

State Water Resources Control Board

MAY 3 1 2013

In Reply Refer to:
JO:262.0(27 -01)

Mr. David J. Stoldt, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Building G
P.O. Box 85
Monterey, CA 93942-0085

Dear Mr. Stoldt:

ORDER WR 2009-0060 CALIFORNIA AMERICAN WATER-MONTEREY

Thank you for meeting with us on March 8, 2013 and for your March 1, 2013 letter. Your letter identifies Monterey Peninsula Water Management District's (MPWMD) concerns related to California American Water-Monterey's (Cal-Am) interpretation and implementation of the State Water Resource Control Board's (State Water Board) Order WR 2009-0060. I know the Monterey community is keenly aware of the need to significantly reduce water use as the compliance deadlines of Order WR 2008-0060 approach. The State Water Board is also interested in supporting any significant reductions in water use by the community. However, because Cal-Am has indicated they will not be able to implement a water replacement solution by the dates specified in Order WR 2009-0060, it is important to carefully articulate the framework for compliance.

Your letter indicates that Cal-Am's interpretation of my April 9, 2012 letter to them interferes with water savings that might otherwise be achieved through subdividing, remodeling, new connections (under certain circumstances), and conversion of existing commercial water use sites to mixed use commercial/residential water use. You suggest that additional savings can be realized by allowing a change in use as long as there is no increase in water use to the site.

Specifically, you ask that I confirm MPWMD's understanding as to the meaning and proper interpretation of Condition 2 of Order WR 2009-0060 by amending my April 2012 letter to Cal-Am in the following manner:

- a) For purposes of interpreting a "change of use," only local land use authorities will be considered, not MPWMD's defined term "Change of Use";
- b) A meter split at an existing site to convert existing commercial water use to residential water use, and vice versa, may be allowed provided the aggregate use from all resulting split meters does not exceed prior water use served by the single water meter;
- c) Creation of a new service address at an existing site by subdividing or remodeling shall not constitute a "new connection" so long as there is no increase in water use to the site; and

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- d) Replacing a meter to a site that previously had service does not constitute a "new connection" so long as there is no increase in water use to the site.

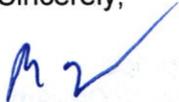
In my April 9, 2012 letter to Cal-Am, I identified that Condition 2 and the associated Footnote 47 are intended to limit an increase in water consumption from the Carmel River that may be caused by regional or local zoning and land use changes when compared to the conditions that existed at the time of the Order adoption. On October 20, 2009, the date of Order WR 2009-0060, each existing service connection had a specific zoning and use designation by both MPWMD and local land use authorities. The Order addressed new water meters at existing structures with no changes in zoning (Footnote 47 to Order WR 2009-0060) but is not interpreted to allow new meters where zoning would be changed by local land use authorities, Cal-Am or MPWMD.

At this time, I do not have enough information to determine if your four clarifications would lead to water savings, as you suggest. My April 9, 2012 letter to Cal-Am stated that the State Water Board will determine the baseline for past water use based on the lesser of the actual average metered annual water use for a water year from the last five years of records, or the amount calculated using MPWMD's fixture- unit count method. Since your letter did not address the approach to quantify baseline, please provide additional information as to how your proposal will assure that new usage will reduce consumption below the baseline, what MPWMD would use as a baseline to evaluate past water use at a given site, and how this will be monitored and enforced.

If you would like to discuss this matter further, I suggest you arrange to have representatives from State Water Board, Cal-Am, and MPWMD participate. If you have any questions concerning this matter, please contact Mr. John O'Hagan of my staff at (916) 341-5368 or by e-mail at John.O'Hagan@waterboards.ca.gov. Written correspondence should be addressed as follows:

State Water Resources Control Board
Division of Water Rights
Attn: John O'Hagan
P.O. Box 2000
Sacramento, CA 95812-2000

Sincerely,



Barbara Evoy, Deputy Director
Division of Water Rights

cc: California American Water—Monterey
c/o Tim Miller
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Coronado, CA 92118