting Date:	August 17, 2015	Budgeted:	Yes
From:	David J. Stoldt General Manager	Program/ Line Item No.:	Water Supply 1-8-1-B
Prepared By:	Larry Hampson	Cost Estimate:	\$25,000

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

SUMMARY: Staff proposes to amend an existing contract with Central Coast Surveyors for survey work along five miles of the lower Carmel River channel between Schulte Road Bridge and Boronda Road Bridge. Detailed ground elevation data would be gathered along the profile of the channel at its lowest point (thalweg). Data will be used to maintain a long-term record and to compare with past and future monitoring data. Comparisons of repeated surveys carried out over long periods yields information about the long-term rate of aggradation (sediment build-up in the channel) or degradation (loss of sediment from the channel), and changes in bank storage that affect the capacity of the Carmel Valley Alluvial Aquifer to store water. A portion of the river proposed for survey work between Schulte Road Bridge and the Narrows at River Mile 9.8 was partially surveyed in 2007 and showed that several feet of degradation had occurred in some reaches in the previous 10 years. Anecdotal evidence suggests additional degradation has occurred since 2007. The portion of the river from the Narrows to Boronda Road Bridge was last surveyed in 1984.

RECOMMENDATION: Authorize the General Manager to amend an existing agreement with Central Coast Surveyors for an additional amount not-to-exceed \$25,000 to conduct a topographic survey in the Carmel River channel.

DISCUSSION: Most of the riverbed and streambanks along the lower 15.5 miles of the Carmel River in Monterey County, California are composed of loosely consolidated silts, sands, gravels and cobbles. This material makes up the water-bearing alluvium in Carmel Valley that is pumped to supply Cal-Am and non-Cal-Am municipal demand. Because the river channel changes in response to the amount of sediment that flows through it, an important aspect of managing and understanding this portion of the riparian corridor is long-term monitoring and documentation of changes in the elevation of the river bottom.

Gravel mining, main stem reservoirs, and streambank armoring have contributed to a sediment-starved condition in the river channel downstream of Los Padres Dam, located at approximately River Mile (RM, measured from the ocean) 25. A chronic lack of sediment from the watershed area above San Clemente Dam for 95 years has been a factor in aquatic habitat degradation, channel incision, streambank instability, infrastructure damage, loss of property, and episodes of bank erosion along the river. In addition, incision and removal of alluvial valley deposits

reduces the volume of water that can be retained in storage in the Carmel Valley Alluvial Aquifer.

Survey data will be used by MPWMD staff to adjust Carmel Valley Alluvial Aquifer parameters and to monitor effects to downstream areas from sediment retention at San Clemente and Los Padres Reservoirs.

Due to the difficult nature of obtaining access to and data from the river channel between Schulte Road Bridge and Boronda Road Bridge, the cost may be in excess of \$3,500 per mile. Central Coast Surveyors (CCS) is a local firm with previous experience in the Carmel River, including completion of eight miles of survey work in 2014. Completion of survey work in proposed for 2015 would provide the District with a recent full profile of the Carmel River from the lagoon to Carmel Valley Village and set a baseline for comparison in future years after San Clemente Dam is removed in 2015.

IMPACT TO STAFF/RESOURCES: Funds for this project are included in the FY 2015-16 budget under Project Expenditures for item 1-8-1-B Carmel Riverbed Topographic Data, Account 35-03-7895.90, \$25,000. Staff time will be required to administer the contract.

EXHIBITS

None

enterprise-wide system. As part of this strategy, providing data analysis capabilities have been a top priority. The sheer volume of available GIS data in the Monterey Bay region is significant and every opportunity has been made to incorporate existing data whenever the opportunity is available, as long as the data meets MPWMD's needs.

The GIS platform serves many purposes for MPWMD data analysis needs that include: map production, spatial analysis in support of engineering, water resource management, fisheries, conservation, and rationing analysis. In addition, it is a vital system for the District's ongoing surface and subsurface water modeling efforts. The effectiveness of the GIS to better serve the MPWMD staff will be largely achieved through data management and analysis functions which are provided by the software.

EXHIBITS

None

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ITEM: CONSENT CALENDAR

6. CONSIDER APPROVAL OF FOURTH QUARTER FISCAL YEAR 2014-2015 INVESTMENT REPORT

Meeting Date:	August 17, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A
General Counsel Review: N/A			
Committee Recommendation: N/A			
CEQA Compliance: N/A			

SUMMARY: The District's investment policy requires that each quarter the Board of Directors receive and approve a report on investments held by the District. **Exhibit 6-A** is the report for the quarter ending June 30, 2015. District staff has determined that these investments do include sufficient liquid funds to meet anticipated expenditures for the next six months and as a result this portfolio is in compliance with the current District investment policy. This portfolio is in compliance with the California Government Code, and the permitted investments of Monterey County.

RECOMMENDATION: The Board should review and approve the Fourth Quarter Fiscal Year 2014-2015 Investment Report.

EXHIBIT

6-A Investment Report as of June 30, 2015

EXHIBIT 6-A**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
INVESTMENT REPORT AS OF JUNE 30, 2015****MPWMD**

Issuing Institution Security Description	Purchase Date	Maturity Date	Cost Basis	Par Value	Market Value	Annual Rate of Return	Portfolio Distribution
Local Agency Investment Fund	06/30/15	07/01/15	\$2,194,169	\$2,194,169	\$2,194,169	0.280%	43.01%
Bank of America:							
Money Market	06/30/15	07/01/15	852,123	852,123	852,123	0.040%	
Checking	06/30/15	07/01/15	(207,147)	(207,147)	(207,147)	0.000%	
			\$644,976	\$644,976	\$644,976	0.053%	12.64%
Wells Fargo Money Market	06/30/15	07/01/15	12,062	12,062	12,062	0.010%	
Wells Fargo Institutional Securities:							
Interest Bearing Certificate of Deposit	09/04/13	09/04/15	\$250,000	\$250,000	\$250,222	0.750%	
Interest Bearing Certificate of Deposit	10/30/13	10/30/15	\$250,000	\$250,000	\$250,436	0.850%	
Interest Bearing Certificate of Deposit	08/30/13	03/01/16	\$250,000	\$250,000	\$250,814	0.900%	
Interest Bearing Certificate of Deposit	09/08/14	03/08/16	\$250,000	\$250,000	\$250,480	0.700%	
Interest Bearing Certificate of Deposit	04/15/14	04/18/17	\$250,000	\$250,000	\$250,969	1.050%	
Interest Bearing Certificate of Deposit	07/09/14	07/10/17	\$250,000	\$250,000	\$250,460	1.150%	
Interest Bearing Certificate of Deposit	04/10/15	10/10/17	\$250,000	\$250,000	\$250,105	1.100%	
Interest Bearing Certificate of Deposit	03/27/15	03/27/18	\$250,000	\$250,000	\$249,222	1.150%	
Interest Bearing Certificate of Deposit	06/17/15	06/18/15	\$250,000	\$250,000	\$248,231	1.550%	
			\$2,262,062	\$2,262,062	\$2,263,001	1.017%	44.34%
TOTAL MPWMD			\$5,101,208	\$5,101,208	\$5,102,146	0.578%	

CAWD/PBCSD WASTEWATER RECLAMATION PROJECT

Issuing Institution Security Description	Purchase Date	Maturity Date	Cost Basis	Par Value	Market Value	Annual Rate of Return	Portfolio Distribution
US Bank Corp Trust Services:							0.82%
Certificate Payment Fund	06/30/15	07/01/15	791	791	791	0.000%	
Interest Fund	06/30/15	07/01/15	327	327	327	0.000%	
Rebate Fund	06/30/15	07/01/15	19	19	19	0.000%	
			\$1,136	\$1,136	\$1,136	0.000%	
Bank of America:							99.18%
Money Market Fund	06/30/15	07/01/15	137,715	137,715	\$137,715	0.030%	
TOTAL WASTEWATER RECLAMATION PROJECT			\$138,851	\$138,851	\$138,851	0.030%	

These investments do include sufficient liquid funds to meet anticipated expenditures for the next six months as reflected in the FY 2014-2015 annual budget adopted on June 23, 2014.

ITEM: CONSENT CALENDAR

7. CONSIDER ADOPTION OF TREASURER'S REPORT FOR MAY 2015

Meeting Date:	August 17, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

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

SUMMARY: Exhibit 7-A comprises the Treasurer's Report for May 2015. Exhibit 7-B, Exhibit 7-C and Exhibit 7-D are listings of check disbursements for the period May 1-31, 2015. Check Nos. 21806 through 22176, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$621,593.26. That amount included \$65,649.62 for conservation rebates. Exhibit 7-E reflects the financial statements for the month ending May 31, 2015.

RECOMMENDATION: District staff recommends adoption of the May 2015 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

EXHIBITS

- 7-A** Treasurer's Report
- 7-B** Listing of Cash Disbursements-Regular
- 7-C** Listing of Cash Disbursements-Payroll
- 7-D** Listing of Other Bank Items
- 7-E** Financial Statements

EXHIBIT 7-A

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR MAY 2015**

<u>Description</u>	<u>Checking</u>	<u>MPWMD Money Market</u>	<u>L.A.I.F.</u>	<u>Wells Fargo Investments</u>	<u>MPWMD Total</u>	<u>PB Reclamation Money Market</u>
Beginning Balance	\$221,163.40	\$1,947,230.96	\$1,694,169.27	\$2,260,758.16	6,123,321.79	\$10,708.13
Transfer to/from LAIF		(500,000.00)	500,000.00		0.00	
Fee Deposits		299,411.58			299,411.58	505,602.69
Interest		62.55		143.93	206.48	6.00
Transfer-Money Market to Checking	600,000.00	(600,000.00)			0.00	
Transfer-Money Market to W/Fargo					0.00	
W/Fargo-Investment Purchase					0.00	
Transfer Ckg to MPWMD M/Mrkt					0.00	
MoCo Tax & WS Chg Installment Pymt					0.00	
Transfer to CAWD					0.00	(506,000.00)
Voided Cks					0.00	
Bank Corrections/Reversals/Errors*	(13,256.30)				(13,256.30)	
Bank Charges /Rtn'd Deposits/Other	(366.67)	(25.00)			(391.67)	(25.00)
Payroll Tax Deposits	(41,259.38)				(41,259.38)	
Payroll Checks/Direct Deposits	(196,080.27)				(196,080.27)	
General Checks	(370,630.64)				(370,630.64)	
Prepaid Exp-Automatic Bank Pymt					0.00	
Ending Balance	\$199,570.14	\$1,146,680.09	\$2,194,169.27	\$2,260,902.09	\$5,801,321.59	\$10,291.82

EXHIBIT 7-B

Check Report



Monterey Peninsula Water Mgmt District

By Check Number

Date Range: 05/01/2015 - 05/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
00254	MoCo Recorder	05/06/2015	Regular	0.00	-41.00	21518
00254	MoCo Recorder	05/06/2015	Regular	0.00	-61.00	21520
00254	MoCo Recorder	05/05/2015	Regular	0.00	-29.00	21745
00254	MoCo Recorder	05/05/2015	Regular	0.00	-29.00	21796
01188	Alhambra	05/01/2015	Regular	0.00	111.99	21806
00236	AT&T Long Distance	05/01/2015	Regular	0.00	1,066.81	21807
08923	California Surveying Drafting Supply	05/01/2015	Regular	0.00	765.00	21808
00243	CalPers Long Term Care Program	05/01/2015	Regular	0.00	53.96	21809
00024	Central Coast Exterminator	05/01/2015	Regular	0.00	104.00	21810
00983	Beverly Chaney	05/01/2015	Regular	0.00	197.50	21811
00237	Chevron	05/01/2015	Regular	0.00	313.97	21812
00028	Colantuono, Highsmith, & Whatley, PC	05/01/2015	Regular	0.00	1,523.00	21813
06268	Comcast	05/01/2015	Regular	0.00	197.46	21814
00046	Delay & Laredo	05/01/2015	Regular	0.00	19,655.00	21815
00251	Rick Dickhaut	05/01/2015	Regular	0.00	1,031.00	21816
00267	Employment Development Dept.	05/01/2015	Regular	0.00	3,997.15	21817
00285	Gabby Ayala	05/01/2015	Regular	0.00	190.14	21818
08989	Golden Gate Bridge Toll	05/01/2015	Regular	0.00	32.00	21819
00072	Goodin,MacBride,Squeri,Day,Lamprey	05/01/2015	Regular	0.00	1,540.00	21820
00993	Harris Court Business Park	05/01/2015	Regular	0.00	721.26	21821
00768	ICMA	05/01/2015	Regular	0.00	5,608.41	21822
06745	KBA Docusys - Lease Payments	05/01/2015	Regular	0.00	946.13	21823
03973	Kister, Stephanie	05/01/2015	Regular	0.00	165.00	21824
00222	M.J. Murphy	05/01/2015	Regular	0.00	17.18	21825
08006	Monterey County Sheriff's Office	05/01/2015	Regular	0.00	200.00	21826
00225	Palace Office Supply	05/01/2015	Regular	0.00	227.82	21827
00282	PG&E	05/01/2015	Regular	0.00	270.26	21828
00282	PG&E	05/01/2015	Regular	0.00	5,626.07	21829
00262	Pure H2O	05/01/2015	Regular	0.00	64.49	21830
00207	Universal Staffing Inc.	05/05/2015	Regular	0.00	-911.42	21831
00207	Universal Staffing Inc.	05/01/2015	Regular	0.00	911.42	21831
00280	Kevan Urquhart	05/01/2015	Regular	0.00	994.01	21832
00221	Verizon Wireless	05/01/2015	Regular	0.00	532.22	21833
08105	Yolanda Munoz	05/01/2015	Regular	0.00	540.00	21834
00254	MoCo Recorder	05/01/2015	Regular	0.00	29.00	21835
00254	MoCo Recorder	05/05/2015	Regular	0.00	-29.00	21836
00254	MoCo Recorder	05/01/2015	Regular	0.00	29.00	21836
00254	MoCo Recorder	05/01/2015	Regular	0.00	29.00	21837
00254	MoCo Recorder	05/01/2015	Regular	0.00	61.00	21838
00254	MoCo Recorder	05/04/2015	Regular	0.00	61.00	21839
00254	MoCo Recorder	05/06/2015	Regular	0.00	61.00	21840
00254	MoCo Recorder	05/06/2015	Regular	0.00	61.00	21841
00254	MoCo Recorder	05/06/2015	Regular	0.00	67.00	21842
00254	MoCo Recorder	05/06/2015	Regular	0.00	32.00	21843
00254	MoCo Recorder	05/06/2015	Regular	0.00	29.00	21844
00254	MoCo Recorder	05/06/2015	Regular	0.00	26.00	21845
00254	MoCo Recorder	05/06/2015	Regular	0.00	32.00	21846
00254	MoCo Recorder	05/06/2015	Regular	0.00	55.00	21847
00254	MoCo Recorder	05/11/2015	Regular	0.00	50.00	21936
00249	A.G. Davi, LTD	05/13/2015	Regular	0.00	395.00	21939
00253	AT&T	05/13/2015	Regular	0.00	759.61	21940
00252	Cal-Am Water	05/13/2015	Regular	0.00	205.70	21941
09122	Carmel Valley Auto Service	05/13/2015	Regular	0.00	75.35	21942
01001	CDW Government	05/13/2015	Regular	0.00	2,603.87	21943

EXHIBIT 7-B

Check Report

Date Range: 05/01/2015 - 05/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
08109	David Olson, Inc.	05/13/2015	Regular	0.00	1,676.00	21944
01012	Mark Dudley	05/13/2015	Regular	0.00	627.37	21945
08697	Elizabeth Flores	05/13/2015	Regular	0.00	101.60	21946
00267	Employment Development Dept.	05/13/2015	Regular	0.00	4,524.75	21947
00267	Employment Development Dept.	05/13/2015	Regular	0.00	281.34	21948
00192	Extra Space Storage	05/13/2015	Regular	0.00	259.00	21949
00084	Iverson Tree Service	05/13/2015	Regular	0.00	3,000.00	21950
00286	Stephanie L. Locke	05/13/2015	Regular	0.00	1,042.25	21951
00286	Stephanie L. Locke	05/13/2015	Regular	0.00	178.00	21952
00222	M.J. Murphy	05/13/2015	Regular	0.00	8.60	21953
00242	MBAS	05/13/2015	Regular	0.00	1,760.00	21954
05369	MEarth at the Hilton Bialek Habitat	05/13/2015	Regular	0.00	106.00	21955
00118	Monterey Bay Carpet & Janitorial Svc	05/13/2015	Regular	0.00	1,000.00	21956
08006	Monterey County Sheriff's Office	05/13/2015	Regular	0.00	200.00	21957
08988	North West Geomatics	05/13/2015	Regular	0.00	1,539.00	21958
04361	OneSource Office Systems	05/13/2015	Regular	0.00	213.94	21959
04717	Inder Osahan	05/13/2015	Regular	0.00	1,083.00	21960
00225	Palace Office Supply	05/13/2015	Regular	0.00	165.07	21961
00154	Peninsula Messenger Service	05/13/2015	Regular	0.00	445.00	21962
00755	Peninsula Welding Supply, Inc.	05/13/2015	Regular	0.00	72.00	21963
00256	PERS Retirement	05/13/2015	Regular	0.00	19,292.54	21964
00282	PG&E	05/13/2015	Regular	0.00	46.30	21965
06000	Potter's Electronics	05/13/2015	Regular	0.00	47.19	21966
00159	Pueblo Water Resources, Inc.	05/13/2015	Regular	0.00	4,300.00	21967
00272	Red Shift Internet Services	05/13/2015	Regular	0.00	604.95	21968
04709	Sherron Forsgren	05/13/2015	Regular	0.00	653.20	21969
05371	June Silva	05/13/2015	Regular	0.00	356.08	21970
08991	Southwest Pipeline & Trenchless Corp	05/13/2015	Regular	0.00	8.00	21971
01351	Staples Credit Plan	05/13/2015	Regular	0.00	26.04	21972
00986	Henrietta Stern	05/13/2015	Regular	0.00	233.51	21973
00258	Thomas Brand Consulting, LLC	05/13/2015	Regular	0.00	18,357.50	21974
00203	ThyssenKrup Elevator	05/13/2015	Regular	0.00	546.16	21975
00269	U.S. Bank	05/13/2015	Regular	0.00	6,640.21	21976
00207	Universal Staffing Inc.	05/13/2015	Regular	0.00	1,622.40	21977
00254	MoCo Recorder	05/13/2015	Regular	0.00	29.00	21978
00254	MoCo Recorder	05/13/2015	Regular	0.00	61.00	21979
00254	MoCo Recorder	05/13/2015	Regular	0.00	61.00	21980
00254	MoCo Recorder	05/13/2015	Regular	0.00	26.00	21981
00254	MoCo Recorder	05/13/2015	Regular	0.00	32.00	21982
00254	MoCo Recorder	05/13/2015	Regular	0.00	32.00	21983
00254	MoCo Recorder	05/13/2015	Regular	0.00	29.00	21984
00254	MoCo Recorder	05/13/2015	Regular	0.00	29.00	21985
00254	MoCo Recorder	05/14/2015	Regular	0.00	32.00	21986
00254	MoCo Recorder	05/21/2015	Regular	0.00	29.00	21987
00254	MoCo Recorder	05/21/2015	Regular	0.00	61.00	21988
00254	MoCo Recorder	05/21/2015	Regular	0.00	61.00	21989
00254	MoCo Recorder	05/21/2015	Regular	0.00	29.00	21990
00254	MoCo Recorder	05/21/2015	Regular	0.00	61.00	21991
00254	MoCo Recorder	05/21/2015	Regular	0.00	67.00	21992
00254	MoCo Recorder	05/21/2015	Regular	0.00	61.00	21993
00254	MoCo Recorder	05/21/2015	Regular	0.00	61.00	21994
00254	MoCo Recorder	05/21/2015	Regular	0.00	61.00	21995
00254	MoCo Recorder	05/21/2015	Regular	0.00	29.00	21996
00254	MoCo Recorder	05/21/2015	Regular	0.00	32.00	21997
00254	MoCo Recorder	05/21/2015	Regular	0.00	29.00	21998
00254	MoCo Recorder	05/21/2015	Regular	0.00	29.00	21999
00763	ACWA-JPIA	05/22/2015	Regular	0.00	437.94	22058
00763	ACWA-JPIA	05/22/2015	Regular	0.00	65.78	22059
00767	AFLAC	05/22/2015	Regular	0.00	1,477.76	22060
00253	AT&T	05/22/2015	Regular	0.00	1,889.68	22061
00760	Andy Bell	05/22/2015	Regular	0.00	794.00	22062

EXHIBIT 7-B**Check Report**

Date Range: 05/01/2015 - 05/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
09189	Bill Medford	05/22/2015	Regular	0.00	105.00	22063
00036	Bill Parham	05/22/2015	Regular	0.00	650.00	22064
00252	Cal-Am Water	05/22/2015	Regular	0.00	223.00	22065
09124	California Municipal Treasurers Association	05/22/2015	Regular	0.00	155.00	22066
00243	CalPers Long Term Care Program	05/22/2015	Regular	0.00	53.90	22067
03968	Central Coast Fly Fishing	05/22/2015	Regular	0.00	161.38	22068
00230	Cisco WebEx, LLC	05/22/2015	Regular	0.00	192.00	22069
00761	Delores Cofer	05/22/2015	Regular	0.00	397.00	22070
00028	Colantuono, Highsmith, & Whatley, PC	05/22/2015	Regular	0.00	1,100.40	22071
06268	Comcast	05/22/2015	Regular	0.00	197.46	22072
00281	CoreLogic Information Solutions, Inc.	05/22/2015	Regular	0.00	330.00	22073
03964	EWING	05/22/2015	Regular	0.00	100.00	22074
00192	Extra Space Storage	05/22/2015	Regular	0.00	680.00	22075
08990	Fort Ord Reuse Authority	05/22/2015	Regular	0.00	517.54	22076
00235	Green Rubber- Kennedy AG	05/22/2015	Regular	0.00	114.09	22077
00277	Home Depot Credit Services	05/22/2015	Regular	0.00	142.12	22078
09126	K&D Landscaping Inc.	05/22/2015	Regular	0.00	21,500.00	22079
00769	Laborers Trust Fund of Northern CA	05/22/2015	Regular	0.00	26,016.00	22080
00222	M.J. Murphy	05/22/2015	Regular	0.00	40.57	22081
00259	Marina Coast Water District	05/22/2015	Regular	0.00	51.71	22082
00259	Marina Coast Water District	05/22/2015	Regular	0.00	174.31	22083
00223	Martin's Irrigation Supply	05/22/2015	Regular	0.00	27.89	22084
09188	Nicholas De Luca	05/22/2015	Regular	0.00	13.00	22085
00225	Palace Office Supply	05/22/2015	Regular	0.00	161.26	22086
00256	PERS Retirement	05/22/2015	Regular	0.00	20,157.35	22087
00282	PG&E	05/22/2015	Regular	0.00	8,971.98	22088
00752	Professional Liability Insurance Service	05/22/2015	Regular	0.00	35.67	22089
00988	SDRMA - Workers Comp. Insurance	05/22/2015	Regular	0.00	3,052.98	22090
00176	Sentry Alarm Systems	05/22/2015	Regular	0.00	215.50	22091
00283	SHELL	05/22/2015	Regular	0.00	1,119.78	22092
00766	Standard Insurance Company	05/22/2015	Regular	0.00	1,130.63	22093
00766	Standard Insurance Company	05/22/2015	Regular	0.00	448.93	22094
04719	Telit Wireless Solutions	05/22/2015	Regular	0.00	127.21	22095
00207	Universal Staffing Inc.	05/22/2015	Regular	0.00	1,622.40	22096
00246	Raymond James & Assoc. Inc.	05/28/2015	Regular	0.00	45,000.00	22139
02660	Forestry Suppliers Inc.	05/28/2015	Regular	0.00	500.42	22140
00254	MoCo Recorder	05/28/2015	Regular	0.00	61.00	22141
00254	MoCo Recorder	05/28/2015	Regular	0.00	32.00	22142
00254	MoCo Recorder	05/28/2015	Regular	0.00	29.00	22143
00254	MoCo Recorder	05/28/2015	Regular	0.00	29.00	22144
00254	MoCo Recorder	05/28/2015	Regular	0.00	29.00	22145
00254	MoCo Recorder	05/28/2015	Regular	0.00	61.00	22146
00254	MoCo Recorder	05/28/2015	Regular	0.00	61.00	22147
00254	MoCo Recorder	05/28/2015	Regular	0.00	61.00	22148
00254	MoCo Recorder	05/28/2015	Regular	0.00	61.00	22149
01188	Alhambra	05/29/2015	Regular	0.00	360.16	22150
01347	ARC	05/29/2015	Regular	0.00	65.18	22151
00094	John Arriaga	05/29/2015	Regular	0.00	2,500.00	22152
00236	AT&T Long Distance	05/29/2015	Regular	0.00	918.65	22153
09127	Ben Meadows	05/29/2015	Regular	0.00	305.13	22154
00243	CalPers Long Term Care Program	05/29/2015	Regular	0.00	53.96	22155
00024	Central Coast Exterminator	05/29/2015	Regular	0.00	104.00	22156
00983	Beverly Chaney	05/29/2015	Regular	0.00	33.75	22157
06826	County of Monterey	05/29/2015	Regular	0.00	700.00	22158
00251	Rick Dickhaut	05/29/2015	Regular	0.00	1,031.00	22159
00267	Employment Development Dept.	05/29/2015	Regular	0.00	3,899.78	22160
00285	Gabby Ayala	05/29/2015	Regular	0.00	83.62	22161
00993	Harris Court Business Park	05/29/2015	Regular	0.00	721.26	22162
09228	Health Educational Services	05/29/2015	Regular	0.00	1,820.00	22163
00768	ICMA	05/29/2015	Regular	0.00	6,030.41	22164
03969	Jonathan Lear	05/29/2015	Regular	0.00	106.03	22165

EXHIBIT 7-B

Check Report

Date Range: 05/01/2015 - 05/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
06745	KBA Docusys - Lease Payments	05/29/2015	Regular	0.00	946.13	22166
03973	Kister, Stephanie	05/29/2015	Regular	0.00	268.74	22167
00286	Stephanie L. Locke	05/29/2015	Regular	0.00	31.00	22168
00242	MBAS	05/29/2015	Regular	0.00	100.00	22169
00275	Monterey County Herald	05/29/2015	Regular	0.00	159.64	22170
08006	Monterey County Sheriff's Office	05/29/2015	Regular	0.00	200.00	22171
00256	PERS Retirement	05/29/2015	Regular	0.00	19,307.35	22172
00282	PG&E	05/29/2015	Regular	0.00	446.13	22173
00282	PG&E	05/29/2015	Regular	0.00	399.70	22174
00986	Henrietta Stern	05/29/2015	Regular	0.00	151.40	22175
08105	Yolanda Munoz	05/29/2015	Regular	0.00	540.00	22176

Payment Type	Bank Code APBNK Summary			
	Payable Count	Payment Count	Discount	Payment
Regular Checks	229	181	0.00	306,081.44
Manual Checks	0	0	0.00	0.00
Voided Checks	0	6	0.00	-1,100.42
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	229	187	0.00	304,981.02

EXHIBIT 7-B

Check Report

Date Range: 05/01/2015 - 05/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-02-Rebates: Use Only For Rebates						
08552	VERA AUGUSTA JULIETTE FIERS	05/26/2015	Regular	0.00	-475.00	20869
09092	ANDREW GONZALES	05/06/2015	Regular	0.00	125.00	21848
09114	Anthony J. Bushlow III	05/06/2015	Regular	0.00	500.00	21849
09036	ANTON SALAMEH	05/06/2015	Regular	0.00	500.00	21850
09105	ARCHON MANAGEMENT LLC	05/06/2015	Regular	0.00	50.00	21851
09027	BACELEO CASTELLANO	05/06/2015	Regular	0.00	500.00	21852
09090	BART O'CONNOR	05/06/2015	Regular	0.00	175.00	21853
08999	BERNARDO HERNANDEZ	05/06/2015	Regular	0.00	500.00	21854
09018	BRUCE HERRMANN	05/06/2015	Regular	0.00	50.00	21855
09103	BUENA VISTA LAND COMPANY	05/06/2015	Regular	0.00	160.00	21856
09000	CARL A MOUNTEER	05/06/2015	Regular	0.00	500.00	21857
09116	CAROLE GAY OLSEN	05/06/2015	Regular	0.00	500.00	21858
09006	Chris Faber	05/06/2015	Regular	0.00	500.00	21859
09086	CHRISTINE OLSON	05/06/2015	Regular	0.00	100.00	21860
09009	CHRISTY Soboleski	05/06/2015	Regular	0.00	879.00	21861
09037	CONNIE TABOR	05/06/2015	Regular	0.00	500.00	21862
09015	DAVID CHANEY	05/06/2015	Regular	0.00	159.00	21863
09108	DAVID S. MULLALLY	05/06/2015	Regular	0.00	50.00	21864
09022	DAVID TUBMAN	05/06/2015	Regular	0.00	50.00	21865
09038	Del Mesa Carmel Community Assoc	05/06/2015	Regular	0.00	216.25	21866
09104	DENA KING	05/06/2015	Regular	0.00	1,350.00	21867
09106	DENNIS & MICHELE SALEH	05/06/2015	Regular	0.00	200.00	21868
09110	DOROTHY M KEIR	05/06/2015	Regular	0.00	50.00	21869
09019	ELAINE HUTSON	05/06/2015	Regular	0.00	50.00	21870
09100	EMLEE BREWER	05/06/2015	Regular	0.00	500.00	21871
09039	FIRST BAPTIST CHURCH OF SEASIDE	05/06/2015	Regular	0.00	500.00	21872
09117	FRANCES E MAJORS	05/06/2015	Regular	0.00	500.00	21873
09016	GEORGE LINO	05/06/2015	Regular	0.00	188.00	21874
08995	Heather Phillips	05/06/2015	Regular	0.00	500.00	21875
09118	ITSUO NAKASAKO	05/06/2015	Regular	0.00	500.00	21876
09012	JAMES HART	05/06/2015	Regular	0.00	178.00	21877
09111	JAMES L WAYMAN	05/06/2015	Regular	0.00	125.00	21878
08996	JAMES SANDERS	05/06/2015	Regular	0.00	500.00	21879
09099	JAMES WILLCOX	05/06/2015	Regular	0.00	500.00	21880
09026	JANICE HARTRICK	05/06/2015	Regular	0.00	500.00	21881
09025	JEANY BESOBRAZOFF	05/06/2015	Regular	0.00	125.00	21882
08998	Jed & Jodi Horner	05/06/2015	Regular	0.00	500.00	21883
09115	JESSE FEBUS	05/06/2015	Regular	0.00	500.00	21884
09093	JOAN L HYLER	05/06/2015	Regular	0.00	125.00	21885
09002	John L. Bixler	05/06/2015	Regular	0.00	875.00	21886
09011	JOHN NELSON	05/06/2015	Regular	0.00	100.00	21887
09023	JUAN & ROXANE EZCURRA	05/06/2015	Regular	0.00	125.00	21888
09084	KATHERINE RIVERA	05/06/2015	Regular	0.00	100.00	21889
09101	KATHLEEN ROSE	05/06/2015	Regular	0.00	500.00	21890
09032	Kenneth Oda	05/06/2015	Regular	0.00	500.00	21891
09008	Lily S Huang	05/06/2015	Regular	0.00	2,500.00	21892
09087	LUCIENNE ASH TR	05/06/2015	Regular	0.00	178.00	21893
09031	LUCILLE ODEN	05/06/2015	Regular	0.00	500.00	21894
09083	LYN CHRISTENSEN	05/06/2015	Regular	0.00	200.00	21895
09120	LYNN BOMBERGER	05/06/2015	Regular	0.00	500.00	21896
09098	LYNN MONCHER	05/06/2015	Regular	0.00	500.00	21897
09004	Lyster Ganaden	05/06/2015	Regular	0.00	500.00	21898
09113	MARIO & AMY TORRENTE	05/06/2015	Regular	0.00	625.00	21899
09033	MARK JOHNSON	05/06/2015	Regular	0.00	500.00	21900
09097	MARTIN & HOLLY WOLFF	05/06/2015	Regular	0.00	500.00	21901
09089	MARY SNOPKOWSKI	05/06/2015	Regular	0.00	159.00	21902
09095	Melinda Klein	05/06/2015	Regular	0.00	500.00	21903
09121	MICHAEL LARANANG	05/06/2015	Regular	0.00	2,500.00	21904
09094	MICHAEL HEISINGER	05/06/2015	Regular	0.00	500.00	21905
09109	MICHAEL ROGERS	05/06/2015	Regular	0.00	50.00	21906

EXHIBIT 7-B

Check Report

Date Range: 05/01/2015 - 05/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
09007	MONTEREY COUNTY FAIR	05/06/2015	Regular	0.00	892.12	21907
09014	NANCY MC GRAW	05/06/2015	Regular	0.00	88.00	21908
09085	NEAL MATSUMOTO	05/06/2015	Regular	0.00	50.00	21909
09088	PAMELA HAYES	05/06/2015	Regular	0.00	600.00	21910
09107	PETER LEVY	05/06/2015	Regular	0.00	50.00	21911
09091	PHYLLIS TAYLOR	05/06/2015	Regular	0.00	50.00	21912
09082	PRISCILLA HENRY	05/06/2015	Regular	0.00	500.00	21913
09112	RENEE FRANKEN	05/06/2015	Regular	0.00	125.00	21914
09013	Robbin Hala	05/06/2015	Regular	0.00	400.00	21915
09096	ROBERT KRAMER	05/06/2015	Regular	0.00	500.00	21916
08993	ROBERT SANFORD	05/06/2015	Regular	0.00	100.00	21917
09003	ROSE DiROCCO	05/06/2015	Regular	0.00	99.00	21918
08997	ROSEMARY AIELLO	05/06/2015	Regular	0.00	500.00	21919
09029	Sally Eastham	05/06/2015	Regular	0.00	500.00	21920
09005	Sarah Balestreri	05/06/2015	Regular	0.00	500.00	21921
09119	SHELLY ALDRICH	05/06/2015	Regular	0.00	500.00	21922
09102	SHINICHI YAMADA	05/06/2015	Regular	0.00	500.00	21923
09034	SIHAM MUNIR	05/06/2015	Regular	0.00	500.00	21924
08994	Sim Lou	05/06/2015	Regular	0.00	175.00	21925
09010	Steven W & Nannette M Buck	05/06/2015	Regular	0.00	615.00	21926
09021	SUN PARK	05/06/2015	Regular	0.00	225.00	21927
09024	SUSAN SHELLEY JONES	05/06/2015	Regular	0.00	625.00	21928
09020	Susie Ellis	05/06/2015	Regular	0.00	100.00	21929
09030	TODD GREENTREE	05/06/2015	Regular	0.00	500.00	21930
09028	TONI VENZA	05/06/2015	Regular	0.00	500.00	21931
09001	VERA FIERS	05/06/2015	Regular	0.00	500.00	21932
08992	VICTOR OKKERSE	05/06/2015	Regular	0.00	50.00	21933
09017	VINCENT CARDINALE	05/06/2015	Regular	0.00	700.00	21934
09035	Wendy Dinkel	05/06/2015	Regular	0.00	500.00	21935
09186	ALEXANDER & PAMELA R MELNICK	05/21/2015	Regular	0.00	125.00	22000
09148	ALICIA HAMMOND	05/21/2015	Regular	0.00	50.00	22001
09147	BARBARA SOUZA	05/21/2015	Regular	0.00	50.00	22002
09174	Charles Bell	05/21/2015	Regular	0.00	500.00	22003
09134	CHARLES BRUNER	05/21/2015	Regular	0.00	398.00	22004
09178	CHARLES DAVIS	05/21/2015	Regular	0.00	500.00	22005
09184	CHARLES KRONE ASSOCIATES INC	05/21/2015	Regular	0.00	198.00	22006
09165	CHRIS KIP HOPKINS	05/21/2015	Regular	0.00	500.00	22007
09185	Cindy Goggia	05/21/2015	Regular	0.00	125.00	22008
09187	COURTNEY LEE	05/21/2015	Regular	0.00	50.00	22009
09157	CYNTHIA KOEHNE	05/21/2015	Regular	0.00	125.00	22010
09179	DON PIPER	05/21/2015	Regular	0.00	500.00	22011
09160	DONALD KIRK	05/21/2015	Regular	0.00	125.00	22012
09152	DONALD L. PIPER JR.	05/21/2015	Regular	0.00	125.00	22013
09139	DOUGLAS & CHRISTINA MITCHELL	05/21/2015	Regular	0.00	50.00	22014
09176	ERIC COLEY	05/21/2015	Regular	0.00	500.00	22015
09133	Eric Dawson	05/21/2015	Regular	0.00	200.00	22016
09135	GARY D STUFFLEBEAM	05/21/2015	Regular	0.00	178.00	22017
09154	GAYLE S UYEDA	05/21/2015	Regular	0.00	125.00	22018
09142	GRISELDA SAENZ	05/21/2015	Regular	0.00	50.00	22019
09150	HARRY KMASTER	05/21/2015	Regular	0.00	50.00	22020
09137	JOANNE PETERSON TR	05/21/2015	Regular	0.00	198.00	22021
09166	JOHN A. GOTRO	05/21/2015	Regular	0.00	500.00	22022
09173	JOHN HANG	05/21/2015	Regular	0.00	500.00	22023
09170	JUSTIN & ANNE REEVES	05/21/2015	Regular	0.00	500.00	22024
09163	KATE STEVENS	05/21/2015	Regular	0.00	500.00	22025
09151	KATY RAFFEDIE	05/21/2015	Regular	0.00	50.00	22026
09138	KENNETH WURZBURGER	05/21/2015	Regular	0.00	99.00	22027
09153	KIMBERLY KAY ANGST	05/21/2015	Regular	0.00	125.00	22028
09177	LARRY ROSE	05/21/2015	Regular	0.00	500.00	22029
09140	LEE SAUER	05/21/2015	Regular	0.00	50.00	22030
09181	LORI S. NYE	05/21/2015	Regular	0.00	500.00	22031

EXHIBIT 7-B**Check Report**

Date Range: 05/01/2015 - 05/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
09167	Mary Meyer	05/21/2015	Regular	0.00	500.00	22032
09136	MARY SHINTANI	05/21/2015	Regular	0.00	188.00	22033
09169	MARYRUTH WILDE	05/21/2015	Regular	0.00	500.00	22034
09172	MICHAEL J. & FRANCINE M. WOLFE	05/21/2015	Regular	0.00	500.00	22035
09183	MICHAEL ROGERS	05/21/2015	Regular	0.00	50.00	22036
09162	MICHELLE OVERWESER KRIGER	05/21/2015	Regular	0.00	500.00	22037
09182	NANCY CALLAHAN	05/21/2015	Regular	0.00	262.50	22038
09132	NANCY L BARTELL	05/21/2015	Regular	0.00	200.00	22039
09156	NORMAN ALDRICH	05/21/2015	Regular	0.00	125.00	22040
09141	PATRICIA SALAS	05/21/2015	Regular	0.00	50.00	22041
09161	PAUL & SUSAN BEST	05/21/2015	Regular	0.00	500.00	22042
09149	PAUL MARKO	05/21/2015	Regular	0.00	50.00	22043
09180	RANDALL G LOPEZ	05/21/2015	Regular	0.00	500.00	22044
09144	REBECCA MOORE	05/21/2015	Regular	0.00	550.00	22045
09146	ROBERT LEE	05/21/2015	Regular	0.00	50.00	22046
09131	ROBERT McCLURG	05/21/2015	Regular	0.00	400.00	22047
09159	ROGER DENK	05/21/2015	Regular	0.00	125.00	22048
09164	SANDRA LEWIS	05/21/2015	Regular	0.00	500.00	22049
09171	STEVEN & HELEN RUBIN	05/21/2015	Regular	0.00	500.00	22050
09145	SUSAN CHIRA	05/21/2015	Regular	0.00	100.00	22051
09130	SUSAN REITH	05/21/2015	Regular	0.00	178.00	22052
09155	THOMAS SURBRIDGE	05/21/2015	Regular	0.00	125.00	22053
09158	TRAVIS MODISSETTE	05/21/2015	Regular	0.00	125.00	22054
09168	VICKI FRANK	05/21/2015	Regular	0.00	500.00	22055
09175	WILLIAM KOENIG	05/21/2015	Regular	0.00	500.00	22056
09143	WILLIAM RAWSON	05/21/2015	Regular	0.00	50.00	22057
09212	Adam Karaoguz	05/26/2015	Regular	0.00	500.00	22097
09217	Alex Enfiedjian	05/26/2015	Regular	0.00	500.00	22098
09222	Charles & Marilyn Gibfried	05/26/2015	Regular	0.00	500.00	22099
09195	CHARLES MENDEZ	05/26/2015	Regular	0.00	188.00	22100
09216	CRAIG LAUTERBACH	05/26/2015	Regular	0.00	500.00	22101
09223	DAVID WHITTICK & JANET TAILLON	05/26/2015	Regular	0.00	250.00	22102
09208	Elizabeth Grimes	05/26/2015	Regular	0.00	500.00	22103
09214	George W East	05/26/2015	Regular	0.00	500.00	22104
09211	HARVEY SULLIVAN	05/26/2015	Regular	0.00	500.00	22105
09226	IRENE WASHINGTON	05/26/2015	Regular	0.00	98.00	22106
09224	JAMES GOLDBERG	05/26/2015	Regular	0.00	264.00	22107
09191	JANE P ALTAVILLA	05/26/2015	Regular	0.00	188.00	22108
09198	Jennifer Kemmerly	05/26/2015	Regular	0.00	100.00	22109
09215	Jeremy Connally	05/26/2015	Regular	0.00	500.00	22110
09193	JERI L CRITTENDEN TR	05/26/2015	Regular	0.00	100.00	22111
09213	JILL B HOTVET	05/26/2015	Regular	0.00	500.00	22112
09219	Jodi Essex-Elarmo	05/26/2015	Regular	0.00	500.00	22113
09205	JOHN & JACKIE HOWE	05/26/2015	Regular	0.00	500.00	22114
09225	JOHN C & LYNNE A MARCH	05/26/2015	Regular	0.00	1,015.00	22115
09227	JULIA MASTROPAVLOS	05/26/2015	Regular	0.00	500.00	22116
09197	JUSTIN KANTOR	05/26/2015	Regular	0.00	50.00	22117
09201	LYNN BOMBERGER	05/26/2015	Regular	0.00	300.00	22118
09221	MATT KERT	05/26/2015	Regular	0.00	500.00	22119
09218	Matthew A Russo	05/26/2015	Regular	0.00	500.00	22120
09210	MICHAEL & CATHE MARTORELLA	05/26/2015	Regular	0.00	500.00	22121
09200	Mignon Higgins	05/26/2015	Regular	0.00	100.00	22122
09202	MOLLY E HAYES	05/26/2015	Regular	0.00	125.00	22123
09190	NANCY DAWSON	05/26/2015	Regular	0.00	337.75	22124
09206	Nancy E. Thompson	05/26/2015	Regular	0.00	500.00	22125
09209	Richard Kitson & Paige Ricciardi	05/26/2015	Regular	0.00	500.00	22126
09220	Sarah Chang	05/26/2015	Regular	0.00	500.00	22127
09199	SARAH HALLER	05/26/2015	Regular	0.00	50.00	22128
09203	SCOTT & MEREDITH MANHARD	05/26/2015	Regular	0.00	125.00	22129
09207	Steven & Joan Little	05/26/2015	Regular	0.00	500.00	22130
09204	STUART REYNOLDS	05/26/2015	Regular	0.00	125.00	22131

EXHIBIT 7-B

Check Report

Date Range: 05/01/2015 - 05/31/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
09196	TOMASITA PAGAN	05/26/2015	Regular	0.00	198.00	22132
09192	VANESSA MARTIN	05/26/2015	Regular	0.00	50.00	22133
08552	VERA AUGUSTA JULIETTE FIERS	05/26/2015	Regular	0.00	475.00	22134
09194	WILLIAM E BEASLEY	05/26/2015	Regular	0.00	50.00	22135

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	185	185	0.00	66,124.62
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-475.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	185	186	0.00	65,649.62

EXHIBIT 7-B

Check Report

Date Range: 05/01/2015 - 05/31/2015

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	5/2015	370,630.64
			<hr/>
			370,630.64



Payroll Bank Transaction Report

By Payment Number

Date: 5/1/2015 - 5/31/2015

Payroll Set: 01 - Monterey Peninsula Water Management District

Payment Number	Payment Date	Payment Type	Employee		Check Amount	Direct Deposit	Total Payment
			Number	Employee Name		Amount	
1468	05/01/2015	Regular	1024	Stoldt, David J	0	5812.49	5812.49
1469	05/01/2015	Regular	1025	Tavani, Arlene M	0	1891.2	1891.2
1470	05/01/2015	Regular	1006	Dudley, Mark A	0	2897.07	2897.07
1471	05/01/2015	Regular	1039	Flores, Elizabeth	0	1878.46	1878.46
1472	05/01/2015	Regular	1018	Prasad, Suresh	0	3611.98	3611.98
1473	05/01/2015	Regular	1019	Reyes, Sara C	0	1853.63	1853.63
1474	05/01/2015	Regular	1020	Sandoval, Eric J	0	1943.86	1943.86
1475	05/01/2015	Regular	1021	Schmidlin, Cynthia L	0	1801.41	1801.41
1476	05/01/2015	Regular	1022	Soto, Paula	0	1348.85	1348.85
1477	05/01/2015	Regular	1002	Bekker, Mark	0	1634.93	1634.93
1478	05/01/2015	Regular	1005	Christensen, Thomas T	0	2561.29	2561.29
1479	05/01/2015	Regular	1008	Hampson, Larry M	0	3232.71	3232.71
1480	05/01/2015	Regular	1013	Lyons, Matthew J	0	1649.73	1649.73
1481	05/01/2015	Regular	1023	Stern, Henrietta L	0	2151.93	2151.93
1482	05/01/2015	Regular	6028	Atkins, Daniel N.	0	502.44	502.44
1483	05/01/2015	Regular	1004	Chaney, Beverly M	0	2139.81	2139.81
1484	05/01/2015	Regular	1007	Hamilton, Cory R	0	2042.55	2042.55
1485	05/01/2015	Regular	1009	James, Gregory W	0	2943.16	2943.16
1486	05/01/2015	Regular	1011	Lear, Jonathan P	0	2743.83	2743.83
1487	05/01/2015	Regular	1012	Lindberg, Thomas L	0	2168.69	2168.69
1488	05/01/2015	Regular	1016	Oliver, Joseph W	0	2628.28	2628.28
1489	05/01/2015	Regular	1026	Urquhart, Kevan A	0	2143.58	2143.58
1490	05/01/2015	Regular	1001	Ayala, Gabriela D	0	1751.49	1751.49
1491	05/01/2015	Regular	1003	Boles, Michael T	0	1778.61	1778.61
1492	05/01/2015	Regular	1010	Kister, Stephanie L	0	2138.76	2138.76
1493	05/01/2015	Regular	1017	Locke, Stephanie L	0	2702.68	2702.68
1494	05/01/2015	Regular	1014	Martin, Debra S	0	1703.8	1703.8
1496	05/15/2015	Regular	1024	Stoldt, David J	0	5816.43	5816.43
1497	05/15/2015	Regular	1025	Tavani, Arlene M	0	2161.08	2161.08
1498	05/15/2015	Regular	1006	Dudley, Mark A	0	3006.7	3006.7
1499	05/15/2015	Regular	1039	Flores, Elizabeth	0	2085.5	2085.5
1500	05/15/2015	Regular	1018	Prasad, Suresh	0	3716.14	3716.14
1501	05/15/2015	Regular	1019	Reyes, Sara C	0	1989.44	1989.44
1502	05/15/2015	Regular	1020	Sandoval, Eric J	0	2361.4	2361.4
1503	05/15/2015	Regular	1021	Schmidlin, Cynthia L	0	2106.91	2106.91
1504	05/15/2015	Regular	1022	Soto, Paula	0	1390.03	1390.03
1505	05/15/2015	Regular	1002	Bekker, Mark	0	1890.73	1890.73
1506	05/15/2015	Regular	1005	Christensen, Thomas T	0	2766.69	2766.69
1507	05/15/2015	Regular	1008	Hampson, Larry M	0	3620.01	3620.01
1508	05/15/2015	Regular	1013	Lyons, Matthew J	0	1788.63	1788.63
1509	05/15/2015	Regular	1023	Stern, Henrietta L	0	2980.94	2980.94
1510	05/15/2015	Regular	6028	Atkins, Daniel N.	0	748.66	748.66
1511	05/15/2015	Regular	1004	Chaney, Beverly M	0	2463.19	2463.19
1512	05/15/2015	Regular	6010	Gonnerman, Maryan C	0	449.23	449.23
1513	05/15/2015	Regular	1007	Hamilton, Cory R	0	2214.03	2214.03
1514	05/15/2015	Regular	1009	James, Gregory W	0	2989.21	2989.21
1515	05/15/2015	Regular	1011	Lear, Jonathan P	0	3163.94	3163.94
1516	05/15/2015	Regular	1012	Lindberg, Thomas L	0	2421.93	2421.93
1517	05/15/2015	Regular	1016	Oliver, Joseph W	0	3371.77	3371.77
1518	05/15/2015	Regular	1026	Urquhart, Kevan A	0	2645.09	2645.09
1519	05/15/2015	Regular	1001	Ayala, Gabriela D	0	2049.91	2049.91
1520	05/15/2015	Regular	1003	Boles, Michael T	0	1837.52	1837.52
1521	05/15/2015	Regular	1010	Kister, Stephanie L	0	1860.36	1860.36
1522	05/15/2015	Regular	1017	Locke, Stephanie L	0	2907.76	2907.76
1523	05/15/2015	Regular	1014	Martin, Debra S	0	1796.73	1796.73
1524	05/29/2015	Regular	1024	Stoldt, David J	0	5812.49	5812.49
1525	05/29/2015	Regular	1025	Tavani, Arlene M	0	1891.2	1891.2

EXHIBIT 7-C

Payment Number	Payment Date	Payment Type	Employee		Direct Deposit		Total Payment	
			Number	Employee Name	Check Amount	Amount		
1526	05/29/2015	Regular	1006	Dudley, Mark A	0	2897.06	2897.06	
1527	05/29/2015	Regular	1039	Flores, Elizabeth	0	1925.4	1925.4	
1528	05/29/2015	Regular	1018	Prasad, Suresh	0	3611.98	3611.98	
1529	05/29/2015	Regular	1019	Reyes, Sara C	0	1853.63	1853.63	
1530	05/29/2015	Regular	1020	Sandoval, Eric J	0	1943.86	1943.86	
1531	05/29/2015	Regular	1021	Schmidlin, Cynthia L	0	1801.41	1801.41	
1532	05/29/2015	Regular	1022	Soto, Paula	0	1348.84	1348.84	
1533	05/29/2015	Regular	1002	Bekker, Mark	0	1634.93	1634.93	
1534	05/29/2015	Regular	1005	Christensen, Thomas T	0	2561.29	2561.29	
1535	05/29/2015	Regular	1008	Hampson, Larry M	0	3232.71	3232.71	
1536	05/29/2015	Regular	1013	Lyons, Matthew J	0	1649.73	1649.73	
1537	05/29/2015	Regular	1023	Stern, Henrietta L	0	2151.92	2151.92	
1538	05/29/2015	Regular	6028	Atkins, Daniel N.	0	655.57	655.57	
1539	05/29/2015	Regular	1004	Chaney, Beverly M	0	2139.81	2139.81	
1540	05/29/2015	Regular	6010	Gonnerman, Maryan C	0	412.93	412.93	
1541	05/29/2015	Regular	6001	Gwinn, Abigail E	0	85.13	85.13	
1542	05/29/2015	Regular	1007	Hamilton, Cory R	0	2042.55	2042.55	
1543	05/29/2015	Regular	1009	James, Gregory W	0	2943.16	2943.16	
1544	05/29/2015	Regular	1011	Lear, Jonathan P	0	2743.83	2743.83	
1545	05/29/2015	Regular	1012	Lindberg, Thomas L	0	2168.7	2168.7	
1546	05/29/2015	Regular	1016	Oliver, Joseph W	0	2628.28	2628.28	
1547	05/29/2015	Regular	1026	Urquhart, Kevan A	0	1870.26	1870.26	
1548	05/29/2015	Regular	1001	Ayala, Gabriela D	0	1663.2	1663.2	
1549	05/29/2015	Regular	1003	Boles, Michael T	0	1778.61	1778.61	
1550	05/29/2015	Regular	1010	Kister, Stephanie L	0	1779.81	1779.81	
1551	05/29/2015	Regular	1017	Locke, Stephanie L	0	2702.68	2702.68	
1552	05/29/2015	Regular	1014	Martin, Debra S	0	1703.8	1703.8	
21788	05/01/2015	Regular	1029	Dettman, David H	238.96	0	238.96	
21789	05/01/2015	Regular	6013	Malloway, Joshua R	495.52	0	495.52	
21790	05/01/2015	Regular	6033	Suwada, Joseph J.	689.79	0	689.79	
21937	05/15/2015	Regular	6013	Malloway, Joshua R	495.52	0	495.52	
21938	05/15/2015	Regular	6033	Suwada, Joseph J.	766.39	0	766.39	
22136	05/29/2015	Regular	1029	Dettman, David H	619.77	0	619.77	
22137	05/29/2015	Regular	6013	Malloway, Joshua R	187.47	0	187.47	
22138	05/29/2015	Regular	6033	Suwada, Joseph J.	694.9	0	694.9	
Total							\$ 196,080.27	

EXHIBIT 7-D



Monterey Peninsula Water Mgmt District

Bank Transaction Report

Transaction Detail

Issued Date Range: 05/01/2015 - 05/31/2015

Cleared Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
Bank Account: 111 - Bank of America Checking							
05/01/2015	05/01/2015	DFT0000576	I.R.S.	Accounts Payable	Cleared	Bank Draft	-10,776.66
05/01/2015	05/01/2015	DFT0000577	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,196.50
05/01/2015	05/01/2015	DFT0000578	I.R.S.	Accounts Payable	Cleared	Bank Draft	-283.14
05/15/2015	05/15/2015	DFT0000583	I.R.S.	Accounts Payable	Cleared	Bank Draft	-12,202.17
05/15/2015	05/15/2015	DFT0000584	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,250.36
05/15/2015	05/15/2015	DFT0000585	I.R.S.	Accounts Payable	Cleared	Bank Draft	-368.80
05/15/2015	05/15/2015	SVC0000054	To post May/15 Bank Service Charge	General Ledger	Cleared	Service Charge	-366.67
05/29/2015	05/29/2015	DFT0000587	I.R.S.	Accounts Payable	Cleared	Bank Draft	-10,586.55
05/29/2015	05/29/2015	DFT0000588	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,204.88
05/29/2015	05/29/2015	DFT0000589	I.R.S.	Accounts Payable	Cleared	Bank Draft	-390.32
Bank Account 111 Total: (10)							-41,626.05
Report Total: (10)							-41,626.05

EXHIBIT 7-D

Bank Transaction Report

Issued Date Range: 05/01/2015 - 05/31/2015 Cleared Date Range: -

Summary

Bank Account	Count	Amount
111 Bank of America Checking	10	-41,626.05
Report Total:	10	-41,626.05

Cash Account	Count	Amount
99 99-10-100100 Pool Cash Account	10	-41,626.05
Report Total:	10	-41,626.05

Transaction Type	Count	Amount
Bank Draft	9	-41,259.38
Service Charge	1	-366.67
Report Total:	10	-41,626.05

EXHIBIT 7-E



Monterey Peninsula Water Mgmt District

Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Revenue								
R100 - Water Supply Charge	0	283,220	-283,220	0.00 %	3,311,361	3,400,000	-88,639	-97.39 %
R110 - Mitigation Revenue	197,268	177,184	20,084	-111.34 %	1,338,337	2,127,000	-788,664	-62.92 %
R120 - Property Taxes Revenues	0	124,950	-124,950	0.00 %	1,574,410	1,500,000	74,410	-104.96 %
R130 - User Fees	4,206	6,248	-2,042	-67.32 %	46,383	75,000	-28,617	-61.84 %
R140 - Connection Charges	16,491	14,578	1,913	-113.13 %	126,237	175,000	-48,763	-72.14 %
R150 - Permit Processing Fee	14,323	14,578	-255	-98.25 %	146,080	175,000	-28,920	-83.47 %
R160 - Well Registration Fee	0	0	0	0.00 %	1,800	0	1,800	0.00 %
R190 - WDS Permits Rule 21	0	4,665	-4,665	0.00 %	33,283	56,000	-22,717	-59.43 %
R200 - Recording Fees	1,295	666	629	-194.33 %	10,492	8,000	2,492	-131.15 %
R210 - Legal Fees	456	1,250	-794	-36.49 %	2,466	15,000	-12,534	-16.44 %
R220 - Copy Fee	0	0	0	0.00 %	80	0	80	0.00 %
R230 - Miscellaneous - Other	64	1,250	-1,185	-5.15 %	3,517	15,000	-11,483	-23.45 %
R240 - Insurance Refunds	0	0	0	0.00 %	6,729	0	6,729	0.00 %
R250 - Interest Income	206	1,249	-1,043	-16.53 %	17,319	15,000	2,319	-115.46 %
R260 - CAW - ASR	0	46,476	-46,476	0.00 %	349,723	557,900	-208,177	-62.69 %
R270 - CAW - Rebates	43,535	99,977	-56,441	-43.55 %	1,005,502	1,200,000	-194,498	-83.79 %
R280 - CAW - Conservation	0	31,838	-31,838	0.00 %	275,532	382,200	-106,668	-72.09 %
R290 - CAW - Miscellaneous	0	583	-583	0.00 %	0	7,000	-7,000	0.00 %
R300 - Watermaster	0	5,748	-5,748	0.00 %	37,506	69,000	-31,494	-54.36 %
R310 - Other Reimbursements	0	3,603	-3,603	0.00 %	0	43,250	-43,250	0.00 %
R320 - Grants	0	38,379	-38,379	0.00 %	169,214	460,800	-291,586	-36.72 %
R500 - Capital Equipment Reserve	0	7,322	-7,322	0.00 %	0	87,900	-87,900	0.00 %
R510 - Operating Reserve	0	124,424	-124,424	0.00 %	0	1,493,084	-1,493,084	0.00 %
R520 - Flood/Drought Reserve	0	9,582	-9,582	0.00 %	0	115,000	-115,000	0.00 %
R600 - Water Supply Charge Carry Forward	0	-38	38	0.00 %	0	0	0	0.00 %
Total Revenue:	277,845	997,730	-719,885	-27.85 %	8,455,972	11,977,134	-3,521,162	-70.60 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	263,156	189,125	-74,031	139.14 %	2,063,156	2,270,400	207,244	90.87 %
1110 - Manager's Auto Allowance	692	400	-292	173.14 %	4,985	4,800	-185	103.85 %
1120 - Manager's Deferred Comp	900	583	-317	154.35 %	6,831	7,000	169	97.58 %
1130 - Unemployment Compensation	281	250	-31	112.58 %	281	3,000	2,719	9.38 %
1140 - Insurance Opt-Out Supplemental	1,950	787	-1,163	247.72 %	15,009	9,450	-5,559	158.82 %
1150 - Temporary Personnel	2,434	3,399	965	71.61 %	35,600	40,800	5,200	87.25 %
1160 - PERS Retirement	47,233	32,487	-14,746	145.39 %	380,590	390,000	9,410	97.59 %
1170 - Medical Insurance	23,852	25,011	1,159	95.37 %	262,908	300,250	37,342	87.56 %
1180 - Medical Insurance - Retirees	4,854	4,498	-356	107.92 %	54,055	54,000	-55	100.10 %
1190 - Workers Compensation	4,599	3,274	-1,326	140.49 %	37,193	39,300	2,107	94.64 %
1200 - Life Insurance	438	441	4	99.20 %	4,772	5,300	528	90.04 %
1210 - Long Term Disability Insurance	1,131	979	-152	115.52 %	11,322	11,750	428	96.36 %
1220 - Short Term Disability Insurance	174	196	21	89.08 %	1,913	2,350	437	81.41 %
1230 - Other Benefits	77	0	-77	0.00 %	1,620	0	-1,620	0.00 %
1260 - Employee Assistance Program	66	92	26	71.82 %	724	1,100	376	65.78 %
1270 - FICA Tax Expense	521	0	-521	0.00 %	4,188	0	-4,188	0.00 %
1280 - Medicare Tax Expense	3,326	2,299	-1,027	144.66 %	26,595	27,600	1,005	96.36 %
1290 - Staff Development & Training	2,350	1,266	-1,084	185.59 %	5,452	15,200	9,748	35.87 %
1300 - Conference Registration	0	600	600	0.00 %	5,814	7,200	1,386	80.75 %
1310 - Professional Dues	0	941	941	0.00 %	1,755	11,300	9,545	15.53 %
1320 - Personnel Recruitment	0	150	150	0.00 %	1,967	1,800	-167	109.25 %
Total Level1: 100 - Personnel Costs:	358,035	266,776	-91,258	134.21 %	2,926,730	3,202,600	275,870	91.39 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	0	3,082	3,082	0.00 %	25,740	37,000	11,260	69.57 %
2020 - Board Expenses	-155	375	530	-41.35 %	3,609	4,500	891	80.20 %
2040 - Rent	1,725	1,741	16	99.08 %	18,897	20,900	2,003	90.42 %
2060 - Utilities	1,439	2,940	1,502	48.93 %	39,352	35,300	-4,052	111.48 %
2120 - Insurance Expense	3,445	3,749	303	91.91 %	38,964	45,000	6,036	86.59 %
2130 - Membership Dues	155	2,666	2,511	5.81 %	25,068	32,000	6,932	78.34 %
2140 - Bank Charges	395	292	-104	135.52 %	3,755	3,500	-255	107.28 %
2150 - Office Supplies	785	1,349	564	58.20 %	11,360	16,200	4,840	70.12 %
2160 - Courier Expense	487	666	179	73.08 %	7,316	8,000	684	91.45 %
2170 - Printing/Photocopy	0	1,149	1,149	0.00 %	1,947	13,800	11,853	14.11 %
2180 - Postage & Shipping	0	250	250	0.00 %	3,391	3,000	-391	113.03 %
2190 - IT Supplies/Services	5,036	7,205	2,170	69.89 %	65,331	86,500	21,169	75.53 %
2200 - Professional Fees	7,450	10,146	2,696	73.43 %	113,000	121,800	8,800	92.78 %
2220 - Equipment Repairs & Maintenance	680	375	-305	181.41 %	7,474	4,500	-2,974	166.09 %
2235 - Equipment Lease	946	1,416	470	66.81 %	12,464	17,000	4,536	73.32 %
2240 - Telephone	3,610	3,199	-412	112.87 %	46,659	38,400	-8,259	121.51 %
2260 - Facility Maintenance	2,041	2,874	833	71.01 %	33,825	34,500	675	98.04 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2270 - Travel Expenses	1,318	1,749	431	75.36 %	22,404	21,000	-1,404	106.68 %
2280 - Transportation	1,464	2,582	1,118	56.71 %	19,908	31,000	11,092	64.22 %
2300 - Legal Services	27,206	33,320	6,114	81.65 %	310,294	400,000	89,706	77.57 %
2380 - Meeting Expenses	150	675	525	22.23 %	2,800	8,100	5,300	34.56 %
2420 - Legal Notices	160	358	199	44.57 %	738	4,300	3,562	17.16 %
2460 - Public Outreach	41	250	209	16.23 %	5,161	3,000	-2,161	172.03 %
2480 - Miscellaneous	0	625	625	0.00 %	3,076	7,500	4,424	41.01 %
2500 - Tax Administration Fee	0	0	0	0.00 %	18,739	0	-18,739	0.00 %
2900 - Operating Supplies	810	1,799	989	45.01 %	14,277	21,600	7,323	66.10 %
Total Level1: 200 - Supplies and Services:	59,189	84,833	25,644	69.77 %	855,547	1,018,400	162,853	84.01 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	605,850	580,460	-25,390	104.37 %	4,111,922	6,968,000	2,856,078	59.01 %
4000 - Fixed Asset Purchases	8,247	16,577	8,329	49.75 %	52,971	199,000	146,029	26.62 %
5000 - Debt Service	69,605	19,159	-50,446	363.30 %	147,149	230,000	82,851	63.98 %
5500 - Election Expenses	0	15,465	15,465	0.00 %	185,583	185,584	1	100.00 %
6000 - Contingencies	0	6,247	6,247	0.00 %	0	75,000	75,000	0.00 %
6500 - Reserves	0	8,213	8,213	0.00 %	0	98,550	98,550	0.00 %
Total Level1: 300 - Other Expenses:	683,703	646,121	-37,582	105.82 %	4,497,625	7,756,134	3,258,509	57.99 %
Total Expense:	1,100,926	997,730	-103,196	110.34 %	8,279,902	11,977,134	3,697,232	69.13 %
Report Total:	-823,081	0	-823,081		176,070	0	176,070	

EXHIBIT 7-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Fund Summary

Fund	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	12,935	0	12,935		-477,097	0	-477,097	
26 - CONSERVATION FUND	-107,611	0	-107,611		32,222	0	32,222	
35 - WATER SUPPLY FUND	-728,405	0	-728,405		620,945	0	620,945	
Report Total:	-823,081	0.17	-823,081		176,070	0	176,070	

EXHIBIT 7-E



Monterey Peninsula Water Mgmt District

Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 24 - MITIGATION FUND								
Revenue								
R110 - Mitigation Revenue	197,268	177,184	20,084	-111.34 %	1,338,337	2,127,000	-788,664	-62.92 %
R120 - Property Taxes Revenues	0	-2	2	0.00 %	0	0	0	0.00 %
R130 - User Fees	3,551	6,248	-2,697	-56.83 %	39,157	75,000	-35,843	-52.21 %
R160 - Well Registration Fee	0	0	0	0.00 %	1,800	0	1,800	0.00 %
R190 - WDS Permits Rule 21	0	4,665	-4,665	0.00 %	33,283	56,000	-22,717	-59.43 %
R230 - Miscellaneous - Other	0	1,250	-1,250	0.00 %	0	15,000	-15,000	0.00 %
R250 - Interest Income	144	537	-393	-26.80 %	2,201	6,450	-4,249	-34.13 %
R290 - CAW - Miscellaneous	0	583	-583	0.00 %	0	7,000	-7,000	0.00 %
R310 - Other Reimbursements	0	2,583	-2,583	0.00 %	0	31,000	-31,000	0.00 %
R320 - Grants	0	38,379	-38,379	0.00 %	163,464	460,800	-297,336	-35.47 %
R500 - Capital Equipment Reserve	0	3,582	-3,582	0.00 %	0	43,000	-43,000	0.00 %
Total Revenue:	200,963	235,008	-34,045	-85.51 %	1,578,243	2,821,250	-1,243,007	-55.94 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	112,495	80,201	-32,293	140.27 %	875,574	962,800	87,226	90.94 %
1110 - Manager's Auto Allowance	138	79	-59	174.97 %	997	950	-47	104.93 %
1120 - Manager's Deferred Comp	180	117	-63	154.35 %	1,366	1,400	34	97.59 %
1130 - Unemployment Compensation	281	100	-181	281.45 %	281	1,200	919	23.45 %
1140 - Insurance Opt-Out Supplemental	497	158	-339	314.12 %	3,797	1,900	-1,897	199.86 %
1150 - Temporary Personnel	0	37	37	0.00 %	0	450	450	0.00 %
1160 - PERS Retirement	20,338	13,878	-6,460	146.55 %	162,346	166,600	4,254	97.45 %
1170 - Medical Insurance	10,752	11,120	368	96.69 %	116,948	133,500	16,552	87.60 %
1180 - Medical Insurance - Retirees	2,087	1,916	-171	108.95 %	25,347	23,000	-2,347	110.20 %
1190 - Workers Compensation	2,845	1,958	-888	145.35 %	22,966	23,500	534	97.73 %
1200 - Life Insurance	187	187	1	99.69 %	2,038	2,250	212	90.60 %
1210 - Long Term Disability Insurance	502	433	-69	115.87 %	5,027	5,200	173	96.68 %
1220 - Short Term Disability Insurance	78	83	6	93.07 %	843	1,000	157	84.35 %
1230 - Other Benefits	25	0	-25	0.00 %	535	0	-535	0.00 %
1260 - Employee Assistance Program	29	37	9	76.46 %	312	450	138	69.35 %
1270 - FICA Tax Expense	521	0	-521	0.00 %	3,279	0	-3,279	0.00 %
1280 - Medicare Tax Expense	1,527	1,008	-519	151.53 %	11,897	12,100	203	98.32 %
1290 - Staff Development & Training	783	550	-233	142.33 %	2,648	6,600	3,952	40.12 %
1300 - Conference Registration	0	258	258	0.00 %	2,229	3,100	871	71.90 %
1310 - Professional Dues	0	400	400	0.00 %	903	4,800	3,897	18.82 %
1320 - Personnel Recruitment	0	58	58	0.00 %	846	700	-146	120.80 %
Total Level1: 100 - Personnel Costs:	153,266	112,580	-40,686	136.14 %	1,240,181	1,351,500	111,319	91.76 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	0	1,324	1,324	0.00 %	11,068	15,900	4,832	69.61 %
2020 - Board Expenses	0	158	158	0.00 %	1,768	1,900	132	93.08 %
2040 - Rent	815	750	-65	108.70 %	8,930	9,000	70	99.23 %
2060 - Utilities	633	1,266	633	49.99 %	17,067	15,200	-1,867	112.28 %
2120 - Insurance Expense	1,482	1,608	126	92.15 %	17,343	19,300	1,957	89.86 %
2130 - Membership Dues	67	1,150	1,083	5.80 %	9,826	13,800	3,974	71.20 %
2140 - Bank Charges	170	125	-45	136.19 %	1,373	1,500	127	91.53 %
2150 - Office Supplies	338	583	245	57.92 %	4,875	7,000	2,125	69.64 %
2160 - Courier Expense	209	292	82	71.83 %	3,146	3,500	354	89.88 %
2170 - Printing/Photocopy	0	491	491	0.00 %	837	5,900	5,063	14.19 %
2180 - Postage & Shipping	0	108	108	0.00 %	1,686	1,300	-386	129.73 %
2190 - IT Supplies/Services	2,165	3,099	933	69.88 %	28,055	37,200	9,145	75.42 %
2200 - Professional Fees	3,195	4,365	1,170	73.20 %	48,582	52,400	3,819	92.71 %
2220 - Equipment Repairs & Maintenance	292	158	-134	184.75 %	3,205	1,900	-1,305	168.68 %
2235 - Equipment Lease	407	608	201	66.90 %	5,359	7,300	1,941	73.42 %
2240 - Telephone	1,611	1,375	-236	117.17 %	20,918	16,500	-4,418	126.78 %
2260 - Facility Maintenance	908	1,233	325	73.61 %	14,818	14,800	-18	100.12 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2270 - Travel Expenses	37	750	713	4.88 %	7,555	9,000	1,445	83.94 %
2280 - Transportation	1,140	1,116	-24	102.16 %	13,352	13,400	48	99.64 %
2300 - Legal Services	3,242	7,497	4,255	43.24 %	62,178	90,000	27,822	69.09 %
2380 - Meeting Expenses	65	292	227	22.12 %	1,200	3,500	2,300	34.29 %
2420 - Legal Notices	69	158	90	43.38 %	317	1,900	1,583	16.70 %
2460 - Public Outreach	41	108	68	37.46 %	2,860	1,300	-1,560	219.96 %
2480 - Miscellaneous	0	267	267	0.00 %	1,323	3,200	1,877	41.33 %
2900 - Operating Supplies	291	775	484	37.52 %	2,207	9,300	7,093	23.74 %
Total Level1: 200 - Supplies and Services:	17,174	29,655	12,481	57.91 %	289,850	356,000	66,150	81.42 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	14,041	74,365	60,324	18.88 %	502,436	892,800	390,364	56.28 %
4000 - Fixed Asset Purchases	3,546	7,476	3,930	47.44 %	22,873	89,750	66,877	25.49 %
6000 - Contingencies	0	2,720	2,720	0.00 %	0	32,650	32,650	0.00 %
6500 - Reserves	0	8,213	8,213	0.00 %	0	98,550	98,550	0.00 %
Total Level1: 300 - Other Expenses:	17,588	92,773	75,186	18.96 %	525,309	1,113,750	588,441	47.17 %
Total Expense:	188,028	235,008	46,980	80.01 %	2,055,340	2,821,250	765,910	72.85 %
Total Revenues	200,963	235,008	-34,045	-85.51 %	1,578,243	2,821,250	-1,243,007	-55.94 %
Total Fund: 24 - MITIGATION FUND:	12,935	0	12,935		-477,097	0	-477,097	

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 26 - CONSERVATION FUND								
Revenue								
R120 - Property Taxes Revenues	0	70,159	-70,159	0.00 %	884,031	842,250	41,781	-104.96 %
R130 - User Fees	655	0	655	0.00 %	7,226	0	7,226	0.00 %
R150 - Permit Processing Fee	14,323	14,578	-255	-98.25 %	146,080	175,000	-28,920	-83.47 %
R200 - Recording Fees	1,295	666	629	-194.33 %	10,492	8,000	2,492	-131.15 %
R210 - Legal Fees	456	1,250	-794	-36.49 %	2,466	15,000	-12,534	-16.44 %
R230 - Miscellaneous - Other	0	0	0	0.00 %	300	0	300	0.00 %
R250 - Interest Income	18	337	-319	-5.40 %	2,132	4,050	-1,918	-52.64 %
R270 - CAW - Rebates	43,535	99,977	-56,441	-43.55 %	1,005,502	1,200,000	-194,498	-83.79 %
R280 - CAW - Conservation	0	31,838	-31,838	0.00 %	275,532	382,200	-106,668	-72.09 %
R310 - Other Reimbursements	0	1,020	-1,020	0.00 %	0	12,250	-12,250	0.00 %
R320 - Grants	0	0	0	0.00 %	5,750	0	5,750	0.00 %
R500 - Capital Equipment Reserve	0	258	-258	0.00 %	0	3,100	-3,100	0.00 %
R520 - Flood/Drought Reserve	0	9,582	-9,582	0.00 %	0	115,000	-115,000	0.00 %
Total Revenue:	60,283	229,665	-169,382	-26.25 %	2,339,511	2,756,850	-417,339	-84.86 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	59,563	41,983	-17,579	141.87 %	486,235	504,000	17,765	96.48 %
1110 - Manager's Auto Allowance	138	79	-59	174.97 %	997	950	-47	104.93 %
1120 - Manager's Deferred Comp	180	117	-63	154.35 %	1,366	1,400	34	97.59 %
1130 - Unemployment Compensation	0	67	67	0.00 %	0	800	800	0.00 %
1140 - Insurance Opt-Out Supplemental	497	158	-339	314.12 %	3,797	1,900	-1,897	199.86 %
1150 - Temporary Personnel	2,434	3,332	898	73.04 %	35,600	40,000	4,400	89.00 %
1160 - PERS Retirement	10,520	7,055	-3,464	149.10 %	87,899	84,700	-3,199	103.78 %
1170 - Medical Insurance	5,892	6,048	156	97.42 %	68,241	72,600	4,359	94.00 %
1180 - Medical Insurance - Retirees	1,165	1,083	-82	107.58 %	11,123	13,000	1,877	85.56 %
1190 - Workers Compensation	214	175	-39	122.12 %	1,789	2,100	311	85.18 %
1200 - Life Insurance	120	112	-8	107.09 %	1,224	1,350	126	90.67 %
1210 - Long Term Disability Insurance	261	217	-44	120.45 %	2,613	2,600	-13	100.50 %
1220 - Short Term Disability Insurance	40	46	6	87.75 %	456	550	94	82.91 %
1230 - Other Benefits	25	0	-25	0.00 %	535	0	-535	0.00 %
1260 - Employee Assistance Program	17	25	8	66.61 %	190	300	110	63.24 %
1270 - FICA Tax Expense	0	0	0	0.00 %	393	0	-393	0.00 %
1280 - Medicare Tax Expense	830	583	-247	142.38 %	6,970	7,000	30	99.58 %
1290 - Staff Development & Training	967	308	-659	313.66 %	2,102	3,700	1,598	56.80 %
1300 - Conference Registration	0	150	150	0.00 %	2,009	1,800	-209	111.59 %
1310 - Professional Dues	0	217	217	0.00 %	560	2,600	2,040	21.52 %
1320 - Personnel Recruitment	0	42	42	0.00 %	472	500	28	94.39 %
Total Level1: 100 - Personnel Costs:	82,863	61,796	-21,067	134.09 %	714,570	741,850	27,280	96.32 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	0	741	741	0.00 %	6,336	8,900	2,564	71.19 %
2020 - Board Expenses	0	92	92	0.00 %	753	1,100	347	68.48 %
2040 - Rent	163	417	253	39.18 %	1,796	5,000	3,204	35.92 %
2060 - Utilities	343	708	365	48.39 %	9,473	8,500	-973	111.45 %
2120 - Insurance Expense	827	900	73	91.91 %	9,104	10,800	1,696	84.29 %
2130 - Membership Dues	37	633	596	5.88 %	8,221	7,600	-621	108.17 %
2140 - Bank Charges	88	67	-21	132.05 %	769	800	31	96.08 %
2150 - Office Supplies	188	325	136	58.02 %	2,698	3,900	1,202	69.18 %
2160 - Courier Expense	117	158	41	73.85 %	1,756	1,900	144	92.41 %
2170 - Printing/Photocopy	0	283	283	0.00 %	467	3,400	2,933	13.74 %
2180 - Postage & Shipping	0	58	58	0.00 %	716	700	-16	102.32 %
2190 - IT Supplies/Services	1,209	1,733	524	69.76 %	15,696	20,800	5,104	75.46 %
2200 - Professional Fees	1,788	2,432	644	73.51 %	27,195	29,200	2,005	93.13 %
2220 - Equipment Repairs & Maintenance	163	92	-72	178.11 %	1,809	1,100	-709	164.49 %
2235 - Equipment Lease	227	342	114	66.49 %	3,026	4,100	1,074	73.80 %
2240 - Telephone	760	766	7	99.13 %	10,130	9,200	-930	110.11 %
2260 - Facility Maintenance	490	691	202	70.84 %	8,173	8,300	127	98.47 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2270 - Travel Expenses	1,148	416	-731	275.56 %	8,288	5,000	-3,288	165.76 %
2280 - Transportation	175	616	441	28.39 %	3,692	7,400	3,708	49.89 %
2300 - Legal Services	4,149	6,664	2,515	62.26 %	32,723	80,000	47,277	40.90 %
2380 - Meeting Expenses	36	158	122	22.75 %	694	1,900	1,206	36.52 %
2420 - Legal Notices	38	83	45	45.99 %	188	1,000	812	18.75 %
2460 - Public Outreach	0	58	58	0.00 %	838	700	-138	119.67 %
2480 - Miscellaneous	0	150	150	0.00 %	738	1,800	1,062	41.01 %
2500 - Tax Administration Fee	0	0	0	0.00 %	5,859	0	-5,859	0.00 %
2900 - Operating Supplies	404	433	29	93.36 %	10,673	5,200	-5,473	205.24 %
Total Level1: 200 - Supplies and Services:	12,350	19,017	6,668	64.94 %	171,810	228,300	56,490	75.26 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	70,702	143,587	72,885	49.24 %	1,408,005	1,723,500	315,495	81.69 %
4000 - Fixed Asset Purchases	1,979	2,591	611	76.40 %	12,904	31,100	18,196	41.49 %
6000 - Contingencies	0	2,674	2,674	0.00 %	0	32,100	32,100	0.00 %
Total Level1: 300 - Other Expenses:	72,681	148,851	76,170	48.83 %	1,420,909	1,786,700	365,791	79.53 %
Total Expense:	167,894	229,665	61,771	73.10 %	2,307,289	2,756,850	449,561	83.69 %
Total Revenues	60,283	229,665	-169,382	-26.25 %	2,339,511	2,756,850	-417,339	-84.86 %
Total Fund: 26 - CONSERVATION FUND:	-107,611	0	-107,611		32,222	0	32,222	

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 35 - WATER SUPPLY FUND								
Revenue								
R100 - Water Supply Charge	0	283,220	-283,220	0.00 %	3,311,361	3,400,000	-88,639	-97.39 %
R120 - Property Taxes Revenues	0	54,793	-54,793	0.00 %	690,379	657,750	32,629	-104.96 %
R140 - Connection Charges	16,491	14,578	1,913	-113.13 %	126,237	175,000	-48,763	-72.14 %
R220 - Copy Fee	0	0	0	0.00 %	80	0	80	0.00 %
R230 - Miscellaneous - Other	64	0	64	0.00 %	3,217	0	3,217	0.00 %
R240 - Insurance Refunds	0	0	0	0.00 %	6,729	0	6,729	0.00 %
R250 - Interest Income	44	375	-331	-11.81 %	12,985	4,500	8,485	-288.57 %
R260 - CAW - ASR	0	46,476	-46,476	0.00 %	349,723	557,900	-208,177	-62.69 %
R300 - Watermaster	0	5,748	-5,748	0.00 %	37,506	69,000	-31,494	-54.36 %
R500 - Capital Equipment Reserve	0	3,482	-3,482	0.00 %	0	41,800	-41,800	0.00 %
R510 - Operating Reserve	0	124,424	-124,424	0.00 %	0	1,493,084	-1,493,084	0.00 %
R600 - Water Supply Charge Carry Forward	0	-38	38	0.00 %	0	0	0	0.00 %
Total Revenue:	16,599	533,057	-516,458	-3.11 %	4,538,218	6,399,034	-1,860,816	-70.92 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	91,099	66,940	-24,159	136.09 %	701,347	803,600	102,253	87.28 %
1110 - Manager's Auto Allowance	415	242	-174	171.95 %	2,991	2,900	-91	103.13 %
1120 - Manager's Deferred Comp	540	350	-190	154.35 %	4,098	4,200	102	97.58 %
1130 - Unemployment Compensation	0	83	83	0.00 %	0	1,000	1,000	0.00 %
1140 - Insurance Opt-Out Supplemental	956	471	-485	203.05 %	7,414	5,650	-1,764	131.22 %
1150 - Temporary Personnel	0	29	29	0.00 %	0	350	350	0.00 %
1160 - PERS Retirement	16,375	11,554	-4,821	141.73 %	130,345	138,700	8,355	93.98 %
1170 - Medical Insurance	7,208	7,843	635	91.91 %	77,718	94,150	16,432	82.55 %
1180 - Medical Insurance - Retirees	1,602	1,499	-103	106.84 %	17,585	18,000	415	97.69 %
1190 - Workers Compensation	1,540	1,141	-399	134.98 %	12,438	13,700	1,262	90.79 %
1200 - Life Insurance	131	142	11	92.29 %	1,510	1,700	190	88.80 %
1210 - Long Term Disability Insurance	368	329	-39	111.80 %	3,682	3,950	268	93.20 %
1220 - Short Term Disability Insurance	57	67	10	85.01 %	614	800	186	76.72 %
1230 - Other Benefits	26	0	-26	0.00 %	551	0	-551	0.00 %
1260 - Employee Assistance Program	20	29	9	70.32 %	222	350	128	63.37 %
1270 - FICA Tax Expense	0	0	0	0.00 %	517	0	-517	0.00 %
1280 - Medicare Tax Expense	968	708	-260	136.76 %	7,728	8,500	772	90.92 %
1290 - Staff Development & Training	601	408	-192	147.13 %	703	4,900	4,197	14.34 %
1300 - Conference Registration	0	192	192	0.00 %	1,577	2,300	723	68.56 %
1310 - Professional Dues	0	325	325	0.00 %	292	3,900	3,608	7.49 %
1320 - Personnel Recruitment	0	50	50	0.00 %	649	600	-49	108.16 %
Total Level1: 100 - Personnel Costs:	121,905	92,400	-29,505	131.93 %	971,980	1,109,250	137,270	87.62 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	0	1,016	1,016	0.00 %	8,336	12,200	3,864	68.33 %
2020 - Board Expenses	-155	125	280	-124.05 %	1,087	1,500	413	72.47 %
2040 - Rent	747	575	-172	129.95 %	8,171	6,900	-1,271	118.42 %
2060 - Utilities	463	966	503	47.94 %	12,812	11,600	-1,212	110.45 %
2120 - Insurance Expense	1,137	1,241	104	91.60 %	12,517	14,900	2,383	84.01 %
2130 - Membership Dues	51	883	832	5.79 %	7,022	10,600	3,578	66.24 %
2140 - Bank Charges	137	100	-37	137.00 %	1,613	1,200	-413	134.43 %
2150 - Office Supplies	259	441	182	58.70 %	3,787	5,300	1,513	71.45 %
2160 - Courier Expense	161	217	56	74.20 %	2,414	2,600	186	92.86 %
2170 - Printing/Photocopy	0	375	375	0.00 %	642	4,500	3,858	14.28 %
2180 - Postage & Shipping	0	83	83	0.00 %	988	1,000	12	98.83 %
2190 - IT Supplies/Services	1,662	2,374	712	70.00 %	21,580	28,500	6,920	75.72 %
2200 - Professional Fees	2,467	3,349	882	73.67 %	37,224	40,200	2,977	92.60 %
2220 - Equipment Repairs & Maintenance	224	125	-99	179.59 %	2,460	1,500	-960	163.97 %
2235 - Equipment Lease	312	466	154	66.93 %	4,078	5,600	1,522	72.83 %
2240 - Telephone	1,240	1,058	-182	117.22 %	15,611	12,700	-2,911	122.92 %
2260 - Facility Maintenance	643	950	306	67.76 %	10,833	11,400	567	95.03 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Level...	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2270 - Travel Expenses	134	583	449	23.00 %	6,561	7,000	439	93.73 %
2280 - Transportation	149	850	701	17.55 %	2,864	10,200	7,336	28.08 %
2300 - Legal Services	19,816	19,159	-657	103.43 %	215,392	230,000	14,608	93.65 %
2380 - Meeting Expenses	50	225	175	22.01 %	905	2,700	1,795	33.53 %
2420 - Legal Notices	53	117	64	45.17 %	233	1,400	1,167	16.65 %
2460 - Public Outreach	0	83	83	0.00 %	1,464	1,000	-464	146.37 %
2480 - Miscellaneous	0	208	208	0.00 %	1,015	2,500	1,485	40.60 %
2500 - Tax Administration Fee	0	0	0	0.00 %	12,880	0	-12,880	0.00 %
2900 - Operating Supplies	115	591	477	19.41 %	1,397	7,100	5,703	19.68 %
Total Level1: 200 - Supplies and Services:	29,665	36,161	6,496	82.04 %	393,886	434,100	40,214	90.74 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	521,107	362,508	-158,599	143.75 %	2,201,481	4,351,700	2,150,219	50.59 %
4000 - Fixed Asset Purchases	2,722	6,510	3,788	41.81 %	17,194	78,150	60,956	22.00 %
5000 - Debt Service	69,605	19,159	-50,446	363.30 %	147,149	230,000	82,851	63.98 %
5500 - Election Expenses	0	15,465	15,465	0.00 %	185,583	185,584	1	100.00 %
6000 - Contingencies	0	854	854	0.00 %	0	10,250	10,250	0.00 %
Total Level1: 300 - Other Expenses:	593,434	404,496	-188,938	146.71 %	2,551,408	4,855,684	2,304,276	52.54 %
Total Expense:	745,004	533,057	-211,947	139.76 %	3,917,274	6,399,034	2,481,760	61.22 %
Total Revenues	16,599	533,057	-516,458	-3.11 %	4,538,218	6,399,034	-1,860,816	-70.92 %
Total Fund: 35 - WATER SUPPLY FUND:	-728,405	0	-728,405		620,945	0	620,945	
Report Total:	-823,081	0	-823,081		176,070	0	176,070	

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2014-2015 Period Ending: 05/31/2015

Fund Summary

Fund	May Activity	May Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	12,935	0	12,935		-477,097	0	-477,097	
26 - CONSERVATION FUND	-107,611	0	-107,611		32,222	0	32,222	
35 - WATER SUPPLY FUND	-728,405	0	-728,405		620,945	0	620,945	
Report Total:	-823,081	0.17	-823,081		176,070	0	176,070	

ITEM: PUBLIC HEARING

13. CONSIDER SECOND READING AND ADOPTION OF ORDINANCE NO. 165 AMENDING RULES 11, 21, 23 AND 23.1 AND ADDING RULE 23.7 TO ESTABLISH A WATER ENTITLEMENT FOR MALPASO WATER LLC

Meeting Date:	August 17, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Stephanie Locke	Cost Estimate:	N/A

General Counsel Review: Yes

Committee Recommendation: On March 17, 2015, the Water Supply Planning Committee recommended the Board conduct the first reading of a draft ordinance that would amend Rules 11, 21, 23 and 23.1, and add Rule 23.7 to establish a Water Entitlement for Malpasos Water LLC.

CEQA Compliance: District is a Responsible Agency relying on an EIR certified by the SWRCB

SUMMARY: Ordinance No. 165 (**Exhibit 13-A**) establishes a Water Entitlement for the Malpasos Water Company LLC (Malpasos Water Company) of 80 Acre-Feet Annually (AFA) (85.6 AFA of production water) to be used for new and intensified water uses by properties located within the California American Water service area. Ordinance No. 165 also streamlines the ordinance process for future Water Entitlements by reducing the number of amendments needed throughout the District's Rules.

A Water Entitlement is a discrete quantity of water designated by a District ordinance to a specified Water Entitlement Holder for new or Intensified Water Use. Water Entitlement Holders established by previous MPWMD ordinances include the Pebble Beach Company and the other fiscal sponsors of the CAWD/PBCSD Wastewater Reclamation Project, the City of Sand City, and Cypress Pacific Investors LLC. For the Malpasos Water Company Water Entitlement, the Water Entitlement Holder assigns water to its subscribers via Assignment Documents that the subscribers then use to obtain Water Use Permits from the District. The Water Use Permit can then be used to permit new or intensified water use up to the amount specified.

Before water from the Malpasos Water Entitlement is complete, the Board must approve an amendment to the California American Water Water Distribution System to allow Malpasos Water Company and the California American Water Company to divert and use water from the Carmel River system in the manner and for the purposes authorized by Water Right License 13868A. This action will be considered as a separate agenda item at the August 2015 Board meeting.

The development of existing legal lots of record in California American Water's service area is currently constrained by a lack of available MPWMD Allocations and Water Credits, and State

Water Board Order WR 2009-0060, which prohibits California American Water from diverting water from the Carmel River for new service Connections or increased uses of water at existing service addresses resulting from changes in zoning or use. In July 2015, the State Water Board split License 13868 into two new licenses: Licenses 13868A and 13868B. License 13868A authorizes the municipal use of 85.6 acre feet per year for existing lots of record within the parts of Cal-Am's service area that are within the Carmel River watershed or the City of Carmel-by-the-Sea. After adjustment for system losses, License 13868A will allow a Water Entitlement of 80 AFA. License 13868B dedicates the remaining portion of the existing water right to instream uses.

CEQA: The MPWMD is a responsible agency under the California Environmental Quality Act (CEQA). As a CEQA responsible agency, the MPWMD may rely on the SWRCB's Eastwood/Odello Water Rights Change Petition certified Environmental Impact Report (EIR) for CEQA compliance. In the review of this WDS application, MPWMD has followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Sections 15000, et seq. Specifically, the MPWMD, as a Responsible Agency, has complied with Guidelines section 15096. The MPWMD has independently reviewed and considered the applicable *Eastwood/Odello Water Right Change Petition* EIR sections prepared by the SWRCB that relate to water resources and water supply. The EIR documents were provided to each Board member via email in early July 2015 in relation to the first reading of Ordinance No. 165. The Draft and Final EIR are available at the District office for public review.

The State Water Board was the lead agency for preparation of environmental documentation for the project (Eastwood/Odello Water Right Change Petition Project). A Notice of Preparation (NOP) for the draft EIR was circulated to a project-specific mailing list and to the State Clearinghouse. The 30-day NOP comment period commenced on March 4, 2014 and ended on April 2, 2014. The State Water Board also posted the NOP for the draft EIR to its website. The State Water Board held a scoping meeting on April 2, 2014 to receive oral and written comments on the NOP. The NOP and comments received are included in Appendix A of the draft EIR. The State Water Board considered oral and written comments received during the scoping period in preparing the draft EIR.

A public Notice of Availability (NOA) of the draft EIR was mailed to adjacent landowners and interested parties on October 30, 2014, and was posted in the Office of the County Recorder, County of Monterey, on October 30, 2014. In addition, the NOA was also physically posted in several locations near the location of the project, including on State Route 1 near Palo Corona Regional Park, Carmel Valley Road at Via Mallorca, Carmel Valley Road at Williams Ranch, and Carmel Valley Road at Prado Del Sol. The Notice of Completion for the draft EIR was filed with the State Clearinghouse on October 30, 2014. The draft EIR was circulated to the State Clearinghouse, to federal, state, and local agencies, and to organizations and individuals that had expressed interest in receiving the draft EIR. The draft EIR public review period commenced on October 31, 2014 and ended on December 15, 2014.

On May 29, 2015, the State Water Board provided proposed written responses to all public agencies that commented on the draft EIR. The State Water Board received no suggested revisions to the proposed responses.

As disclosed in the final EIR, approval of the individual well alternative has the potential to result in significant effects based on erosion from well and pipeline construction, and based on the potential for introducing hazardous substances into the environment during well and pipeline construction. With implementation of best management practices in construction, impacts will be minimized to a less-than significant level. This mitigation measure was included as Condition 18 to License 13868A. This condition requires that, prior to commencement of construction, the Malpas Water Company will submit a construction plan including best management practices to minimize erosion and to prevent the accidental release of a potentially hazardous material from entering the environment. Upon completion of construction, the Malpas Water Company must report on implementation of the measures, and on any breaches. Changes or alterations have been incorporated into the project which mitigate or avoid the significant effects on the environment of erosion and hazardous materials during construction. (See Pub. Resources Code, § 21081, subd. (a)(1).)

On July 3, 2015, the State Water Board certified the final EIR. The Board found that, on the basis of the whole record, there was no substantial evidence that the State Water Board's approval of the petitions would have a significant effect on the environment. The SWRCB also concluded that the Project, including the delivery of water represented by the Water Entitlement to the Benefited Properties, does not violate any provision of Order WR 95-10 or Order WR 2009-0060. A Notice of Determination was filed with the State Clearinghouse on July 7, 2015.

The District Board action must comply with CEQA as well as MPWMD regulations. In the review of this ordinance, MPWMD has followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Sections 15000, et seq. Specifically, the MPWMD, as a Responsible Agency under CEQA for this action, has complied with Guidelines section 15096. The MPWMD has considered the applicable Eastwood/Odello Water Right Change Petition EIR sections prepared by the State Water Board that relate to hydrology, water quality and water supply. A package of these excerpts was provided to each Board member via email.

Copies of the full EIR associated with the Eastwood/Odello Water Right Change Petition Draft are available for public review at the District office in hard copy or CD. The EIR and related documents can be found at

http://www.waterboards.ca.gov/waterrights/water_issues/programs/ceqa.

RECOMMENDATION:

1. As a CEQA Responsible Agency, the Board should find that the SWRCB's Eastwood/Odello Water Rights Change Petition certified Environmental Impact Report (EIR) sufficiently analyzed the impacts related to water and hydrology and that the evaluation was adequate to rely upon for establishment of the Malpas Water Company LLC Water Entitlement. Staff should file a Notice of Determination with the Monterey County Clerk.
2. The Board should approve the second reading and adopt Ordinance No. 165, establishing a Water Entitlement for the Malpas Water Company LLC, conditioned on approval of the Malpas Water Distribution System and amendment of the California American Water Company Water Distribution System.

EXHIBIT

13-A Draft Ordinance No. 165

EXHIBIT 13-A

ORDINANCE NO. 165

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
AMENDING RULES 11, 21, 23 AND 23.1, AND ADDING RULE 23.7
TO ESTABLISH A WATER ENTITLEMENT FOR
MALPASO WATER COMPANY**

FINDINGS

1. The Monterey Peninsula Water Management District (MPWMD or District) is charged under the Monterey Peninsula Water Management District Law with the integrated management of all ground and surface water resources in the Monterey Peninsula area.
2. The Monterey Peninsula Water Management District Law grants MPWMD general and specific powers to cause sufficient water to be available for present and future beneficial use or uses of lands or inhabitants within the District. MPWMD Rule 30 requires the District to establish a specific Allocation for each Jurisdiction and provides that the District also may establish Water Entitlements as necessary to manage water supplies throughout the District.
3. The California State Water Resources Control Board (SWRCB) issued Water Right License 13868A (License 13868A) to Malpasos Water Company, LLC (Malpasos Water Company). License 13868A authorizes Malpasos Water Company to divert up to 85.6 Acre-Feet of production water per year from the Carmel River system, and to have this water (less production and conveyance losses) conveyed by the California American Water Company (California American Water) through its Water Distribution System to property owners that have entered into subscription agreements with Malpasos Water Company, for beneficial uses on their properties.
4. Associated with its issuance of License 13868A, the SWRCB certified an Environmental Impact Report (EIR) for the Eastwood/Odello Water Rights Change Petition Project (Project), in accord with the California Environmental Quality Act (CEQA).
5. In its Order WR 95-10, the SWRCB concluded that California American Water was diverting approximately 10,730 Acre-Feet per year of water from the Carmel River system without a valid basis of right. Order WR 95-10 directed California American

Water to diligently implement actions to terminate its unlawful diversions from the Carmel River system. In its Order WR 2009-0060, the SWRCB prohibited California American Water, with limited exceptions, from diverting water from the Carmel River system for new service Connections or for any increased uses at existing service addresses resulting from changes in zoning or use.

6. In its Decision 2015-0001, the SWRCB determined that diversions of water from the Carmel River system under License 13868A for the benefit of Malpas Water Company Water Use Permit subscribers will not be classified as water diverted by California American Water for new service Connections or any increased use of water at existing service Connections under term 2 on page 57 of SWRCB Order WR 2009-0060 or water for new projects under term 3 or term 5 of that Order.
7. Besides authorizing diversions from the Carmel River system for the benefit of Malpas Water Company Water Use Permit subscribers, License 13868A also authorizes and directs Malpas Water Company to temporarily use the portions of License 13868A that are not needed by Malpas Water Use Permit subscribers to provide water to California American Water. California American Water may use these portions of License 13868A to assist California American Water in complying with term 2 on page 40 of SWRCB Order WR 95-10.
8. Malpas Water Company has contracted with California American Water for the conveyance of water diverted under License 13868A to Malpas Water Company Water Use Permit subscribers through California American Water's Water Distribution System, and for the temporary use of the portions of License 13868A that are not used each year by Malpas Water Company Water Use Permit subscribers to supply water to California American Water.
9. This ordinance establishes a Water Entitlement for Malpas Water Company under which Malpas Water Company may divert water from the Carmel River system under License 13868A and have California American Water convey that water through California American Water's Water Distribution System to Malpas Water Company Water Use Permit subscribers. This ordinance also establishes procedures under which Malpas Water Company subscribers may apply to the District for Water Use Permits and receive and use water that is diverted under License 13868A.
10. This ordinance shall allow for new Connections and modifications of existing Connections to the California American Water System to provide Potable water service

in specific annual quantities (expressed in acre-feet) for the use on and benefit of property located within the California Public Utilities Commission (CPUC)-recognized Service Area of the California American Water Water Distribution System.

11. This ordinance authorizes Malpaso Water Company, on terms and conditions set forth in this ordinance, to separately sell and convey portions of the Water Entitlement established by this ordinance within the CPUC-recognized Service Area of the California American Water Water Distribution System and within the Carmel River watershed and the City of Carmel-by-the-Sea.
12. This ordinance authorizes the Malpaso Water Company to furnish water for present and future beneficial use of lands and inhabitants within the District, including but not limited to new and expanded water uses.
13. This ordinance benefits the community by allowing temporary diversions and use of water under Water Right License 13868A to serve California American Water's existing customers and to assist California American Water in its compliance with SWRCB Order WR 95-10.
14. This ordinance provides that water use authorized by Water Use Permits issued under this ordinance shall be subject to the water efficiency and conservation rules of MPWMD under its Regulation XIV and the rationing rules of MPWMD under its Regulation XV.
15. The Project will allow for the expansion of Non-Residential and Residential water uses, thereby contributing to the economy within MPWMD as well as providing new housing opportunities within the MPWMD.
16. It is in the best interest of MPWMD and the inhabitants thereof to provide for the Water Entitlement and to enable the Malpaso Water Company Water Use Permits.
17. The Project is consistent with the goals and strategic objectives of MPWMD.
18. This ordinance amends Rules 11 (Definitions), 21 (Applications), 23, Section C (Adjustment of Allocation for Unused Water Capacity) and 23.1 (Action on Application for a Water Use Permit on a Benefited Property), and adds Rule 23.7 (Malpaso Water Company Water Entitlement) to the Rules and Regulations of the Monterey Peninsula Water Management District.

19. The MPWMD is a responsible agency under CEQA. As a CEQA Responsible Agency, the MPWMD may rely on the SWRCB's Eastwood/Odello Water Rights Change Petition EIR for MPWMD's CEQA compliance for this ordinance.
20. The SWRCB has concluded that the Project, including the delivery of water represented by the Water Entitlement to the Benefited Properties, does not violate any provision of Order WR 95-10 or Order WR 2009-0060.
21. In the adoption of this ordinance, 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 Responsible Agency under CEQA for this action, has complied with Guidelines Section 15096. The MPWMD, as a Responsible Agency for this Project, has considered the Notice of Determination filed by the State Water Resources Control Board on July 7, 2015, and all environmental documents associated with the Project. Copies of the Draft and Final EIR have been provided to MPWMD Board members for review prior to the public hearing on this matter. The MPWMD Board has reviewed the environmental information and relied on the information as part of its decision-making on this matter.
22. Pursuant to CEQA Sections 15091 and 15092, the MPWMD Board finds that the Project will not have a significant effect on the environment, based on the documentation cited in Finding #21. Mitigation measures are not made as conditions of approval by MPWMD for this action.

NOW THEREFORE, be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the Malpasos Water Company Water Entitlement Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

The purpose of this ordinance is to allow Malpasos Water Company and the California American Water Company to divert and use water from the Carmel River system in the manner and for the

purposes authorized by Water Right License 13868A. This ordinance establishes a Water Entitlement to facilitate the use of Malpas Water Company water in the CPUC-recognized Service Area of the California American Water Water Distribution System and within the Carmel River watershed and the City of Carmel-by-the-Sea. This ordinance also streamlines the ordinance process for future Water Entitlements by reducing the number of amendments needed throughout the District's Rules.

Section Three: Amendment of Rule 11, Definitions

The following definitions in Rule 11 shall be amended as shown in bold italics (*bold italics*) and strikeout (~~strikethrough~~).

ASSIGNMENT DOCUMENT - "Assignment Document" shall refer to *a document recorded by a Water Entitlement Holder indicating the grant, assignment, and conveyance of a specific quantity of water from a Water Entitlement to a specific Site* ~~the document titled, "An Assignment of a Portion of Monterey Peninsula Water Management District Ordinance No. 39 Water Entitlement and Water Use Permit" issued and recorded by the Pebble Beach Company, or to "An Assignment of a Portion of Monterey Peninsula Water Management District Ordinance No. 132 Water Entitlement and Water Use Permit" issued and recorded by the City of Sand City.~~

BENEFITED PROPERTY - "Benefited Property" shall mean those properties *eligible to receive a portion of a Water Entitlement.* ~~located in the unincorporated portion of the Del Monte Forest described on Exhibit "A" to Monterey Peninsula Water Management District Ordinance No. 109, or (2) Sand City Sites located within the jurisdictional limits of the City of Sand City pursuant to Monterey Peninsula Water Management District Ordinance No. 132.~~

WATER ENTITLEMENT - "Water Entitlement" shall mean a discrete ~~amount~~ *quantity* of water that has been set aside by the *designated by a District ordinance to a specified Water Entitlement holder* for new or Intensified Water Use ~~that shall occur~~ on one or more ~~specific~~ Parcels.

WATER ENTITLEMENT HOLDER - "*Water Entitlement Holder*" shall refer to one of the following entities: *The Pebble Beach Company (Ordinance Nos. 39 and 109), Hester Hyde Griffin Trust (Ordinance No. 39), Lohr Properties Inc. (Ordinance No. 39), the City of Sand City (Ordinance Nos. 132), Cypress Pacific Investors LLC (Water*

Distribution System Permit approved September 15, 2014), and Malpasos Water Company LLC (Ordinance No. 165).

WATER USE PERMIT -- ‘Water Use Permit’ means a writing from MPWMD which evidences the dedication of ~~the~~ ***all or a portion of a*** Water Entitlement as a present vested property right enuring to the use and benefit of one or more ~~of the~~ Benefited Properties. ***Water available through a Water Use Permit can be used to obtain a Water Permit.*** A Water Use Permit shall by non-discretionary ministerial action, cause the present Connection to or modification of the California American ~~Water~~ Water Distribution System upon designation of the location of use and upon payment of applicable Connection Charges and fees, and issuance of a Water Permit.

Section Four: Amendment of Rule 21, Applications

Section E. of MPWMD Rule 21 shall be amended as shown in bold italics (*bold italics*) and strikethrough (~~strikethrough~~):

E. APPLICATION FOR WATER USE PERMIT FOR “BENEFITED PROPERTIES” AS THAT TERM IS DEFINED IN RULE 11, 23.5, AND 23.6

1. ***Any person that has an Assignment Document may file an application for a Water Use Permit.*** Each application for a Water Use Permit shall follow the process set forth in Rule 23.1. A proper Applicant for a Water Use Permit may be the property owner or any agent thereof. The application for a Water Use Permit shall be deemed complete when the Applicant submits all of the following:
 - a. A completed Water Use Permit application;
 - b. A copy of the recorded Assignment Document; ~~“An Assignment of a Portion of Monterey Peninsula Water Management District Ordinance No. 39 Water Entitlement and Water Use Permit,” or “An Assignment of a Portion of Monterey Peninsula Water Management District Ordinance No. 132 Water Entitlement and Water Use Permit”~~ specific to the application Site;
 - c. Processing fees.

2. *Upon completion of the process described in Rule 23.1, each holder of an Assignment Document shall be issued a Site-specific Water Use Permit for the quantity of water shown on the Assignment Document.*
3. *Each Water Use Permit issued pursuant to Rule 23.1 shall be appurtenant to the title of the Benefited Property and shall vest in the owner a property interest for the use and benefit of the quantity of Potable water in Acre-Feet per year.*
4. *Upon issuance of a Water Use Permit to the owner of a Benefited Property, the General Manager shall simultaneously make a record of the quantity of Water Entitlement that was conveyed to the owner of the Benefited Property and a commensurate reduction in the remaining amount of the Water Entitlement, if any, that thereafter is still held by the Water Entitlement Holder.*

Section Five: Amendment of Rule 23, Section C, Adjustment of Allocation for Unused Water Capacity

Rule 23, Section C shall be revised as shown in bold italics (*bold italics*) and ~~strikeout~~ text.

C. ADJUSTMENT OF ALLOCATION ~~OR WATER USE PERMIT~~ FOR UNUSED WATER CAPACITY

1. Any permitted ~~Water Use~~ Capacity which is not used because of an abandoned, expired, Revoked, returned, or amended Water Permit shall be returned to the applicable Allocation or ~~Water Entitlement~~ Water Use Permit.
2. *The Owner of any Benefited Property shall be entitled to receive additional Water Permit(s) until the Water Use Permit has been used in full.*

Section Six: Amendment of Rule 23.1, Action on Application for a Water Use Permit on a Benefited Property

Rule 23.1 shall be revised as shown in bold italics (*bold italics*) and ~~strikeout~~ text.

~~The Application and Process for Water Use Permits issued after May 24, 2007 shall be controlled by this Rule in conjunction with either Rule 23.5, or Rule 23.6.~~

A. PROCESS

1. Action on Application for a Water Use Permit

a. The General Manager shall review the application and ***Assignment Document and*** determine whether the Applicant has met the criteria for a Water Use Permit. If additional information is required to complete the application, the Applicant shall be notified ~~in writing~~ within thirty (30) days of the initial application.

b. The General Manager shall ensure that the Assessor's Parcel Number of the Benefited Property shown on the Assignment Document matches the APN(s) shown on the spreadsheet of water purchasers provided ~~to the District by either the Pebble Beach Company, or the City of Sand City~~ ***by the Water Entitlement Holder.***

(1) When the APN(s) shown on the Assignment Document does not match the spreadsheet of water purchasers, the General Manager shall contact the appropriate Water Entitlement ~~h~~**H**older to verify the validity of the Assignment Document.

(2) When the APN(s) shown on the Assignment Document is found to be incorrect, the Applicant shall submit a corrected and recorded Assignment Document from the Water Entitlement ~~h~~**H**older prior to issuance of a Water Use Permit. The Water Entitlement ~~h~~**H**older shall notify the District in writing of any correction.

c. The General Manager shall prepare and execute a Water Use Permit for the APN(s) shown on the Assignment Document.

d. The original Water Use Permit shall be ~~mailed~~ ***provided*** to the Applicant.

- e. The District shall retain one copy of the Water Use Permit and the copy of the Assignment Document.

B. AMENDMENT OF WATER USE PERMIT

1. A Water Use Permit may be amended to reflect a Change of Ownership of a Parcel.
2. A Water Use Permit may be amended to reflect assignment of water previously held collectively by two or more Parcels under a Water Use Permit. A written request for assignment shall be submitted to the District, along with processing fees and ownership information sufficient to prepare a new Water Use Permit.
3. A Water Use Permit may be amended to reflect newly-assigned Assessor's Parcel Numbers when a Benefited Property is subdivided into two or more Parcels *or when new APNs are assigned to existing lots of record on a Site*. A written request for amendment shall be submitted to the District, along with processing fees, evidence of the subdivision approval by the land use Jurisdiction and ownership information sufficient to prepare a new Water Use Permit.

C. WATER USE PERMIT LIMITATIONS

Water Use Permits issued under this Rule 23.1 shall be subject to the following limitations:

1. *The Water Use Permit and subsequent Water Permit shall not limit the power of the District to curtail water use in the event of any emergency caused by drought, or other threatened or existing water shortage, as defined in Section 332 of the Monterey Peninsula Water Management Act or other provision of law, including without limitation the power of the District to terminate water service as a consequence of a violation of water use restrictions.*
2. *The Water Use Permit and subsequent Water Permit shall not relieve or reduce any obligation of the holder of the Permit to pay customary fees, Capacity Fees, User fees, surcharges, taxes, utility taxes and/or other customary monetary obligation which may be imposed by the California*

Public Utilities Commission, California American Water, or the District upon Water Users of the same class within the California American Water Service Area, including but not limited to fees and charges due and payable to the District by reason of Rule 24, nor shall such Permit limit the authority of California American Water or the District to terminate water use for non-payment of such fees and changes.

Section Seven: Addition of Rule 23.7, Malpas Water Company Water Entitlement

The following text shall be added as Rule 23.7 –Malpas Water Company Water Entitlement:

RULE 23.7 – MALPASO WATER COMPANY WATER ENTITLEMENT

A. MALPASO WATER COMPANY WATER ENTITLEMENT

1. The Malpas Water Company Water Entitlement confers on Malpas Water Company, LLC (Malpas Water Company) a Water Entitlement of 80 AFA through the California American Water Company Water Distribution System.
 - a. Malpas Water Company shall hold Water Right License 13868A (issued by the California State Water Resources Control Board on July 3, 2015); and
 - b. Malpas Water Company shall exercise Water Right License 13868A in a manner that will allow up to 80.0 AFA (reflecting conveyance losses) from the Carmel River system to be assigned by Malpas Water Company to Benefited Properties via an Assignment Document; or
 - c. Malpas Water Company shall exercise Water Right License 13868A in a manner that will allow the diversion of up to 85.6 AFA of production water from the Carmel River system for interim use by California American Water.
2. The Malpas Water Company Water Entitlement shall continue for so long as Malpas Water Company and California American Water comply

with the preceding conditions (a. and b., or c.) or as modified by Section B-1.

3. Benefited Properties of the Malpaso Water Company Water Entitlement shall mean all properties that are legal lots of record as of March 4, 2014, and that are located within the California American Water Service Area and within the Carmel River watershed and the City of Carmel-by-the-Sea as described as a “place of use” in Water Right License 13868A.
4. Malpaso Water Company is authorized to separately sell, transfer and convey to owners of Benefited Properties for such consideration and upon such terms and conditions as Malpaso Water Company in its discretion may determine, such portions of the Malpaso Water Company Water Entitlement as it may choose. Any portion of the Malpaso Water Company Water Entitlement conveyed to the owner of a Benefited Property by an Assignment Document shall vest in the owner of the Benefited Property, and become appurtenant to title to the particular Benefited Property, at the time the Water Use Permit is issued as evidence of such conveyance.
5. The Malpaso Water Company Water Entitlement shall be separate and distinct from any other Allocations provided in Rule 30. The existence of the Malpaso Water Company Water Entitlement shall not affect any existing use of water in the County of Monterey or any City, or any existing Allocation to the County of Monterey or any City.
6. For purposes of collecting Capacity Fees and tracking the use of a Water Entitlement, the projected increase in Water Use Capacity of a Benefited Property shall be calculated in the manner set forth in Rule 24, as it may be amended from time to time.
7. Each Water Use Permit issued pursuant to this Rule shall represent a vested property interest upon issuance and shall not be subject to Revocation or cancellation except as expressly set forth in subparagraph B below.
8. The portion of the Malpaso Water Company Water Entitlement granted by each Water Use Permit shall not be subject to reallocation pursuant to

MPWMD Rule 30, nor shall the setting of meters for the California American Water system be terminated or diminished by reason of any water emergency, water moratorium or other curtailment on the setting of meters.

B. REVOCATION, TERMINATION, OR MODIFICATION OF WATER USE PERMITS

1. Each Water Use Permit which, on or after January 1, 2075, embodies an annual Water Entitlement in excess of requirements for planned land uses on the Benefited Property, or which purports to authorize usage in excess of the constitutional limitation (California Constitution, article 10, Section 2) to reasonable and beneficial use, shall be subject to modification, Revocation, or termination in the sole discretion of MPWMD, such that the water usage authorized thereby shall not exceed such requirements and limitations.
2. Prior to any modification, termination or Revocation pursuant to this subparagraph B, the holder of the Water Use Permit shall be entitled to notice and a hearing, and any termination, Revocation, or modification shall be subject to appeal to the Board pursuant to Rule 70 of the MPWMD Rules and Regulations.

Section Eight: Effective Date and Sunset

This ordinance shall take effect at 12:01 a.m. on the 30th day after it has been enacted on second reading.

This Ordinance shall not have a sunset date.

Section Nine: Severability

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared

invalid or unenforceable.

On motion by Director _____, and second by Director _____, the foregoing ordinance is adopted upon this ___ day of _____, 2015 by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of an ordinance duly adopted on the ___ day of _____ 2015.

Witness my hand and seal of the Board of Directors this ___ day of _____ 2015.

David J. Stoldt, Secretary to the Board

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ITEM: PUBLIC HEARING

14. CONSIDER APPROVAL OF APPLICATION #WDS-20150715MAL TO CREATE MALPASO WATER DISTRIBUTION SYSTEM (WDS) AND AMEND CALIFORNIA-AMERICAN WATER COMPANY WDS PURSUANT TO SWRCB LICENSE #13868A, CALIFORNIA-AMERICAN WATER COMPANY AND MALPASO WATER COMPANY, LLC, CO-APPLICANTS

Meeting Date:	August 17, 2015	Budgeted:	N/A
From:	David J. Stoldt General Manager	Program/ Line Item No.:	N/A N/A
Prepared By:	Henrietta Stern	Cost Estimate:	N/A

General Counsel Review: Concurred Aug. 12, 2015

Committee Recommendation: N/A

CEQA Compliance: MPWMD is a Responsible Agency relying on an EIR certified by SWRCB on July 3, 2015.

- A. APPROVE APPLICATION TO CREATE MALPASO WDS, PARCEL APN 015-162-038 (Well Lot)**
- B. APPROVE APPLICATION TO AMEND CALIFORNIA-AMERICAN WATER COMPANY WDS TO RECEIVE MALPASO SOURCE OF SUPPLY (CAW/MALPASO AMENDMENT)**

SUMMARY: The Board will consider Water Distribution System (WDS) Application #WDS-20150715MAL (**Exhibit 14-A, without attachments**) by Co-Applicants Malpasos Water Company, LLC (“Malpasos”), and California-American Water Company (CAW), which entails two requests for consideration by the MPWMD Board:

1. Create the Malpasos WDS, and
2. Amend the CAW WDS to receive Malpasos water as a new source of supply, referred to herein as the “CAW/Malpasos Amendment.”

Based on water rights issued to Malpasos by the State Water Resources Control Board (SWRCB) on July 3, 2015 (License 13868A), Malpasos will construct and own a well and short pipeline on the 0.21-acre Parcel APN 015-162-038 at 5258 Carmel Valley Road, and deliver up to 85.6 acre-feet per year (AFY) of water into the CAW delivery system on the same CAW-owned parcel. The Malpasos-owned well, which has yet to be constructed, is called the “Eastwood/Cañada Well” herein, as requested by CAW. **Exhibit 14-B** provides the Parcel location.

Malpasos and CAW have entered into formal agreements whereby CAW will operate the Eastwood/Cañada Well and use CAW facilities to treat and convey water to Malpasos subscribers, who will pay Malpasos for a specific quantity of reserved water. SWRCB License

13868A limits delivery of Malpaso water to parcels located within the CAW service area, which must also be within the 16,595-acre Carmel River watershed and/or the 526-acre City of Carmel-by-the-Sea boundary (map provided as **Exhibit 14-C**). MPWMD Ordinance No, 165, which was approved at first reading on July 20, 2015, specifies how Malpaso subscribers (“Benefitted Properties”) obtain a portion of the Malpaso Water Entitlement and related MPWMD permits for new and expanded water use, up to a maximum of 80.0 AFY metered sales. This amount is lower than the 85.6 AFY water rights amount to account for conveyance losses of approximately seven percent (7%). The second reading and adoption of Ordinance No. 165 is also on the August 17, 2015 agenda; if approved, it would be effective in 30 days.

If Malpaso subscribers have not yet reserved the full 80.0 AFY, the unsubscribed amount will go to CAW to serve its customers, thereby reducing unauthorized pumping from CAW-owned wells in the Carmel Valley Alluvial Aquifer (CVAA). This will help CAW comply with the SWRCB Order 95-10 and Cease and Desist Order (CDO) on an interim basis until CAW ceases unauthorized diversions. As described below, SWRCB License 13868A requires CAW to use Malpaso water rights to make specific offsets in 2015, 2016 and 2017. License 13868A allows Malpaso water rights to be used via pumping three specified CAW wells in the first year until the new Eastwood/Cañada Well is completed, and under other specified situations.

The MPWMD serves as a Responsible Agency in this matter in compliance with the California Environmental Quality Act (CEQA). The District relies on the Environmental Impact Report (EIR) for the *Eastwood/Odello Water Right Change Petition* certified by the SWRCB on July 3, 2015 for its Decision 2015-0001 to issue License 13868A and 13868B.

Additional information is provided in the “Background” and “Discussion” sections below. Malpaso water rights, environmental review and agreements between Malpaso and CAW were previously provided in agenda packet materials for the first reading of Ordinance No. 165 (see Item 12 on July 20, 2015 MPWMD Board meeting agenda). All files associated with the application by Malpaso and CAW are available for review at the District office. The SWRCB also has copies of its environmental review documents and related materials on its website. This public hearing has been properly noticed as described below.

RECOMMENDATIONS: District staff recommends that the Board take the following actions:

1. Adopt the MPWMD Findings of Approval for Application #WDS-20150715MAL to create the Malpaso WDS and amend the CAW WDS (CAW/Malpaso Amendment), shown as **Exhibit 14-D**, with specific reference to Findings #21, #22 and #23 regarding District compliance with CEQA as a Responsible Agency. In adopting the Findings, the Board confirms that it has reviewed the EIR on the *Eastwood/Odello Water Right Change Petition* certified by the SWRCB on July 3, 2015 (Notice of Determination dated July 7, 2015).
2. Approve Application #WDS-20150715MAL and authorize issuance of MPWMD Permit #M15-04-L3 to create the Malpaso WDS with the 33 Conditions of Approval specified in **Exhibit 14-E**; and direct staff to file a Notice of Determination with the Monterey County Clerk as a CEQA Responsible Agency. The conditions include the Mandatory

3. Conditions of Approval specified in MPWMD Rule 22-D as well as special conditions related to SWRCB License 13868 and MPWMD Ordinance No. 165.
4. Approve Application #WDS-20150715MAL and authorize issuance of MPWMD Permit #M15-05-L3 for the CAW/Malpasos Amendment with the 32 Conditions of Approval specified in **Exhibit 14-F**; and direct staff to file a Notice of Determination with the Monterey County Clerk as a CEQA Responsible Agency. The conditions include the Mandatory Conditions of Approval specified in MPWMD Rule 22-D as well as special conditions related to SWRCB License 13868 and MPWMD Ordinance No. 165.

MPWMD CEQA Compliance

The District Board action must comply with CEQA as well as MPWMD regulations. As a Responsible Agency, MPWMD relies on the environmental documentation previously certified by the SWRCB, the CEQA Lead Agency, as described in the “Background” section below. In the review of this WDS application, MPWMD has followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Sections 15000, et seq. Specifically, the MPWMD, as a Responsible Agency, has complied with Guidelines section 15096. The MPWMD has independently reviewed and considered the applicable *Eastwood/Odello Water Right Change Petition* EIR sections prepared by the SWRCB that relate to water resources and water supply. The EIR documents were provided to each Board member via email in early July 2015 in relation to the first reading of Ordinance No. 165. The Draft and Final EIR are available at the District office for public review.

BACKGROUND: The following paragraphs provide background relevant to the WDS applications. Cited documents are available for review at the District office; some are attached herein as exhibits.

Application Package

Exhibit 14-A provides only the cover letter and application form. Supporting materials that were submitted for Application #WDS-20150715MAL include:

- A. Assessor’s map showing Parcel APN 015-162-038;
- B. Map of CAW service area within the Carmel River Watershed and Carmel-by-the-Sea, and location of proposed Malpasos and existing CAW facilities;
- C. MCEHB Well Construction Permit #15-12547;
- D. Grant Deed for Parcel APN 015-162-038 (formerly APN A09-162-34 and A09-162-36) along with easement to the Parcel;
- E. October 2014 Draft and June 2015 Final EIR on the *Eastwood/Odello Water Right Change Petition* prepared for the SWRCB;
- F. CEQA Notice of Determination by SWRCB for *Eastwood/Odello Water Right Change Petition* and issuance of Malpasos water right Licenses 13868A and 13868B;
- G. SWRCB, Division of Water Rights, Division Decision 2015-001 dated July 3, 2015;
- H. SWRCB License 13868A dated July 3, 2015;
- I. Water Conveyance and Temporary Use Agreement between CAW and Malpasos dated April 27, 2015
- J. License Agreement between CAW and Malpasos for the Eastwood/Cañada well dated June 1, 2015

K. Suggested text for Findings and Conditions of Approval; evidence citations

These materials are available for public review at the District office; copies are available upon request (standard fees apply).

Malpaso Well and Pipeline

The Eastwood/Cañada Well will be located in the CVAA on CAW property (well lot APN 015-162-038, **Exhibit 14-B**) near the current CAW Cañada Well (referred to as the “Rancho Cañada Well” in SWRCB documents), with a planned diversion capacity not to exceed approximately 72 gallons per minute (0.16 cubic feet per second) and with an annual production limit no greater than 85.6 AFY. The Monterey County Environmental Health Bureau is currently processing Well Construction Permit #15-12547 and the well has yet to be drilled. Once completed, raw water will then be conveyed through a short pipeline, where it will connect to a CAW pipeline on the same parcel (**Exhibit 14-C**). Water would then be treated and distributed through the CAW network to consumers.

Malpaso Water Rights (License 13868A)

In 2001, Clint Eastwood and the Margaret Eastwood Trust (Eastwood) were issued revised water rights by the SWRCB for 131.8 AFY for irrigation on the historic Odello East agricultural property; this became License 13868 in November 2012. Eastwood plans to donate the Odello East property to the Big Sur Land Trust to facilitate restoration of native vegetation on this property. Once native habitat is established, the Odello East water rights will not be needed for agricultural irrigation. Thus, in June 2013, Eastwood filed a Petition for Change to the SWRCB requesting that License 13868 be split into two new licenses; this request was approved on July 3, 2015. SWRCB, Division of Water Rights Decision 2015-0001 resulted in the following two licenses issued to the Malpaso Water Company, LLC:

- A. License 13868A designates 85.6 AFY for municipal delivery from the proposed new Eastwood/ Cañada Well to existing lots of record within the CAW service area that are also within the Carmel River watershed and/or the City of Carmel-by-the-Sea. Condition #14 of the License allows three existing CAW wells (Rancho Cañada Well 2, Cypress Well 2, and Pearce Well) to serve as back-up wells for the new Eastwood/ Cañada Well before it is constructed or in emergency situations such as an outage. On an interim basis, until municipal subscribers use up the Malpaso water rights, the License allows CAW to offset a portion of its unauthorized pumping from the alluvial aquifer by using Malpaso water to help comply with the Cease and Desist Order. Condition #6 of the License directs CAW to deliver specific amounts of water to its municipal customers in calendar year 2015, 2016 and 2017.

- B. License 13868B designates 46.2 AFY solely for Carmel River instream beneficial use.

This license split is structured to provide water supply to the community for municipal use while dedicating a portion to instream use. Importantly, SWRCB Decision 2015-0001 (Sections 8.0, 9.0 and 10.0) determined that these licenses do not violate any provision of the SWRCB’s 2009 Cease and Desist Order, or the one-for-one offset in the original Order WR 95-10.

CAW-Malpasos Agreements

CAW and Malpasos have entered into two agreements that specify their respective rights and responsibilities:

- License Agreement for the Eastwood/Cañada Well (June 1, 2015) addresses CAW access to and operation of the Eastwood/Cañada Well on behalf of Malpasos; and
- Water Conveyance and Temporary Use Agreement (April 27, 2015) is Exhibit A to the License Agreement. It spells out when the Eastwood/Cañada Well will be constructed, the process to deliver Malpasos water to its subscribers within the CAW service area, and use of surplus Malpasos water by CAW to serve CAW customers.

CEQA Compliance by SRWCB

The SRWCB is the CEQA Lead Agency for the environmental review of the *Eastwood/Odello Water Right Change Petition*. A Notice of Preparation (NOP) of an EIR was circulated from March 4 through April 2, 2014, and a scoping meeting was held on April 2, 2014 to receive oral and written comments on the NOP. A Notice of Completion for the Draft EIR was filed with the State Clearinghouse on October 30, 2014. The public review period was October 31 through December 15, 2014. The District submitted a comment letter dated December 15, 2014, primarily with technical corrections and a request to consider recipient parcels outside of the Carmel River watershed. On May 29, 2015, the SRWCB provided proposed written responses to all public agencies that commented on the Draft EIR; they explained why the District's request was denied and confirmed the recipient parcels would only be within the CAW service area that is located within the Carmel River Watershed and City of Carmel-by-the-Sea.

As disclosed in the Final EIR, construction of the new Eastwood/Cañada Well and pipeline has the potential to result in significant effects due to erosion and release of hazardous substances into the environment during the construction period. With implementation of best management practices, impacts will be minimized to a less-than significant level. Condition 18 to License 13868A requires that, prior to commencement of construction, Malpasos will submit a construction plan including best management practices to minimize erosion and to prevent the accidental release of a potentially hazardous material from entering the environment. Upon completion of construction, Malpasos must report on implementation of the measures, and on any breaches. Changes or alterations have been incorporated into the project which mitigate or avoid the significant effects on the environment of erosion and hazardous materials during construction.

On July 3, 2015, the SRWCB certified the Final EIR, and found that, on the basis of the whole record, there was no substantial evidence that its approval of the Petition for Change would have a significant effect on the environment. A Notice of Determination was filed with the State Clearinghouse on July 7, 2015.

Copies of the full EIR, Decision 2015-0001, and License 13868A for the *Eastwood/Odello Water Right Change Petition Project* are available for public review at the District office. The EIR and related documents can be found at:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/ceqa.

MPWMD Ordinance No. 165 Regarding Water Entitlements

Ordinance No. 165 focuses on the Malpasos situation and also streamlines the process for future Water Entitlements. Each Water Entitlement is a discrete quantity of water designated by a District ordinance to a specified Water Entitlement Holder (in this case, Malpasos Water Company, LLC) for new or Intensified Water Use. For the Malpasos Water Company Water Entitlement, Malpasos will assign water to its subscribers via Assignment Documents that the subscribers then use to obtain Water Use Permits from the District. The Water Use Permit can then be used to obtain one or more Water Permits for new or intensified water use (construction projects) up to the amount specified in the Assignment Document. Ordinance No. 165 is provided in the July 20, 2015 agenda package (Item 12) as well as the August 17, 2015 agenda (Item 13). If adopted on second reading, the ordinance will be effective on September 16, 2015.

DISCUSSION: The following paragraphs address the Findings and Conditions of Approval for the Malpasos WDS and CAW/Malpasos Amendment WDS, respectively:

Create Malpasos WDS

The Findings of Approval (**Exhibit 14-D**) supporting creation of the Malpasos WDS are based on evidence provided in the application materials, including supporting documents on file at the District office. Staff believes the application meets the criteria and minimum standards for approval set by District Rules 22-B (Findings) and 22-C (Minimum Standards for Granting a Permit). Pertinent information includes certified environmental documents, technical studies and reports, technical memoranda and maps, correspondence between MPWMD staff and the Co-Applicants, and previous approvals by other governmental entities. Based on the certified EIR for the *Eastwood/Odello Water Right Change Petition*, MPWMD approval of the application is not anticipated to result in a significant adverse effect to the Carmel River or Seaside Groundwater Basins. Near-term beneficial effects are anticipated due to availability of a new water source that entails permanent dedication of water for instream uses and interim assistance to help CAW comply with Order 95-10.

The Conditions of Approval (**Exhibit 14-E**) proposed for Permit #M15-04-L3 for the Malpasos WDS are consistent with MPWMD Rule 22-D (Mandatory Conditions of Approval) governing water distribution systems. Conditions #1 through #4 define the Permitted System, including a System Capacity (production) limit of 85.6 AFY (which becomes 80.0 AFY metered sales to customers when conveyance losses are considered), and an Expansion Capacity Limit of one master Connection to the CAW system on Parcel APN 015-162-038. The “municipal unit allocation” in Condition #4 refers to quantities of water associated with a jurisdiction’s defined CAW water allocation, which would not change from current amounts in MPWMD records.

Mandatory Conditions #5 through #24 address a variety of subjects such as water quality, well metering, annual reporting, conservation, fee payments, timely notice of system changes, staff access for inspections, interties with other systems, future permits, and required Indemnification Agreement, Acceptance Form and Deed Restriction. Condition #24 states that the WDS Permit is subject to revocation if the Permittee does not fully comply with each and every Condition of Approval. Conditions #25 and #26 address basic water rights and recognition of the federal Endangered Species Act; these conditions are not required by District rules, but are included in all MPSWMD WDS Permits.

For Permit #M15-04-L3 (Malpasos), there are also six Special Conditions, as follows:

- **Special Condition #27** requires Malpaso to provide a copy of the County Well Construction Permit, State Well Completion Report and related test results to the District once the Eastwood/Cañada Well is drilled.
- **Special Condition #28** requires Malpaso to provide a listing of parcels or a database of potential subscribers within the CAW service area, consistent with License 13868A.
- **Special Condition #29** requires the Co-Applicants to provide copies of any report submitted to the SWRCB regarding water extractions and deliveries (note: SWRCB uses a calendar year).
- **Special Condition #30** requires the Co-Applicants to track and provide monthly well production data to the District.
- **Special Condition #31** requires the Co-Applicants to track and provide monthly water level data from wells to the District.
- **Special Condition #32** advises the Co-Applicants that all owners of Benefitted Properties must sign a Deed Restriction to allow MPWMD access to water use data in order to receive a Water Permit.

CAW/Malpaso Amendment WDS

The Findings of Approval (**Exhibit 14-D**) also support the CAW/Malpaso Amendment, and are based on evidence provided in the application materials, including supporting documents on file at the District office. Staff believes the application meets the criteria and minimum standards for Approval set by District Rules 22-B and C. The CAW/Malpaso Amendment application also relies on the information supplied for the Malpaso WDS, as described above.

The Conditions of Approval (**Exhibit 14-F**) proposed for Permit #M15-05-L3 are consistent with MPWMD Rule 22-D governing approval of water distribution systems as well as Ordinance No. 165 to facilitate water entitlements to parcels within the CAW service area within the Carmel River watershed and/or the City of Carmel-by-the-Sea. Notably, the existing limitations placed on CAW by the SWRCB in the CVAA would not change, except that the SWRCB recognizes the Malpaso WDS as a new source of supply that is not subject to the one-for-one replacement requirement in Order 95-10 (see Decision 2015-0001, Section 8.0). The Special Conditions are the same as for the Malpaso WDS Permit described above, except Malpaso Special Condition #27 is deleted because CAW does not own the Eastwood/Cañada Well.

The cost to CAW ratepayers associated with the CAW/Malpaso Amendment is not addressed in the application as such information is not required by MPWMD Rule 22. Effects to CAW ratepayers would be addressed via a future CAW rate case hearing before the California Public Utilities Commission (CPUC).

The draft Conditions of Approval were provided to the Co-Applicants, and some conditions were revised based on comments by Malpaso representatives, who concur with the changes. No comments were received by CAW as of August 12, 2015.

Noticing

Public notice has been provided no later than 10 days prior to this public hearing in several ways, including: (1) mailed notices to property owners within 300 feet of Parcel APN 015-162-038; (2) posted notices on public roads closest to the subject Parcel; (3) posted notices at the District office, CAW office and Carmel City Hall; (4) notice of the public hearing to recipients of District agendas for the August 17, 2015 meeting; and (5) posting of the hearing notice and August 17, 2015 agenda materials on the District website.

EXHIBITS

- 14-A** Cover letter and Application #WDS-20150715MAL (without attachments) to Create Malpasos WDS and Amend CAW WDS.
- 14-B** Map of Parcel APN 015-162-038.
- 14-C** Map of CAW service area within Carmel River watershed and Carmel-by-the-Sea with schematic of CAW and Malpasos facilities.
- 14-D** Draft Findings of Approval for Permit #M15-04-L3, Create Malpasos WDS, and #M15-05-L3, CAW/Malpasos Amendment WDS.
- 14-E** Draft Conditions of Approval for Permit #M15-04-L3, Create Malpasos WDS.
- 14-F** Draft Conditions of Approval for Permit #M15-05-L3, CAW/Malpasos Amendment.

Provided to MPWMD Board under Separate Cover:

- Draft EIR for *Eastwood/Odello Water Right Change Petition* dated October 2014;
- Final EIR for *Eastwood/Odello Water Right Change Petition* dated June 2015.
- SWRCB, Division of Water Rights Decision 2015-0001
- SWRCB License 13868A

EXHIBIT 14-A

Jacqueline M. Zischke, Attorney at Law
A Professional Corporation
PO Box 1115
Salinas, California 93902

P: 831/761-8714
F: 1-888-385-9198
jzischkelaw@charter.net

July 15, 2015

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

Re: Joint Application Filed By California American Water Company and Malpaso Water Company LLC to Amend Water Distribution System

Dear Henrietta;

Enclosed is the joint application for California American Water Company (CAW) and Malpaso Water Company LLC to amend the CAW Water Distribution System to allow the distribution of water under Malpaso's confirmed water rights under State Water Resources Control Board License 13868A through the CAW Water Distribution System.

Concurrently filed herewith are the following documents:

- Grant Deed for property owned by Cal-Am, which is the site for the construction of the new well, referred to as the Eastwood/Rancho Canada Well;
- Assessor's Map of Cal-Am property; Assessor's Parcel Number (APN) 015-162-038.
- Water Conveyance and Temporary Use Agreement Dated April 27, 2015
- License Agreement Between California-American Water Company and Malpaso Water Company LLC for the Eastwood/Canada Well dated June 1, 2015
- Division Decision 2015-001
- State Water Resources Control Board License 13868A dated July 3, 2015
- Check for the initial level 3 application fee in the amount of \$3,000.00

Earlier this week, we provided you with a hard copy and an electronic copy of the Draft EIR and Final EIR certified by the State Water Resources Control Board for the Eastwood/Odello Water

Right Change Petition. I believe that these CEQA documents, along with the enclosed documents should be all that is needed to process this application. Please let me know if you find anything missing or require additional information.

Thank you for your attention to this matter.

Sincerely,

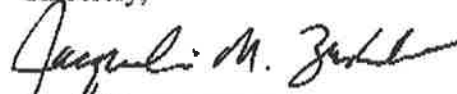

Jacqueline M. Zischke

EXHIBIT 14-A



**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.

Form received on July 15, 2015 by Henrietta Stern
 Fee Received: \$1,200 (Level 1 or 2); ~~\$3,000 (Level 3)~~
 ID# WDS- 20150715 MAL

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

#	QUESTIONS	FILL IN ANSWERS BELOW
1	System Name	California American Water Company (CAW)
2	Assessor's Parcel ## (list all)	If multiple parcel, identify APN for well/facility location and APN of parcels receiving water from WDS or Mobile WDS. 015-162-038 New well to be added to Cal-Am WDS
3	Physical Address or Location	5258 Carmel Valley, RD Carmel CA 93923
4	Name of Applicant	Malpaso Water Company, LLC California American Water Company
5	Mailing Address	(Street or PO) PO Box 450 511 Forest Lodge Rd, Ste 100
6	City, State, Zip	Carmel, CA 93921 Pacific Grove, CA 93950
7	Phone/fax/email:	831-625-1066 831-646-3291
8	Agent (if applicable)	(i.e., person who may receive paperwork on behalf of applicant/owner) Alan Williams Eric Sabolsice
9	Agent mailing address	PO Box 450 511 Forest Lodge Rd, Ste 100
10	Agent City, State, Zip	Carmel, CA 93921 Pacific Grove, CA 93950
11	Agent phone/fax/email	831-625-1066 831-646-3291
12	Hydrogeologist (if applicable)	(e.g., licensed professional who has conducted well testing and evaluation) N/A-existing system
13	Hydro mailing address	
14	Hydro City, State, Zip	
15	Hydro phone/fax/email	
16	Is this an amendment to an existing WDS?	<u>YES</u> or NO. If yes, identify previous MPWMD permit #, if any. # _____ Describe planned changes. Amend Cal-Am Water Distribution System to Distribute Water Under Malpaso Water Rights in Carmel Valley Alluvial Aquifer

EXHIBIT 14-A

17	Is this a Mobile WDS?	YES or <u>NO</u> . If yes, go to Row 50 NO
18	Is this a water well?	<u>YES</u> or NO. If no, go to Row 21. Yes
19	MCEHB¹ Permit # and issuance date	(One for each well) See attached
20	DWR Well Completion Report # and date	(One for each well) See attached
21	Within MPWRS² ?	<u>YES</u> or NO. Consult with District staff if unsure; see definition in footnote. Yes
22	>1,000 ft. MPWRS?	YES or <u>NO</u> . Consult with District staff if unsure. See Section 4.0 of 2014 Implementation Guidelines. No
23	≤1,000 ft. MPWRS?	YES or <u>NO</u> . 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. No
24	Seaside Basin source?	YES or <u>NO</u> . If yes, Adjudication documentation and/or approval from Watermaster are required. See Section 5.0 of 2014 Implementation Guidelines. No
25	CV Alluvium source?	<u>YES</u> or NO. If yes, water rights documentation is required. See Section 6.0 of 2014 Implementation Guidelines. District staff will confirm if alluvial. Yes
26	Fractured rock spring or seep?	YES or <u>NO</u> . 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. No
27	River/tributary direct diversion?	YES or <u>NO</u> . If yes, water rights documentation is required. See Section 7.0 of 2014 Implementation Guidelines. Describe system. No
28	Dam/reservoir?	YES or <u>NO</u> . If yes, water rights documentation and EIR is required. See Section 7.0 of 2014 Implementation Guidelines. No
29	Desal plant?	YES or <u>NO</u> . If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines. No
30	Reclamation plant?	YES or <u>NO</u> . If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines. No
31	Rainwater harvest + offsite delivery?	YES or <u>NO</u> . If yes, describe. See Section 7.0 of 2014 Implementation Guidelines. No
32	Other water systems?	YES or <u>NO</u> . Describe. See Section 7.0 of 2014 Implementation Guidelines. No
33	Estimated production	Unit is acre-feet per year (AFY). See Section 2.9 of 2014 Implementation Guidelines. 85.6 acre-feet per year
34	Total acreage served	(Break out acreage of each parcel served) TBD-See attached place of use boundary
35	Type of water use?	(e.g., drinking water, irrigation only) Municipal/Drinking Water
36	Type of land use?	(e.g., residential, commercial, agriculture) Residential and commercial
37	New subdivision?	YES or <u>NO</u> . CEQA document from lead agency is required. NO
38	In CAW³ service area?	<u>YES</u> or NO. Yes
39	Active CAW service?	What is currently served by Cal-Am on the property (e.g., home or business)? N/A
40	What is Zoning?	N/A

¹ MCEHB= Monterey County Environmental Health Bureau

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


³ CAW = California American Water Company

EXHIBIT 14-A


41	Environmental information	Describe CEQA documentation and Lead Agency, if applicable. See Final EIR certified by SWRCB, as lead agency
50	Is Mobile WDS source within MPWMD?	YES or NO. If yes, describe source and location. See Rows 21 - 32 for possibilities. N/A
51	Is water source outside MPWMD?	YES or NO . If yes, describe source and location.
52	Source agency and approval	If outside MPWMD, identify source agency with authority. Attach written documentation that the source water may be exported to serve applicant.
53	Describe intended use (long-term)	Mobile WDS may only be non-potable (e.g., irrigation, pools only) unless an emergency. Municipal/Drinking Water
54	# parcels served?	Use Request for Exemption form if service is to 3 or fewer parcels from a source out side MPWMD. <u>See attached place of use</u>
55	Emergency drinking water service?	YES or NO . If yes, describe situation. No
60	Other relevant information or unique considerations?	Refer to Question #. Attach explanatory sheets as needed. See attached SWRCB Approval and Final EIR
ATTACHMENTS		
A1	Parcel Maps	
A2	MCEHB permit(s)	
A3	DWR well log(s)	
A4	Well registration forms	
A5	Well meter sign-offs	
A6	Grant deed	
A7	Water rights docs.	
A8	Environmental docs.	
A9	Mobile WDS approval	
A10	Application fee (check)	
A11	Other	

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
 Printed name of Applicant: Eric J. Sabolsice, Jr.

7/14/15
Date


Signature of Applicant/System Owner
 Printed name of Applicant: R.A. WILLIAMS

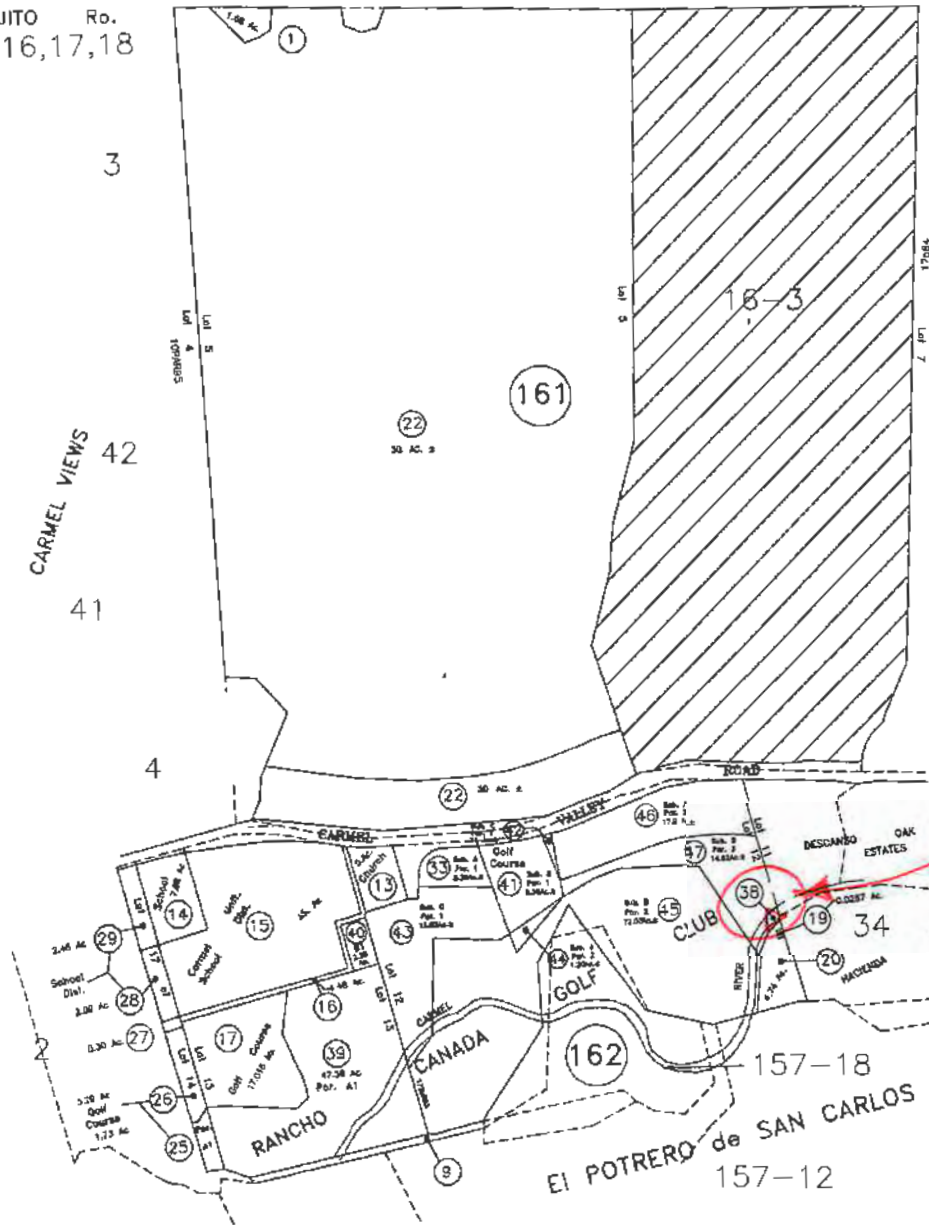
7-14-15
Date

EXHIBIT 14-B

TAX CODE AREA-

AGUAJITO Ro.
103-16,17,18

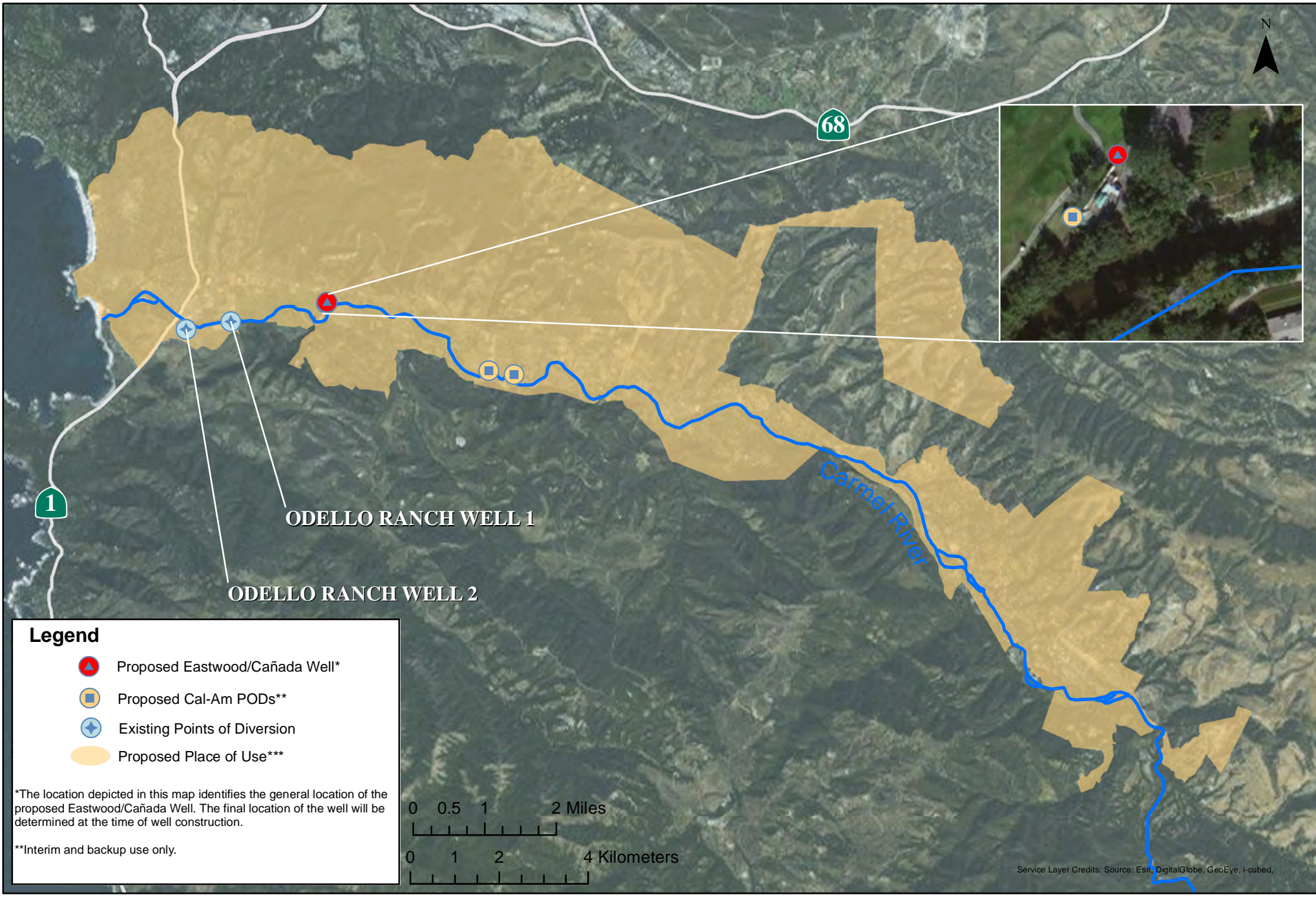
COUNTY OF MONTEREY
ASSESSOR'S MAP
BOOK '015 PAGE 16-1



SCALE: 1"=1000'

THIS MAP IS INTENDED TO BE USED FOR
PROPERTY TAX ASSESSMENT PURPOSES ONLY

CANADA DE LA
SEGUNDA Ro. Lots 5,6, 12
13 & Por. of Lot 14
Ro. El POTRERO De
SAN CARLOS Assr's Lot 1

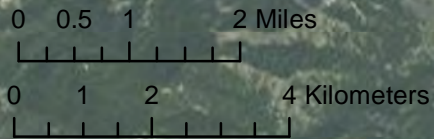


Legend

- Proposed Eastwood/Cañada Well*
- Proposed Cal-Am PODs**
- Existing Points of Diversion
- Proposed Place of Use***

*The location depicted in this map identifies the general location of the proposed Eastwood/Cañada Well. The final location of the well will be determined at the time of well construction.

**Interim and backup use only.



Service Layer Credits: Source: Esri, DigitalGlobe, GeoEye, i-cubed,



EXHIBIT 14-D

FINDINGS of APPROVAL

CONSIDER APPLICATION TO CREATE “MALPASO” WATER DISTRIBUTION SYSTEM AND AMEND CALIFORNIA-AMERICAN WATER COMPANY WATER DISTRIBUTION SYSTEM (“MALPASO AMENDMENT”)

**Well Parcel: APN 015-162-038 (formerly known as A09-162-34 and -36)
Service Area: CAW “Main” System as specified in SWRCB License 13868A
Application #WDS-20150715MAL, Permit #M15-04-L3 and #M15-05-L3**

Adopted by MPWMD Board of Directors on August 17, 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:** Co-Applicant **California-American Water Company (CAW)**, a California corporation, and an investor-owned public utility regulated by the California Public Utilities Commission (CPUC), is the primary water purveyor for the Monterey Peninsula. CAW’s “main” Water Distribution System (WDS) serves nearly 40,000 customers and derives its Source of Supply primarily from the Carmel Valley Alluvial Aquifer (CVAA) and the Seaside Groundwater Basin. In July 2015, co-Applicant **Malpaso Water Company, LLC**, a California limited liability company (Malpaso), was issued certain water rights to divert water from the CVAA as specified in State Water Resources Control Board (SWRCB) License 13868A. As described in MPWMD Application #WDS-20150715MAL, Malpaso will construct a new “Eastwood/Cañada Well” and pipeline on CAW property (Assessor’s Parcel Number 015-162-038, formerly APN A09-162-34 and -36), which will deliver up to 85.6 Acre-Feet per Year (AFY) of raw water directly into the CAW system on the same Parcel pursuant to License 13868A and agreements signed by CAW and Malpaso. Malpaso will retain CAW to operate the Eastwood/Cañada Well and deliver water to Malpaso subscribers within the CAW WDS on Parcels located within the Carmel River Watershed and/or the City of Carmel-by-the-Sea.

MWPMD Ordinance No. 165 sets a Water Entitlement of 80.0 AFY metered sales for future Malpaso subscribers (Benefitted Properties);

this lower amount accounts for conveyance losses between the wellhead and customer. Until the full 80.0 AFY is used, CAW has access to the remaining Eastwood/Cañada Well production to serve its customers (instead of using CAW Wells), thereby reducing unauthorized CAW extractions from the CVAA and facilitating compliance with the SWRCB Cease and Desist Order (CDO), Order WR 2009-0060 (as amended). Environmental review in compliance with the California Environmental Quality Act (CEQA) has been performed by the SWRCB for approval of License 13868A and related actions. The subject Application will result in the issuance of two WDS Permits: (1) Permit #M15-04-L3 to create the Malpaso WDS, and (2) Permit #M15-05-L3 to amend the CAW WDS, referred to herein as the “CAW/Malpaso Amendment.”

EVIDENCE: Application #WDS-20150715MAL submitted July 15, 2015, and pertinent materials including: site map; deed to Parcel A09-162-34 and A09-162-36 (Reel 1596, page 494, ID#G49904); *License Agreement between California-American Water Company and Malpaso Water Company, LLC for the Eastwood/Cañada Well* dated June 1, 2015; *Water Conveyance and Temporary Use Agreement between California American Water Company and Eastwood* dated April 27, 2015; SWRCB Division of Water Rights, Division Decision 2015-0001; SWRCB water right License 13868A dated July 3, 2015; Draft Environmental Impact Report (EIR) for *Eastwood/Odello Water Right Change Petition* (Project), SCH #2014031008, dated October 2014; Final EIR for *Eastwood/Odello Water Right Change Petition* dated June 2015; SWRCB certification of EIR dated July 3, 2015; SWRCB Notice of Determination of Approval of the Project dated July 7, 2015. SWRCB Cease and Desist Order WR 2009-0060 dated October 20, 2009 (as amended); MPWMD Ordinance No. 165 adopted August 17, 2015; staff agenda package prepared for MPWMD Board of Directors Public Hearing on August 17, 2015 (Item 14).

2. **FINDING:** This application applies to the Malpaso WDS and the “main” Cal-Am system within CAW’s Monterey Division, with emphasis on Wells that derive supply from the CVAA. CAW production from the CVAA is the subject of several actions by the SWRCB, including Order WR 95-10 (as amended) and Order WR 2009-0060 (as amended).

EVIDENCE: Permit application materials specified in Finding #1; map of CAW Service Area. SWRCB Order WR 95-10 (July 1995 as amended); SWRCB Order WR 2009-0060 (October 2009 as amended).

3. **FINDING:** No new CAW facilities will be constructed as the result of service by Malpaso and its single master connection into the CAW system. The Malpaso-owned Eastwood/Cañada Well has been permitted by the Monterey County Environmental Health Bureau (MCEHB) but has yet

to be constructed. It will be used for diversions under License 13868A for municipal purposes in compliance with SWRCB, Division of Drinking Water (DDW) regulations. However, the CAW-owned Rancho Cañada Well 2, Cypress Well 2 and Pearce Well may be used to divert water under License 13868A for municipal purposes when the Eastwood/Cañada Well is not available for diversion: (a) during the first year after issuance of License 13868A before the Eastwood/Cañada Well is completed, (b) due to routine maintenance, or (c) due to an emergency outage.

EVIDENCE: Permit application materials specified in Finding #1, including SWRCB Division of Water Rights Decision 2015-0001 and License 13868A (Condition #14) dated July 3, 2015. MCEHB Well Construction Permit #15-12547 (in progress as of 8/11/2015).

4. FINDING: The co-Applicants have applied for a Permit to amend the CAW WDS to enable CAW to deliver up to 80.0 AFY metered sales based on Malpaso's 85.6 AFY water right (Well production) under License 13868A to serve future unspecified properties located within the CAW service area, in compliance with SWRCB License 13868A, MPWMD Ordinance No. 165 and agreements between CAW and Eastwood.

EVIDENCE: Permit application materials specified in Finding #1; MPWMD Permit #M15-05-L3, Conditions of Approval #1 through #4, and #13; MPWMD Permit #M15-05-L3, Conditions of Approval #1 through #4, and #13.

5. FINDING: Approval of the subject application to create the Malpaso WDS or for the CAW/Malpaso Amendment does not change the current System Limits for the CAW main system.

EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit #M15-05-L3, Condition of Approval #3.

6. FINDING: The application to create the Malpaso WDS and for the CAW/Malpaso Amendment, 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 and Malpaso from MPWMD dated August 3, 2015; MPWMD Rules and Regulations.

Required Findings (MPWMD Rule 22-B)

7. FINDING: The approval of the subject application would not cause unnecessary duplication of Potable water service within any existing system due to current constraints on the CAW WDS imposed by the SWRCB, and the

desire to enhance CAW compliance with the Cease and Desist Order. SWRCB License 13868A will allow CAW to distribute Malpaso water to unspecified recipient properties located within the CAW Service Area. [Rule 22-B-1]

Creation of the Malpaso WDS and the CAW/Malpaso Amendment will help reduce unauthorized CAW diversions from the Carmel River in the near term as CAW develops a replacement water supply project. Pursuant to License 13868A, at least the following amounts of water will be available to CAW for the purpose of reducing CAW's unauthorized diversions identified in SWRCB Orders WR 95-10 and WR 2009-0060:

- a. All water diverted under License 13868A for municipal use between July 3, 2015 and December 31, 2015;
- b. 50 AFY between January 1, 2016 and December 31, 2016;
- c. 25 AFY between January 1, 2017 and December 31, 2017.

EVIDENCE: Permit application materials specified in Finding #1, including SWRCB Division of Water Rights Decision 2015-0001 and License 13868A (Condition #6) dated July 3, 2015; and *Water Conveyance and Temporary Use Agreement* between CAW and Eastwood dated April 27, 2015. MPWMD Permit #M15-04-L3, Condition of Approval #1; MPWMD Permit #M15-05-L3, Condition of Approval #1.

8. FINDING: The approval of the subject application would not result in water importation or exportation to or from the District, respectively. The referenced water systems are located wholly within the MPWMD. [Rule 22-B-2]

EVIDENCE: District boundary location maps.

9. FINDING: Approval of the subject application would not result in significant adverse impacts to "Sensitive Environmental Receptors" (SER) as defined by MPWMD Rule 11, including the Carmel Valley Alluvial Aquifer. This finding is based on the Final EIR on the *Eastwood/Odello Water Right Change Petition* certified by the SWRCB in July 2015, which determined that the Project will not have a significant effect on the environment. The Final EIR included adequate responses to MPWMD's December 2014 comment letter, and MPWMD concurs with the SWRCB's conclusions. [Rule 22-B-3]

EVIDENCE: Permit application materials and environmental review documents specified in Finding #1, including Draft EIR for *Eastwood/Odello Water Right Change Petition*, SCH #2014031008, dated October 2014;

Final EIR for *Eastwood/Odello Water Right Change Petition* dated June 2015, including Responses to Comments; SWRCB certification of Final EIR dated July 3, 2015; SWRCB Notice of Determination for Approval of the Project dated July 7, 2015. MPWMD comment letter on Draft EIR dated December 15, 2014. MPWMD Permit #M15-05-L3, Condition of Approval #3; MPWMD Notice of Determination for Approval of CAW/Malpasos Amendment dated August [REDACTED], 2015, based on Board approval on August 17, 2015.

10. FINDING: The co-Applicants have demonstrated the right to deliver water to subscribers from the Wells identified in Finding #3 via the CAW distribution network as specified in SWRCB License 13868A. In addition, the SWRCB has confirmed that the CAW/Malpasos Amendment is not barred by its Order WR 95-10 or the ordering conditions of Cease and Desist Order WR 2009-0060. Specifically, the SWRCB determined that: (1) the Malpasos sale of water to subscribers for new connections and/or intensification of water use, and the distribution of such water by CAW is not barred by the CDO; and (2) the substantial amount of water for municipal use that will be made available under License 13868A to offset unlawful diversions by CAW during the first three years after approval of said License is consistent with the public interest. [Rule 22-B-4]

EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights Decision 2015-0001 (Section 8.0), and SWRCB License 13868A dated July 3, 2015.

11. FINDING: The application demonstrates existence of a long-term reliable source of water supply for the proposed diversion (wellhead production) of up to 85.6 AFY, which enables delivery of up to 80.0 AFY metered sales into the CAW system. CAW Wells allowed by SWRCB License 13868A have an established production history. The proposed Eastwood/Cañada Well has not been constructed, but successful completion is anticipated due to its alluvial location. [Rule 22-B-5]

EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights Decision 2015-0001; SWRCB License 13868A dated July 3, 2015; *Water Conveyance and Temporary Use Agreement* between CAW and Eastwood dated April 27, 2015; Draft and Final EIR for Eastwood/Odello Water Right Change Petition. MPWMD hydrogeologic reports and database files for alluvial Wells. MPWMD Permit #M15-04-L3, Special Condition of Approval #27.

12. FINDING: The Source of Supply for the Malpasos WDS and CAW/Malpasos Amendment is the Carmel Valley Alluvial Aquifer, which is shared by other WDS. Diversion is allowed solely through the authorized Wells identified in SWRCB License 13868A, consistent with the terms of

said License. The cumulative effects of issuance of this Permit is not expected to result in significant adverse impacts to the Source of Supply or the species and habitats dependent on the Source of Supply, especially when the 46.2 AFY amount targeted for instream benefit from SWRCB License 13868B is considered. [Rule 22-B-6]

EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights Decision 2015-0001; SWRCB License 13868A dated July 3, 2015; SWRCB License 13868B dated July 3, 2015; Draft and Final EIR for the *Eastwood/Odello Water Right Change Petition* certified by SWRCB on July 3, 2015. MPWMD Permit #M15-04-L3, Conditions of Approval #1 through #4; MPWMD Permit #M15-05-L3, Conditions of Approval #1 through #4.

13. FINDING: The Source of Supply for the Malpaso WDS and CAW/Malpaso Amendment is derived from the Carmel Valley Alluvial Aquifer, which is a component of the Monterey Peninsula Water Resource System. The CVAA are waters within the jurisdiction of the SWRCB, which has granted water rights to Malpaso to divert waters via alluvial Wells pursuant to License 13868A. [Rule 22-B-7]

EVIDENCE: MPWMD hydrogeologic maps showing boundaries of project area and jurisdiction of the SWRCB; Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights Decision 2015-0001 and SWRCB License 13868A, dated July 3, 2015.

14. FINDING: MPWMD Permits #M15-04-L3 and #M15-05-L3 allow a permanent intertie from the Malpaso WDS to the CAW WDS in compliance with SWRCB License 13868A, which also specifies recipient Parcels which may subscribe to Malpaso water. MPWMD Ordinance No. 165 specifies the process by which Malpaso subscribers (Benefitted Properties) may receive water. No interties to any other WDS are allowed. Fire flow is already provided by CAW to properties within its service area, and any CAW Source of Supply may be used in a fire emergency. [Rule 22-B-8]

EVIDENCE: Permit application materials specified in Finding #1, including SWRCB License 13868A dated July 3, 2015. MPWMD Permit #M15-04-L3, Conditions of Approval #1 through #4, and #13; MPWMD Permit #M15-05-L3, Conditions of Approval #1 through #4, and #13.

15. FINDING: A back-flow protection device to prevent contamination of the CAW system is not necessary as CAW will treat water from the Eastwood/Cañada Well prior to distribution to customers. The CAW system is regulated by the SWRCB, Division of Drinking Water. [Rule 22-B-9]

EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit

#M15-04-L3, Condition of Approval #14; MPWMD Permit #M15-05-L3, Condition of Approval #14.

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

16. FINDING: The application adequately identifies the Responsible Party for MPWMD Permit #M15-04-L3 as Malpasos Water Company, LLC, a California limited liability company, and the Responsible Party for MPWMD Permit #M15-05-L3 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 Malpasos water will be provided by CAW, a regulated Public Utility, to future recipient properties (Malpasos subscribers) for land uses as allowed by local jurisdictions. In the interim, Malpasos water rights will be used to offset some of CAW’s existing unauthorized diversions for its existing customers pursuant to SWRCB License 13868A, Condition #6. 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, including SWRCB License 13868A dated July 3, 2015. MPWMD Permit #M15-04-L3, Conditions of Approval #1, #2, #3, #15 and #17. MPWMD Permit #M15-05-L3, Conditions of Approval #1, #2, #3, #15 and #17. California Administrative Code, Title 22.

18. FINDING: The application identifies the location of the Source of Supply as the Eastwood/Cañada Well (and associated pipeline) or three CAW Wells (Cal-Am Rancho Cañada Well 2, Cypress Well 2, and Pearce Well), located within the Carmel Valley Alluvial Aquifer, as allowed by SWRCB License 13868A. [Rule 22-C-3]

EVIDENCE: Permit application materials specified in Finding #1; MPWMD Permit #M15-04-L3, Condition of Approval #4; MPWMD Permit #M15-05-L3, Condition of Approval #4.

19. FINDING: Approval of the application would not create an Overdraft or increase an existing Overdraft of a Groundwater basin. The Carmel Valley Alluvial Aquifer has not been declared as in overdraft, but the SWRCB has determined it is over-appropriated during certain seasons. Malpasos has demonstrated a water right under SWRCB License 13868A. [Rule 22-C-4]

EVIDENCE: Permit application materials specified in Finding #1, including

SWRCB, Division of Water Rights Decision 2015-0001 and SWRCB License 13868A dated July 3, 2015. MPWMD Permit #M15-04-L3, Conditions of Approval #1 through #4; MPWMD Permit #M15-05-L3, Conditions of Approval #1 through #4.

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 by MPWMD and other entities that limit future water use to a reasonable and acceptable amount, consistent with certified environmental review documents. [Rule 22-C-5]

EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights Decision 2015-0001 and SWRCB License 13868A dated July 3, 2015; Draft and Final EIR for *Eastwood/Odello Water Right Change Petition* certified by SWRCB on July 3, 2015. MPWMD Permit #M15-04-L3, Conditions of Approval #1 through #4; MPWMD Permit #M15-05-L3, Conditions of Approval #1 through #4. California Water Code.

Compliance with California Environmental Quality Act (CEQA)

21. FINDING: In the review of this application, MPWMD has followed the 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 Responsible Agency under CEQA for this action, has complied with Guidelines Section 15096. The MPWMD, as a Responsible Agency for this project, has considered the Notice of Determination filed by the SWRCB on July 7, 2015 certifying the Final EIR for the *Eastwood/Odello Water Right Change Petition*, and all environmental documents associated with the project. Copies of the Draft EIR and Final EIR have been provided to MPWMD Board members for review prior to the public hearing on this matter. The MPWMD Board has reviewed the environmental information and relied on the information as part of its decision-making on this matter.

EVIDENCE: CEQA and CEQA Guidelines, Section 15096; Draft and Final EIR for *Eastwood/Odello Water Right Change Petition*, SCH #2014031008, certified by SWRCB dated July 3, 2015. SWRCB Notice of Determination for Approval of the Project dated July 7, 2015. MPWMD Notice of Determination for Approval of Permit #M15-04-L3 and Permit #M15-05-L3 dated August __, 2015, based on Board approval on August 17, 2015. Staff agenda package prepared for MPWMD Board of Directors Public Hearing (Item 14) on August 17, 2015; minutes of MPWMD Board of Directors Public Hearing (Item 14) conducted on August 17, 2015. MPWMD Permit #M15-04-L3, including all Conditions of Approval. MPWMD Permit #M15-05-L3, including all Conditions of Approval.

22. FINDING: Pursuant to CEQA Sections 15091 and 15092, the MPWMD Board finds that approval of the creation of the Malpasos WDS and CAW/Malpasos Amendment will not have a significant effect on the environment, based on the documentation cited in Finding #21. Mitigation measures are not made as conditions of approval by MPWMD for this action. The full record for all facets of the project is located in the offices of the State Water Resources Control Board, Division of Water Rights, 1001 "I" Street, 14th Floor, Sacramento, CA.

EVIDENCE: SWRCB certified environmental documents, certification and Notice of Determination described in Finding #21. MPWMD Notice of Determination for Approval of Permit #M15-05-L3 dated August __, 2015, based on Board approval on August 17, 2015.

23. FINDING: Pursuant to CEQA Section 15093, a Statement of Overriding Considerations was not adopted by the MPWMD Board for approval of MPWMD Permit #M15-05-L3.

EVIDENCE: MPWMD Notice of Determination for Approval of Permit #M15-05-L3 dated August __, 2015, based on Board approval on August 17, 2015.

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DRAFT



EXHIBIT 14-E

**CONDITIONS OF APPROVAL
for
APPLICATION TO CREATE MALPASO
WATER DISTRIBUTION SYSTEM
APPLICATION #WDS-20150715MAL; PERMIT #M15-04-L3**

**Permittee: Malpas Water Company, LLC
Permitted System: "Malpas" Water Distribution System
Service Area: One Master Connection to California-American Water
Company at Parcel APN 015-162-038, and redistributed in compliance with
SWRCB License 13868A dated July 3, 2015**

**Adopted by the MPWMD Board on August 17, 2015
Pursuant to MPWMD Rule 22-D and Ordinance No. 165
Preparation Date: August __, 2015**

Permitted System (Required by MPWMD Rules)

1. The Malpas Water Distribution System (WDS), the "Permitted System," is authorized by the Monterey Peninsula Water Management District (MPWMD or District) under Permit #M15-04-L3 to serve all Parcels within the Permitted System, consistent with water rights issued to the Malpas Water Company, LLC (Malpas) as specified in State Water Resources Control Board (SWRCB), Division of Water Rights, Division Decision 2015-0001 and License 13868A, dated July 3, 2015. Malpas and California-American Water Company (CAW) and have entered into agreements whereby Malpas water produced from the future "Eastwood/Cañada Well" on Assessor's Parcel Number (APN) 015-162-038 located at 5258 Carmel Valley Road, Carmel (map shown as **Attachment 1**) will be treated and delivered by CAW to Malpas subscriber Parcels located within the CAW Service Area as allowed by SWRCB License 13868A. To receive Malpas water, subscribers must also be located within the Carmel River Watershed and/or the City of Carmel-by-the-Sea, as shown in **Attachment 2**. The potential number of Parcels is too lengthy to individually list herein, and is addressed in Special Condition #28. This Permit incorporates SWRCB License 13868A (Condition #6), which allows remaining supply unused by Malpas subscribers to offset unauthorized CAW production from the Carmel Valley Alluvial Aquifer, and directs CAW to deliver specified amounts of water from this source to its municipal customers in calendar years 2015, 2016 and 2017. [Rule 22-D-1-a]

2. This Permit authorizes the Permitted System to provide raw water to the CAW WDS, which will treat and deliver municipal supply for residential, commercial, industrial and other land uses allowed by local jurisdictions in the CAW Service Area identified in Condition #1, as allowed by the Conditions of Approval listed in this Permit #M15-04-L3, MPWMD Permit #M15-05-L3 issued to CAW, SWRCB License 13868A, and MPWMD Ordinance No. 165. [Rule 22-D-1-b]
3. The System Capacity (wellhead water production limit) for the Permitted System is 85.6 Acre-Feet per Year (AFY) pursuant to SWRCB License 13868A, which uses a Calendar year (January 1 through December 31); the Expansion Capacity Limit (Connection limit) is one master Connection to the CAW system at Parcel APN 015-162-038. Malpaso service for new or intensified uses within its Service Area shall also comply with the Conditions of Approval specified in MPWMD Permit #M15-05-L3 issued to CAW (CAW/Malpaso Amendment), provided as **Attachment 3**. Pursuant to MPWMD Ordinance No. 165 that created a new MPWMD Rule 23.7 and amended other existing Rules, a new Water Entitlement of 80.0 AFY metered sales to Malpaso/CAW customers may be delivered by CAW to Malpaso's Benefitted Properties within the CAW Service Area as described in Condition #1. The 80.0 AFY Water Entitlement reflects conveyance losses of approximately seven percent (7%) from the 85.6 AFY wellhead production allowed by License 13868A. The District shall separately track Water Use Permit and Water Permit issuance associated with the 80.0 AFY. Existing municipal unit (jurisdiction) water allocations or credits are not changed by this Permit. [Rule 22-D-1]
4. The Source of Supply for the Permitted System is Malpaso's proposed "Eastwood/Cañada Well" (Monterey County Environmental Health Bureau Well Construction Permit #15-12547, in progress) to be constructed on CAW property (Parcel APN 015-162-038). Once constructed, the Eastwood/Cañada Well will deliver raw water into the CAW system via a short pipeline. This Permit incorporates SWRCB License 13868A (Condition #14), which allows use of three existing CAW Wells (Rancho Cañada Well 2, Cypress Well 2 and Pearce Well) to deliver water associated with License 13868A under specific circumstances. [Rule 22-C-3]

Mandatory Conditions of Approval (MPWMD Rule 22)

5. Precedent to use of this Permit, Permittee shall first obtain and comply with the requirements and conditions of Permits and Licenses issued by the SWRCB, California Public Utilities Commission (CPUC), State and/or County Health authorities, and other agencies with jurisdiction, as applicable. The District recognizes the SWRCB, Division of Water Rights, determination in Division Decision 2015-001 that sale of Malpaso water to subscribers and delivery via the CAW WDS is not barred by the SWRCB Cease and Desist Order 2009-0060 (as amended), and Malpaso water made available to CAW to reduce unauthorized diversions from CAW Wells in the Carmel Valley Alluvial Aquifer is consistent with the public interest. [Rule 22-D-1-c and Rule 22-D-3]
6. Permittee shall execute an Indemnification Agreement, provided separately, which holds

MPWMD harmless, and promises to defend MPWMD from any claims, demands, or expenses of any nature or kind arising from, or in any way related to, the District approval of the Permitted System or the adequacy of the system water supply. This Permit is not valid until the Indemnification Agreement is signed both by Permittee and MPWMD. The Indemnification Agreement must be signed and executed within 60 days of the preparation date shown (see top of page 1 for this Permit to remain valid. [Rule 22-D-1-d]

7. Permittee shall comply with MPWMD Rules relating to water Well registration, metering and annual reporting of production (MPWMD Rules 52 and 54) for any Well owned or operated by the Permittee that is located within the Service Area identified in Condition #1. This includes Malpasos "Eastwood/Cañada Well," which will be operated by CAW. [Rule 22-D-1-e; Rule 22-D-2]
8. Permittee, in coordination with CAW, shall report production by the Water Meter Method (MPWMD Rule 56) for the Well designated in Condition #4 and #7. The reporting year is October 1 through September 30 of the next year ("Water Year"). Permittee, in coordination with CAW, shall provide monthly reports of water production that identify Well production on a daily basis. Permittee shall also provide monthly Well data as described in Special Condition #30. [Rule 22-D-2]
9. Malpasos Benefitted Properties served by CAW shall comply with all MPWMD water conservation rules and regulations that pertain to CAW customers as applicable (e.g., commercial, hotel, residential, landscape) in compliance with MPWMD Ordinance No. 165. Current ordinances specify maximum water use rates for fixtures and require new development to install drought resistant landscapes, and drip irrigation, where appropriate. Contact with the District Permit and Conservation Office at 831/658-5601 is recommended during project planning. [Rule 22-D-1-f]
10. No new Connections to the Permitted System may be set until a Water Permit has been secured from MPWMD for each individual Connection in accordance with MPWMD regulations governing issuance of Water Permits, including the process outlined in MPWMD Ordinance No. 165. Capacity Fees (Connection Charges) shall be calculated based on water demand estimates using MPWMD's water demand methodology at the time of the application. [Rule 22-D-1-g]
11. Any intensification or expansion within the Permitted System shall require a new application and Permit pursuant to MPWMD Rules 23 and 24. [Rule 22-D-1-k]
12. Any new facilities, expansion of Service Area boundaries, changed conditions regarding water service by other entities, increase in the production or Connection limits set in Condition #3, or other changes described in MPWMD Rule 22-E shall require a Permit to amend the Permitted System. [Rule 22-E]
13. A permanent intertie between the Permitted System (Eastwood/Cañada Well) and the CAW WDS is allowed pursuant to the limits set in Condition #3 of this Permit. The

Benefitted Properties as defined by MPWMD Ordinance No. 165 are within the CAW Service Area and may receive CAW water for emergency fire service. [Rule 22-D-1-h]

14. A back-flow protection device to prevent contamination of the CAW system is not required as the Benefitted Properties will be served by CAW. However, if use of non-CAW Wells on the Benefitted Properties is contemplated, CAW and the Parcel owners must take appropriate action to ensure that the CAW system would not be contaminated. [Rule 22-D-1-h]
15. Because the Permitted System will provide raw water to a regulated Public Utility, compliance with California Title 22 drinking water standards is already required and regulated by the SWRCB, Division of Drinking Water. [Rule 22-C-2]
16. No additional mitigation measures to offset adverse environmental impacts are required by this Permit above and beyond those already specified in approvals by the State Water Resources Control Board, or other regulatory agencies with authority. [Rule 22-D-1-i]
17. Permittee is required to provide an agreement to enable CAW to serve Malpasos water to the subscriber Parcels. Permittee has provided an executed Lease Agreement dated June 1, 2015, which attaches a signed Water Conveyance and Temporary Use Agreement dated April 27, 2015 regarding the 85.6 AFY to be diverted under SWRCB License 13868A. [Rule 22-D-1-j]
18. Upon MPWMD Board approval of this Permit, the Permittee and CAW shall pay to MPWMD the invoiced cost for MPWMD staff, attorney and consultant time spent to process the Permit subsequent to the Application date, as well as direct costs (Rule 60). The initial Application fee paid by Permittee is compared to total costs. The Permittee shall be provided documentation to support the invoiced amount. This Permit is not valid until payment for the invoiced amount is received by MPWMD. The payment must be received within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-l]
19. Upon finalization of these conditions, Permittee shall sign and notarize an Acceptance of Permit Conditions Form associated with the approval of the Permitted System. By signing the form, Permittee acknowledges that Permittee understands and accepts these conditions as a binding part of the Permit approval, and agrees to carry them out faithfully. The Acceptance Form must be received within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-m]
20. Permittee shall disclose to any future owner, successors and assigns of the Malpasos WDS the requirements for the Permitted System associated with this Permit. MPWMD shall be advised in a timely manner of any changes in system ownership, system name or other substantive changes to the system to facilitate accurate record-keeping. [Rule 22-D-2]
21. Given the unique nature of the Malpasos WDS and CAW/Malpasos Amendment, and that the CAW system infrastructure is already in place in the Carmel River Basin, this Permit

does not include deadlines associated with the construction of new water facilities needed to serve future Benefitted Properties or other CAW customers. [Rule 22-D-4]

22. Because CAW is the Owner of the Parcel on which the future Eastwood/Cañada Well is located, Permittee shall execute a Notice of Agreement (rather than a Deed Restriction) prepared separately by MPWMD regarding the limitation on water use as set forth in these conditions. Permittee shall pay all fees associated with preparation, review and recording of the Notice of Agreement. The Notice of Agreement must be signed and notarized by the Permittee and accepted by the Monterey County Recorder for processing within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-n]
23. Upon notice to the Permittee in writing, e-mail or by telephone, the Permittee shall allow reasonable access to the Permitted System, including the Eastwood/Cañada Well on Parcel APN 015-162-038, by MPWMD staff or its designated representative to inspect and document Water-Gathering Facilities and Water Measuring Devices, obtain hydrogeologic data, and take readings from Water Measuring Devices. [Rule 22-D-1-o]
24. The Permit granted herein is subject to revocation in the event the Permittee does not fully comply with each and every condition set forth in this Permit. [Rule 22-D-1-p]

Other Standard Conditions of Approval

25. Nothing in this Permit shall be construed to grant or confirm any water right. The District recognizes the Malpaso water right License 13868A issued by the SWRCB.
26. This Permit does not authorize any act that results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code Sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. Sections 1531 to 1544). If a “take” will result from any act authorized under this Permit, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this Permit.

Special Conditions of Approval

27. Permittee shall provide at no charge a copy of the Monterey County Environmental Health Bureau Well Construction Permit #15-12547, California Department of Water Resources Well Completion Report, and related Well-testing results for the Eastwood/Cañada Well to the MPWMD Water Resources Division Manager (or designee) within 60 days of Well completion.
28. Permittee shall provide a database and/or list of Parcels within the CAW Service Area that meet the License 13868A criteria to be served with Malpaso water. This information shall be shared with MPWMD Water Demand Division Manager at no charge.

29. Permittee, in coordination with CAW, shall provide to the MPWMD Water Resources Division Manager (or designee) a copy of each report submitted to the State Water Resources Control Board in compliance with conditions under License 13868A. Notice of a designated website link is acceptable; if a website link is not available in the future, electronic or hard copies are acceptable.
30. For each Well specified in Condition #4, Permittee, in coordination with CAW, shall implement water accounting methods to track CAW production sources that identify: (a) the total amount of water produced (measured at wellheads identified in Condition #4) under the CAW/Malpasos Amendment, and (b) the amount of water produced under the CAW/Malpasos Amendment to offset unlawful CAW diversions. This information shall be provided monthly at no charge to the MPWMD Water Resources Division Manager (or designee).
31. For each Well specified in Condition #4, Permittee shall coordinate with CAW to monthly measure water levels in each Well, and report these data to the MPWMD Water Resources Division Manager (or designee) along with the monthly production report described in Condition #30.
32. A standard condition of approval for any Water Permit issued to the Owners of the Benefitted Properties as defined by MPWMD Ordinance No. 165 that receive a portion of the Malpasos Water Entitlement is a voluntary binding agreement ("Notice and Deed Restriction") to provide public access to water use data, upon request by MPWMD. Permittee shall provide to MPWMD any information authorized to be released in accordance with a Notice and Deed Restriction executed and recorded by a Benefitted Property Owner.

Attachments

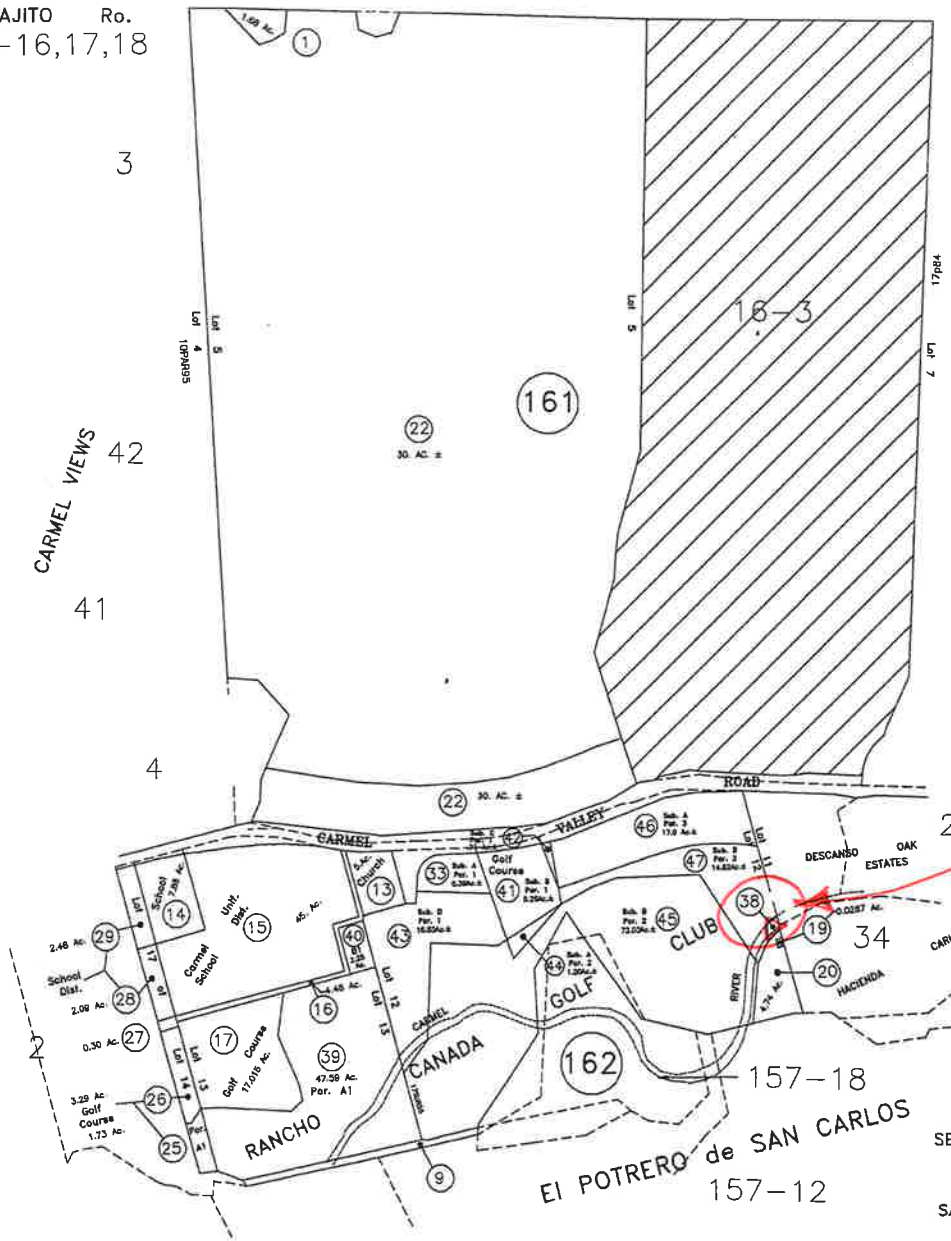
- Attachment 1: Figure of CAW and Malpasos facilities on APN 015-162-038
- Attachment 2: Map of potential Malpasos subscribers within CAW Service Area as allowed by SWRCB License 13868A
- Attachment 3: Copy of CAW WDS Conditions of Approval (Permit #M15-05-L3)
[not recopied for August 17, 2015 agenda package to avoid duplication]

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TAX CODE AREA-

AGUAJITO Ro.
103-16,17,18

COUNTY OF MONTEREY
ASSESSOR'S MAP
BOOK '015 PAGE 16-1

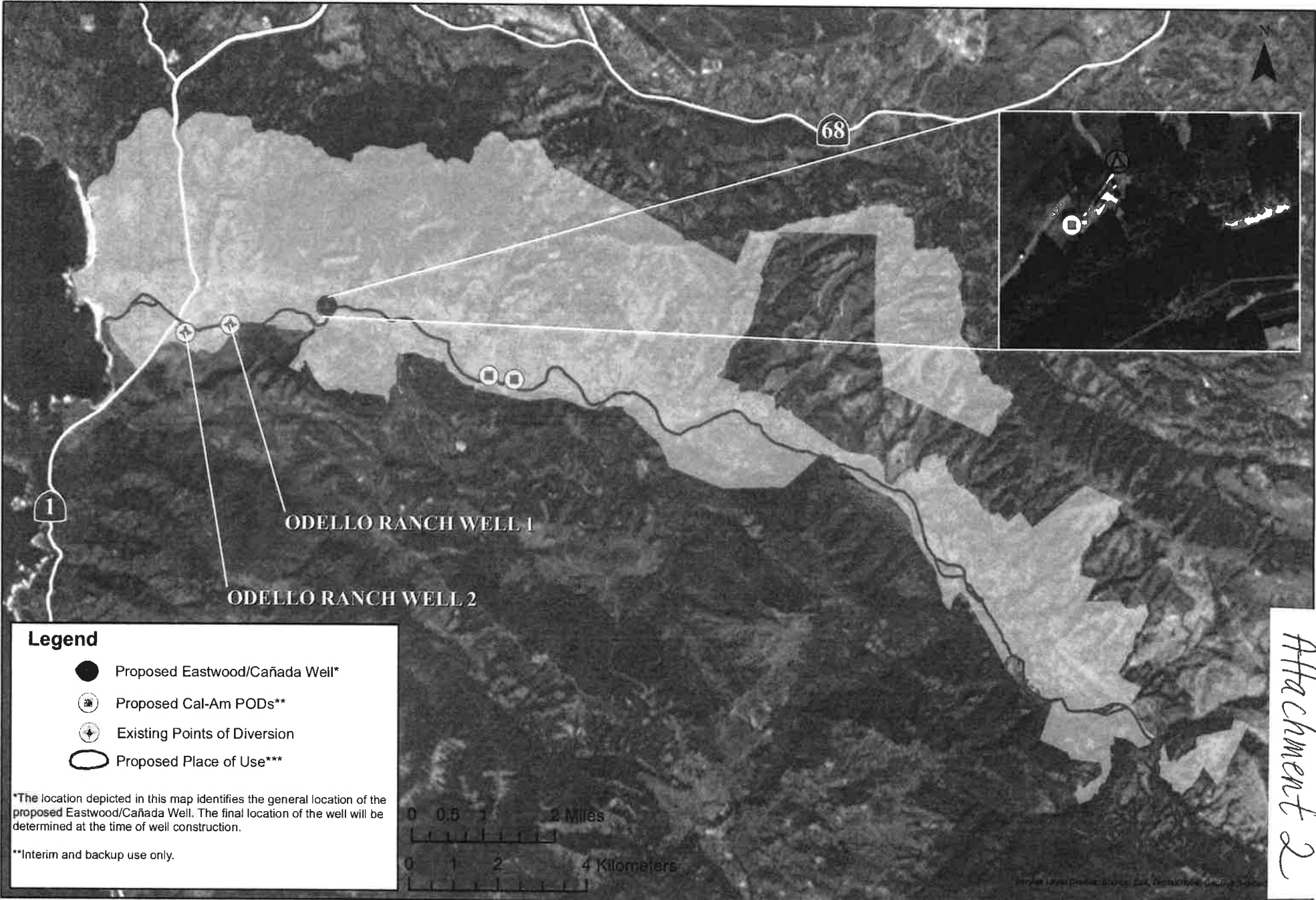


SCALE: 1"=1000'

THIS MAP IS INTENDED TO BE USED FOR
PROPERTY TAX ASSESSMENT PURPOSES ONLY

CANADA DE LA
SEGUNDA Ro. Lots 5,6, 12
13 & Por. of Lot 14
Ro. EL POTRERO De
SAN CARLOS Assr's Lot 1

Attachment 1



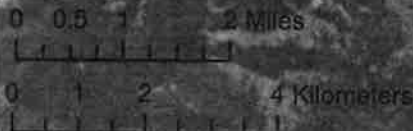
Attachment 2

Legend

- Proposed Eastwood/Cañada Well*
- ⊗ Proposed Cal-Am PODs**
- ⊕ Existing Points of Diversion
- Proposed Place of Use***

*The location depicted in this map identifies the general location of the proposed Eastwood/Cañada Well. The final location of the well will be determined at the time of well construction.

**Interim and backup use only.



Title: **CDFW Protest-Dismissal (Eastwood/ Cañada Individual Well) Alternative**

Date: 6/26/2015
 Scale: 1 inch = 2 miles
 Project: 2013-24



Monterey | Truckee | San Jose
Denise Duffy and Associates, Inc.
 Environmental Consultants Resource Planners
 947 Cass Street, Suite 5
 Monterey, CA 93940
 (631) 373-4341

Figure
6-1a



EXHIBIT 14-F

**CONDITIONS OF APPROVAL
APPLICATION TO AMEND CALIFORNIA-AMERICAN WATER
COMPANY WATER DISTRIBUTION SYSTEM
(MALPASO AMENDMENT)**

APPLICATION #WDS-20150715MAL; PERMIT #M15-05-L3

**Permittee: California-American Water Company (CAW)
Permitted System: "Main" CAW Water System
Service Area: "Main" CAW Water System in compliance with
SWRCB License 13868A dated July 3, 2015**

**Adopted by the MPWMD Board on August 17, 2015
Pursuant to MPWMD Rule 22-D and Ordinance No. 165
Preparation Date: August __, 2015**

Permitted System (Required by MPWMD Rules)

1. The California-American Water Company (CAW) "Main" Water Distribution System (WDS), the "Permitted System," is authorized by the Monterey Peninsula Water Management District (MPWMD or District) under Permit #M15-05-L3 to serve all Parcels within the Permitted System, consistent with water rights issued to the Malpaso Water Company, LLC (Malpaso) as specified in State Water Resources Control Board (SWRCB), Division of Water Rights, Division Decision 2015-0001 and License 13868A, dated July 3, 2015. CAW and Malpaso have entered into agreements whereby Malpaso water produced from the future "Eastwood/Cañada Well" on Assessor's Parcel Number (APN) 015-162-038 located at 5258 Carmel Valley Road, Carmel (map shown as **Attachment 1**) will be treated and delivered by CAW to Malpaso subscriber Parcels located within the Permitted System Service Area as allowed by SWRCB License 13868A. To receive Malpaso water, subscribers must also be located within the Carmel River Watershed and/or the City of Carmel-by-the-Sea, as shown in **Attachment 2**. The potential number of Parcels is too lengthy to individually list herein, and is addressed in Special Condition #27. This Permit incorporates SWRCB License 13868A (Condition #6), which allows remaining supply unused by Malpaso subscribers to offset unauthorized CAW production from the Carmel Valley Alluvial Aquifer, and directs CAW to deliver specified amounts of water from this source to its municipal customers in calendar years 2015, 2016 and 2017. The "Main" CAW WDS refers to the system supplied by the Monterey Peninsula Water Resource System. [Rule 22-D-1-a]

2. This Permit authorizes the Permitted System to provide treated, potable water for residential, commercial, industrial and other land uses allowed by local jurisdictions in the CAW Service Area identified in Condition #1 as allowed by the Conditions of Approval listed in this Permit #M15-05-L3, MPWMD Permit #M15-04-L3 issued to Malpas0, SWRCB License 13868A, and MPWMD Ordinance No. 165. [Rule 22-D-1-b]
3. There shall be no change to the existing System Capacity (water production limit) of the “Main” CAW system; and no Expansion Capacity Limit (Connection limit) is set. Pursuant to SWRCB License 13868A, CAW may receive an additional 85.6 Acre-Feet per Year (AFY) wellhead production from the Malpas0 WDS (or certain CAW Wells) specified in Condition #4 below. CAW service for new or intensified uses within its Service Area shall comply with the Conditions of Approval specified in MPWMD Permit #M15-04-L3 issued to Malpas0, provided as **Attachment 3**. Pursuant to MPWMD Ordinance No. 165 that created a new MPWMD Rule 23.7 and amended other existing Rules, a new Water Entitlement of 80.0 AFY metered sales to customers may be delivered by CAW to Malpas0’s Benefitted Properties within the CAW Service Area as described in Condition #1. The 80.0 AFY Water Entitlement reflects conveyance losses of approximately seven percent (7%) from the 85.6 AFY wellhead production allowed by License 13868A. The District shall separately track Water Use Permit and Water Permit issuance associated with the 80.0 AFY. Existing municipal unit (jurisdiction) water allocations or credits are not changed by this Permit. [Rule 22-D-1]
4. The new Source of Supply for the Permitted System is Malpas0 Water Company’s proposed “Eastwood/Cañada Well” (Monterey County Environmental Health Bureau Well Construction Permit #15-12547, in progress) to be constructed on CAW property (Parcel APN 015-162-038). Once constructed, the Eastwood/Cañada Well will deliver raw water into the CAW system via a short pipeline. This Permit incorporates SWRCB License 13868A (Condition #14), which allows use of three existing CAW Wells (Rancho Cañada Well 2, Cypress Well 2 and Pearce Well) to deliver water associated with License 13868A under specific circumstances. [Rule 22-C-3]

Mandatory Conditions of Approval (MPWMD Rule 22)

5. Precedent to use of this Permit, Permittee shall first obtain and comply with the requirements and conditions of Permits and Licenses issued by the SWRCB, California Public Utilities Commission (CPUC), State and/or County Health authorities, and other agencies with jurisdiction, as applicable. The District recognizes the SWRCB, Division of Water Rights, determination in Division Decision 2015-001 that sale of Malpas0 water to subscribers and delivery via the CAW WDS is not barred by the SWRCB Cease and Desist Order 2009-0060 (as amended), and Malpas0 water made available to CAW to reduce unauthorized diversions from CAW Wells in the Carmel Valley Alluvial Aquifer is consistent with the public interest. [Rule 22-D-1-c and Rule 22-D-3]
6. Permittee shall execute an Indemnification Agreement, provided separately, which holds MPWMD harmless, and promises to defend MPWMD from any claims, demands, or

expenses of any nature or kind arising from, or in any way related to, the District approval of the Permitted System or the adequacy of the system water supply. This Permit is not valid until the Indemnification Agreement is signed both by Permittee and MPWMD. The Indemnification Agreement must be signed and executed within 60 days of the preparation date shown (see top of page 1 for this Permit to remain valid. [Rule 22-D-1-d]

7. Permittee shall comply with MPWMD Rules relating to water Well registration, metering and annual reporting of production (MPWMD Rules 52 and 54) for any Well owned or operated by the Permittee that is located within the Service Area identified in Condition #1. This includes Malpasos "Eastwood/Cañada Well," which will be operated by CAW. [Rule 22-D-1-e; Rule 22-D-2]
8. Permittee shall report production by the Water Meter Method (MPWMD Rule 56) for the Wells designated in Conditions #4 and #7. The reporting year is October 1 through September 30 of the next year ("Water Year"). Permittee shall continue to provide monthly reports of water production that identify Well production on a daily basis. Permittee shall also provide monthly Well production data as described in Special Condition #29. [Rule 22-D-2]
9. Permittee and Malpasos Benefitted Properties served by the Permittee shall comply with all MPWMD water conservation rules and regulations that pertain to CAW customers as applicable (e.g., commercial, hotel, residential, landscape) in compliance with MPWMD Ordinance No. 165. Current ordinances specify maximum water use rates for fixtures and require new development to install drought resistant landscapes, and drip irrigation, where appropriate. Contact with the District Permit and Conservation Office at 831/658-5601 is recommended during project planning. [Rule 22-D-1-f]
10. No new Connections to the Permitted System may be set until a Water Permit has been secured from MPWMD for each individual Connection in accordance with MPWMD regulations governing issuance of Water Permits, including the process outlined in MPWMD Ordinance No. 165. Capacity Fees (Connection Charges) shall be calculated based on water demand estimates using MPWMD's water demand methodology at the time of the application. [Rule 22-D-1-g]
11. Any intensification or expansion within the Permitted System shall require a new application and Permit pursuant to MPWMD Rules 23 and 24. [Rule 22-D-1-k]
12. Any new facilities, expansion of Service Area boundaries, changed conditions regarding water service by other entities, increase in the production or Connection limits set in Condition #3, or other changes described in MPWMD Rule 22-E shall require a Permit to amend the Permitted System. [Rule 22-E]
13. A permanent intertie between the Permitted System and the Malpasos WDS (Eastwood/Cañada Well) is allowed pursuant to the limits set in Condition #3 of this Permit. The Benefitted Properties as defined by MPWMD Ordinance No. 165 are within

- the CAW Service Area and may receive CAW water for emergency fire service. [Rule 22-D-1-h]
14. A back-flow protection device to prevent contamination of the CAW system is not required as the Benefitted Properties will be served by CAW. However, if use of non-CAW Wells on the Benefitted Properties is contemplated, CAW and the Parcel owners must take appropriate action to ensure that the CAW system would not be contaminated. [Rule 22-D-1-h]
 15. Because the Permitted System is a regulated Public Utility that provides water to 40,000 customers, compliance with California Title 22 drinking water standards is already required and regulated by the SWRCB, Division of Drinking Water. [Rule 22-C-2]
 16. No additional mitigation measures to offset adverse environmental impacts are required by this Permit above and beyond those already specified in approvals by the State Water Resources Control Board, or other regulatory agencies with authority. [Rule 22-D-1-i]
 17. Permittee is required to provide an agreement to enable it to serve Malpasos water to the subscriber Parcels. Permittee has provided an executed Lease Agreement dated June 1, 2015, which attaches a signed Water Conveyance and Temporary Use Agreement dated April 27, 2015 regarding the 85.6 AFY to be diverted under SWRCB License 13868A. [Rule 22-D-1-j]
 18. Upon MPWMD Board approval of this Permit, the Permittee and Malpasos shall pay to MPWMD the invoiced cost for MPWMD staff, attorney and consultant time spent to process the subject application, as well as direct costs (Rule 60). The initial application fee paid by Permittee is compared to total costs. The Permittee shall be provided documentation to support the invoiced amount. This Permit is not valid until payment for the invoiced amount is received by MPWMD. The payment must be received within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-l]
 19. Upon finalization of these conditions, Permittee shall sign and notarize an Acceptance of Permit Conditions Form associated with the approval of the Permitted System. By signing the form, Permittee acknowledges that Permittee understands and accepts these conditions as a binding part of the Permit approval, and agrees to carry them out faithfully. The Acceptance Form must be received within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-m]
 20. Permittee shall disclose to any future owner, successors and assigns of the CAW WDS the requirements for the Permitted System associated with this Permit. MPWMD shall be advised in a timely manner of any changes in system ownership, system name or other substantive changes to the system to facilitate accurate record-keeping. [Rule 22-D-2]
 21. Given the unique nature of the CAW/Malpasos Amendment, and the fact that the CAW system infrastructure is already in place in the Carmel River Basin, this Permit does not

include deadlines associated with the construction of new water facilities needed to serve future Benefitted Properties or other CAW customers. [Rule 22-D-4]

22. As the Owner of the Parcel on which the new Source of Supply (Eastwood/Cañada Well) is located, Permittee shall execute a Deed Restriction prepared by MPWMD regarding the limitation on water use as set forth in these conditions. Permittee shall pay all fees associated with preparation, review and recording of the Deed Restriction. The Deed Restriction must be signed and notarized by the Permittee, and accepted by the Monterey County Recorder for processing within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-n]
23. Upon notice to the Permittee in writing, e-mail or by telephone, the Permittee shall allow reasonable access to the Permitted System, including the Eastwood/Cañada Well on Parcel APN 015-162-038, by MPWMD staff or its designated representative to inspect and document Water-Gathering Facilities and Water Measuring Devices, obtain hydrogeologic data, and take readings from Water Measuring Devices. [Rule 22-D-1-o]
24. The Permit granted herein is subject to revocation in the event the Permittee does not fully comply with each and every condition set forth in this Permit. [Rule 22-D-1-p]

Other Standard Conditions of Approval

25. Nothing in this Permit shall be construed to grant or confirm any water right. The District recognizes the Malpaso water right License 13868A issued by the SWRCB.
26. This Permit does not authorize any act that results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code Sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. Sections 1531 to 1544). If a “take” will result from any act authorized under this Permit, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this Permit.

Special Conditions of Approval

27. Permittee shall obtain from Malpaso a database and/or list of Parcels within the CAW Service Area that meet the License 13868A criteria to be served with Malpaso water. This information shall be shared with MPWMD Water Demand Division Manager at no charge.
28. Permittee, in coordination with Malpaso, shall provide to the MPWMD Water Resources Division Manager (or designee) a copy of each report submitted to the State Water Resources Control Board in compliance with conditions under License 13868A. Notice of a designated website link is acceptable; if a website link is not available in the future, electronic or hard copies are acceptable.

29. Permittee, in coordination with Malpaso, shall implement water accounting methods to track CAW production sources that identify: (a) the total amount of water produced (measured at wellheads identified in Condition #4) under the CAW/Malpaso Amendment, and (b) the amount of water produced under the CAW/Malpaso Amendment to offset unlawful CAW diversions. This information shall be provided monthly at no charge to the MPWMD Water Resources Division Manager (or designee).
30. For each Well specified in Condition #4, Permittee shall continue to monthly measure water levels in each Well, and report these data to the MPWMD Water Resources Division Manager (or designee) along with the monthly production report described in Condition #29.
31. A standard condition of approval for any Water Permit issued to the Owners of the Benefitted Properties as defined by MPWMD Ordinance No. 165 that receive a portion of the Malpaso Water Entitlement is a voluntary binding agreement (“Notice and Deed Restriction”) to provide public access to water use data, upon request by MPWMD. Permittee shall provide to MPWMD any information authorized to be released in accordance with a Notice and Deed Restriction executed and recorded by a Benefitted Property Owner.

Attachments

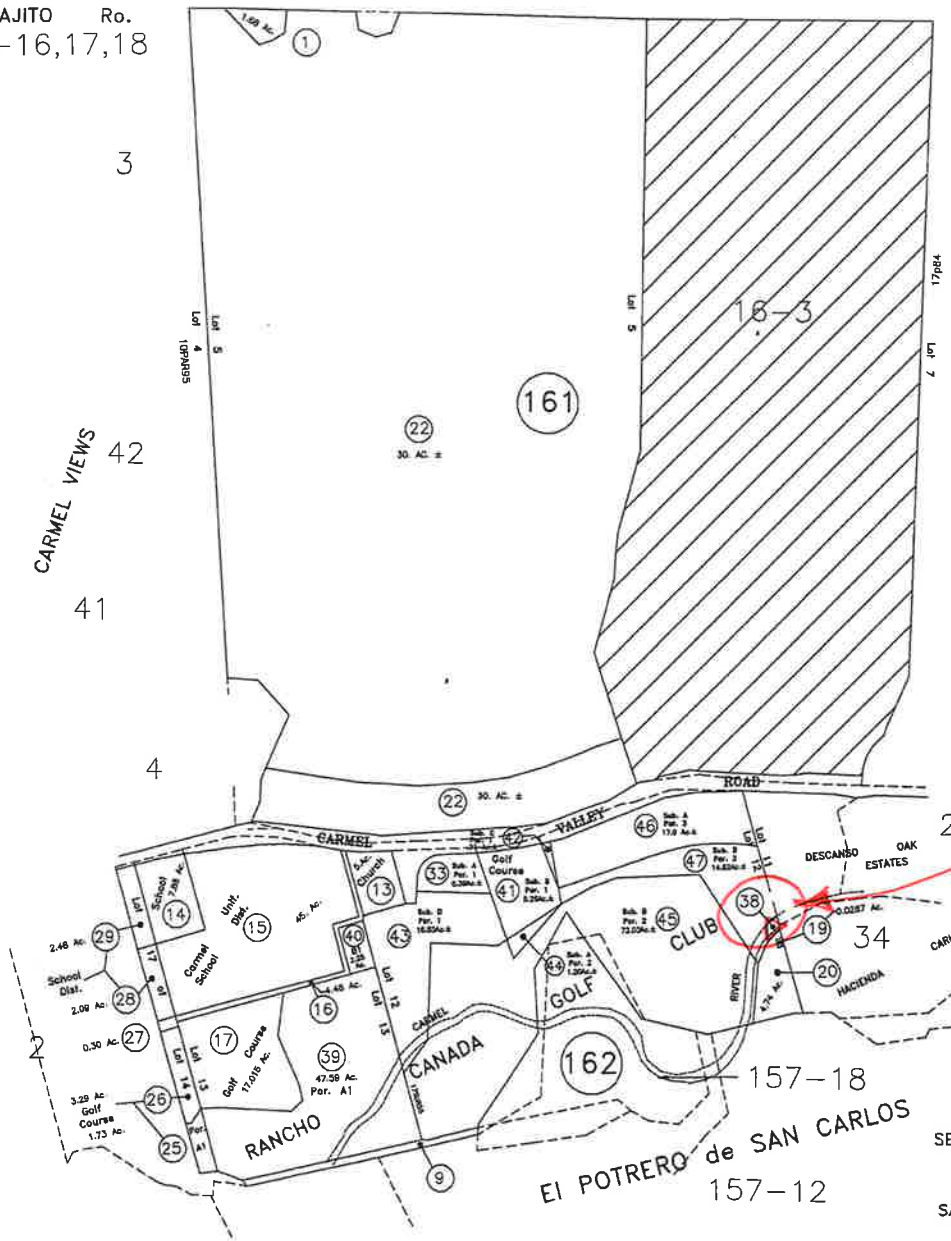
- Attachment 1: Figure of CAW and Malpaso facilities on APN 015-162-038
- Attachment 2: Map of potential Malpaso subscribers within CAW Service Area as allowed by SWRCB License 13868A
- Attachment 3: Copy of Malpaso WDS Conditions of Approval (Permit #M15-04-L3)
[not recopied for August 17, 2015 agenda package to avoid duplication]

U:\staff\Boardpacket\2015\20150817\PubHrngs\14\Item14_Exhibit14-F.docx

TAX CODE AREA-

AGUAJITO Ro.
103-16,17,18

COUNTY OF MONTEREY
ASSESSOR'S MAP
BOOK '015 PAGE 16-1

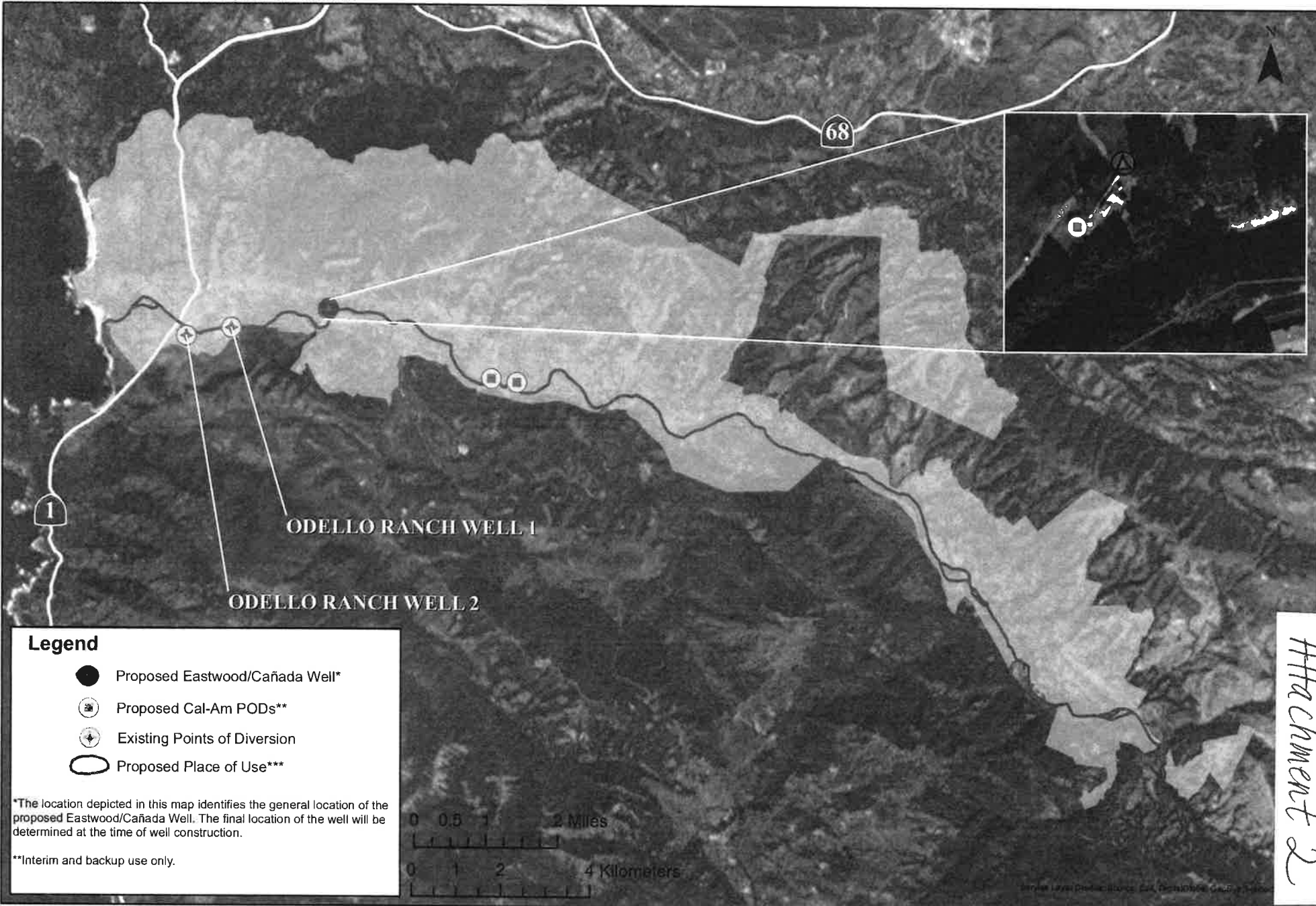


SCALE: 1"=1000'

THIS MAP IS INTENDED TO BE USED FOR
PROPERTY TAX ASSESSMENT PURPOSES ONLY

CANADA DE LA
SEGUNDA Ro. Lots 5,6, 12
13 & Por. of Lot 14
Ro. EL POTRERO De
SAN CARLOS Assr's Lot 1

Attachment 1



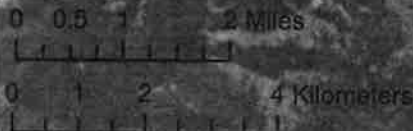
Attachment 2

Legend

- Proposed Eastwood/Cañada Well*
- ⊗ Proposed Cal-Am PODs**
- ⊕ Existing Points of Diversion
- Proposed Place of Use***

*The location depicted in this map identifies the general location of the proposed Eastwood/Cañada Well. The final location of the well will be determined at the time of well construction.

**Interim and backup use only.



Title: **CDFW Protest-Dismissal (Eastwood/ Cañada Individual Well) Alternative**

Date: 6/26/2015
 Scale: 1 inch = 2 miles
 Project: 2013-24



Monterey | Truckee | San Jose
Denise Duffy and Associates, Inc.
 Environmental Consultants Resource Planners
 947 Cass Street, Suite 5
 Monterey, CA 93940
 (631) 373-4341

Figure
6-1a

ITEM: PUBLIC HEARING

15. CONSIDER APPROVAL OF APPLICATION #WDS-20150715RYA TO TRANSFER CYPRESS PACIFIC WATER RIGHTS TO COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA (CHOMP) PARCELS IN RYAN RANCH

Meeting Date:	August 17, 2015	Budgeted:	N/A
From:	David J. Stoldt General Manager	Program/ Line Item No.:	N/A
Prepared By:	Henrietta Stern	Cost Estimate:	N/A

General Counsel Review: Reviewed 8/10/2015

Committee Recommendation: N/A

CEQA Compliance: N/A. The Superior Court and Appellate Court found that MPWMD has limited authority to make determinations under CEQA for usage of adjudicated Seaside Groundwater Basin water.

- A. CONSIDER APPROVAL OF AMENDMENT TO RYAN RANCH UNIT WATER DISTRIBUTION SYSTEM (WDS) TO ENABLE SERVICE TO CHOMP, PARCELS APN 259-221-004 AND -005, CALIFORNIA-AMERICAN WATER COMPANY, APPLICANT**
- B. CONSIDER APPROVAL OF RYAN RANCH WDS SYSTEM CAPACITY AMENDMENT IN COMPLIANCE WITH MPWMD DECISION ON INSUFFICIENT PHYSICAL SUPPLIES (JUNE 2009)**

SUMMARY: The Board will consider Application #WDS-20150715RYA (**Exhibit 15-A**) submitted on July 15, 2015 by co-applicants California-American Water Company (CAW) and Cypress Pacific Investors, LLC (Cypress). This application stems from the previous Board approval of Permit #M14-05-L4 (“CAW/Cypress Amendment”) on September 15, 2014, which allowed CAW to increase its System Capacity (annual water production limit) in the Seaside Groundwater Basin Coastal Subareas by up to 3.41 acre-feet per year (AFY) from transferred Cypress water rights. This translates to 3.17 AFY metered sales delivered to future recipient parcels within the Seaside Basin designated by Cypress. In this case, the entire 3.17 AFY is designated to serve a future expansion of the Community Hospital of the Monterey Peninsula (CHOMP) campus at Ryan Ranch on Assessor’s Parcel Numbers (APN) 259-221-004 and -005 (**Exhibit 15-B**), referred to herein as the “CHOMP Parcels.” However, CAW’s Ryan Ranch Unit WDS has been under a moratorium for new connections since June 15, 2009, when the District Board determined that supplies were insufficient to serve customers and specified certain actions before new customers could be served. Thus, two Board considerations are on the agenda:

1. Amend the Ryan Ranch Unit WDS to enable service only to the CHOMP Parcels (referred to herein as the “CAW/Ryan Ranch-CHOMP Amendment”), which entails several changes to the current Conditions of Approval for the Ryan Ranch Unit.
2. Approve a *Statement of Expanded Supply for the Ryan Ranch Unit WDS (Exhibit 15-C)* that increases the System Capacity pursuant to Order #5 of the June 2009 *Findings, Conclusions and Decision of the Board, Hearing on Insufficient Physical Supplies in Accord with District Rule 40-B (“Ryan Ranch Decision”* shown as **Exhibit 15-D**); and enable receipt of a future application by CHOMP for a Water Permit to expand water use pursuant to Order #4 of the *Ryan Ranch Decision*.

District compliance with the California Environmental Quality Act (CEQA) is addressed in the “Recommendations” section below. Additional information is provided in the “Background” and “Discussion” sections below. This public hearing has been properly noticed as described below. MPWMD files associated with this application by CAW and Cypress are available for review at the District office, or other locations as applicable.

RECOMMENDATIONS: District staff recommends that the Board take the following actions:

1. Adopt the MPWMD Findings of Approval for Application #WDS-20150715RYA for the CAW/Ryan Ranch-CHOMP Amendment (**Exhibit 15-E**).
2. Approve Application #WDS-20150715RYA; authorize issuance of MPWMD Permit #M15-06-L3 for the CAW/Ryan Ranch-CHOMP Amendment with the Conditions of Approval specified in **Exhibit 15-F**. The Conditions of Approval include all the Mandatory Conditions of Approval specified in MPWMD Rule 22-D as well as several special conditions for this project, as described in the “Discussion” section below. Notably, they allow CAW to transfer 3.17 AFY metered sales from its “main” system (derived from Seaside Basin Coastal Subareas) into the Ryan Ranch Unit via the existing emergency interconnection to serve only the two CHOMP Parcels.
3. Direct staff to file a Notice of Exemption with the County Clerk. As explained below, this would be a Statutory Exemption for a ministerial action pursuant to CEQA Guidelines section 15268.
4. Approve a *Statement of Expanded Supply for the Ryan Ranch Unit (Exhibit 15-F)* that confirms: (a) the System Capacity for the Ryan Ranch Unit may be increased by up to 3.17 AFY metered sales designated solely for the CHOMP Parcels; (b) “credible expert analysis” has occurred in the form of the September 15, 2014 hearing materials that led to the Board approval of the CAW/Cypress Amendment (Permit #M14-05-L4); and (c) District staff may accept a future application by CHOMP for a Water Permit to expand water use within Ryan Ranch. These actions comply with Orders #4 and #5 of the 2009 *Ryan Ranch Decision (Exhibit 15-D)*.

MPWMD CEQA Compliance

A Monterey County Superior Court Order dated May 11, 2009, as confirmed by the Appellate Court (*Cal-Am v. Seaside*, and *Sierra Club v. MPWMD*; 6th Appellate District, H034335, April 1, 2010), determined that MPWMD can require a WDS Permit for water rights transfers in the Seaside Basin, but the Physical Solution governs the environmental aspects of Seaside Basin groundwater usage, and no party to the Basin Adjudication can require environmental review under CEQA with regard to such usage. District Counsel has confirmed that the MPWMD Board's decision on the CAW/Ryan Ranch-CHOMP Amendment is viewed as a CEQA ministerial action (CEQA Guidelines section 15268) due to the above Court Orders.

In his July 30, 2010 *Order After Ex Parte Hearing, Case #M66343*, Judge Roger Randall determined that MPWMD has the authority to require an accounting of water production to satisfy itself that no Carmel River water is being used, but cannot make environmental decisions based on mere co-mingling of Seaside and Carmel Basin waters in CAW storage tanks. Thus, the previous CAW/Cypress Amendment Conditions of Approval (MPWMD Permit #M14-05-L4) included a "Front-Loading Agreement" and specified a data collection protocol to ensure that only CAW wells in the Coastal Subareas of the Seaside Basin are used to serve the Cypress recipient parcels, which are now designated as the two CHOMP Parcels in Ryan Ranch.

BACKGROUND: An extensive history and litigation is associated with water rights in the Seaside Groundwater Basin, which affect the Findings, Conditions and CEQA compliance for water right transfers in the Seaside Basin. In brief, the Seaside Groundwater Basin Adjudication Decision by the Monterey County Superior Court allows parties to combine pumping facilities and delivery for maximum benefit and management of the Basin, with Watermaster approval. Thus, Cypress water rights may be physically produced from another Seaside Basin well owned by CAW and delivered to recipient parcels within the Seaside Basin. The SWRCB previously determined that the one-for-one replacement in Order WR 95-10 for new CAW supplies does not apply to transferred water rights within the Seaside Basin.

CAW/Cypress Amendment

Permit #M14-05-L4 for the CAW/Cypress Amendment (September 2014) allowed CAW's production in the Seaside Basin to increase by 3.41 AFY. However, MPWMD issues Water Permits based on estimated metered sales (customer consumption) and must account for 7% CAW system losses. Thus, the 3.41 AFY production becomes 3.17 AFY metered sales that would be permitted for construction projects on the Cypress recipient parcels. The MPWMD Water Demand Division was tasked to track the 3.17 AFY amount as a separate "account" and issue Water Permits using the standard District methodology to estimate demand until the total is used up. The CAW/Ryan Ranch-CHOMP Amendment application entails one transfer of the entire 3.17 AFY amount to the two adjacent CHOMP Parcels at the Ryan Ranch campus. CHOMP will need to demonstrate that the 3.17 AFY limit will not be exceeded.

Determinations on Ryan Ranch Unit System Capacity

In November 1989, the District approved the annexation of the Ryan Ranch Unit into the CAW system, to be operated as a separate unit. The 1989 Conditions of Approval included a System Capacity of 175 AFY and the Expansion Capacity Limit of 190 connections, assuming five wells

and certain capacity requirements. This approval also allowed an emergency intertie between the main CAW system and the Ryan Ranch Unit, which was metered and reported, when used.

Based on repeated annual use of the emergency intertie and the fact that only two wells were in service, in September 2008 the District General Manager formally advised CAW that the Ryan Ranch water supplies were insufficient, which triggered a series of MPWMD public hearings to determine changes that should be made to the System Limits. These efforts culminated in June 15, 2009 Board action that reduced the production limit to 72 AFY. Because the previous Water Year production was 82 AFY, a moratorium on any new Water Permits was imposed. The MPWMD Board directed that no Water Permit applications would be received until CAW “develops additional well capacity to sustain a higher System Capacity and has its System Capacity modified” in a future public hearing. These actions were formalized in the June 15, 2009 *Findings, Conclusions and Decision of the Board, Hearing on Insufficient Physical Supplies in Accord with District Rule 40-B (Exhibit 15-D)*.

CAW funded hydrogeologic studies and test well explorations in Ryan Ranch, but no new supplies have been developed to date. The emergency intertie from the main CAW system was used in 11 out of the past 12 Water Years (WY 2003 through WY 2014), but the trend is toward much lower amounts in recent years due to infrastructure improvements.

CAW/Ryan Ranch-Bishop Interconnection

At its June 15, 2015 meeting, the Board approved Permit #M15-03-L3 for the “CAW/Ryan Ranch-Bishop Interconnection” for Emergency Use, which entails use of the Bishop Unit WDS (rather than the main CAW system) as the source of emergency supply when Ryan Ranch Unit supplies are insufficient. This included updating and revising the Conditions of Approval for both the Ryan Ranch and Bishop WDS. Notably, Permit #M15-03-L3 Condition #13 prohibits use of the intertie between the main CAW system and the Ryan Ranch Unit unless written authorization is provided by the MPWMD General Manager in an emergency event, based on documentation that neither the Ryan Ranch nor Bishop Units can provide adequate supply. This Condition will be changed by the proposed CAW/Ryan Ranch-CHOMP amendment.

DISCUSSION: The following paragraphs describe the proposed Findings and Conditions of Approval, and the *Statement of Expanded Supply*.

Findings of Approval

The Findings of Approval for Application #WDS-20150715RYA (**Exhibit 15-E**) are based on evidence provided in the application materials, including supporting documents received through August 7, 2015, on file at the District office. With the Conditions of Approval for the previous CAW/Cypress Amendment, CAW/Ryan Ranch Bishop Interconnection, and the current Permit #M15-06-L3, and previous action by the Monterey County Superior Court and Seaside Basin Watermaster, District staff believes a Finding can be made that the Application meets the criteria and minimum standards for Approval set by District Rules 22-B (Findings) and 22-C (Minimum Standards for Granting a Permit). Specifically, this action should “not create an Overdraft or increase an existing Overdraft...” (Rule 22-C-4).

Conditions of Approval

The Conditions of Approval (**Exhibit 15-F**) proposed for Permit #M15-06-L3 are consistent with MPWMD Rule 22-D (Mandatory Conditions) governing approval of Water Distribution Systems. Conditions #1 through #4 define the Permitted System, including an increase of 3.17 AFY metered sales to serve the two CHOMP Parcels in Ryan Ranch. This would increase the System Capacity (production limit) in the Ryan Ranch Unit from 72.0 AFY to 75.17 AFY.

Mandatory Conditions #5 through #24 include a variety of subjects such as water quality, metering, annual reporting, conservation, fee payments, timely notice of system changes, staff access, and required Indemnification Agreement, Acceptance Form and Deed Restriction. Condition #24 states that the WDS Permit is subject to revocation if CAW (or CHOMP) does not fully comply with each and every Condition of Approval for Permit #M15-06-L3. Conditions #25 and #26 address basic water rights and the Endangered Species Act; these conditions are not required by District rules, but are included in all MPWMD WDS Permits.

A key change is that Condition #13 will now allow use of the emergency intertie between the main CAW system and the Ryan Ranch Unit to facilitate delivery of up to 3.17 AFY solely to the CHOMP Parcels. Importantly, the restrictions remain in place for all other situations. The deleted text is in ~~strikeout~~ and the new text is in ***bold italic***:

13. ***Except for service solely to the two CHOMP Parcels specified in Conditions #1 through #4, and Special Condition #27, No*** intertie between the Permitted System and any other water system intended to provide non-emergency service to the Ryan Ranch Unit Parcels shall be allowed without amending this WDS Permit pursuant to Rule 22-E. An intertie between the CAW Bishop Unit and the Ryan Ranch Unit shall only be allowed during emergency events via a one-way pipeline crossing York Road as approved by the City and/or County of Monterey. The term “emergency event” means that water system facilities are not capable of providing sufficient supply to customers, typically due to failure of a facility component. Transfers of water between the Bishop Unit and the Ryan Ranch Unit must be metered and reported to the District within one week of occurrence. Use of the emergency intertie between the Bishop and Ryan Ranch Units shall be subject to MPWMD Board review if such use occurs for more than 60 days. ***Except for service solely to the two CHOMP Parcels specified in Conditions #1 through #4, and Special Condition #27, Use*** of an intertie between the “main” CAW water system (i.e., draws water from the Monterey Peninsula Water Resource System) and the Ryan Ranch Unit is prohibited unless written permission is given by the District General Manager in an emergency event, including documentation that both Ryan Ranch and Bishop Unit supply cannot meet the required demand. The Ryan Ranch Parcels may receive CAW water from any source for emergency fire service, so long as this service is documented and reported in accordance with these conditions. [Rule 22-D-1-h]

Ryan Ranch Unit Special Conditions of Approval

The current Special Conditions for the Ryan Ranch Unit reflect the Board’s June 15, 2015 approval of the CAW/Ryan Ranch-Bishop Interconnection. Approval of application #WDS-20150715RYA and Permit #M15-06-L3 would amend the current Special Conditions in the following ways:

- **Special Condition #27** describing the current moratorium on Water Permits is amended to specify that only the two CHOMP Parcels may receive up to 3.17 AFY for future expansion of the hospital facilities; no other parcels may be served with that water unless written authorization by MPWMD is granted. The new text is in *bold italic* as follows:
 27. *Except for service of up to 3.17 AFY metered sales designated solely for the two CHOMP Parcels specified in Conditions #1 through #4*, the District shall not accept an application for a Water Permit to expand water use in the Ryan Ranch Unit service area until its System Capacity is further modified Pursuant to the *Findings, Conclusions and Decisions Regarding Insufficient Supply in the Ryan Ranch Unit* adopted by the MPWMD Board of Directors on June 15, 2009. Permittee may apply for, and the District may further amend, the Ryan Ranch Unit System Capacity based upon credible expert analysis in accordance with Rule 40-B-4.
- **Special Condition #28** regarding copies of Watermaster approvals, if applicable, is amended to add the CAW/Ryan Ranch-CHOMP Amendment.
- **Special Condition #29** regarding well production reporting is not changed.
- **Special Condition #30** regarding well water level reporting is not changed.
- **Special Condition #31** regarding reporting of metered sales is amended to require CAW to meter the pipelines that deliver water to the two CHOMP Parcels and report cumulative water use on a quarterly basis to MPWMD. This is to ascertain whether or not the two CHOMP Parcels are staying within the 3.17 AFY limit. If metered sales on the two CHOMP Parcels exceed 3.17 AFY, then CHOMP will be subject to the procedures specified in District Rule 20.4, Permit Rule Non-Compliance. The new text is in *bold italic* as follows:
 31. By November 30 of each year, Permittee shall continue to provide an annual report to the District of metered sales (customer consumption) that identifies consumption during the previous Water Year. *Permittee shall meter the pipelines that deliver water to the two CHOMP Parcels and report cumulative water use on a quarterly basis to MPWMD to ascertain that water deliveries to the two CHOMP Parcels remain within the 3.17 AFY limit. If metered sales on the two CHOMP Parcels exceed 3.17 AFY, then CHOMP will be subject to the procedures specified in District Rule 20.4, Permit Rule Non-Compliance.*
- **New Special Condition #32** provides notice to CHOMP that final construction plans will need to demonstrate that projected water use will not exceed 3.17 AFY, using District methodology at that time, in order to receive a Water Permit for the project.
- **New Special Condition #33** provides notice that a current standard Condition of Approval for all Water Permits is a Deed Restriction that entails release of consumption information upon request by the District. This information may be accessed by the

general public. CAW would release information designated in a future recorded Notice and Deed Restriction signed by CHOMP as part of the Water Permit. This condition was part of the CAW/Cypress Amendment and applies to all recipient parcels.

The proposed conditions were submitted to the co-applicants the week of August 3, 2015. No comments were received from CAW as of August 12, 2015. CHOMP and Cypress concurred with the Conditions of Approval.

Statement of Expanded Supply

The *Statement of Expanded Supply for the Ryan Ranch Unit (Exhibit 15-C)* formally determines compliance with Order #4 and #5 of the June 2009 *Ryan Ranch Decision (Exhibit 15-D)*. It formalizes the 3.17 AFY increase to the System Capacity for the Ryan Ranch Unit; determines that “credible expert analysis” to justify this increase has occurred in the form of the September 15, 2014 hearing materials that led to the Board approval of the CAW/Cypress Amendment (Permit #M14-05-L4); and allows District staff to accept a future application by CHOMP for a Water Permit to expand water use within Ryan Ranch.

Noticing

Public notice has been provided no later than 10 days prior to this public hearing in several ways, including: (1) mailed notices to property owners within 300 feet of Parcels APN 259-221-004 and -005; (2) posted notices onsite and in public areas closest to the subject Parcels; (3) posted notices at the District office, CAW office, Watermaster office, and Monterey City Hall; (4) notice of the public hearing to recipients of District agendas for the August 17, 2015 meeting; and (5) posting of the August 17, 2015 public hearing notice and agenda materials on the District website.

EXHIBITS

- 15-A** Application #WDS-20150715RYA dated July 15, 2015
- 15-B** Location of CHOMP Parcels, APN 259-221-004 and -005
- 15-C** MPWMD *Statement of Expanded Supply for the Ryan Ranch Unit* dated August 2015
- 15-D** MPWMD *Ryan Ranch Decision on Inadequate Supplies* (June 2009)
- 15-E** MPWMD Draft Findings of Approval dated August 2015
- 15-F** MPWMD Draft Conditions of Approval dated August 2015

EXHIBIT 15-A



**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 831-658-5821 or henrietta@mpwmd.net.

Form received on July 15, 2015 by Henrietta Stern
 Fee Received: \$1,200 (Level 1 or 2); \$3,000 (Level 3)
 ID# WDS-20150715 RYA

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

#	QUESTIONS	FILL IN ANSWERS BELOW
1	System Name	Ryan Ranch subunit of California American Water Dist. System
2	Assessor's Parcel ## (list all)	If multiple parcel, identify APN for well/facility location and APN of parcels receiving water from WDS or Mobile WDS. <u>259-221-004 and 259-221-005</u>
3	Physical Address or Location	<u>2 Upper Ragsdale Drive, Monterey CA 93940</u>
4	Name of Applicant	<u>California American/Cypress Pacific Investors</u>
5	Mailing Address	(Street or PO) <u>c/o Peter Taormina</u> <u>511 Forest Lodge Rd./ 192 Healy Ave.</u>
6	City, State, Zip	<u>Pacific Grove, CA 93950/ Marina, CA 93933</u>
7	Phone/fax/email:	<u>(831) 646-3291</u> <u>(831) 277-6112</u>
8	Agent (if applicable)	(i.e., person who may receive paperwork on behalf of applicant/owner) <u>Eric Sabolsice</u> <u>Anthony L. Lombardo</u>
9	Agent mailing address	<u>511 ForestLodge Rd./ 144 W. Gabilan</u>
10	Agent City, State, Zip	<u>Pacific Grove, CA 93950/ Salinas, CA 93901</u>
11	Agent phone/fax/email	<u>(831) 646-3291</u> <u>(831) 751-2330</u>
12	Hydrogeologist (if applicable)	(e.g. licensed professional who has conducted well testing and evaluation) <u>N/A</u>
13	Hydro mailing address	<u>N/A</u>
14	Hydro City, State, Zip	<u>N/A</u>
15	Hydro phone/fax/email	<u>N/A</u>
16	Is this an amendment to an existing WDS?	<input checked="" type="radio"/> YES or NO. If yes, identify previous MPWMD permit #, if any # _____ Describe planned changes <u>20140206 YP</u>

EXHIBIT 15-A

17	Is this a Mobile WDS?	YES or <input checked="" type="radio"/> NO If yes, go to Row 50
18	Is this a water well?	YES or <input checked="" type="radio"/> NO If no, go to Row 21
19	MCEHB ¹ Permit # and issuance date	(One for each well) N/A
20	DWR Well Completion Report # and date	(One for each well) N/A
21	Within MPWRS ² ?	<input checked="" type="radio"/> YES or NO. Consult with District staff if unsure; see definition in footnote
22	>1,000 ft. MPWRS?	YES or NO. Consult with District staff if unsure. See Section 4.0 of 2014 Implementation Guidelines.
23	≤1,000 ft. MPWRS?	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.
24	Seaside Basin source?	<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 See prior District appeal
25	CV Alluvium source?	<input checked="" type="radio"/> YES or NO If yes, water rights documentation is required. See Section 6.0 of 2014 Implementation Guidelines. District staff will confirm if alluvial.
26	Fractured rock spring or seep?	YES or <input checked="" 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	River/tributary direct diversion?	YES or <input checked="" type="radio"/> NO If yes, water rights documentation is required. See Section 7.0 of 2014 Implementation Guidelines. Describe system
28	Dam/reservoir?	YES or <input checked="" type="radio"/> NO If yes, water rights documentation and EIR is required. See Section 7.0 of 2014 Implementation Guidelines
29	Desal plant?	YES or <input checked="" type="radio"/> NO If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines
30	Reclamation plant?	YES or <input checked="" type="radio"/> NO If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines
31	Rainwater harvest + offsite delivery?	YES or <input checked="" type="radio"/> NO If yes, describe. See Section 7.0 of 2014 Implementation Guidelines
32	Other water systems?	YES or <input checked="" type="radio"/> NO Describe. See Section 7.0 of 2014 Implementation Guidelines
33	Estimated production	Unit is acre-feet per year (AFY). See Section 2.9 of 2014 Implementation Guidelines. 3.17 acre feet
34	Total acreage served	(Break out acreage of each parcel served)
35	Type of water use?	(e.g., drinking water, irrigation only) office use
36	Type of land use?	(e.g., residential, commercial, agriculture) institutional (CHOMP)
37	New subdivision?	YES or <input checked="" type="radio"/> NO. CEQA document from lead agency is required
38	In CAW ³ service area?	<input checked="" type="radio"/> YES or NO.
39	Active CAW service?	What is currently served by Cal-Am on the property (e.g., home or business)? vacant.
40	What is Zoning?	

¹ MCEHB - Monterey County Environmental Health Bureau

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

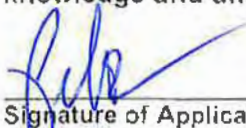
³ CAW - California American Water Company

EXHIBIT 15-A

41	Environmental information	Describe CEQA documentation and Lead Agency, if applicable Mitigated Negative Declaration, City of Monterey
50	Is Mobile WDS source within MPWMD?	YES or <u>NO</u> If yes, describe source and location. See Rows 21 - 32 for possibilities.
51	Is water source outside MPWMD?	YES or <u>NO</u> If yes, describe source and location.
52	Source agency and approval	If outside MPWMD, identify source agency with authority. Attach written documentation that the source water may be exported to serve applicant. N/A
53	Describe intended use (long-term)	Mobile WDS may only be non-potable (e.g., irrigation, pools only) unless an emergency. N/A
54	# parcels served?	Use Request for Exemption form if service is to 3 or fewer parcels from a source outside MPWMD. N/A
55	Emergency drinking water service?	YES or <u>NO</u> If yes, describe situation
60	Other relevant information or unique considerations?	Refer to Question #. Attach explanatory sheets as needed. See attached
ATTACHMENTS		
A1	Parcel Maps	
A2	MCEHB permit(s)	N/A
A3	DWR well log(s)	N/A
A4	Well registration forms	N/A
A5	Well meter sign-offs	N/A
A6	Grant deed	N/A
A7	Water rights docs.	N/A
A8	Environmental docs.	N/A
A9	Mobile WDS approval	N/A
A10	Application fee (check)	
A11	Other	

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

5/29/15
Date

Printed name of Applicant: Peter Taormina

Signature of Applicant/System Owner

Date

Printed name of Applicant: _____

EXHIBIT 15-A

41	Environmental information	Describe CEQA documentation and Lead Agency, if applicable
50	Is Mobile WDS source within MPWMD?	YES or <input checked="" type="radio"/> NO If yes, describe source and location. See Rows 21 - 32 for possibilities
51	Is water source outside MPWMD?	YES or <input checked="" type="radio"/> NO If yes, describe source and location.
52	Source agency and approval	If outside MPWMD, identify source agency with authority. Attach written documentation that the source water may be exported to serve applicant. N/A
53	Describe intended use (long-term)	Mobile WDS may only be non-potable (e.g., irrigation, pools only) unless an emergency N/A
54	# parcels served?	Use Request for Exemption form if service is to 3 or fewer parcels from a source outside MPWMD. N/A
55	Emergency drinking water service?	YES or <input checked="" type="radio"/> NO If yes, describe situation.
60	Other relevant information or unique considerations?	Refer to Question #. Attach explanatory sheets as needed. See attached
ATTACHMENTS		
A1	Parcel Maps	
A2	MCEHB permit(s)	N/A
A3	DWR well log(s)	N/A
A4	Well registration forms	N/A
A5	Well meter sign-offs	N/A
A6	Grant deed	N/A
A7	Water rights docs.	N/A
A8	Environmental docs.	N/A
A9	Mobile WDS approval	N/A
A10	Application fee (check)	
A11	Other	

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

7/11/15
Date

Printed name of Applicant: ERIC SAROLISCE

Signature of Applicant/System Owner

Date

Printed name of Applicant _____

EXHIBIT 15-A

Attachment

The purpose of this application is to amend condition ¹³ ~~X~~ of the Ryan Ranch subunit of the California American Water Company Water Distribution System.

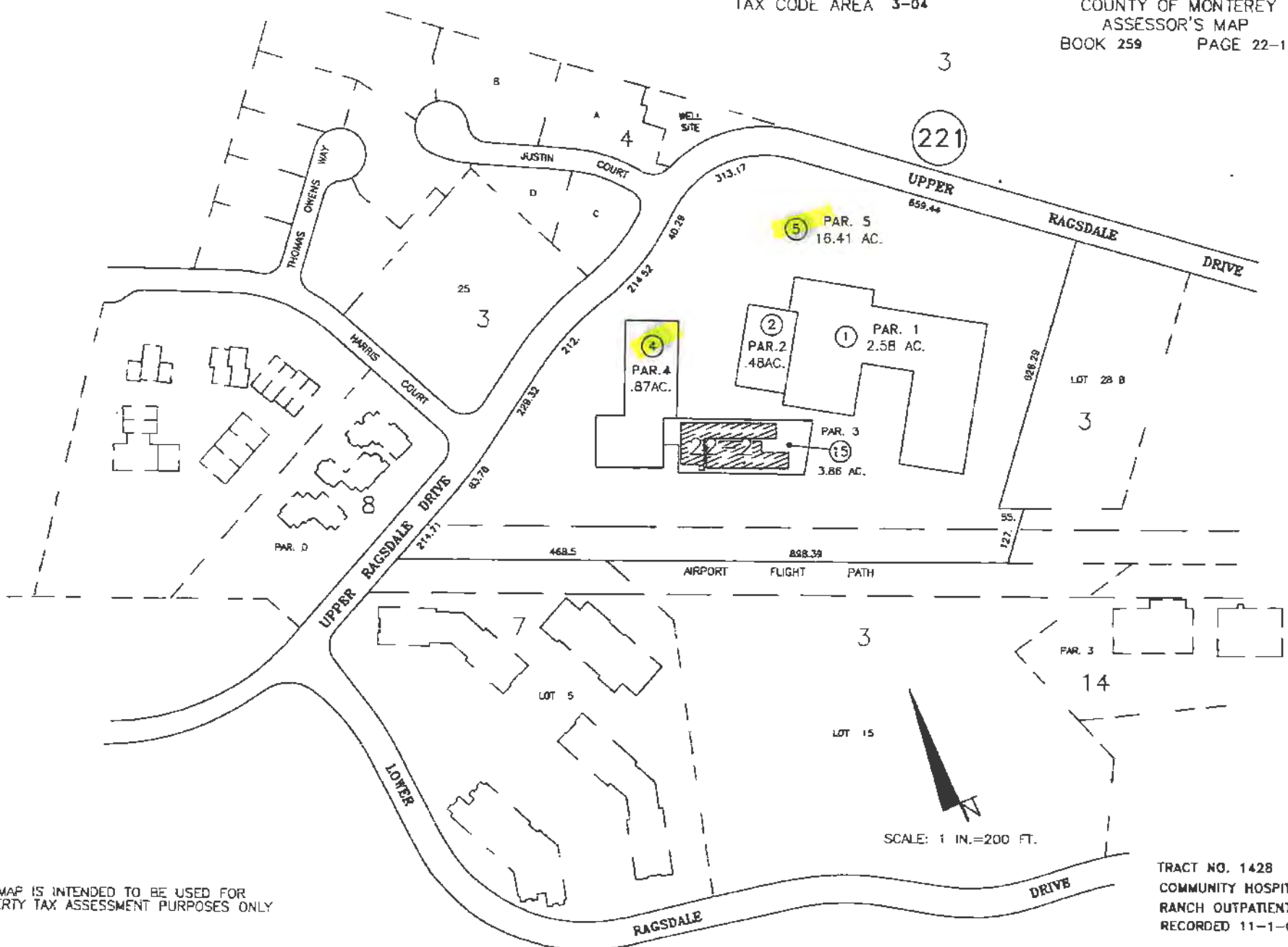
*HStern
7/25/2015*

Applicant requests that condition ¹³ ~~X~~ be amended to allow the emergency interconnection between the main California American system and the Ryan Ranch subunit to be used to transfer 3.17 acre feet per year to the Ryan Ranch water system from the California American system. The purpose of this interconnection is to allow the Seaside Groundwater Basin water approved for inclusion in the California American system in application 20140206CYP to be supplied to the Community Hospital of the Monterey Peninsula at its approved facilities located within Ryan Ranch.

EXHIBIT 15-A

TAX CODE AREA 3-04

COUNTY OF MONTEREY
ASSESSOR'S MAP
BOOK 259 PAGE 22-1



THIS MAP IS INTENDED TO BE USED FOR
PROPERTY TAX ASSESSMENT PURPOSES ONLY

TRACT NO. 1428
COMMUNITY HOSPITAL RYAN
RANCH OUTPATIENT CAMPUS
RECORDED 11-1-04

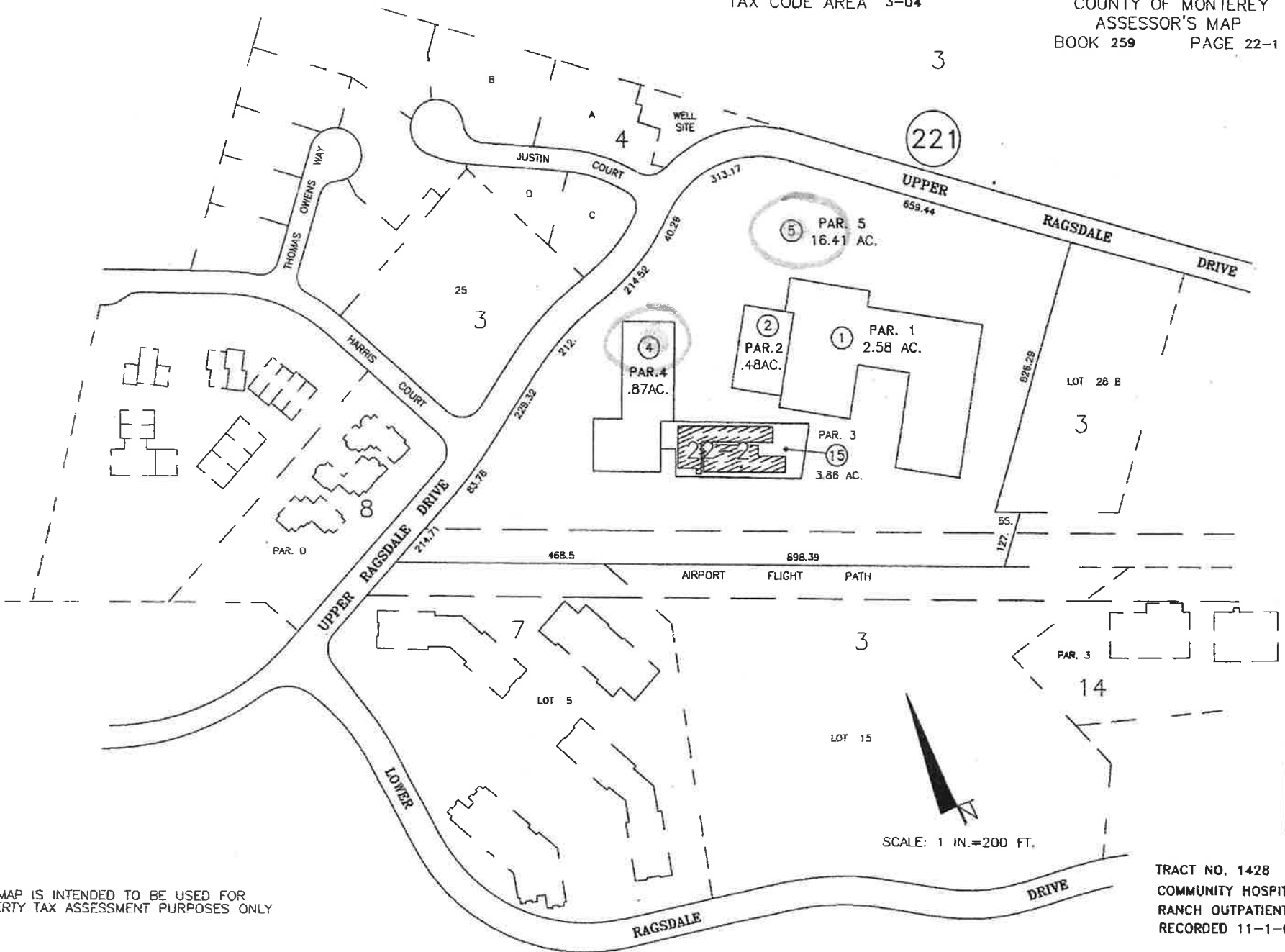
EXHIBIT 15-B

TAX CODE AREA 3-04

COUNTY OF MONTEREY
ASSESSOR'S MAP
BOOK 259 PAGE 22-1

3

221



*Service Area
APN 259-221-004 and -005*

THIS MAP IS INTENDED TO BE USED FOR
PROPERTY TAX ASSESSMENT PURPOSES ONLY

TRACT NO. 1428
COMMUNITY HOSPITAL RYAN
RANCH OUTPATIENT CAMPUS
RECORDED 11-1-04



EXHIBIT 15-C

STATEMENT OF EXPANDED SUPPLY FOR THE CALIFORNIA-AMERICAN WATER COMPANY WATER DISTRIBUTION SYSTEM, RYAN RANCH UNIT

In compliance with *Findings, Conclusions and Decision of the Board, Hearing on Insufficient Physical Supplies in Accord with District Rule 40-B (June 15, 2009)*

Adopted by MPWMD Board on August 17, 2015

The Board of Directors of the Monterey Peninsula Water Management District (MPWMD or District) hereby makes the following findings of fact:

- A. In November 1989, the District approved the annexation of the Ryan Ranch Unit into the California-American Water Company (CAW) Water Distribution System (WDS) to be operated as a separate and independent water system. The System Capacity (production limit) was set at 175 Acre-Feet per Year (AFY) and the Expansion Capacity Limit was 190 connections. This approval also allowed an emergency intertie between the “main” CAW system and the Ryan Ranch Unit, which was metered and reported, when used.
- B. Based on repeated annual use of the emergency intertie, evidence about the insufficient physical capabilities of the Ryan Ranch Unit to meet customer demand, and the metered water sales at that time, on June 15, 2009 the MPWMD Board reduced the System Capacity to 72 AFY and directed that no Water Permit applications would be received until CAW “develops additional well capacity to sustain a higher System Capacity and has its System Capacity modified” in a future public hearing. These actions were formalized in Order #4 and #5 of the *Findings, Conclusions and Decision of the Board, Hearing on Insufficient Physical Supplies in Accord with District Rule 40-B* adopted on June 15, 2009 (“2009 Ryan Ranch Decision”).
- C. On September 15, 2014, the District approved Permit #M14-05-L4 (CAW/Cypress Amendment), and adopted Findings of Approval and Conditions of Approval, which allow CAW to increase its System Capacity in the Seaside Groundwater Basin Coastal Subareas by up to 3.41 AFY based on transferred water rights owned by Cypress Pacific Investors, LLC (Cypress). This translates to 3.17 AFY metered sales (customer water consumption) delivered to future recipient parcels within the Seaside Basin. Cypress has designated the entire 3.17 AFY to serve Assessor Parcel Numbers 259-221-004 and 259-221-005 to enable expansion of the Community Hospital of the Monterey Peninsula (CHOMP) campus at Ryan Ranch (“CHOMP Parcels”).

- D. On June 15, 2015, the MPWMD Board approved Permit #M15-03-L3 (CAW/Ryan Ranch-Bishop Interconnection), and adopted Findings of Approval and Conditions of Approval, where the Bishop Unit would be the primary source of emergency supply augmentation rather than the main CAW system.
- E. On August 17, 2015, the District Board approved CAW's Application #WDS-20150715RYA, authorized Permit #M15-06-L3 for the "CAW/Ryan Ranch-CHOMP Amendment," and adopted Findings of Approval and Conditions of Approval. This action allows the Ryan Ranch Unit System Capacity to be increased by 3.17 AFY metered sales to serve solely the two CHOMP Parcels for a total of 75.17 AFY. The Ryan Ranch Unit Conditions of Approval were amended to enable water to be delivered via the intertie between the CAW main system and the Ryan Ranch Unit to serve the CHOMP Parcels. The Findings of Approval concluded that: (a) CAW has the physical and legal capability to increase production from the Seaside Basin Coastal Subareas by 3.41 AFY, equivalent to delivery of 3.17 AFY metered sales to the CHOMP Parcels designated by Cypress; and (b) a long-term reliable source of water supply is available to CAW via the CAW/Cypress Amendment (MPWMD Permit #M14-05-L4), based on the Seaside Basin Adjudication.

Based on the above facts, the MPWMD Board of Directors hereby declares the following:

1. "Credible expert analysis" in accord with MPWMD Rule 40(B)4 has occurred in the form of: (a) the September 15, 2014 public hearing materials that led to the Board approval of the CAW/Cypress Amendment (Permit #M14-05-L4) to enable service of up to 3.17 AFY to Recipient Parcels within the Seaside Groundwater Basin; and (b) public hearing materials that led to the Board approval of the CAW/Ryan Ranch-CHOMP Amendment (Permit #M15-06-L3) to enable an increase of 3.17 AFY to the Ryan Ranch Unit System Capacity specifically to serve the CHOMP Parcels [Order #5, 2009 *Ryan Ranch Decision*];
2. The new System Capacity is 75.17 AFY with up to 3.17 AFY metered sales designated solely for the CHOMP Parcels [Order #5, 2009 *Ryan Ranch Decision*];
3. District staff may accept a future application for a Water Permit by CHOMP to expand water use within Ryan Ranch to an amount of no greater than 3.17 AFY. [Order #4, 2009 *Ryan Ranch Decision*].

On motion by Director _____, and second by Director _____, the foregoing Statement of Expanded Supply for Ryan Ranch Unit is adopted on this 17th day of August, 2015 by the following vote:

AYES: Directors xxxxx

NAYS: Directors xxxxx

ABSENT: Directors xxxxx

I, David J. Stoldt, Secretary of the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the forgoing Statement of Expanded Supply for Ryan Ranch Unit was adopted on the 17th day of August 2015.

Witness my hand and seal of the Board of Directors this ____ day of August 2015.

David J. Stoldt, Secretary of the Board

U:\staff\Boardpacket\2015\20150817\PubHrngs\15\Item15_ Exhibit15-C.docx

EXHIBIT 15-D

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BEFORE THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

In the Matter of the California-American)	
Water Company Ryan Ranch Unit,)	FINDINGS, CONCLUSIONS
)	
Hearing On Insufficient Physical Supplies)	AND DECISION OF THE BOARD
In Accord with District Rule 40-B)	
)	

The Board of Directors (Board) of the Monterey Peninsula Water Management District (District or MPWMD) convened this administrative hearing pursuant to District Rule 40 B to determine whether the Ryan Ranch Water Distribution System (WDS or System) has sufficient physical supplies of water to meet demand, and/or whether modifications to System Capacity and/or Expansion Capacity Limits should be made.

Parties to the hearing included the District staff prosecution team, represented by its attorney, Frances M. Farina, California-American Water Company (Cal-Am), represented by its attorneys Carrie L. Gleeson, Lori W. Girard and Timothy J. Miller, Wilson Street Investors, LLC and Ryan Court Investors, LLC, represented by their attorney, Sheri L. Damon, and Community Hospital of the Monterey Peninsula (CHOMP), represented by its attorney, David C. Sweigert.

District General Counsel David C. Laredo assisted the Board in this proceeding.

The administrative hearing was convened on January 21, 2009 and was continued to February 18, 2009. Statements were received, sworn testimony was taken and exhibits were admitted into evidence. Post hearing briefs and summary statements of the Parties were allowed. Board deliberation was held on May 20, 2009.

EXHIBIT 15-D

1 Based on the record, and for good cause, the Board makes the following Findings,
2 Conclusions and Decision.

3
4 **BACKGROUND**

5 1. The District is an independent special district and holds power granted to it by
6 the state legislature. **EVIDENCE:** Statutes of 1977, Chapter 527, as amended, found at
7 West's Water Code Appendix, Sec. 118-1, *et. seq* (Water District Law).

8 2. The District regulates water distribution systems within its boundaries, adopts
9 regulations, establishes rules to protect public health and has the power to do any act necessary
10 to ensure sufficient water is available for present or future beneficial use of inhabitants within
11 the District. **EVIDENCE:** Water District Law, §118-363, §118-308, §118-326 (c), §118-325.

12
13 **REGULATORY FRAMEWORK**

14 3. The District has established a permit system for operation of Water Distribution
15 Systems within its boundaries. **EVIDENCE:** MPWMD Rules and Regulations (Rules &
16 Regs), Regulation II, Rules 20 – 29.

17 4. Each Water Distribution System within the District is required to operate within
18 an established Expansion Capacity Limit and System Capacity Limit. **EVIDENCE:** MPWMD
19 Rules & Regs, Rule 20 and Rule 22.

20 5. The District defines the term Expansion Capacity Limit to mean “the maximum
21 number of connections beyond which a Water Distribution System is not authorized to
22 Expand.” **EVIDENCE:** MPWMD Rules & Regs, Rule 11.

23 6. The District defines the term System Capacity to mean “the amount of water in
24 gallons, cubic feet or Acre Feet that can be produced for delivery to a Water Distribution
25 System based upon the cumulative Sustained Yield of Wells adjusted for periodic lowering of
26 the water table and the projected yield of other Sources of Supply.” **EVIDENCE:** MPWMD
27 Rules & Regs, Rule 11.

EXHIBIT 15-D

1 7. The MPWMD General Manager is required to monitor the physical ability of
2 Water Distribution Systems having more than ten connections to supply water within the
3 System Capacity and/or the Expansion Capacity for that System. **EVIDENCE:** MPWMD
4 Rules & Regs, Rule 40 B 1.

5 8. Where physical water supplies do not appear sufficient to support either the
6 System Capacity or the Expansion Capacity for that WDS, the General Manager shall rely on
7 credible information presented by a certified hydrogeologist, a registered geologist with a
8 specialty in hydrogeology, a certified engineering geologist with a specialty in hydrogeology, or
9 a registered civil engineer with a specialty in hydrogeology. **EVIDENCE:** MPWMD Rules &
10 Regs, Rule 40 B 1.

11 9. Based upon expert opinion, the General Manager is required to convene a hearing
12 before the District Board to review the System Capacity or the Expansion Capacity, or both, for
13 such WDS. The instant proceeding constitutes such a hearing. **EVIDENCE:** MPWMD Rules
14 & Regs, Rule 40 B 2.

15 10. The District provided Notice to Cal-Am that its Ryan Ranch WDS did not appear
16 to have sufficient water supplies to support its System Capacity. Notice of this proceeding was
17 provided to Cal-Am on September 19, 2008 and November 4, 2008. Notice to property owners
18 and tenants in the Ryan Ranch service area was provided on January 9, 2009. **EVIDENCE:**
19 Exhibits A, C, F-8, and F-10.

20 11. The purpose of this hearing is to determine whether or not physical water
21 supplies are sufficient to support either the System Capacity or the Expansion Capacity, or both,
22 for the Ryan Ranch WDS, and whether, and to what extent, modifications shall be made to
23 either the System Capacity or Expansion Capacity, or both, for that WDS. **EVIDENCE:**
24 MPWMD Rules & Regs, Rule 40 B 3.

25 12. The Board's determination is based upon substantial evidence, including credible
26 expert evidence. **EVIDENCE:** MPWMD Rules & Regs, Rule 40 B 3.

EXHIBIT 15-D

1 PRELIMINARY ISSUES

2 13. Cal-Am and others argue this proceeding is not fair, and that the Board cannot be
3 impartial, because the District participates in matters before the California Public Utilities
4 Commission (CPUC) in which Cal-Am is also a party. Cal-Am cites circumstances where the
5 District filed a protest in CPUC proceedings, but the only way to fully participate in a CPUC
6 proceeding is by filing a protest. These assertions fail for lack of evidence that an unacceptable
7 probability of actual bias exists. **EVIDENCE:** No evidence to sustain the argument. *Nasha*
8 *LLC v. City of Los Angeles* (2004) 125 Cal. App.4th 470 citing *BreakZone Billiards v. City of*
9 *Torrance* (2000) 81 Cal. App.4th 1205.

10 14. Cal-Am and others also argue this proceeding is not fair because the prosecuting
11 attorney, Frances M. Farina, simultaneously served as an advisor to the Board on unrelated
12 matters, including but not limited to CPUC matters in which Cal-Am is involved. No evidence
13 was produced to show improper conduct. The presumption of impartiality was not refuted by
14 any evidence. Absent such evidence, there is no violation of due process for a prosecuting
15 attorney to simultaneously serve as an advisor to the Board on unrelated matters. **EVIDENCE:**
16 No evidence to sustain the argument. *Morongo Band of Mission Indians v. State Water*
17 *Resources Control Board* (2009) 45 Cal.4th 731, 88 Cal. Rptr.3d 610.

18 15. Cal-Am and others also argue this proceeding is not fair because the prosecuting
19 attorney, Frances M. Farina, serves in an "of counsel" role to the firm of De Lay & Laredo,
20 while a named partner of that firm, David C. Laredo, represents the District as General Counsel
21 and has been the legal advisor to the Board for this proceeding to provide general advice and
22 consultation to the Chair and Board. Frances M. Farina assisted District staff in this hearing as
23 an independent attorney, and had no contact or direction from District General Counsel. Ms.
24 Farina's office is located in Santa Barbara, while Mr. Laredo's office is located in Pacific
25 Grove. No evidence was produced to show Ms. Farina had access or used confidential
26 information related to this matter, or that Mr. Laredo exercised authority or control over Ms.
27 Farina. No evidence was shown that the ethical wall established to ensure separation of

EXHIBIT 15-D

1 functions had been breached or was capable of being breached. **EVIDENCE:** Exhibit E;
2 Following the guidance of *Howitt v. Superior Court*, (1992) 3 Cal. App. 4th 1575, 5 Cal. Rptr.
3 2d 196 and *Nightlife Partners, Ltd. v. City of Beverly Hills*, (2003) 108 Cal. App. 4th 81, 133
4 Cal. Rptr. 2d. 234. No evidence to sustain the argument.

5 16. Cal-Am and others argue the District lacks regulatory authority over Cal-Am's
6 Ryan Ranch WDS because the CPUC has exclusive jurisdiction. However, the District Law
7 authorizes MPWMD to regulate water distributions systems, including those operated by Cal-
8 Am. **EVIDENCE:** Statutes of 1977, Chapter 527, as amended, found at West's Water Code
9 Appendix, Sec. 118-1, *et seq.*

10 17. Section 118-363 the District Law provides, "No person, owner, or operator shall
11 establish, extend, expand, or create a water distribution system unless and until the approval of
12 the board is first obtained in writing." The section also provides the Board may "adopt such
13 rules and regulations and establish such forms for such applications as are necessary and
14 proper." **EVIDENCE:** Statutes of 1977, Chapter 527, as amended, found at West's Water
15 Code Appendix, Sec. 118-363.

16 18. Cal-Am and others argue the District must complete an environmental impact
17 report (EIR) under the California Environmental Quality Act (CEQA) before it can make any
18 order pursuant to the MPWMD Rule 40 B hearing process. The District's action, however, is in
19 the nature of an enforcement action by a regulatory agency and qualifies for an exemption under
20 CEQA. **EVIDENCE:** CEQA Guidelines, section 15321.

21 19. CHOMP argues it has a vested right to proceed to construct additional buildings
22 on its Ryan Ranch property and that any interference in its planned development constitutes an
23 unconstitutional taking. CHOMP, however, lacks a building permit for its property and cannot
24 show that it has a vested right to complete its phased development. **EVIDENCE:** Exhibit 4,
25 Exhibits L, M and N. *Congregation Etz Chaim v. City of Los Angeles* (2004) 371 F.3d 1122,
26 1125 citing *Toigo v. Town of Ross* (1998) 70 Cal. App.4th 309, 321.

27 20. CHOMP argues District regulatory action regarding the Ryan Ranch WDS

EXHIBIT 15-D

1 deprives it of all economically beneficial use and interferes with its investment-backed
2 expectations. CHOMP fails to present evidence of specific diminution in property values. To
3 the contrary, action under District Rule 40B has general application, is not aimed at any
4 individual landowner, and is taken to ensure sufficient water supplies are available to satisfy the
5 needs of current water users, including CHOMP's already-constructed office campus. Rule 40
6 B provides a rational response to water shortage and long-term water availability problems.
7 **EVIDENCE:** Exhibit 4; Exhibits L, M and N, *Penn Central Transp. Co. v. New York City*
8 (1978) 438 U.S. 104; *Kawaoka v. City of Arroyo Grande* (1994) 17 F.3d 1227, 1238, fn. 10;
9 *Swanson v. Marin Municipal Water District* (1976) 56 Cal. App.3d 512

10 21. CHOMP requests special consideration, perhaps in the nature of a special
11 allocation of Ryan Ranch WDS System Capacity, and points to the process enabled by District
12 Ordinance No. 87. **EVIDENCE:** Exhibits 4 and 13, Policy Statement by David C. Sweigert.

13 22. The allocation of water is established by ordinance, as an exercise of District
14 legislative discretion, and a discrete allocation of water cannot properly be created as a result of
15 a quasi-judicial administrative proceeding such as this hearing. **EVIDENCE:** Water District
16 Law; MPWMD Rules & Regs, District Ordinance No. 87.

17
18 **RYAN RANCH WDS SUPPLY ISSUES**

19 23. The Ryan Ranch WDS was formerly known as the Ryan Ranch Mutual Water
20 Company. The term Ryan Ranch WDS as used in these findings refers to both the Ryan Ranch
21 Mutual Water Company and its later operation as by Cal-Am as the Ryan Ranch WDS.
22 **EVIDENCE:** Exhibits F-6 and Exhibit F-7; Testimony of Darby W. Fuerst.

23 24. Cal-Am holds a District permit to operate the Ryan Ranch WDS, and operates
24 that WDS as a separate unit, distinct from Cal-Am's main system. **EVIDENCE:** Exhibits F-6
25 and Exhibit F-7; Testimony of Darby W. Fuerst.

26 25. When the Ryan Ranch WDS was formed on December 13, 1982, the District
27 approved its operation and granted it a System Capacity of 60 Acre Feet/Year (AFY). The

EXHIBIT 15-D

1 WDS was to receive its water supply from three (3) wells. **EVIDENCE:** Exhibit F-1;
2 Testimony of Darby W. Fuerst.

3 26. The District amended the Ryan Ranch WDS permit on September 24, 1984. The
4 permitted System Capacity was increased to 100.5 AFY. The Ryan Ranch WDS was required
5 to develop two (2) additional production wells. **EVIDENCE:** Exhibit F-1; Testimony of Darby
6 W. Fuerst.

7 27. The District further amended the Ryan Ranch WDS permit on April 10, 1989.
8 The permitted System Capacity was increased to 175 AFY. The WDS was required to have
9 five (5) production wells designed to deliver 250 gallons per minute (GPM). **EVIDENCE:**
10 Exhibits F-1 and F-5; Testimony of Darby W. Fuerst.

11 28. At present, the Ryan Ranch WDS has only two (2) operational production wells.
12 **EVIDENCE:** Exhibits F-1; Testimony of Darby W. Fuerst; Testimony of Joseph W. Oliver.

13 29. The current Ryan Ranch WDS permit limits water deliveries though any
14 interconnection between the main Cal-Am service area and the Ryan Ranch WDS area.
15 Transfers of water through this interconnection are limited to emergency use, and must be
16 metered and reported to the District within one week of occurrence. **EVIDENCE:** Exhibit F-6.

17 30. Water demand requirements of Ryan Ranch WDS users are required to be met
18 solely by Ryan Ranch WDS production facilities. As such, it is "stand-alone" water system
19 served by separate and distinct supplies and not reliant upon Cal-Am's main Monterey water
20 system. **EVIDENCE:** Exhibits F-6, F-7, and G-10; Testimony of Darby W. Fuerst.

21 31. The current Ryan Ranch WDS System Capacity limits production to 175 AFY.
22 **EVIDENCE:** Exhibit F-6.

23 32. The current Ryan Ranch WDS Expansion Capacity limits the system to 190
24 connections. **EVIDENCE:** Exhibit F-6.

25 33. Joseph W. Oliver, a certified hydrogeologist with requisite credentials under Rule
26 40 B, provided testimony on the System Capacity of the Ryan Ranch WDS and the history of its
27 production wells. **EVIDENCE:** Exhibits G-2, G-7, and G-11; Testimony of Joseph W. Oliver.

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1 34. Aside from Joseph W. Oliver, no other witness provided testimony or
2 declarations holding credentials as a certified hydrogeologist, a registered geologist with a
3 specialty in hydrogeology, a certified engineering geologist with a specialty in hydrogeology, or
4 a registered civil engineer with a specialty in hydrogeology in this proceeding. **EVIDENCE:**
5 Entire Hearing Record.

6 35. Cal-Am reports show declining capacity in the Ryan Ranch WDS wells.
7 **EVIDENCE:** Exhibits G-4 and G-9; Testimony of Joseph W. Oliver.

8 36. Testimony of John Kilpatrick, a senior planning engineer for Cal-Am, before the
9 CPUC in General Rate Case Application 08-01-027, showed the Ryan Ranch WDS total well
10 capacity to be 101 GPM. **EVIDENCE:** Exhibit J.

11 37. Annual production for the Ryan Ranch WDS has varied from 26 AFY to 91 AFY
12 during the period 1990 to 2008; annual production in the most recent reporting year, Water
13 Year 2008, was 82 AFY. **EVIDENCE:** Exhibit G-5; Testimony of Joseph W. Oliver.

14 38. The existing well production capacity of the Ryan Ranch WDS, with both
15 primary wells in operation, is 101 GPM. A firm operating capacity of 101 GPM equates to an
16 annual production volume of 72 AFY. **EVIDENCE:** Exhibits G-1 and G-11; Testimony of
17 Joseph W. Oliver.

18 39. The Ryan Ranch WDS has an existing Maximum Day Demand of 115 GPM, a
19 permitted Average Day Demand of 108 GPM, and a permitted Maximum Day Demand of 244
20 GPM. **EVIDENCE:** Exhibit G-11; Testimony of Joseph W. Oliver.

21 40. The existing production capacity of the Ryan Ranch WDS of 101 GPM is
22 sufficient to meet an existing Average Day Demand of only 51 GPM. **EVIDENCE:** Exhibit
23 G-11; Testimony of Joseph W. Oliver.

24 41. The existing well production capacity of the Ryan Ranch WDS of 101 GPM is
25 not sufficient to meet existing Maximum Day Demand (115 GPM). **EVIDENCE:** Exhibit G-
26 11; Testimony of Joseph W. Oliver.

27 42. The existing well production capacity of the Ryan Ranch WDS of 101 GPM is

EXHIBIT 15-D

1 not sufficient to meet permitted Average Day Demand (108 GPM). **EVIDENCE:** Exhibit G-
2 11; Testimony of Joseph W. Oliver.

3 43. The existing well production capacity of the Ryan Ranch WDS of 101 GPM is
4 not sufficient to meet permitted Maximum Day Demand (244 GPM). **EVIDENCE:** Exhibit G-
5 11; Testimony of Joseph W. Oliver.

6 44. Cal-Am has not been able to produce sufficient water from its Ryan Ranch WDS
7 sources of supply, and has had to transfer water from its main service area to the Ryan Ranch
8 WDS during six (6) reporting years during the period from Water Year 2003 to Water Year
9 2008. **EVIDENCE:** Exhibit G-5; Testimony of Joseph W. Oliver.

10 45. Cal-Am has raised questions about the adequacy of long-term water production
11 facilities at its Ryan Ranch WDS, is in the process of identifying other well sites and conducting
12 ground water studies to develop future water supply reliability, but has had limited success in
13 increasing long-term water production for Ryan Ranch WDS to date. **EVIDENCE:** Exhibit,
14 F-13, G-1 and G-10; Testimony of Joseph W. Oliver; Testimony of Darby W. Fuerst.

15 46. Ryan Ranch WDS does not comply with Monterey County permit conditions
16 because the system relies on supplemental domestic water supplied from Carmel Valley.
17 **EVIDENCE:** Exhibit F-12.

18
19 **CONCLUSIONS**

20 47. The ability of the Ryan Ranch WDS to take on new consumers is limited by the
21 amount of its supply. When demand reaches this limit, it has no right to take on new
22 consumers. *Butte Co. W.U. Assn. v. Railroad Com.* (1921) 185 Cal. 218.

23 48. The District may restrict new connections to the Ryan Ranch WDS to ensure the
24 system does not exceed the existing safe yield of its water supply, and continue the restrictions
25 until the water supply is augmented.

26 49. Substantial evidence, including credible expert analysis, establishes the physical
27 water supply available to the Ryan Ranch WDS is not sufficient to meet either the permitted
28

EXHIBIT 15-D

1 System Capacity or Maximum Day conditions.

2 50. Since the Ryan Ranch WDS wells are no longer capable of producing water at
3 the rates required in the MPWMD permit, or to meet Maximum Day conditions, the System
4 Capacity must be adjusted downward to reflect current production capacity.

5 51. The System Capacity for the Ryan Ranch WDS should be limited to 72 AFY.
6 This is consistent with the firm well production capacity of 101 GPM that is available to that
7 system.

8 52. The District shall not accept an application for a water permit to expand water
9 use in the Ryan Ranch WDS service area until Cal-Am develops additional well production
10 capacity to sustain a higher System Capacity and has its System Capacity modified.

11 53. Upon development of additional well production capacity, or based upon credible
12 expert analysis that the Ryan Ranch WDS can sustain operations in excess of the System
13 Capacity limit set by this order, Cal-Am may apply for amendment of its Ryan Ranch WDS
14 System Capacity. The Board shall at that time set an amended System Capacity for the Water
15 Distribution System, based upon such credible expert analysis in accord with its Rule 40 B 4.

16 54. Any decision to create an exception to the Ryan Ranch WDS capacity limits set
17 by this decision for CHOMP or others, similar to the water allocation set by District Ordinance
18 No. 87, is not limited by this decision. Such an exception could result from an exercise of
19 legislative prerogative beyond the scope of this proceeding.

20 55. The decision of the board is subject to judicial review within ninety (90) days of
21 its adoption pursuant to the provisions of the Code of Civil Procedure, section 1094.6, and in
22 accord with District Rule 16.

23 **ORDER**

24 Based on the record, and for good cause, the Board makes the following Order:

25 1. Physical water supplies are not sufficient to support the System Capacity for the
26 Ryan Ranch WDS.

27 2. Modification of the System Capacity for the Ryan Ranch WDS is required.

EXHIBIT 15-D

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3. The System Capacity for the Ryan Ranch WDS shall be limited to 72 AFY.

4. The District shall not accept an application for a water permit to expand water use in the Ryan Ranch WDS service area until its System Capacity is further modified.

5. Cal-Am may apply for, and the District may further amend, the Ryan Ranch WDS System Capacity based upon credible expert analysis in accord with Rule 40 B 4.

On motion by Director Lehman, and second by Director Doyle, the foregoing Findings, Conclusions and Decision is adopted upon this 15th day of June, 2009, by the following vote:

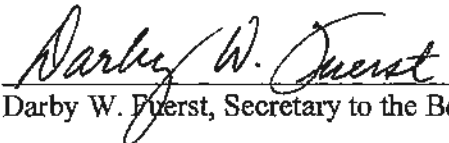
AYES: Directors Brower, Doyle, Lehman and Markey

NAYS: Director Pendergrass

ABSENT: Directors Potter and Edwards

I, Darby W. Fuerst, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing Findings, Conclusions and Decision were duly adopted on the 15th day of June 2009.

Witness my hand and seal of the Board of Directors this 18th day of June 2009.


Darby W. Fuerst, Secretary to the Board

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EXHIBIT 15-E

FINDINGS of APPROVAL

**CONSIDER APPLICATION TO AMEND CALIFORNIA-AMERICAN WATER COMPANY, RYAN RANCH UNIT, TO SERVE COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA VIA CYPRESS PACIFIC WATER RIGHTS IN SEASIDE GROUNDWATER BASIN
Application #WDS-20150715RYA; Permit #M15-06-L3**

**Donor Service Area: APN 011-011-020 (per MPWMD Permit #M14-05-L4)
Recipient Service Area: APN 259-221-004 and -005 in Ryan Ranch (CHOMP)**

Adopted by MPWMD Board of Directors on August 17, 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:** Co-Applicant **California-American Water Company (CAW)**, a California corporation, is the current owner and operator of the Ryan Ranch Unit Water Distribution System (WDS), a public utility regulated by the California Public Utilities Commission and considered as a valid WDS by the Monterey Peninsula Water Management District (MPWMD or District) and the State of California. The 312-acre Ryan Ranch business park is located within the City of Monterey, and is served by the CAW Ryan Ranch Unit. In June 2009, MPWMD reduced the System Capacity (wellhead production limit) to 72.0 Acre-Feet per Year (AFY) and instituted a moratorium on new Connections in the Ryan Ranch Unit due to insufficient supply. In most years in summer/fall, emergency augmentation for the Ryan Ranch Unit is needed via an intertie from the “main” CAW water system that derives supply from the Monterey Peninsula Water Resource System (Carmel River Basin and Seaside Groundwater Basin). In June 2015, the MPWMD Board approved Permit #M15-03-L3 to allow the Ryan Ranch-Bishop Unit Interconnection, where the Bishop Unit would be the primary source of emergency supply augmentation rather than the main system.

In September 2014, the District approved Permit #M14-05-L4, which allows CAW to increase its System Capacity in the Seaside Groundwater Basin Coastal Subareas by up to 3.41 AFY based on

transferred water rights owned by Co-Applicant **Cypress Pacific Investors, LLC (Cypress)**. This translates to 3.17 AFY metered sales (customer water consumption) delivered to future recipient parcels within the Seaside Basin designated by Cypress. Cypress has designated the entire 3.17 AFY to serve Assessor Parcel Numbers (APN) 259-221-004 and 259-221-005 to enable expansion of the Community Hospital of the Monterey Peninsula (CHOMP) campus at Ryan Ranch. Thus, Application #WDS-20150715RYA requests that the Ryan Ranch Unit System Capacity be increased by 3.17 AFY metered sales to serve solely the two CHOMP Parcels, and that Conditions of Approval be amended to enable water to be delivered via the intertie between the CAW main system and the Ryan Ranch Unit. This application is referred to herein as the “CAW/Ryan Ranch-CHOMP Amendment.”

EVIDENCE: Application #WDS-20150715RYA submitted July 15, 2015, including CHOMP Parcel map; California Department of Public Health Services (now called SWRCB Division of Drinking Water), *Certificate of Issuance of a Water Supply Permit to California American Water Company – Ryan Ranch Water System*, Permit #0524134 dated May 24, 2013; MPWMD *Findings, Conclusions and Decision of the Board, Hearing on Insufficient Physical Supplies in Accord with District Rule 40-B (“Ryan Ranch Decision”)* dated June 15, 2009; MPWMD *Annual Water Production Summary for Ryan Ranch Unit* (1990-2014), dated November 24, 2014. MPWMD Permit #M14-05-L4 (CAW/Cypress Amendment) approved by District Board on September 15, 2014, including associated Findings and Conditions of Approval; MPWMD Permit #M15-03-L3 (Ryan Ranch-Bishop Interconnection) approved by District Board on June 15, 2015, including associated Findings and Conditions of Approval; MPWMD staff agenda package prepared for MPWMD Board of Directors August 17, 2015 Public Hearing for Application #WDS-20150715RYA (Item 15).

2. FINDING: The Ryan Ranch Unit is within CAW’s Monterey Division, but is operated as a separate independent unit from CAW’s main WDS. It is one of three CAW “satellite systems” that draws supply from 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 Adjudication 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.*

3. FINDING: No new Wells are associated with this proposed action. New delivery

pipelines will be needed to serve the new CHOMP facilities on the Parcels identified Finding #1, once completed. The Superior Court, Watermaster, and Sixth District Court of Appeal have confirmed that Cypress water rights may be delivered to recipient properties in the Seaside Basin from CAW Well(s) located in the Seaside Basin.

EVIDENCE: Permit application specified in Finding #1. Letter from Seaside Basin Watermaster to Anthony Lombardo (attorney for Cypress) dated January 27, 2014. 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.* Order After Hearing on SNG's Motion to Enforce and Clarify the Amended Decision, Case #M66343, filed by the Monterey County Superior Court (Judge Roger Randall) on May 11, 2009; Sixth District Court of Appeal Decision, Case #H034335, dated April 1, 2010.

4. **FINDING:** The Applicant has applied for a Permit to amend the Ryan Ranch Unit WDS Conditions of Approval to enable treated CAW main system water to serve solely the CHOMP Parcels in Ryan Ranch as described in Finding #1. The water would be conveyed via the existing intertie between the main system and Ryan Ranch Unit. No other changes to the Ryan Ranch Unit are proposed. No other Parcels would be served from the Cypress water right transfer, and the moratorium on new Connections would remain in effect for all other Parcels. The restriction on the use of the main system intertie would be in effect.

EVIDENCE: Permit application materials specified in Finding #1; MPWMD Permit #M15-06-L3, Amended Conditions of Approval #1 through #4, #13, and Special Condition #27 for Ryan Ranch Unit.

5. **FINDING:** Previous District staff analysis and Board approval of the CAW/Cypress Amendment (Permit #M14-05-L4) determined that CAW has the physical and legal capability to increase production from the Seaside Basin Coastal Subareas by 3.41 AFY, equivalent to delivery of 3.17 AFY metered sales to Parcels designated by Cypress. CAW has the physical and legal capability to deliver water to the CHOMP Parcels in Ryan Ranch as specified in Finding #1.

EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit #M14-05-L4 approved September 15, 2014, including associated Findings and Conditions of Approval. MPWMD Permit #M15-06-L3, Amended Conditions of Approval #3, #13 and Special Condition #27 for the Ryan Ranch Unit.

6. **FINDING:** The application for the CAW/Ryan Ranch-CHOMP Amendment, along with supporting materials, is in accordance with District Rule 21 (WDS Applications) and Rule 22 (Action on Application).

EVIDENCE: Permit application materials specified in Finding #1; “Notice of Public Hearing” letter to CAW from MPWMD dated August 3, 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 CAW/Ryan Ranch-CHOMP Amendment complies with the Adjudication Decision, and would be used only to serve the CHOMP Parcels. [Rule 22-B-1]

EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit #M15-06-L3, Amended Conditions of Approval #3, #13 and Special Condition #27 for the Ryan Ranch Unit.

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 and properties are located wholly within the MPWMD. [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 (Definitions), including the Seaside Groundwater Basin and the Carmel Valley Alluvial Aquifer (CVAA). The Monterey County Superior Court Adjudication Decision determined the Seaside Basin “natural safe yield” and specified pumping rights of property owners, including Cypress. The Superior Court further determined that serving Seaside Basin recipient properties with CAW Wells further inland is an overall benefit to the ongoing integrity of the Seaside Basin and is part of the Physical Solution. The Front-Loading Agreement included in the Conditions of Approval for CAW/Cypress Amendment (MPWMD Permit #M14-05-L4) is consistent with the May 11, 2009 Court Order finding that with adequate “front-loading,” there is no resultant adverse impacts to the Carmel River or the CVAA. The current application simply implements Permit #M14-05-L4 and specifies the two CHOMP Parcels in Ryan Ranch. [Rule 22-B-3]

EVIDENCE: Permit application materials specified in Finding #1. Seaside Basin Adjudication Decision and Court determinations referenced in Finding #3. MPWMD Permit #M14-05-L4 approved September 15, 2014, including associated Findings and Conditions of Approval (Special Condition #30 addresses Front-Loading Agreement). MPWMD Permit #M15-06-L3, Amended Conditions of Approval #3, #13 and Special Condition #27 for the Ryan Ranch Unit.

10. FINDING: The application is based on specified Cypress water rights as determined by the Superior Court as part of the Seaside Basin Adjudication Decision. [Rule 22-B-4]
- EVIDENCE: Seaside Basin Adjudication Decision, May 11, 2009 Court Order and April 1, 2010 Appeal Decision specified in Finding #3.
11. FINDING: A long-term reliable source of water supply (3.41 AFY production, equivalent to 3.17 AFY metered sales) is available to CAW via the CAW/Cypress Amendment (MPWMD Permit #M14-05-L4), based on the Seaside Basin Adjudication. 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, adding to future supply reliability. [Rule 22-B-5]
- EVIDENCE: Seaside Basin Adjudication Decision, May 11, 2009 Court Order and April 1, 2010 Appeal Decision specified in Finding #3. CPUC Decision 15-04-007 approving the General Rate Case for CAW Application A.13-07-002. MPWMD Permit #M14-05-L4 approved September 15, 2014, including associated Findings and Conditions of Approval.
12. FINDING: The source of water supply for the CAW/Ryan Ranch-CHOMP Amendment is from CAW Wells in the Seaside Basin Coastal Subareas, consistent with previous approvals. The source of water supply for the Ryan Ranch 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, the Front-Loading Agreement in the CAW/Cypress Amendment (MPWMD Permit #M14-05-L4), and restrictions in the CAW/Ryan Ranch-Bishop Interconnection (MPWMD Permit #M15-03-L3). The CAW/Ryan Ranch-CHOMP Amendment continues this compliance. [Rule 22-B-6]
- EVIDENCE: Permit application materials specified in Finding #1. Seaside Basin Adjudication Decision and other Court determinations referenced in Finding #3. MPWMD Permit #M14-05-L4 approved September 15, 2014, including associated Findings and Conditions of Approval; MPWMD Permit #M15-03-L3 approved June 15, 2015, including associated Findings and Conditions of Approval; MPWMD Permit #M15-06-L3, Amended Conditions of Approval #1 through #4, #13 and Special Condition #27 for the Ryan Ranch Unit.

13. FINDING: With the actions required in the CAW/Cypress Amendment (MPWMD Permit #M14-05-L4), the source of CAW supply for recipient properties is derived from the Paso Robles and Santa Margarita Aquifers in the Coastal Subareas of the Seaside Basin, which is not within the jurisdiction of the State Water Resources Control Board (SWRCB). The SWRCB has determined that the one-for-one replacement required in its Order WR 95-10 does not apply so long as CAW supply to the recipient properties is derived solely from the Seaside Basin. The Source of Supply for the Ryan Ranch Unit is from aquifers within the Laguna Seca Subarea of the Seaside Groundwater Basin, and is not derived from the Carmel Valley Alluvial Aquifer and is not within the jurisdiction of the SWRCB. Neither Source of Supply has been determined to be tributary to the Source of Supply for any other system. [Rule 22-B-7]

EVIDENCE: MPWMD maps showing boundaries of project area and jurisdiction of the SWRCB; MPWMD hydrogeologic maps on file; MPWMD Permit #M14-05-L4 approved September 15, 2014, including associated Findings and Conditions of Approval; MPWMD Permit #M15-06-L3, Amended Conditions of Approval #1 through #4, #13 and Special Condition #27 for the Ryan Ranch Unit.

14. FINDING: MPWMD Permit #M15-06-L3 allows a physical intertie from the main CAW system (Coastal Subarea) to the Ryan Ranch Unit to be used only for the CHOMP Parcels, based on a transfer of Cypress water rights. The CAW/Ryan Ranch-Bishop Interconnection for emergency use and other restrictions in MPWMD Permit #M15-03-L3 would continue for all other Parcels in Ryan Ranch. Except for the CHOMP Parcels, 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 #M14-05-L4, approved September 15, 2014, including associated Findings and Conditions of Approval; MPWMD Permit #M15-03-L3 approved June 15, 2015, including associated Findings and Conditions of Approval; MPWMD Permit #M15-06-L3, Amended Conditions of Approval #1 through #4, #13 and Special Condition #27 for the Ryan Ranch Unit.

15. FINDING: A back-flow protection device to prevent contamination of the CAW system is not necessary as CAW is the water purveyor. [Rule 22-B-9]

EVIDENCE: Permit application materials specified in Finding #1.

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, to the CHOMP Parcels in Ryan Ranch. 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 #M15-06-L3, Amended Conditions of Approval #1 through #4, and #15. California Administrative Code, Title 22.
18. FINDING: The application identifies the location of the Source of Supply for CAW/Ryan Ranch-CHOMP Amendment as CAW Wells in the Seaside Groundwater Basin. Because CAW is “wheeling” Cypress water, it is possible that water delivered to the CHOMP Parcels could be co-mingled with water from either the Coastal Subareas or the Laguna Seca Subarea of the Seaside Basin. [Rule 22-C-3]
- EVIDENCE: Permit application materials specified in Finding #1; MPWMD Permit #M14-05-L4 approved September 15, 2014, including associated Findings and Conditions of Approval; MPWMD Permit #M15-06-L3, Amended Condition of Approval #4 for Ryan Ranch Unit.
19. FINDING: The approval of the application would not create an Overdraft or increase an existing Overdraft of a Groundwater basin, and a superior right has been demonstrated. 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, and has designated 14.0 AFY Alternative Production Allocation for Cypress. Of this amount, 3.41 AFY production is allocated to CAW for delivery of 3.17 AFY metered sales solely to the CHOMP Parcels identified in Finding #1. [Rule 22-C-4]
- EVIDENCE: Adjudication Decision specified in Finding #2. MPWMD Permit #M14-05-L4 approved September 15, 2014, including associated Findings and Conditions of Approval; MPWMD Permit #M15-06-L3, Amended Conditions of Approval #1 through #4, #13 and Special Condition #27 for the Ryan Ranch Unit.

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 water rights determinations of the Superior Court as the result of the Seaside Basin Adjudication. [Rule 22-C-5]

EVIDENCE: Seaside Basin Adjudication Decision and other Court Orders specified in Finding #3. MPWMD Permit #M14-05-L4 approved September 15, 2014, including associated Findings and Conditions of Approval; MPWMD Permit #M15-06-L3, Amended Conditions of Approval #1 through #4, #13 and Special Condition #27 for the Ryan Ranch Unit.

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 has determined that a Statutory Exemption applies as defined in CEQA Guidelines Section 15268 (Ministerial Projects), based on previous environmental determinations by the Courts. The Monterey County Superior Court concluded that its Adjudication Decision included environmental determinations related to the Seaside Basin and adjudication of the rights therein. The MPWMD action is also consistent with the May 11, 2009 Court Order as confirmed by the Sixth District Court of Appeal, which limits CEQA review of adjudicated groundwater supply in the Seaside Basin.

EVIDENCE: CEQA and CEQA Guidelines, Section 15268; Seaside Basin Adjudication Decision, May 11, 2009 Court Order, and April 1, 2010 Appeal Decision specified in Finding #3. Front-Loading Agreement specified in MPWMD Permit #M14-05-L4 (Condition #30) approved September 15, 2014. MPWMD Permit #M15-06-L3, Amended Conditions of Approval for the Ryan Ranch Unit. MPWMD Notice of Exemption for CAW/Ryan Ranch-CHOMP Amendment signed August _____, 2015.

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EXHIBIT 15-F

**AMENDED CONDITIONS OF APPROVAL FOR
CALIFORNIA-AMERICAN WATER DISTRIBUTION SYSTEM, RYAN
RANCH UNIT, TRANSFER OF CYPRESS PACIFIC WATER RIGHTS TO
SERVE COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA
PARCELS**

MPWMD Application #WDS-20150715RYA, Permit #M15-06-L3

Permittee: California-American Water Company, a California Corporation

Permitted System: California American Water, Ryan Ranch Unit

Donor Service Area: APN 011-011-020 (per MPWMD Permit #M14-05-L4)

Recipient Service Area: APN 259-221-004 and -005 in Ryan Ranch

Owner: Community Hospital Properties, a California Nonprofit Benefit Corporation

Adopted by MPWMD Board on August 17, 2015 Pursuant to Rule 22-D

Preparation Date: August ____, 2015

Permitted System (Required by MPWMD Rules)

1. The California-American Water Company (CAW) Water Distribution System, Ryan Ranch Unit (Permitted System), is authorized by the Monterey Peninsula Water Management District (MPWMD or District) to provide water service to the 312-acre Ryan Ranch business park located in the City of Monterey. In September 2014, the District approved Permit #M14-05-L4 for the "CAW/Cypress Amendment," which authorized a transfer of up to 3.17 Acre-Feet per Year (AFY) metered sales to recipient Parcels designated by Cypress Pacific Investors, LLC, (Cypress). Cypress has identified Assessor's Parcel Numbers 259-221-004 and 259-221-005, owned by Community Hospital Properties, a California nonprofit benefit corporation (Owner), as the designated recipient Parcels for the full 3.17 AFY amount. These "CHOMP Parcels" are shown in **Attachment 1**. This action is referred to herein as the "CAW/Ryan Ranch-CHOMP Amendment." [Rule 22-D-1-a]
2. The Permit authorizes the Permitted System to provide potable drinking water supply to the two CHOMP Parcels referenced in Condition #1, which is the sole exception to the current moratorium on new Connections imposed by the District Board on June 15, 2009, as described in Special Condition #27. [Rule 22-D-1-b]
3. The System Capacity (water production limit) for the Permitted System is hereby set at 75.17 AFY, comprised of the 72.0 AFY limit as ordered by the MPWMD Board of

Directors on June 15, 2009, plus the 3.17 AFY metered sales designated solely for the two CHOMP Parcels described in Condition #1. The Expansion Capacity Limit remains at 190 Connections, with restrictions described in Special Condition #27. [Rule 22-D-1]

4. The source of water for the CAW/Ryan Ranch-CHOMP Amendment water rights transfer is Groundwater extracted by CAW Wells in the Coastal Subareas of Seaside Groundwater Basin. Water for the CHOMP Parcels shall be delivered through CAW's Ryan Ranch Unit WDS. Because CAW is "wheeling" Cypress water, it is possible that the actual water delivered to the future CHOMP facilities could be derived from CAW Wells located within the Laguna Seca Subarea of the Seaside Groundwater Basin, as follows: RR #7 (MCEHB Permit #W-2089, DWR #082916 completed 1/17/1981); RR #8 (MCEHB Permit #W-2117, DWR #082948 completed 6/16/1981); and RR #11 (MCEHB Permit #03-01475, DWR #804084 completed 8/11/2003). [Rule 22-C-3]

Additional Mandatory Conditions of Approval (Required by MPWMD Rules)

5. No other agency approvals are specifically identified as being required before this Permit is valid. [Rule 22-D-1-c] However, precedent to use of this Permit, Permittee shall first obtain and comply with any required approval from the local Jurisdiction in which Ryan Ranch Unit Parcels, including the CHOMP Parcels, are located, as well as the Seaside Basin Watermaster, if necessary. Approval of construction of the emergency interconnection pipeline referenced in Condition #13 is the authority of the City and/or County of Monterey. [Rule 22-D-3]
6. Permittee and Owner shall execute an Indemnification Agreement, provided separately, which holds the District harmless and promises to defend the District from any claims, demands, or expenses of any nature or kind arising from or in any way related to the District approval of the Permitted System or the adequacy of the system water supply. This Permit is not valid until the Indemnification Agreement is signed by both the Permittee and MPWMD. The Indemnification Agreement must be signed within 60 days of the preparation date shown (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-d]
7. Permittee shall comply with District rules relating to water Well registration, metering and annual reporting of production (MPWMD Rules 52 and 54). [Rule 22-D-1-e; Rule 22-D-2]
8. Permittee shall report production by the Water Meter Method (MPWMD Rule 56) for the Wells designated in Condition #4. Refer to Special Conditions #29 and #30 for additional Well reporting requirements. [Rule 22-D-1-e; Rule 22-D-2]
9. Owner shall comply with all MPWMD water conservation rules that pertain to CAW customers, as applicable, (e.g., commercial, residential, landscape). Current ordinances specify maximum water use rates for fixtures and require new development to install drought-resistant landscapes, and drip irrigation, where appropriate. Contact with the District Permit and Conservation Office at 831/658-5601 is recommended during project

planning. [Rule 22-D-1-f]

10. No new Connections to the Permitted System may be set until a Water Permit has been secured from MPWMD for each Connection in accordance with MPWMD regulations governing issuance of Water Permits. Connection Capacity Fees shall be calculated based on water demand estimates using the District's water demand methodology at the time of the application. [Rule 22-D-1-g]
11. Any intensification or expansion of use within the Permitted System shall require a new application and Permit pursuant to MPWMD Rules 23 and 24. [Rule 22-D-1-k]
12. Any new facilities, expansion of service area boundaries, changed conditions regarding water service by other entities, increase in the System Limits set in Condition #3, or other changes described in MPWMD Rule 22-E shall require a Permit to amend the Permitted System. [Rule 22-E]
13. Except for service solely to the two CHOMP Parcels specified in Conditions #1 through #4 and Special Condition #27, no intertie between the Permitted System and any other water system intended to provide non-emergency service to the Ryan Ranch Unit Parcels shall be allowed without amending this WDS Permit pursuant to Rule 22-E. An intertie between the CAW Bishop Unit and the Ryan Ranch Unit shall only be allowed during emergency events via a one-way pipeline crossing York Road as approved by the City and/or County of Monterey. The term "emergency event" means that water system facilities are not capable of providing sufficient supply to customers, typically due to failure of a facility component. Transfers of water between the Bishop Unit and the Ryan Ranch Unit must be metered and reported to the District within one week of occurrence. Use of the emergency intertie between the Bishop and Ryan Ranch Units shall be subject to MPWMD Board review if such use occurs for more than 60 days. Except for service solely to the two CHOMP Parcels specified in Conditions #1 through #4 and Special Condition #27, use of an intertie between the "main" CAW water system (i.e., draws water from the Monterey Peninsula Water Resource System) and the Ryan Ranch Unit is prohibited unless written permission is given by the District General Manager in an emergency event, including documentation that both Ryan Ranch and Bishop Unit supply cannot meet the required demand. The Ryan Ranch Parcels may receive CAW water from any source for emergency fire service, so long as this service is documented and reported in accordance with these conditions. [Rule 22-D-1-h]
14. A back-flow protection device to prevent contamination of the CAW system is not required as all Ryan Ranch Parcels will be served by CAW. [Rule 22-D-1-h]
15. Because the Permittee and Permitted System is a regulated Public Utility, compliance with California Title 22 drinking water standards is already required by the State Water Resources Control Board, Division of Drinking Water. [Rule 22-C-2]
16. Permittee is not required to carry out specific mitigation measures by MPWMD to offset adverse environmental impacts above and beyond those actions already required by the "Physical Solution" specified by the Superior Court in the Seaside Basin Adjudication

Decision or by the Seaside Basin Watermaster. [Rule 22-D-1-i]

17. Because the Permittee and Permitted System is a regulated Public Utility, Permittee is not required to provide an agreement to serve water to Parcels in the Ryan Ranch Unit. [Rule 22-D-1-j]
18. Upon District approval of this Permit, Permittee shall pay to the District the invoiced cost for MPWMD staff, attorney and consultant time spent to process the Permit subsequent to the application date, if required. Actual costs will be compared to the initial Application Fee. The Permittee will be separately provided documentation to support the invoiced amount. This Permit is not valid until payment for the invoiced amount is received by MPWMD. The payment must be received within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-l]
19. Upon finalization of these conditions, the Permittee and Owner shall sign and notarize an Acceptance of Permit Conditions Form associated with the approval of the Permitted System. By signing the form, Permittee and Owner acknowledge that they understand and accept these conditions as a binding part of the Permit approval, and agree to carry them out faithfully. The Acceptance Form must be received by MPWMD within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-m]
20. Permittee shall disclose to any future owner, successors and assigns of the CAW Ryan Ranch Unit WDS described in Condition #1 the requirements for the Permitted System associated with this Permit. MPWMD shall be advised in a timely manner of any changes in system ownership, system name, or other substantive changes to the system to facilitate accurate record-keeping. [Rule 22-D-2]
21. Given the unique nature of the CAW/Ryan Ranch-CHOMP Amendment, and the fact that CAW system infrastructure is already in place to serve the Ryan Ranch Unit, this Permit does not include deadlines associated with the construction of the proposed facilities on the CHOMP Parcels, which will be approved by the City of Monterey. [Rule 22-D-4]
22. Permittee shall execute a Notice of Agreement prepared separately by MPWMD regarding the limitation on water use as set forth in these conditions. Permittee shall also ensure that the Owner of the CHOMP Parcels executes a Notice and Deed Restriction prepared separately by MPWMD regarding the limitation on water use as set forth in these conditions. Permittee shall pay all fees associated with preparation, review and recording of the Notice of Agreement and the Notice and Deed Restriction. The Notice of Agreement and Notice and Deed Restriction must be signed and notarized by the Permittee or Owner, respectively, and accepted by the Monterey County Recorder for processing within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-n]
23. Upon notice to the Permittee in writing, e-mail or by telephone, reasonable access shall be given to MPWMD staff or its designated representative to inspect and document Water-Gathering Facilities and Water-Measuring Devices, obtain hydrogeologic data,

and take readings from Water Measuring Devices within the Permitted System. [Rule 22-D-1-o]

24. The Permit granted herein is subject to revocation in the event the Permittee and Owner do not fully comply with each condition set forth in this Permit. [Rule 22-D-1-p]

Other Standard Conditions of Approval

25. Nothing in this Permit shall be construed to grant or confirm any water right.
26. This Permit does not authorize any act that results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code Sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. Sections 1531 to 1544). If a “take” will result from any act authorized under this Permit, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this Permit.

Special Conditions of Approval

27. Except for service of up to 3.17 AFY metered sales designated solely for the two CHOMP Parcels specified in Conditions #1 through #4, the District shall not accept an application for a Water Permit to expand water use in the Ryan Ranch Unit service area until its System Capacity is further modified Pursuant to the *Findings, Conclusions and Decisions Regarding Insufficient Supply in the Ryan Ranch Unit* adopted by the MPWMD Board of Directors on June 15, 2009. Permittee may apply for, and the District may further amend, the Ryan Ranch Unit System Capacity based upon credible expert analysis in accordance with Rule 40-B-4.
28. Precedent to use of this Permit, Permittee shall provide copies to MPWMD of documents from the Seaside Basin Watermaster associated with approval of the CAW/Ryan Ranch-Bishop Interconnection, and the CAW/Ryan Ranch-CHOMP Amendment, if applicable.
29. For each Well specified in Condition #4, Permittee shall continue to provide monthly reports of water production that identify production on a daily basis.
30. For each Well specified in Condition #4, Permittee shall continue to obtain monthly measure water levels in each Well, and measure water levels in monitoring Wells within the Ryan Ranch Unit, and report these data to the District along with the monthly production report described in Condition #29.
31. By November 30 of each year, Permittee shall continue to provide an annual report to the District of metered sales (customer consumption) that identifies consumption during the previous Water Year. Permittee shall meter the pipelines that deliver water to the two CHOMP Parcels and report cumulative water use on a quarterly basis to MPWMD to

ascertain that water deliveries to the two CHOMP Parcels remain within the 3.17 AFY limit. If metered sales on the two CHOMP Parcels exceed 3.17 AFY, then CHOMP will be subject to the procedures specified in District Rule 20.4, Permit Rule Non-Compliance.

32. Final construction plans for the future CHOMP facilities must demonstrate that water use will not exceed 3.17 AFY metered sales, using District methodology at that time, in order to receive a Water Permit for the project.
33. A standard Condition of Approval for any Water Permit issued to the Owners of the Recipient Parcels is a voluntary binding agreement (“Notice and Deed Restriction”) to provide public access to water use data, upon request by MPWMD. Permittee shall provide to MPWMD any information authorized to be released in accordance with a Notice and Deed Restriction executed and recorded by a Recipient Parcel Owner.

ATTACHMENT 1—Service area map of CHOMP Parcels

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ITEM: ACTION ITEM

16. CONSIDER DISTRICT ASSUMING ROLE OF GROUNDWATER SUSTAINABILITY AGENCY FOR CARMEL VALLEY ALLUVIAL AQUIFER

Meeting Date: August 17, 2015 **Budgeted:** N/A

From: David J. Stoldt, **Program/** N/A
 General Manager **Line Item No.:** N/A

Prepared By: David J. Stoldt **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: N/A

SUMMARY: The Sustainable Groundwater Management Act (SGMA) was signed into law on September 16, 2014 and was comprised of three separate bills, AB 1739, SB 1168, and SB 1319. SGMA provides for local or regional management of groundwater. Section 10723 of SB 1168 states, “the following agencies created by statute to manage groundwater shall be deemed the exclusive local agencies within their respective statutory boundaries with powers to” become a groundwater sustainability agency (GSA) and specifically lists 15 local agencies of which Monterey Peninsula Water Management District is one.

GSAs must be formed by June 30, 2017 although many have already been formed across the state. At this time, the General Manager is recommending the Board elect the District to become GSA for the Carmel Valley Alluvial Aquifer now, and after consultation with other affected parties, to become GSA for the Seaside Groundwater Basin at a later date.

The process to become a GSA requires a public hearing which would be at the Board’s September meeting whereupon the Board would adopt a resolution electing to become the GSA. The hearing must be noticed in the newspaper for two successive weeks. Subsequent to the hearing the District will file notice of intent with the Department of Water Resources, as well as file basin boundaries and a list of interested parties.

RECOMMENDATION: The Board should consider authorizing staff to post notice of a public hearing scheduled for the September Board meeting, hold the public hearing, and file Notice of Intent with the State Department of Water Resources to become GSA for the Carmel Valley Alluvial Aquifer.

BACKGROUND: 80 percent of Californians rely, in part, on groundwater. Groundwater storage is 10-times the water stored in surface reservoirs, but until SGMA was signed into law California did not have a framework for the regulation of groundwater. SGMA defines sustainable groundwater management and requires that medium- and high-priority basins form GSAs by June 30, 2017 and adopt Groundwater Sustainability Plans (GSPs) within 5-7 years. The GSPs will provide detailed physical descriptions, monitoring and management provisions, and describe interaction with other plans such as general plans. The GSP must indicate a path to

sustainability within 20 years of adoption. “Sustainable” as described in SGMA includes no “surface water depletions that have significant and unreasonable adverse impacts on beneficial users.”

There are 515 basins in California, of which 127 are medium- or high-priority. The basins and their boundaries are described in DWR Bulletin 118. The Carmel Valley Alluvial Aquifer is a “high-priority” basin and the Seaside Groundwater Basin is “medium-priority”. Adjudicated basins do not require a GSP and have reduced reporting requirements.

EXHIBIT

None

ITEM: ACTION ITEM

17. CONSIDER ENTERING INTO AN AGREEMENT WITH CALIFORNIA AMERICAN WATER FOR LOS PADRES DAM LONG-TERM PLAN

Meeting Date:	August 17, 2015	Budgeted:	Yes
From:	David J. Stoldt General Manager	Program/ Line Item No.:	Operations Modeling 1-1-2
Prepared By:	Larry Hampson	Cost Estimate:	\$600,000 for FY 2015-16 (reimbursable)

General Counsel Approval: N/A

Committee Recommendation: The Water Supply Planning Committee reviewed this item on August 4, 2015 and recommended approval with a vote of 3 to 0.

CEQA Compliance: N/A

SUMMARY: California Public Utilities Commission (CPUC) Decision D.15-04-007 in the 2015-17 General Rate Case (GRC) includes approval for California American Water (Cal-Am) to co-fund up to \$1 million over the three-year GRC period for the District to complete a detailed feasibility study to determine the ultimate fate of Los Padres Dam. The proposed scope of work would include studies focused on: 1) the feasibility of constructing adult steelhead upstream passage improvements; 2) future Cal-Am Carmel River operations and flow availability; 3) potential changes in steelhead habitat; 4) sediment management options and potential downstream effects of an increased sediment load. The primary question Cal-Am wants to answer is whether the Carmel River and the steelhead fishery are better off with or without Los Padres Dam and Reservoir.

A draft reimbursement agreement between the District and Cal-Am is attached as **Exhibit 17-A**. Cal-Am supports the District in moving forward with the scope of work; however, a legal review of the agreement by Cal-Am has not been completed. Work on this project is proposed for Fiscal Years 2015-16, 2016-17, and 2017-18. Requested funding for FY 2015-16 is \$600,000. Additional funding in Fiscal Years 2016-17 and 2017-18 would be requested as part of the District's annual budget development. District expenses for work under this agreement would be 100% reimbursable and would include a portion of staff costs for administering consultant contracts.

RECOMMENDATION: If this item is approved, the Board will authorize the General Manager to enter into an agreement for California American Water to co-fund up to \$1 million over three years for studies to evaluate long-term options for the future of Los Padres Dam and Reservoir. The General Manager would be authorized to make non-substantive changes to the draft agreement.

DISCUSSION: In April 2013, the National Marine Fisheries Service (NMFS) provided the following direction to California American Water (Cal-Am):

“As a first step towards protecting S-CCC steelhead, NMFS strongly encourages CAW to resolve the fish passage and other potential take issues at LPD by completing a thorough feasibility study on the merits of either: 1) entirely removing the dam and restoring the reservoir area to its original environs; or 2) improving the dam with appropriate permanent fish passage modifications that allow for unimpeded, safe and effective, upstream and downstream migration of all life stages of S-CCC steelhead.”

Subsequently, Cal-Am filed two requests with the CPUC in its 2015-17 General Rate Case to address these issues. The CPUC approved \$4.2 million to construct downstream steelhead passage improvements at Los Padres Dam and directed Cal-Am to co-fund with MWPMMD a detailed feasibility study on the long-term fate of the dam. The downstream steelhead passage improvements are scheduled for construction during the summer of 2015. In addition to work described in the GRC, if the State Water Resources Control Board (SWRCB) accepts the proposal to modify Cease and Desist Order 2009-0060, Cal-Am would conduct a study of the existing trap and truck operation for adult steelhead at the base of Los Padres Dam to determine if short-term improvements can be made for upstream migration; however, resolving steelhead passage issues for all life stages is complicated by the height of the lift (about 120 feet) as well as the need to pass fish through the existing dam. Cal-Am has requested that work authorized in the 2015-17 GRC to study fish passage improvements and the question of dam removal be accelerated into the initial year of the project. The proposed studies will provide a scientific basis to address these concerns.

The Water Supply Planning Committee reviewed the proposal for long term studies on August 4, 2015 and suggested the following about the dam and reservoir:

- Los Padres Dam and Reservoir is an important facility that should not be removed;
- MPWMD needs to move forward immediately to create additional surface storage in order to provide an alternative water supply and to regulate the Carmel River;
- The District should take on the risks and liabilities associated with this facility and can make resolution of issues with this facility a high priority.

GRC Studies

- 1. Upstream Volitional Steelhead Passage – All Life Stages.** At 120 feet in height, Los Padres Dam is comparable to several dams in the Pacific Northwest that have working fish ladders; however, a complicating factor at Los Padres Dam is the relatively wide range of reservoir elevations that can occur. This study would focus on gathering existing topographic and hydrologic data; analyzing feasible alternatives to provide passage; developing a preliminary cost estimate; and establishing Division of Safety of Dams requirements. If construction of a fish ladder is found to be feasible, Cal-Am could include a request to carry out improvements in a future general rate case application.
- 2. Water Availability Analyses** – This study consists of using the proposed GSFLOW model for the Carmel Valley (a linked surface water and groundwater computer model currently under development) to simulate Carmel River flows under different assumptions about surface storage at Los Padres Reservoir and future Cal-Am operations.

It is anticipated that several scenarios would be evaluated that range from no surface storage (i.e., the dam removal alternative) to enlargement of surface storage at the site. Analyses would include future Cal-Am operations along the Carmel River with new water supply projects to replace existing unauthorized diversions. The focus would be on generating daily flow data at several points along the river between LP Dam and Highway 1 and comparing the number of days that the river flows (and the flow level) at each point under different assumptions about surface storage and Cal-Am operations. The effect of varying levels of surface storage on flow availability for Aquifer Storage and Recovery and water supply could also be evaluated.

3. **Analysis of Carmel River Flow and Steelhead Habitat** – This study would complement the water availability analysis by using the output data from that study to compare steelhead habitat conditions under different assumed surface storage volumes and operations scenarios. The District’s Instream Flow Incremental Method study (currently under development) would be used to evaluate changes in habitat value due to different assumptions about surface storage, releases to the river, and Cal-Am operations.
4. **Analysis of the Geomorphic Effects of Sediment Releases** – The effect of sediment releases (e.g., from maintenance dredging or dam removal) to the downstream reaches would be qualitatively evaluated. Such effects as erosion, flooding, river meandering and braiding, and habitat change would be considered. A pilot dredging study to determine particle sizes and constraints to dredging may be carried out. The timing, magnitude, and extent of these effects may be key factors in determining whether an increase in sediment load may be feasible.

Additional Studies

Although not explicitly described in the GRC proposal, the long-term liability associated with various alternatives for Los Padres Dam should be evaluated and included when considering a decision about the future of Los Padres Dam. All alternatives for Los Padres Dam, including “do nothing”, dam modification, and dam removal pose significant legal questions and there are varying levels of both benefits and potential liabilities associated with downstream sediment impacts, changes in water quality, changes in water supply, and compliance with various laws including the Endangered Species Act. An effort to quantify liabilities and describe methods to reduce risk would be conducted by District staff and provided to the Board as a separate item.

EXHIBIT

17-A Draft Implementation Agreement for Los Padres Dam Long-Term Plan Project (I15-400101) Covering Calendar Years 2015 - 2017

EXHIBIT 17-A

Implementation Agreement for Los Padres Dam Long-Term Plan Project (I15-400101) Covering Calendar Years 2015 - 2017

THIS AGREEMENT is retroactive to January 1, 2015, by and between California-American Water Company (California American Water or CAW) and the Monterey Peninsula Water Management District (MPWMD or Water Management District).

1. Recitals.

1.1. The Water Management District was created by the California Legislature in 1977 (Statutes of 1977, Chapter 527, as amended). The California Public Utilities Commission (CPUC or Commission) acknowledged creation of the Water Management District in Decisions 89195 and 92793. Finding 16 of Decision 89195 provides, "The use of Monterey Peninsula water resources and management of such resources can best be accomplished by the responsible local government agencies, coordinated when necessary with California American Water and the Public Utilities Commission." Finding 18 of Decision 89195 also states, "As a result of Assembly Bill 1329 (Chapter 527) and a vote of the electorate in the area served by California American Water's Monterey District, there is now in existence the Monterey Peninsula Water Management District, having very broad powers, including taxing powers."

1.2. CPUC Decision D.15-04-007 (Decision), adopting the 2015, 2016, and 2017 revenue requirement for California American Water, approves the request to co-fund MPWMD so they may pursue on-going efforts and studies to determine the best overall fate for Los Padres Dam (dam) and the Carmel River.

1.3. MPWMD has an interest in a comprehensive analysis before determining the fate of Los Padres Dam. Issues of concern to MPWMD include the potential loss of surface storage that is used to maintain flow in the lower river during the dry season, the continuing effect that retention of sediment has on habitat downstream of the dam, and the potential downstream effects of restoring the natural sediment load,

1.4. CAW has a primary interest in addressing the following directive from the National Marine Fisheries Service (NMFS) conveyed in a letter dated April 23, 2013 (Butler to Svindland):

"The Los Padres Dam (LPD) has been a known fish passage impediment for both upstream and downstream migrating S-CCC steelhead as well as impacting the downstream habitat by blocking the natural sediment supply...As a first step towards protecting S-CCC [South-Central California Coast] steelhead, NMFS strongly encourages CAW to resolve the fish passage and other potential take issues at LPD [Los Padres Dam] by completing a thorough feasibility study on the merits of either: 1) entirely removing the dam and restoring the reservoir area to its original environs; or 2) improving the dam with appropriate permanent fish passage modifications

that allow for unimpeded, safe and effective, upstream and downstream migration of all life stages of S-CCC steelhead.”

1.5 CAW intends to complete installation of downstream fish passage facilities at Los Padres Dam during the summer of 2015 (Decision, 22.5.17 Los Padres Dam Fish Passage Project (05400049)). CAW also intends to fund a future study of potential improvements to the existing fish ladder and trap and truck operation at the dam. This latter effort would be funded by CAW if an extension of time is granted on State Water Resources Control Board Cease and Deist Order 2009-0060 (as amended).

1.6. MPWMD shall cooperate with California American Water on a detailed feasibility study “to determine the ultimate fate of the Los Padres Dam” (the Project). CAW will contribute up to \$1,000,000 minus CAW staff time of \$24,000 per year to assist MPWMD. The Decision describes that that the Project shall be expensed as follows: \$200,000 in 2015; \$350,000 in 2016 and \$450,000 in 2017; however, California American Water desires to accelerate study efforts concerning upstream steelhead passage at Los Padres Dam and whether maintaining storage at Los Padres Reservoir improves or degrades steelhead habitat in the Carmel River downstream of Los Padres Dam. Therefore, California American Water agrees to reimburse up to \$450,000 in 2015 with the balance of the costs expensed in the 2016 and 2017. MPWMD shall be allowed to recover up to 5% of the project costs for administration.

2. Project Activities. The MPWMD shall undertake the following activities:

2.1. With input from California American Water, the MPWMD shall develop detailed scopes of work for the studies outlined in Exhibit A.

2.2. The MPWMD shall solicit input from appropriate regulatory agencies such as the California Department of Fish and Wildlife and NMFS on the detailed scopes of work and consultants proposed for completing studies.

2.3 With input from California American Water, MPWMD shall select highly qualified consultants to carry out individual studies. Selection may be through a Request for Proposal process and review or by direct contracting with selected consultants. MPWMD and California American Water desire to select consultants who are recognized leaders in their field.

CAW shall undertake the following activities:

2.4 CAW shall provide all company records applicable to the Project including, but not limited to: geotechnical studies; plans (or as-builts) and specifications for the existing fish ladder, downstream fish passage facilities, dam, spillway, plunge pool and appurtenances; topographic maps of Los Padres Dam and Reservoir and surrounding area.

2.5 CAW may request and MPWMD shall grant access to all materials, meetings, and reports associated with the Project.

3. Reporting.

3.1. The Water Management District shall provide a quarterly summary of work completed, with a comparison of the budget and schedule for the Project.

3.2. Any report prepared pursuant to this section may be made available to the public and reviewed by the MPWMD Board at a public meeting.

4. Invoices and Use of Funds.

4.1. The Water Management District shall invoice CAW no more frequently than monthly and no less frequently than quarterly for work completed. Such invoice shall include prior period copies of all invoices received by the Water Management District from its non-employee vendors.

4.2. Unless otherwise provided by this agreement, California American Water shall pay the full amount of the Water Management District's invoice within 30 days of receipt.

4.3. The Water Management District shall use funds received pursuant to this Section 4 exclusively as reimbursement for reasonable and necessary costs incurred to implement the Project as specified herein. The Water Management District shall pay all employees, contractors and other vendors in accordance with the contracts between such parties (including any collective bargaining agreements), California law, or both, as applicable.

4.4. No reimbursement under this agreement shall be made for work completed after December 31, 2017.

5. Records and Subsequent Review by California Public Utilities Commission

5.3. MPWMD shall maintain complete and accurate records in accordance with generally accepted accounting practices for government agencies sufficient to show that funds received pursuant to this Agreement have been used exclusively to pay reasonable and necessary costs incurred to implement the Project. MPWMD shall fully assist and cooperate with California-American in responding to data requests issued by the CPUC regarding the purposes of this Agreement.

6. Performance.

6.1. The MPWMD and California American Water shall meet on an as-needed basis throughout this agreement with the purpose of, among other things, ensuring that no activities performed by the MPWMD under this Agreement are duplicative of activities performed by California American Water or otherwise paid by California American Water's customers unless by their nature an activity requires a cooperative effort.

6.2. In its performance of activities under this Agreement, the Water Management District shall act as independent contractor and the Water Management District and California American Water are not an agent or employee of the other. California American Water, for its part, agrees to provide access to information in its possession and

cooperation of its staff in order to assist MPWMD and its contractor(s) to carry out its responsibilities herein. Any information California American Water provides to MPWMD for the purposes of this agreement marked as "confidential" shall be treated in the same manner as "Confidential Information" is treated under the California American Water-MPWMD Non-Disclosure Agreement dated June 22, 2009. The Water Management District shall have exclusive and complete control over its employees and subcontractors, and shall determine the method of performing the services hereunder.

7. Term, Termination and Survival

7.1. Unless terminated earlier under the subsequent paragraph, this Agreement shall remain in effect until December 31, 2017.

7.2. California American Water may terminate this agreement at its convenience by providing the MPWMD written notice, in the manner specified in Section 10, 30 calendar days prior to the proposed termination date.

7.3. The MPWMD may terminate this agreement at its convenience by providing the California American Water written notice, in the manner specified in Section 10, 90 calendar days prior to the proposed termination date such that California American Water can arrange for alternate performance.

7.4. Any obligation for one party to indemnify another shall survive the termination of this Agreement.

7.5. The obligations under Section 5 shall remain in effect until the expiration of the time California American Water is required to preserve records regarding any aspect of this transaction pursuant to Resolution A-4691 of the California Public Utilities Commission dated July 12, 1977.

8. Disputes and Indemnification

8.1. In the event a dispute arises out of the performance of this Agreement, either party shall, as soon as a conflict is identified, submit a written statement of the conflict to the other party. Within five (5) working days of receipt of such a statement of conflict, the second party will respond and a meeting will be arranged not more than five (5) working days thereafter to arrive at a negotiated settlement or procedure for settlement. If, within twenty (20) working days from the initial filing of a statement of conflict an agreement cannot be reached, the parties agree to submit the matter to non-binding mediation. If meditation is unsuccessful, it is agreed that the dispute may be resolved in a court of law competent to hear this matter. This Agreement shall be construed in accord with California law. The prevailing party shall be awarded costs of suit and attorneys' fees.

8.2. Notwithstanding any other provision of this Agreement, each party shall indemnify, defend, protect, hold harmless, and release the other, any parent or affiliate, and their respective officers, agents, and employees, from and against any and all claims losses, proceedings, damages, causes of action, liability, costs, or expense (including attorney's fees and witness costs) arising from or in connection with, or caused by any negligent act or omission or willful misconduct of such indemnifying party. This

indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts.

8.3. This Agreement shall be construed in accord with California law without reference to conflicts of laws principles.

8.4. The prevailing party shall be awarded costs of suit and attorneys' fees.

9. Amendment and Integration

9.1. This Agreement sets forth the entire understanding of the parties with respect to the subject matter herein. Except as stated herein, there are no other agreements expressed or implied, oral or written, except as set forth herein.

9.2. If, during the course of the work herein contemplated, the need to change the purpose of this Agreement should arise, for whatever reason, whichever party first identifies such need to change shall notify the other party in writing. The authorized representatives of the parties shall meet within seven (7) working days of the date of such notice, to discuss the need for change so identified and to determine if this Agreement should be amended.

9.3. Any changes agreed to shall be documented by duly approved and executed amendments to this Agreement or other means acceptable to both parties.

10. Notices.

10.1. All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address shown in Paragraph 10.2

10.2. Addresses for Notices

MPWMD: General Manager
Monterey Peninsula Water Management District
5 Harris Court, Bldg. G
Post Office Box 85
Monterey, California 93942

California American Water: Director, Coastal Division
California-American Water Company
511 Forest Lodge Road, Suite 100
Pacific Grove, California 93950

With a copy to: Vice President – Legal, Operations
California-American Water Company
1033 B Avenue, Suite 200
Coronado, CA 92118

11. References. This Agreement refers to the following prior documents:

11.1. CPUC Decision D.15-04-007, 22.5.18 Los Padres Dam Long-Term Plan Project (I15-400101);

April 23, 2013 letter, NMFS (Butler) to Cal-Am (Svindland) cited as Attachment 8 to Direct Testimony of F. Mark Schubert, P.E., Application A.13-07-002

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the day and year first above written.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

BY: David J. Stoldt
General Manager

CALIFORNIA AMERICAN WATER

BY: Robert MacLean
President

Exhibit A – Scope of Work

DRAFT

1. Upstream Volitional Steelhead Passage – All Life Stages

The feasibility and cost of building and maintaining facilities to allow volitional upstream passage over Los Padres Dam for all life stages of steelhead shall be evaluated. The study shall include the following:

- Define the feasible range of reservoir elevations and flows over which a ladder or other means of transporting steelhead should function;
- Evaluate and recommend the most effective fish entrance, ladder system, and exit to the reservoir for the flows and reservoir elevations anticipated;
- Provide preliminary designs and specifications sufficient for completion of an AACE Class 4 cost estimate.

2. Water Availability Analyses

MPWMD shall complete a linked surface-groundwater flow model for the Carmel River Basin based on GSFLOW. At a minimum, the following water availability analyses shall be conducted for the following scenarios:

- 1) existing conditions: existing LP reservoir storage (estimate as of 2008), existing Cal-Am diversions/operation in Carmel Valley; MPWMD will cooperate with CAW to develop assumptions for Carmel Valley operations for the short-term (i.e., 2015-2020).
- 2) existing LP reservoir storage, proposed Cal-Am diversions/operations in Carmel Valley with the Monterey Peninsula Water Supply Project completed (i.e., 2020 proposed operation); MPWMD will cooperate with CAW to develop assumptions for proposed 2020 Cal-Am operations;
- 3) existing LP reservoir storage to start, proposed 2020 Cal-Am operations, annual depletion of reservoir storage of 10 to 20 AFY;
- 4) no LP reservoir storage, existing diversions/operation in Carmel Valley;
- 5) no LP reservoir storage, proposed Cal-Am diversions/operation w/ MPWSP;
- 6) enhanced LP reservoir storage (3,030 AF), proposed Cal-Am diversions/operation w/ MPWSP, periodic reservoir maintenance to maintain capacity.

Model runs would be compared for aquifer storage, effects on lagoon openings, extent (or lack) of wetted riverfront, and days that instream flow requirements for steelhead are met.

3. Analysis of Carmel River Flow and Steelhead Habitat

Currently, releases from Los Padres Reservoir augment natural inflows to the main stem below Los Padres Dam and in dry periods these releases are frequently the only significant input to the main stem in the lower 24 miles of the river. Removal of the reservoir would likely significantly affect downstream river habitat during dry periods. Likewise, increasing reservoir storage could also change habitat for steelhead. In order to study the effect on steelhead of the removal of the dam or an increase in storage, an additional analysis involving evaluation of stream habitat would be conducted.

This second analysis would use the water availability data to analyze the effect on steelhead habitat using a hydraulic model and habitat suitability curves developed with the Instream Flow Incremental Method (IFIM). Effects of the different scenarios on the availability of suitable habitat for adult and juvenile steelhead would be evaluated and compared. However, due to drought conditions, completion of the IFIM for the Carmel River is uncertain. It is anticipated that if enough steelhead are in the river in the winter of 2015-16, an IFIM could be completed by the latter part of 2016.

4. Analysis of Geomorphic Effects of Sediment Releases

Since the winter of 1920-21, when San Clemente Dam was built, all bedload sediment and a portion of the suspended load from the upper watershed has been retained in the two main stem reservoirs. This has resulted in a narrowing of the channel downstream of San Clemente Dam in the alluvial portion of Carmel Valley (the lower 15.5 miles of the river) and “sediment starvation” in the active channel. A geomorphic analysis of the effect of two alternatives would be completed for: 1) bypassing all of the incoming bedload to Los Padres Reservoir (i.e., maintain existing reservoir volume); and 2) bypassing all of the incoming bedload to Los Padres Reservoir and periodically dredging existing reservoir sediment and adding to the bypassed sediment (i.e., steadily increase reservoir volume by increasing the bedload downstream of Los Padres Dam above the natural sediment load). Results would include the following:

- An estimate of the annual bedload and suspended load that would be delivered to the lower 15.5 miles of river;
- A characterization on a reach by reach basis (reaches to be similar to previous studies involving sediment transport) of the how the increased sediment load may change 1) the meander belt width (sinuosity), 2) active channel dimensions, 3) vegetation, 4) thalweg, 5) sediment gradation, 6) pool frequency and depth, 7) size and location of gravel bars;
- Timing and magnitude of sediment delivery to the lower 15 miles of the river.

In addition to analyzing downstream effects of an increased sediment load, an investigation would be completed of existing reservoir sediment gradation and an estimate made of the volume of spawning gravel that can be annually dredged. A determination would be made of reservoir sediment areas that can be dredged to provide spawning gravel for placement downstream of Los Padres Dam. The investigation would also include feasible options to create permanent access into the streamside area and a method for placement of spawning material.

An additional task would be to identify feasible options for removing dredged material from the reservoir and either moving the material to a nearby disposal area or placing it downstream of Los Padres Dam and allowing the river to carry the material downstream. To quantify existing particle gradation and better understand logistical constraints to sediment removal, a pilot dredging project involving removal of a portion of the reservoir sediment may be conducted.

Exhibit B - Budget

DRAFT

Estimated Costs

	Activity	Budget
1	Upstream Volitional Steelhead Passage – All Life Stages	250,000
2	Water Availability Analyses	100,000
3	Analysis of Carmel River Flow and Steelhead Habitat	250,000
4	Analysis of the Geomorphic Effects of Sediment Releases	200,000
	Contingencies	78,000
	Cal-Am project administration (\$24,000/year)	72,000
	MPWMD project administration (5%)	50,000
	Total	\$ 1,000,000

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ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

19. COMMITTEE REPORTS

Meeting Date: August 17, 2015 **Budgeted:** N/A

From: David J. Stoldt, **Program/** N/A
 General Manager **Line Item No.:**

Prepared By: Arlene Tavani **Cost Estimate:** N/A

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

Attached for your review as **Exhibits 19-A and 19-B** are final minutes of the committee meetings listed below.

EXHIBITS

- 19-A** Final Minutes of May 21, 2015 Water Supply Planning Committee Meeting
- 19-B** Final Minutes of April 30, 2015 Water Demand Committee Meeting



EXHIBIT 19-A

FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District May 21, 2015

Call to Order The meeting was called to order at 9:03 am 2511 Garden Road, Suite B-100, Monterey, CA.

Committee members present: Robert S. Brower, Sr. - Committee Chair
 David Pendergrass
 Jeanne Byrne

Committee members absent: None

Staff members present: David Stoldt, General Manager
 Joe Oliver, Water Resources Division Manager
 Arlene Tavani, Executive Assistant

Comments from the Public

Luke Coletti expressed concern that the 125 acre-feet of entitlement water from Pacific Grove's proposed wastewater reclamation project has not been proven as feasible. Although this project is described as a water conservation effort, it is actually a move to create water for growth. He expressed this opinion to the State Water Resources Control Board, and they appreciated the information. He stated that the issue of obtaining new water entitlements while the community is subject to the Cease and Desist Order (CDO) should be completely transparent.

Action Items

- 1. Consider Adoption of March 17, 2015 Committee Meeting Minutes**
On a motion by Pendergrass and second of Byrne, the minutes of the March 17, 2015 meeting were approved unanimously on a vote of 3 – 0 by Pendergrass, Byrne and Brower.

Discussion Items

- 2. Discuss Process to Become Groundwater Sustainability Agency within Jurisdiction of MPWMD**
Stoldt reviewed the process for establishment of a Groundwater Sustainability Agency (GSA). The area of jurisdiction would be the Water Management District boundary. Work does need to be done to define the boundaries of the groundwater basins within the District. The Water Management District considers the Seaside Groundwater Basin to be distinct and separate from the Salinas Valley Groundwater Basin; however, the Department of Water Resources (DWR) views them as one groundwater basin. The State Water Resources Control Board (SWRCB) views the Carmel Valley Alluvial

Aquifer as surface water flowing in a subterranean channel; however, the DWR views it as a groundwater aquifer. For the initial filing with the state, the District could define the Carmel Valley Alluvial Aquifer as referenced in DWR Bulletin 118. For the Seaside Goundwater Basin, the Water Management District could cite the portion of the basin within its boundaries. Oliver warned that DWR Bulletin 118 incorrectly defines the Seaside Basin. In 2009 the Water Management District submitted correcting information to DWR, but they took no action. Since then, DWR has established a process for amending the boundaries and that could affect plans to establish a GSA. Laredo noted that the Seaside Basin Watermaster is not eligible to serve as a GSA. Stoldt stated that the Water Management District will contact the Watermaster about the GSA, and coordinate on state mandated groundwater reporting requirements. At a future committee meeting, staff will present a draft resolution establishing the GSA. If a Salinas Valley GSA is formed, a joint powers authority would likely be established and the Water Management District would request membership.

3. Discuss 10-Year Forecast of Water Supply Charge Needs and Potential Uses

Stoldt reviewed the project expenditures listed in Exhibit 3-A of the committee packet. He explained that the GWR Operating Reserve shown is a fund that would accumulate approximately \$6 million to pay financing costs in the event that plant operations are temporarily halted and there are no water sales to cover those costs. The drought reserve category would be set aside to pay for water that would accumulate for use during a drought. Cal-Am will not fund production of water that is not sold, so accounts need to be established for the Operations Reserve and Drought Reserve. A public bond issue will include a reserve fund to cover debt service, but it would not have a reserve to cover fixed O&M costs. Exhibit 3-A reflects the assumption that the Water Management District would not obtain public bond monies, but instead would receive state revolving funds that cannot be used to fund reserves. Once the Pure Water Monterey Project is approved, financing could be obtained to pay prior expenses covered by the water supply charge. That would allow the Water Management District to replenish its reserves. Also, if the California Superior Court made a final determination in the District's favor on collection of the user fee, additional funds would be available.

During the public comment period, Luke Coletti asked if water from the Aquifer Storage and Recovery project was treated for iron removal before injection or upon recovery. Stoldt responded that the water was treated before injection and again upon recovery.

4. Discuss Action Plan for Los Padres Dam Improvements and Acquisition

Stoldt reported that the dam could be insured for up to \$10 million, which would create an unreasonable risk for the Water Management District if it were to take ownership of the dam. It may be possible that greater coverage is available. In discussions with Rob MacLean, Stoldt was advised that Cal-Am may not consider a transfer of ownership until results of studies underway are available. Therefore, Cal-Am may not be willing to work with the District very soon on expanding dam capacity. The Water Management District's ultimate goal is to take over Los Padres and expand its capacity. That would only be realistic if Los Padres could be dredged, and sediment moved annually at a cost of approximately \$40 million. The committee will continue to discuss this issue at future meetings.

During the public comment period on this item, Luke Coletti stated that an agency could not plan for an event such as the Marble Cone Fire which was the source of extensive siltation at San Clemente Dam.

5. Update on California-American Water Co. Desalination Plant

The committee reviewed action taken at the Monterey Peninsula Water Supply Project Governance Committee meeting regarding the test slant well. Stoldt noted that there is a concern in the community that if return flows are delivered to Zone 2C, they could be utilized by Marina Coast Water to supply the Monterey Downs Project. Stoldt has advised those concerned that agreements could be devised that would prevent the water from being used for new development.

During the public comment period on this item, Luke Coletti inquired about the plan for brine discharge, and if salinity levels will adversely affect the squid fishery. He opined that the discharge modeling method utilized for the EIR was proved to be “bogus” at a hearing before the SWRCB. Stoldt responded that during the summer months, the desal brine will be mixed with reject water from the groundwater replenishment project. The discharge will meet permit requirements.

6. Update on Pure Water Monterey Project

Stoldt provided an update on progress with the project. He stated that the City of Marina must make a decision as to use of its pipeline for the project. Another unresolved issue is if the County of Monterey will be designated as a discharger, and if so, must water from the Blanco drain be treated to drinking water standards. Also, the cost distribution aspects of the project must be developed.

7. Update on Local Water Projects

Stoldt reported that staff is working with the Monterey Peninsula Airport District, Monterey County Fairgrounds, and the City of Pacific Grove on local water projects. The Pebble Beach Company and the City of Seaside have both proposed projects, but there may not be sufficient grant funds for both proposals.

During the public comment period on this item, Luke Coletti stated that the projects funded by Local Water Project grants should focus on water conservation, not new connections that are an “end run” around the CDO. He inquired about the Pebble Beach project at Old Del Monte. Stoldt responded that the Pebble Beach project entails exploratory work on an old well to determine if there is a non-potable supply that could offset potable use.

Suggestions from the Public on Water Supply Project Alternatives

No comments.

Set Next Meeting Date

No date set.

Adjournment – The meeting was adjourned at 10:30 am.

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EXHIBIT 19-B

FINAL MINUTES Water Demand Committee of the Monterey Peninsula Water Management District *April 30, 2015*

Call to Order

The meeting was called to order at 1:37 pm in the MPWMD conference room.

Committee members present: Kristi Markey, Chair
Jeanne Byrne

Committee members absent: Brenda Lewis

Staff members present: David J. Stoldt, General Manager
Stephanie Locke, Water Demand Division Manager
Sara Reyes, Office Services Supervisor

Comments from the Public: No comments.

Action Items

- 1. Consider Adoption of March 17, 2015 Committee Meeting Minutes**
On a motion by Byrne and second of Markey, the committee approved the March 17, 2015 minutes on a vote of 2 – 0 by Byrne and Markey.

Discussion Items

- 2. Discuss Draft Monterey Peninsula Water Conservation and Rationing Plan**
The Committee agreed with staff's focus on discussing with key agencies the Water Conservation and Rationing Plan to address their concerns.

Stoldt and Locke described the key features of the Draft Conservation and Rationing Plan. (a) Locke: Concepts of this plan completely replace Regulation XV of the District's Rules and Regulations. (b) Specifies Regulatory Production Targets and Physical Storage Targets which respond to both the Cease and Desist Order and drought conditions. (c) Four distinct stages: Stage 1 - Prohibition on Water Waste (current stage the District is complying with), Stage 2 - Voluntary Reduction in Use, Stage 3 - Conservation Rates, Stage 4 – Water Rationing. (d) Special rule has been added to address Variances. (e) Staff plans to discuss the conservation and rationing plan with Cal-Am, the jurisdictions, residents, hospitality and business industry, recycled water users and local interested parties.

Public comment: (a) **John Narigi**, Co-Chair of the Coalition of Peninsula Businesses, stated the simplified four stage plan works better and seems to be a good plan. Q1: why

is Tier 1 residential use, which is the largest user of water, left free? *Stoldt stated the District and Cal-Am concurred it would not be a good idea to penalize low water users or Tier 1 households who are using less water than those in Tier 2 and above.* Q2. With regards to topics to be addressed, has there been any thought on establishing two types of cutbacks such as those using Best Management Practice (BMPs) and those who are not? *Stoldt stated this would be addressed as a variance and referred to page 31, Section F., 1.b. - Non-Residential Rations.* Q3: What about when rationing becomes severe, which will have a big impact on local businesses that are already practicing BMPs, should this be discussed now or later? *Stoldt stated businesses practicing BMPs will be recognized for their efforts and the District would work with these groups to limit harsh impacts.*

Other Items: No additional items were discussed.

Set Next Meeting Date

The committee will schedule its next meeting when staff deems it appropriate.

Adjournment

The meeting was adjourned at 2:53 pm.

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ITEM: INFORMATIONAL ITEM/STAFF REPORTS

20. MONTHLY ALLOCATION REPORT

Meeting Date:	August 17, 2015	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program:	N/A
		Line Item No.:	
Prepared By:	Gabriela Ayala	Cost Estimate:	N/A

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

SUMMARY: As of July 31, 2015, a total of **25.830** acre-feet (**7.5%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.861** acre-feet is available to the Jurisdictions, and **30.479** acre-feet is available as public water credits.

Exhibit 20-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in July 2015 (“changes”), and the quantities remaining. The Paralta Allocation had one credit in July 2015.

Exhibit 20-A also shows additional water available to each of the Jurisdictions and the information regarding the Community Hospital of the Monterey Peninsula (Holman Highway Facility). Additional water from expired or canceled permits that were issued before January 1991 are shown under “PRE-Paralta.” Water credits used from a Jurisdiction’s “public credit” account are also listed. Transfers of Non-Residential Water Use Credits into a Jurisdiction’s Allocation are included as “public credits.” **Exhibit 20-B** shows water available to Pebble Beach Company and Del Monte Forest Benefited Properties, including Macomber Estates, Griffin Trust. Another table in this exhibit shows the status of Sand City Water Entitlement.

BACKGROUND: The District’s Water Allocation Program, associated resource system supply limits, and Jurisdictional Allocations have been modified by a number of key ordinances. These key ordinances are listed in **Exhibit 20-C**.

EXHIBITS

- 20-A** Monthly Allocation Report
- 20-B** Monthly Entitlement Report
- 20-C** District’s Water Allocation Program Ordinances

EXHIBIT 20-A

**MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of July 2015**

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.410	0.000	1.397	1.081	0.000	1.081	0.910	0.000	0.182	2.660
Del Rey Oaks	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.320	0.000	0.203	50.659	0.000	0.030	38.121	0.000	3.661	3.894
Monterey County	87.710	0.000	10.284	13.080	0.000	0.000	7.827	0.000	1.891	12.175
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.312	15.874	0.000	0.228	0.540
Sand City	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.450	1.406 Cr	8.749	34.438	0.000	34.438	2.693	0.000	1.144	44.331
TOTALS	342.720	1.406. Cr	25.830	101.946	0.000	35.861	90.142	0.000	30.479	92.170

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.023 Credit	32.199	0.801
Water West	12.760	0.000	8.352	4.408

* Does not include 15.280 Acre-Feet from the District Reserve prior to adoption of Ordinance No. 73.

EXHIBIT 20-B

**MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of July 2015**

Recycled Water Project Entitlements

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
Pebble Beach Co. ¹	241.280	0.080	11.736	229.544
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	123.720	0.116	39.165	84.555
Macomber Estates	10.000	0.000	9.595	0.405
Griffin Trust	5.000	0.000	4.809	0.191
CAWD/PBCSD Project Totals	380.000	0.196	65.305	314.695

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	165.00	0.000	3.572	161.428

Increases in the Del Monte Forest Benefited Properties Entitlement will result in reductions in the Pebble Beach Co. Entitlement.

EXHIBIT 20-C

District's Water Allocation Program Ordinances

Ordinance No. 1 was adopted in September 1980 to establish interim municipal water allocations based on existing water use by the jurisdictions. Resolution 81-7 was adopted in April 1981 to modify the interim allocations and incorporate projected water demands through the year 2000. Under the 1981 allocation, Cal-Am's annual production limit was set at 20,000 acre-feet.

Ordinance No. 52 was adopted in December 1990 to implement the District's water allocation program, modify the resource system supply limit, and to temporarily limit new uses of water. As a result of Ordinance No. 52, a moratorium on the issuance of most water permits within the District was established. Adoption of Ordinance No. 52 reduced Cal-Am's annual production limit to 16,744 acre-feet.

Ordinance No. 70 was adopted in June 1993 to modify the resource system supply limit, establish a water allocation for each of the jurisdictions within the District, and end the moratorium on the issuance of water permits. Adoption of Ordinance No. 70 was based on development of the Paralta Well in the Seaside Groundwater Basin and increased Cal-Am's annual production limit to **17,619** acre-feet. More specifically, Ordinance No. 70 allocated 308 acre-feet of water to the jurisdictions and 50 acre-feet to a District Reserve for regional projects with public benefit.

Ordinance No. 73 was adopted in February 1995 to eliminate the District Reserve and allocate the remaining water equally among the eight jurisdictions. Of the original 50 acre-feet that was allocated to the District Reserve, 34.72 acre-feet remained and was distributed equally (4.34 acre-feet) among the jurisdictions.

Ordinance No. 74 was adopted in March 1995 to allow the reinvestment of toilet retrofit water savings on single-family residential properties. The reinvested retrofit credits must be repaid by the jurisdiction from the next available water allocation and are limited to a maximum of 10 acre-feet. This ordinance sunset in July 1998.

Ordinance No. 75 was adopted in March 1995 to allow the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities. Fifteen percent of the savings are set aside to meet the District's long-term water conservation goal and the remainder of the savings are credited to the jurisdictions allocation. This ordinance sunset in July 1998.

Ordinance No. 83 was adopted in April 1996 and set Cal-Am's annual production limit at **17,621** acre-feet and the non-Cal-Am annual production limit at **3,046** acre-feet. The modifications to the production limit were made based on the agreement by non-Cal-Am water users to permanently reduce annual water production from the Carmel Valley Alluvial Aquifer in exchange for water service from Cal-Am. As part of the agreement, fifteen percent of the historical non-Cal-Am production was set aside to meet the District's long-term water conservation goal.

Ordinance No. 87 was adopted in February 1997 as an urgency ordinance establishing a community benefit allocation for the planned expansion of the Community Hospital of the Monterey Peninsula (CHOMP). Specifically, a special reserve allocation of 19.60 acre-feet of production was created exclusively for the benefit of CHOMP. With this new allocation, Cal-Am's annual production limit was increased to **17,641** acre-feet and the non-Cal-Am annual production limit remained at **3,046** acre-feet.

Ordinance No. 90 was adopted in June 1998 to continue the program allowing the reinvestment of toilet retrofit water savings on single-family residential properties for 90-days following the expiration of Ordinance No. 74. This ordinance sunset in September 1998.

Ordinance No. 91 was adopted in June 1998 to continue the program allowing the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities.

Ordinance No. 90 and No. 91 were challenged for compliance with CEQA and nullified by the Monterey Superior Court in December 1998.

Ordinance No. 109 was adopted on May 27, 2004, revised Rule 23.5 and adopted additional provisions to facilitate the financing and expansion of the CAWD/PBCSD Recycled Water Project.

Ordinance No. 132 was adopted on January 24, 2008, established a Water Entitlement for Sand City and amended the rules to reflect the process for issuing Water Use Permits.

ITEM: INFORMATIONAL ITEM/STAFF REPORTS

21. WATER CONSERVATION PROGRAM REPORT

Meeting Date: August 17, 2015 **Budgeted:** N/A

From: David J. Stoldt,
General Manager **Program/
Line Item No.:** N/A

Prepared By: Michael Boles **Cost Estimate:** N/A

Committee Recommendation: N/A

CEQA Compliance: N/A

I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM

District Regulation XIV requires the retrofit of water fixtures upon Change of Ownership or Use with High Efficiency Toilets (HET) (1.28 gallons-per-flush), 2.0 gallons-per-minute (gpm) Showerheads, 2.2 gpm faucet aerators, and Rain Sensors on all automatic Irrigation Systems. Property owners must certify the Site meets the District's water efficiency standards by submitting a Water Conservation Certification Form (WCC), and a Site inspection is often conducted to verify compliance.

A. Changes of Ownership

Information is obtained monthly from *Realquest.com* on properties transferring ownership within the District. The information is entered into the database and compared against the properties that have submitted WCCs. Details on **127** property transfers that occurred in July 2015 were entered into the database.

B. Certification

The District received **64** WCCs between July 1, 2015 and July 31, 2015. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

In July, **119** properties were certified to verify compliance with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **119** inspections certified, **102 (86%)** were in compliance. **Two** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards.

District inspectors are tracking toilet replacement with High Efficiency Toilets (HET) in place of ULF toilets. These retrofits are occurring in remodels and new construction, and are the toilet of choice for Rule 144 compliance. State law mandated the sale and installation of HET by January 1, 2014, with a phase-in period that began in 2010. The majority of toilets sold in California are HET.

Savings Estimate

Water savings from HET retrofits triggered by Rule 144 verified in July 2015 are estimated at **0.110** acre-feet annually (AFA). Water savings from retrofits that exceeded requirements

(i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.370** AFA (37 toilets). Year-to-date estimated savings occurring as a result of toilet retrofits is **8.410** AFA.

D. Water Waste Enforcement

In response to the State's drought emergency conservation regulation effective August 1, 2014, the District has increased its Water Waste enforcement. The District has a Water Waste Hotline 831-658-5653 or an online form to report Water Waster occurrences at www.mpwmd.net or www.montereywaterinfo.org. There were **26** Water Waste responses during the past month. There was **one** repeated incident that resulted in a fine.

II. WATER DEMAND MANAGEMENT

A. Permit Processing

District Rule 23 requires a Water Permit application for all properties that propose to expand or modify water use on a Site, including New Construction and Remodels. District staff processed and issued **55** Water Permits in July 2015. **Two** Water Permits were issued using water entitlements (Macomber, Pebble Beach Company, Griffin Estates, etc). No Water Permit involved a debit to a Public Water Credit Account.

All Water Permits have a disclaimer informing applicants of the Cease and Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water. All Water Permit recipients with property supplied by a California American Water Distribution System will continue to be provided with the disclaimer.

District Rule 24-3-A allows the addition of a second Bathroom in an existing Single-Family Dwelling on a Single-Family Residential Site. Of the **55** Water Permits issued in July, **two** were issued under this provision.

B. Permit Compliance

District staff completed **77** Water Permit final inspections during July 2015. **Fifteen** of the final inspections failed due to unpermitted fixtures. Of the **53** properties that were in compliance, **48** passed on the first visit. In addition, **three** pre-inspections were conducted in response to Water Permit applications received by the District.

C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy regarding the processing of deed restrictions. In the month of July, the District prepared **49** deed restrictions. Of the **55** Water Permits issued in July, **33 (60%)** required deed restrictions. District staff provided Notary services for **74** Water Permits with deed restrictions.

III. JOINT MPWMD/CAW REBATE PROGRAM

The Water Conservation Rebate Program is available for purchase of Qualifying Devices.

Participation in the rebate program is detailed in the following chart. The table below indicates the program summary for California American Water Company.

REBATE PROGRAM SUMMARY		July-2015				2015 YTD	1997 - Present	
I. Application Summary								
A.	Applications Received	189				1144	19889	
B.	Applications Approved	157				917	15628	
C.	Single Family Applications	178				1063	17898	
D.	Multi-Family Applications	8				61	1003	
E.	Non-Residential Applications	3				20	233	
II. Type of Devices Rebated		Number of devices	Rebate Paid	Estimated AF	Gallons Saved	YTD Quantity	YTD Paid	YTD Est AF
A.	High Efficiency Toilet (HET)	18	1784.00	0.751464	244865.296	168	25343.92	7.013664
B.	Ultra Low Flush to HET	107	5008.22	1.070000	348660.570	363	19778.22	3.63
C.	Ultra HET	52	5650.00	0.520000	169442.520	69	9214.83	0.69
D.	Toilet Flapper	0	0.00	0.000000	0.000	3	31.95	0
E.	High Efficiency Dishwasher	14	1750.00	0.042000	13685.742	111	13875.00	0.333
F.	High Efficiency Clothes Washer	54	26987.49	0.869400	283294.859	335	167123.88	5.3935
G.	Instant-Access Hot Water System	4	788.00	0.000000	0.000	10	1966.99	0
H.	On Demand Systems	1	100.00	0.000000	0.000	3	300.00	0
I.	Zero Use Urinals	0	0.00	0.000000	0.000	1	300.00	0.02
J.	High Efficiency Urinals	0	0.00	0.000000	0.000	0	0.00	0
K.	Pint Urinals	0	0.00	0.000000	0.000	2	492.12	0.04
L.	Cisterns	12	1175.00	0.000000	0.000	23	7073.75	0
M.	Smart Controllers	2	270.00	0.000000	0.000	2	270.00	0
N.	Rotating Sprinkler Nozzles	22	88.00	0.000000	0.000	88	352.00	0
O.	Moisture Sensors	0	0.00	0.000000	0.000	0	0.00	0
P.	Lawn Removal & Replacement	5	6981.00	0.578700	188569.974	14	19180.00	1.644338
Q.	Graywater	2	200.00	0.000000	0.000	2	200.00	0
R.	Ice Machines	0	0.00	0.000000	0.000	0	0.00	0
III. Totals: Month; AF; Gallons; YTD		293	50781.71	3.831564	1248518.961	1194	265502.66	18.764502
							2015 YTD	1997 - Present
IV. Total Rebated: YTD; Program							265502.66	4628465.01
V. Estimated Water Savings in Acre-Feet Annually*							18.764502	469.7904

* Retrofit savings are estimated at 0.041748 AF/HET; 0.01 AF/UHET; 0.01 AF/ULF to HET; 0.003 AF/dishwasher, 0.0161 AF/residential washer; 0.116618 AF/commercial washer; 0.0082 AF/100 square feet of lawn removal.

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

22. CARMEL RIVER FISHERY REPORT FOR JULY 2015

Meeting Date: August 17, 2015 **Budgeted:** N/A

From: David J. Stoldt, General Manager **Program/Line Item No.:** N/A

Prepared By: Beverly Chaney **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: N/A

AQUATIC HABITAT AND FLOW CONDITIONS: During July 2015, flow conditions in the lower river were inadequate for migration of all steelhead life stages. Mean daily streamflow at the MPWMD Highway 1 (HW 1) gage ranged from 0 to 1.5 cubic feet-per-second (cfs) (mean 0.06 cfs) with 3.7 total acre-feet (AF) of runoff, while flow at the Sleepy Hollow Weir ranged from 5 to 10 cfs (mean 7 cfs).

By mid-July, the lower Carmel River had mostly dried up to Schulte Road Bridge, river mile (RM) 6.7, before rewetted later in the month to RM 6.3. The additional 0.2 miles of river near the Carmel Valley Trail and Saddle Club (CVTSC) (RM 13.3) also rewetted. All major tributaries below San Clemente Dam (SCD) remained dry at their confluences with the Carmel River.

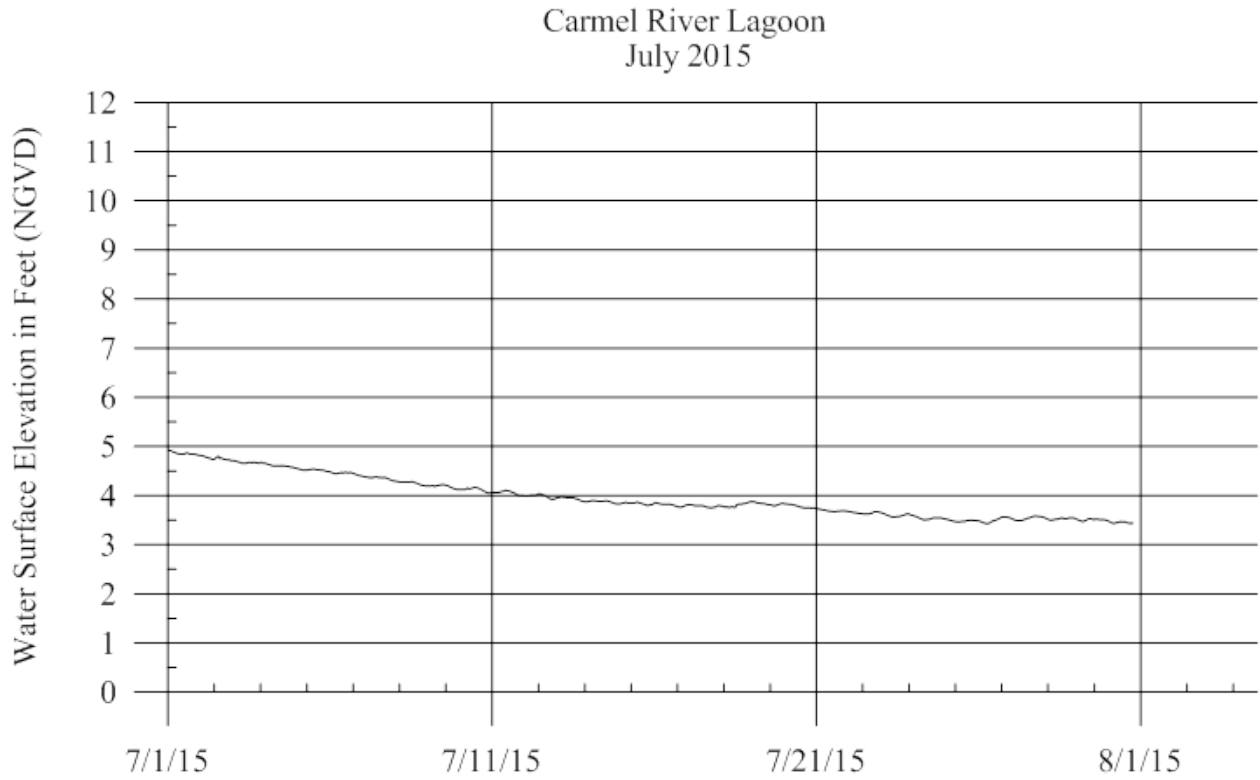
During July, remnants of a large tropical storm brought up to an inch of rainfall to parts of Carmel Valley but only 0.09 inches of rainfall were recorded at California American Water's (Cal-Am) SCD gage. The rainfall total for WY 2015 (which started on October 1, 2014) is 16.0 inches, or 76% of the long-term year-to-date average of 21.0 inches.

CARMEL RIVER LAGOON: On December 12, 2014, the lagoon filled and opened to the sea for the first time since May 24, 2013. After a final breaching in late March 2015, the beach berm built up and the lagoon started slowly filling. The lagoon's water-surface elevation (WSE) in July dropped steadily from 5.0 to 3.5 feet above mean sea level as water slowly seeped through the sand berm or evaporated (see graph below).

Water-quality profiles were conducted in mid-July at five lagoon sites. Conditions were generally "poor" for steelhead rearing with water temperatures between 70 - 75 degrees Fahrenheit. Dissolved oxygen (DO) was variable, ranging from 0.1 - 13 mg/L, and salinity levels ranged from 2 - 12 parts per thousand (ppt).

JUVENILE STEELHEAD RESCUES: Rescues began on May 22, 2015 as flow at the HW 1 Gage dropped below 10 cfs. Through the end of July, 644 steelhead were rescued between HW1 and DeDampierre Park in Carmel Valley Village including: 544 YOY, 44 age 1+ juveniles, 50

resident adults, and six mortality (0.9%). All rescued fish were transported and released into the Carmel River in the Cachagua reach below Los Padres Dam.



ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

23. SEMI-ANNUAL FINANCIAL REPORT ON THE CAWD/PBCSD WASTEWATER RECLAMATION PROJECT

Meeting Date: August 17, 2015 Budgeted: N/A

From: David J. Stoldt, General Manager Program/ Line Item No.: N/A

Prepared By: Suresh Prasad Cost Estimate: N/A

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

This report relates to the original CAWD/PBCSD Wastewater Reclamation Project (Phase I) only and does not contain any information related to the CAWD/PBCSD Recycled Water Expansion Project (Phase II). On December 10, 1992, the Monterey Peninsula Water Management District (MPWMD or District) sold \$33,900,000 worth of variable rate certificates of participation to finance the wastewater reclamation project in Pebble Beach. The tables below summarize the investment information on funds held for future use, disbursements, and interest rate trends on the outstanding certificates for the period January 1, 2015 through June 30, 2015. During the first reporting period in 2006, the Wastewater Reclamation Project’s (Project) Operations and Maintenance Reserve and Renewal and Replacement Reserve accounts were transferred to the Carmel Area Wastewater District in accordance with the Project’s Amended Construction and Operations Agreement dated December 15, 2004. The Project’s Operations and Maintenance account (Bank of America) and Certificate of Participation accounts (U.S. Bank) remain under the control of the District and will continue to be reported on this report and future reports.

Par of 1992 Certificates \$33,900,000

Investments as of June 30, 2015:

<u>Description</u>	<u>Institution</u>	<u>Market Value</u>	<u>Rate/Yield</u>	<u>Term</u>
Interest Fund	U.S. Bank	\$327	0.00%	Daily
Certificate Payment Fund	U.S. Bank	\$791	0.00%	Daily
Acquisition/Rebate Funds	U.S. Bank	\$19	0.00%	Daily
Water Sales Revenue Acct.	Bank of America	\$137,714	0.03%	Daily

Operation and Maintenance Disbursements:

MPWMD transferred advances in the amount of \$2,182,000 from the Water Sales Revenue Account to the Carmel Area Wastewater District during this reporting period. Advance payments are provided in accordance with the terms and conditions of Section 5.5 (a) of the Operation and Maintenance Agreement.

As provided in the Water Purchase Agreement, the obligation of the District to make disbursements is a special obligation of the District, payable solely from net operating revenues of the project, monies in the Revenue Fund, and other funds described in the Trust Agreement. In no event, will disbursements be payable out of any funds or properties of the District other than such sources.

Principal and Interest on Certificates:

No principal payment was made by the Pebble Beach Company during this reporting period. The outstanding balance on the Certificates is currently \$17,600,000.

The interest rate on the Series 1992 Certificates was set initially at 2.30 percent per annum until December 16, 1992. On that date and weekly thereafter, so long as the certificates are in the variable mode, the Remarketing Agent, Stone & Youngberg, determines the rate of interest. Interest rates for this reporting period fluctuated between 0.03% and 0.12%.

On June 7, 2000, the Reclamation Management Committee noted that the Capital Interest Fund, used for payment of monthly interest on the outstanding certificates, would soon be exhausted. The Committee discussed the use of water sales revenue to make future interest payments. On July 3, 2000, the Reclamation Technical Advisory Committee affirmed the use of water sales revenue for interest payments when excess funds are available.

Effective July 1, 2013, the Reclamation Project water rates have been delinked from the California American Water Company potable rates. The rates are now set based on revenue requirement for the Project.

EXHIBIT

None

ITEM: INFORMATIONAL ITEMS/STAFF REPORT

24. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT

Meeting Date: August 17, 2015 **Budgeted:** N/A

From: David J. Stoldt, **Program/** N/A
 General Manager **Line Item No.:**

Prepared By: Jonathan Lear **Cost Estimate:** N/A

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

Exhibit 24-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **August 1, 2015**. This system includes the surface water resources in the Carmel River Basin, the groundwater resources in the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin. **Exhibit 24-A** is for Water Year (WY) 2015 and focuses on four factors: rainfall, runoff, storage, and steelhead. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at San Clemente Dam.

Water Supply Status: As shown, rainfall through **July 2015** totaled **0.09 inches** and brings the cumulative rainfall total for WY 2015 to **15.99 inches**, which is **76%** of the long-term average through **July**. Estimated unimpaired runoff during **July 2015** totaled **51 acre-feet (AF)** and brings the cumulative runoff total for WY 2015 to **22,158 AF**, which is **33%** of the long-term average through **July**. Usable storage, which includes surface and groundwater, was **29,330 AF**, or **98%** of the long-term average through **July**. This storage equates to **78%** of system capacity. In addition, **7 adult steelhead** were counted in the fish ladder at San Clemente Dam through **July**.

Production Compliance: Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2009-0060, California American Water (Cal-Am) is allowed to produce no more than 9,945 AF of water from the Carmel River in WY 2015. In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 2,259AF of water from the Coastal Subareas and 48 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2015. Altogether, Cal-Am is currently allowed to produce 12,196 AF from Carmel River and Seaside Coastal sources for customers in its main Monterey system and 48 AF from the Laguna Seca Subarea for customers in Ryan Ranch, Hidden Hills, and Bishop Systems (not adjusted for ASR recovery or Sand City Desalination). For WY 2015 through **July**, Cal-Am has produced **8,120 AF** from the Carmel River, Seaside Basin, Sand City Desalination, and ASR recovery, for customer use. This water production is **1,686 AF** or **17.2 % less** than the target specified for Cal-Am's production from the MPWRS for WY 2015 through **July**. A breakdown of Cal-Am's production for WY 2015 through **July** is included as **Exhibit 24-B**. Cal-Am's production from the Carmel River Basin is reduced for diversions that are made for injection into the Seaside Basin; Cal-Am's "native" Seaside Basin production is reduced for injected water recovery. For WY 2015 through **July**, **215 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use. **Exhibit 24-C** shows production breakdown from all sources for all uses. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data.

EXHIBITS





24-A Water Supply Status: **August 1, 2015**

24-B Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: Water Year 2015

24-C Monthly Cal-Am production by source: WY 2015

EXHIBIT 24-A

**Monterey Peninsula Water Management District
Water Supply Status
August 1, 2015**

Factor	Water Year 2015 Oct - Jul 15	Average To Date	Percent of Average	Water Year 2014 Oct - Jul 14
 Rainfall (Inches)	15.99	21.00	76%	10.42
 Runoff (Acre-Feet)	22,158	67,458	33%	6,970
 Storage (Acre-Feet)	29,330	30,040	98%	27,500
 Steelhead (Adults) (Juveniles)	7	402 ---	1.7% ---	0 --

Notes:

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at San Clemente Dam average 21.3 inches and 68,400 acre-feet, respectively. Annual values are based on the water year that runs from October 1 to September 30 of the following calendar year. The rainfall and runoff averages at the San Clemente Dam site are based on records for the 1922-2014 and 1902-2014 periods, respectively.
2. The rainfall and runoff totals are based on measurements through **July 2015**.
3. Storage estimates refer to usable storage in the Monterey Peninsula Water Resources System (MPWRS) that includes surface water in Los Padres and San Clemente Reservoirs and ground water in the Carmel Valley Alluvial Aquifer and in the Coastal Subareas of the Seaside Groundwater Basin. The storage averages are end-of-month values and are based on records for the 1989-2014 period. The storage estimates are end-of-month values for **July 2015**.
4. The maximum usable storage capacity for the MPWRS at this time, with the flashboard in at Los Padres Dam and no capacity at San Clemente Dam, is 37,639 acre-feet.
5. The adult steelhead count refers to the number of sea-run adults (> 15 inches) that have migrated up the fish ladder at San Clemente Dam in Water Year 2015. The juvenile count refers to the number of juveniles that were rescued by District staff from drying reaches of the Carmel River and its tributaries in Water Year 2015. The adult count average is based on records for the 1994-2014 period.

EXHIBIT 24-B

California American Water Production Distributed by Associated Water Rights: Water Year 2015

(All Values in Acre-Feet)

	Carmel River Water Diverted by Cal-Am for Customer Service Under 95-10 Rights ¹	Seaside Groundwater Diverted by Cal-Am from Coastal Subareas for Customer Service Under Adjudicated Rights ⁴	Seaside Groundwater Diverted by Cal-Am from Laguna Seca Subarea for Customer Service Under Adjudicated Rights ⁴	Total Seaside Basin Adjudicated Diversions for Customer Service ⁴	Total Production Under 95-10 Rights and Seaside Basin Adjudicated Rights ^{1,3}	Carmel River Water Diverted by Cal-Am for ASR Injection Under 20808A and C Rights ²	Seaside Groundwater Recovered by Cal-Am for Customer Service Under ASR Rights ⁴	Desalinated Water from Sand City Plant
	Limit: 9,749 acre-feet ²	Limit: 2,251 acre-feet	Limit: 48 acre-feet	Limit: 2,299 acre-feet	Limit: 12,048 acre-feet	Limit: 5,326 acre-feet	Target: 215 acre-feet	Target: 300 acre-feet
Oct-14	614	279	32	311	925	0	0	17
Nov-14	559	149	23	172	731	0	0	20
Dec-14	470	159	20	179	649	113	0	8
Jan-15	681	32	24	56	737	0	0	26
Feb-15	541	117	20	137	678	102	0	14
Mar-15	688	53	26	79	767	0	0	29
Apr-15	574	223	26	249	823	0	0	18
May-15	699	88	26	114	813	0	0	29
Jun-15	449	374	30	405	854	0	0	26
Jul-15	475	440	33	473	948	0	0	10
Aug-15								
Sep-15								
Total	5,749	1,913	262	2,174	7,923	215	0	196

California American Water Limit Adjustments to Comply with Associated Water Rights : Water Year 2015

(All Values in Acre-Feet)

	Carmel River Water Diverted by Cal-Am for Customer Service Under 95-10 Rights ¹	Carmel River Water Diverted by Cal-Am for ASR Injection Under 20808 Rights ³	Total Water Diverted from Carmel River for Customer Service and Injection	Seaside Groundwater Recovered by Cal-Am for Customer Service Under ASR Rights ⁵	Desalinated Water from Sand City Plant ²	Total Adjustment to 95-10 Water Right	95-10 Water Right Adjusted Monthly	Total Production for Customer Service from MPWRS and Sand City Desal
	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-14	614	0	614	0	17	17	9,928	942
Nov-14	559	0	559	0	20	20	9,907	751
Dec-14	470	113	583	0	8	8	9,899	657
Jan-15	681	0	681	0	26	26	9,873	763
Feb-15	541	102	643	0	14	14	9,859	691
Mar-15	688	0	688	0	29	29	9,830	796
Apr-15	574	0	574	0	18	18	9,813	841
May-15	699	0	699	0	29	29	9,784	841
Jun-15	449	0	449	0	26	26	9,758	879
Jul-15	475	0	475	0	10	10	9,749	958
Aug-15								
Sep-15								
Total	5,749	215	5,965	0	196	196		8,120

Notes:

- "95-10 Rights" refer to water rights that were recognized by the State Water Resources Control Board (SWRCB) in Order No. WR 95-10 in July 1995 and assigned to California American Water. The rights total 3,376 acre-feet annually (AFA).
- "20808A Rights" refer to water rights that are held jointly by MPWMD and Cal-Am for the Phase 1 ASR project. "ASR" refers to Aquifer Storage and Recovery. "20808A" refers to Water Right Permit 20808A that was issued by the SWRCB in November 2007, for a maximum annual diversion of 2,426 AF. "20808C" refers to water rights permit 20808C, issued in November 2011 for a maximum annual diversion of 2,900AF.
- "Adjudicated Rights" refer to groundwater rights determined by the Superior Court of Monterey County in March 2006 and a mended in February 2007. These limits are subject to change by action of the Seaside Basin Watermaster and were updated by the Watermaster on November 30, 2011.

EXHIBIT 24-B

Quarterly Water Budget Targets vs. Rule 162: Water Year 2015

(All Values in Acre Feet)

Quarterly Budget											Rule 162		Production
95-10 Monthly Budget	ASR Diversion for Injection	Total Carmel River Diversions for Customer Service and ASR Injection	Seaside Adjudication Monthly Budget (Coastal)	Seaside Adjudication Monthly Budget (Laguna Seca)	Seaside Adjudication Monthly Budget Combined	ASR Recovery Budget	Sand City Desal Budget	Monthly Production for Customer Use Target ⁵	End of Month Production Adopted	End of Month Cumulative to date	MPWRS to date		
acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet		
1st Oct-14	667	0	667	400	5	405	0	25	1,097	1,097	1,097	942	
Qtr Nov-14	593	0	593	300	3	303	0	25	921	921	2,019	751	
Dec-14	684	145	829	100	3	103	0	25	812	812	2,831	657	
2nd Jan-15	686	230	916	100	3	103	0	25	814	814	3,643	763	
Qtr Feb-15	635	320	955	100	2	102	0	25	762	762	4,406	691	
Mar-15	739	345	1,084	100	3	103	0	25	867	867	5,273	796	
3rd Apr-15	905	100	1,005	0	3	3	0	25	933	933	6,206	841	
Qtr May-15	1,106	100	1,206	0	5	5	0	25	1,136	1,136	7,341	841	
Jun-15	1,149	0	1,149	0	5	5	0	25	1,179	1,179	8,521	879	
4th Jul-15	953	0	953	301	6	307	0	25	1,285	1,285	9,805	958	
Qtr Aug-15											11,069		
Sep-15											12,243		

California American Water Production vs. Water Budget and Water Right Limits: Water Year 2015

(All Values in Acre Feet)

Cal-Am Production vs. Quarterly Water Budget Targets											Cal-Am Production vs. EOM Totals	
95 - 10 Production for Customer Use vs. Monthly Targets		Seaside Coastal		Laguna Seca		Seaside Combined		Sand City Desal		Cal-Am Production vs. Rule 162		
Monthly Comparison		Monthly Comparison		Monthly Comparison		Monthly Comparison		Monthly Comparison		Year to Date		
acre-feet under	% Under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under	acre-feet under	% under	
1st Oct-14	53	0	121	0	-27	-5	94	0	8	0	155	14.1%
Qtr Nov-14	34	0	151	1	-20	-7	131	0	5	0	170	18.4%
Dec-14	214	0	-59	0	-17	-6	-76	-1	17	1	155	19.1%
2nd Jan-15	5	0	68	2	-21	-7	47	0	-1	0	51	6.3%
Qtr Feb-15	94	0	-17	0	-18	-9	-35	0	11	0	71	9.3%
Mar-15	51	0	47	1	-23	-8	24	0	-4	0	71	8.2%
3rd Apr-15	331	0	-223	-1	-23	-8	-246	-82	7	0	92	9.9%
Qtr May-15	407	0	-88	-1	-21	-4	-109	-22	-4	0	295	25.9%
Jun-15	700	1	-374	-1	-25	-5	-400	-80	-1	0	300	25.4%
4th Jul-15	478	1	-139	0	-27	-5	-166	-1	15	1	327	25.5%
Qtr Aug-15												
Sep-15												
Annual Statistics	AF Remaining	% Remaining	AF Remaining	% Remaining	AF Remaining	% Remaining	AF Remaining	% Remaining	AF Remaining	% Remaining	1,686	17.2%
	3,999	41.0%	338	15.0%	-214	-444.9%	125	5.4%	104	34.6%		

4. "Target" refers to the maximum amount of water that Cal-Am will try to recover each year for customer service as part of the Phase 1 and 2 ASR Project. The actual amount of water that is recovered will depend on the amount injected during a particular water year and previous water years.
5. Monthly Budget Target numbers from Quarterly Budget Meetings.
6. Budget Target vs. Rule 162 used for the purpose of tracking compliance with MPWMD water rationing rules.
7. Water Production vs. Water Budget and Water Rights Limits are tracked for compliance with Order 2009-0060 and Seaside Adjudication.
8. Production from ASR and Sand City Desalination plant reduce 95-10 water right.

EXHIBIT 24-C

California American Water Production by Source: Water Year 2015

	Carmel Valley Wells ¹						Seaside Wells ²						Total Wells			Sand City Desal		
	Actual		Anticipated ³		Under Target		Actual		Anticipated		Under Target		Actual	Anticipated	Acre-Feet Under Target	Actual	Anticipated	Under Target
	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-14	0	614	0	667	0	53	279	32	400	5	121	-27	925	1,072	147	17	25	8
Nov-14	0	559	0	593	0	34	149	23	300	3	151	-20	731	896	165	20	25	5
Dec-14	87	497	35	649	-52	152	159	20	100	3	-59	-17	762	787	25	8	25	17
Jan-15	136	546	0	686	-136	140	32	24	100	3	68	-21	737	789	52	26	25	-1
Feb-15	153	490	0	635	-153	145	117	20	100	2	-17	-18	780	737	-43	14	25	11
Mar-15	175	513	35	739	-140	226	53	26	100	3	47	-23	767	877	110	29	25	-4
Apr-15	117	457	0	918	-117	461	223	26	100	3	-123	-23	823	1,021	198	18	25	7
May-15	182	517	0	1,094	-182	577	88	26	125	5	37	-21	813	1,224	411	29	25	-4
Jun-15	17	431	0	1,112	-17	681	374	30	150	5	-224	-25	854	1,267	414	26	25	-1
Jul-15	98	377	0	1,352	-98	975	440	33	208	6	-232	-27	948	1,566	618	10	25	15
Aug-15																		
Sep-15																		
To Date	965	5000	70	8445	-895.01	3445	1913	262	1683	38	-230	-224	8139	10236	2097	196	250	54

Total Production: Water Year 2015

	Actual	Anticipated	Acre-Feet Under Target
Oct-14	942	1,097	155
Nov-14	751	921	170
Dec-14	770	812	42
Jan-15	763	814	51
Feb-15	793	762	-31
Mar-15	796	902	106
Apr-15	841	1,046	205
May-15	841	1,249	408
Jun-15	879	1,292	413
Jul-15	958	1,591	633
Aug-15			
Sep-15			
To Date	8,335	10,486	2,151

1. Carmel Valley Wells include upper and lower valley wells. Anticipate production from this source includes monthly production volumes associated with SBO 2009-60, 20808A, and 20808C water rights. Under these water rights, water produced from the Carmel Valley wells is delivered to customers or injected into the Seaside Groundwater Basin for storage.
2. Seaside wells anticipated production is associated with pumping native Seaside Groundwater (which is regulated by the Seaside Groundwater Basin Ajudication Decision) and recovery of stored ASR water (which is prescribed in a MOA between MPWMD, Cal-Am, California Department of Fish and Game, National Marine Fisheries Service, and as regulated by 20808C water right).
3. Current "anticipated" water budget reflects "Normal" Carmel River inflow conditions and monthly distribution of production based on long-term averages for the Cal-Am system.



Supplement to 8/17/2015 MPWMD Board Packet

Attached are copies of letters received between July 11, 2015 and August 11, 2015 . These letters are also listed in the August 17, 2015 Board packet under Letters Received.

Author	Addressee	Date	Topic
Charles Cech	MPWMD Board	7/30/15	Protest Cal Am Rate Increase
Roy Kaminski	MPWMD Board	7/29/15	Water Consumption, Availability and Diversions from the Carmel River
Daniel Gho – Submitted by Rudi Fischer	MPWMD Board	7/20/15	Water Savings at Pacific Grove Golf Links 2008-2010
Andrew Bell	MPWMD Board	7/20/15	DeepWater Desal Project – Monterey Bay Regional Water Project

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Arlene Tavani

From: Charles Cech <chuck_cech@hotmail.com>
Sent: Thursday, July 30, 2015 4:18 PM
To: public.advisor@cpuc.ca.gov; richard.rauschmeier@cpuc.ca.gov
Subject: Protest Cal Am rate Increase

Regarding CPUC Application A.15-07-?
 Filed By California American Water Company
 July 8 2015

This application was submitted to the California Public Utilities Commission (CPUC) by California American Monterey Peninsula (Cal Am) on July 8, 2015 requesting authorization to modify their water conservation and rationing plan. It is nothing more than a gigantic residential water rate increase. It should also be noted that this document simultaneously proposes a substantial decrease for their commercial water rates. In an effort to justify these water rate changes this application contains a number of questionable and unsubstantiated statements.

Page 1) The first of these statements is, "The proposed changes are necessary to ensure that the securitization authorized by the State Legislature in Senate Bill 936 and State Revolving Funds (SRF) can be obtained and used to finance the replacement supply solution proposed in Application (A) 12-04-019, the Monterey Peninsula Water Supply Project (MPWSP) in an equitable manner and at the lowest cost."

According to the States Water Resources Control Board (SWRCB) web site, the California State Revolving Funds (SRF) are available to "Any city, town, district, or other public body created under state law, including state agencies." Therefore, Cal Am does not seem to qualify for SRF.

Next the Senate Bill 936 was signed by Governor Brown on September 19, 2014 when existing water rates were in place. Why is it now necessary to increase residential water rates and reduce commercial water rates to ensure funding of this already signed bill? The funds provided by this Senate Bill 936 will be repaid by Cal Am rate payers and will used to pay for a portion of Cal Am's desalination plant in advance. However, at this time Cal Am is not in possession of a reliable ocean water source. No salt water to desalinate is a big problem for a future desalination plant.

The next portion of the statement in question is that Cal Am will provide a desalination system "in an equitable manner and at the lowest possible cost". How is it equitable that the Cal Am rate payers will be paying for the entire desalination facility, some of it in advance of completion, but will own none of it? Why can they say it will be at the built at the lowest possible cost? Two larger alternative desalination systems have been proposed by other providers at significantly lower costs.

Page 2) The Cal Am statement in question is as follows. "These changes are also necessary to ensure that all past and future authorized revenue requirements are recovered in a manner that does not cause *rate impact pancaking*, especially with the overlays of the MPWSP and other project expenses over five years".

The issue here is that, we the rate payers are conserving water during the drought trying to keep the State of California a viable location to reside. But Cal Am seems to have done nothing to reduce their operating expenses to compensate for loss of revenue. Now as a result of residents conserving water, their water cost will increase dramatically. However the hotels owners on the Monterey peninsula who have little incentive to

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reduce water consumption get a 14% reduction in their water bill. This places a new burden of revenue adjustment on top of the residents. This feels like pancaking to me!

Page 3) The statement in question is that, there is a “physical cliff” created by the SWRCB Cease and Desist Order (CDO) in 2009 giving Cal Am until December 31, 2016 to stop over drafting the Carmel river aquifer.

This so called “physical cliff” was not created by the SWRCB it was created by Cal Am due to their repeated failures over a 5 year period in providing an alternative water supply as required by the CDO. The worst part about this is that Cal Am customers are now stuck with paying over \$30 million for this series of Cal Am failures. Now, it begins to look like Cal Am’s latest multimillion dollar slant well approach to solve our water problems, may also turn into a failure. Additionally the “physical cliff” is a myth, Cal Am can continue to over pump the Carmel River aquifer, however they will be fined by the SWRCB if they do.

Of course, the ratepayers will be expected to pay for Cal Am’s misadventure! It appears that as long the ratepayers are responsible for the cost of Cal Am failures; Cal Am has little incentive to get it right the first time.

Page 4) The statement in question is as follows: “customers in the Monterey District will be impacted by the large, historical under collected balance in the accounts as well as the need to pre-fund a \$71.5 million surcharge for construction of the MPWSP. The issue of customer “rate shock” is also introduced on this page.

Exactly where did this “large, historical under collected balance” come from? Cal Am financial reports provided to the CPUC indicate that Cal Am has been profitable over the past 7 years. If the profits were not as large as Cal Am expected, Cal Am should have requested adjustments in the year of the shortfall not 7 years after the fact.

The \$71.5 million surcharge should not be initiated until Cal Am can prove they have an adequate, long term, functional, sea water source for desalination. Additionally, what happens to the \$71.5 million surcharge prepaid to Cal Am if Cal Am abandons the MPWSP?

To analyze “rate shock” the total cost of the Cal Am proposed desalination plus interest, profits, and taxes need to be considered. It appears that Cal Am customers will be paying for the desalination facility over 20 years. A rough estimate of the total cost at the end of the 20 years is around \$1 billion. Assuming 40,000 connections, that suggests a cost of more than \$100 per connection per month not including the cost of water consumed. That sure sounds like “rate shock”.

Page 5) The statements in question are: “The current rate design provides water for outdoor use at far too low rates, given the Monterey situation” and a second statement that “The design, with its individual allotment based system, is not equitable”

On average Monterey water costs over \$5000 per acre foot. The first statement above just does not make sense.

How is it a water delivery system that takes into consideration the number of people in a family be not equitable? With the present Cal Am tiered rate structure a family of five will be elevated to a higher consumption tier and a two person household will not. This will happen even if each individual uses the same amount of water as presently used when the allocation system is eliminated. Dropping the individual allocation is definitely not equitable.

Page 6 and 7) Includes a series of requests to the CPUC in very general terms, there is no data or specific amounts included to justify any of the requests. Feels like Cal Am is asking for a signed blank check!

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This Information is provided by:

Charles Cech

Monterey CA

chuck_cech@hotmail.com

Submitted by
Roy Kaminski

29 July 2015

RECEIVED

JUL 29 2015

MPWMD

To whom it may concern:

This is what the Monterey Peninsula Water Management District (MPWMD) and the California State Water Resources Control Board knew or should have known about water consumption, availability and diversions from the Carmel River in the water years indicated:

Water Year	Consumption in Acre Feet	Carmel River Diversions	Carmel River Basin Acquifers	End of Year (Sep) Usable Storage
1981	16,416	9,091		Main System
1987	18,117	5,593		
1991	12,118	2,118		
1998	14,403	1,557	27,408	33,264

* (SWRCB)

Source: Monterey Peninsula Water Resources System Usable Storage in Acre Feet Report
California American Water Monterey Division Customers & Consumption by Political & Classification in Acre Feet Report

Submitted at
7/20/2015 Board Meeting⁷
Item - Oral Communications

Water Savings at
Pacific Grove Golf Links
2008-2010
Prepared by Daniel Gho

These totals are from the actual meters reads / usage reports that I have received from Cal Am water. Meter reads occur in the middle of the month and usually consist of 30 calendar days.

	Gallons Used	Savings from Previous year
January-December 2008	32,907,000	
January-December 2009	28,375,500	4,531,500
January-December 2010	24,077,325	4,298,175
	Total Savings in Two years	8,829,675 gallons
	Approximate Dollar Savings	\$43,647

A water cost increase occurred February of 2010. The increase went from \$3.43 for 750 gallons to \$4.00 for 750 gallons.

These water savings have occurred by implementing different watering techniques, since I took the position at Pacific Grove Golf Links in September 2008. The golf course looks and plays better with these new practices. There has been a significant savings in water usage and funds spent on water due to these reductions.

Our Goal this year is to reduce irrigation by 10 percent from 2010 totals, which we are on pace to achieve. Here are figures from June – July 2010 compared to 2011. The 2011 numbers are from our Central Control Computer not from Meter Reads. They represent actual night time irrigation numbers but do not account for supplemental irrigation or spot watering with a hose. Supplemental and hose irrigation total less then 5% of total irrigation.

June - July 2010	6,375,750 Gallons
June - July 2011	4,262,922 Gallons
Savings of 23%	1,475,253 Gallons

Possible Solutions Regarding Future Water Rationings

The City of Pacific Grove and our Environmental Planner, Sarah Hardgrave, have been working with Monterey Peninsula Water Management District, along with Cal Am water to address future water needs for the City of Pacific Grove. I have spoke with her and Mike Zimmer, Public Works Superintendent, to come up with future solutions regarding irrigation water at Pacific Grove Golf Links. Here are our initial thoughts.

- Work with Cal Am Water and Pebble Beach Corporation to delivery reclaimed water from Forest Lake Reservoir
- Rehabilitate David Avenue Reservoir or use the site to house an above ground tank that can store water from runoff
- Drop multiple cistern tanks in our fifth and sixth fairways to catch spring and ground water that can supplement and add to our existing irrigation system
- Dredge out Crespi Pond making its holding capacity larger to use as supplemental irrigation
- Retrofit and build a pump station and use the old sewage treatment plant tanks for supplemental irrigation on the B9 fairways

Submitted at 7/20/15 Board Meeting
Item - Oral Communications

3079 Hermitage Road
Pebble Beach, CA 93953

July 20, 2015

Chairperson Markey and Board Members
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, California 93940

SUBJECT:

Dear Chairperson Markey and Board Members:

I am gratified that the Water Management District is supporting an alternative to Cal-Am's desal project, ~~known as the Monterey Peninsula Water Supply Project~~, as insurance in the event Cal-Am's project should fail. I recently learned that the State Lands Commission issued a Notice of Preparation/Notice of intent of a Draft EIR/EIS for the Deep Water Desal Project, also known as the Monterey Bay Regional Water Project. As General Manager Dave Stoldt writes in his report in tonight's Board packet titled "Update on Development of Water Supply Projects," the State Lands Commission held a Scoping Meeting on the Deep Water Desal Project on June 16, 2015. This meeting was held at Moss Landing Marine Laboratories in Moss Landing.

I was able to find a link to the State Lands Commission's notice on the internet through the Soquel Creek Water District website, but could find no mention of it on the Water Management District's website. I encourage you to publicize the Deep Water Desal Project's milestones, including on your website. Since the Water Management is apparently funding half the cost of the project's environmental review documents, you may as well get your money's worth.

Thank you.

Sincerely,



Andrew M. Bell