

EXHIBIT 13-C



DRAFT – 2/26/2014

Implementation Guidelines for Processing Applications for Water Distribution Systems and Mobile Water Distribution Systems

Prepared for March 4, 2014 Rules and Regulations Review Committee

EXECUTIVE SUMMARY AND CONTENTS

The Monterey Peninsula Water Management District (MPWMD or District) has enacted Rules & Regulations based on a series of ordinances. These include the regulation of Water Distribution Systems. These Implementation Guidelines are associated with Ordinance No. 160 (adopted April 21, 2014 and effective May 21, 2014), which makes comprehensive changes primarily to MPWMD Rules 11, 20, 21, 22 and 173. The intent of these Guidelines is to provide a “road map” for the public and District staff on how various types of water systems are now regulated. Common acronyms are highlighted in bold when first used. The following table summarizes how these Guidelines are organized:

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Attachment 7	Monitor Well Conversion Request Form	Attached

Table E2— Common Acronyms in Implementation Guidelines

ACRONYM	DESCRIPTION (many terms are defined in MPWMD Rule 11)
AFY	Acre-feet per year
CEQA	California Environmental Quality Act
COE	Confirmation of Exemption
CVAA	Carmel Valley Alluvial Aquifer (also called “alluvium”)
DWR	State of California Department of Water Resources
EIR	Environmental Impact Report
MCEHB	Monterey County Health Department, Environmental Health Bureau
MPWMD	Monterey Peninsula Water Management District
MPWRS	Monterey Peninsula Water Resource System
NOE	CEQA Notice of Exemption
SGB	Seaside Groundwater Basin
SWRCB	State Water Resources Control Board
WDS	Water Distribution System

SECTION 1.0, INTRODUCTION

The Monterey Peninsula Water Management District (MPWMD or District) is a Special District, similar to a Park District, created by the State Legislature and ratified by local voters in 1978. It has broad powers regarding management of local water resources. The State legislation that created MPWMD gives it the authority to regulate water-producing facilities within its boundaries. State Water Code Appendix 118-363 states that a written permit from the MPWMD Board is needed to create, establish, extend or expand a **Water Distribution System (WDS)**, and that MPWMD may pass ordinances that create or amend various rules and regulations to guide that process. The primary ordinances that regulate WDS Permits and exemptions are Rules 20, 21, 22 and 173, though several other rules apply to water wells. The MPWMD Rules & Regulations and ordinances passed to date are available on the District website at:

<http://www.mpwmd.dst.ca.us/> (click on “Rules and Regulations” link for the latest version), or
<http://www.mpwmd.dst.ca.us/ordinances/ordinances.htm>.

An overview of pertinent rules and regulations relating to water wells and WDS is provided on the District website at:

<http://www.mpwmd.dst.ca.us/pae/wds/wds.htm>

Rule 11 provides definitions for most capitalized terms found in the MPWMD Rules and in these Implementation Guidelines.

These Implementation Guidelines are meant to provide a “road map” to the public and MPWMD staff on how an application for a permit to create or amend a WDS, Mobile WDS or Confirmation of Exemption will be processed. These Guidelines are based on the comprehensive revision of WDS-related rules adopted by the Board on **April _____, 2014 via Ordinance No. 160, which became effective on May _____, 2014.** Additional information about Ordinance No. XXX may be found on the District website at:

****Create LINK for March 17, 2014 Board meeting****

****Create link for April 21, 2014 board meeting****

These guidelines describe the actions needed before submitting an application to MPWMD, and how MPWMD will process various types of applications. **Attachment 1 provides an overview of the overall process in tabular and flow chart formats.**

The rules and guidelines refer to certain water source areas, which are shown in the figure provided as **Attachment 2.** These areas are described in more detail in Section 3.0, and include:

- Carmel Valley Alluvial Aquifer (broken into four subareas for reporting purposes),
- Carmel Valley Upland area,
- Cachagua Creek and Upper Watershed areas,
- Seaside Groundwater Basin, and
- Miscellaneous areas.

A key designation that is referred to throughout these Implementation Guidelines is the **Monterey Peninsula Water Resource System (MPWRS)**¹. Additional regulation is imposed in the MPWRS due to the environmentally sensitive and/or legally protected status of these areas.

¹ The Monterey Peninsula Water Resource System (MPWRS) is defined as the “surface water in the Carmel River and its tributaries, Groundwater in the Carmel Valley Alluvial Aquifer which underlies the Carmel River, and Groundwater in the Seaside Groundwater Basin” (MPWMD Rule 11). The named Carmel River tributaries are defined in Rule 11 under “Sensitive Environmental Receptors.”

SECTION 2.0, PRE-APPLICATION TASKS

Most WDS are based on water wells. Thus, the following sections assume a well is the source of supply, unless otherwise noted. Section 7.0 provides instruction for non-well systems and Section 8 summarizes Mobile WDS (trucked water). The following subsections describe the documentation to complete before the District will accept an application for a Confirmation of Exemption or a WDS Permit.

2.1, MPWMD Boundary

Before an application is submitted to MPWMD for a WDS Permit, Mobile WDS Permit or Confirmation of Exemption, the applicant should verify whether the proposed well or property being served is within the MPWMD. The District includes the cities of Carmel, Del Rey Oaks, Monterey, Pacific Grove, Sand City, Seaside, plus the Monterey Peninsula Airport District and unincorporated areas of Monterey County, including parts of Fort Ord (south of Marina), the Highway 68 corridor west of Los Laureles Grade, Carmel Valley, Pebble Beach and the Carmel Highlands. Please refer to maps on the District website at:

<http://www.mpwmd.dst.ca.us/whatis/map.htm> or

http://www.mpwmd.dst.ca.us/MapGallery/MPWMD_map_1.jpg.

If you are not sure if the project is within the District, please call 831/658-5600 and request assistance. Large scale maps are available at the District office to confirm the location of the subject parcel or well.

If the both the well and property are outside of the District, you do not need to apply to MPWMD. If either the well or property served are within the District, an application for an exemption or MPWMD permit is necessary.

2.2, Monterey County Well Construction Permit and Certification Form

Before MPWMD can consider an application involving a well, the applicant must first show that the well was issued a Monterey County Well Construction Permit by the **Monterey County Health Department, Environmental Health Bureau (MCEHB)**. This County permit considers specified setback requirements and assesses if there are potential effects of the new well on neighboring wells and nearby streams, if applicable. The County permit allows the well to be drilled, and usually expires in one year. For wells within MPWMD, the County conditions of approval include the requirement to obtain a WDS Permit or exemption from MPWMD. The MCEHB has a series of requirements depending on the number of parcels and people served. For larger projects, the County requires demonstration of the technical, managerial and financial ability to run a water system. For more information, please refer to the MCEHB website at:

<http://www.mtyhd.org/index.php/departments-all/item/drinking-water-protection-services-unit>.

The County has specific standards for testing the well, including limited windows of time for potable (drinking water) well tests in hard rock environments. Thus, early coordination with County staff is encouraged. Based on the test results for residential parcels, the MCEHB issues a "*Source Water Quality and Quantity Analysis Certification Form*" that specifies the gallons per minute accepted as the reliable capacity of the well along with water quality data. This form should be submitted as part of the MPWMD application packet as it is used by MPWMD as evidence of a reliable supply.

2.3, Well Completion Report

Before MPWMD can consider an application involving a well, the applicant must first show that the well was properly completed via a copy of the "Well Completion Report" form (often called a "well log") submitted by the licensed driller to the **State Department of Water Resources (DWR)** and MCEHB. The hydrogeologic information is protected by state law and may not be shared with other members of the public without the owner's consent.

2.4, Well Registered and Metered

Before MPWMD can consider an application involving a well, the applicant must first show that the well is properly registered and metered with MPWMD, which includes an on-site inspection by District staff. **As a courtesy, the MCEHB may collect the \$25 registration fee on the District's behalf as part of the Well Construction Permit process.** Links to information on well requirements, registration and metering is provided on the District website at: <http://www.mpwmd.dst.ca.us/pae/wds/wds.htm> (see upper section).

2.5, Recorded Deed to Property or Other Ownership Documentation

Before MPWMD can consider an application involving a well, the applicant must first show that he/she owns or co-owns the well and/or parcel on which the well is located. This must be in the form of a Grant Deed or equivalent legal document recorded with the Monterey County Recorder with the County bar code identification number. If the owner is a trust, the Trustees must be clearly identified. If the owner is a corporation, additional documentation such as proof of corporate status in California, portions of Articles of Incorporation that show who is authorized to sign for the corporation, and/or minutes of a corporation directors meeting where a representative is authorized to sign the MPWMD permit.

2.6, Water Rights Documentation

The MPWMD does not set water rights in California, but Rule 21-A requires documentation of water rights. For wells on parcels located outside of the MPWRS, the ownership information described in Section 2.5 is adequate to show overlying water rights to percolating groundwater.

Wells within the **Seaside Groundwater Basin (SGB)** are affected by the Seaside Groundwater Basin Adjudication and 2006 Superior Court Decision (as amended). The number of parcels served affects the type of water right recognized by the Superior Court. Onsite wells that serve one parcel are called "Alternative Producers" by the Court and have overlying rights to percolating groundwater. Wells that serve more than one parcel are called "Standard Producers" and are viewed as having appropriative rights, which are more restricted, and actually must be reduced over time through year 2021 according to a schedule in the Court Decision. The amount of production also may affect how the well is treated by the Court and Watermaster.

Wells within the mapped **Carmel Valley Alluvial Aquifer (CVAA or alluvium)**, unless demonstrated as hydrogeologically non-alluvial, are affected by several actions by the **State Water Resources Control Board (SWRCB)**. A SWRCB appropriative water right permit or documentation of riparian or pre-1914 rights must be provided to MPWMD, which is then reviewed by District Counsel, who confirms in writing whether the documentation is adequate for the purposes of the WDS Permit. Consultation with MPWMD staff is suggested for wells within the CVAA.

2.7, Environmental Review

Several federal and state environmental laws can affect processing a WDS application, especially if the project location is within or near sensitive environmental areas such as the CVAA. The federal Endangered Species Act plays a large role along the Carmel River due to critical habitat for two listed species (steelhead salmon and red-legged frog). The primary state law affecting local projects is the **California Environmental Quality Act (CEQA)**, with which all local and state agencies must comply. More information about CEQA can be found at: <http://ceres.ca.gov/ceqa/guidelines/>.

In general, CEQA calls for either a **Notice of Exemption (NOE)** or an environmental review document. There are two types of CEQA Exemptions: ministerial or categorical. Ministerial approvals must comply with CEQA Guidelines section 15268 and 15369, and involve little or no personal judgment; approval based on objective, measurable criteria. CEQA Categorical Exemptions are defined in CEQA Guidelines Article 19, sections 15300 through 15333. These sections list a variety of categories such limited residential or commercial projects of a certain size on one parcel. Filing of the NOE is voluntary.

If a project does not meet the CEQA exemption criteria (e.g., commercial or more complex multi-parcel residential situations, especially new subdivisions), then the Lead Agency must prepare an Initial Study to determine which type of environmental document applies – Negative Declaration, Mitigated Negative Declaration or **Environmental Impact Report (EIR)**. These entail public review and comment, hearings and a Notice of Determination issued by the approving agency.

The type of CEQA compliance by the District varies with the type of WDS situation and the project-specific environmental setting. Generally speaking, if the application meets the criteria for an MPWMD Exemption or a Level 1 WDS Permit, the water system will likely meet the criteria for a CEQA Ministerial or Categorical Exemption. MPWMD typically does not file a NOE for Ministerial Exemptions, but does typically file a NOE for Categorical Exemptions. For more complex applications, the District typically relies on the environmental documents adopted by the CEQA Lead Agency for an approved development project, which must address water supply and hydrologic impacts. Monterey County or another local jurisdiction is the CEQA Lead Agency for any development project within their boundary (e.g., use permit or building permits) and is responsible for preparing the environmental documents.

If the WDS application is a single-parcel, single-family residential situation outside of the MPWRS, the applicant does not need to provide environmental information. For projects within the MPWRS, or for larger, more complex multi-parcel projects located outside the MPWRS, the applicant should have coordinated with the respective planning department before submitting the application to MPWMD. A WDS application will be deemed as incomplete if the necessary environmental review documents are not attached.

2.8, Number of Parcels Served

The legislation that created the District requires a WDS Permit for systems that serve four or more parcels. The number (and location) of parcels served may also affect the type of water rights for wells in the Seaside Groundwater Basin and Carmel Valley Alluvial Aquifer.

2.9, Estimate of Annual Production

For all situations, the applicant should have a basic understanding of the quantity of water that potential desired uses on the parcel(s) would require. As noted in Section 3.0 below, some WDS Permits outside of the MPWRS do not impose production limits. However, the applicant should be very aware of his/her annual and daily needs, the limitations of his/her water system, and operate the system to minimize disruption or dewatering of the water source. For the Seaside Basin, whether the production is 5.0 AFY or greater affects how the permit will be processed. The following links from the District website provide means to estimate potential water use on the property (March 2014, subject to change):

<http://www.mpwmd.dst.ca.us/wdd/Forms/Residential%20Factor%20Calculation%20Revised%2020131218.pdf>

<http://www.mpwmd.dst.ca.us/wdd/Forms/Non-Residential%20Factor%20List%20Revised%2020120701.pdf>

http://www.mpwmd.dst.ca.us/wdd/Forms/Water%20Budget%20Requirements_021306.pdf

http://www.mpwmd.dst.ca.us/pae/wds/WDSPermits/WaterFactors_irrigation2009.pdf.

2.10, Application Forms and Fees

The above information described in Sections 2.1 through 2.9 will be part of the application package submitted to MPWMD, and is used to determine which permit pathway is appropriate. For some situations, additional hydrogeologic testing information will be required. As explained in Section 3.0 below, there are four types of application pathways: Exemption, Level 1 WDS Permit, Level 2 WDS Permit, and Level 3 WDS Permit. The information in Section 3.0 is provided to guide the applicant to choose the proper pathway that matches his/her situation. The applicant should call MPWMD staff for assistance if he/she is unsure of which pathway to choose. The **MPWMD Application Forms are provided as Attachments 3, 4, 5 and 6** and are also on the District website at: **[Attachments to be created]**

CREATE WEBSITE LINK --Exemption

Create LINK Level 1

Create LINK Level 2

Create LINK Level 3

Each application is associated with an initial application fee. The application fee is based on the best estimate of staff time to process the application, plus direct costs charged to MPWMD such as District Counsel review of water rights documents or a deed restriction, hydrogeologic or planning reviews performed by consultants, filing fees to County Clerk, and recording fees to the County Recorder. Fees and rates for staff time are set by MPWMD Rule 60, and may be changed by the District Board from time to time. The current staff rate is \$95/hour; the current rate for District Counsel is \$215/hour (March 2014). Current consultant fees range from \$90 to \$165 per hour. If actual costs exceed the initial application fee, the applicant must pay the overage before the Confirmation of Exemption or WDS Permit is finalized. The District provides an accounting of costs to each applicant. If total costs are less than the application fee, a refund is provided. **[NOTE: Fees to be amended in June 2014 via Board Resolution per Rule 60]**

In unusual cases, the actual time to process an application may greatly exceed the initial fee. In these situations, staff will review the cumulative total of hours and expenses accrued each quarter (January, April, July and October). The applicant will be billed if the quarterly total is more than \$500 over the initial fee. The applicant must pay the overage before staff continues processing the application. This quarterly billing policy also avoids a significant fee at the end of the permit process. The Confirmation of Exemption or WDS Permit is not signed and recorded until all fees are paid.

In summary, before applying to MPWMD, the applicant should confirm if the well and the property are located within the District, and have the following documentation:

- **Parcel map showing location of well and properties to be served**
- **Monterey County Well Construction Permit (fee determined by MCEHB)**
- **DWR Well Completion Report**
- **MPWMD Well Registration form (\$25 fee)**
- **MPWMD Well Metering Inspection Form signed by District staff**
- **Grant Deed or other ownership documentation**
- **Water rights documentation**
- **Environmental review, if applicable**
- **Number of parcels to be served by each well or other facility**
- **Estimated annual production**
- **Signed Application Form with proper fee.**

Section 3.0, Determine Permit Process Level

This section is intended to help determine which application process applies to the water system, based on the answers to the following questions:

- Is the system located outside the Monterey Peninsula Water Resource System?
- Is the water source located within 1,000 feet of any component of the MPWRS?
- Is the water source located within the Seaside Groundwater Basin?
- Is the water source located within the Carmel Valley Alluvial Aquifer?
- How many parcels are served by the water system?
- How much water production is anticipated?
- Is the water system based on a well or other type of facility?

These water source areas are defined in MPWMD Rule 11 and are shown on the map in [Attachment 2](#). The non-MPWRS components in the figure are the “CVU, CAC and MIS” areas. The alluvial aquifer is shown as four segments labelled AS1 through AS4. The Seaside Basin is also labelled. The figure is also on the District website at:

<http://www.mpwmd.dst.ca.us/wrd/waterproduction/soucearea2.jpg>

Based on the answers to the above questions, the application would follow one of four pathways:

- **Exemption**
- **Level 1 WDS Permit (Basic Non-MPWRS; No System Limits)**
- **Level 2 WDS Permit (Basic Seaside Basin; General Adjudication Limits)**
- **Level 3 WDS Permit (Project-Specific MPWRS/Other with System Limits).**

Due to the many combinations and permutations that are possible, the different source areas are treated separately in the following tables and sections. [Table 3A](#) below provides the basic questions that lead to a series of other tables and discussion sections.

Table 3A— Questions to Determine Permit Pathway

SETTING QUESTIONS	YES	NO	NOTES
Q1= Is this a Non-MPWRS Well (Fractured Rock Well)	Go to Table 4A, 4B Section 4.0	Go to Q2	MPWRS and FRW defined in MPWMD Rule 11
Q2= Is this a Seaside Groundwater Basin (SGB) Well?	Go to Table 5A, Section 5.0	Go to Q4	SGB defined in MPWMD Rule 11
Q3= Is this a Carmel Valley Alluvial Aquifer (CVAA) Well?	Go to Table 6A, Section 6.0	Go to Q4	CVAA defined in MPWMD Rule 11
Q4= Is this a Non-Well Situation?	Go to Table 7A, Section 7.0	Go to Q5	Includes onsite and offsite rainwater collection; non-potable natural springs; reclamation, desal plants; dams etc
Q5= Is this a Mobile WDS	Go to Table 8A and Section 8.0	n/a	Includes non-potable water hauled in bulk quantities (trucked)

The District does not distinguish between non-potable irrigation/pool wells and drinking water (potable) wells in regards to impact assessments because the same quantity of water is extracted from the source of supply regardless of eventual treatment and use. The MCEHB or District may impose different testing requirements and standards for irrigation wells vs. potable wells depending on the situation.

Importantly, all regulatory paths include the requirement for the applicant to enable the District to physically monitor the wells or other facilities as needed. This is in addition to current requirements to

register, meter, and annually report production each water year. The District will continue to monitor the physical situation and make adjustments through future ordinances as needed.

Sections 3.1 through 3.4 below describe the four permit pathways, and provide examples. Refer to Sections 4.0 through 8.0 for a detailed review of various scenarios for each water source area.

3.1, Exemption

An exemption means that the system does not need a WDS Permit because it meets one or more of the criteria specified in MPWMD Rule 20-A or 20-C. Examples are shown in Tables 2 through 6 below, and include:

- Wells located more than 1,000 feet from the MPWRS and serving fewer than four parcels;
- Wells located 1,000 feet or less from the MPWRS and serving fewer than four parcels, and can demonstrate lack of hydrogeologic connectivity or impact to the MPWRS;
- Seaside Groundwater Basin wells that produce less than 5.0 AFY and serve only one parcel;
- SGB wells that produce 5.0 AFY or more (with written permission from the SGB Watermaster), and serve only one parcel;
- Onsite rainwater collection system serving one parcel;
- Natural spring in Fractured Rock that provides non-potable supply for onsite landscape irrigation on one parcel;
- Mobile WDS trucked from a source outside the MPWMD boundary with documentation showing it is a lawful source of supply.

Unless otherwise noted in Rule 20, District staff prepares a **Confirmation of Exemption (COE)** report, including (as applicable) the MCEHB Well Construction Permit number, DWR Well Completion Report number, and certification of adequate water quality or quantity form or other MCEHB documentation. System Limits are not imposed by MPWMD and there is no requirement to assess impacts to Neighboring Wells (Rule 21-A). The COE also includes Findings of Approval with cited evidence, and Conditions of Approval that include a prohibition on water waste, and require access for MPWMD staff to occasionally monitor the well, among others. The applicant must sign and notarize a deed restriction that attaches the COE package along with an *Acceptance of Conditions of Approval Form*.

For non-MPWRS wells, the COE states that Fractured Rock Wells are inherently unreliable as compared to other sources, and water supply is not guaranteed. The COE also states that future regulation by MPWMD is possible if monitoring or other evidence shows substantive changes to the hydrologic setting, water resource conditions, overdraft etc.

The COE Application Form is provided as Attachment 3. The recommended initial application fee is \$1,000 based on an estimated seven staff hours, one hour of Counsel review, plus other direct costs as described in Section 2.10 (based on March 2014 rates).

Monitor Wells: For exemptions in Rule 20-C that entail replacement of an old well, the MCEHB requires that the old well be properly destroyed in accordance with specific procedures. One exception is if MPWMD staff wishes to use the old well as a monitor well. The well owner must initiate this action by submitting a written request to MPWMD, using the request form provided as **Attachment 7**, and pay the \$25 fee. MPWMD staff will review the well data to determine if the well location or depth would provide useful information. If the answer is yes, MPWMD will request that MCEHB waive the requirement to destroy the well. A monitor well may not be used for production purposes. Also, MPWMD staff must be provided access to the property to install, read and maintain equipment. The well owner must also pay a \$500 fee for the conversion of the well to a monitor well. The conversion fee is used to purchase and install water level monitoring equipment. It is noted that these costs are significantly lower than the cost of destroying a well.

Older Well Tests: The District will accept older well tests so long as they are acceptable to MCEHB (i.e., previous test meets current MCEHB standards, the well is physically viable, and no substantive changes have occurred in the water resource setting).

3.2, Level 1 WDS Permit (Basic Non-MPWRS; No System Limits)

A Level 1 Permit is for a system located outside of the MPWRS with correlative water rights that would not have an adverse effect on the MPWRS, but does not meet any of the criteria for an exemption specified in MPWMD Rule 20-A or 20-C. Examples of Level 1 WDS Permits include:

- Wells located more than 1,000 feet from the MPWRS and serving four or more parcels;
- Wells located 1,000 feet or less from the MPWRS and serving four or more parcels, which can demonstrate lack of hydrogeologic connectivity or significant adverse impact to the MPWRS;
- Rainwater collection system serving two or more parcels;
- Natural spring in Fractured Rock that provides non-potable supply for landscape irrigation for two or more parcels;
- Mobile WDS trucked from a source located more than 1,000 feet outside of the MPWRS.

The basic application materials described in Section 2.0 would be required in addition to information specified in Rule 21, as applicable. A key element of the Level 1 Permit is that System Limits (production and connections) are not imposed. Because of the assumed correlative rights, the applicant is not required by MPWMD to monitor or assess the potential effect of the new well on Neighboring Wells. Documentation by the MCEHB on the adequacy of the well quantity and quality is accepted by MPWMD as evidence of reliable supply; additional hydrogeologic analysis above and beyond that already performed for the MCEHB is not required. The Rule 22 Findings, Minimum Standards, and Conditions of Approval that are associated with System Limits or impacts to Neighboring Wells are waived. It is noted that MCEHB has increased its review of impact to nearby wells and sensitive streams as part of its Well Construction Permit issuance.

The **Application Form for a Level 1 WDS Permit is provided as Attachment 4**, and reflects the above requirements. **The recommended initial application fee is \$1,200** based on an estimated ten staff hours, one hour of Counsel review, plus other direct costs as described in Section 2.10 (based on March 2014 rates).

3.3, Level 2 WDS Permit (Basic Seaside Basin; General Adjudication Limits)

Level 2 would be for Seaside Groundwater Basin situations where production is less than 5.0 AFY and for certain single-parcel situations where production is 5.0 AFY or more. The 5.0 cutoff value is chosen because the Superior Court in the SGB Adjudication Decision determined that production less than 5.0 AFY would have a nominal effect on the Basin. Examples of Level 2 Permits include:

- SGB wells that produce less than 5.0 AFY and serve two or more parcels;
- SGB wells that produce 5.0 AFY or more and serve only one onsite parcel (Alternative Producer), with a designated production amount in the Court Decision or written permission from the SGB Watermaster.
- Mobile WDS trucked from a source within the Seaside Basin if compliant with the Adjudication Decision.

The basic application materials described in Section 2.0 would be required in addition to information specified in Rule 21, as applicable. A key element of the Level 2 Permit is that System Limits (production and connections) are simplified to be either less than 5.0 AFY, or the value specified for the property in the Adjudication Decision, or a site-specific Watermaster approval. Notably, the production limit for multi-parcel Standard Producers will account for the Court-ordered reductions through year 2021. If the applicant has designated water rights, he/she is not required by MPWMD to monitor or assess the potential effect of the new well on Neighboring Wells. Documentation by the MCEHB on the adequacy of the well quantity and quality is accepted by MPWMD as evidence of reliable supply. Additional hydrogeologic analysis above and beyond that already performed for the MCEHB is not required. If the applicant does not have designated water rights in the Adjudication, MPWMD may require additional hydrogeologic testing to demonstrate that approval would not “create or exacerbate an existing overdraft” (Rule 22-C-4). The Rule 22 Findings, Minimum Standards, and Conditions of Approval that are associated with System Limits or impacts to Neighboring Wells would incorporate the Adjudication determinations.

CEQA compliance by MPWMD differs in the SGB as the Superior Court's environmental determinations in the Adjudication Decision override the normal CEQA process. Thus, separate CEQA review by MPWMD is not necessary for parcels included in the Adjudication.

The **Application Form for a Level 2 WDS Permit is provided as Attachment 5**, and reflects the above requirements. **The recommended initial application fee is \$1,200** based on an estimated ten staff hours, one hour of Counsel review, plus other direct costs as described in Section 2.10 (based on March 2014 rates).

3.4, Level 3 WDS Permit (MPWRS/Other with Specific System Limits)

Level 3 is the highest review level and involves the imposition of System Limits (production and connections) as well as possible hydrogeologic testing and assessments above and beyond that required by MCEHB, depending the situation. The testing procedures are provided on the District website at: http://www.mpwmd.dst.ca.us/pae/wds/WDSPermits/WellAssessProcedures_ver3edit_14sep05.pdf.

Examples of Level 3 WDS Permits include:

- Non-MPWRS wells within 1,000 feet of the MPWRS that have the potential for a significant adverse effect to the MPWRS above a certain production level;
- Seaside Groundwater Basin wells that produce 5.0 AFY or more (with written permission from the Seaside Basin Watermaster), and serve more than one parcel;
- All situations in the mapped Carmel Valley Alluvial Aquifer unless the well log demonstrates that the water source is non-alluvial and there is not hydrogeologic connectivity to the CVAA;
- Direct diversion from any stream within the MPWRS;
- Dams, desalination plants, reclamation facilities and all water projects that require an EIR;
- Mobile WDS trucked from a source within the MPWRS.

The basic application materials described in Section 2.0 would be required in addition to information specified in Rule 21, as applicable. A key element of the Level 2 Permit is that System Limits (production and connections) are simplified to be either less than 5.0 AFY, or the value specified for the property in the Adjudication Decision, or a site-specific Watermaster approval. Notably, the production limit for multi-parcel Standard Producers will account for the Court-ordered reductions through year 2021. If the applicant has designated water rights, he/she is not required by MPWMD to monitor or assess the potential effect of the new well on Neighboring Wells. Documentation by the MCEHB on the adequacy of the well quantity and quality is accepted by MPWMD as evidence of reliable supply. Additional hydrogeologic analysis above and beyond that already performed for the MCEHB is not required. If the applicant does not have designated water rights in the Adjudication, MPWMD may require additional hydrogeologic testing to demonstrate that approval would not "create or exacerbate an existing overdraft" (Rule 22-C-4). The Rule 22 Findings, Minimum Standards, and Conditions of Approval that are associated with System Limits or impacts to Neighboring Wells would incorporate the Adjudication determinations.

An assessment of a well-based water system on Neighboring Wells will be required by MPWMD unless the application demonstrates that the property falls into one of the following categories:

- Correlative water rights exist with neighboring parcels (non-MPWRS);
- Riparian rights are demonstrated (CVAA);
- Appropriative water right is issued by SWRCB (CVAA)
- Seaside Basin Adjudication specifies water rights;
- Superior water right to those of Neighboring Wells is demonstrated.

The Application Form for a Level 3 WDS Permit is provided as **Attachment 6**, and reflects the above requirements. **The recommended initial application fee is \$3,000** based on an estimated 20 staff hours, three hours of Counsel review, several hours of consultant time (if additional hydrogeologic tests

are needed) plus other direct costs as described in Section 2.10 (based on March 2014 rates). A Level 3 application has the highest probability of total costs being significantly greater than the initial application fee, especially if a public hearing before the MPWMD board is necessary and/or extensive staff response to public comments is required.

3.5, Other Related Protocols

This section summarizes District procedures that may relate to all permit pathways described above.

Board Review: The District Board has designated staff to administratively handle all applications except complex, controversial or large projects, especially if located within or near the MPWRS. If there is any question, the General Manager will consult with the MPWMD Board Chairperson and Vice Chair. All staff decisions are posted weekly on the District website under “Appealable Decisions” and all staff decisions can be appealed to the Board pursuant to Rule 70. The website link with the recent staff action and appeals forms is found at:

<http://www.mpwmd.dst.ca.us/wdd/Appeals/appeals.htm>.

Coordination with County Agencies: MPWMD staff regularly coordinates and consults with MCEHB, the Monterey County Water Resources Agency, and Monterey County Planning Department regarding well-related regulatory issues. The District also regularly convenes its Technical Advisory Committee, made up of planning staff from all jurisdictions, to advise them of changes in District rules that may affect issuance of use permits or building permits. The goal is to avoid duplication of effort and ensure consistent direction to applicants, thereby streamlining the permitting process.

SECTION 4.0, WELLS OUTSIDE OF MPWRS

This section reviews how wells outside of the MPWRS are treated. These wells are often referred to as “Fractured Rock Wells” or “hard rock” wells. Key factors include whether the distance is greater than 1,000 feet from the MPWRS, the degree of connectivity to any component of the MPWRS, and the number of parcels served. **Table 4A** provides a summary of the different non-MPWRS well scenarios.

Table 4A— Summary of Non-MPWRS Well Scenarios

SYSTEM TYPE	LOCATION		NOTES
	>1,000 feet from MPWRS	≤1,000 feet from MPWRS	
Single Parcel Connection System (SPCS)	Exemption	Exemption or Level 1 or 3 WDS Permit	MPWRS= Monterey Peninsula Water Resource System, defined in Rule 11. SPCS= well(s) are located on, overlie and serve one Legal Parcel. If ≤1,000 ft., action depends on hydrogeologic connectivity and potential effect to MPWRS.
Multiple-Parcel Connection System serving 2 or 3 Parcels	Exemption	Exemption or Level 1 or 3 WDS Permit	If ≤1,000 ft., action depends on hydrogeologic connectivity and potential effect to MPWRS.
Multiple-Parcel Connection System serving 4 or more Parcels	Level 1 WDS Permit	Level 1 or 3 WDS Permit	If ≤1,000 ft., action depends on hydrogeologic connectivity and potential effect to MPWRS.

4.1, Wells Located More than 1,000 feet from MPWRS

Wells located more than 1,000 feet from the MPWRS would be either exempt or a Level 1 WDS Permit, depending on the number of parcels served. There would be no production limits imposed.

4.2, Wells Located Within 1,000 feet of MPWRS

For wells located 1,000 feet or less from the MPWRS, District staff would assess if there is potential for adverse impact to any component of the MPWRS, based on well logs and other submitted information such as the amount of production. **Table 4B** summarizes the questions used to determine how a well within 1,000 feet of the MPWRS should be treated.

Table 4B— Determine Permit Level for Wells within 1,000 Feet of MPWRS

QUESTIONS	NO	YES	NOTES
Q1= Is there any hydrogeologic connectivity to MPWRS based on well log and other data?	Exempt or Level 1 WDS Permit	Go to Q2	Level 1 WDS Permit is for four or more parcels.
Q2= Is there potential for adverse effect to MPWRS based on hydrogeologic calculations?	Level 1 WDS Permit	Go to Q3	Based on calculations; additional hydrogeologic testing may be required by MPWMD to confirm potential for impact.
Q3= Is there potential for significant adverse effect to MPWRS based on additional testing or analysis?	Level 1 WDS Permit	Go to Q4	Must define trigger for significant adverse effect.
Q4= Can potential adverse effect be reduced to less than significant by reducing the production amount?	GO to Q5	Level 3 WDS Permit	Permit would impose lower production limit based on data showing less than significant effect.
Q5= Are other mitigation measures	Deny	Level 3 WDS	Permit would impose additional conditions to lessen effect.

available to offset impacts?	application	Permit	
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SECTION 5.0, SEASIDE GROUNDWATER BASIN WELLS

This section reviews how wells within the Seaside Groundwater Basin, as defined in Rule 11, are treated. Key factors include whether production is 5.0 AFY or more, and the number of parcels served. As noted in Section 2.6 above, the number of parcels served affects the type of water rights specified by the SGB Adjudication Decision. **Table 5A** below provides a summary of the different SGB well scenarios.

Table 5A— Summary of Seaside Groundwater Basin Well Scenarios

SYSTEM TYPE	PRODUCTION		NOTES
	< 5.0 AFY	5.0+ AFY	
			5.0 AFY trigger set by Superior Court in Adjudication Decision; production below that amount is deemed as less than significant.
Single-Parcel Connection System (SPCS) with overlying right = “Alternative Producer”	Exemption	Level 2 WDS Permit	SPCS= well(s) are located on, overlies and serve one Legal Parcel. If 5.0+ AFY, need Watermaster approval if not already on list in Court Decision.
Multiple-Parcel Connection System serving 2 or 3 Parcels with appropriate rights= “Standard Producer”	Level 2 WDS Permit	Level 3 WDS Permit	All Standard Producers need Watermaster approval if not already on list in Court Decision.
Multiple-Parcel Connection System serving 4 or more Parcels with appropriate rights= “Standard Producer”	Level 2 WDS Permit	Level 3 WDS Permit	All standard producers need Watermaster approval if not already on list in Court Decision.

As noted in Section 2.6 above, owners of wells that serve more than one parcel are called “Standard Producers” and their production is reduced over time to meet the natural safe yield, as specified by the Court. The Adjudication Decision requires a 10% reduction in production from the 2006 baseline every three years through 2021, according to a schedule in the Court Decision. The District applies this formula to the production limit allowed in the WDS Permit.

SECTION 6.0, CARMEL VALLEY ALLUVIAL AQUIFER WELLS

This section reviews how wells within the mapped Carmel Valley Alluvial Aquifer (CVAA), as defined in Rule 11, are treated. As noted in Section 2.6 above, the number and location of parcels served affects the type of water rights specified by the State Water Resources Control Board. **Table 6A** below provides a summary of the CVAA well scenarios.

Table 6A—Summary of Carmel Valley Alluvial Aquifer Well Scenarios

SYSTEM TYPE	NOTES
All Single and Multiple-Parcel Connection Systems (well or direct diversion)	Level 3 WDS Permit
Wells in mapped CVAA shown to be non-alluvial based on the DWR Well Completion Report	Treated as non-MPWRS within 1,000 feet (See Table 2)

The CVAA is highly regulated as it supports two federally listed threatened species (steelhead salmon and red-legged frog) and is critical habitat for these species. Because the CVAA is typically very productive as compared to other sources of supply, production limitations would be based more on the impact to the CVAA/critical habitat rather than the ability of the well to produce adequate supply. All wells that extract water from the CVAA are Level 3 WDS Permits with System Limits, which could potentially incorporate limits imposed by the SWRCB for appropriative rights (e.g., season and amount of diversion, storage etc). Property owners with riparian rights must still be aware of the Endangered Species Act and the Public Trust Doctrine. The critical habitat component overrides CEQA Categorical Exemptions that might normally apply (see Guidelines Section 15300.2, Exceptions).

Because of concern about the impact to the CVAA and critical habitat, as expressed by letters from the National Marine Fisheries Service and California Department of Fish and Wildlife, the District Board adopted a policy to guide processing of WDS Permits in the CVAA. This protocol, along with a supporting legal analysis of the agency letters, is provided on the District website at: <http://www.mpwmd.dst.ca.us/pae/wds/WDSPermits/WDSMemo3.pdf>

SECTION 7.0, NON-WELL SITUATIONS

This section reviews how systems based on facilities other than water wells are treated. Examples include many possibilities, ranging from simple onsite and offsite rainwater collection, to non-potable natural springs to major projects such as wastewater reclamation, desalination plants, or dams. **Table 7A** below provides a summary of the non-well scenarios.

Table 7A— Summary of “Non-Well” Scenarios

SYSTEM TYPE	PROCESS	NOTES
Onsite rainwater collection	Exemption	Typically entails above or below-ground cisterns or tanks.
Offsite rainwater collection and delivery	Level 1 WDS Permit	Entails service to 2 or more parcels
Non-potable Fractured Rock Spring	Exemption	Inspect to confirm it is a naturally occurring seep
Direct diversion from any stream within MPWRS	Level 3 WDS Permit	Must coordinate with other state and federal laws that protect public trust resources. Special conditions of approval are likely.
Dam, desalination plant, reclamation, or any water supply project needing an EIR	Level 3 WDS Permit	Must coordinate with other agencies regarding environmental review. Special conditions of approval are likely.

SECTION 8.0, MOBILE WATER DISTRIBUTION SYSTEMS

This section reviews how Mobile WDS (water hauled in trucks in bulk quantities), as defined in Rule 11 and Rule 173, are treated. A key factor is whether the source of supply is within the District boundary or not. Only non-potable (e.g., landscape irrigation, swimming pool filling) is allowed pursuant to MCEHB rules. Trucked potable (drinking water) supply would only be considered in a short-term emergency (30 days or less) and is not allowed as a sustained, long-term method of supply. **Table 8A** below provides a summary of the non-well scenarios.

Exportation of water outside of the District as part of a Mobile WDS is prohibited.

Table 8A— Summary of Mobile WDS Scenarios

SYSTEM TYPE	WATER SOURCE LOCATION		NOTES
	Within MPWMD	Outside MPWMD	
			MCEHB does not allow permanent potable Mobile WDS unless emergency drinking water supply.
Service to less than 4 Parcels for construction, irrigation or pool use	Level 1, 2 or 3 WDS Permit	Exempt	For sources within MPWMD, permit level depends on well location and impacts. Severe restrictions exist for sources within the MPWRS. For sources outside MPWMD, system is exempt if documentation shows the supply is lawful.
Service to 4 or more Parcels for construction, irrigation or pool use	Level 1, 2 or 3 WDS Permit	Level 1 WDS Permit	Same as above except there is no exemption for 4 or more parcels.
Service to jurisdictions for public space irrigation	Level 1, 2 or 3 WDS Permit	Level 1 WDS Permit	Same as above; no exemptions for 4 or more parcels.
Emergency drinking water service	Level 1, 2 or 3 WDS Permit	Exempt or Level 1 WDS Permit	See Rule 173; drinking water may be trucked only in a short-term emergency (30 days or less). Severe restrictions exist for sources within the MPWRS.

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