



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

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SUPPLEMENT TO 9/22/08 MPWMD BOARD PACKET

Attached are copies of letters received between August 8, 2008 and September 11, 2008. These letters are also listed in the September 22, 2008 Board packet under item 14, Letters Received.

Author	Addressee	Date	Topic
Craig Anthony	Ed Ghandour	8/14/08	Monterey Bay Shores Ecoresort Water System
Eric N. Robinson	MPWMD Board	8/15/08	Request for Clarification of Ordinance No. 134 and Ordinance No. 135
Steven J. Packer, M.D.	MPWMD Board	8/18/08	MPWMD Ordinance 136
Stan Pletz	Regina Doyle	8/21/08	Pacific Grove Property Owners for Water Conservation and Equality
Donna H. Kneeland	Larry Hampson	8/29/08	Presentation to Carmel Valley Association
Craig Anthony	Darby Fuerst	9/5/08	Hidden Hills Emergency Water to Toro Water System



CALIFORNIA
AMERICAN WATER

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AUG 14 2008

MPWMD

HAND
DELIVERED

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

August 14, 2008

Mr. Ed Ghandour, President
505 Montgomery Street, Suite 1019
San Francisco, CA 94111

RE: Monterey Bay Shores Ecoresort Water System (“MBSEWS”)

Dear Ed,

California American Water is very interested in leasing your water right in the Seaside Basin, similar to our current agreement with the City of Sand City. We believe a leasing arrangement will contribute to meeting our system demands and also reduce the pumping demands in the lower Seaside Basin area.

The concept we discussed yesterday, includes the leasing of your entire water right with provisions that allows delivering of this water anywhere within the Seaside Basin to any of your future projects, assuming all regulatory requirements have been met. I am in the process of preparing a draft Operations and Maintenance Contract and Lease Agreement for your review.

We look forward to working with you on this important project. If you have any questions, I can be reached at 831-646-3214.

Sincerely yours,

Craig E. Anthony
General Manager
Central Division

Cc: Darby Fuerst



AUG 15 2008

ERIC N. ROBINSON
erobinson@kmtg.com

August 15, 2008

VIA ELECTRONIC MAIL & PERSONAL DELIVERY

Board of Directors
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942-0085

Re: Request for Clarification of Ordinance No. 134 and Ordinance No. 135

Dear Board Members:

This letter requests a modification to proposed Ordinance No. 134¹ and to proposed Ordinance No. 135.² The modification is needed to clarify the two ordinances and to avoid conflict with the Final Judgment and Amended Decision in the Seaside Basin Groundwater Adjudication, *California American Water Company v. City of Seaside, et al.*, Monterey County Superior Court Case No. M66343.

Recent versions of the ordinances have used the term "superior, unimpaired water rights" in describing how water use reductions are to be phased in and allocated among the various types of water uses that these ordinances address. That term recognizes the need for MPWMD's proposed water use reduction and rationing regime to be consistent with California water rights law and, more specifically, with the groundwater rights adjudicated by the Superior Court in the Amended Decision and Final Judgment. Whether or not the specific term "superior, unimpaired water rights" is ultimately included in the final ordinance language proposed for adoption, any water use reduction and rationing ordinance that the District ends up adopting must be consistent with the Seaside Basin groundwater rights adjudicated by the Superior Court.

¹ Our comment on Ordinance No. 134 is based on a revised Ordinance No. 134 labeled as "First Reading Draft, July 21, 2008," available on the District's website at http://www.mpwmd.dst.ca.us/asd/board/boardpacket/2008/20080721/16/item16_exh16a.htm, accessed on August 6, 2008.

² Our comment on Ordinance No. 135 is based on the version labeled as "Draft Urgency Ordinance, Ordinance No. 135," available on the District's website at http://www.mpwmd.dst.ca.us/wdd/waterdemandcommittee/2008/20080805/02/item2_exh2a.htm, accessed on August 6, 2008.

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11279.002

The Amended Decision and Final judgment recognize two types of groundwater rights in the Seaside Groundwater Basin—Alternative Production Allocations and Standard Production Allocations. The Amended Decision and Final Judgment determined that parties awarded Alternative Production Allocations hold “a prior and paramount right over those Parties Producing under the Standard Production Allocation.” Amended Decision, Section III.B.2.

The water use reductions to be carried out under Ordinance 134 and Ordinance 135 must be consistent with the Amended Decision and Final Judgment. To ensure that is the case and thereby avoid any future confusion, the term “superior, unimpaired water rights” should be retained in the ordinances and the following sentence should be added to both ordinances’ description of the “trigger” for water rationing under stages 4 through 7, in Rule 164.B.1, Rule 165.B.1, Rule 166.B.1, and Rule 167.B.1:

Alternative Production Allocations resulting from the Amended Decision and Final Judgment in *California American Water Company v. City of Seaside, et al.*, Monterey County Superior Court Case No. M66343, are superior, unimpaired water rights.

Alternative Production Allocations exist in both the Coastal Subarea and in the Laguna Seca Subarea of the Seaside Groundwater Basin, so *both* ordinances should include the proposed clarification.

Ordinance 134 already at one point expressly acknowledged riparian water rights and how they may be proven in the course of implementing Ordinance 134’s water use reductions. Alternative Production Allocations already are “proven” by the Court’s Amended Decision and Final Judgment and, therefore, must be expressly acknowledged by both ordinances.

We have discussed the need for the preceding clarification with the District’s general manager, Darby Fuerst, and general counsel, David Laredo, starting in May 2008 and have received repeated assurances that the intent of Ordinance 134 and Ordinance 135 is to include Alternative Production Allocations within the meaning of the “superior, unimpaired rights” mentioned in these ordinances.

We respectfully request that the District follow through on those assurances by adding the language proposed above or by adding other language that expressly states that “superior, unimpaired rights” include, but are not limited to, Alternative Production Allocations.

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11279.002

Although this request is presented by holders of Alternative Production Allocations in the Laguna Seca Subarea,³ the need for and benefit of making the proposed clarification apply with equal force throughout the entire Seaside Basin.⁴ We thank you for your attention to this important matter.

Sincerely,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Law Corporation



Eric N. Robinson

SCP

cc: Darby Fuerst (MPWMD)
David Laredo (MPWMD)
Vid Prabhakaran (counsel for Pasadera County Club)
Elizabeth Gianola (counsel for York School)
Virginia Hines (counsel for Laguna Seca Resort)

897998.1

³ *I.e.*, York School, Pasadera County Club and Bishop, McIntosh & McIntosh. The County of Monterey also holds an Alternative Production Allocation for the Laguna Seca County Park.

⁴ Alternative Production Allocations for the Coastal Subarea are held by City of Seaside, Security National Guaranty, Muriel L. Calabrese Trust, Mission Memorial Park and City of Sand City.



Community Hospital of the Monterey Peninsula®

Innovative healthcare with a human touch

August 18, 2008

Judi Lehman
 Chair, Board of Directors
 Monterey Peninsula Water Management District
 5 Harris Court, Building G
 P. O. Box 85
 Monterey, CA 93942-0085

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 AUG 18 2008
 MPWMD

Re: MPWMD Ordinance 136

Dear Chair Lehman and Members of the Board:

I am writing on behalf of Community Hospital of the Monterey Peninsula to comment regarding proposed MPWMD Ordinance 136, which your Board will consider at its August 18, 2008 meeting. The Hospital is very concerned about the potential impact of Ordinance 136 and the issues it is intended to address on the Hospital's ability to implement its long-range plans for serving the health care needs of the community, specifically the phased development of its ancillary facilities and related uses on the Hospital's Ryan Ranch Campus.

Nearly ten years ago, the Hospital began a planning process for the development of ancillary off-site medical facilities. In 2001, the Hospital acquired a 21.2 acre parcel in Ryan Ranch for this purpose. In November of 2002, the Monterey City Council granted the necessary discretionary approvals for the phased development of 4 medical office buildings on the Hospital's Ryan Ranch Campus. Two of buildings have been built and are operational. The third building is in the conceptual design stage and is currently proposed to include ancillary Hospital services, a community wellness center, and office space for medical and other health care practitioners and services. On June 13, 2007, California-American Water Company ("Cal-Am") issued a "will serve" letter for the third building. Completion of the development of the Ryan Ranch Campus is an important component of the Hospital's integrated plan to meet the future health care needs of the residents of Monterey County. The Hospital is very concerned that the process outlined under Ordinance 136, if implemented within Cal-Am's Ryan Ranch subunit, has the potential to prevent or postpone development of the remaining phases of the Hospital's Ryan Ranch Campus.

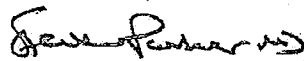
The Hospital is well aware of existing physical and regulatory constraints on the Monterey Peninsula's water supply and understands the importance of managing local water resources to ensure an adequate supply of water. However, when those constraints threaten to impede the development of facilities essential to meeting the changing health care needs of an aging and increasing population, it is time for all community leaders and public agencies to redouble their efforts toward resolving regulatory and resource constraint issues. In managing the Peninsula's

Judi Lehman
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water resources, the Hospital urges the District Board and staff to step up the level of their commitment to ensure the development of new water sources and to do everything within their power to remove existing regulatory obstacles to meeting the Peninsula's diverse water needs. In the process, including in the process proposed under Ordinance 136, the District should give the highest priority to approved uses for the development of facilities related to medical services, health care, and other important public health and safety uses. The future of our community and the quality of life of its citizens depend on these issues being resolved expeditiously and with a clear vision for the future.

Thank you for the opportunity to comment on this proposed ordinance.

Very truly yours,
Community Hospital of the Monterey Peninsula



Steven J. Packer, M.D.

cc: Kristi Markey, Vice Chair – Division 3, MPWMD
Alvin Edwards – Division 1, MPWMD
Regina Doyle – Division 4, MPWMD
Bob Brower – Division 5, MPWMD
David Pendergrass – Mayoral Representative, City of Sand City
David Potter – Monterey County Board of Supervisors
Darby W. Fuerst, General Manager, MPWMD
Craig Anthony, General Manager, Cal-Am

AUG 26 2008

**Pacific Grove Property Owners
For Water Conservation and Equality**

C/O Stan Pletz, Pletz Investment Co
1464 SOS Drive, Walnut Creek, Ca. 94597
925 932 5746

8/21/2008

Regina Doyle
District 5
MPWMD
5 Harris Ct. Bld G
Monterey, Ca. 93942 0085

Dear Regina:

Thank you for what you have done for all of us on the WWL. Without your support I doubt if we would have prevailed. I was impressed with the clarity of your remarks when you met with our group and the City Council.

Please let me know if I can ever support you in any campaign you choose to pursue.

Best Regards,



Stan Pletz

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SEP - 4 2008

MPWMD

Carmel Valley Association
P.O. Box 157
Carmel Valley, CA 93924

August 29, 2008

Larry Hampson
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942


Dear Larry:

Although you've received an email from the chair of the Outreach Committee, Sandy Schachter, I wanted to add a formal thank-you from the Outreach Committee as a whole and the Board of the Carmel Valley Association. We so appreciated your fine talk given at All Saints Day School on Sunday, August 10th.

The measure of its success could be seen in the interest of those who attended (approximately 140), many of whom stayed beyond the Question and Answer period to talk further with you. Clearly, the information you presented struck a very responsive chord with Carmel Valley residents.

We are most grateful to you for your willingness to share the important statistics and background information on our water resources. What we gained will be helpful in making informed decisions in the future.

Most sincerely,



Donna H. Kneeland, Chair
Outreach Committee

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SEP 11 2008

MPWMD



CALIFORNIA
AMERICAN WATER

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

September 5, 2008

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

Subject: Hidden Hills Emergency Water to Toro Water System

Dear Mr. Fuerst,

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

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

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

Sincerely,

Craig E. Anthony
General Manager, Central Division