Order on Four Complaints Filed Against The California-American Water Company

Carmel River Monterey County

Order No. WR 95-10

JULY 6, 1995

STATE WATER RESOURCES CONTROL BOARD CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

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CITING THE RECORD

When citing evidence in the hearing record, the following conventions have been adopted:

Information derived from the hearing transcript:

T,II,12:1 - 15:17 ending page and line number (may be omitted if single line reference is cited) beginning page and line number hearing transcript volume number identifying abbreviation of the information source

Information derived from an exhibit:

SWRCB:5,4



Abbreviations of information sources:

AC
ACOE U.S. Army Corps of Engineers
CAL-AM
CRSA
CSPA California Sportfishing Protection Alliance
DISTRICT or MPWMD Monterey Peninsula Water Management District
DFG California Department of Fish and Game
ESSELEN TRIBE Esselen Tribe of Monterey County
ESSELEN NATION Esselen Nation of United Families
of the Central Coast of CA
EVANS
PARK Monterey Peninsula Regional Park District
PHBr
SWRCB State Water Resources Control Board
SIERRA CLUB Ventana Chapter of the Sierra Club
T Hearing Transcript

Other commonly used abbreviations:

af .										•	•								,	•		• •	AC	re-f	eet
afa .		•		٠				•													. Acı	re-fe	et a	nnua	lly
cfs .				-								-									Cubic	feet	per	sec	ond
CEQA							· •			•			C	al	if	or	ni	Ĺα	E	En	rironmer	ital (Qual	ity	Act
gpm .			•					•									•			•	. Gal	lons	per	min	ute
RM .			•	•	•				•				Ri	ve	r	mi	le	Э,	n	nea	sured f	from	rīve	r mc	uth
USGS		•	•	•		•											Ur	ıi	te	ed	States	Geol	ogic	Sur	vey



ORDER FINDING AGAINST RESPONDENT, IN PART, AND DIRECTING CORRECTIVE ACTIONS

SYNOPSIS

The California-American Water Company (Cal-Am) currently diverts water from the Carmel River and supplies the water, primarily, for use outside of the watershed to users on the Monterey Peninsula. Four complaints were filed with the State Water Resources Control Board (SWRCB) against Cal-Am for its diversion of water from the Carmel River. The complaints generally allege that Cal-Am: (a) does not have the legal right to divert water from the river and (b) diversions are adversely affecting public trust resources within the river. The SWRCB concludes that Cal-Am: (a) does not have legal right for about 10,730 acre-feet annually which is currently diverted from the river (about 69 percent of the water currently supplied to Cal-Am users) and (b) diversions are having an adverse affect on the public trust resources of the river. This order directs Cal-Am to: (a) diligently proceed in accord with a time schedule to obtain rights to cover its existing diversion and use of water and (b) implement measures to minimize harm to public trust resources. Measures to minimize harm to public trust resources require Cal-Am to reduce the quantity of water which is currently being pumped from the river. Because water is not available for appropriation by direct diversion in the river during summer months, Cal-Am must either obtain the right to additional water supplies from: (a) sources other than the river, (b) a storage project similar to the New Los Padres (NLP) project proposed by the Monterey Peninsula Water Management District (District), or (c) contract with the District for supply from the proposed NLP project.

STATE OF CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

In the Matter of Complaints Against) Diversion and Use of Water by the)

CALIFORNIA-AMERICAN WATER COMPANY,

Respondent,

ORDER: WR 95-10

SOURCE: Carmel River Tributary to Pacific Ocean

CARMEL RIVER STEELHEAD ASSOCIATION, RESIDENTS WATER COMMITTEE, SIERRA CLUB, CALIFORNIA DEPARTMENT OF PARKS AND RECREATION,

COUNTY: Monterey

Complainants.

ORDER FINDING AGAINST RESPONDENT, IN PART, AND DIRECTING CORRECTIVE ACTIONS

BY THE BOARD:

Complaints having been filed against Cal-Am for its diversion and use of water from the Carmel River by Carmel River Steelhead Association, Residents Water Committee, Sierra Club, and Department of Parks and Recreation; a hearing having been held on August 24, 25, 26, 31, September 1, 8, and 9, October 19 and 21, and November 7, 8, and 22, 1994; the complainants, Cal-Am, and other interested persons having been provided opportunity to present evidence; closing briefs having been filed; the evidence and briefs having been duly considered; the Board finds as follows:

1.0 CAL-AM, CAL-AM FACILITIES AND CAL-AM OPERATIONS

Cal-Am is an investor-owned public utility subject to the jurisdiction of the California Public Utilities Commission. (T,Sept. 9, 1992, 95:1-95:7; T,I,49:14-49:22.) Cal-Am currently diverts about 14,106 afa of water from the Carmel River and







* Subunits 1-4 form the Carmel Valley Groundwater Basin. The subunit boundaries are: 1. Via Mallorca Road (USGS Gage Near Carmel), 2. Scarlett Road (The Narrows), 3. Esquiline Road (USGS Gage at Robles Del Rio), 4. Sleepy Hollow Gage.

Streamgaging will occur at the Highway 1 Gage (#1), Don Juan Bridge Gage (#2), and Sleepy Hollow Gage (#3).



supplies the water, primarily, for use outside of the watershed to users on the Monterey Peninsula.¹ About 105,000 persons are provided service by Cal-Am, most are supplied water from the Carmel River. (T,I,48:1-48:18.)

The primary source of water supply for Cal-Am customers is 21 wells situated on the lower Carmel River. (CAL-AM:91.) These wells supply about 69 percent of the water needs of Cal-Am customers. The balance of the water delivered to Cal-Am customers is supplied from: (1) San Clemente and Los Padres reservoirs in the upper reaches of the Carmel River and (2) pumped ground water in the City of Seaside.² (T,I,131:1-19.)

San Clemente Dam has a storage capacity of approximately 2,140 af. Water is stored in this facility under claim of pre-1914 appropriative right.³ (Statement of Water Diversion and Use No. 8538.) Los Padres Dam is operated pursuant to License 11866 (Application 11674) and authorizes maximum annual withdrawal of 2,950 af. Stored water is released from Los Padres to the river and it is rediverted for use at San Clemente Dam. (T,I,130:16-24.) Sedimentation has reduced the combined usable storage at the

² In addition to supplies from the Carmel River and pumped ground water in the area of Seaside, reclaimed wastewater is available to some Cal-Am users from the Carmel Area Wastewater District/Pebble Beach Community Services District Wastewater Reclamation Project. The Project will provide 800 acrefeet of reclaimed water for the irrigation of golf courses and open space in the Del Monte Forest. In return for financial guarantees, the Pebble Beach Company and other sponsors, received a 380 af potable water entitlement from the District, based upon issuance of an appropriative right permit to the District, for development within Del Monte Forest. As of the end of fiscal 1993-1994, the District had not allocated the remaining 420 af of project yield. (MPWMD, 337, 25.)

³ Diversion at San Clemente Dam was the sole supply for the Monterey Peninsula until the 1940s when wells at the upper end of the Carmel Valley began producing water to meet summer demand (SWRCB:1, A-27614, Folder 6A).

¹ Cal-Am supplies about 17,000 af during a normal year . This estimate is obtained by adding the 2,700 af which is supplied from the wells in Seaside (T,I,131:1-19) to the 14,106 af which is obtained from the Carmel River. (CAL-AM:90.) The 14,106 af represents the recent average, non-drought use (average use from 1979 through 1988, based upon Cal-Am Exhibit 90). (14,106 + 2,700 = 16,806 af, or approximately 17,000 afa.)

reservoirs to about 2,600 af, about one-half of their combined original capacity. The reservoirs supply about 15 percent of Cal-Am's estimated normal year customer demand. (MPWMD:106,7.) Finally about 2,700 afa is produced from wells in Seaside, California.

2.0 COMPLAINTS

Between 1987 and 1991, the SWRCB received four complaints regarding Cal-Am's operations in the Carmel River watershed. The complaints are summarized below:

2.1 Carmel River Steelhead Association (CRSA)

On July 27, 1987 CRSA filed a complaint alleging that Cal-Am diversions from the underflow of the Carmel River are unauthorized and are destroying the public trust resources of the river, including steelhead. As a possible solution, the CRSA recommended rescue and rearing in ponds of fish stranded by the unauthorized diversions, irrigation of riparian vegetation affected by the unauthorized diversions, and release of more water from San Clemente Dam for rediversion through wells downstream. (SWRCB,1,a, Complaint File, Monterey Co., 27-01; CSRA:10,35-28.)

2.2 Resident's Water Committee (RWC)

On August 9, 1989 RWC filed a complaint with the Public Utilities Commission alleging that the supply of water needed to serve Cal-Am's customers exceeded available supply.⁴ RWC also alleges that Cal-Am diversions from the Carmel River will reduce steelhead in the Carmel River to remnant levels. RWC recommends that Cal-Am be prohibited from serving new customers until an additional supply of water is obtained. (SWRCB:1, A-27614, Folder G.)

2.3 Ventana Chapter of the Sierra Club (Sierra Club)

On March 5, 1991, the Sierra Club filed a complaint alleging: (1) Cal-Am's pumping from the subsurface flow of the Carmel River

⁴ A copy of the complaint was received by the SWRCB around the same time.

is unauthorized and (2) Cal-Am's diversion from San Clemente Reservoir during low-flow periods is an unreasonable method of diversion. The Sierra Club's proposed solution includes the following: (1) Cal-Am should be enjoined from diverting water during periods of low flow, (2) Cal-Am and Water West should apply for appropriative water rights from the SWRCB, (3) Cal-Am and Water West should be required to pay for development and implementation of a program to restore public trust resources affected by their diversions,⁵ and (4) Cal-Am should be required to release all diversions at San Clemente Reservoir down the Carmel River for collection at downstream wells, instead of diverting water at San Clemente. (SWRCB:1,A-27614, Folder J.)

2.4 California Department of Parks and Recreation (DPR)

On March 8, 1991, DPR filed a complaint alleging that Cal-Am's diversion of water from the underflow of the Carmel River is: (1) unauthorized, (2) results in mortality to mature riparian forests along a 4,000-foot length of river within the Carmel River State Beach, and (3) interferes with DPR's riparian right to divert water from the Carmel River for irrigation purposes. DPR's proposed solution is for Cal-Am to apply for an appropriative water right with the SWRCB and be subject to conditions to protect riparian, wetland, and aquatic resources in the lower Carmel River, and lagoon and riparian rights along the lower Carmel River. (SWRCB:1, A-27614, Folder J.)

2.5 Monterey Peninsula Water Management District

On May 5, 1992, the District petitioned to intervene in the complaints against Cal-Am because of its interest in assuring an appropriate balance between competing demands for the use of the limited water supply. (SWRCB:1, A-27614, Folder K.)

⁵ Water West is a water company owned by Cal-Am. Water West has rights to divert and use water at about one-half mile below San Clemente Dam. The complaint was directed at only Cal-Am's diversions. Although Water West is not a party to this proceeding, its diversions are analyzed as diversions under the control of Cal-Am.

2.6 Interested Persons

In addition to the complainants and the District, other persons participated in the hearing. Participation was directed at the effect Cal-Am diversions were having on the instream resources of the Carmel River and measures which might be taken to mitigate such effects. Such participants included the DFG, Willis Evans, John Williams, Charity Crane and others appearing on their own behalf.

3.0 DESCRIPTION OF THE WATERSHED

The Carmel River drains a 255-square mile watershed tributary to the Pacific Ocean. Its headwaters originate in the Santa Lucia Mountains at 4,500 to 5,000-foot elevations, descend and merge with seven major stream tributaries along a 36-mile river course, and discharge into Carmel Bay about 5 miles south of the City of Monterey. Above the confluence of Tularcitos Creek, the Carmel River constitutes about 65 percent of the watershed. Downstream from RM 15, the river has a 40 feet per mile gradient where the river flows to the bay are over and within an alluvium-filled Carmel Valley floor.

Carmel River flow is in a well-defined channel. The channel in the lower 15 river miles ranges from 20 to 150 feet wide. (SWRCB:19.) The channel changes progressively from cobble to gravel between RM 15 and RM 7, from gravel to sand between RM 7 and RM 2.5 and consists entirely of sand from RM 2.5 to Carmel Bay. (DFG:4,2.)

Downstream from RM 15, alluvial deposits comprise a ground water basin which underlies the river flow in the Carmel Valley portion of the watershed. The legal classification of the ground water basin is discussed in Section 3.2 *infra*. Local ground water levels within the aquifer are influenced by pumping or production at supply wells, evapotranspiration by riparian vegetation, seasonal river flow infiltration and subsurface inflow and outflow.

During the dry season, pumping of wells has caused significant declines in the ground water levels. The Carmel River surface flow

decreases due to pump-induced infiltration which recharges the seasonally-depleted ground water basin. During normal water years, surface flow in the lower Carmel Valley is known to become discontinuous or non-existent. Downstream from RM 3.2, there was no river runoff between April 1987 and March 1991. (MPWMD:287, 2-8.)

3.1 Geologic Setting

The principal hydrogeologic units (from oldest to youngest) along the Carmel River alluvial basin that are significant include: (1) pre-tertiary metamorphic and igneous rocks, (2) tertiary sedimentary rocks comprised primarily of sandstone beds (Paleocene and Miocene age) and Monterey shale (Miocene age), (3) older alluvium (Pleistocene age), and (4) younger alluvium (Holocene age). (SWRCB:19.)

Metamorphic (mainly schist and qneiss) and igneous (granitic) rocks form the basement complex which is extensively exposed along or near the river upstream from RM 10 at the downstream extremity of Tertiary sandstone units, which overlie the the river narrows. basement rocks, are exposed primarily along the southern flank of the alluvial valley from about RM 1.5 to 3 and 5.5 to 12.5. The Monterey Shale formation overlies the sandstone. It is exposed extensively along the north side of the Carmel Valley alluvium from approximately RM 2 to 12 and surficially borders the southern side of the valley from about RM 3 to 5.5 (in the vicinity of Potrero Canyon) and RM 14.5 to 15.5 (in the community of Carmel Valley). The older alluvium, consisting mainly of gravel and sand, form remnant terraces which directly overlie the Monterey shale and/or basement complex rocks. These terraces are laterally discontinuous patches along the north side of the valley alluvium from RM 1 to 16 and along both sides from about RM 16.5 to 18. The basement complex and the shale formation are considered to be non-water bearing. The sandstone has no subsurface hydrologic significance and the older alluvium is found on terraces above the level of

The younger alluvium, which formed the valley floor, consists principally of boulders, cobbles, gravel, and sand (which contains silt and clay layers of limited horizontal and vertical extent downstream from the river narrows). This alluvium was deposited by river flows (along the lowermost 18 miles of the drainage basin) within a canyon that was incised (by earlier flows) into the shale formation, sandstone units, and basement complex rocks. Its thickness varies from less than a foot at RM 18 to approximately 200 feet in the vicinity of the river mouth. These deposits comprise the most important aquifer in Carmel Valley (MPWMD:105,3) because of their ability to transmit significant amounts of subsurface water to wells.

3.2 Physical (Hydrologic) Characteristics of the Carmel Valley Aquifer

Carmel River surface flow is generally within the well-defined 20to 150-foot wide channel over the alluvial deposits that form the valley floor. These deposits are the younger alluvium that comprise the Carmel Valley aquifer.

On behalf of the District, Thomas M. Stetson reviewed District Exhibit 108 and SWRCB Exhibits 19, 24, 27, and 29 in connection with his evaluation of the physical aspects of the subsurface water in Carmel Valley. Mr. Stetson also reviewed hydrographs of Carmel Valley aquifer water levels obtained at numerous wells. (MPWMD:107.) In addition, he reviewed Carmel River streamflow hydrographs for the USGS Robles Del Rio and Carmel gaging stations. By superimposing surface and subsurface water level hydrographs, Mr. Stetson established that there is a direct relationship between recovery of seasonally-lowered subsurface water levels at wells and recurrent river flow increases during ensuing wet periods. On this basis, Mr. Stetson concluded that surface flow recharges river underflow and, consequently, causes a rise in Carmel Valley aquifer water levels. (MPWMD,107,4.)

Mr. Stetson provided written testimony that such underflow is only through the younger alluvium within a known and definite channel

along the entire length of Carmel Valley. (MPWMD:107,4.) Mr. Stetson supported his testimony utilizing the following information: (1) essentially nonwater-bearing rocks (described in Section 3.1) border and underlie the younger alluvium or Carmel Valley aquifer and (2) the average hydraulic conductivity of the younger alluvium is about 60 feet per day (ft/day), as compared to the hydraulic conductivity of the rocks which is in the order of 0.1 to 0.0001 ft/day or less. (MPWMD:107,6.) Mr. Stetson concluded that the hydraulic conductivity difference is substantial and renders the aquifer a "pipeline" for subsurface flow. (MPWMD:107,6.)

Mr. Stetson's testimony is consistent with the findings of SWRCB staff. Ms. Laudon submitted testimony and evidence that the relatively impermeable granitic and sedimentary rocks form the bed and banks of a known and definite channel which restricts the flow of subsurface water to the alluvium. (SWRCB:7&8.) This information is further supported by evidence regarding the subsurface occurrence of granitic or sedimentary rocks beneath the Carmel Valley aquifer at all well installations throughout the valley.

Except where water levels have been influenced by drawdown due to pumping, the general down valley or westerly subsurface flow direction within the aquifer is the same as that of the Carmel River flow. The subsurface flow has a pattern which demonstrates that it is within a known and definite channel rather than that of a diffused body of percolating ground water. (MPWMD:107,6.)

Cal-Am and other parties did not contest the testimony and evidence which describes the subsurface flow of the Carmel River as a subterranean stream flowing through a known and definite channel. Nor did Cal-Am or other parties offer evidence that the ground water in the alluvial basin should be classified as percolating ground water not within the SWRCB's permitting jurisdiction. Accordingly, we find that downstream of RM 15 the aquifer underlying and closely paralleling the surface water course of the

Carmel River is water flowing in a subterranean stream and subject to the jurisdiction of the SWRCB.

3.3 Location of Cal-Am Wells

The locations of Cal-Am's wells are described in the following table:

CAL-AM CARMEL RIVER WELLS (CAL-AM EXHIBIT 91)											
Well Name	Well Location	Depth To Water Static/ Pumping	Date Drilled								
Los Laureles #5	NE% of SE% of Sect.29,T16S,R2E	18 feet/44 feet	1947								
Los Laureles #6	SE% of SE% of Sect.29,T16S,R2E	16 feet/43 feet	1977								
Robles #3	NE% of NE% of Sect.10,T17S,R2E	12 feet/30 feet	1989								
Russell #4	SW% of SE% of Sect.11,T17S,R2E	16 feet/35 feet	1947								
Russell #2	SE% of SE% of Sect.11,T17S,R2E	16 feet/35 feet	1947								
Scarlett #6	SW% of SW% of Sect.19,T16S,R2E	20 feet/26 feet	1963								
Scarlett #8	SW¼ of SW¼ of Sect.19,T16S,R2E	20 feet/35 feet	1989								
Manor #2	NE% of SW% of Sect.23,T16S,R1E	30 feet/65 feet	1989								
Schulte	SW¼ of NW¼ of Sect.23,T16S,R1E	15 feet/58 feet	1967								
Stanton	NW% of NE% of Sect.30,T16S,R2E	3 feet/35 feet	1977								
Begonia #2	NW¼ of SW¼ of Sect.24,T16S,R1E	not listed	1990								
Berwick #7	SW% of SW% of Sect.24,T16S,R1E	23 feet/63 feet	1981								
Berwick #8	SE% of SW% of Sect.24,T16S,R1E	20 feet/50 feet	1986								
Rancho Cañada (aka Cañada)	NE% of SW% of Sect.17,T16S,R1E	15 feet/49 feet	1981								
San Carlos	NE% of SE% of Sect.17,T16S,R1E	16 feet/55 feet	1982								
Pearce	SE% of NW% of Sect.22,T16S,R1E	16 feet/50 feet	1981								
Cypress	SW% of NW% of Sect.22,T16S,R1E	15 feet/48 feet	1981								
Continued to next	page										

CAL-AM CARMEL RIVER WELLS (CAL-AM EXHIBIT 91)												
Well Name	Well Location	Depth To Water Static/ Pumping	Date Drilled									
Continued from previous page												
Panetta #1	NW% of NW% of Sect.03,T17S,R2E	13 feet/16 feet	1989									
Panetta #2	NW% of NW% of Sect.03,T17S,R2E	16 feet/22 feet	1989									
Garzas #3	SW¼ of SE¼ of Sect.33,T16S,R2E	13 feet/16 feet	1989									
Garzas #4	NE% of SW% of Sect.33,T16S,R2E	12 feet/16 feet	1989									

In addition, the location of these wells in relation to the Carmel River and the aquifer associated with the river is shown by Figure 3. The depth to water for each well is identified in the above table. Figure 3 and the table demonstrate that Cal-Am's wells are extracting water from the subterranean stream associated with the Carmel River.

4.0 ANALYSIS OF CAL-AM'S WATER RIGHTS

Among the issues noticed for hearing is the following:

"Does [Cal-Am] have a legal right to divert water from wells located adjacent to the Carmel River?" (SWRCB 1, June 1992 Hearing Notice.)

Cal-Am extracts, on average, 14,106 afa via 21 wells from the alluvial aquifer along the Carmel River. Cal-Am claims the right to divert and use this water under pre-1914 appropriative, riparian, prescriptive, and rights acquired under License 11866. (CAL-AM:92,1,10-27; October 1, 1992 letter to SWRCB from Cal-Am transmitting supplemental exhibits.) During the hearing, Cal-Am's representatives presented testimony and numerous exhibits in support of its claimed rights to divert water from the river. The following sections analyze Cal-Am's rights to divert and use water from the Carmel River.

4.1 Applicable Water Law

The following sections set forth the law applicable to the water rights claimed by Cal-Am.

4.1.1 Pre-1914 Appropriative Rights

Prior to 1914, an appropriative right for the diversion and use of water could be obtained two ways.⁶ First, one could acquire a nonstatutory (common law) appropriative right by simply diverting water and putting it to beneficial use. (<u>Haight</u> v. <u>Costanich</u> (1920) 194 P. 26, 184 Cal. 426.) Second, after 1872, a statutory appropriative right could be acquired by complying with Civil Code Sections 1410 et seq. (Id.) Under the Civil Code, a person wishing to appropriate water was required to post a written notice at the point of intended diversion and record a copy of the notice with the County Recorders Office which stated the following: the amount of water appropriated, the purpose for which the appropriated water would be used, the place of use, and the means by which the water would be diverted. (Cal. Civil Code Sections 1410-1422, now partially repealed and partially reenacted in the Water Code; Wells A. Hutchins, The California Law of Water Rights (1956) at 89.)

Generally, the measure of an appropriative right is the amount of water that is put to reasonable beneficial use, plus an allowance for reasonable conveyance loss. (<u>Felsenthal</u> v. <u>Warring</u> (1919) 40 Cal.App. 119, 133, 180 P. 67.) The quantity of water to which an appropriator is entitled, however, is not necessarily limited to the amount actually used at the time of the original diversion. Rather, under the doctrine of "progressive use and development", pre-1914 appropriations may be enlarged beyond the original appropriation. (<u>Haight</u>, 194 P. 26 at 28-29; Hutchins at 118; 62 Cal.Jur. at 370.)

⁶ After 1914, an appropriative right could only be obtained by complying with the provisions of the California Water Code for the appropriation and use of water. (Water Code Section 1225; Stats. 1913, C. 586, p. 1012, Section 1(c).)

Under the progressive use and development doctrine, the quantity of water to which an appropriator is entitled is a fact-specific inquiry. According to Haight, "this right to take an additional amount of water reasonably necessary to meet increasing needs is not unrestricted; the new use must have been within the scope of the original intent, and additional water must be taken and put to a beneficial use in keeping with the original intent, within a reasonable time by the use of reasonable diligence...." (194 P. at 29.) Thus, the progressive use and development doctrine allows an appropriator to increase the amount of water diverted under a pre-1914 right, provided: (a) the increased diversion is in accordance with a plan of development and (b) the plan is carried out within a reasonable time by the use of reasonable diligence. (Senior v. Anderson (1896) 115 Cal. 496, 503-504, 47 P. 454; Trimble v. Heller (1913) 23 Cal.App. 436, 443-444, 138 P. 376.)

4.1.2 Riparian Rights

The riparian doctrine confers on the owner of land abutting a watercourse the right to the reasonable and beneficial use of water on the land. California riparian rights have the following general characteristics. The riparian right is part and parcel of land which abuts a river, stream, lake, or pond. The riparian right may be used only for direct diversion of naturally occurring flow. Unless adjudicated, the riparian right is unquantified and extends to the use of as much water as can reasonably and beneficially be used on riparian lands. A riparian right is a shared right and, therefore, a riparian has a right to the use of the watercourse in common with the equal and correlative rights of other riparians. Finally, the riparian right generally is paramount to all other rights, and must be satisfied before appropriative rights are exercised. (CEB Manual, <u>Water Rights, Water Supply, & Water Related Law</u> (1987) at 7.)

4.1.3 Prescriptive Rights

Generally, "prescription" means the taking of another person's property by adverse use. With regard to water, prescription can only be accomplished by the adverse diversion and use of water that

other private persons are entitled to use under the law. Subsequent to 1914, prescription will not lie against the State for the unappropriated waters of the State. (Water Code Sections 102 and 1225; Stats. 1913, C. 586, p. 1012, Section 1(c); <u>Crane</u> v. <u>Stevinson</u> (1936) 5 Cal.2d 387; <u>People</u> v. <u>Shirokow</u> (1980) 26 Cal.3d 301.)

As to private persons, prescription can be accomplished only by adverse possession that is actual, open and notorious, continuous and uninterrupted, exclusive, hostile and adverse, and under claim of right or color of title for a period of not less than five years. (Locke v. Yorba Irr. Co. (1950) 35 Cal.2d 205; City of Pasadena v. City of Alhambra (1949) 33 Cal.2d 908.) Even though some private rights may be prescripted, the unappropriated waters of the State and post-1914 appropriative water rights cannot be prescripted unless they are supported by a permit. (Shirokow.)

4.1.4 Licenses

Under the California permit system, once a permittee has completed construction of a diversion structure and applied the water to beneficial use, the SWRCB investigates to confirm completion and compliance. The SWRCB will issue a license confirming the amount of water found to have been perfected by reasonable beneficial use subject to the terms and conditions included in the permit and required by statute and California case law. (Water Code Sections 1600, et seq.)

4.2 Analysis of Cal-Am's Water Right Claims

Sections 4.2.1 though 4.2.4, *infra*, analyze the evidence introduced in support of Cal-Am's claimed water rights. For purposes of this order when evaluating Cal-Am's claims, the evidence in the hearing record is considered in the light most favorable to Cal-Am due to the difficulty, at this date, of obtaining evidence that specific pre-1914 appropriative claims of right were actually perfected and have been preserved by continuous use.

4.2.1 Analysis of Pre-1914 Appropriative Rights

The lower Carmel River Valley, Monterey Peninsula, and surrounding areas were settled and developing before 1800. Many of Cal-Am's predecessors in interest developed or acquired appropriative water rights to divert water from the Carmel River and its subsurface waters prior to 1914. (CAL-AM:93, Attachment 1.) Cal-Am's predecessors in interest included: C.P. Huntington, Pacific Improvement Company, Monterey County Water Works, the Monterey County Water Works, Del Monte Properties Co., and California Water and Telephone Company. (Id.) Some of these appropriative rights were initiated and probably acquired in accordance with Civil Code Sections 1410, et seq. Other appropriative rights were acquired by the nonstatutory method of simply taking the water and putting it to reasonable beneficial use. (See 4.1.1, supra.)

Cal-Am submitted over 100 documents, including deeds and notices of appropriations by Cal-Am's predecessors, "which represent virtually all title documents bearing upon Cal-Am's water rights and chain of title." (CAL-AM, PHBr at 14:15-18.) Cal-Am Exhibit 93 (Attachment 1) summarizes the deeds and notices of appropriation pertaining to Cal-Am's appropriative rights. Nevertheless, Cal-Am did not present nor does the record contain any evidence which would enable the SWRCB to determine for each claimed pre-1914 appropriative right:⁷ (1) whether diversion works were actually constructed, (2) whether water was ever diverted and used under any claimed right prior to 1914 or pursuant to a notice given in accordance with Civil Code Section 1410, or (3) the quantity of water which was put to reasonable beneficial use and maintained by continuous use by Cal-Am's predecessors.

⁷ Despite the fact that Issue #2 was clearly noticed for hearing, Cal-Am asserted throughout the proceedings that the complaint proceedings were not the proper forum to evaluate Cal-Am's appropriative rights. (October 1, 1992 letter to Messrs. Stubchaer and Samaniego from Leonard G. Weiss transmitting supplemental exhibits at 1, n.1; CAL-AM Post-Hearing Brief, 13:14-18.) Nonetheless, Cal-Am submitted extensive evidence of its water rights based on deeds, notices of appropriation, and other documents.

Cal-Am submitted two categories of documents to establish the total quantity of water used under all of its pre-1914 appropriative rights. These are:

"(1) Direct evidence of actual usage in 1913 and earlier; and (2) Material dating back to the 1880s which demonstrate ... the existence of the water company's physical plant, dollar volumes of sales, and the like, prior to 1914." (CAL-AM, PHBr at 15:6-11; October 1, 1992 letter to SWRCB from Cal-Am transmitting supplemental exhibits.)

Several parties objected to the admissibility of the above exhibits on the ground that they are hearsay. (E.g., Carmel Valley Water Users, Closing Brief, 5-8.)

Title 23, California Code of Regulations, Section 761(d) provides, in part, that in a hearing before the SWRCB:

"The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant, non-repetitive evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient by itself to support a finding unless it would be admissible over objection in civil actions" (Emphasis added.)

Cal-Am exhibits are admissible under Section 761(d) because: (a) it is the sort of evidence on which responsible persons are accustomed to rely and (b) the exhibits would likely be admissible over objection in a civil action.⁸ Moreover, these exhibits

Official notice may be taken of the existence of any specific record of the California Railroad Commission. While official notice generally may not be taken of the truth of the Railroad Commission's factual findings (<u>see</u> <u>Sosinsky</u> v. <u>Grant</u> (1992) 8 Cal.Rptr.2d 552, 558-59), the factual statements within such exhibits are admissible under the official records exception (continued)

⁸ The SWRCB is of the opinion that those exhibits pertaining to proceedings of the California Railroad Commission would be admissible over objection in a civil trial. It is difficult to find a clear statement in the California Evidence Code or cases specifically addressing this evidentiary issue. However, there are multiple theories, including: the official notice doctrine, the official records exception to the hearsay rule, and other "residual" exceptions to the hearsay rule that support this conclusion.

likely are the best, if not the only, evidence available for events which occurred over eighty years ago. Thus, the SWRCB will allow Cal-Am's exhibits as evidence for the purpose of evaluating its pre-1914 appropriative claims.

These documents, however, do not show the amount of water that was actually used beneficially or maintained by continuous beneficial use by Cal-Am's predecessors under any specific pre-1914 appropriative rights. Thus, Cal-Am has not demonstrated that the

⁸(...continued) the hearsay rule. Section 1280 of the Evidence Code provides:

"Evidence of a writing made as a record of an act, condition, or event is not made inadmissible by the hearsay rule when offered to prove the act, condition, or event if:

(a) The writing was made by and within the scope of duty of the public employee;

(b) The writing was made at or near the time of the act, condition, or event; and

(c) The sources of information and method and time of preparation were such as to indicate its trustworthiness."

In this case, those exhibits pertaining to proceedings of the California Railroad Commission generally satisfy the requirements of Section 1280. However, some courts have held that the public employee must have had <u>personal</u> <u>knowledge</u> of the act, condition, or event, or received the information recorded from someone in the agency who had personal knowledge in order for the official records exception to apply. (<u>See People v. Parker</u> (1992) 8 Cal.App.4th 114.) Because it is unclear whether any public official had personal knowledge of the quantity of water allegedly being used by Cal-Am's predecessor, it is possible that a court may find such information inadmissible under the official records exception. Nonetheless, the SWRCB concludes that these exhibits should be admitted under the official records exception because "the sources of information and method of time of preparation were such as to indicate [the exhibits'] trustworthiness." (<u>See</u> Cal. Evidence Code Section 1280(c).)

Alternatively, these exhibits would likely be admissible under one of the "residual" exceptions to the hearsay rule that allow California courts to recognize hearsay exceptions "in addition to those exceptions expressed in the statutes." (<u>In re Malinda S</u>, 51 Cal.3d 368, 376 (1990).) For example, evidence of a statement contained in a writing more than 30 years old is admissible if "the statement has been since generally acted upon as true by persons having an interest in the matter." (Cal. Evidence Code Section 1331.)

The deeds are admissible for the purpose of demonstrating chain of title. (Cal. Evidence Code Sections 1330 and 1600.) Finally, Exhibit 93 (Schematic of Chain of Title) is also admissible, but only to the extent the information therein is confirmed by the underlying documents which it purports to summarize. notices of appropriation were ever perfected into appropriative rights.⁹

The best evidence regarding the amount of water actually put to reasonable beneficial use prior to 1914 by Cal-Am's predecessors is found in Cal-Am Exhibits 126, 131 and 133. The following sections briefly describe these exhibits:

- (a) Exhibit 126 is a copy of a "Petition of the Monterey County Water Works For an Increase of its Water Rates," (MCWW) Application No. 950, filed before the California Railroad Commission on or about January 14, 1914. Exhibit "C" of this petition shows that in 1913 the MCWW sold a total of 314,879,755 gallons (966 afa) of water to its customers.
- (b) Exhibit 131 is an MCWW brief to the Railroad Commission dated June 29, 1914, supporting its position for increased water rates. Page 6 of this brief discusses various estimates of water use and presents a likely total annual water use of 370,515,000 gallons (1,137 afa).
- (c) Exhibit 133 is a January 27, 1915, engineer's report to the MCWW about the impact of the Railroad Commission's Decision regarding the MCWW's petition for a rate increase. Table 1A of this exhibit presents the MCWW's annual use of water in 1913-1914 as 43,444,600 cubic feet (997 afa).¹⁰

 10 The record contains other contradictory evidence as to the amount of water used prior to 1914. For example, less than 507 afa is reported as having been used in 1916. (CAL-AM:90.)

⁹ Cal-Am's claimed pre-1914 appropriative rights could not possibly have been perfected and maintained for the face value of the rights being claimed. Assuming that the appropriative rights conveyed to Cal-Am were all perfected and maintained by continuous reasonable beneficial use, the maximum quantity which could be diverted from the Carmel River would be 751,608 afa, an amount which vastly exceeds the amount of water available in the river during even the wettest years of record. (MPWMD:199, Attachment 1 (showing maximum unimpaired Carmel River flow of approximately 325,000 afa).)

These exhibits shed some light on the amount of water used by Cal-Am's predecessor in interest around 1914. These exhibits are inconclusive as to the actual amount of water used by the MCWW around 1914 due to the different water use figures. For purposes of this analysis and order, the 1,137 afa figure is used because: (1) the range between the high and low values is only fifteen percent and (2) it is reasonable to use the maximum annual water use estimate of 1,137 afa to establish the baseline quantity of water being used under pre-1914 appropriative claims.

In addition to the actual quantity of water used by Cal-Am's predecessors prior to 1914, Cal-Am might have been entitled to an additional quantity of water under the progressive use and development doctrine. However, Cal-Am neither asserted such a claim nor presented evidence which might support findings that it is entitled to additional water under the doctrine.¹¹ In addition, the diversion of a large amount of the water currently taken from the river or its underflow was not initiated until rapid growth occurred on the Monterey Peninsula, which commenced after 1960. (T,I,48:1-9; T,I,38:12-18; CAL-AM,90.) Cal-Am drilled 18 of its 21 wells after 1960. (CAL-AM:91.) Thus, Cal-Am is not entitled to additional water under the progressive use and development doctrine. Cal-Am's pre-1914 rights, therefore, should be limited to the estimated actual use by Cal-Am's predecessors in 1913, an amount which does not exceed 1,137 afa.¹²

¹² Pre-1914 appropriative claims for San Clemente Dam. Persons diverting water under pre-1914 claims or right are required to file Statements of Diversion and Use with the SWRCB. (Water Code Sections 5100, et seq.) Cal-Am filed its first statements for San Clemente Dam in 1975. Cal-Am contends that this right was established under four Notices filed under the Civil Code. (CAL-AM, Exhibit A, pp.3 and 4; CAL-AM exhibits 4, 5, 6 and 8.)

The first statements included water diverted for years 1972 through 1975. The statements indicate that Cal-Am was able to divert 1,529 af to storage at San Clemente Reservoir and that Cal-Am was claiming the right to divert up to 20 cfs by direct diversion. Over succeeding years, Cal-Am has (continued...)

¹¹ Indeed, Cal-Am requested that the Board "decline to attempt to quantify Cal-Am's rights until it hears Cal-Am's pending applications for permits." (CAL-AM's Post Hearing Brief at 21:9-11.) This request is rejected because this issue was noticed for this proceeding and Cal-Am had an opportunity to present evidence on the issue.

4.2.2 Analysis of Riparian Rights

Cal-Am's riparian claims are limited to the use of water on only those parcels which adjoin the surface water course of the river or which overlie water flowing in the subterranean channel.¹³ Clearly, Cal-Am wells extract water flowing in the subterranean channel. Cal-Am also presented testimony indicating that 60 afa were used to irrigate riparian habitat along the river. (T,I,54:3-10.) Nevertheless, Cal-Am did not identify any specific parcels for which riparian claims were asserted. In summary, although Cal-Am did not submit testimony or exhibits in support of any specific riparian claim, it appears that Cal-Am has riparian rights and it is not unlikely that such rights are being exercised to divert 60 af to irrigate riparian vegetation along the Carmel River.¹⁴

4.2.3 Analysis of Prescriptive Rights

Cal-Am bases its claim to prescriptive water rights on the alleged fact that the claimed combined diversions of two of Cal-Am's predecessors depleted the flow in the Carmel River (CAL-AM: October 1, 1992 letter to SWRCB from Cal-Am transmitting supplemental exhibits, pp. 7 and 8; CAL-AM:136,2) during some years and the fact that the Carmel River often has no surface flow. (CAL-AM:132,14.) Assuming the truth of these facts, Cal-Am's post-1914 claims of prescriptive rights are, nevertheless, not supported

San Clemente Dam was constructed in 1921, seven years after the modern Water Code respecting appropriation became effective. No evidence was presented: (1) as to which, if any, Notice is the basis for the pre-1914 claim of right, (2) that work was commenced on facilities to divert water prior to 1914, or (3) that water was diverted and used prior to 1914 or within a reasonable time thereafter under any Civil Code Notice.

¹³ Cal-Am does not claim that water being diverted from the subterranean channel associated with the Carmel River can be served to persons on the Monterey Peninsula under riparian rights claims. (T, I, 91: 13-92: 8.)

¹⁴ Cal-Am does not claim that water served outside the valley can be diverted from the river under riparian right claims. (T, I, 91: 13-92: 8.)

¹²(...continued)

stated that it has approximately diverted between 1,200 to 8,000 af per year under this claim. (SWRCB, Files, Statements of Diversion and Use, Statement 8538.) More recent information indicates the dam can only store between 320 and 800 af. (MPWMD:287,4-49.) Amounts which are currently directly diverted are taken at the Carmel Valley Filter Plant about one-half mile below the San Clemente Dam:

by the record because Cal-Am failed to introduce other essential evidence necessary to support prescriptive claims. Cal-Am did not: (1) demonstrate that the basic elements of prescription were met and (2) identify any specific persons, lands, or types of water rights that were allegedly prescripted. Thus, there is no basis for finding that Cal-Am is entitled to divert any water from the river under the doctrine of prescription.

4.2.4 Analysis of Rights Under License 11866 (Application 11674A) On February 14, 1986, Cal-Am was issued License 11866 (Application 11674A) to divert 3,030 afa to storage from October 1 to May 31 from the Carmel River for municipal, domestic, industrial, and recreational uses. (SWRCB:1,b.) The maximum annual withdrawal under this right, however, is 2,950 afa. The above analysis of appropriative, riparian, and prescriptive rights does not affect the rights exercised under License 11866.

4.3 Conclusions Regarding Cal-Am's Claimed Water Rights

In summary, Cal-Am has valid pre-1914 appropriative rights to divert no more than 1,137 afa, based upon the amount of water actually used by Cal-Am's predecessors prior to 1914. Cal-Am is not entitled to additional water under the progressive use and development doctrine because Cal-Am did not present evidence of a plan of development carried out within a reasonable time.

Cal-Am has riparian rights for use within the Carmel River Valley on only those parcels which adjoin the surface watercourse of the river or which overlie water flowing in the subterranean channel. It is not unlikely that such rights are being exercised to irrigate the riparian vegetation along the Carmel River. Such rights do not extend to water that is served outside the valley or water served to non-riparian parcels located within the valley.

Cal-Am is not entitled to any prescriptive water rights because Cal-Am did not identify the persons, lands, or types of water rights that are allegedly prescripted. Cal-Am has an appropriative

right to divert 3,030¹⁵ afa of water to storage in Los Padres Reservoir from October 1 to May 31 pursuant to the conditions imposed by License 11866. Thus the total quantity of water which Cal-Am is presently using under legal rights is 3,376 afa.¹⁶

Because the amount of water to which Cal-Am is legally entitled under the appropriation and riparian doctrines, pre-1914 storage rights, and License 11866 is much less than the amount Cal-Am presently is diverting, Cal-Am is diverting about 10,730¹⁷ afa from the Carmel River or its underflow without a valid basis of right. Accordingly, Cal-Am should be required to diligently develop and implement a plan for obtaining water from the Carmel River or othersources consistent with California water law.

5.0 EFFECT OF CAL-AM DIVERSION ON INSTREAM BENEFICIAL USES The following sections will discuss the effects of Cal-Am's diversions on the instream beneficial uses of the Carmel River. Such effects include the loss of riparian habitat in the lower river and the near extinction of the Carmel River steelhead run. Cal-Am diversions, standing alone, are not the sole cause of current conditions in the Carmel River. Other causes include the diversion and use of water by other persons and, significantly, a series of dry and critically dry years during the late 1980s and early 1990s. Nevertheless, Cal-Am's combined diversions from the Carmel River constitute the largest single impact to the instream beneficial uses of the river.

5.1 Vegetative Resources

Three vegetation communities are found within the Carmel River watershed: coastal wetlands within the Carmel River Lagoon,

¹⁶ 1,137 afa, pre-1914 appropriative + 60 afa, riparian + 2,179 afa, license 11866 = 3,376.

¹⁵ The actual diversion is limited to 2,179 af due to siltation.

 $^{^{17}}$ 10,730 afa represents Cal-Am's total diversions from the Carmel River minus that amount which appears to be legally diverted. (14,106 - 3,376 = 10,730.)

riparian communities along the river itself, and upland vegetation on the upper alluvial terraces and hills surrounding the valley. Mature multistoried riparian vegetation supports a wide diversity of plant and animal species, including a number of which are protected pursuant to federal and state endangered species acts.

Historically, riparian vegetation was more extensive than at present, particularly in the lower nine river miles. Prior to 1956, losses were primarily attributable to agricultural development. Since that time, the decline has coincided with the increasing export of ground water to meet growing urban demand on the Monterey Peninsula. (SWRCB:17; SWRCB:42,III-28.) Were it not for the extensive riparian corridor irrigation efforts of the District and Cal-Am, it is estimated that current ground water pumping would severely stress approximately 59 percent of the existing riparian vegetation in the upper portion of Aquifer Subunit 3 (see Figure 2) in normal water years, and nearly all vegetation during critically dry years. (MPWMD:289,9G-1.)

The Carmel River Lagoon contains a mixture of freshwater and salt marsh vegetation. Coastal salt marsh is considered one of the most fragile and rapidly disappearing habitats in California. The Carmel River coastal wetland represents some of the last remaining habitat of this type on the Central Coast. (SWRCB:42,III-32.)

Upland vegetation within the watershed is composed of a mixture of coastal scrub, hardwood forest, coastal dune, chaparral, and closed-cone coniferous forest. Cal-Am's diversions have no direct effect on such resources.

5.2 Wildlife Resources

Carmel River riparian and wetland communities support a diverse group of resident and migratory wildlife. A number of amphibian and reptile species occur within the riparian and wetland zones as well, including the red-legged frog and the western pond turtle. These are, respectively, a proposed and candidate species for listing under the Federal Endangered Species Act. A more detailed

description of these resources is found in the District's EIR/EIS. (MPWMD:287-290.)

5.3 Fishery Resources

The Carmel River supports populations of at least ten resident freshwater and anadromous fish species. Of these fishes, the steelhead (*Onchrhynchus mykiss*) has been considered the most important, and extensive studies have been performed to define its ecology in the river. (SWRCB:42,III-41.)

Adult steelhead live in the ocean and migrate into the upper reaches of the Carmel River to spawn. Migration may begin in the fall after the Lagoon sandbar is breached by artificial means or by the first major storm and when sufficient flow is established in the lower river to allow upstream passage.

Typically, in early January the adults spawn and migrate back to the ocean. After approximately three to eight weeks of incubation, depending on water temperature, the eggs hatch and fry soon emerge from the gravel. These fry continue development in the river until fall. By fall, fry will have developed into juveniles and begin moving downstream. They remain in the lower reaches of the river and the lagoon adapting to brackish water until late spring. In late spring, as high river flows are receding, they migrate out into the Pacific Ocean. Some juveniles and adults remain in the river for one or two additional years before migrating to the ocean, hence these life stages may be found in the river throughout the entire year. (SWRCB:42, III-42.)

5.4 Extent of the Steelhead Resource

When first seen by Spanish explorers in 1603, the Carmel River supported a spectacular steelhead run, believed to have been well in excess of 12,000 fish annually. (CSRA:5,2.) Heavy fishing in the 1850s through the 1870s diminished the fishery. Fish planting began in 1910 and continued through the 1940s. (MPWMD:289,8-8.)

When San Clemente Dam was constructed in 1921 (RM 18.5), a fish ladder was also built. (MPWMD:289,8-8.) Access to a major portion of the steelhead spawning and rearing habitat was effectively eliminated in 1949 with the construction of Los Padres Dam at RM 23.5. (CSRA:5,2.) Although a fish trap was installed downstream of the dam and captured adults transported into the reservoir, the facility proved ineffective at maintaining steelhead populations. (MPWMD:289,8-8.)

Annual counts of steelhead passing through the San Clemente fishway began in 1961. The critical dry years of 1976-77 and 1987-92, drought, and diversion by Cal-Am from its wells have combined to reduce water available to steelhead and have also reduced the steelhead population to remnant levels. Only one fish was recorded in 1991 and 15 fish in 1992. (MPWMD:337,49.) Past reviews of Carmel River environmental problems have identified flow reduction and habitat alteration as major factors associated with steelhead decline. (SWRCB:42,III-44.)

Paralleling the declining steelhead population during this period was the rising urban demand for water. Originally, the Monterey Peninsula water supply was diverted entirely from the two reservoirs and from surface flow. When demand exceeded the developed surface resources, wells drilled in the Carmel Valley alluvium aquifer were added to supplement supply. In recent times, dry season surface flows below the Narrows at RM 10 have been depleted in most years as a result of heavy ground water pumping. This results in the stranding and death of many juvenile fish as surface flow recedes. (DFG:4,32.)

5.5 The Effect of Cal-Am Diversions Should be Mitigated To summarize, Cal-Am diversions have historically had an adverse effect on: (1) the riparian corridor along the river below RM 18.5, (2) wildlife which depend on riparian habitat, and (3) steelhead and other fish which inhabit the river. Measures should be adopted requiring Cal-Am to mitigate the effect of its diversions on the environment until such time as it is able to

obtain water from the Carmel River or other sources consistent with California water law.

6.0 MITIGATING EFFECTS OF CAL-AM DIVERSIONS

The following sections identify the measures which are in effect to mitigate the effect of Cal-Am's diversions in the instream beneficial uses of the Carmel River. Many significant measures to protect the instream beneficial uses of the river have been initiated and are being carried out by the Monterey Peninsula Water Management District. In order to avoid confusion, an explanation of the District's role is necessary.

The District was created by special act of the Legislature in 1977. (Water Code Appendix Section 118-2.) The District is responsible for managing available surface and ground water sources to supply water within the District and to protect the environmental quality of the area's water resources, including the protection of fish and wildlife resources. (*Id.*; MPWMD:16,1-2.) Much of the watershed of the Carmel River is within the District's boundaries (Figure 1) and the District has broad powers over the use and distribution of water within its boundaries, including the operations of Cal-Am. (Water Code Appendix Sections 118-2, 118-102.)

6.1 Interim Relief Program

In 1988, as a result of the complaint filed by the CRSA (Section 2.1), the District formed an Environmental Advisory Committee. The committee was composed of citizen groups and public agency representatives, including representatives from Cal-Am and DFG. (MPWMD:53;3&4.) Their efforts resulted in an Emergency Relief Program and an Interim Relief Program, both designed to address chronic environmental degradation in the lower Carmel River. (MPWMD:53.)

The focus of the Interim Relief Program was on rescuing stranded steelhead during critically dry years, preserving the riparian corridor, and enhancing aquatic habitat by increasing streamflow. Specifically, the District undertook to: (1) limit surface

diversion at San Clemente Dam to 29 percent of total Cal-Am production, (2) hire fishery professionals to assess habitat and coordinate steelhead rescue efforts, and (3) monitor the health of riparian vegetation and install, operate, and maintain drip irrigation systems along the lower Carmel River. The provisions of the program expired in November 1993, but are carried forward as elements of the Water Allocation EIR mitigation program of the District. (MPWMD:53; SWRCB:42.)

6.2 Water Allocation Mitigation Program

In 1981, the District established an annual Water Allocation Program to apportion water to each of its member jurisdictions. In 1990, a Water Allocation Program EIR was completed and certified by the District. (SWRCB:42; MPWMD:16.) The EIR analyzed the environmental and socioeconomic impacts of varying levels of water production from the Monterey Peninsula Water Resource System, including the Carmel River. The document found that the amount of water which could be produced without significant environmental impact was less than previous estimates. As a result, the Cal-Am allocation was reduced from 18,600 to 16,744 afa.¹⁸ Even at the reduced level, diversion of water from the Carmel River was found to have significant adverse environmental impacts on fisheries, riparian vegetation and wildlife, and the Lagoon. Therefore, the District also approved the Water Allocation Mitigation Program and committed itself to implement the mitigation program. The Program provides for the following mitigation measures:

Fisheries (MPWMD:16,55)

- Continue Interim Relief Program
- Expand program to capture emigrating smolts in spring
- Prevent stranding of early fall and winter migrants
- Rescue juveniles downstream of Robles Del Rio in summer

¹⁸ The quantity of water which the District allocated to Cal-Am was not based on the amount of water diverted by Cal-Am and not on Cal-Am's legal right to divert water.

Modify spillway and transport juveniles around Los Padres
 Dam

Riparian Vegetation and Wildlife (MPWMD:16,64)

- Continue Interim Relief Program
- Conservation and water distribution management to retain water in the Carmel River
- Prepare and oversee a Riparian Corridor Management Plan (MPWMD:69)
- Implement the Riparian Corridor Management Plan
- Expand monitoring programs for soil moisture and vegetative stress

Lagoon Vegetation and Wildlife (MPWMD:16,72)

- Continue Interim Relief Program
- Assist with Lagoon Enhancement Plan investigations
- Expand long-term monitoring program
- Identify feasible alternatives to maintain adequate Lagoon volume

The program was adopted and funded by the District for an initial five-year period, due to expire in late 1995, after which allocations are to be reassessed based on results of monitoring studies. Annual progress reports have been prepared by the District and submitted to the SWRCB. (SWRCB:43; MPWMD:307-308.) Funded primarily by user fees and taxes, the program costs will slightly exceed \$6.5 million over five years. (MPWMD:309.)

The effectiveness of this mitigation program and the degree to which the District has implemented the mitigation program was the subject of considerable testimony during the SWRCB hearing. Both the CSRA and the DFG expressed dissatisfaction with the implementation of the program. (CRSA:94-1,3; T,X,100:2.) Further, DFG stated that it was the Department's position that fish rescue is inappropriate as a long-term mitigation measure and that provision of adequate instream flow is the preferable alternative. (T,IX,8:2.)

6.3 Other District Actions

In addition to the above programs, the District has engaged in a number of other activities to lessen the impact of water extraction on the Carmel River system. These measures include:

- Limitation on total system production
- Mandatory rationing and moratoriums
- Conservation and community education programs
- Development of Seaside aquifer
- Wastewater reclamation

Although these programs have been effective in reducing demand on the Carmel River, their combined effect is inadequate to reverse severe environmental degradation. It is the position of the District and DFG wildlife experts that river flow is the critical element in reversing this degradation. The District has also concluded that a firm municipal supply and water for environmental restoration cannot be provided without additional water storage upstream of Cal-Am's existing well field. (MPWMD:287,2-8.)

6.4 Conditions On the Operation of Los Padres and San Clemente Dams

In 1948 the SWRCB adopted Decision 582 approving an appropriative right for the Los Padres Dam. The Decision and Permit 7130 require, in general, that Cal-Am maintain a flow of not less than 5 cfs in the channel of the Carmel River directly below the outlet structure of the Los Padres Dam at all times during which water is being stored under this permit.

Diverting under a claim of pre-1914 appropriative right, San Clemente Dam has no bypass requirement and, until the early 1980s, the entire summer streamflow was diverted into the filter plant downstream of San Clemente Dam. (DFG:4,8.) During the 1980s, DFG and Cal-Am began negotiating year-to-year agreements for the release of some water at San Clemente Dam to benefit fish in the river. Bypass flows have generally been in the range of 3.5 to 5 cfs. Under more normal hydrologic conditions, the bypass

maintains flow in the stream to the Narrows at RM 10. This habitat below San Clemente Dam is considered significant steelhead habitat.

6.5 Interim Measures to Mitigating Effects of Cal-Am Diversions Should Continue to be Implemented

As previously stated, Cal-Am's diversions have an adverse effect on the instream beneficial use of the river. Although the interim measures discussed herein are beneficial, they are by no means sufficient to offset the total effect of Cal-Am's diversions. Thus, these measures should be continued until such time as Cal-Am is able to obtain water from the Carmel River or other sources consistent with California water law.

That most interim measures have been undertaken by the District and not Cal-Am is a matter of concern. There is no assurance that the District will indefinitely continue to mitigate the effects of Cal-Am's diversions. Furthermore, there is no basis for the SWRCB to order the District to continue implementing the interim measures on behalf of Cal-Am. Thus, a condition should be adopted requiring Cal-Am to implement these interim measures in the event the District fails to continue with its programs.

7.0 OTHER PROPOSALS FOR MITIGATING THE EFFECTS OF CAL-AM DIVERSIONS FROM THE CARMEL RIVER

In addition to the interim mitigation measures being implemented by the District, the Complainants, DFG, and Mr. Evans contend that additional mitigation measures should be implemented by Cal-Am. Some of these measures are discussed in the following sections.

7.1 Maximize Production in Seaside Aquifer, Minimize Production from Carmel River

Several parties advanced the concept that production from the Seaside aquifer should be increased and diversions from the Carmel River should be reduced. Cal-Am produces about 2,700 afa from the Seaside ground water basin from wells in Seaside, California. The Seaside northern and southern coastal ground water subbasins have a usable storage capacity of 4,700 af. (MPWMD:101,6,144.) The longterm yield of the Seaside ground water subbasin, however, is

estimated to be 3,300 afa, using the practical rate of withdrawal method. (SWRCB:1, "Hydrology Update, Seaside Coastal Ground Water Basins, Monterey County, California", Staal, Gardner & Dunne, Inc., 1990, p.22.) A new well became available to Cal-Am and its customers during 1994, the Peralta Well, which is located in the Seaside aquifer. The well is capable of producing approximately 1,000 afa. The District has allocated the potential production from the Peralta Well for purposes which include water for community benefit and among eight jurisdictions for new connections, remodeling, and additions. (MPWMD, 291, 4:1-17; MPMD, 3378, 28, Figure 10.) By more fully utilizing water available in the Seaside aquifer, Cal-Am can reduce its diversions from the Carmel River and the effects of such diversions on public trust Thus, we find that Cal-Am should be required to maximize values. production from the Seaside aquifer and reduce diversions from the river to the greatest practicable extent.

7.2 Maximize Production from the Most Downstream Wells

Several parties advanced the proposal that by maximizing production from the most downstream wells that surface water in the Carmel River could be extended farther downstream.¹⁹ The benefit of operating the wells in this manner would be to provide more habitat for fish during some years and seasons. (T, IV, 248:24-251:3.) Testifying for DFG, Keith Anderson indicated that Cal-Am was already operating in this manner pursuant to an agreement with DFG. (T, IX, 17:2-10.) Testimony did indicate, however, that too much pumping of wells nearer to the Lagoon might result in water quality degradation and adversely affect supply of water to other wells. Thus, we find that Cal-Am should be required to satisfy the water demands of its customers outside of the Carmel River watershed by extracting water from its most downstream wells to the maximum practicable extent.

¹⁹ Some parties advocated drilling more wells farther down the river as near to the Lagoon as possible. The feasibility of this proposal was not demonstrated. Testimony and exhibits indicated that such wells and pumping could result in: (a) poorer water quality for Cal-Am customers, (b) dewatered wells used by other persons in the area, and (c) seawater intrusion into the lower aquifer. (T,IV,251:4-254:4; 258:5-269:4; 272:14-284:2.)

7.3 Supply Water to the Carmel Village Filter Plant from Wells The Carmel Village is supplied water from a filter plant located downstream of the San Clemente Dam. The filter plant is supplied water from the dam via a pipeline. Several parties advanced the proposal that more surface flow could remain in the river if the filter plant was supplied water from wells instead of the dam. The water diverted to storage at the dam could then be released to the river for fish and to recharge the subterranean stream from which the downstream wells extract water. No evidence was presented to demonstrate the feasibility of the proposal. Indeed the evidence indicates that it is not feasible to supply water to the filter plant from the most downstream wells. No evidence was introduced which would indicate whether the filter plant could be supplied from more nearby wells and thus keep more water at the surface of the stream for some additional distance. We find that Cal-Am should be required to conduct a reconnaissance level study of the feasibility, benefits, and costs of this proposal.²⁰

7.4 Bypass Early Storm Runoff at the Dams

On behalf of DFG, Keith Anderson suggested that runoff from early storms be passed by the Los Padres and San Clemente Dams. (T,IX,21:4-22:6.) This proposal can result in recharging the subterranean stream and restoring surface water flows in the river at an earlier date. An earlier reestablishment of surface flows would increase the likelihood that steelhead could successfully migrate up and down the stream to complete their life cycle. The record does not include any evidence which demonstrates the feasibility of this suggestion; however, the storage capacity of the dams is so small that it appears likely that this suggestion could be implemented in even the driest water years and the

²⁰ The SWRCB recognizes that the wells nearest the filter plant are not the most downstream wells. The feasibility of supplying the filter plant may depend upon supplying the plant via the nearest wells. Supplying the filter plant from nearby wells would, implicitly, conflict with the principle that water be supplied to Cal-Am customers via the most downstream wells to the maximum practicable extent. Nevertheless, we find that the feasibility, benefits, and costs of this proposal should be evaluated.

reservoirs could still be refilled. We find that Cal-Am should be required to study the feasibility of this proposal.

7.5 Modify Critical Stream Reaches to Facilitate Fish Passage In the context of this section, a critical stream reach means any portion of the river which, due to low flow, acts as a barrier to migrating steelhead. Such barriers interfere with the ability of steelhead to successfully complete all life stages and to reproduce in the river. Testifying for DFG, Keith Anderson expressed the opinion that modifying critical stream reaches was an action which could be taken to mitigate the effect of Cal-Am's diversions from the river. (T,IX,20:24-21:3.) Thus, we find that Cal-Am should be required to conduct a study of the feasibility, benefits, and cost of this proposal.

7.6 Remove Boulder Below Los Padres Dam

A large boulder or rock outcrop is situated below the spillway of Los Padres Dam. A significant percentage of steelhead juvenile fail to survive downstream migration during low water conditions over the spillway because they fall upon the rock. Removal of the rock could improve the survival rate of steelhead juvenile moving downstream from Los Padres Dam. Accordingly, Cal-Am should be required to remove the rock or implement some other reliable measure to assure safe passage for fish over or around the rock.

8.0 ENFORCEMENT OPTIONS

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Three enforcement options are available to the SWRCB for the unlawful diversion and use of water. First, Water Code Section 1052 declares that the unauthorized diversion of water is a trespass. Such diversions may be referred to the Attorney General for injunctive relief. (Section 1052(c).) Persons committing a trespass may be liable for up to \$500 for each day in which a trespass occurs. (Section 1052(d).)

Second, Water Code Sections 1055 and 1052 authorizes the SWRCB to impose administrative civil liability for the unlawful diversion and use of water. Persons committing a trespass may be liable for

up to \$500 for each day in which a trespass occurs. (Section 1052(b).) Persons committing a trespass may be liable for up to \$500 for each day in which a trespass occurs.

Finally, Sections 1825, et seq. authorizes the SWRCB to adopt cease and desist orders for violation of conditions in permits and licenses. Cease and desist orders may require compliance forthwith or in accordance with a time schedule. (Section 1831.) Diversion of water in excess of the quantity authorized by permit or license can be treated as a violation subject to enforcement under Section 1831. Persons failing to comply with a cease and desist order are liable for \$1,000 for each day in which violation occurs.

This proceeding was not noticed under any of the enforcement provisions and the SWRCB cannot, at this time, proceed directly to an order under Sections 1055 or 1830. The SWRCB, however, can request the Attorney General to take action under Section 1052. Alternatively, the SWRCB can suspend such a referral provided that Cal-Am takes appropriate actions to: (a) mitigate the effect of its diversions on the environment and (b) develop and diligently pursue a plan for obtaining water from the Carmel River or other sources consistent with California water law.²¹

8.1 Considerations Mitigating Against the Use of Punitive Enforcement Options

In the short term, Cal-Am cannot significantly reduce its extraction from the wells along the Carmel River. As previously stated, most of Cal-Am's supply is obtained from the Carmel River and most of that supply is provided by the wells along the river. The people and businesses on the Monterey Peninsula must continue to be served water from the Carmel River in order to protect public health and safety.

²¹ Cal-Am could satisfy this requirement by contracting with MPWMD for the supply from its proposed project or by proposing to develop water under applications to appropriate water from the Carmel River by storage or from other sources.

Cal-Am introduced exhibits during the hearing which show that during 1980 and 1981, on the basis of available information, the SWRCB was not of the opinion that the water pumped by the wells would require a permit from the SWRCB. (CAL-AM, F and G.) Further, Cal-Am does not contend that the wells are not extracting water from a subterranean stream. (CAL-AM, Closing Brief, 20.) Indeed, Cal-Am has filed an application to appropriate water with the SWRCB. (Application 30215.)²²

Cal-Am also supports the New Los Padres Project proposed by the District as one means for providing a reliable and legal water supply for its customers. (CAL-AM, Closing Brief, 2:4-12.) Finally, Cal-Am has cooperated with the District, DFG, and others to develop and implement measures to mitigate the effect of its diversions on the instream resources of the river. (MPWMD:287,2-15.)

Under circumstances such as these, the imposition of monetary penalties make little sense. Rather, the SWRCB's primary concern should be the adoption of an order which, until a legal supply of water can be developed or obtained, will require that Cal-Am: (1) minimize its diversions from the Carmel River, (2) mitigate the environmental effects of its diversions, and (3) prepare a plan setting forth: (a) specific actions to develop or obtain a legal supply of water and (b) the dates specific actions will have occurred so that progress on the plan can be objectively monitored.

9.0 SUMMARY AND CONCLUSIONS

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To summarize the foregoing, we find that:

 Downstream of RM 15 of the Carmel River, the aquifer underlying and closely paralleling the surface water course of the Carmel River is water flowing in a subterranean stream and subject to

²² Administrative notice is taken that on May 29, 1992, Cal-Am submitted Application 30215 to the SWRCB. The application is for the direct diversion of 42 cfs from its wells along the river.

the jurisdiction of the SWRCB. Cal-Am's wells are drawing water from the subterranean stream associated with the Carmel River.

- 2. Cal-Am is diverting about 10,730 afa from the Carmel River or its underflow without a valid basis of right. In addition, Cal-Am does not have a pre-1914 right to divert and use water at San Clemente Dam. Cal-Am should be required to diligently develop and implement a plan for obtaining water from the Carmel River or other sources consistent with California water law.
- 3. Cal-Am diversions are having an adverse effect on: the riparian corridor along the river below San Clemente Dam at RM 18.5, wildlife which depend on instream flows and riparian habitat, and steelhead which spawn in the river. Interim measures mitigating the effects of Cal-Am diversions undertaken by the District should continue to be implemented. Cal-Am should be required to implement interim measures in the event the District fails to continue with its program. In addition, Cal-Am should be required to implement other mitigation measures. Cal-Am should be required to mitigate the effect of its diversions until such time as it is able to obtain water from the Carmel River or other sources consistent with California water law.
- 4. The SWRCB can request the Attorney General to take action under Section 1052. Alternatively, the SWRCB can suspend such a referral provided that Cal-Am takes appropriate actions to: mitigate the effect of its diversions on the environment and develop and diligently pursue a plan for obtaining water from the Carmel River or other source consistent with California water law. The SWRCB's primary concern should be the adoption of an order requiring Cal-Am to: (1) prepare a plan setting forth (a) specific actions which will be taken to develop or obtain a legal supply of water and (b) the dates specific actions will have occurred so that progress on the plan can be

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:

- 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 14,106²⁴ 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 longterm 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

 $^{^{\}rm 23}~$ Each water year runs from October 1 to September 30 of the following year.

 $^{^{\}rm 24}$ 14,106 afa represents Cal-Am's total diversions from the Carmel River.

of the study and recommendations shall be provided to the District and DFG for comment.

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- 7. Cal-Am shall evaluate the feasibility of bypassing early storm runoff at Los Padres and San Clemente Dams to recharge the subterranean stream below San Clemente Dam in order to restore surface water flows in the river at an earlier date. The results of the study and recommendations shall be provided to the District and DFG for comment.
- 8. Cal-Am shall conduct a study of the feasibility, benefits, and costs of modifying critical stream reaches to facilitate the passage of fish. The study shall be designed and carried out in consultation with DFG and the District. The results of the study and recommendations shall be provided to the District and DFG for comment.
- 9. The studies required by conditions 6, 7, and 8 shall be carried out by persons with appropriate professional qualifications. The studies required by condition 7 shall be completed and submitted to the Chief, Division of Water Rights, within 5 months from the date of this order. The Chief, Divison of Water Rights may extend the time for performing the study required by condition 8 upon making a finding that adequate flows were not available to perform the study. The studies required by conditions 6 and 8 shall be completed and submitted to the Chief, Division of Water Rights, within 12 months from the date of this order. The Chief, Division of Water Rights may extend the time for performing the study required by condition 8 upon making a finding that adequate flows were not available to perform the study. The report (or reports) transmitting the results of the study (or studies) shall describe the action (or actions) which Cal-Am will undertake to correct the problems addressed by the studies. Cal-Am shall provide a written response to any comments received on the study. If no action (or actions) will be taken to correct the underlying problem (or problems),

Cal-Am's report shall provide written justification why corrective action is not appropriate. Based upon the results of the studies, recommendations, comments by the District and DFG, and Cal-Am responses, the Chief, Division of Water Rights, shall determine what actions shall be taken by Cal-Am consistent with this Order and establish reasonable times for implementation.

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- 10. Cal-Am shall remove the large rock immediately below the spillway of the Los Padres Dam which results in substantial loss of juvenile steelhead or implement some other reliable measure (or measures) to assure safe passage for fish over or around the rock. Prior to removing the rock Cal-Am shall consult with DFG and obtain any streambed alteration permit required by Fish and Game Code Section 1601. If Cal-Am leaves the rock in place, it shall consult with DFG when evaluating what other measures can be used to assure safe fish passage. Cal-Am shall comply with this measure within 4 months.
- 11. Cal-Am shall be responsible for implementing all measures in the "Mitigation Program for the District's Water Allocation Program Environmental Impact Report" not implemented by the District after June 30, 1996.²⁵ Not later than August 30, 1996, Cal-Am shall submit a report to the Chief, Division of Water Rights, identifying mitigation measures which the District does not continue to implement after June 30, 1996. At the same time, Cal-Am shall submit a plan for the approval of the Chief, Division of Water Rights, detailing how it will implement mitigation measures not implemented by the District. The Chief, Division of Water Rights, may excuse Cal-Am from implementing specific mitigation measures only upon making a finding that Cal-Am has demonstrated that it does not have

 $^{^{25}}$ On November 5, 1990 the District adopted a mitigation program to be carried out for five years. The plan is summarized in Section 6.2, infra. There is no assurance the District will continue with any or all of the elements of its mitigation program after November of 1995. (MPWMD:289, Vol. III, Appendix 2-D.)

adequate legal authority to implement the ability to finance such measures or demonstrates that such measures are demonstrably ineffective.

- 12. Within 90 days of the date of this order, Cal-Am shall submit for the approval of the Chief, Division of Water Rights:
 - (a) A compliance plan detailing the specific actions which will be taken to comply with condition 2 and the dates by which those actions will be accomplished;
 - (b) An urban water conservation plan; and
 - (c) An irrigation management plan.
- 13. Starting with the first full month following adoption of this order, Cal-Am shall file quarterly with the Chief, Division of Water Rights:
 - (a) Reports of the monthly total amounts being: (1) pumped from wells; and (2) diverted from the Carmel River,
 - (b) Reports of the progress being made in complying with the schedule submitted to comply with condition 11, and
 - (c) Reports of the progress being made in complying with conditions 6, 7, 8, and 9.

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14. The Chief, Division of Water Rights, is authorized to refer any violation of these conditions to the Attorney General for action under Section 1052 or to initiate such other enforcement action as may be appropriate under the Water Code.

CERTIFICATION

The undersigned, Administrative Assistant to the Board, does hereby certify that the foregoing is a full and correct copy of an order duly and regularly adopted at a meeting of the State Water Resources Control Board held on July 6, 1995.

AYE: John P. Caffrey Mary Jane Forster Marc Del Piero James M. Stubchaer John W. Brown

NO: None

ABSENT: None

ABSTAIN: None

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Administrative Assistant to the Board