

Final Draft  
Findings of Approval



**DRAFT  
FINDINGS OF APPROVAL**

**Consider Amendment to California-American Water Company’s Main Water Distribution System to Increase the Production Limit by 51.74 Acre-Feet Annually to Produce Riparian Water from the Carmel Valley Alluvial Aquifer for the Rancho Canada Village Project (Monterey County Resolution No. 21-309 and Resolution No. 23-131) and to Deliver Treated Riparian Water through a Master Meter to Individually Metered Users in the Rancho Canada Village Project Property; MPWMD Application #WDS-20241025CAW**

**Permittee: California-American Water Company, a California Corporation**

**Permitted System: Main California American Water System**

**Site Location: Rancho Canada Village Project: Vicinity Map, Legal Description and List of Assessor Parcel Numbers provided as Attachment 1 to Conditions of Approval**

**Application #WDS-20241025CAW**

**Adopted by MPWMD Administrative Hearing Officer on** [REDACTED]

*Hearing documents and materials are available for review on the MPWMD website <https://www.mpwmd.net/regulations/public-notice/> and will be available for 30 days following action on the application.*

It is hereby found and determined:

1. **FINDING:** California-American Water Company (“CAW”), a California Corporation, and Rancho Canada Venture, LLC (“RCV”), a California Limited Liability Company (jointly referred to as “Applicants”), applied to amend the Main CAW Water Distribution System (“WDS”) to produce, treat, and deliver Carmel Valley Alluvial Aquifer (“CVAA”) riparian water rights associated with the Rancho Canada Village Project/Property (“RCV Project”) located on Assessor’s Parcel Numbers: 015-162-009-000, 015-162-017-000, 015-162-025-000, 015-162-026-000, 015-162-040-000, 015-162-048-000, 015-162-049-000; and portions of 015-162-043-000 and 015-162-051-000.

**EVIDENCE:** Application for a Permit to Create or Amend a Water Distribution System or Mobile WDS submitted to the Monterey Peninsula Water Management District (“MPWMD”) on October 25, 2024. The application was deemed complete on March 5, 2025, by email to the Applicants. Documents included with the application were Exhibit A1 Parcel Map, Exhibit A2 MCEHB Water Well Permit #W4755 issued April 14, 1988, MPWMD Declaration of Reporting

Status dated April 12, 1988, MCEHB Application to Construct a Water Well, Exhibit A3 DWR Water Well Drillers Report dated April 21, 1988, Exhibit A6 Grant Deed dated September 8, 1999, Exhibit A7 Downey Brand Seymour & Rohwer LLP – Riparian Right Determination for September Ranch (Monterey County) letter dated January 9, 2003, Remy Moose Manley LLP – Overview of Rancho Canada Village water supply letter dated February 11, 2022, Remy Moose Manley LLP – Rancho Canada Venture, comments on the Second Revised Draft EIR letter dated August 10, 2020, California-American Water Company – Cal-Am Water Service to Rancho Canada Village Subdivision letter dated April 25, 2018, California Water Boards – Proposed Distribution of Drinking Rancho Canada Riparian Water Right Claim letter dated March 30, 2018, Exhibit A8 Monterey County Board of Supervisors Staff Report – Resolution No. 21-307 adopted July 27, 2021, Exhibit A11 Attachment A11 (List of Original Parcels). In addition, the following documents have been included in the record: MPWMD Incompleteness Letter Dated January 14, 2025, Monterey County Board of Supervisors’ Resolution No. 21-307 and Resolution No. 21-309 dated July 27, 2021, and Resolution No. 23-131 adopted by the Monterey County Board of Supervisors on July 18, 2023, David Harris email dated January 26, 2025, Monterey County Development Project Application, Monterey County Design Approval Request Form.

2. **FINDING:** The RCV Project is an approved subdivision located on approximately 77 acres that were formerly part of the Rancho Canada Golf Course in Carmel Valley (unincorporated Monterey County) located between Carmel Valley Road (to the north) and Rio Road (to the south-west). The County Board of Supervisors’ approval allows the development of 93 single family Residential lots, 12 townhomes, and 40 units of affordable/workforce housing, a 1.5-acre community park and 8.6 acres of common areas.

**EVIDENCE:** Monterey County Board of Supervisors Resolution No. 21-309 (July 27, 2021) and Resolution No. 23-131 (July 18, 2023).

3. **FINDING:** Lombardo Land Group I, L.P., a California Limited Partnership, (“LLG I”) is the owner of the land overlying the CVAA in Carmel Valley, California, which has riparian water rights of 180 Acre-Feet annually (“AFA”) from historic irrigation of a former golf course as recognized in the RCV Project’s Second Final Environmental Impact Report (“SFEIR”) (SCH# 2006081150) dated April 2021.

On July 27, 2021, the Monterey County Board of Supervisors approved a Combined Development Permit by Resolution No. 21-309 and adopted Resolution No. 21-307 certifying the SFEIR, adopting California Environmental Quality Act (“CEQA”) Findings, and adopting a Statement of Overriding Considerations for the RCV Project. Monterey County found substantial evidence of riparian rights through a chain of title (Zischke 2014)

showing continuity of the RCV Project property as connected to the Carmel Valley Alluvial Aquifer. Under the County approval, riparian rights will be used to serve the proposed RCV Project.

The Final Map was approved by the Board of Supervisors on July 18, 2023, with the adoption of Resolution No. 23-131.

**EVIDENCE:** Monterey County Board of Supervisors approval of Resolution No. 21-307 and Resolution No. 21-309 dated July 27, 2021, and Resolution No. 23-131 adopted by the Monterey County Board of Supervisors on July 18, 2023; MPWMD records of annual water production and hydrogeologic maps showing boundaries of the CVAA that include the RCV Project property.

4. **FINDING:** RCV is the co-Applicant in this WDS Permit Amendment application. RCV intends to develop the Multi-Family Dwellings and townhouse development in the subdivision. A second developer will develop the Single-Family Residential Sites. The property will transfer from LLG I to RCV following approval of this WDS Amendment. RCV is the signing Party in the Agreement with CAW regarding “Wheeling of Riparian Water.” For the purposes of this application and the conditions attached herein, RCV and LLG I and their successors in interest shall be referred to as the “RCV Project Applicant/Owner.”

**EVIDENCE:** Application for a Permit to Create or Amend a Water Distribution System or Mobile WDS submitted to the MPWMD on October 25, 2024; Email from Anthony Lombardo dated March 3, 2025 (4:04 PM); Wheeling Agreement between CAW and RCV dated September 10, 2024; Memorandum of Option between LLG I and ACLS, LLC, a California Limited Liability Company (“ACLS”), dated January 16, 2007, and recorded January 16, 2007, Document 2007007048; Assignment of Option Agreement between ACLS and RCV dated February 21, 2025; Final Subdivision Map.

5. **FINDING:** The riparian water right for irrigation of the former West Course of the Rancho Canada Golf Course is agreed to be 180 AFA. However, this WDS Amendment Permit only increases the CAW Production Limit by 51.74 AFA for CAW to produce riparian water from the CVAA for the RCV Project. CAW will treat and deliver up to 46.57 AFA of treated CVAA riparian water through a Master Meter to individually metered Users in the RCV Project. Consumption needs were based on estimates provided by Anthony Lombardo on January 24, 2025. The Production Limit assumes a system and treatment loss factor (Unaccounted for Water Use) of ten percent (10%). Any production above 51.74 AFA shall require a WDS amendment pursuant to MPWMD Regulation II.

**EVIDENCE:** MPWMD Rule 40 Calculation of Consumptive Use and Environmental Set-Aside calculated by David J. Stoldt, MPWMD General Manager, on January

31, 2025 (Technical Memorandum on Rancho Canada Village Project Consumptive Use Calculation). Consumption needs provided by Anthony Lombardo's Water Use Analysis for RCV (January 24, 2025).

6. **FINDING:** Water Well Permit W-4755 was provided with the application. Monterey County Environmental Health Bureau (MCEHB) approved the Well (W-4755) known as "Canada Well #3" in 1988. The Well is referenced as the water source for the RCV Project until a replacement Well is constructed by CAW. The Well is riparian and entirely overlies the CVAA. The Well has historically been used for irrigation production at the former golf course.

**EVIDENCE:** Application 20241025CAW received on October 25, 2024, including MCEHB Water Well Permit #W4755 issued April 14, 1988, and California Department of Water Resources Water Well Drillers Report No. 186291 signed on April 21, 1988.

7. **FINDING:** The Applicants entered into an agreement for wheeling of riparian water for the RCV Project on September 10, 2024 ("Wheeling Agreement"), subject to the transfer of ownership of the RCV Project Property to RCV or to the successors in interest of the overlying land. Among other recitals, the Wheeling Agreement grants CAW ownership of a Site for a Well to "construct and operate the well to pump sufficient [riparian] water to serve" the RCV Project.

**EVIDENCE:** Agreement between Rancho Canada Venture, LLC, a California Limited Liability Company, and California-American Water Company, a California Corporation, Regarding Wheeling of Riparian Water for the RCV Project signed September 10, 2024.

8. **FINDING:** The Wheeling Agreement does not violate State Water Resources Control Board ("SWRCB") Orders WR 95-10, WR 2009-0060, WR 2016-0016, Condition No. 2 of the Cease and Desist Order against CAW, or the California Public Utilities Commission Decision 11-03-048. A March 30, 2018, letter from the SWRCB Division of Water Rights found that "Given the restoration activities, forbearance periods, reduction in consumptive use, flood protections, and other improvements to the Carmel River and estuary, the Division finds that the wheeling the riparian water through the Cal-AM water system, in this instance, it does not violation Condition 2 of the Cal-AM CDO." This finding was confirmed in an August 11, 2023, response from Erik Ekdahl, Deputy Director of the Division of Water Rights, State Water Resources Control Board, who stated that the interpretation remains "so long as the forbearance agreement continues to be implemented."

**EVIDENCE:** Exhibit 2 to the Wheeling Agreement is a letter from Jule Rizzardo, the California State Water Resources Control Board Assistant Deputy Director of the Permitting and Enforcement Branch at the Division of Water Rights, dated March 30, 2018. Email from Erik Ekdahl to Kristin B. Peer dated August 11,

2023 (2:43 PM).

9. FINDING: The RCV Project will be supplied with treated water produced at the new Well Site adjacent to the Project. In the case of emergency, including the need for maintenance, other CVAA sources may be used.

EVIDENCE: Agreement Between Rancho Canada Venture LLC and California American Water Company for Wheeling of Riparian Water.

10. FINDING: In compliance with Rule 40-A-4 Determination of System Capacity and Expansion Capacity Limits, the System Capacity (production limit) is determined by seventy-five percent (75%) of the existing Consumptive Use on the Site as adjusted for the new Project's Consumptive Use; the remaining 25% is for environmental benefits.

EVIDENCE: Calculation of Consumptive Use and Environmental Set-Aside as calculated in Technical Memorandum by David J. Stoldt, MPWMD General Manager, dated January 31, 2025.

#### **MANDATORY FINDINGS PURSUANT TO MPWMD RULE 22-B**

11. FINDING: The approval of Application #WDS-20241025CAW does not cause unnecessary duplication of the same types of services by any existing system. [MPWMD 22-B-1]

EVIDENCE: Permit application materials specified in Finding #1 and the record of this proceeding.

12. FINDING: The approval of Application #WDS-20241025 does not result in exportation or importation of water outside or into the District. [MPWMD 22-B-2]

EVIDENCE: The record of this proceeding and evidence on file at MPWMD including MPWMD boundary location map.

13. FINDING: The approval of Application #WDS-20241025CAW does not result in significant environmental effects that cannot be mitigated by conditions attached to the permit. [MPWMD 22-B-3]

EVIDENCE: The record of this proceeding and evidence on file at MPWMD.

14. FINDING: The approval of Application #WDS-20241025CAW has been demonstrated to have a long-term reliable Source of Supply. [MPWMD 22-B-4, 22-B-5, 22-B-7, 22-B-8, 22-B-9, and 22-B-10]

EVIDENCE: The record of this proceeding and evidence on file at MPWMD including acknowledgment of available water supply in the RCV Project Consumptive

Use Memorandum referenced in Finding 5.

15. FINDING: As stated in Finding 5, the CVAA is the Source of Supply for the RCV Project, and Rule 40-A has been applied to setting the System Capacity. [MPWMD 22-B-6]

EVIDENCE: The record of this proceeding and evidence on file at MPWMD.

16. FINDING: The RCV Project results in a reduction in historic pumping levels to the benefit of the species and habitat dependent on that Source of Supply. [MPWMD 22-B-7]

EVIDENCE: The record of this proceeding and evidence on file at MPWMD.

#### **MINIMUM STANDARDS FOR GRANTING A PERMIT (MPWMD RULE 22-C)**

17. FINDING: All Minimum Standards for Granting a Permit pursuant to MPWMD Rule 22-C have been met.

EVIDENCE: The record of this proceeding and documents and evidence on file at MPWMD.

#### **COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

18. FINDING: In the review of this application, MPWMD has followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Section 15000 *et seq.* Specifically, the MPWMD as a Responsible Agency under CEQA for this action has complied with Guidelines Section 15096, and relies on actions by the County of Monterey, the CEQA Lead Agency in this case. The MPWMD, as a Responsible Agency for this project, has considered the Monterey County Board of Supervisors Resolution No. 21-307 certifying the Second Final Environmental Impact Report (“SFEIR”) prepared for the Rancho Cañada Village (RCV) Project.

EVIDENCE: CEQA and CEQA Guidelines, Section 15096. Monterey County Board of Supervisors Resolution No. 23-307 and related action.

19. FINDING: Monterey County Resolution No. 21-307 found that there are potentially significant environmental impacts identified in the SFEIR that are reduced to a level of “Less than Significant” by the mitigation measures identified in the SEIR to be adopted for the Project. By separate resolution (Resolution No. 21-309) changes or alterations have been required in, or incorporated into, the Project which mitigates the significant effects on the environment as identified in the draft FEIR. The Project approval resolution (Resolution No. 21-309)

incorporates all the mitigation measures, identified in the Rancho Cañada Village Project SFEIR, and makes them conditions of approval of the Project. All resource areas that could result in a potentially significant environmental impact can be mitigated through the measures cited in the SFEIR to a level of less than significant, with the exception of cumulative land use and transportation and traffic impacts which are significant and unavoidable impacts.

EVIDENCE: Monterey County Resolution No. 2021-307 Finding and Evidence No. 3 (Evidence No. 3-k) and Monterey County Resolution No. 2021-309.

20. FINDING: Pursuant to CEQA Section 15096, the MPWMD Administrative Hearing Officer has considered the “Rancho Cañada Village Second Environmental Impact Report” as a Responsible Agency.

EVIDENCE: MPWMD Notice of Determination for Approval of Application #WDS-20241025CAW filed as a Responsible Agency following a public hearing on March 25, 2025.