EXHIBIT 2-B

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

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November 30, 2006

Mr. Tom Greer General Manager Monterey Peninsula Airport District 60 Garden Court, Suite 325 Monterey CA 93940

Dear Mr Greer,

As called for in our 2006-07 MPWMD Strategic Plan, at its November 20, 2006 meeting the Board of Directors of the Monterey Peninsula Water Management District held a public hearing and created the following proposed quantity targets for current replacement and future water needs of the Monterey Peninsula:

- Current replacement need: 12,500 acre-feet per year
- Future, projected need: 4, 500 acre-feet per year (At its 11/20/06 meeting, the Board agreed to round the total from 4,545 to 4,500 acre-feet.)

The District Board directed me to transmit these proposed quantity targets for requested written comment by the governing boards of the Airport District, Monterey County, and each of the Peninsula Cities, by March 15, 2007. Enclosed for your use is a copy of the District staff report submitted for the November 20 Board meeting that explains the Board's objective and process for creating these quantity targets, and attaches two separate analyses of Peninsula water needs: The first is a technical memo that analyzes current replacement water needs to satisfy various regulatory and physical requirements affecting the Peninsula's water supply. The second report estimates future water demand—in addition to the current replacement need, based on general plan "build-out" projections of Peninsula land use jurisdictions that the District developed last year in collaboration with those entities. The Board asked that we schedule a special joint meeting of the Policy and Technical Advisory Committees at 9:30 a.m., on Tuesday, January 9, 2007 in the MPWMD office, for District staff to make a presentation on the current replacement needs analysis, as well as to receive comments or questions related to both proposed targets.

In addition, District staff and I are available to make summary presentations to your governing board on both of the proposed water needs targets, if you believe that would be help facilitate the

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discussion and feedback the MPWMD Board is soliciting. I would appreciate your notifying me when you plan to agendize this item for consideration by your governing board.

I will follow-up with you in the near future to answer any questions you may have about the District Board's request, and to discuss how we may be of assistance in its consideration. Meanwhile, feel free to contact me if you have any immediate information needs.

Happy holidays to you and your staff.

Sincerely,

David A. Berger General Manager

Enclosure (1)

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