

Exhibit "B"

Ordinance No. 73

**AN ORDINANCE OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
MODIFYING JURISDICTIONAL ALLOCATIONS
AND REPEALING THE DISTRICT RESERVE ALLOCATION**

FINDINGS

1. The Monterey Peninsula Water Management District enacted Ordinance No. 70 on June 21, 1993 to allocate 385 acre feet of production in the Cal-Am water distribution system and to divide this water among each of the Jurisdictions within the District and also to a District Reserve.
2. Ordinance No. 70 set an annual production limit from the Monterey Peninsula Water Resource System of 20,673 acre-feet, an annual production limit of 17,619 acre-feet upon the Cal-Am water system (sales of 16,380 afa), and an annual production limit of 3,054 acre-feet upon non-Cal-Am water users and water systems which also derive their source of supply from the Monterey Peninsula Water Resource System.
3. This Ordinance continues the water allocation program and production and sales limits set by Ordinance No. 70, but deletes the District Reserve and allocates that increment of water among the Jurisdictions within the District.

NOW THEREFORE be it ordained as follows:

ORDINANCE

Section One: Statement of Purpose.

This Ordinance continues the water allocation program and production and sales limits set by Ordinance No. 70.

This Ordinance shall delete the District Reserve and shall allocate that increment of water among the Jurisdictions within the District.

Section Two: Water Resource System Production or Sales Limits.

The total annual production limit from the Monterey Peninsula Water Resource System shall remain at 20,673 acre-feet. Cal-Am's annual water supply capacity limit shall be remain at a production level of 17,619 acre-feet. Of this, 16,380 acre-feet shall be available for annual water sales to consumers within the Cal-Am system due to system losses and unmetered consumption.

Section Three: Deletion of District Reserve.

The present text of District Rule 33 B "District Reserve Allocation" reads as follows:

B. District Reserve Allocation. Permits to authorize new or intensified water use from the California-American Water Company may further be issued by the District for use in any Jurisdiction pursuant to the application and approval process set forth in District Rule 23 (c) 2. The total quantity of new or intensified water use from the District Reserve Allocation pursuant to Rule 23 (c) 2, however, shall not exceed 50 acre feet.

The entire text of this Rule 33 B shall be deleted, as the District Reserve shall no longer exist.

Section Four: Addition to Jurisdictional Water Allocations.

The total water allocation to each Jurisdiction as set forth in Rule 33 A shall be increased by the balance of the District Reserve Allocation which remains as of the effective date of this Ordinance, and shall be distributed in equal shares by the following percentages:

Carmel by the Sea.....	12.50%
Del Rey Oaks.....	12.50%
Monterey (City).....	12.50%
Pacific Grove.....	12.50%
Sand City.....	12.50%
Seaside.....	12.50%
Monterey County.....	12.50%
Monterey Peninsula Airport District.....	12.50%

Rule 33, "Jurisdictional Water Allocations" of the Rules and Regulations of the Monterey Peninsula Water Management District shall be modified to reflect the addition of this water to those Jurisdictional allocations.

Section Five: Effective Date

This ordinance shall be given effect at 12:01 a.m., on March 25, 1995.

Section Six: Sunset Provision for this Ordinance

This Ordinance shall have no sunset provision.

Section Seven: Publication and Application

Following the effective date of this ordinance, the following provisions of the permanent Rules and Regulations of the Monterey Peninsula Water Management District shall be modified:

Rule 11, Definitions, shall be modified to delete the definition of "District Reserve Allocation".

Rule 33, Sections Four A and B, shall be modified as set forth above.

Section Eight: Severability

If any subdivision, paragraph, sentence, clause or phrase of this Ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this Ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion of Director Pendergrass, and second by Director Hughes, the foregoing ordinance is adopted on second reading this 23 day of February, 1995, by the following vote:

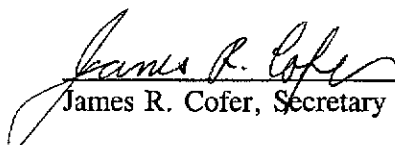
AYES: Directors Farina, Burkleo, Hughes and Pendergrass

NAYS: Director Haddad

ABSENT: Directors Karas and Heuer

I, James R. Cofer, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of an ordinance duly adopted this 23rd day of February, 1995.

Witness my hand and seal of the Board of Directors this 27th day of March, 1995.


James R. Cofer, Secretary to the Board