



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

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July 12, 2006

SENT VIA FEDERAL EXPRESS

Victoria A. Whitney, Division Chief
Division of Water Rights
State Water Resources Control Board
1001 I Street, 14th Floor
Sacramento, CA 95814

(916) 341-5300

**SUBJECT: Petitions for Extension of Time
Permit 7130B (Application 11674B) and Permit 20808 (Application 27614)**

Dear Ms. Whitney:

I am transmitting herewith Petitions for Extension of Time for each of the two appropriate water right permits held by the Monterey Peninsula Water Management District (MPWMD) (Permit 7130B and Permit 20808). Currently, Condition 8, identical in each permit, reads as follows: "Construction work shall be prosecuted with reasonable diligence and shall be completed by December 31, 2005." We are asking that this date be extended by fifteen years to December 31, 2020 in both permits, based on the reasons stated in the attachments to the Petitions.

If you have any questions regarding these petitions, please call me at (831) 658-5650, or Andy Bell at (831) 658-5620.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Berger".

David A. Berger
General Manager

cc: Steven Herrera, Chief, Permitting Section, Division of Water Rights, SWRCB
David C. Laredo, MPWMD General Counsel
Andrew M. Bell, MPWMD District Engineer

Enclosures

State of California
State Water Resources Control Board
DIVISION OF WATER RIGHTS
P.O. Box 2000, Sacramento, CA 95812-2000
Info: (916) 341-5300, FAX: (916) 341-5400, Web: <http://www.waterrights.ca.gov>

PETITION FOR EXTENSION OF TIME

WATER USERS:

Application 11674 Permit 7130 B

Water Code section 1396 requires an applicant to exercise due diligence in developing a water supply for beneficial use. The State Water Resources Control Board (SWRCB), in considering requests for extension of time, will review the facts presented to determine whether there is good cause for granting an extension of time to complete the project. Where diligence in completing the project is not fully substantiated, the SWRCB may set the matter for hearing to determine the facts upon which to base formal action relating to the permit. Formal action may involve:

1. Revoking the permit for failure to proceed with due diligence in completing the project.
2. Issuing a license for the amount of water heretofore placed to beneficial use under the terms of the permit.
3. Granting a reasonable extension of time to complete construction work and/or full beneficial use of water.

The time previously allowed in your permit within which to complete construction work and/or use of water has either expired or will expire shortly.

Please check below the action you wish taken on this permit.

- The project has been abandoned and I request revocation of the permit.

Signature
- Full use of water has been made, both as to amount and season, and I request license be issued.

Signature
- The project is not yet complete. I request the SWRCB's consideration of the following petition for an extension of time.

PETITION FOR EXTENSION OF TIME
If START of construction has been delayed

Complete items 1, 2, and 3.

1. What has been done since permit was issued toward commencing construction?

See Attachment 1

2. Estimate date construction work will begin. See Attachment 1

3. Reasons why construction work was not begun within the time allowed by the permit.

See Attachment 1

*"The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demands and cut your energy costs, see our web-site at: <http://www.waterrights.ca.gov>."
Additional copies of this form and water right information can be obtained at www.waterrights.ca.gov.*

Permit 7130 B (Application 11674B)

PETITION FOR EXTENSION OF TIME

If construction work is proceeding

Not Applicable

If construction work and/or use of water is proceeding but is not complete, an extension of time may be petitioned by completing items 4 through 16. Statements must be restricted to construction or use of water only under this permit.

- 4. A _____ - year extension of time is requested to complete construction work and/or beneficial use of water. (Indicate a period of time less than or equal to 10 years. Must be consistent with the time frame allowed in (California Code of Regulations sections 840 through 844)
- 5. How much water has been used? _____ acre-feet/year _____ cfs
- 6. How many acres have been irrigated? _____
- 7. How many houses or people have been served water? _____
- 8. Extent of past use of water for any other purpose. _____
- 9. What construction work has been completed during the last extension? _____
- 10. Approximate amount spent on project during last extension period. \$ _____
- 11. Estimate date construction work will be completed. _____
- 12. Estimated year in which water will be fully used. _____
- 13. Reasons why construction and/or use of water were not completed within time previously allowed. _____

If the use of water is for municipal (including industrial) and irrigation supplies and is provided or regulated by public agencies and use of the water has commenced, but additional time is needed to reach full use contemplated, the following information must be provided.

- 14. What water conservation measures are in effect or feasible within the place of use?

- 15. How much water is being conserved or is it feasible to conserve using these conservation measures?
_____ acre-feet per annum.
- 16. How much water per capita is used during the maximum 30-day period? _____ gpd.

I (we) declare under penalty of perjury that the above is true and correct to the best of my (our) knowledge and belief.

Dated: July 12, 2006, at Monterey, California

Signature(s) (831) 658-5650
Telephone No.

David A. Berger Monterey Peninsula Water Management District
PLEASE PRINT YOUR NAME AND ADDRESS P.O. BOX 85, Monterey, CA 93942

NOTE: A \$1,000 filing fee, for each Application listed, made payable to the State Water Resources Control Board must accompany a petition for an extension of time. An \$850 fee made payable to the Department of Fish and Game must accompany all but the first petition for an extension of time.

Attachment 1

**PETITION FOR EXTENSION OF TIME
TO PERMIT 7130B (APPLICATION 11674B)**

1. What has been done since permit was issued toward commencing construction?

A construction completion date was added to Permit 7130B in the Amended Permit issued January 6, 1999. Condition 8 in the Amended Permit is as follows: “Construction work shall be prosecuted with reasonable diligence and shall be completed by December 31, 2005.”

State Water Resources Control Board (SWRCB) Decision No. 1632 was issued on July 6, 1995 regarding the Monterey Peninsula Water Management District’s (MPWMD) Application 27614 and Permit 7130B. At the time the Decision was issued, MPWMD was actively pursuing approvals for the New Los Padres Dam and Reservoir Project on the Carmel River. That project required voter approval; however, in the November 1995 election, the project was not approved by the voters within the project zone of benefit. The MPWMD Board of Directors directed staff to maintain the water rights permits and the U.S. Army Corps of Engineers (USACE) permit for the project with the intent of keeping all project approvals in effect in the event MPWMD or another entity could complete the project.

In November 1996, California American Water (Cal-Am), the major water purveyor within MPWMD boundaries, applied for permits with the SWRCB, USACE, California Public Utilities Commission (CPUC) and MPWMD for virtually the same dam and reservoir project, renamed the Carmel River Dam and Reservoir Project. MPWMD was the lead agency for compliance under the California Environmental Quality Act, and MPWMD issued a Draft Supplemental EIR for the Carmel River Dam and Reservoir Project in November 1998. Based on comments received on the Draft EIR, Cal-Am decided not to proceed with the work necessary to respond to comments and prepare a Final EIR.

Pursuant to Assembly Bill No. 1182, approved on September 23, 1998, the CPUC, in consultation with Cal-Am, the California Department of Water Resources, and other affected interests, was directed to prepare a long-term contingency plan to develop a water supply project or combination of projects to pursue in the event the Carmel River Dam project did not go forward. The actions of the CPUC resulted in a July 2002 report titled the “Carmel River Dam Contingency Plan, Plan B Project Report.” Plan B, as it has become known, was the result of 3 ½ years of studies, public meetings, and CPUC hearings. The final Plan B Report recommended a combination of a large seawater desalination project combined with a Seaside Groundwater Basin ASR project, a project which coincides in large part with MPWMD’s existing and proposed ASR project.

In September 2004, Cal-Am applied to the CPUC for a Certificate of Public Convenience and Necessity for their version of a Plan B project, known as the Coastal Water Project. MPWMD has

been participating in the CPUC process on this application since it was filed.

In August 2003, Cal-Am filed an action in Monterey County Superior Court to adjudicate rights of groundwater pumpers in the Seaside Groundwater Basin. MPWMD and Monterey County Water Resources Agency were not named in the action, but both agencies filed successfully to intervene. The proceedings in this case required a significant amount of time and effort by all parties, including Cal-Am and MPWMD. The final decision, filed on March 27, 2006, requires ongoing action by all parties to prepare and implement a Monitoring and Management Program with the intention of eliminating overdraft caused by excessive pumping from the basin.

Since the issuance of Permit 20808 in 1995 and the amendment of Permit 7130B in 1999, MPWMD has communicated regularly with SWRCB staff to perfect the permit and to address issues raised in SWRCB Decision No. 1632 and Order WR 95-10. MPWMD has diligently followed direction from the SWRCB to alleviate and remove adverse impacts to the Carmel River caused by historical water use practices. MPWMD has also diligently and aggressively pursued the feasible projects that have been available in order to comply with the conditions of its permits and to achieve a legal, secure water supply for the Monterey Peninsula area.

2. Estimate date construction work will begin.

Starting in 1998, MPWMD has constructed facilities that are proposed to be permitted under Permits 20808 and 7130B in accordance with Petitions for Change to those two permits filed in September 2003. These facilities include one full-scale well and its appurtenant facilities in the Seaside Groundwater Basin, part of a permanent aquifer storage and recovery (ASR) project proposed to divert excess Carmel River flows and inject them into the Seaside Groundwater Basin. The injected water would be recovered during dry periods to reduce the need for Cal-Am to divert water from the Carmel River during periods of low river flow. Current facilities have been operated in accordance with a series of SWRCB Temporary Permits, and in accordance with other permits required by other local, state, and federal agencies.

The next stage of construction will include the construction of an additional ASR well and associated facilities. Construction can begin as early as January 2007, subject to MPWMD receiving the changes to Permits 7130B and 20808 requested in its September 2003 Petitions. However, the date of completion of construction work under the permits cannot at present be estimated. MPWMD issued a Draft EIR on the first phase of a potentially larger-scale ASR project in March 2006. MPWMD has been cooperating with Cal-Am to diligently pursue a larger-scale ASR project than is being considered in the Draft EIR, and other uses of the permits have been explored with both Cal-Am and SWRCB staff. Additional construction could include, among other things, new Carmel Valley wells, pipelines, and treatment and distribution facilities.

3. Reasons why construction work was not begun within the time allowed by the permit.

Due to the changes in the major water supply projects proposed for the Monterey Peninsula area that

are briefly described in the answer to Item 1 above, construction work to date has begun on the Seaside Groundwater Basin ASR Project, which is only one of the potential uses of the permits. Because of a number of related issues and pressures, including the CPUC's Plan B process, the listing of California red-legged frog and steelhead as threatened under the Federal Endangered Species Act, and the Seaside Groundwater Basin adjudication, the development of projects and the use of Permits 20808 and 7130B have been significantly delayed.