



Cal/EPA

State Water
Resources
Control Board

Division of
Water Rights

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EXHIBIT MS-5



State Water
Governor

MARCH 27 1998

Mr. Darby Fuerst
Monterey Peninsula Water
Management District
P.O. Box 85
Monterey, CA 93942-0085

Mr. Larry Foy
California American Water Company
P.O. Box 951
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Dear Sirs:

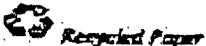
RECLAMATION PROJECT WATER AVAILABILITY -- CARMEL RIVER IN MONTEREY COUNTY

In response to a November 14, 1997 request by the Del Monte Forest Property Owners organization this letter addresses the availability of 380 afa to serve development under the water entitlement granted by the Monterey Peninsula Water Management District (District) to sponsors of the Carmel Area Waste Water District (CAWD) - Pebble Beach Community Services District (PBCSD) wastewater reclamation project and its relation to SWRCB Order 95-10.

SWRCB Order WR 95-10 refers to the entitlement granted by the District and development of the Del Monte Forest property. Footnote 2 of the Order states:

"The (Wastewater Reclamation) Project will provide 800 af of reclaimed water for the irrigation of golf courses and open space in the Del Monte Forest. In return for financial guarantees, the Pebble Beach Company and other sponsors, received a 380 af potable water entitlement from the District, based upon issuance of an appropriative right permit to the District, for development within Del Monte Forest."

The wastewater reclamation facility operated by the CAWD is presently producing more than 800 afa of reclaimed water annually for use upon golf courses and open space areas. Use of treated wastewater has reduced the potable water deliveries of California-American Water Company (Cal-Am) for this irrigation project by at least 500 afa. The SWRCB understands that improvements are being considered that may allow reduction of potable water use by the full 800 afa.



Our mission is to preserve and enhance the quality of California's water resources, and assure their proper allocation and efficient use for the benefit of present and future generations.

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The SWRCB has recognized that the Pebble Beach Company and other sponsors were project participants in, and assisted in funding, the wastewater reclamation project which enabled Cal-Am to reduce its delivery of potable water to the Del Monte Forest property and thereby reduce the demand on the Carmel River by at least 500 afa and potentially 800 afa. Upon completion of the development project on the Del Monte Forest property, 380 afa will be diverted from the Carmel River by Cal-Am for delivery to these lands. Thus, there will be no net increase in Carmel River diversions in the future over the level of past documented diversions as a result of developing these projects. As a result of the reclamation project and especially during the interim period while the Del Monte Forest property is being developed, the net diversion from the Carmel River to serve the Del Monte Forest properties will be less than the level that would have occurred if the wastewater reclamation project had not been developed. Thus, under Footnote 2 of Order WR 95-10, the 380 afa is available to serve these projects.

As a result, Order WR 95-10 does not preclude service by Cal-Am to the Del Monte Forest property under the 380 afa entitlement granted by the District. As you are aware, the SWRCB is requiring Cal-Am to maintain a water conservation program with the goal of limiting annual diversions from the Carmel River to 11,285 afa until full compliance with Order WR 95-10 is achieved. While Cal-Am has been exceeding the limit, it is not the intent of the SWRCB to penalize the developers of the wastewater reclamation project for their efforts to reduce reliance upon the potable water supply via utilization of treated wastewater.

Thus, the SWRCB will use its enforcement discretion to not penalize Cal-Am for excess diversions from the Carmel River as long as their diversions do not exceed 11,285 afa plus the quantity of potable water provided to Pebble Beach Company and other sponsors under this entitlement for use on these lands. This enforcement discretion will be exercised as long as the wastewater reclamation project continues to produce as much as, or more than, the quantity of potable water delivered to the Del Monte Forest property, and the reclaimed wastewater is utilized on lands within the Cal-Am service area.

Footnote 2 of Order WR 95-10 deals only with the issue of water use for purposes of projects in the Del Monte Forest. Consequently, the order does not provide discretion to address any projects involving the use of the unassigned 420 afa (800 afa minus the 380 afa identified in the footnote equals 420 afa) developed by the wastewater treatment facility.

In order to accurately document that only the historic level of diversion has been maintained, the District is requested to advise the SWRCB of both the quantity of potable water obtained from Cal-Am on a monthly and total annual basis to serve these lands. Information on both monthly

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and total annual production and beneficial use from the wastewater treatment project should also be included in the submittal. This information should be submitted quarterly, and the annual data should document use during the water year. The water year begins on October 1 of one year and ends on September 30 of the subsequent year.

If you have any questions regarding this matter, I can be contacted at (916) 657-1359.

Sincerely,

ORIGINAL SIGNATURE
EDWARD C. ANTON

Edward C. Anton, Chief
Division of Water Rights

cc: ✓ Mr. Robert C. Gross
Del Monte Forest Property Owners
P.O. Box 523
Pebble Beach, CA 93953