

This meeting is not subject to  
Brown Act noticing requirements.



**Administrative  
Hearing Officer:**  
*District Counsel  
Frances M. Farina*

**Staff Contact:**  
*Stephanie Locke*

**Administrative Hearing  
of the Monterey Peninsula Water Management District  
\*\*\*\*\***

Thursday, November 16, 2023, 1:30 PM  
MPWMD Conference Room  
5 Harris Court, Building G (Ryan Ranch), Monterey, CA

**Call to Order**

**Public Hearing – *Public comment will be received***

1. Consider Amendment of the “September Ranch Water Distribution System (SRWDS)” to Update Ownership, Parcel and Well Information, and to Allow Water Treatment by California-American Water Company at the Begonia Iron Removal Plant and Conveyance of Treated Water Back to the SRWDS in an Amount No Greater than 90 Percent of the Amount Produced for Treatment

**Adjourn**

If you are unable to attend the hearing, written comments should be received at the District office no later than 12:00 PM on Thursday, November 16, 2023. Comments may be submitted by email to [conserve@mpwmd.net](mailto:conserve@mpwmd.net). Please note that any public hearing may be continued to a different date and time.

**Staff Contact:** Stephanie Locke, [locke@mpwmd.net](mailto:locke@mpwmd.net) 831-658-5601

**ITEM: ADMINISTRATIVE HEARING**

- 1. CONSIDER AMENDMENT OF THE “SEPTEMBER RANCH WATER DISTRIBUTION SYSTEM (SRWDS)” TO UPDATE OWNERSHIP, PARCEL AND WELL INFORMATION, AND TO ALLOW WATER TREATMENT BY CALIFORNIA-AMERICAN WATER COMPANY AT THE BEGONIA IRON REMOVAL PLANT AND CONVEYANCE OF TREATED WATER BACK TO THE SRWDS IN AN AMOUNT NO GREATER THAN 90 PERCENT OF THE AMOUNT PRODUCED FOR TREATMENT**

**Meeting Date: November 16, 2023**

**Prepared By: Stephanie Locke**

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**SUMMARY:** The Monterey Peninsula Water Management District Hearing Officer will consider Application #WDS-20230502SEP (**Exhibit A**) received on May 2, 2023, by the Carmel Reserve LLC, a Delaware Limited Liability Company for One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation, to amend the September Ranch Water Distribution System (SRWDS) to allow raw water produced from the SRWDS to be treated by California-American Water Company (Cal-Am) at its Begonia Iron Removal Plant (BIRP) and returned to SRWDS in an amount no greater than 90 percent of the amount produced (accounting for system and treatment losses). System Limits remain set at 57.21 Acre-Feet per year (AFY) and the Expansion Capacity Limit is 99 Connections. The amendment also updates ownership and Parcel records and recognizes the addition of a back-up production Well and the incorporation of the One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation. The September Ranch WDS was approved by the MPWMD Board of Directors on November 19, 2012.

Since approval of the SRWDS by the Monterey Peninsula Water Management District’s (MPWMD or District) Board of Directors on November 19, 2012, the subdivision ownership has changed to Carmel Reserve LLC, a Delaware Limited Liability Company, new Assessor Parcel Numbers have been assigned to the various lots within the subdivision, a new Well (SR-2) was constructed, and the One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation was formed. These actions, in addition to the action taken by the Monterey County Board of Supervisors in adoption of Resolution No. 23-123 on March 25, 2023, necessitate amendments to the original SRWDS Conditions of Approval.

For non-controversial WDS matters, District Rule 22 allows the General Manager, in consultation with the Board Chairperson, to direct that a hearing be scheduled before the General Manager (or his/her designee) as the sole hearing officer. Notice of the staff action will be provided to the public via the “Appealable Decisions” section of the District website and is appealable to the MPWMD Board pursuant to Rule 70, Appeals. The staff report and hearing materials are provided under the “Public Notices” section of the website. This hearing was noticed for at least ten days around the project site as well as in the District’s office window and the District website. Frances M. Farina of the law firm DeLay & Laredo will serve as the Hearing Officer.

**DISCUSSION:** The following paragraphs describe the proposed Findings and Conditions of Approval as required by MPWMD Rule 22.

**Findings of Approval:** Findings of Approval for Application # WDS-20230502SEP (**Exhibit B**) are based on evidence provided in the Application materials, including supporting documents on file at the District office. With the Findings of Approval, District staff believes a Finding can be made that the application meets the criteria and minimum standards for approval set by the District Rules 22-B and C. Specifically, this action should “not create an Overdraft or increase an existing Overdraft” (Rule 22-C-4).

**Conditions of Approval:** Permit **M12-06-L4-AMD1** results in Conditions of Approval for the SRWDS shown as (**Exhibit C**). The Conditions include enhanced reporting requirements and restrictions on the amount of water that can be returned for distribution by the SRWDS to account for treatment and system losses. As stated previously, there is no change to the Production Limit imposed in the District’s initial approval of the SRWDS in 2012.

Prior to operation of the Permitted System, the Permittee and property Owner must submit an executed Operating Agreement with Cal-Am to provide operation and management services for the Permitted System. This Agreement must specify operational oversight and ownership of the Permitted System facilities and sources and reflect the transfer of untreated water from the September Ranch Well(s) located on APN 015-171-057 to the off-site BIRP within the Cal-Am Main System and the mechanism to sell treated water to the Permitted System. A copy of the final executed Wheeling Agreement between the two Systems must also be submitted to MPWMD prior to operation of the Permitted System.

Also prior to operation, SRWDS and Cal-Am must secure an amendment to the Cal-Am Main System WDS that will permit Cal-Am to receive and treat September Ranch WDS water and return a portion of that water to September Ranch for distribution within its WDS.

**CEQA Compliance:** Monterey County Board of Supervisors approved the project in Resolution No. 23-123 on March 25, 2023. The County prepared an Addendum to the previously certified September Ranch Subdivision Project FREIR (SCH# 1995083033) pursuant to CEQA Guidelines Section 15164. The District relied on CEQA findings made by the County.

SRWDS is not required by MPWMD to carry out a specific mitigation measure to offset adverse environmental impacts above and beyond those already identified by the County of Monterey in its approval of the subdivision on November 9, 2010 (County Resolution No. 10-312 for PC95062 and PLN050001) and as amended by County Resolution No. 23-123 on March 28, 2023. As a CEQA Responsible Agency, MPWMD relies on the environmental documents certified by Monterey County (SCH#1995083033).

**RECOMMENDATIONS:** District staff recommends that the staff hearing officer take the following actions:

1. Adopt the MPWMD Findings of Approval and Conditions of Approval for Application # WDS-20230502SEP for the SRWDS Amendment.
2. Amend SRWDS Permit # M12-06-L4-AMD1 to to allow a permanent Intertie between the Permitted System and the Main California American Water System (Cal-Am Main System) solely for the purpose of delivery of raw water originating in the Permitted System to the Cal-Am Main System for treatment and delivery of treated water to the Permitted System for distribution. Treated water returned to the Permitted System (see also Special Conditions #32, #34, and 35) shall not exceed 90 percent (90%) of water delivered from the Permitted System for treatment in the Cal-Am Main System and shall in no event exceed 51.49 AFY. The amendment also updates property ownership in Carmel Reserve LLC, a Delaware Limited Liability Company and Parcel records, recognizes the addition of a back-up production Well (SR-2), and recognizes the incorporation of the One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation.
3. Direct staff to file a Notice of Determination with the Monterey County Clerk (**Exhibit D**).

**BACKGROUND:** The following information is provided from the Monterey County matter regarding ONE Carmel/September Ranch Partners (PLN110173-AMD1) Resolution No. 23-123 heard on March 25, 2023:

On March 27, 2013, the Monterey County Planning Commission approved a Combined Development Permit Extension request of four (4) year to a Combined Development Permit (PLN050001) consisting of:

- 1) a Vesting Tentative Map for the subdivision of 891 acres into 95 residential lots, 73 market-rate and 22 affordable (15 inclusionary and 7 deed-restricted workforce housing lots); a 20.2-acre existing equestrian facility and accessory structures related to that use (Parcel E); 300.5 acres of common open space (Parcels A & C); 242.9 acres of public open space for donation/dedication (Parcel D); 250. 7 acres of private open space (conservation and scenic easement) on each lot outside of the building envelope; 6.9 acres of open space reserved for future public facilities (Parcel B); annexation to the Carmel Area Wastewater District for sewage disposal;
- 2) a Use Permit for the public/commercial use of the equestrian center & stables for a maximum of 50 horses and a maximum water use of 3.0 acre-feet per year;
- 3) a Use Permit for an onsite water system including new wells, backup well(s), booster pumps, water tanks, and piping for fire suppression and residents of the subdivision;
- 4) a Use Permit for removal of a maximum of 819 protected Coast live oaks;
- 5) an Administrative Permit for up to 100,000 cubic yards of grading in an "S" (Site Plan Review) Zoning Overlay District for subdivision infrastructure and improvements including, but not limited to, development of roads, water tanks, water system, and drainage detention areas;

6) a Use Permit to allow development on slopes greater than 30 percent for affordable housing on Lots 5 through 11 and related subdivision infrastructure and subdivision improvements; and

7) an Administrative Permit for affordable housing, an equestrian center, a Caretaker Unit/public office, a tract sales office, and a security gatehouse.

As described in Finding 2 of Resolution No. 10-312, the project was analyzed for consistency with applicable provisions of the Monterey County General Plan, Carmel Valley Master Plan, Monterey County Zoning Ordinance (Title 21 of the Monterey County Code), Monterey County Subdivision Ordinance (Title 19 of the Monterey County Code), Monterey County Code section 18.46.040, Monterey County Inclusionary Housing Ordinance, Air Quality Management Plan and Transportation Plans & Policies. Therefore, on March 27, 2013, the operative permit became PLN110173, and the Vesting Tentative Map (VTM) and related permits were extended to November 9, 2018.

On December 8, 2020, the September Ranch Phase 1 final map was approved and, as part of the hearing, Housing & Community Development (HCD) recognized that state law automatically extended the September Ranch VTM until May 9, 2022. The Phase 1 final map for the project was filed and recorded in the Office of the Monterey County Recorder on December 18, 2020 (Volume 24 of Cities and Towns Page 70). g) On August 25, 2020, the Condition of Approval/Mitigation Monitoring and Reporting Plan was filed and recorded in the Office of the Monterey County Recorder (Document No. 2020043439).

On April 13, 2022, the Planning Commission extended the previously approved September Ranch Partners Combined Development Permit for four years (PLN110173-EXT1, Planning Commission Resolution No. 22-007). The VTM with Phase 2, the final phase of buildout, and related permits were extended to May 9, 2024.

**Request for amendment of water treatment facility improvements:** In December 2021, the owners of September Ranch subdivision, Carmel Reserve LLC, requested an amendment to the water treatment COA to provide flexibility in the water system to allow offsite treatment of water produced from the two existing onsite wells. Condition No. 120 requires the owner to establish a mutual water company to serve potable water to the development. Condition No. 40 restricts the project from connecting with Cal-Am's water system. In accordance with SB-1263, the owners submitted an amended preliminary technical report, prepared by Schaaf & Wheeler June 29, 2020, to the State Water Resource Control Board Division of Drinking Water (SWRCB-DDW). The SWRCB-DDW required the applicant to request managerial consolidation with Cal-Am because it is the regional water purveyor for the area in which the project is located. Subsequently, on July 8, 2020, the owner executed a Memorandum of Understanding (MOU) with Cal-Am to provide operation and management services for the water system. Under the MOU, Cal-Am will operate the stand-alone water system and has an option to purchase it. The MOU specifies that the Carmel Reserve water system will not be allowed to connect with Cal-Am distribution system, until and unless Condition No. 40 of PLN110173 and any other applicable condition is first amended by the County.

On November 2, 2020, Monterey County Environmental Health Bureau issued the permit to construct the water system. Rather than build a new onsite water treatment system, the applicant would consolidate the required water treatment and blend with other sourced water. The September Ranch groundwater exceeds the secondary Maximum Contaminant Levels for iron, manganese, and Total Dissolved Solids. Cal-Am's BIRP uses filtration by anthracite/ greens, and filters, followed by chlorination. The treatment process would reduce iron and manganese and, by blending with supplies

from other Cal-Am wells, TDS would be reduced to acceptable levels. September Ranch well water is easily routed to the BIRP via an existing transmission line running parallel to the subdivision property on the north side of Carmel Valley Road. Infrastructure buildout and the related environmental impacts would be reduced by the removal of 2,000 square feet of construction at the approved onsite water treatment site and approximately 1,450 linear feet of water pipeline. Raw water sent to Cal-Am for treatment would be measured at its entry to the transmission line with a wholesale meter. Treated water from the Cal-Am BIRP would be purchased back through a wholesale meter and pumped, using six booster pump stations, to water storage tanks located at the top of the ridgelines in the September Ranch development that are already entitled and designed in the Subdivision Improvement Plans.

## **EXHIBITS**

- 1-A** Application # WDS-20230502SEP
- 1-B** MPWMD Draft Findings of Approval
- 1-C** MPWMD Draft Conditions of Approval
- 1-D** Notice of Determination

[https://mpwmd-my.sharepoint.com/personal/steph\\_mpwmd\\_net/Documents/September Docs/WDSAmendment\\_Staffnote.docx](https://mpwmd-my.sharepoint.com/personal/steph_mpwmd_net/Documents/September Docs/WDSAmendment_Staffnote.docx)

Ranch/Sep

Ranch

FINAL

Hearing



RECEIVED  
MAY 01 2023  
MPWMD

**APPLICATION for a PERMIT to CREATE or AMEND a  
WATER DISTRIBUTION SYSTEM or MOBILE WDS**

For detailed guidance, please visit the District website at:  
<http://www.mpwmd.net/regulations/wells-water-systems/water-distribution-systems/>  
 (click on "2014 Implementation Guidelines").  
 For staff assistance, contact 831-658-5601 or [skister@mpwmd.net](mailto:skister@mpwmd.net) or [gabby@mpwmd.net](mailto:gabby@mpwmd.net)

Form received on 5/2/23 by S. Kister  
 Fee Received: \$1,200 (Level 1 or 2); ☒ \$3,000 (Level 3)  
 ID# WDS- 20230502SEP

Please complete the table below (attach extra sheets as needed):

#	QUESTIONS	FILL IN ANSWERS BELOW
1	System Name	September Ranch Water Distribution System
2	Assessor's Parcel ## (list all)	If multiple parcel, identify APN for well/facility location and APN of parcels receiving water from WDS or Mobile WDS. <u>015-171-010 and -102; 015-361-013 and -014</u> <i>See attached list</i>
3	Physical Address or Location	676 Carmel Valley Road, Carmel Valley, CA
4	Name of Applicant	One Carmel c/o Wei Huang, Carmel Reserve, LLC
5	Mailing Address (Street or PO)	920 Hillview Ct. Suite 180
6	City, State, Zip	Milpitas, CA, 95035
7	Phone/fax/email:	(213) 327-4588/ <a href="mailto:weihuang@onecarmel.com">weihuang@onecarmel.com</a>
8	Agent (if applicable)	(i.e., person who may receive paperwork on behalf of applicant/owner) Cody Phillips, Anthony Lombardo & Associates
9	Agent mailing address	144 W Gabilan St
10	Agent City, State, Zip	Salinas, CA 93901
11	Agent phone/fax/email	(831) 751-2330/ <a href="mailto:cody@alombardolaw.com">cody@alombardolaw.com</a>
12	Hydrogeologist (if applicable)	(e.g., licensed professional who has conducted well testing and evaluation) N/A
13	Hydro mailing address	N/A
14	Hydro City, State, Zip	N/A
15	Hydro phone/fax/email	N/A
16	Is this an amendment to an existing WDS?	YES or NO. If yes, identify previous MPWMD permit #, if any. # <u>M12-06-L4</u> Describe planned changes. Amendment to specific conditions of WDS permit only
17	Is this a Mobile WDS?	YES OR NO. If yes, go to Row 42
18	Is this a water Well?	YES or NO. If no, go to Row 21.

42	Is Mobile WDS source within MPWMD?	YES or NO. If yes, describe source and location. See Rows 21 - 32 for possibilities. N/a
43	Is water source outside MPWMD?	YES or NO. If yes, describe source and location.
44	Source agency and approval	If outside MPWMD, identify source agency with authority. Attach written documentation that the source water may be exported to serve applicant.
45	Describe intended use (long-term)	Mobile WDS may only be non-potable (e.g., irrigation, pools only) unless an emergency.
46	# Parcels served?	Use Request for Exemption form if service is to 3 or fewer parcels from a source out side MPWMD.
47	Emergency drinking water service?	YES or NO. If yes, describe situation. NO
48	Other relevant information or unique considerations?	Refer to Question #. Attach explanatory sheets as needed.  See Attached Board of Supervisors Staff Report, CEQA document and Resolution of Approval March 22, 2023
<b>ATTACHMENTS</b>		
A1	Parcel Maps	
A2	MCEHB permit(s)	
A3	DWR Well log(s)	
A4	Well registration forms	
A5	Well meter sign-offs	
A6	Grant deed	
A7	Water rights docs.	
A8	Environmental docs.	See CEQA Addendum. All other CEQA documents are part of the original WDS Permit application on file w/MPWMD
A9	Mobile WDS approval	N/a
A10	Application fee (check)	
A11	Other	

*This Application for a Permit must be signed by the person who is identified in a recorded Deed as the owner of the parcel on which the well or other water producing facility is located. If multiple owners, at least two must sign.*

**Under penalty of perjury, I verify that the above information is accurate to the best of my knowledge and understanding.**

*Wei Huang*

Signature of Applicant/System Owner

5/2/2023

Date

Printed name of Applicant: Wei Huang, authorized signatory  
Carmel Reserve LLC

Signature of Applicant/System Owner

Date

Printed name of Applicant: \_\_\_\_\_



**Attachments:**

1. Background letter and requested condition amendments
2. Board order for Condition Amendments PLN110173-AMD1 (March 28, 2023)
3. Resolution 23-123 Approving Condition Amendments (March 28, 2023)
4. CEQA Addendum considered with approval of Condition Amendments
5. Original approval of September Ranch Subdivision (PLN050001)
6. Approved Water Distribution System Permit #M12-06-L4 for September Ranch (November 19, 2012)

## **Background**

The September Ranch Water Distribution System is authorized by the Monterey Peninsula Water Management District (MPWMD) under Permit #M12-06-L4 for water service to the approved subdivision (Monterey County, November 9, 2010). The property site consists of approximately 891 acres on Assessor's Parcel Numbers (APN) currently known as 015-171-010 (Well site), 015-171-012, 015-3 61-013 and 015-361-014<sup>1</sup>. The property address is currently 676 Carmel Valley Road, Carmel Valley.

## **Request for Amended Conditions**

MPWMD Board of Directors considered the request for a Water Distribution System (WDS) after approval by Monterey County of the subdivision. The WDS was approved by MPWMD on November 19, 2012.

<https://www.mpwmd.net/asd/board/boardpacket/2012/20121119/1119agenda.htm>

[https://www.mpwmd.net/asd/board/FinalMinutes/2012/20121119\\_FinalMinutes.pdf](https://www.mpwmd.net/asd/board/FinalMinutes/2012/20121119_FinalMinutes.pdf)

The subject Parcels are currently within the Cal-Am service area and use of Cal-Am water on the property is not allowed under the WDS Permit. At the request of the owners, Monterey County Board of Supervisors approved amendments to the conditions on March 22, 2023

Carmel One is requesting condition amendments as demonstrated in the attached table, to reflect the amended conditions approved by the Board of Supervisors.

## **Water Distribution Permit**

Water Distribution Permit (WDS) permit #M12-06-L4 **Condition No 1**, authorizes the Permitted System to provide domestic water supply and water for irrigation for the approved residential subdivision, known as "September Ranch,". (The property is now also known as "Carmel One". )

The WDS is consistent with the allowable uses and conditions as approved by the Monterey County Board of Supervisors on November 9, 2010 (County Resolution #10-312 for PC95062 and PLN050001). The Permitted System for the project components allows water service to the entirety of the project, which includes 73 market-rate residential lots, 22 affordable housing lots, sales office and guard house, a 20.2-acre existing Equestrian Facility with accessory structures, 536.4 acres of Common Open Space, 273.6 acres of Private Open Space, and 6.9 acres of Open Space Reserved for future public facilities. A Single-Family Dwelling (farmhouse caretaker unit) and a horse-watering trough served by California American Water (Cal-Am) currently exist on the property.

## **Proposed Condition Amendments**

The subject Parcels are currently within the Cal-Am service area and use of Cal-Am water on the property is not allowed under the WDS Permit. The WDS also includes the requirement to disconnect the current Cal-Am service to the residence (Meter #6258) and trough (Meter #6276), pursuant to Special Condition #30.

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<sup>1</sup> Note: It is recognized that these APN will change as the subdivision process proceeds.

**Per Condition 10, Water Distribution Permit (WDS) permit #M12-06-L4, changes to conditions must be approved by MPWMD.**

Condition 10. Addition of new facilities, change or expansion of service area boundaries, changed conditions regarding water service by other entities, increase in the production or connection limits set in Condition #3, or other changes described in MPWMD Rule 22-E shall require a Permit to amend the Permitted System. [Rule 22-E]

Per the above discussion, the applicant wishes to amend the Permitted System with the attached revised Conditions of Approval. [Rule 22-E]

**Monterey Peninsula Water Management District September Ranch Water Distribution System Conditions of Approval for Permit #M12-06-L4, Approved November 19, 2012  
with Requested Revisions**

Name/Type	Condition Number	Condition
Permitted System (Required by MPWMD Rules)	Condition 1	The September Ranch Water Distribution System (Permitted System) is authorized by the Monterey Peninsula Water Management District (MPWMD) under Permit #M12-06-L4 for water service to four Parcels (to be subdivided pursuant to approval by Monterey County on November 9, 2010) comprising approximately 891 acres on Assessor's Parcel Numbers (APN) currently known as 015-171-010 (Well site), 015-171-012, 015-3-61-013 and 015-361-014. It is recognized that these APN will change as the subdivision process proceeds. The property address is currently 676 Carmel Valley Road, Carmel Valley. The service area is shown in <b>Attachment 1</b> . [Rule 22-D-1-a]
Permitted System (Required by MPWMD Rules)	Condition 2	This Permit authorizes the Permitted System to provide domestic water supply and water for irrigation for an approved residential subdivision, known as "September Ranch," as allowed by the Monterey County Board of Supervisors on November 9, 2010 (County Resolution #10-312 for PC95062 and PLN050001), and as amended on March 22, 2023 by Resolution 23-_____. Components include 73 market-rate residential lots, 22 affordable housing lots, sales office and guard house, a 20.2-acre existing Equestrian Facility with accessory structures, 536.4 acres of Common Open Space, 273.6 acres of Private Open Space, and 6.9 acres of Open Space Reserved for future public facilities. A Single-Family Dwelling (farm house caretaker unit) and a horse-watering trough served by California American Water (Cal-Am) currently exist on the property. The Cal-Am meters shall be disconnected and replaced by water service from the Permitted System pursuant to Special Condition #30. [Rule 22-D-1-b]
Permitted System (Required by MPWMD Rules)	Condition 3	The System Capacity ("water production limit") for the Permitted System is hereby set at <b>57.21 acre-feet per year (AFY)</b> , which may be produced from Well "SR-1" and at least one additional Well, as approved by MPWMD pursuant to Special Condition #29, located on the property identified in Condition #1. The Expansion Capacity Limit for this Permit is 99 Connections, which includes: (a) 96 residential Connections for 95 new residences and replacing water service for the existing farm house from Cal-Am to the Permitted System); (b) one equestrian facility Connection for potable needs (e.g., bathroom, drinking fountain) and non-potable equine needs (e.g., horse and stall washing, watering horses, dust control); (c) one non-residential Connection for drinking water needs in sales office, gatehouse/guard station and associated landscape irrigation; and (d) one open space Connection for all other non-potable irrigation needs listed in Condition #2. No municipal unit (jurisdictional) allocation is associated with this Permit. [Rule 22-D-1]
Permitted System (Required by MPWMD Rules)	Condition 4	The source of water for the Permitted System is one existing Well known as "SR-1" (Monterey County Health Department Permit #W5870 and California Well Completion Report #360102) located on the property identified in Condition #1 in the approximate location shown in <b>Attachment 1</b> . The Well extracts water from the September Ranch Aquifer, characterized as a semi-isolated aquifer with alluvial characteristics that is separate from the Carmel Valley Alluvial Aquifer (CVAA). In compliance with Special Condition #29, at least one additional Well is planned in the future. Existing Wells known as "Well A," "Well B" and "Well C" may serve as Monitor Wells or be considered for destruction; Well B is prohibited from producing water as part of the Permitted System due to its location in the CVAA. [Rule 22-C-3]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 5	No other agency approvals are specifically identified as being required before this Permit is valid. [Rule 22-D-1-c] However, precedent to use of this Permit, Permittee shall first obtain and comply with any required approval from the local jurisdiction in which the property is located, as applicable. [Rule 22-D-3]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 6	Permittee shall execute an Indemnification Agreement, provided as Attachment 2, which holds the District harmless and promises to defend the District from any claims, demands, or expenses of any nature or kind arising from or in any way related to the District approval of the Permitted System and the adequacy of the system water supply. This Permit is not valid until the Indemnification Agreement is signed both by Permittee and MPWMD. The Indemnification Agreement must be signed within 60 days of the preparation date shown (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-d]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 7	Permittee shall comply with District rules relating to water Well registration, metering and annual reporting of production (MPWMD Rules 52 and 54). [Rule 22-D-1-e; Rule 22-D-2]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 8	Permittee shall report production by the Water Meter Method (MPWMD Rule 56) for the Wells designated in Condition #4. [Rule 22-D-1-e; Rule 22-D-2]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 9	Permittee shall comply with all MPWMD water conservation ordinances that pertain to residential and landscape use as well as non-potable use. Current ordinances specify maximum water use rates for fixtures and require new development to install drought-resistant

Name/Type	Condition Number	Condition
		landscapes, and drip irrigation, where appropriate. Contact with the District Permit and Conservation Office is recommended during project planning. [Rule 22-D-1-f]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 10	New Connections to the Permitted System may not be set until a Water Permit has been secured from MPWMD for each Connection in accordance with MPWMD regulations governing issuance of Water Permits. Connection charges shall be calculated based on water demand estimates using the District's water demand methodology at the time of the application. [Rule 22-D-1-g]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 11	Any intensification or expansion of water use within the Permitted System shall require a new application and Water Permit pursuant to MPWMD Rules 23 and 24. [Rule 22-O-1-k]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 12	Addition of new facilities, change or expansion of service area boundaries, changed conditions regarding water service by other entities, increase in the production or connection limits set in Condition #3, or other changes described in MPWMD Rule 22-E shall require a Permit to amend the Permitted System. [Rule 22-E]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 13	<del>No permanent intertie or connection between the Permitted System and any other system shall be allowed.</del> The Permitted System may receive trucked-in water in a non-fire emergency, system failure or similar short-term critical event, so long as the source is not derived from the Monterey Peninsula Water Resource System. The term "short-term" is defined as less than or equal to 120 days. Permittee may apply in writing to the General Manager for extensions to the 120-day time limit; each to be approved at the discretion of the General Manager upon a finding of good cause, and each to be limited to a maximum period of 120 days. Use of trucked-in water shall be guided by MPWMD Rule 173. The subject Parcels are currently within the Cal-Am service area; a residence on the property and a horse-watering trough are currently served by Cal-Am meters. <u>Except as provided in Special Conditions #30</u> Use of Cal-Am water on the property is not authorized by this Permit, which includes the requirement to disconnect the current Cal-Am service to the residence (Meter #6258) and trough (Meter #6276) <del>pursuant to Special Condition #30. See also Special Condition #31 regarding Cal-Am service.</del> [Rule 22-D-1-h]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 14	A back-flow protection device to prevent contamination from or to the Cal-Am system is required, if deemed necessary by Cal-Am. A copy of documents associated with proof of Cal-Am backflow protection shall be provided to MPWMD, if applicable. [Rule 22-D-1-h]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 15	Because the Permitted System will provide water to a residential subdivision for domestic use, this Permit requires compliance with California Title 22 drinking water standards as administered by the Monterey County Health Department (MCHD). The District defers regulation of water quality to the MCHD. The District shall not approve any Water Permit for a new or intensified Connection to the Cal-Am system due to the inability of the Permitted System to deliver adequate water quality or quantity to the Parcel(s) identified in Condition #1, unless there is: (a) full compliance by Cal-Am with State Water Resources Control Board (SWRCB) Order 95-10 (as amended), (b) Cal-Am compliance with the March 2006 Final Decision of the Seaside Groundwater Basin Adjudication (as amended), and (c) water is available in the respective Jurisdiction's Allocation for release to the subject Parcel(s). [Rule 22-C-2, Rule 22-D-1-h]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 16	Permittee is not required by MPWMD to carry out a specific mitigation measure to offset adverse environmental impacts above and beyond those already identified by the County of Monterey in its approval of the subdivision on November 9, 2010 (County Resolution #10-312 for PC95062 and PLN050001) <u>and as amended on March 22, 2023 by Resolution 23-_____</u> . As a CEQA Responsible Agency, MPWMD relies on the environmental documents certified by Monterey County on that date (SCH#1995083033). [Rule 22-D-1-i]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 17	Permittee is required to provide a copy of an agreement to serve water to recipient Parcels because the Permitted System is a Multiple-Parcel Connection System. A draft agreement or template is acceptable for this purpose, and must be provided within 90 days of the preparation date shown (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-j]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 18	Upon District approval of this Permit, Permittee shall pay to the District the invoiced cost for MPWMD staff, attorney and consultant time spent to process the Permit subsequent to the application date, and extraordinary costs associated with the pre-application phase stemming from the Pre-Application submitted on June 7, 2007. Payment for the invoiced amount must be received by MPWMD within 90 days of the preparation date shown (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-j]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 19	Permittee shall sign (and notarize) a form regarding acceptance of Permit conditions for the approval of the Permitted System. By signing the form, Permittee acknowledges that he/she understands and accepts these conditions as a binding part of the Permit approval, and agrees to carry them out faithfully. The Acceptance Form must be received within 60 days of the preparation date shown (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-m]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 20	Permittee shall disclose to any future owner, successors and assigns of the property described in Condition #1 the requirements for the Permitted System associated with this Permit. Permittee shall advise MPWMD in a timely manner of any changes in system ownership, system name or other substantive changes to the system to facilitate accurate record-keeping. [Rule 22-D-2]



Name/Type	Condition Number	Condition
Mandatory Condition of Approval (Required by MPWMD Rules)	** Condition 21	Construction of permitted water facilities shall be completed within the time specified by the County of Monterey in its Subdivision Improvement Agreement, which is required as part of the filing of the subdivision final maps. Permittee may apply in writing to the MPWMD General Manager for a 180-day extension to the project initiation deadline and/or the system operation deadline, to be approved at the discretion of the General Manager. More than one extension may be requested. [Rule 22-D-4]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 22	Permittee shall execute a Deed Restriction prepared by MPWMD regarding the limitation on water use set forth in these conditions. Permittee shall pay all fees associated with preparation, review and recording of the Deed Restriction. The Deed Restriction must be signed and notarized by the Permittee and accepted by the Monterey County Recorder for processing within 60 days of the preparation date shown (see top of page 1) before a signed Permit from MPWMD is transmitted to the Permittee. [Rule 22-D-1-n]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 23	Upon notice to the Water Distribution System owner or designated representative in writing, e-mail or by telephone, reasonable access to the Site shall be given to MPWMD staff or its designated representative to inspect and document Water-Gathering Facilities and Water-Measuring Devices, obtain hydrogeologic data, and take readings from Water Measuring Devices. [Rule 22-D-1-o]
Mandatory Condition of Approval (Required by MPWMD Rules)	Condition 24	The Permit granted herein is subject to revocation in the event applicant does not fully comply with each and every condition set forth in this Permit. [Rule 22-D-1-p]
Other Conditions of Approval	Condition 25	Nothing in this Permit shall be construed to grant or confirm any water right.
Other Conditions of Approval	Condition 26	This Permit does not authorize any act that results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code Sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. Sections 1531 to 1544). If a "take" will result from any act authorized under this Permit, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this Permit.
Special Conditions for September Ranch WDS	Condition 27	The Permittee shall report annually in the form and manner prescribed by MPWMD: (a) the quantity of water produced by each source of supply within the MPWMD boundary (i.e., Well SR-1 and any future production Well); (b) the total water produced to meet the needs of all residential parcels within the Subdivision (metered sales are acceptable) and the water produced to serve uses on the one equestrian facility and three open space parcels within the MPWMD boundary referenced in Condition #2; (c) the maximum number of Connections in the system that year, including active and inactive Connections; (d) the number of new Connections and disconnections in the reporting year; (e) provide an updated map of the service area, if changes have occurred; and (f) list the name and address of the responsible party (currently September Ranch Partners, LLC). When available, a current Assessor's Parcel Number shall be provided for each new residential Parcel and the non-residential areas within the MPWMD boundary. Permittee shall inform the District if there are lot splits or changes in the number of Parcels. The reporting year is defined as October 1 through September 30 of the next year. Annual reporting data shall be provided to MPWMD no later than 60 days (i.e., November 30) following the end of the reporting year. The Permittee shall annually pay for District staff time (estimated at 20 hours) to perform technical review of the annual reports, as invoiced by the District (Rule 60).
Special Conditions for September Ranch WDS	Condition 28	Permittee shall provide to MPWMD, at no charge, copies of all future hydrologic, water production and water quality reports submitted to local, state and federal regulators, pursuant to agency permit conditions, including those of the County of Monterey, SWRCB, California Department of Fish and Game, U.S. Fish and Wildlife Service and National Marine Fisheries Service, as applicable.
Special Conditions for September Ranch WDS	Condition 29	Permittee shall obtain written approval by MPWMD before drilling any Well to supplement current Well SR-1, including confirmation by the MPWMD Water Resources Division Manager (or his designee) that the planned Well is not located in the CVAA or other component of the Monterey Peninsula Water Resource System. The existing Well known as "Well B," located within the CVAA, is prohibited from serving the September Ranch Subdivision. "Well A, Well B and Well C" may either remain as monitor wells or be destroyed; Wells A and C are not prohibited from being used.
Special Conditions for September Ranch WDS	Condition 30	Permittee shall permanently disconnect the "farm house" caretaker unit and horse-watering trough currently served by Cal-Am Meters #6258 and #6276, respectively, and replace Cal-Am service by water from the Permitted System, consistent with Monterey County Condition #40 as amended on March 22, 2023 by Resolution 23- . Per Condition of Approval #40, Permittee shall be expressly allowed to connect to the existing Cal-Am system for the purposes of conveying water pumped from the Permitted System to Cal-Am's treatment plant. Once treated, water shall be returned to the property in an amount no greater than the amount pumped from the Permitted System. Permittee shall provide a copy of the Monterey County Health Department determination that the Permitted System is operational. Within 90 days of the final approval for operation of the installed water system by the Monterey County Health Department, Permittee shall provide to MPWMD written proof of the Cal-Am meter disconnections.

Name/Type	Condition Number	Condition
Special Conditions for September Ranch WDS	Condition 31	<del>Permittee shall provide a copy to MPWMD of letters from September Ranch Partners to Cal Am and the California Public Utilities Commission formally requesting that the September Ranch Subdivision parcels described in Condition #1 be removed from the Cal Am service area, consistent with the deadline described in Condition #30. Copies of these letters must be provided to MPWMD within 90 days of the preparation date shown (see top of page 1) for this Permit to remain valid.</del>

P:\DDA Current Projects\2017-12 September Ranch Due Diligence\Clear Peak Development\Condition Compliance\MPWMD Conditions

**Attachments 2, 3 and 4 to Exhibit 1-A**

Documents relevant to Monterey County Board of Supervisors March 28, 2023, consideration of September Ranch/ONE Carmel are available on the County website at:

<https://monterey.legistar.com/LegislationDetail.aspx?ID=6102797&GUID=008BF9CA-E420-4648-9B4B-14D04E1EE90E&Options=ID%7cText%7c&Search=September+Ranch>



**DRAFT**  
**FINDINGS OF APPROVAL**

**Consider Amendment of the “September Ranch Water Distribution System (SRWDS)” to Update Ownership, Parcel and Well Information, and to Allow Water Treatment by California-American Water Company at the Begonia Iron Removal Plant and Conveyance of Treated Water Back to the SRWDS in an Amount No Greater than 90 Percent of the Amount Produced for Treatment**

**Permittee: One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation**

**Permitted System: September Ranch Water Distribution System**

**Recipient Assessor Parcel Numbers: 015-171-013-000 through 015-171-057-000 (Well Site)**

**Application #WDS-20230502SEP, Permit #M12-06-L4-AMD1**

**Adopted by MPWMD Administrative Hearing Officer on xxxxxxxx, 2023**

*Unless noted otherwise, all cited 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: On March 28, 2023, the Monterey County Board of Supervisors adopted Resolution No. 2023-123 amending the September Ranch Combined Development Permit [Board of Supervisors’ Resolution No. 10-312 (PLN110173/PLN050001) Condition of Approval Nos. 40, 78, 97, 107, 108, 109, 120 (non-mitigation measure conditions) and 157, 158 (transportation and circulation mitigation measures) and adding three new conditions of approval to a) modify the subdivision’s water treatment location and b) allow two-way channelization the entrance intersection. Conditions 40, 107, 108, 109, and 120 apply to the SRWDS and Conditions 40 and 108 specifically refer to offsite treatment of water.

EVIDENCE: Monterey County Board of Supervisors Resolution No. 2023-123 and Findings, adopted March 28, 2023.

2. FINDING: Since approval of the SRWDS by the Monterey Peninsula Water Management District’s (MPWMD or District) Board of Directors on November 19, 2012, the subdivision ownership has changed, new Assessor Parcel Numbers have been assigned to the various lots within the subdivision, a new Well (SR-2) was constructed, and the **One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation** was formed. These actions, in

addition to the action taken by the Monterey County Board of Supervisors in adoption of Resolution No. 23-123, necessitate amendments to the original SRWDS Conditions of Approval.

EVIDENCE: Application for a Permit to Create or Amend a Water Distribution System received by the District on May 1, 2023, by One Carmel, c/o Wei Huang, Carmel Reserve LLC, and supporting documents on file at the District that were submitted to supplement the application.

3. FINDING: **Carmel Reserve LLC, a Delaware Limited Liability Company**, is identified as the current owner of property located at 676 Carmel Valley Road, Carmel Valley, which is the location of an 891-acre approved Residential subdivision (“September Ranch”) consisting of 73 new market-rate Residential lots, 22 new Affordable Housing lots, one existing farm house/caretaker unit, a sales office/guard house, a 20.2-acre existing equestrian facility, and open space components. The Assessor’s Parcel Numbers (APN) are 015-171-013, 015-171-014, 015-171-015, 015-171-016, 015-171-017, 015-171-018, 015-171-019, 015-171-020, 015-171-021, 015-171-022, 015-171-023, 015-171-024, 015-171-025, 015-171-026, 015-171-027, 015-171-028, 015-171-029, 015-171-030, 015-171-031, 015-171-032, 015-171-033, 015-171-034, 015-171-035, 015-171-036, 015-171-037, 015-171-038, 015-171-039, 015-171-040, 015-171-041, 015-171-042, 015-171-043, 015-171-044, 015-171-045, 015-171-046, 015-171-047, 015-171-048, 015-171-049, 015-171-050, 015-171-051, 015-171-052, 015-171-053, 015-171-054, 015-171-055, 015-171-056 and 015-171-057 (Well Site).

EVIDENCE: Grant Deed recorded by the Monterey County Recorder on February 14, 2018 (2018006260); September Ranch Phase 1 Subdivision Map dated July 7, 2020; County of Monterey Assessor’s Map Book 015 Page 17-2; Monterey County Board of Supervisors Resolution No. 23-123 adopted March 28, 2023; MPWMD Permit Application #20230502SEP Site map and application materials, including all attachments.

4. FINDING: The September Ranch Project is within the area served by California-American Water Company (Cal-Am), but Cal-Am does not currently and cannot serve the project due to current restrictions on its water supply. Water will be provided from the existing main Well known as “SR-1” and a backup Well known as “SR-2”. The water pumped from the Permitted System will be conveyed to Cal-Am’s Begonia Iron Removal Plant and returned to the property in an amount no greater than 90 percent the amount produced for treatment. The existing WDS Production Limit of 57.21 Acre-Feet annually (AFA) remains unchanged. The existing Cal-Am Water Meter(s) shall be disconnected and replaced by water service from the Permitted System.

EVIDENCE: Permit application materials as specified in Finding #2. MPWMD Permit #M12-06-L4-AMD1, Conditions of Approval #2, 3, 4, 16, 17, 18, 20, 38 and

39; Monterey County Board of Supervisors Resolution No. 23-123 dated March 28, 2023.

5. FINDING: MPWMD Permit #M12-06-L4-AMD1 allows a permanent Intertie to the Main California American Water System (Cal-Am Main System) to allow water produced from the SRWDS to be transmitted to the Begonia Iron Removal Plant for treatment and returned to the SRWDS in an amount no greater than 90 percent the amount produced for treatment. Temporary water service could be provided by trucked-in water in a non-fire emergency such as system failure. However, emergency back-up supplies shall not be drawn from the Carmel River, Carmel Valley Alluvial Aquifer, and/or the Seaside Groundwater Basin.

EVIDENCE: MPWMD Permit #M12-06-L4-AMD1 Conditions of Approval #16 and 17. Monterey County Board of Supervisors Resolution No. 10-312 dated November 9, 2010. Monterey County Board of Supervisors Resolution No. 23-123 dated March 28, 2023. MPWMD Rules and Regulations.

6. FINDING: Backflow protection device(s) to prevent contamination of the Cal-Am system shall be required if deemed necessary by Cal-Am. [Rule 22-B-9]

EVIDENCE: MPWMD Permit #M12-06-L4-AMD1, Condition of Approval #16.

7. FINDING: Approval of MPWMD Permit #M12-06-L4-AMD1 replaces APNs listed in the original Permit with those referenced in Finding #3 to correctly identify the Parcels in the September Ranch Subdivision.

EVIDENCE: Grant Deed recorded by the Monterey County Recorder on February 14, 2018 (2018006260); September Ranch Phase 1 Subdivision Map dated July 7, 2020; County of Monterey Assessor's Map Book 015 Page 17-2.

#### **Minimum Standards for Granting a Permit (MPWMD Rule 22-C)**

8. FINDING: All Minimum Standards for Granting a Permit pursuant to MPWMD Rule 22-C were met and approved in the granting of M12-06-L4 by the MPWMD Board of Directors on November 19, 2012.

EVIDENCE: Recorded documents and evidence on file at MPWMD.

#### **Compliance with California Environmental Quality Act (CEQA)**

9. 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. 23-123 approving a permanent intertie to the Cal-Am Main System to allow offsite water treatment (Monterey County Board of Supervisors Resolution No. 23-123 Finding #3).

EVIDENCE: CEQA and CEQA Guidelines, Section 15096. Monterey County Board of Supervisors Resolution No. 23-123 and related action.

10. FINDING: Pursuant to CEQA Section 15091, the MPWMD Board finds that the project will not have a significant effect on the environment, based on the documentation cited in Finding #8. Mitigation measures are not made as conditions of approval by MPWMD for this action. The full record for the “September Ranch Subdivision Project” can be reviewed at the offices of the County of Monterey, 168 West Alisal Street, Salinas, CA.

EVIDENCE: Findings and Evidence provided in Finding #8 above. MPWMD Notice of Determination for Approval of SRWDS as a Responsible Agency following a public hearing on XXXXXXXXXXXX.

11. FINDING: Pursuant to CEQA Section 15093, a Statement of Overriding Considerations was not required to be adopted by the MPWMD Board for approval of the subject Permit.

EVIDENCE: Findings and Evidence provided in Finding #8 above. MPWMD Notice of Determination for Approval of SRWDS as a Responsible Agency following a public hearing on XXXXXXXXXXXX.



**DRAFT**  
**CONDITIONS OF APPROVAL**

**Consider Amendment of the “September Ranch Water Distribution System (SRWDS)” to Update Ownership, Parcel and Well Information, and to Allow Water Treatment by California-American Water Company at the Begonia Iron Removal Plant and Conveyance of Treated Water Back to the SRWDS in an Amount No Greater than 90 Percent of the Amount Produced for Treatment**

**Permittee: One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation**

**Permitted System: September Ranch Water Distribution System**

**Recipient Assessor Parcel Numbers: 015-171-013-000 through 015-171-057-000 (Well Site)**

**Application #WDS-20230502SEP, Permit #M12-06-L4-AMD1**

**Adopted by MPWMD Administrative Hearing Officer on xxxxxxxx, 2023**

**Permitted System Minimum Standards and Mandatory Conditions of Approval (Required by MPWMD Rules)**

1. The September Ranch Water Distribution System (SRWDS) (Permitted System) is authorized by the Monterey Peninsula Water Management District (MPWMD or District) under Permit #M12-06-L4-AMD1 for water service to the following Parcels<sup>1</sup> comprising approximately 891 acres on Assessor’s Parcel Numbers (APN) 015-171-013, 015-171-014, 015-171-015, 015-171-016, 015-171-017, 015-171-018, 015-171-019, 015-171-020, 015-171-021, 015-171-022, 015-171-023, 015-171-024, 015-171-025, 015-171-026, 015-171-027, 015-171-028, 015-171-029, 015-171-030, 015-171-031, 015-171-032, 015-171-033, 015-171-034, 015-171-035, 015-171-036, 015-171-037, 015-171-038, 015-171-039, 015-171-040, 015-171-041, 015-171-042, 015-171-043, 015-171-044, 015-171-045, 015-171-046, 015-171-047, 015-171-048, 015-171-049, 015-171-050, 015-171-051, 015-171-052, 015-171-053, 015-171-054, 015-171-055, 015-171-056 and 015-171-057. (The land referred to herein below is situated in the unincorporated County of Monterey, State of California and is described as follows: All of the property designated Parcels "A", "B", "C", "D", "E", "F", "G", "H", and Lots 1 through 33, 39, 40, and 73, as shown on the map entitled, "Tract No. 1547, September Ranch, Phase 1", recorded December 18, 2020, in Volume 24, Maps of "Cities and Towns", at Page 70, in the Office of the County Recorder of the County of Monterey, State of California. The property address is currently 676 Carmel Valley Road, Carmel Valley. The Service Area is shown in **Attachment 1**. [Rule 22-D-1-a]
2. This Permit authorizes the Permitted System to provide water supply for an approved Residential subdivision, known as “September Ranch,” as allowed by the Monterey County

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<sup>1</sup> Capitalized terms are defined in MPWMD Rule 11.

Board of Supervisors on November 9, 2010, (County Resolution #10-312 for PC95062 and PLN050001) and as amended by Monterey County Resolution No. 23-123 on March 28, 2023. Components include 73 market-rate Residential lots, 22 Affordable Housing lots, sales office and guard house, a 20.2-acre existing equestrian facility with accessory structures, 536.4 acres of common Open Space, 273.6 acres of private Open Space, and 6.9 acres of Open Space reserved for future public facilities. A Single-Family Dwelling (farmhouse/caretaker unit) and a horse-watering trough served by California-American Water Company (Cal-Am) by its Main California American Water System (Main System) currently exist on the property. The existing Cal-Am Water Meters shall be disconnected and replaced by water service from the Permitted System pursuant to Special Condition #38. [Rule 22-D-1-b]

3. The System Capacity (“Production Limit”) for the Permitted System is set at **57.21 Acre-Feet per year (AFY)**, which may be produced from Well “SR-1” and Well “SR-2” as approved by MPWMD located on the Site identified in Condition #1. The Expansion Capacity Limit for this Permit is **99 Connections**, which includes: (a) 96 Residential Connections for 95 new residences and water service for the existing farmhouse that will abandon the Cal-Am service and connect to the Permitted System; (b) one Non-Residential Connection for the equestrian facility; (c) one Non-Residential Connection for a sales office and gatehouse/guard station and associated landscape irrigation; and (d) one open space Connection for all other irrigation needs listed in Condition #2. No municipal unit (Jurisdictional) Allocation is associated with this Permit. [Rule 22-D-1]
4. The Source of Supply for the Permitted System are two existing Wells known as “SR-1” (Monterey County Health Department Water Well Construction Permit #W5870 and California Department of Water Resources (DWR) Well Completion Report #360102) and “SR-2” (Monterey County Health Department Water Well Construction Permit #18-13000 and California DWR Well Completion Report #WCR2018-008814) located on the property identified in Condition #1 in the approximate location shown in **Attachment 1**. The Wells extract water from the September Ranch Aquifer, characterized as a semi-isolated Aquifer with alluvial characteristics that is separate from the Carmel Valley Alluvial Aquifer (CVAA). [Rule 22-C-3]
5. A Public Water System Permit (Community) is required from the State Water Resources Control Board (SWRCB). Other Conditions of Approval including recordation of Conditions, Covenants and Restrictions (CC&Rs) shall be recorded as required by Monterey County in Resolution No. 23-123, adopted March 28, 2023. Copies of all such documents shall be provided to MPWMD by the Permittee. [Rule 22-D-1-c]
6. Precedent to use of this Permit, Permittee shall first obtain and comply with any required approval from the local jurisdiction in which the property is located, as applicable. [Rule 22-D-3]
7. Permittee shall execute an Indemnification Agreement, (**Attachment 2**), which holds the MPWMD harmless and promises to defend the MPWMD from any claims, demands, or expenses of any nature or kind arising from or in any way related to the MPWMD approval of the Permitted System or the adequacy of the system water supply. This Permit is not valid

until the Indemnification Agreement is signed by both Permittee and MPWMD. [Rule 22-D-1-d]

8. Permittee shall comply with MPWMD rules relating to water Well registration, metering, and annual reporting of production (MPWMD Regulation IV), including reporting the quantity of water produced from each Source of Supply, the number of active and non-active Connections in the system, and the number of new Connections and disconnections that occur during the year. Other reporting requirements can be found in Special Condition 32. [Rule 22-D-1-e; Rule 22-D-2]
9. Permittee shall report production by the Water Meter Method (MPWMD Rule 56) for the Wells designated in Condition #4. [Rule 22-D-1-e; Rule 22-D-2]
10. As a component of its annual reporting, Permittee shall provide the previous twelve months of Cal-Am water billing statements and report the quantity of water purchased from Cal-Am annually.
11. Within 60 days of approval of the Permit Amendment the District shall record a Notice and Deed Restriction to Provide Public Access to Water Use Data for each Parcel within the Permitted System.
12. Permittee shall comply with all MPWMD water efficiency regulations that pertain to Residential, Non-Residential, and landscape water use. Regulation XIV specifies maximum water use rates for fixtures and appliances and requires installation of water efficient landscapes. Regulation XV contains the Monterey Peninsula Water Conservation and Rationing Plan, including mandatory prohibitions on Water Waste. Contact with the MPWMD Permit and Conservation Office is recommended during project planning. [Rule 22-D-1-f]
13. New Connections to the Permitted System may not be set until a Water Permit has been secured from MPWMD for each Connection in accordance with MPWMD Regulation II. Landscape Water Permits shall also be required pursuant to Regulation II. Capacity Fees shall be calculated based on water demand estimates using the MPWMD's water demand methodology at the time of the application. [Rule 22-D-1-g]
14. Any Intensification, Expansion, or Change of Use of a User within the Permitted System shall require a new Water Permit pursuant to MPWMD Regulation II. [Rule 22-D-1-k]
15. Any modification, addition, or change to the Source of Supply, location of uses, any increase in the System Limits or expansion of the Service Area shall require an amended Water Distribution System Permit pursuant to MPWMD Regulation II. [Rule 22-E]
16. A permanent Intertie between the Permitted System and the Cal-Am Main System shall be allowed solely for the purpose of delivery of raw water originating in the Permitted System to the Cal-Am Main System for treatment and delivery of treated water to the Permitted System for distribution. Redelivery of treated water in a reporting year (see also Special Conditions

- #32, #34, and 35) shall not exceed 90 percent (90%) of water delivered from the Permitted System for treatment in the Cal-Am Main System in that reporting year and shall in no event exceed **51.49 AFY**. Backflow protection device(s) shall be installed as required by Cal-Am.
17. The Permitted System may receive mobile delivery of water in a non-fire emergency, system failure or similar short-term critical event, so long as the source is not derived from the Monterey Peninsula Water Resource System as defined in MPWMD Rule 11 for as long as SWRCB Order No. 2009-0060, as amended, is in place. A Mobile Water Distribution System Permit shall be required prior to receiving water. The term “short-term” is defined as less than or equal to 120 days. Permittee may apply in writing to the General Manager for extensions to the 120-day time limit, each to be approved at the discretion of the General Manager upon a finding of good cause, and each to be limited to a maximum period of 120 days. Mobile delivery of water shall be guided by MPWMD Regulations.
  18. After the lifting of SWRCB Order No. 2009-0060, the General Manager may permit short-term use from the Cal-Am Main System in a non-fire emergency or similar event, subject to the return or redelivery of a like amount of water from the Permitted System to the Cal-Am Main System. The subject Parcels are currently within the Cal-Am Service Area. [Rule 22-D-1-h]
  19. All Wells, Water-Gathering Facilities, Water-Measuring Devices, and other infrastructure related to the Water Distribution System that are to be transferred to Cal-Am shall be built to Cal-Am-approved specifications. Documents associated with proof of Cal-Am ownership shall be provided by the Permittee to MPWMD upon transfer of the Permitted System. This action shall trigger amendment of this Permit to reflect the changed ownership of the Permitted System. [Rule 22-D-1-h]
  20. Because the Permitted System will provide water to a Residential subdivision for domestic use, this Permit requires compliance with California Title 22 drinking water standards as administered by the Monterey County Environmental Health Bureau (MCEHB) and the State Water Board Division of Drinking Water (DDW). The MPWMD defers regulation of water quality to the MCEHB and DDW. MPWMD shall not approve any Water Permit for a new or intensified Connection to the Cal-Am Main System due to the inability of the Permitted System to deliver adequate water quality or quantity to the Parcel(s) identified in Condition #1, unless there is: (a) full compliance by Cal-Am with SWRCB Order No. WR 2009-0060, as amended, (b) Cal-Am compliance with the March 2006 Final Decision of the Seaside Groundwater Basin Adjudication, as amended, and (c) water is available in the respective Jurisdiction’s Allocation for release to the subject Parcel(s). [Rule 22-C-2, Rule 22-D-1-h]
  21. Permittee is not required by MPWMD to carry out a specific mitigation measure to offset adverse environmental impacts above and beyond those already identified by the County of Monterey in its approval of the subdivision on November 9, 2010 (County Resolution No. 10-312 for PC95062 and PLN050001) and as amended by County Resolution No. 23-123 on March 28, 2023. As a CEQA Responsible Agency, MPWMD relies on the environmental documents certified by Monterey County (SCH#1995083033). [Rule 22-D-1-i]



22. Prior to operation of the Permitted System, Permittee shall submit an executed Operating Agreement with Cal-Am to provide operation and management services for the Permitted System. This Agreement shall reflect the transfer of untreated water from the September Ranch Well(s) located on APN 015-171-057 to the off-site Begonia Iron Removal Plant (System CA2710004) within the Cal-Am Main System and the mechanism to sell treated water to the Permitted System and shall specify operational oversight and ownership of the Permitted System facilities and sources. A copy of the final executed wheeling agreement between the two Systems shall also be submitted to MPWMD by the Permittee prior to operation of the Permitted System. [Rule 22-D-1-j]
23. Permittee shall sign (and notarize) the Amended Permit accepting all conditions for the approval of the Permitted System. By signing the form, Permittee acknowledges understanding and acceptance of these conditions as a binding part of the Final Amended Permit approval and agrees to carry them out faithfully. [Rule 22-D-1-m]
24. Permittee shall disclose to any future owner, successors and assigns of the property described in Condition #1 the requirements for the Permitted System. Permittee shall advise MPWMD in a timely manner of any changes in system ownership, system name or other substantive changes to the system to facilitate accurate record-keeping. [Rule 22-D-2]
25. Construction tasks for facilities authorized in this Permit (e.g., Well, pipelines, storage tanks and water treatment) shall be initiated within one year from the date the Amended Permit is issued. This Permit shall expire if no action is taken within that year. Construction of permitted Water-Gathering Facilities shall be completed, and the Water Distribution System operation shall commence within two years from the date the Amended Permit is issued. Permittee may apply in writing to the MPWMD General Manager for a 180-day extension to the project initiation deadline and/or the system operation deadline, to be approved at the discretion of the General Manager. More than one extension may be requested. [Rule 22-D-4]
26. Prior to MPWMD recordation of the Deed Restriction to Amend the Permit for this System, Permittee shall pay to the MPWMD the invoiced cost for MPWMD staff, attorney and consultant time spent to process the Permit after the application date. [Rule 22-D-1-l]
27. Property Owner shall execute a Deed Restriction prepared by MPWMD regarding the limitation on water use set forth in these conditions. Permittee/property Owner shall pay all fees associated with preparation, review and recording of the Deed Restriction. The Deed Restriction must be signed and notarized by the property Owner before the MPWMD has the document recorded by the Monterey County Recorder. Upon successful recordation, the Final Amended Permit from MPWMD may be transmitted to the Permittee. [Rule 22-D-1-n]
28. Upon notice to the SRWDS Owner or Operator in writing, e-mail or by telephone, reasonable access to the Site shall be given to MPWMD staff or its designated representative to inspect and document Water-Gathering Facilities and Water-Measuring Devices, obtain hydrogeologic data, and take readings from Water Measuring Devices. [Rule 22-D-1-o]
29. The Permit granted herein is subject to revocation in the event Permittee does not fully comply

with each and every condition set forth in this Permit. [Rule 22-D-1-p]

### **Other Conditions of Approval**

30. Nothing in this Permit shall be construed to grant or confirm any water right.
31. This Permit does not authorize any act that results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code Sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. Sections 1531 to 1544). If a “take” will result from any act authorized under this Permit, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this Permit.

### **Special Conditions for September Ranch WDS**

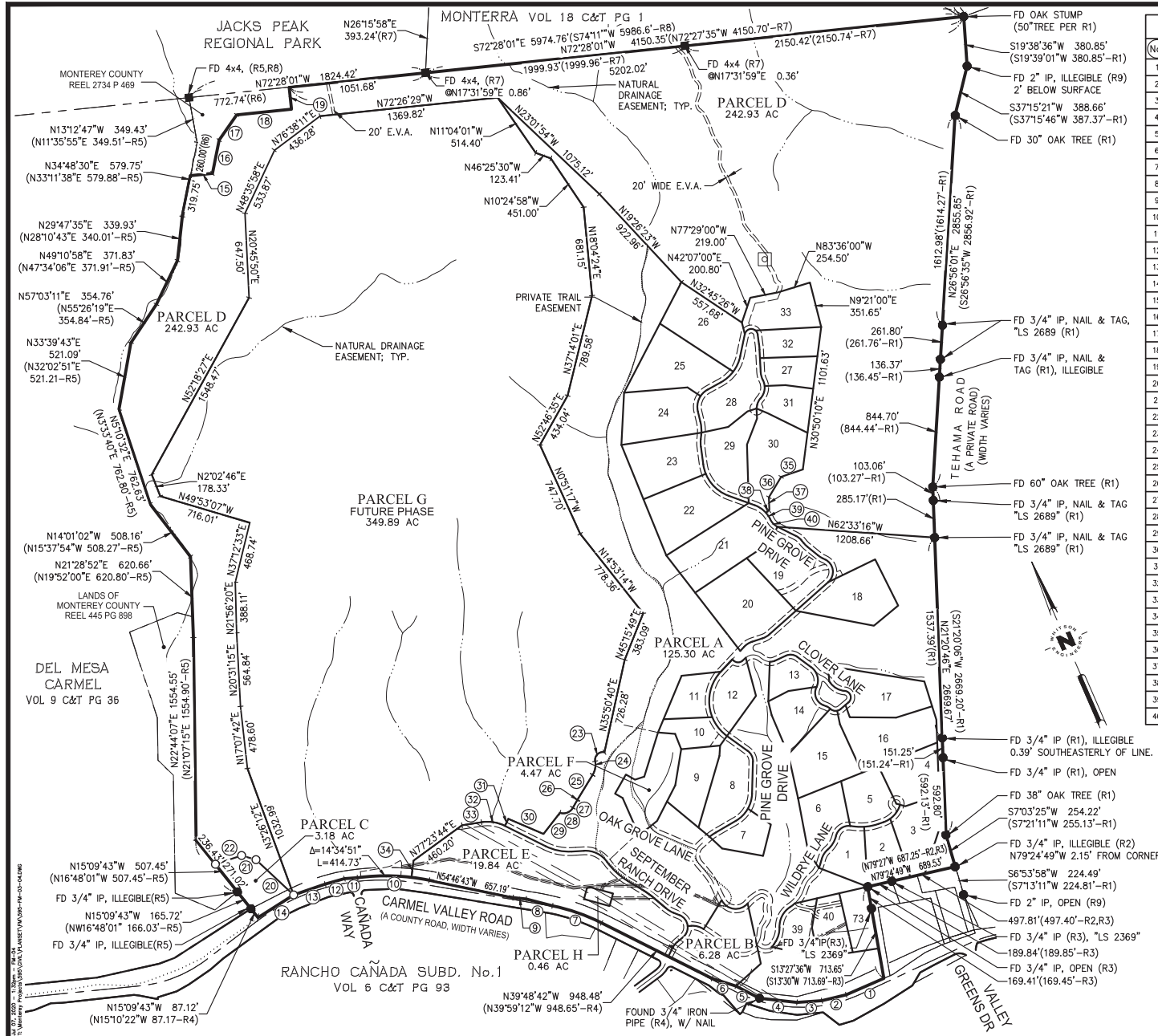
32. In addition to the requirements of Condition 8 and MPWMD Regulation IV and V, the Permittee shall report annually in the form and manner prescribed by MPWMD: (a) the metered outflow to the Cal-Am Main System; (b) the metered inflow from the Cal-Am Main System; (c) total water consumption and number of Connections by classification (i.e. Residential, Multi-Family, Non-Residential, etc.); (d) the maximum number of Connections in the system that year; (e) the number of new Connections and disconnections in the reporting year with copies of the Water Permit for each New Connection and Assessor Parcel Number for each disconnection; (f) provide an current map of the Service Area including Assessor Parcel Numbers; and (g) list the name and address of the Responsible Party (currently Carmel Reserve LLC, a Delaware Limited Liability Company). Permittee shall inform the MPWMD if there are lot splits or mergers or changes in the Assessor Parcel Numbers. The reporting year is defined as October 1 through September 30 of the next year. Annual reporting data shall be provided to MPWMD no later than 60 days (i.e., November 30) following the end of the reporting year. The Permittee shall provide to MPWMD copies of any quarterly reports submitted by the Permittee to the Monterey County Water Resources Agency, the Monterey County Housing and Community Development Department, and/or the Monterey County Environmental Health Bureau pursuant to Condition #46 of County Resolution No. 23-123.
33. Permittee shall provide to MPWMD, at no charge, copies of all future hydrologic, water production and water quality reports submitted to local, state, and federal regulators, pursuant to agency permit conditions, including those of the County of Monterey, SWRCB, California Department of Fish and Wildlife, U.S. Fish and Wildlife Service and National Marine Fisheries Service, as applicable.
34. Permittee shall obtain written approval by MPWMD before drilling any Well to supplement current Wells SR-1 and SR-2, including confirmation by the MPWMD Water Resources Division Manager (or his designee) that the planned Well is not located in the CVAA or other component of the Monterey Peninsula Water Resource System.

35. The existing Well known as “Well B,” located within the CVAA, shall be destroyed or converted to a Monitor Well within six months of the issue date of this WDS Amendment. The existing Wells known as “Well A” and “Well C” shall be destroyed within six months of this WDS Amendment. Appropriate documentation of the changes in status issued by MCEHB and Destruction Certificates for all destroyed Wells shall be provided to the District from the Monterey County Environmental Health Bureau upon completion.
36. Permittee shall provide MPWMD with a copy of the Monterey County Health Department/DDW determination that the Permitted System is operational. A copy of the State Water Board permit shall also be provided to MPWMD.
37. Prior to operation of the WDS, the Permittee shall provide written confirmation from the SWRCB Division of Water Rights that the September Ranch WDS as amended is not subject to the restrictions of SWRCB Order No. 95-10, WR 2009-0060, and WR 2016-0016.
38. Within 30 days of commencement of operation of the Permitted System, Permittee shall permanently disconnect the “farmhouse” caretaker unit and horse-watering trough currently served by Cal-Am and replace the Cal-Am Main System service with a Connection and water from the Permitted System. A Water Permit from MPWMD is required prior to setting a new Water Meter.
39. Prior to operation of the Permitted System, the Permittee and Cal-Am shall secure an amendment to the Cal-Am Main System WDS that allows Cal-Am to receive and treat September Ranch WDS water and return a portion of that water to September Ranch for distribution within its WDS.

ATTACHMENT 1 – Service Area of Permitted System

ATTACHMENT 2 – Indemnification Agreement

# Exhibit 1-C, Attachment 1



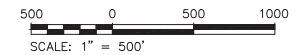
LINE & CURVE DATA				RECORD LINE & CURVE DATA			
NO.	DELTA/BEARING	RADIUS	LENGTH	NO.	DELTA/BEARING	RADIUS	LENGTH
1	N89°58'03"E	315.64	1	N89°57'30"E (R4)	314.76		(C/R R3,R4)
2	N80°07'27"W	190.93	2	S80°08'00"E	190.93		(R4)
3	N70°29'38"W	191.86	3	S70°30'11"E	191.86		(R4)
4	N60°06'28"W	290.14	4	S60°07'01"E	290.14		(R4)
5	N39°09'26"W	203.03	5	S39°19'56"E	203.07		(R4)
6	N48°47'52"W	191.76	6	S45°58'22"E	191.79		(R4)
7	14°58'01"	1532.48	7	14°58'01"	1532.75		(R4)
8	N52°01'27"W	208.06	8	S52°11'57"E	208.10		(R4)
9	N60°29'29"W	100.44	9	S60°39'59"E	100.46		(R4)
10	19°25'40"	1629.71	10	19°25'40"	1630.00		(R4)
11	N70°24'48"W	100.69	11	S70°35'18"E	102.71		(R4)
12	N82°20'21"W	153.53	12	S82°30'51"E	153.56		(R4)
13	N85°24'30"W	256.17	13	S85°35'00"E	256.22		(R4)
14	N80°59'17"E	323.72	14	S80°48'50"W	323.74		(R4)
15	N72°28'01"W	170.00	15	N74°11'00"W	170.00		(R6)
16	N34°48'30"E	260.00	16	S33°05'00"W	260.00		(R6)
17	N58°16'10"E	235.49	17	S56°30'37"W	235.70		(R6)
18	N72°28'01"W	422.74	18	N74°11'00"W	422.74		(R6)
19	N17°31'59"E	170.00	19	S15°49'00"W	170.00		(R6)
20	N23°24'50"W	395.48					
21	N50°21'47"W	115.03					
22	N84°57'16"W	211.82					
23	111°43'07"	60.00	116.99				
24	41°22'17"	150.00	108.31				
25	N54°50'03"E	221.68					
26	1°39'05"	200.00	5.76				
27	N53°10'58"E	66.88					
28	77°51'39"	85.00	115.51				
29	N61°21'55"E	205.27					
30	N43°12'20"W	293.60					
31	N49°33'06"E	60.45					
32	35°14'13"	300.00	184.50				
33	N75°15'41"W	151.18					
34	N30°22'27"E	129.11					
35	N85°19'19"W	175.82					
36	N54°25'58"E	182.83					
37	N21°27'10"E	96.20					
38	N71°49'00"E	34.79					
39	16°31'07"	210.00	60.54				
40	38°18'16"	120.00	80.22				

## REFERENCES

- R1 - VOL 22 C&T PG 35
- R2 - VOL X-4 SUR PG 9
- R3 - VOL X-4 SUR PG 49
- R4 - VOL A FMM PG 93
- R5 - VOL 8 C&T PG 75
- R6 - REEL 2734 PG 469
- R7 - VOL 18 C&T PG 1
- R8 - PARTITION MAP OF HATTON PROPERTY IN RANCHO CANADA DE LA SEGUNDA, MONTEREY COUNTY, CA., SURVEYED BY H.F. COZZENS AND WM. DAVIES, SALINAS, CA. 1926, ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR SERIAL NO.:14250A
- R9 - VOL 9 SUR PG 21

## SURVEYOR'S NOTE

BEARINGS AND DISTANCES FOR THE WESTERLY SIDELINE OF PARCEL D AND NORTHERLY BOUNDARY OF CARMEL VALLEY ROAD WHERE CALCULATED BY GRANT BOUNDARY METHOD BETWEEN FOUND MONUMENTS AS SHOWN HEREON.



## PLN110173 TRACT NO. SEPTEMBER RANCH PHASE 1

A PRIVATE ROAD SUBDIVISION  
BEING A PORTION OF LOT 8, PARTITION MAP OF HATTON PROPERTY IN RANCHO CANADA DE LA SEGUNDA MONTEREY COUNTY, CALIFORNIA

PREPARED BY:  
**WHITSON ENGINEERS**  
6 HARRIS COURT, MONTEREY CALIFORNIA

JOB NO. 595.03 JULY 7, 2020 SHEET 4 OF 15



**DRAFT**

**INDEMNIFICATION AGREEMENT**

**Consider Amendment of the “September Ranch Water Distribution System (SRWDS)” to Update Ownership, Parcel and Well Information, and to Allow Water Treatment by California-American Water Company at the Begonia Iron Removal Plant and Conveyance of Treated Water Back to the SRWDS in an Amount No Greater than 90 Percent of the Amount Produced for Treatment**

**Permittee: One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation**

**Permitted System: September Ranch Water Distribution System**

**Recipient Assessor Parcel Numbers: 015-171-013-000 through 015-171-057-000 (Well Site)**

**Application #WDS-20230502SEP, Permit #M12-06-L4-AMD1**

**Adopted by MPWMD Administrative Hearing Officer on xxxxxxxxx, 2023**

THIS AGREEMENT (“Agreement”) is made and entered into by and between the Monterey Peninsula Water Management District (“MPWMD”), and **One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation and Carmel Reserve LLC, a Delaware Limited Liability Company** (the property Owner) (referred to herein as “Indemnitors”) upon the date set forth below.

1. This Agreement has been entered into as a condition to the approval of the “**September Ranch Amendment**” Water Distribution System (WDS) Permit #**M12-06-L4-AMD1** authorized by MPWMD Hearing Officer on xxx, 2023, on behalf of the Indemnitors. This approval stems from MPWMD Application #WDS-20230502SEP to allow water produced from the Permitted System to be conveyed to California-American Water Company’s Begonia Iron Removal Plant for treatment and returned to the property in an amount no greater than 90 percent the amount produced for treatment. The System Capacity (maximum annual water production) remains set at 57.21 Acre-Feet per year, and the Expansion Capacity Limit is 99 Connections. The Parcels reflect the September Ranch Subdivision Improvement Agreement approved by the County of Monterey and identified as amended and identified in Attachment A. The property is currently owned by Indemnitor **Carmel Reserve LLC, a Delaware Limited Liability Company**. This Agreement is a requirement of MPWMD Permit M12-06-L4-AMD1, Condition #7, and must be executed by all parties prior to issuance of the amended WDS Permit.
2. Indemnitors expressly confirm and agree that they have entered into this Agreement and assumed the obligations imposed to induce MPWMD to undertake the actions stated in Paragraph 1 and acknowledges that MPWMD is relying upon this Agreement.

3. Indemnitors agree to indemnify MPWMD to the maximum extent authorized by the law as an inducement for MPWMD to undertake the actions referenced in Paragraph 1 without concern for any liability or expense which may result from the good faith performance of MPWMD's duties. Creation of this Indemnification Agreement, and the assumption of the duties set forth herein, have induced MPWMD to undertake that action, and if this Agreement shall lapse, the actions of MPWMD as referenced above shall then become null and void.
4. Indemnitors agree, in consideration of MPWMD's participation and approval in the activities referenced in Paragraph 1, to defend, indemnify, and hold harmless MPWMD and its elected and appointed officials, agents, officers, attorneys and employees from all liability, demands, claims, costs, losses, damages, recoveries, settlements, and expenses (including interest, penalties, attorney fees, accounting fees, and expert witness fees) of any kind or nature incurred by MPWMD, known or unknown, contingent or otherwise, directly or indirectly, including but not limited to personal injury or property damage, arising from or related to the activities referenced in Paragraph 1. This Agreement shall include, but shall not be limited to any action, or proceeding brought against MPWMD or its agents, officers, attorneys or employees to attack, set aside, void, annul, limit, modify or inhibit the activities referenced in Paragraph 1, and shall expressly include any action undertaken that may include claims or causes of action under the California Environmental Quality Act (CEQA), or the National Environmental Policy Act (NEPA).
5. Indemnitors' obligation to defend, indemnify, and hold harmless shall further include, but not be limited to, all costs relating to litigation, preparation of any administrative record, response to discovery, retention of experts, and other related costs. Indemnification shall further extend to any and all reasonable expenses, including, without limitation, attorney's fees, expenses incurred in establishing a right to indemnification, costs of investigation and costs of appeal, judgments, fines, settlements and other obligations incurred in connection with any demand, claim or proceeding, or any appeal therefrom, to which MPWMD is a party or threatened to be made a party.
6. If required to accomplish the activities referenced in Paragraph 1, Indemnitors agree to indemnify and hold harmless MPWMD for all costs incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending any document (including any CEQA or NEPA documents) that shall support, defend, or comply with any relevant order.
7. Indemnitors shall not be liable to indemnify MPWMD with respect to any expense, judgment, fine, settlement or other obligation incurred by MPWMD:
  - a. To the extent that such expense, judgment, fine, settlement or other obligation is actually paid or satisfied by an insurer on behalf of Indemnitor pursuant to an insurance policy;
  - b. In connection with any remuneration paid to MPWMD, if it shall be finally adjudged that such remuneration was in violation of law;
  - c. On account of MPWMD's misconduct if such misconduct shall be finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful.

8. Indemnitors further agrees to make no claim, and hereby waive, to the fullest extent permitted by law, any claim or cause of action of any nature against MPWMD, its officials, officers, directors, employees, and agents which may arise out of or in connection with activities referenced in Paragraph 1.
9. In the event that Indemnitors are required to defend MPWMD in connection with the activities referenced in Paragraph 1, MPWMD shall retain the right to approve:
  - a. The counsel to so defend MPWMD and its agents, which approval shall be in writing;
  - b. All significant decisions concerning the timely manner in which the defense is conducted; and
  - c. Any and all settlements, which approval shall not be unreasonably withheld.
10. MPWMD shall not be required to participate in the defense of any proceeding. If MPWMD chooses to have counsel of its own where the Indemnitors have already retained counsel, the fees and expenses of the counsel selected by MPWMD shall be paid by the Indemnitors. MPWMD agrees to cooperate with the Indemnitors in the defense of any proceeding.
11. If MPWMD so elects, expenses actually and reasonably incurred by MPWMD in defending any demand, claim or proceeding shall be paid by Indemnitors from time to time as requested by MPWMD notwithstanding there may not yet be a final disposition of such demand, claim or proceeding. Indemnitors agree to advance any such expenses within ten (10) days after receipt from MPWMD of a written request for an advance payment. MPWMD shall not be obligated, however, to advance any such expenses if it is prohibited by applicable law from advancing such expenses. In the event that it is not ultimately determined that MPWMD is entitled to be indemnified, MPWMD shall repay the amount of any such expenses so advanced.
12. The defense and indemnification of MPWMD set forth herein shall remain in full force and effect throughout all stages of litigation including appeals of any lower court judgments.
13. MPWMD shall not settle any demand, claim or proceeding in any manner that would impose any obligation, penalty or limitation on, or that otherwise may adversely affect Indemnitors without Indemnitors' prior written consent. Neither MPWMD nor the Indemnitors shall unreasonably withhold its consent to any proposed settlement.
14. Any permit, appeal or other approval given by MPWMD to Indemnitors shall be valid only so long as this Indemnification Agreement is given full force and effect. If this Indemnification Agreement is revoked, the permit, appeal, or other approval of MPWMD shall then become null and void.
15. This Indemnification Agreement shall bind and benefit MPWMD, its successors and assigns, and Indemnitors and Indemnitors' successors in interest.

16. It is agreed and understood by the parties hereto that this Agreement has been arrived at through negotiations and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code section 1654.
17. In the event any party brings an action to enforce rights or to collect moneys due under this Agreement or applies to a court for judgment that indemnification is proper under the circumstances and is successful in whole or in part in such action or application, the prevailing party in such action shall be entitled to all reasonable fees and expenses (including attorneys' fees) in pursuing or defending such action or application.
18. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. Venue shall be in the County of Monterey.
19. If any provision of this Agreement or the application thereof to any person, place or circumstance, is held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the other provisions hereof, which provisions shall be deemed separate and distinct agreements.
20. No amendment or termination of this Agreement shall be effective unless in writing signed by the parties hereto.

*(Signatures must be notarized. For all California Notaries, an All-Purpose Acknowledgement is required.)*

**One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Xinrong Jiang, Chief Executive Officer/Secretary

**Carmel Reserve LLC, a Delaware Limited Liability Company**

By: Its Manager

**DL Family US Holdings, Corporation, a Delaware Corporation**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Wei Huang, Authorized Signatory

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
David J. Stoldt, General Manager  
Monterey Peninsula Water Management District



## **Notice of Determination**

**To:** Office of Planning and Research  
P.O. Box 3044 Sacramento  
CA 95812-3044

**To:** Monterey County Clerk  
168 W. Alisal #1  
Salinas, CA 93901

**From:** Monterey Peninsula Water Management  
District  
5 Harris Ct, Building G  
Monterey CA 93940  
Contact: Stephanie Locke  
831-658-5601

***SUBJECT: Filing of Notice of Determination in compliance with Section 21152 of the Public Resources Code.***

**Project Title:** Consider Amendment of the “September Ranch Water Distribution System (SRWDS)” to Update Ownership, Parcel and Well Information, and to Allow Water Treatment by California American Water at the Begonia Iron Removal Plant and Conveyance of Treated Water Back to the SRWDS in an Amount No Greater than 90 Percent of the Amount Produced for Treatment

**Project Applicant:** One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation

**Project Location (include county):** 676 Carmel Valley Road, Carmel Valley, Monterey County

**Project Description:** Application #WDS-20230502SEP received on May 2, 2023, by the Carmel Reserve LLC, a Delaware Limited Liability Company, for One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation, to amend the SRWDS to allow raw water produced from the SRWDS to be treated by California-American Water Company and returned to SRWDS in an amount no greater than 90 percent of the amount produced (accounting for system and treatment losses). System Limits remain set at 57.21 Acre-Feet per year (AFY) and the Expansion Capacity Limit is 99 Connections. The amendment also updates ownership and Parcel records and recognizes the addition of a back-up production Well and the incorporation of the One Carmel Water Company, a California Nonprofit Mutual Benefit Corporation. The SRWDS was approved by the MPWMD Board of Directors on November 19, 2012.

Monterey County Board of Supervisors approved the project in Resolution No. 23-123 on March 28, 2023. The County prepared an Addendum to the previously certified September Ranch Subdivision Project FREIR (SCH# 1995083033) pursuant to CEQA Guidelines Section 15164.

This is to advise that **Monterey Peninsula Water Management District** has approved the above-described project on **xxxxxxx** and had made the following determinations regarding the above-described project.

1. The project will not have a significant effect on the environment.
2. Mitigation measures were not made a condition of the approval of the project.
3. A mitigation reporting or monitoring plan was not adopted for this project.
4. A statement of Overriding Considerations was not adopted for this project.
5. Findings were made pursuant to the provisions of CEQA.

Signature (Public Agency): \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date Received for filing at OPR: \_\_\_\_\_