EXHIBIT 3-A

Final Report from the
Community Advisory Committee
to the MPWMD Board of Directors

Potential Impacts on the Community that Could Occur and Strategies to Address the Negative Impacts if the State Water Resources Control Board Adopts the January 15, 2008 Cease and Desist Order Filed Against California American Water

April 21, 2008

FINAL REPORT FROM THE COMMUNITY ADVISORY COMMITTEE

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Presented April 21, 2008

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1. Executive Summary

The Community Advisory Committee (CAC) agreed that the draft Cease and Desist Order (CDO) should be modified. We believe revisions in the percentage reductions from the Carmel River should be requested. These reductions should allow for an implementation timeline to complete water supply solutions. Any fines resulting from failure to comply with the CDO should not be passed on to the ratepayers.

The committee supports additional conservation measures. These measures should be focused on reducing outdoor water use and requiring water wasters to reduce water use. Other conservation measures should be implemented based on a cost benefit analysis.

The committee recognizes conservation alone will not meet the requirements of Order 95-10/draft CDO. The committee urges the Monterey Peninsula Water Management District, California American Water (CAW) and other local and state entities to work expeditiously towards water supply solutions.

Impacts and strategies to address those impacts identified by committee members are outlined below. They are derived from a variety of views expressed by committee members and the order in which they appear does not reflect any prioritization.

❖STRATEGIES to Address Impacts of the Draft Cease and Desist Order

Short Term Project -- Conservation

1. Focus on outdoor landscape usage
2. Incentives for conservation (such as waterless urinals)
3. CAW should enforce regulations including large fines for water wasters. Proceeds should be allocated to finding a solution.
4. Rationing plan should be revisited. Equal enforcement for commercial and golf course water wasters, as are in place for residential.
5. CAW should crack down on excess water users and implement targets set previously for unaccounted water use.
6. Consider buy-backs (water fixture and turf buybacks).
7. Require golf courses to use reclaimed or other non-potable water sources for irrigation.
8. Implementation of short term conservation projects should consider project costs.
9. Commercial water rates should be increased.
10. Lawns should be outlawed.
11. Should implement rationing on golf courses.

Short Term Project

1. Support development of a regional solution.
2. Begin discussions on how water supply solution will be funded. Get Congressman and State legislators involved with funding solutions.
3. Urge cooperation between PUC and SWRCB.
4. Require a moratorium on all building, all new connections, all new entitlements, all loopholes (not on public health and safety projects).
5. Should pressure community to use grey-water use and other conservation methods. Also alternative rate structure.
6. Would be cheap and realistic to develop a "temporary emergency supply", water from Pacheco Creek runs to North of Moss Landing. Connect tunnel from San Luis Reservoir, and release water in winter from San Felipe Project through Pacheco Creek, let it flow through Pajaro River and recover at Highway 1 Bridge. Convey water to Seaside and inject in ASR wells or in percolation ponds.
7. CAW should reduce unaccounted for water losses.
8. Water rates should be revised to provide conservation incentives to commercial and industrial users.
9. Pursue wells outside of the Carmel River watershed, such as small landscape wells in Pacific Grove
10. Implementation of short term water projects should consider project costs.
11. Water solution should be based on a variety of projects, e.g., ASR, reclamation, stormwater reuse (PG reservoir), greywater, and conservation.
12. Water from projects developed prior to meeting requirements of Order 95-10 should be set aside as only to offset Order 95-10.

Long Term Project

1. District should consider requesting Carmel River Basin adjudication to ensure equal responsibility for meeting Order 95-10 and or Draft CDO.
2. Begin discussions on how water supply solution will be funded. Get Congressman and State legislators involved with funding solutions.
3. Urge cooperation between PUC and SWRCB.
4. Water rights should be purchased from local pumpers
5. Bring New Los Padres Dam and Reservoir project forward as a solution because the U.S. Army Corps of Engineers issued a permit for construction of the project.
6. District should get to work quickly to develop a plan for a desalination project before the 50% restriction is implemented.
7. Formula for determining water allotments should be changed to exclude acreage that provides water for additional acreage. Discriminates against property owners with smaller lots. Should also remove allowance for horses.
8. Should seriously consider desalination with a combination of solutions.
9. Implementation of long term water projects should consider project costs.
10. Support REPOG as water supply solution.
11. Support CAW desalination project as water supply solution for draft CDO. Local decision makers can plan for additional water supply.

Legal Action

1. Board should accept reality of CDO inevitability.
2. Urge legislative relief to modify draft CDO.
3. Draft CDO should be modified to reflect all the facts. Correct inaccuracies and omissions.
4. District should be a party to the hearings on draft CDO.
5. Consider pursuit of Pueblo Water Rights.
6. Seek additional water rights for diversion from the Carmel River during high flow periods (other than for ASR).
7. Could take legal or legislative action against the CDO, such as require an EIR or similar study on the CDO.

Change the CDO

1. Draft CDO should force short term projects to top of priority list.
2. Require fines to be paid by CAW shareholders.
3. Draft CDO should require CAW to present a plan for how to solve the problem for public approval.
4. Best to create deliberate timeline for projects. State when additional water would be acquired. Delay draft CDO implementation and agree on specific projects, have public comment, and execute project.
5. Should develop a refined timeline. Specific milestones on timeline in order to measure progress.
6. SWRCB conduct local hearings.
7. Modify draft CDO to avoid conditions that cause "administrative drought".
8. Draft CDO step down formula should be combination of production from Carmel River and Seaside Aquifer.
9. Draft CDO should not be implemented before the end of 2009, when EIR for CAW project (and others included in analysis) should be completed. Urge action on project once an EIR is completed.

❖ IMPACTS of the Draft Cease and Desist Order

Janet Brennan – League of Women Voters

1. Increase water conservation efforts.
2. Focus our efforts.
3. Facilitate projects.
4. Cause California American Water (CAW) crack down on excessive water users.
5. Has the threat of and will cause fragmentation in water planning process because jurisdictions developing individual water projects to circumvent Order 95-10.

Paul Bruno – Water for Us

1. If rationing were in effect during a rainy period, CAW & MPWMD would lose public support which could negatively impact forward momentum.
2. Will have a paper water shortage.

3. Effect economy, drag on economy.
4. Divert energy and resources of citizens and agencies.
5. Negative pubic perception of failure, not just towards CAW but the District and elected officials.
6. Creates adversarial v. collaborative atmosphere.
7. Puts pressure on the Seaside Basin.
8. Could cause flooding, without ability to draw water from Carmel River.
9. Additional pressure on affordable housing stock - social justice component.
10. Will encourage un-metered use, i.e., theft, that will result in a larger unaccounted for water total.
11. Fairness issues – well owners v. CAW customers.
12. Fairness issues – residents v. part time or vacation homes.
13. Fairness issues – conversion of business (i.e., laundromat) to other uses that would not provide a public benefit.
14. Local population would be reduced due to high cost of housing and loss of jobs.
15. Could increase number of private wells developed.

Ron Chesshire

1. Variety of economic and social impacts that will have various effects on different groups of people.
2. Effect water rates.
3. Amount of additional conservation cannot be assured.
4. High cost of additional conservation measures.
5. Force people to come to decision.

Bruce Crist

1. Possibility of moving forward on solution.
2. Opportunity to get parties to be collaborative as opposed to adversarial, possibility of regional approach.

Peter Dausen

1. Can force a deliberate timeline for planned execution of water alternatives.
2. Can empower MPWMD to take on a more complete leadership role.
3. Fort Ord growth will be severely curtailed. Projects in both basins will be affected.
4. DLI is in growth curve. That will be impacted.
5. NPS has growth plans to facilitate research projects (electron laser). That will be impacted.
6. Two basic economic engines on the Monterey Peninsula are tourism and education. Draft CDO would impact them.

David Dilworth – Helping Our Peninsula's Environment

1. Carmel River should return to health, endangered species should be able to recover . (steelhead and Red Legged Frog.)
2. Inhibit development of car washes.
3. Cause cities and other government agencies to curb water waste (e.g., Window on the Bay in Monterey).

4. If moratorium is imposed per draft CDO or MPWMD would stop increase from 11,000 new connections since our last moratorium.
5. The CDO should stop allowing entitlements for non-existent water.
6. The CDO would harm developers that are applying for loopholes in water regulations.
7. A revisited rationing program will harm the aesthetic appearance of golf courses because the current rationing regulations have no teeth for enforcing golf course water overuse.
8. A revisited rationing regulation and program will harm the ability of governments and other users to waste water.
9. The CDO will force to the front of the priority list quick water supply projects intended to legalize our system, e.g., MPWMD desalination plant.
10. If the CDO in any way forces a regional project, that project would harm democracy by avoiding allowing voters to vote down another unwanted project. Currently, Monterey Peninsula voters have a right to vote down projects, a regional project would harm our ability to vote down water projects the public does not like.
11. Issuing the CDO shows that the law has meaning by enforcing law that has been flagrantly violated by CAW for more than a decade all while they are making profits on illegally pumped water.
12. Issuing the CDO shows fairness to other Carmel River water users that have been legally pumping all these years.

Robert Greenwood

1. Draft CDO will spur the district to adopt a new water supply that could be put into effect before 50% reduction is enforced.
2. Water shortages, rationing.
3. Economic effects on business community due to water restrictions.

Lance Monosoff – All concerns addressed by previous commentors.

George Riley – Green Party

1. It concentrates the mind.
2. It sets priorities. A new water supply is the issue, and that supply must deal immediately with the Carmel River overdraft.
3. It will test local leadership to come together. Past efforts have been fragmented. Jurisdictions do not work together when they are working alone.
4. It will test the resolve of local leaders to make the distinction between the demands of 95-10, and assumptions about growth. This is behind setting priorities.
5. It should speed up any crackdown on water wasters.
6. It will test the ability of the community to change its perception of water. We live in a water scarce environment, yet we live in denial of that fact. The CDO can concentrate the mind here too.
7. Order should be modified and issued.
8. Fines for ratepayers.
9. Draft CDO is directed to CAW, which is part of the PUC process, not easy for public to use. Controlled by regulators and utilities. Process leaves the public out.

10. Draft CDO ignores other things that are going on: REPOG, efforts of MPWMD to consider Order 95-10 desalination project. Too much emphasis on CAW desalination project that ignores more recent efforts.
11. Fast tracking solution through draft CDO can lead to costly solutions. Desalination is most expensive solution. Draft CDO distracts us from solutions.
12. Capital formation for any large project will be difficult. Financing option available to CAW through PUC is easiest way to proceed because we are already financiers of project. Removes the option of federal or state grants to supplement costs.
13. Effective use of the CDO may avoid adjudication of Carmel River Basin.

Tom Rowley – Monterey Peninsula Taxpayers Association

1. Economic impacts that inhibit job creation due to unavailability of water on Peninsula.
2. Credibility and cost issues.
3. How will private, non-CAW wells be addressed – not in draft CDO.
4. Fragmentation of solutions v. regional solution (REPOG).
5. Mandatory rationing and moratoriums negatively affect quality of life and economy (hospitality industry).
6. Cost of fragmented solutions that will provide water for Order 95-10 but not for growth.
7. Cost to community is ignored.
8. High likelihood of community paying much too much to solve problem.
9. Must consider what is affordable considering economic effects of water supply solution.
10. Unfairness created because CAW must reduce pumping but private pumpers are not required to do so.

Roy Thomas – Carmel River Steelhead Association

1. Reduces new development and new wells.
2. Motivates District and CAW to get tough with cheaters.
3. Motivates CAW to react immediately on leaks rather than waiting until it is convenient.
4. Encourages the District to look at private sector to offer a reward for water, and pay whatever is charged.
5. Makes the possibility of putting a rubber dam at the spillway at Los Padres so ASR can operate for a longer period, thus reduce illegal demand on the water supply.
6. Increase the volume of Los Padres by 40%.
7. Motivates recovery of Los Padres by digging it out.
8. Gives justification and motivation to take more water from Seaside even with fines in place.
9. Gives District incentive to get tough with ongoing removal of drought tolerant planting and removal of turf to replace drought tolerant planting.
10. Motivates the District to facilitate private/public conservation of and storage of roof water for use in outdoor irrigation.
11. Money from CAW rate increases should be allocated to correcting illegal diversions.
12. Motivates CAW and District to find an end to illegal, long-term use of Carmel River.

John Tilley

1. Fines
2. Projects under consideration require time and study. If there is a rush to put a project in place overspending could occur.
3. Decrease in employment base.
4. Net decrease in tax income.
5. Net increase in legal expenses.
6. Negative impact on image of county as a tourist destination.
7. Blight – Inability to reconstruct structures damaged by natural causes such as fire.

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2. Introduction and Purpose

On January 15, 2008, the State Water Resources Control Board (SWRCB) Division of Water Rights issued a draft Cease and Desist Order (CDO) to California American Water (CAW) (**Appendix C**). In response, the MPWMD Board agreed to reconvene the Community Advisory Committee (CAC) to discuss impacts of the draft CDO and recommend strategies to address negative impacts of the draft CDO. On March 17, 2008 the Board approved formation of the CAC, adopted the committee charge (**Appendix A**) and ratified the list of committee members.

The committee was charged to: (1) discuss potential impacts on the community that could occur if the SWRCB adopted the draft CDO; (2) recommend strategies to address negative impacts of the draft CDO; and complete the review and submit a written report to the Board of Directors at its April 21, 2008 meeting.

The committee charge established a 14 member committee. Each Director appointed two members to the committee as follows: (1) one representative from a community interest group; and (2) a resident of the District who does not officially represent any community group. The list of committee members and the appointing Director is shown below.

Community Advisory Committee Members
March 19, 2008

Appointing Director	Appointee #1	Appointee #2
Alvin Edwards	Janet Brennan *League of Women Voters*	Manuel G. Fierro
Bob Brower	Paul Bruno *Water for Us*	John Tilley
Regina Doyle	George Riley *Green Party*	Lance Monosoff
Judi Lehman	Greg Pickens *Monterey Alliance of Neighborhoods*	Bruce Crist
Kristi Markey	David Dilworth *Helping Our Peninsula's Environment*	Robert Greenwood
David Pendergrass	Tom Rowley *Monterey Peninsula Taxpayers Assoc.*	Ron Chesshire
David Potter	Roy Thomas *Carmel River Steelhead Assoc.*	Peter Dausen

Appointee #1 – Represents a community interest group.
Appointee #2 – May be associated with a community group, but does not officially represent any community group.

3. Administrative History

The CAC met twice, on April 3 and again on April 9, 2008. At the first meeting, the committee reviewed the committee charge and meeting procedures, and began discussions on the impacts of the potential impacts of the CDO and strategies to address negative impacts of the CDO. At the second meeting, the committee modified the list of impacts and strategies and appointed a two-member subcommittee (Brennan and Tilley) to develop the final report to the Board. The subcommittee was authorized to prepare the report and submit it to the District for receipt by the Board of Directors on April 21, 2008. The final report would be emailed to all committee members for their review. Comments or minority reports could be submitted to the District and included in the report that transmitted the CAC final recommendation to the Board of Directors. A record of the April 3 and April 9 committee meetings is attached as **Appendix B**.

The subcommittee met on April 11, 2008 and developed the final report. It was emailed to the entire committee on April 14, with a request that comments or minority reports be submitted to the District by April 15. All comments received by that date are attached as **Appendix E** of the final report.

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APPENDIX A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

5 HARRIS COURT, BLDG. G
POST OFFICE BOX 85
MONTEREY, CA 939420085 • (831) 658-5600
FAX (831) 6449560 • http://www.mpwmd.dst.ca.us

This meeting has been noticed according to the Brown Act rules. This agenda was posted on Monday, March 31, 2008.

Committee Members

Janet Brennan
League of Women Voters

Paul Bruno
Water for Us

David Dilworth
Helping Our Peninsula's Environment

Greg Pickens
Monterey Alliance of Neighborhoods

George Riley
Green Party

Tom Rowley
Monterey Peninsula Taxpayers Association

Roy Thomas
Carmel River Steelhead Association

Ron Chesshire

Bruce Crist

Peter Dausen

Manuel Fierro

Robert Greenwood

Lance Monosoff

John Tilley

MPWMD Contacts:
Darby Fuerst
Andy Bell
Arlene Tavani

AGENDA
Community Advisory Committee
****
April 3, 2008, 10:30 AM
District Conference Room, 5 Harris Court, Building G., Monterey, CA

Documents prepared for Committee review will be distributed on April 1, 2008.

1. **Call to Order/Introductions**

2. **Comments from Public** – *The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.*

3. **Review Community Advisory Committee (CAC) Charge, Meeting Procedures and Committee Report Development**
Action: District staff will review each of the items listed and receive input from committee members. Action may be taken by the committee. Public comment will be received on items A through C as each item is discussed. Individual public comment on each item will be limited to two (2) minutes in length.
   A. Review CAC Charge and Meeting Schedule
   B. Agree to Procedure for Conducting Discussion
   C. Develop Plan for Completion of Final Report to the MPWMD Board of Directors

4. **Discuss and Identify Potential Impacts on the Community that could Occur if the State Water Resources Control Board (SWRCB) Adopts the Draft Cease and Desist Order (Draft CDO) that its Staff Issued on January 15, 2008 against California American Water**
Action: The committee will discuss and identify the potential impacts on the community should the Draft CDO be adopted by the SWRCB. Public comment will be received. Individual public comment on each item will be limited to two (2) minutes in length.

5. **Develop Recommendation to the District Board on Strategies to Address Negative Impacts of the Draft Cease and Desist Order**
Action: The committee will discuss and develop a recommendation to the Board on strategies to address negative impacts of the Draft CDO. Public comment will be received. Individual public comment on each item will be limited to two (2) minutes in length.

6. **Adjourn**

Upon request, MPWMD will 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. Please send 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. This request should be received before 5 PM on Tuesday, April 1, 2008. 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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FINAL MINUTES
Community Advisory Committee of the
Monterey Peninsula Water Management District
April 3, 2008

Members Present:
Janet Brennan - League of Women Voters; Paul Bruno - Water For Us; David Dilworth – Helping Our Peninsula's Environment (HOPE); Tom Rowley – Monterey Peninsula Taxpayers Association; George Riley – Green Party; Ron Chesshire; Bruce Crist; Peter Dausen; Robert Greenwood; Lance Monosoff; John Tilley

Members Absent: Roy Thomas – Carmel River Steelhead Association; Manuel Fierro; Greg Pickens

District Staff Present: Darby Fuerst – General Manager; Andy Bell – Planning and Engineering Division Manager; Stephanie Pintar – Water Demand Division Manager; Arlene Tavani – Executive Assistant

District Counsel Present: David Laredo

1. **Call to Order**
   The meeting was called to order at 10:30 AM in the Conference Room of the Monterey Peninsula Water Management District.

2. **Comments from Public**
   No comments.

3. **Review Community Advisory Committee (CAC) Charge, Meeting Procedures and Committee Report Development**
   Darby Fuerst reviewed these items with the committee. No changes were requested by the committee members. There were no comments from the public on this item.

4. **Discuss and Identify Potential Impacts on the Community that could Occur if the State Water Resources Control Board (SWRCB) Adopts the Draft Cease and Desist Order (Draft CDO) that its Staff Issued on January 15, 2008 against California American Water**
   Each committee member in attendance provided input on the potential positive and negative impacts of the draft CDO. Their comments are summarized on **Attachment 1**. There were no comments from the public on this item.

5. **Develop Recommendation to the District Board on Strategies to Address Negative Impacts of the Draft Cease and Desist Order**
   Each committee member in attendance commented on strategies to address the potential negative impacts of the draft CDO should it be adopted by the SWRCB. The committee requested that the preliminary list of their comments be emailed to each participant for

review (refer to **Attachment 1**). Comments should be forwarded to the District, so the list can be modified for presentation at the upcoming April 9 meeting. It was agreed that the April 9 meeting would convene at 1 PM instead of 2 PM, as was originally scheduled. On April 9 the committee will: (1) review and streamline the preliminary list, and (2) begin development of a final report and recommendation to the Board on strategies to address the potential negative impacts of the draft CDO. The committee also discussed the need to appoint a sub-committee to develop the final report. An additional meeting date of April 11, 2008, at 10 AM was scheduled, in the event that more time is needed to develop the final report to the Board of Directors. There were no comments from the public on this item.

6. Adjourn

The meeting was adjourned at 1 PM.

Note: ***An audio recording of the meeting is available for review and copies can be purchased. Contact Arlene Tavani at 658-5652 or arlene@mpwmd.dst.ca.us.***

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Attachment 1 to Minutes of April 3, 2008 Committee Meeting

April 3, 2008 Community Advisory Committee Comments

Preliminary Comments to be Modified at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Negative Impacts of the Draft Order

Potential Positive Impacts	
Brennan Increase water conservation efforts. Focus our efforts. Facilitate projects. Cause California American Water (CAW) crack down on excessive water users. **Crist** Possibility of moving forward on solution. Opportunity to get parties to be collaborative as opposed to adversarial, possibility of regional approach. **Dausen** Can force a deliberate timeline for planned execution of water alternatives. Can empower MPWMD to take on a more complete leadership role. **Greenwood** Draft CDO will spur the district to adopt a new water supply that could be put into effect before 50% reduction is enforced.	

April 3, 2008 Community Advisory Committee Comments

Preliminary Comments to be Modified at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Negative Impacts of the Draft Order

Potential Negative Impact	Strategy to Address Potential Negative Impact
Tilley Fines Projects under consideration require time and study. If there is a rush to put a project in place overspending could occur.	Need some augmentation of system. Must get decision makers to agree on final outcome that would supplement water.
Greenwood Water shortages, rationing. Economic effects on business community due to water restrictions.	District should get to work quickly to develop a plan for a desalination project before the 50% restriction is implemented. Support draft CDO because (read statement).
Chesshire Variety of economic and social impacts that will have various effects on different groups of people. Effect water rates. Amount of additional conservation cannot be assured. Force people to come to decision.	MPWMD and CAW should develop a plan on how to meet the goals of draft CDO. Bring New Los Padres Dam and Reservoir project forward as a solution because the U.S. Army Corps of Engineers issued a permit for construction of the project.

April 3, 2008 Community Advisory Committee Comments

Preliminary Comments to be Modified at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Negative Impacts of the Draft Order

Potential Negative Impact	Strategy to Address Potential Negative Impact
Bruno If rationing were in effect during rainy season, could lose public support for moving forward. Will have a paper water shortage. Effect property values because prohibition on expansion of business. Effect economy, drag on economy. Divert energy and resources of citizens and agencies. Negative pubic perception of failure, not just towards CAW but the District and elected officials. Creates adversarial v. collaborative atmosphere. Puts pressure on the Seaside Basin. Could cause flooding, without ability to draw water from Carmel River. Pressure on housing stocks – social justice component. Fairness issues – well owners v. CAW customers. Fairness issues – residents v. part time or vacation homes. Fairness issues – conversion of business (i.e., laundromat) to other uses that would not provide a public benefit. Will encourage un-metered use, i.e., theft, that will result in a larger unaccounted for water total.	Could take legal action against the draft CDO, demand an EIR. Modify or rescind rules that MPWMD has implemented, so that would allow market to facilitate demand reduction solutions. Local population would be reduced due to high cost of housing and loss of jobs Develop fragmented projects. Consider buy-backs (water fixture and turf buybacks).

April 3, 2008 Community Advisory Committee Comments

Preliminary Comments to be Modified at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Negative Impacts of the Draft Order

Potential Negative Impact	Strategy to Address Potential Negative Impact
Riley Fines for ratepayers. Order should be modified. Draft CDO is directed to CAW, which is part of the PUC process, not easy for public to use. Controlled by regulators and utilities. Process leaves the public out. Draft CDO ignores other things that are going on: REPOG, efforts of MPWMD to consider Order 95-10 desalination project. Too much emphasis on CAW desalination project that ignores more recent efforts. Fast tracking solution through draft CDO can lead to costly solutions. Desalination is most expensive solution. Draft CDO distracts us from solutions. Modified draft CDO will focus attention on stormwater reuse etc. Capital formation for any large project will be difficult. Financing option available to CAW through PUC is easiest way to proceed because we are already financiers of project. Removes the option of federal or state grants to supplement costs.	Draft CDO step down formula should be combination of Carmel River and Seaside Aquifer productions. Discriminatory water rates that do not provide incentive to commercial and industrial users. That should be changed. Formula for determining water allotments should be changed to exclude acreage that provides water for additional acreage. Discriminates against property owners with smaller lots. Should also remove allowance for horses. CAW should reduce unaccounted for water losses. CAW should enforce regulations against water wasters (residential water users). The draft CDO 15% target is reachable. Could be modified. 10 and 10 over 3 years is his suggestion. Should pressure community to use grey-water use and other conservation methods. Also alternative rate structure.

April 3, 2008 Community Advisory Committee Comments

Preliminary Comments to be Modified at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Negative Impacts of the Draft Order

Potential Negative Impact	Strategy to Address Potential Negative Impact
Brennan Has the threat of and will cause fragmentation in water planning process because jurisdictions developing individual water projects to circumvent Order 95-10.	Consider climate change. Should live within our constraints. Modify draft CDO: conditions that create administrative drought (ASR not being able to account for increased water in Seaside Aquifer) (95-10 creates administrative drought). Prevent fines from being passed on to ratepayers. CAW should crack down on excess water users and implement targets set previously for unaccounted water use. Modify or exchange percentages in draft CDO. Possibly a moratorium on new connections would be alternative. That would also address the concern re fragmentation.
Crist Did not offer negative impacts.	District should be a party to the hearings on draft CDO. SWRCB conduct local hearings. Require SWRCB to develop EIR on draft CDO. Draft CDO should be modified to reflect all the facts. Correct inaccuracies and omissions. Should develop a refined timeline. Specific milestones on timeline in order to measure progress.

April 3, 2008 Community Advisory Committee Comments

Preliminary Comments to be Modified at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Negative Impacts of the Draft Order

Potential Negative Impact	Strategy to Address Potential Negative Impact
Dausen Fort Ord growth will be severely curtailed. Projects in both basins will be affected. DLI is in growth curve. That will be impacted. NPS has growth plans to facilitate research projects (electron laser). That will be impacted. Two basic economic engines on the Monterey Peninsula are tourism and education. Draft CDO would impact them.	Best to create deliberate timeline for projects. State when additional water would be acquired. Delay draft CDO implementation and agree on specific projects, have public comment, and execute project.
Monosoff Concerns addressed in previous comments.	Should implement rationing on golf courses.
Dilworth Carmel River should return to health, endangered species should be able to recover (steelhead and Red Legged Frog.) Inhibit development of car washes. Cause city to curb water waste (e.g., Window on the Bay in Monterey). If moratorium is imposed per draft CDO or MPWMD would stop increase from 11,000 new connections since our last moratorium. Stop allowing entitlements. Harm developers that are applying for loopholes.	Should seriously consider desalination with a combination of solutions. Require a moratorium on all building, all new connections, all new entitlements, all loopholes (not on public health and safety projects). Draft CDO should require CAW to present a plan for how to solve the problem for public approval. Require fines to be paid by CAW shareholders.

April 3, 2008 Community Advisory Committee Comments

Preliminary Comments to be Modified at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Negative Impacts of the Draft Order

Potential Negative Impact	Strategy to Address Potential Negative Impact
Rationing program will harm the appearance of golf course because no teeth in enforcement of golf course water use. Rationing program will be revisited will harm the ability of governments and other users to waste water. Force quick water supply projects intended to legalize our system to the front of the priorty list, e.g., MPWMD desalination plant. Could force regional project, which would harm democracy. Currently we have a right to vote down projects, a regional project would harm our ability to vote down water projects the public does not like. Shows that the law has meaning. Shows fairness to other Carmel River water users that have been legally pumping all these years.	Rationing plan should be revisited. Equal enforcement for commercial and golf course water wasters, as are in place for residential. Large fines for water wasters (punitive fines). Proceeds should be allocated to finding a solution. Water rights should be purchased from local pumpers. Draft CDO should force quick projects to top of priorty list. Prohibit golf courses. Require further conservation measures. Identify measures Germany has taken to reduce water use.
Rowley Economic impacts that inhibit job creation due to unavailability of water on Peninsula. Credibility and cost issues. How will private, non-CAW wells be addressed – not in draft CDO. Fragmentation of solutions v. regional solution (REPOG) Mandatory rationing and moratoriums negatively affect quality of life and economy (hospitality industry). Cost of fragmented solutions that will provide water for Order 95-10 but not for growth.	District should be a party to the draft CDO proceedings. Board should consider implementation of higher conservation/rationing stages. Draft CDO should not be implemented before the end of 2009, when EIR for CAW project (and others included in analysis) should be completed. Urge action on EIR once it is complete. Urge legislative relief to dismiss draft CDO. Urge cooperation between PUC and SWRCB. Develop new laws to force agencies to communicate with each other. Begin discussions on how water supply solution will be funded.

April 3, 2008 Community Advisory Committee Comments

<u>Preliminary Comments</u> to be Modified at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Negative Impacts of the Draft Order

Potential Negative Impact	Strategy to Address Potential Negative Impact
Cost to community is ignored. High likelihood of community paying much too much to solve problem. Must consider what is affordable considering economic effects of water supply solution.	Get congressman involved with draft CDO solutions. Support development of a regional solution.

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MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

5 HARRIS COURT, BLDG. G
POST OFFICE BOX 85
MONTEREY, CA 93942-0085 • (831) 658-5600
FAX (831) 644-9560 • http://www.mpwmd.dst.ca.us

This meeting has been noticed according to the Brown Act rules. This agenda was posted on Friday, April 4, 2008.

Committee Members

Janet Brennan
League of Women Voters

Paul Bruno
Water for Us

David Dilworth
Helping Our Peninsula's Environment

Greg Pickens
Monterey Alliance of Neighborhoods

George Riley
Green Party

Tom Rowley
Monterey Peninsula Taxpayers Association

Roy Thomas
Carmel River Steelhead Association

Ron Chesshire

Bruce Crist

Peter Dausen

Manuel Fierro

Robert Greenwood

Lance Monosoff

John Tilley

MPWMD Contacts:
Darby Fuerst
Andy Bell
Arlene Tavani

AGENDA
Community Advisory Committee
****
April 9, 2008, 1:00 PM
District Conference Room, 5 Harris Court, Building G., Monterey, CA

1. **Call to Order/Introductions**

2. **Comments from Public** – *The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.*

3. **Receive Minutes of April 3, 2008 Committee Meeting**
Action: The committee will review and receive minutes of the April 3, 2008 meeting.

4. **Develop Recommendation to the District Board on Strategies to Address Negative Impacts of the Draft Cease and Desist Order (CDO) Issued to California American Water on January 15, 2008 by the State Water Resources Control Board, Division of Water Rights**
Action: The committee will review and modify preliminary comments on the draft CDO developed at the April 3, 2008 meeting. The committee will also begin development of a final recommendation and report to the Board on strategies to address the potential negative impacts of the draft CDO. If time permits, the committee may complete the report at this meeting. Public comment will be received. Individual public comment on each item will be limited to two (2) minutes in length.

5. **Adjourn**

Upon request, MPWMD will 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. Please send 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. This request should be received before 5 PM on Monday, April 7, 2008. 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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FINAL MINUTES
Community Advisory Committee of the
Monterey Peninsula Water Management District
April 9, 2008

Members Present:
Janet Brennan - League of Women Voters (arrived at 1:55 PM); Paul Bruno - Water For Us (left at 3:40 PM and returned at 4:15 PM); Ron Chesshire; Lance Monosoff (arrived at 2 PM); George Riley – Green Party; Tom Rowley – Monterey Peninsula Taxpayers Association; Roy Thomas – Carmel River Steelhead Association; and John Tilley

Members Absent: Bruce Crist; Peter Dausen; David Dilworth – Helping Our Peninsula's Environment; Manuel Fierro; Robert Greenwood; Greg Pickens;

District Staff Present: Darby Fuerst – General Manager; Stephanie Pintar – Water Demand Division Manager; Arlene Tavani – Executive Assistant

1. **Call to Order**
The meeting was called to order at 1:15 PM in the Conference Room of the Monterey Peninsula Water Management District.

2. **Comments from Public**
No comments.

3. **Receive Minutes of April 3, 2008 Committee Meeting**
The minutes were received with no comments from the committee members present.

4. **Develop Recommendation to the District Board on Strategies to Address Negative Impacts of the Draft Cease and Desist Order (CDO) Issued to California American Water on January 15, 2008 by the State Water Resources Control Board, Division of Water Rights**
On a motion by Rowley and second by Bruno, the committee voted unanimously to appoint Brennan and Tilley to a subcommittee that will develop the final report for submission to the Board of Directors. The final report will be emailed to the entire committee for review. Committee members may submit comments or minority reports to the District for inclusion in the staff report that transmits the committee recommendation to the Board. All comments must be submitted to the District by noon on Tuesday, April 15, 2008. The motion was approved on a vote of 8 – 0. There were no members of the public present to comment on this item. During the discussion, the committee members presented additional comments that were incorporated into **Attachment 1**, the list of impacts and strategies to address the draft CDO. The committee also began the process of organizing the list of strategies into five categories: Short Term Conservation; Short Term Project; Long Term Project; Legal Action; and Change the CDO. The subcommittee of Brennan and Tilley were directed to complete the process and include the list in the final report to the Board of Directors.

5. **Adjourn**
The meeting was adjourned at 4:30 PM.

Note: ***An audio recording of the meeting is available for review and copies can be purchased. Contact Arlene Tavani at 658-5652 or arlene@mpwmd.dst.ca.us.***

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Attachment 1 to Minutes of April 9, 2008 CAC Meeting

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Tilley Fines Projects under consideration require time and study. If there is a rush to put a project in place overspending could occur. Decrease in employment base. Net decrease in tax income. Net increase in legal expenses. Negative impact on image of county as a tourist destination. Blight – Inability to reconstruct structures damaged by natural causes such as fire.	Need some augmentation of system. Must get decision makers to agree on final outcome that would supplement water.
Greenwood Water shortages, rationing. Economic effects on business community due to water restrictions. Draft CDO will spur the district to adopt a new water supply that could be put into effect before 50% reduction is enforced.	District should get to work quickly to develop a plan for a desalination project before the 50% restriction is implemented. Support draft CDO.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Chesshire Variety of economic and social impacts that will have various effects on different groups of people. Effect water rates. Amount of additional conservation cannot be assured. High cost of additional conservation measures. Force people to come to decision.	MPWMD and CAW should develop a plan on how to meet the goals of draft CDO. Bring New Los Padres Dam and Reservoir project forward as a solution because the U.S. Army Corps of Engineers issued a permit for construction of the project. Analyze additional methods of conservation and authorize their use despite high cost.
Bruno If rationing were in effect during a rainy period, CAW & MPWMD would lose public support which could negatively impact forward momentum. Will have a paper water shortage. Effect economy, drag on economy. Divert energy and resources of citizens and agencies. Negative pubic perception of failure, not just towards CAW but the District and elected officials. Creates adversarial v. collaborative atmosphere. Puts pressure on the Seaside Basin. Could cause flooding, without ability to draw water from Carmel River.	Could take legal or legislative action against the CDO, such as require an EIR or similar study. Modify or rescind rules that MPWMD has implemented, so that would allow market to facilitate demand reduction solutions. Develop fragmented projects. Consider buy-backs (water fixture and turf buybacks). Pursue wells located outside of the Carmel River watershed, such as small landscape wells in Pacific Grove. Seek additional water rights for diversion from the Carmel River during high flow periods (other than for ASR). Consider pursuit of Pueblo Water Rights.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Additional pressure on affordable housing stock - social justice component. Will encourage un-metered use, i.e., theft, that will result in a larger unaccounted for water total. Fairness issues – well owners v. CAW customers. Fairness issues – residents v. part time or vacation homes. Fairness issues – conversion of business (i.e., laundromat) to other uses that would not provide a public benefit. Local population would be reduced due to high cost of housing and loss of jobs. Could increase number of private wells developed.	
Riley Fines for ratepayers. Order should be modified and issued. Draft CDO is directed to CAW, which is part of the PUC process, not easy for public to use. Controlled by regulators and utilities. Process leaves the public out. Draft CDO ignores other things that are going on: REPOG, efforts of MPWMD to consider Order 95-10 desalination project. Too much emphasis on CAW desalination project that ignores more recent efforts.	Draft CDO step down formula should be combination of Carmel River and Seaside Aquifer productions. Change the discriminatory water rates that do not provide enough incentive to commercial and industrial users. Formula for determining water allotments should be changed to exclude allowances for acreage and horses. Metered small homes are discriminated against. CAW should reduce unaccounted for water losses.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Fast tracking solution through draft CDO can lead to costly solutions. Desalination is most expensive solution. Draft CDO distracts us from solutions. Capital formation for any large project will be difficult. Financing option available to CAW through PUC is easiest way to proceed because we are already financiers of project. Removes the option of federal or state grants to supplement costs. Effective use of the CDO may avoid adjudication of Carmel River Basin It concentrates the mind. It sets priorities. A new water supply is the issue, and that supply must deal immediately with the Carmel River overdraft. It will test local leadership to come together. Past efforts have been fragmented. Jurisdictions do not work together when they are working alone. It will test the resolve of local leaders to make the distinction between the demands of 95-10, and assumptions about growth. This is behind setting priorities. It should speed up any crackdown on water wasters. It will test the ability of the community to change its perception of water. We live in a water scarce environment, yet we live in denial of that fact. The CDO can concentrate the mind here too. Order should be modified and issued.	CAW should enforce regulations against water wasters (residential water users). The draft CDO 15% target is reachable. Could be modified. Suggest 10 and 10 over 3 years. Should pressure community to change regulations to encourage grey-water use and other conservation methods.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Brennan Has the threat of and will cause fragmentation in water planning process because jurisdictions developing individual water projects to circumvent Order 95-10. Increase water conservation efforts. Focus our efforts. Facilitate projects. Cause California American Water (CAW) crack down on excessive water users.	Consider climate change. Should live within our constraints. Modify draft CDO: conditions that create administrative drought (ASR not being able to account for increased water in Seaside Aquifer) (95-10 creates administrative drought). Prevent fines from being passed on to ratepayers. CAW should crack down on excess water users and implement targets set previously for unaccounted water use. Modify or exchange percentages in draft CDO. Possibly a moratorium on new connections would be alternative. That would also address the concern re fragmentation.
Crist Possibility of moving forward on solution. Opportunity to get parties to be collaborative as opposed to adversarial, possibility of regional approach.	District should be a party to the hearings on draft CDO. SWRCB conduct local hearings. Require SWRCB to develop EIR on draft CDO. Draft CDO should be modified to reflect all the facts. Correct inaccuracies and omissions. Should develop a refined timeline. Specific milestones on timeline in order to measure progress.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Dausen Fort Ord growth will be severely curtailed. Projects in both basins will be affected. DLI is in growth curve. That will be impacted. NPS has growth plans to facilitate research projects (electron laser). That will be impacted. Two basic economic engines on the Monterey Peninsula are tourism and education. Draft CDO would impact them. Can force a deliberate timeline for planned execution of water alternatives. Can empower MPWMD to take on a more complete leadership role.	Best to create deliberate timeline for projects. State when additional water would be acquired. Delay draft CDO implementation and agree on specific projects, have public comment, and execute project.
Monosoff Concerns addressed in previous comments.	Should implement rationing on golf courses.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Dilworth Carmel River should return to health, endangered species should be able to recover (steelhead and Red Legged Frog). Inhibit development of car washes. Cause cities and other government agencies to curb water waste (e.g., Window on the Bay in Monterey). If moratorium is imposed per draft CDO or MPWMD would stop increase from 11,000 new connections since our last moratorium. The CDO should stop allowing entitlements for non-existent water. The CDO would harm developers that are applying for loopholes in water regulations. A revisited rationing program will harm the aesthetic appearance of golf courses because the current rationing regulations have no teeth for enforcing golf course water overuse. A revisited rationing regulation and program will harm the ability of governments and other users to waste water. The CDO will force to the front of the priority list quick water supply projects intended to legalize our system, e.g., MPWMD desalination plant.	The CDO should include a provision forcing the serious consideration of a combination of solutions that will provide no more than the amount of water required to make our water pumping and use legal. The CDO should require a moratorium on all building, all new connections, all new entitlements, all loopholes (with the sole exception for public health and safety projects). Draft CDO should require CAW to immediately present a plan for how to solve the problem and require the plan to obtain public approval. Require fines to be paid by CAW shareholders – not peninsula ratepayers. Water rights should be purchased from pumpers who own legal rights in Carmel Valley. Draft CDO should force quick projects to top of priority list. Prohibit golf courses. Require further conservation measures. Identify measures Germany has taken to reduce water use to one-third of Peninsula water use. There should be large fines for water wasters (punitive fines). Proceeds should be allocated to paying for a water supply solution.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
If the CDO in any way forces a regional project, that project would harm democracy by avoiding allowing voters to vote down another unwanted project. Currently, Monterey Peninsula voters have a right to vote down projects, a regional project would harm our ability to vote down water projects the public does not like. Issuing the CDO shows that the law has meaning by enforcing law that has been flagrantly violated by CAW for more than a decade all while they are making profits on illegally pumped water. Issuing the CDO shows fairness to other Carmel River water users that have been legally pumping all these years.	The District's rationing plan should be revisited. Penalties should be sized by the amount of water wasted – not by whether the user is residential, business, government or golf courses as it is now set up.
Rowley Economic impacts that inhibit job creation due to unavailability of water on Peninsula. Credibility and cost issues. How will private, non-CAW wells be addressed – not in draft CDO. Fragmentation of solutions v. regional solution (REPOG) Mandatory rationing and moratoriums negatively affect quality of life and economy (hospitality industry).	District should be a party to the draft CDO proceedings. Board should consider implementation of higher conservation/rationing stages. Draft CDO should not be implemented before the end of 2009, when EIR for CAW project (and others included in analysis) should be completed. Urge action on EIR once it is complete. Urge legislative relief to dismiss draft CDO.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Cost of fragmented solutions that will provide water for Order 95-10 but not for growth. Cost to community is ignored. High likelihood of community paying much too much to solve problem. Must consider what is affordable considering economic effects of water supply solution. Unfairness created because CAW must reduce pumping but private pumpers are not required to do so.	Urge cooperation between PUC and SWRCB. Develop new laws to force agencies to communicate with each other. Begin discussions on how water supply solution will be funded. Get congressman involved with draft CDO solutions. Support development of a regional solution.
Thomas Reduces new development and new wells. Motivates District and CAW to get tough with cheaters. Motivates CAW to react immediately on leaks rather than waiting until it is convenient. Encourages the District to look at private sector to offer a reward for water, and pay whatever is charged. Makes the possibility of putting a rubber dam at the spillway at Los Padres so ASR can operate for a longer period, thus reduce illegal demand on the water supply.	Board should accept reality that you can't go on forever taking illegal water. Should focus on all sources of water. Until a new project is on line, must do everything possible to conserve water. Should not fight draft CDO because the District's responsibility is to protect the Carmel River and its environment. District should consider requesting Carmel River Basin adjudication to ensure equal responsibility for meeting Order 95-10 and or Draft CDO.

Revised April 3, 2008 Community Advisory Committee Comments

Modifications Based on Comments Received in Writing and at April 9, 2008 Committee Meeting

Potential Impacts on the Community that Could Occur if the SWRCB Adopts the Draft Cease and Desist Order and Strategies to Address Impacts of the Draft Order

Potential Impacts	Strategy to Address Potential Impacts
Increase the volume of Los Padres by 40% Motivates recovery of Los Padres by digging it out. Gives justification and motivation to take more water from Seaside even with fines in place. Gives District incentive to get tough with ongoing removal of drought tolerant planting and removal of turf to replace drought tolerant planting. Motivates the District to facilitate private/public conservation of and storage of roof water for use in outdoor irrigation. Money from CAW rate increases should be allocated to correcting illegal diversions. Motivates CAW and District to find an end to illegal, long-term use of Carmel River.	Would be cheap and realistic to develop a "temporary emergency supply", water from Pacheco Creek runs to North of Moss Landing. Connect tunnel from San Luis Reservoir, and release water in winter from San Felipe Project through Pacheco Creek, let it flow through Pajaro River and recover at Highway 1 Bridge. Convey water to Seaside and inject in ASR wells or in percolation ponds.

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APPENDIX B

CHARGE TO THE MPWMD AD HOC COMMUNITY ADVISORY COMMITTEE

Impacts/Response to Draft Cease and Desist Order

Charge Adopted March 17, 2008

1. Function

The Community Advisory Committee (CAC) is an ad hoc committee formed for the sole purpose of a) discussing potential impacts on the community that could occur if the State Water Resources Control Board (SWRCB) adopts the draft Cease and Desist Order that its staff issued on January 15, 2008 against California American Water; and b) recommending to the District Board strategies to address negative impacts of the draft Cease and Desist Order. The CAC shall complete its review process and submit a written report for consideration by the Board of Directors at its April 21, 2008 meeting.

2. Process

The CAC will meet immediately and as many times as necessary to fulfill this charge. The CAC meets the definition of a "legislative body" as defined by the Brown Act; therefore, all meetings shall be noticed and open to the public in compliance with the Brown Act.

3. Composition and Structure

a) The CAC is comprised of 14 members who shall reside within the boundaries of the Monterey Peninsula Water Management District. Seven of the members shall each represent a different community group.

b) Each Director appoints two (2) members to the CAC, based on the following criteria:

- Appointee No. 1 – Must reside within the District boundaries and represent a community group. The District maintains a list of groups that have expressed an interest in participating on the committee. This list is available as a resource to the appointing Director; however, it is not required that representatives be chosen from the list.
- Appointee No. 2 – Must reside within the District boundaries. The appointee may be associated with a community group, but will not be officially representing any community group.

c) Appointment of individuals to the CAC will be acknowledged and documented by adoption of the CAC member list on the Board's consent calendar.

d) A quorum of eight (8) CAC members shall be required for an official meeting to be conducted. Action may be taken by majority vote of those CAC members present.

e) The General Manager will serve as Chair to the CAC, for purposes of facilitating meetings. District staff will provide support to the committee as appropriate.

4. Responsibilities of the Committee
Meet as needed after March 18 and submit a final report on the committee's findings/recommendations to District staff by April 15, 2008, for presentation at the April 21, 2008 Board meeting.

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APPENDIX C

State Water Resources Control Board

Linda S. Adams
Secretary for
Environmental Protection

Division of Water Rights
1001 I Street, 14th Floor • Sacramento, California 95814 • 916.341.5300
P.O. Box 2000 • Sacramento, California 95812-2000
FAX: 916.341.5400 • www.waterrights.ca.gov

Arnold Schwarzenegger
Governor

JAN 1 5 2008

In Reply Refer to:
JWC:A011674A

CERTIFIED MAIL

B. Kent Turner, President
California American Water
P. O. Box 951
Monterey, CA 93940

Dear Mr. Turner:

NOTICE OF DRAFT CEASE AND DESIST ORDER REGARDING THE CONTINUED UNAUTHORIZED DIVERSION OF WATER FROM THE CARMEL RIVER IN MONTEREY COUNTY

Enclosed is a draft Cease and Desist Order (CDO). This letter serves as notice to California American Water (Cal-Am) of the intent of the State Water Resources Control Board (State Water Board), Division of Water Rights (Division) to proceed with this enforcement action. Therefore, this matter requires your immediate attention.

Division staff determined that in the twelve years since Order 95-10 was adopted, Cal-Am has not complied with Condition 2 of that Order. Condition 2 requires Cal-Am to terminate its unauthorized diversions from the Carmel River. Since 1995, Cal-Am has annually diverted approximately 7,150 acre-feet from the Carmel River in excess of the legitimate water right amount recognized by the State Water Board in Order 95-10. This continued unauthorized diversion of water in excess of existing water rights is a trespass under Water Code section 1052. Additionally, Cal-Am's continued illegal diversions are causing continued harm to public resources of the Carmel River.

Based on these findings, I approved the issuance of the enclosed draft CDO that requires Cal-Am to cease and desist from diverting and using water in excess of its legal rights, or comply with the constraints of the enclosed CDO within the specified time schedules. If Cal-Am disagrees with the facts or time schedules for the corrective actions set forth in the enclosed draft CDO, Cal-Am may request a hearing before the State Water Board no later than 20 days from the date of receipt of this notice.

Unless a written request for a hearing regarding the CDO signed by or on behalf of Cal-Am is delivered to or received by mail by the State Water Board within 20 days after the receipt of this letter, the State Water Board may adopt the CDO, based on the facts and information set forth in the enclosed draft CDO, without a hearing (Water Code, § 1834).

If there are any questions concerning this matter, please contact Ms. Yvonne West, Staff Counsel, Office of Enforcement, at (916) 341-5445.

Sincerely,

James W. Kassel

James W. Kassel
Assistant Deputy Director for Water Rights

Enclosure: Draft Cease and Desist Order

cc: See next page.

cc: David A. Berger, General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93940

Thomas Howard, Chief Deputy Director
State Water Resources Control Board

Victoria A. Whitney, Deputy Director for Water Rights
State Water Resources Control Board

Andy Sawyer, Assistant Chief Counsel
State Water Resources Control Board

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

In the Matter of Unauthorized Diversion of Water by the

California American Water Company DBA California American Water

Cease and Desist Order WR 2008-00XX-DWR

SOURCE: Carmel River tributary to the Pacific Ocean

COUNTY: Monterey County

YOU ARE HEREBY GIVEN NOTICE THAT:

The State Water Resources Control Board (State Water Board) is authorized under Water Code section 1831 to issue a Cease and Desist Order (CDO) requiring California American Water (Cal-Am) to make further reductions in its unauthorized diversions from the Carmel River. The State Water Board issued Order WR 95-10 (Order 95-10) in 1995, determining that a substantial portion of the diversions made from the Carmel River by Cal-Am is unauthorized. At that time, the State Water Board deferred enforcement action and instead established water conservation goals and other actions Cal-Am could take to reduce the effects of its diversions as it sought to obtain an adequate legal water supply. In the twelve years since Order 95-10 was adopted, Cal-Am has not terminated its unlawful diversions from the Carmel River. Therefore, the State Water Board is authorized to issue a CDO in accordance with Water Code section 1831(d) which states:

> The State Water Board may issue a CDO in response to a violation or threatened violation of any of the following:
>
> (1) The prohibition set forth in section 1052 against the unauthorized diversion or use of water subject to Division 2 (commencing with section 1000) of the Water Code.
>
> (2) Any term or condition of a permit, license, certification, or registration issued under Division 2 of the Water Code.
>
> (3) Any decision or order of the State Water Board issued under Part 2 (commencing with section 1200) of Division 2 of the Water Code, section 275, or Article 7 (commencing with section 13550) of Chapter 7 of Division 7 of the Water Code, in which decision or order the person to whom the cease and desist order will be issued, or a predecessor in interest to that person, was named as a party directly affected by the decision or order.

On {ADD DATE}, and in accordance with the provisions of section 1834 of the California Water Code, the State Water Board, Division of Water Rights (Division) provided notice of the proposed CDO against Cal-Am for the violation and threatened violation of the prohibition against unauthorized diversion and use of water.

FACTS AND INFORMATION

The facts and information upon which this CDO is based are as follows:

1. The Carmel River is a central coast California stream that drains a watershed area of 255 square miles and flows into the Monterey Bay. Cal-Am owns and operates the San Clemente Dam and the Los Padres Dam and 21 downstream extraction wells on the Carmel River.

2. San Clemente Dam had an original storage capacity of 2,140 acre-feet (af). Water is stored in this facility under pre-1914 appropriative water rights. Los Padres Dam is operated pursuant to License 11866 (Application 11674A), and authorizes a maximum withdrawal of 2,950 acre-feet per annum (afa). Historically, stored water has been released from Los Padres Dam to the river and re-diverted for use at San Clemente Dam. Cal-Am also has legal rights for 60 acres of riparian land adjacent to the Carmel River.

3. Due to extensive sedimentation in San Clemente and Los Padres reservoirs, the primary source of water supply for Cal-Am's customers is the 21 wells situated downstream of San Clemente Dam on the lower Carmel River. The wells pump subterranean water from the Carmel River for customer use. The wells supply about eighty-nine percent of water needs for Cal-Am customers. The balance of water is supplied by pumps drawing water from the Seaside Groundwater Aquifer.

4. On July 6, 1995, the State Water Board adopted Decision 1632 (D-1632) that approved Monterey Peninsula Water Management District's (MPWMD) Application 27614. Decision 1632 approved water rights for development of the proposed 24,000 af New Los Padres Dam Project.

5. On July 6, 1995, the State Water Board also adopted Order WR 95-10 regarding four complaints filed against Cal-Am. The Order required Cal-Am to terminate unlawful diversions from the Carmel River and to comply with specified conditions. The State Water Board found that Cal-Am has legal rights to divert 3,376 afa of water from the Carmel River, after taking into consideration the reduced capacity of Los Padres Reservoir due to sedimentation. (Order 95-10, p. 25.) Cal-Am's rights to divert 3,376 afa from the Carmel River consist of 1,137 afa of pre-1914 appropriative + 60 afa of riparian + 2,179 afa under License 11866 (Application 11674A).

6. Order 95-10 and D-1632 were both later amended by Orders 98-04 and 2002-02 to allow: 1) direct diversion and diversion to storage throughout the year from the Carmel River at times when flows were physically available over and above fish flow requirements; 2) that the total quantity of water originating in the Carmel River diverted to beneficial use by Cal-Am and MPWMD could not exceed 16,000 af; and 3) that Cal-Am would cease withdrawals of water from the San Clemente Dam and reduce diversions from production well facilities located in Subunit 2 of the Carmel River during low flow periods of the year, except during an emergency. The 16,000 af identified by Order 98-04 includes rights established by License 11866, Permit 7130B, Application 27614, Application 30215, pre-1914 appropriative and riparian rights.

7. In 1995, Cal-Am was diverting about 14,106 afa of water from the Carmel River to supply water to approximately 100,000 people in the greater Monterey Peninsula area. (Order 95-10, p. 1)

8. In Order WR 95-10, the State Water Board found that Cal-Am's diversions were having an adverse effect on: (a) the riparian corridor downstream of river mile 18.5; (b) wildlife dependent upon the corridor; and (c) steelhead and other fish that inhabited the river. (Order WR 95-10, pp. 25-8, 33-34.) There continues to be an annual drawdown or drying of the Carmel River in the area upstream of the Highway 1 bridge. Because Cal-Am is the largest diverter of water on the river, this drawdown of the river is attributable, at least in part, to Cal-Am's illegal diversions from the Carmel River. Cal-Am's pumping from the subterranean stream contributes to the reduction of surface flow. This reduction of flows creates segregated small pools of water that trap and strand steelhead and other fish which inhabit the river. The potential for substantially higher steelhead mortality is mitigated by volunteers from the local community who make two sweeps of the river annually to rescue stranded steelhead. Nevertheless, there are adverse effects on steelhead and other fish caused by the river drawdown.

9. Order 95-10 imposed several conditions on Cal-Am's continued unauthorized diversion from the Carmel River. (Order 95-10, p. 40) Condition number 2 of Order 95-10 states:

> *Cal-Am shall diligently implement one or more of the following actions to* ***terminate*** *its unlawful diversions from the Carmel River: (1) obtain appropriative permits for water being unlawfully diverted from the Carmel River, (2) obtain water from other sources of supply and make one-for-one reductions in unlawful diversions from the Carmel River, provided that water pumped from the Seaside aquifer shall be governed by condition 4 of the Order which was to maximize production from the Seaside wells to honor servicing the existing connections and honoring existing commitments and to reduce diversions from the Carmel River. (Emphasis added)*

10. Since before 1996 Cal-Am and MPWMD have been attempting to develop other projects to obtain additional water to serve Cal-Am's customers. These projects have consisted of:

- Development and construction of a new Los Padres Dam (1995-1997). The New Los Padres Dam Project was presented to voters in the area in 1997. The project was not approved because of apparent growth inducing concerns in Carmel and the Carmel Valley area of Monterey County.

- Development of the Aquifer Storage and Recovery (ASR) project (2002 to present). Flows of the Carmel River in excess of the National Marine Fisheries Service fishery bypass requirements are proposed to be diverted from the river to underground storage in the Seaside Groundwater Aquifer. The State Water Board, in issuing water right Permit 20808A (Application 27614A) for the ASR project, allows the diversion of up to 2,426 afa of water from the Carmel River when flows exceed the bypass flows necessary for protection of endangered steelhead. Water is to be injected and stored underground in the Seaside Groundwater Aquifer before withdrawn for use.

- Development of the Coastal Water Project (2005-2013). This project proposes a 10,370 afa desalination plant. Three locations are currently being considered for development of the facility.

11. Condition 3(b) imposed by Order 95-10 states:

> *Urban and irrigation conservation measures shall remain in effect until Cal-Am ceases unlawful diversions from the Carmel River. Conservation measures required by the District shall have the goal of achieving 15 percent conservation in the 1996 water year and 20 percent conservation in each subsequent year. To the extent that the requirement conflicts with prior commitments (allocations) by the District, the Chief, Division of Water Rights shall have the authority to modify the conservation requirement. The base for measuring conservation savings shall be 14,106 afa. Water conservation measures required by this Order shall not supersede any more stringent water conservation requirements imposed by other agencies.*

12. In 1996-1997, Cal-Am failed to meet the reduction in diversions from the Carmel River required by Order 95-10 and an Administrative Civil Liability complaint (ACL) was issued. Cal-AM entered into a settlement agreement with the Division in response to that ACL complaint in which Cal-Am agreed to implement additional water conservation measures. In 1998, Cal-Am reduced its diversion of water from the Carmel River from 14,106 afa to 11,285 afa. Since 1998 Cal-Am has submitted quarterly monitoring reports of its monthly water use showing diversions between 9,538 af and 11,178 af of water annually from the Carmel River. During the same period, MPWMD reports Cal-Am's production from the Carmel River between 10,133 afa and 11,179 afa. (MPWMD's Technical Memorandum 2006-02, Table 1) Both of these reported amounts exclude the water diverted from the Carmel River to the Seaside Groundwater Aquifer.

13. MPWMD's Regulation 15, adopted in 1999 and amended in 2005, calls for conservation and rationing of water within the MPWMD/Cal-Am service area in drier years. Since Regulation 15 was adopted, Cal-Am has been operating under Stage 1 Water Conservation guidelines. Regulation 15, as shown below, identifies a plan that can be implemented to reduce water diversion and consumption.

- Stage 1 Water Conservation guidelines call for Cal-Am to maintain its annual production of water from the Carmel River to less than 11,285 afa.
- Stage 2 Water Conservation guidelines call for Cal-Am to maintain water use under regulatory constraints by implementing Landscape Water Budgets for large irrigators of three acres or more. This conservation level is triggered if Cal-Am fails to meet the end of month target amounts.
- Stage 3 Water Conservation guidelines call for an immediate additional 7% reduction in water use if Cal-Am's current year to date end of month production amount exceeds the historical average year to date end of month production amount: 1) twice during the November to March period of each year; or 2) once during the April to September period of each year.
- Stage 4 Water Rationing guidelines call for an additional 15% reduction in water use beginning June 1 or earlier, if on May 1 the total usable storage available to Cal-Am is less than 27,807 af but not less than 21,802 af.
- Stage 5 Water Rationing guidelines call for an additional 20% reduction in water use beginning June 1 or earlier, if on May 1 the total usable storage available to Cal-Am is less than 21,802 af but not less than 15,615 af. If total usable storage is equal to or greater than 27,807 af on May 1, no water rationing is imposed.
- Stage 6 Water Rationing guidelines call for an additional 35% reduction in water use beginning June 1 or earlier, if on May 1 the total usable storage available to Cal-Am is less than 15,615 af but not less than 9,610 af. If total usable storage is equal to or greater than 27,807 af on May 1, no rationing shall be imposed.
- Stage 7 Water Rationing guidelines call for an additional 50% reduction in water use beginning June 1 or earlier, if on May 1 the total usable storage available to Cal-Am is less than 9,610 af. If total usable storage is equal to or greater than 27,807 af on May 1, no water rationing shall be imposed.

14. Since 1995, the population of the Monterey Peninsula area has increased from 100,000 to the current population figure of 112,000. In water year 2006 Cal-Am reportedly diverted 10,540 af from the Carmel River for consumptive use. The record of water diverted from the Carmel River during water year 2007 is incomplete because, as of the date of this action, Cal-Am has failed to file the 2007 fourth quarter report as required by condition 13a of Order 95-10.

15. On May 18, 2007, MPWMD met to discuss the future water needs for the Monterey Peninsula area including Carmel, Monterey and Seaside, The Presidio (Department of Army), Del Rey Oaks, Pacific Grove, Sand City, and the Monterey Peninsula Airport District. Based on the general plans provided by each entity within the service area, MPWMD estimates the total amount of water needed for future development to be an additional 4,545 afa.

16. On November 30, 2007, the State Water Board amended Permit 20808 (Application 27614) with the issuance of Permit 20808A that allows for the diversion of up to 2,426 af of water from the Carmel River for injection into wells located in the Seaside Aquifer as part of the ASR project. Permit 20808A requires that for the protection of the steelhead fishery in the Carmel River, minimum instream bypass flow requirements must be met before diversions from the Carmel River may occur.

17. Order 95-10 condition 2 intended that Cal-Am would make one-for-one reductions in the unlawful diversions from the Carmel River for water obtained from other sources, such as conservation. The current water management strategy used by Cal-Am/MPWMD, however, has not resulted in any significant reduction of unlawful diversions from the Carmel River since 1998. Instead, it appears that water savings resulting from conservation efforts have been redirected to support marginal increases in development.

THE STATE WATER BOARD FINDS:

1. Since 2000, Cal-Am has illegally diverted at least 7,164 afa from the Carmel River. Even with the approval of amended Permit 20808A, Cal-Am will still need to illegally divert between 4,738 afa and 7,164 afa (depending on the type of water year) to meet its current level of water use unless additional conservation measures are mandated and/or alternative sources are utilized. This continued diversion is considered a trespass under Water Code section 1052.

2. Cal-Am's unauthorized diversions continue to have adverse effects on the public trust resources on the Carmel River and should be reduced.

3. In the 12 years since Order 95-10 was adopted, Cal-Am has not complied with condition 2 of that Order which requires Cal-Am to terminate its unlawful diversions from the Carmel River. In fact, Cal-Am received an ACL in 1996-1997 for failure to reduce diversion from the Carmel River and in subsequent years has not made any significant reductions in its diversions beyond the initial 20% reduction required by condition 3(b) of Order 95-10.

4. Cal-Am's failure to reduce its unauthorized diversion along with the continued increase in demand for water within the Cal-Am/MPWMD service area, due to population growth and continued development, demonstrates a substantial risk that Cal-Am will continue its unauthorized diversions unless the State Water Board takes further action.

IT IS HEREBY ORDERED, pursuant to sections 1831 through 1836 of the Water Code, Cal-Am shall cease and desist from diverting water from the Carmel River in excess of its legal rights in accordance with the following corrective actions:

1. Commencing on October 1 of the water year (October 1 through September 30) following the date of this Order, Cal-Am shall reduce its unauthorized diversions from the Carmel River in accordance with the following reduction schedule until all unlawful diversions of water from the Carmel River have been curtailed:

Water Year*	Percent Reduction**	Max. End of Year Diversion Amount
2008–09	15 percent	9,592 afa
2009–10	15 percent	9,592 afa
2010–11	20 percent	9,028 afa
2011–12	20 percent	9,028 afa
2012–13	35 percent	7,335 afa
2013–14	35 percent	7,335 afa
2014–	50 percent	5,642 afa

** A water year is defined as October 1 of each year to September 30 of the succeeding year.*
***The base line for measuring the percent reduction shall be 11,285 afa.*

Water diversion reduction measures required by this Order shall not supersede any more stringent water conservation requirements imposed by other agencies.

2. The State Water Board Deputy Director for Water Rights (Deputy Director) shall have the authority to modify the above reduction diversion schedule upon a showing by Cal-Am or MPWMD that such a reduction would have adverse impacts on public health and safety.

3. Within 90 days of the date of this Order, Cal-Am shall submit a work plan detailing how Cal-Am will comply with the above schedule for reducing water diversion from the Carmel River while developing alternative sources of supply to bring Cal-Am into compliance with its legal water right entitlements. The work plan shall consider all practical measures to reduce Carmel River demand or increase supplies and shall have a time line for achieving these measures. Cal-Am shall modify the plan in accordance with direction from the Deputy Director and shall implement the final work plan after its approval by the Deputy Director.

Upon the failure of any person or entity to comply with a CDO issued by the State Water Board pursuant to chapter 12 of the Water Code (commencing with section 1825), and upon the request of the State Water Board, the Attorney General shall petition the superior court for the issuance of prohibitory or mandatory injunctive relief as appropriate, including a temporary restraining order, preliminary injunction, or permanent injunction. (Water Code,§ 1845, subd. (a).) Section 1845, subdivision (b) of the Water Code provides:

(1) Any person or entity that violates a cease and desist order issued pursuant to this chapter may be liable for a sum not to exceed one thousand dollars ($1,000) for each day in which the violation occurs.

(2) Civil liability may be imposed by the superior court. The Attorney General, upon request of the [board], shall petition the superior court to impose, assess, and recover those sums.

(3) Civil liability may be imposed administratively by the [board] pursuant to section 1055.

STATE WATER RESOURCES CONTROL BOARD

James W. Kassel
Assistant Deputy Director for Water Rights

Dated:

APPENDIX D

INFORMATION ON SWRCB ORDER 95-10

Excerpt from Order 95-10

objectively monitored, (2) minimize its diversions for the Carmel River, and (3) mitigate the environmental effects of its diversions.

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that Cal-Am shall comply with the following conditions:

1. Cal-Am shall forthwith cease and desist from diverting any water in excess of 14,106 afa from the Carmel River, until unlawful diversions from the Carmel River are ended.

2. Cal-Am shall diligently implement one or more of the following actions to terminate its unlawful diversions from the Carmel River: (1) obtain appropriative permits for water being unlawfully diverted from the Carmel River, (2) obtain water from other sources of supply and make one-for-one reductions in unlawful diversions from the Carmel River, provided that water pumped from the Seaside aquifer shall be governed by condition 4 of this Order not this condition, and/or (3) contract with another agency having appropriative rights to divert and use water from the Carmel River.

3. (a) Cal-Am shall develop and implement an urban water conservation plan. In addition, Cal-Am shall develop and implement a water conservation plan based upon best irrigation practices for all parcels with turf and crops of more than one-half acre receiving Carmel River water deliveries from Cal-Am. Documentation that best irrigation practices and urban water conservation have already been implemented may be substituted for plans where applicable.

(b) Urban and irrigation conservation measures shall remain in effect until Cal-Am ceases unlawful diversions from the Carmel River. Conservation measures required by this Order in combination with conservation measures required

by the District shall have the goal of achieving 15 percent conservation in the 1996 water year and 20 percent conservation in each subsequent year.[23] To the extent that this requirement conflicts with prior commitments (allocations) by the District, the Chief, Divison of Water Rights shall have the authority to modify the conservation requirement. The base for measuring conservation savings shall be 14,106[24] afa. Water conservation measures required by this order shall not supersede any more stringent water conservation requirements imposed by other agencies.

4. Cal-Am shall maximize production from the Seaside aquifer for the purpose of serving existing connections, honoring existing commitments (allocations), and to reduce diversions from the Carmel River to the greatest practicable extent. The long-term yield of the basin shall be maintained by using the practical rate of withdrawal method.

5. Cal-Am shall satisfy the water demands of its customers by extracting water from its most downstream wells to the maximum practicable extent, without degrading water quality or significantly affecting the operation of other wells.

6. Cal-Am shall conduct a reconnaissance level study of the feasibility, benefits, and costs of supplying water to the Carmel Valley Village Filter Plant from its more nearby wells downstream of the plant. The objective of supplying water from the wells is to maintain surface flow in the stream as far downstream as possible by releasing water from San Clemente Dam for maintenance of fish habitat. The results

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[23] *Each water year runs from October 1 to September 30 of the following year.*

[24] *14,106 afa represents Cal-Am's total diversions from the Carmel River.*

State Water Resources Control Board Order 95-10 Reducing Water Supplies To Cal-Am Customers

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

State Water Resources Control Board Order 95-10 Reducing Water Supplies To Cal-Am Customers

In response to complaints about the impact of Cal-Am's pumping on Carmel River environmental resources, including Carmel River steelhead fish, streamside vegetation and wildlife, the State Water Resources Control Board (State Board) imposed Order 95-10 requiring California-American Water Company (Cal-Am) to reduce pumping from the Carmel River Basin by 75%. In addition, the State Board determined that the legal status of the underground water had changed, leaving Cal-Am without a permit to use the water. Believing that an immediate 75% cut would affect public health and safety, the State Board imposed an interim 20% cut.

Normal Past Water Pumping

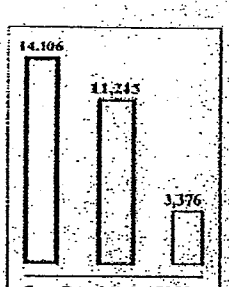
14,106 acre-feet. The average annual amount of water pumped from the Carmel River by Cal-Am in the 1980s.

State's Current Limits

11,235 acre-feet. The reduced amount of water that Cal-Am can currently draw from the Carmel River Basin. The State Board has directed Cal-Am to reduce its historical water pumping by 20 percent in the short term until the full reduction to 3,376 acre-feet can be achieved.

Possible Future Limits

3,376 acre-feet. The State Board could mandate Cal-Am to reduce pumping of water from the Carmel River Basin to this level unless projects are implemented to reduce unauthorized pumping. This limit is about 25 percent of normal past pumping.



State Board Order 95-10 mandates an interim 20% cut in water pumping from the Carmel River, and an ultimate reduction of 75%.

Cal-Am Customers at Risk When Water Pumping Exceeds Limits

Cal-Am exceeded the State Board water limits during 1997, and the State Board filed an action to assess Cal-Am customers $168,000 for the overuse. Since then, customers have cut per capita water use to among the lowest levels in the state to meet the State Board's limits.

New Cal-Am Water Supplies Must First Satisfy State Board Order

Under State Board Order 95-10, any new supply developed or distributed by Cal-Am must first be used to make up for the 75% Carmel River pumping reduction. The State Board has declared that it will not allow exceptions – any new supplies must be used to offset Carmel River pumping on a *one-for-one basis*. That is, for each acre-foot of new water supply developed, Cal-Am pumping from the Carmel River must be reduced by an acre foot. Once Cal-Am satisfies the State Board Order, any additional water supply can be allocated to cities and others for new uses.

* One acre-foot = 326,000 gallons.

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State Water Resources Control Board Order 95-10 Reducing Water Supplies To Cal-Am Customers

Under State Board Order 95-10, any new supply developed or distributed by Cal-Am must first be used to make up for the 75% Carmel River overpumping.

Cal-Am Customers are Under Restriction. Others Are Not.
New construction in the Cal-Am service area uses water that was allocated to local cities in 1993 from the Paralta well in Seaside, or reuses a limited portion of the water saved through conservation measures. Construction occurring in non Cal-Am areas is supplied by smaller, independent water systems that are not subject to Order 95-10. These smaller systems supply water to projects within their service areas located in the Carmel Valley, along Highway 68, in Seaside and Sand City, or in other hillside areas.

District Develops Conservation and Rationing Plan; Seeks New Water Sources
Order 95-10 is directed at Cal-Am. However, as the regional water manager, the District is working to keep water use within the State Board limits. Key Water Management District initiatives in response to Order 95-10 include:

- Develop an *Expanded Water Conservation and Standby Rationing Plan*. The first three Stages are conservation measures designed to assist Cal-Am customers to stay within Order 95-10. Stages 4-7 mandate rationing in the event of a weather-related drought or unexpected emergency. These rationing Stages impact water users District-wide.
- Conduct a comprehensive Environmental Impact Report on Cal-Am's proposed dam, a non-dam alternative plan, and supplemental options that would provide additional water for future needs.
- Work to expand use of recycled wastewater for irrigation.
- Study storm water reuse.
- Develop a groundwater recharge project in the Seaside Basin.
- Monitor and protect the Seaside Groundwater Basin. Order 95-10 requires Cal-Am to maximize pumping from the Seaside Basin to minimize impacts on the Carmel River Basin. The Seaside Basin is showing signs of overpumping, increasing the potential for seawater intrusion.

For More Information
For more information, please contact Henrietta Stern, Project Manager, at 831-658-5621 or hern@mpwmd.dst.ca.us.

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APPENDIX E

COMMENTS SUBMITTED BY COMMITTEE MEMBERS UPON REVIEW OF THE FINAL REPORT

- **Comment Submitted by Greg Pickens on April 15, 2008**

Impacts of the Draft Cease and Desist Order

1. Agree with all of Ron Chesshire, Bruce Crist and Peter Dausen's input (page 4).

2. All other concerns addressed by other committee members.

Short Term Project (Add)

Promote an international contest for a private or private/public solution to address the CDO and the Monterey Peninsula water supply problem. Get congress and state legislation to help promote, fund and reward the resulting solution provider.

A Proof of Concept (POC) should be done within 12 months with an online system in place within 36 months.

Cooperation with Local, State & Federal agencies should be encouraged with local community involvement providing a leadership role.

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