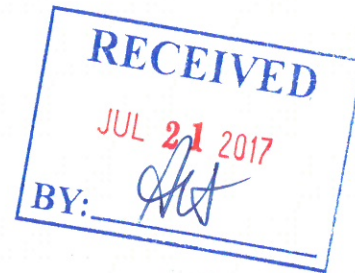


DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



July 14, 2017



Mr. David Chardavoyne, General Manager
Monterey County Water Resources Agency
Post Office Box 930
Salinas, California 93902-0930

Salinas River Diversion Dam, No. 1008.003
Monterey County

The Division of Safety of Dams (Division) has updated the hazard classification for all dams under State jurisdiction with respect to dam safety. This classification is based solely on downstream hazard considerations, not the actual condition of the dam or its critical appurtenant structures. We have determined that the dam listed above has a "low" hazard classification. Dams in this category do not have the potential to cause loss of life and any downstream impacts would principally be confined to the dam owner's property should they fail or undergo an uncontrolled release from the dam or major water impounding barrier.

Newly enacted state law that became effective July 1, 2017, requires dam owners to prepare an emergency action plan (EAP) for their dams and critical appurtenant structures under certain conditions and in specific time limits (Water Code Sections 6160 and 6161). Prior to this date, as required under the new law, an inundation map must be submitted for review and approval by the Division. These requirements, however, do not apply to dams that we have designated as low hazard in accordance with Section 6160.(c). Since the subject dam listed above is currently classified as low hazard, we are not requiring an EAP nor an inundation map to be prepared.

If downstream hazard conditions later change for this dam, we will notify you of this change and corresponding EAP requirements. In addition, as outlined in Section 6160.(a) of the Water Code, any owner of a dam that is regulated by the state is ultimately responsible for emergency preparedness with regard to the potential for loss of life and property resulting from failure of the dam or major water impounding barrier. Therefore, we recommend that you establish appropriate emergency procedures or protocols for your dam. More information regarding EAPs and the legal responsibilities of dam owners is available at the following websites: www.water.ca.gov/damsafety and www.caloes.ca.gov. Additionally, the full text of the new law (SB 92, Committee on Budget and Fiscal Review, Statutes of 2017) can be found here: www.leginfo.legislature.ca.gov.

If you have any questions or need additional information, please contact Area Engineer William Vogler at (916) 227-4625 or Regional Engineer Andrew Mangney at (916) 227-4631. Questions concerning EAPs should be directed to Cal OES at eap@caloes.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Sharon K. Tapia". The signature is written in a cursive, flowing style.

Sharon K. Tapia, Chief
Division of Safety of Dams

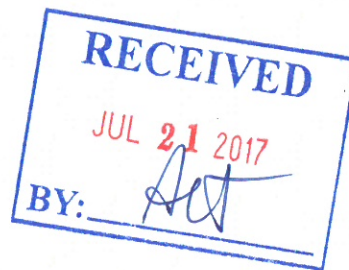
DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



July 14, 2017

Mr. David Chardavoyne, General Manager
Monterey County Water Resources Agency
Post Office Box 930
Salinas, California 93902-0930



Nacimiento Dam, No. 1008.000
San Luis Obispo County

The Division of Safety of Dams (Division) has updated the hazard classification for all dams under State jurisdiction with respect to dam safety. This classification is based solely on downstream hazard considerations, not the actual condition of the dam or its critical appurtenant structures. We have determined that the dam listed above has an “extremely high” hazard classification. Dams in this category have the potential to cause considerable loss of life and major impacts to downstream property should they fail or undergo an uncontrolled release from the dam or major water impounding barrier.

Newly enacted state law that became effective July 1, 2017, requires dam owners to prepare an emergency action plan (EAP) for their dams and critical appurtenant structures under certain conditions and in specific time limits (Water Code Sections 6160 and 6161). For dams meeting the “extremely high” hazard classification, the EAP must be completed and submitted for the subject dam by **January 1, 2018**. Prior to this date, as required under the new law, an inundation map must be submitted for review and approval by the Division.

Since this dam is also regulated by the Federal Energy Regulatory Commission, we recognize that you may have already prepared an inundation map and EAP for the dam. However, the newly enacted state law also requires inundation map(s) for critical appurtenant structures meeting the criteria contained in Section 6160(a) of the Water Code. Therefore, if critical appurtenance(s) are identified, the EAP must be updated with these new map(s).

Although this Division will be responsible for reviewing and approving the inundation maps, the California Office of Emergency Services (Cal OES) will oversee and approve EAPs in accordance with Government Code Section 8589.5. More information regarding EAPs and the legal responsibilities of dam owners is available at the following websites: www.water.ca.gov/damsafety and www.caloes.ca.gov. Additionally, the full text of the new law (SB 92, Committee on Budget and Fiscal Review, Statutes of 2017) can be found here: www.leginfo.legislature.ca.gov.

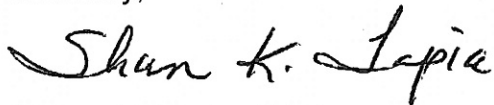
If there was an existing EAP as of March 1, 2017, the inundation map(s) contained in the plan must still be submitted for our review and approval in accordance with Section 6161.(a)(4) of the Water Code. Once we determine the inundation map is sufficient, the EAP must be finalized and submitted to Cal OES and our office in accordance with Section 6161.(a)(3).

In accordance with the Federal Emergency Management Agency's guidelines, we consider EAPs a critical component of a responsible dam safety program. Therefore, we advise you to work closely with your local emergency management agency (EMA) and Cal OES and to coordinate your activities with them in order to facilitate an effective EAP development process. As part of our efforts to assist in these matters, local EMAs are being advised of these new requirements.

We will notify you if any changes occur that could affect these requirements. We look forward to working with you and appreciate your cooperation.

If you have any questions or need additional information, please contact Area Engineer William Vogler at (916) 227-4625 or Regional Engineer Andrew Mangney at (916) 227-4631. Questions concerning EAPs should be directed to Cal OES at eap@caloes.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Sharon K. Tapia". The signature is fluid and cursive, with the first name "Sharon" and last name "Tapia" clearly legible.

Sharon K. Tapia, Chief
Division of Safety of Dams

Certified Mail

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



July 14, 2017

Mr. David Chardavoyne, General Manager
Monterey County Water Resources Agency
Post Office Box 930
Salinas, California 93902-0930



San Antonio Dam, No. 1008.002
Monterey County

The Division of Safety of Dams (Division) has updated the hazard classification for all dams under State jurisdiction with respect to dam safety. This classification is based solely on downstream hazard considerations, not the actual condition of the dam or its critical appurtenant structures. We have determined that the dam listed above has an "extremely high" hazard classification. Dams in this category have the potential to cause considerable loss of life and major impacts to downstream property should they fail or undergo an uncontrolled release from the dam or major water impounding barrier.

Newly enacted state law that became effective July 1, 2017, requires dam owners to prepare an emergency action plan (EAP) for their dams and critical appurtenant structures under certain conditions and in specific time limits (Water Code Sections 6160 and 6161). For dams meeting the "extremely high" hazard classification, the EAP must be completed and submitted for the subject dam by **January 1, 2018**. Prior to this date, as required under the new law, an inundation map must be submitted for review and approval by the Division.

Although this Division will be responsible for reviewing and approving the inundation maps, the California Office of Emergency Services (Cal OES) will oversee and approve EAPs in accordance with Government Code Section 8589.5. More information regarding EAPs and the legal responsibilities of dam owners is available at the following websites: www.water.ca.gov/damsafety and www.caloes.ca.gov. Additionally, the full text of the new law (SB 92, Committee on Budget and Fiscal Review, Statutes of 2017) can be found here: www.leginfo.legislature.ca.gov.

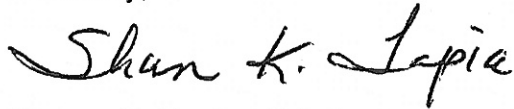
If there was an existing EAP as of March 1, 2017, the inundation map contained in the plan must still be submitted for our review and approval in accordance with Section 6161.(a)(4) of the Water Code. Once we determine the inundation map is sufficient, the EAP must be finalized and submitted to Cal OES and our office in accordance with Section 6161.(a)(3).

In accordance with the Federal Emergency Management Agency's guidelines, we consider EAPs a critical component of a responsible dam safety program. Therefore, we advise you to work closely with your local emergency management agency (EMA) and Cal OES and to coordinate your activities with them in order to facilitate an effective EAP development process. As part of our efforts to assist in these matters, local EMAs are being advised of these new requirements.

We will notify you if any changes occur that could affect these requirements. We look forward to working with you and appreciate your cooperation.

If you have any questions or need additional information, please contact Area Engineer William Vogler at (916) 227-4625 or Regional Engineer Andrew Mangney at (916) 227-4631. Questions concerning EAPs should be directed to Cal OES at eap@caloes.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Sharon K. Tapia". The signature is written in a cursive, flowing style.

Sharon K. Tapia, Chief
Division of Safety of Dams

Certified Mail

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



AUG 11 2017

Mr. David Chardavoyne, General Manager
Monterey County Water Resources Agency
Post Office Box 930
Salinas, California 93902-0930

San Antonio Dam, No. 1008-2
Monterey County

Dear Mr. Chardavoyne:

This is in response to your letter dated July 13, 2017, requesting confirmation of the Division of Safety of Dam's minimum freeboard criteria with respect to San Antonio Dam. In your letter you state that the minimum year round freeboard for the dam is 15.1 feet, which is based on the dam's structural height of 202 feet. Since the dam's current configuration provides 22 feet of freeboard, you estimated that the maximum raise of the spillway crest would be 6.9 feet, assuming the dam crest is not raised.

For dams located in high seismic zones, our minimum freeboard requirement is based on the hydraulic height of the dam, rather than the structural height. If structural height of the dam is not changed from 202.0 feet (crest Elevation of 802.00), then the required minimum freeboard would be 14.4 feet. As a result, the maximum the spillway could be raised is 7.6 feet. However, final determination of the required freeboard must also consider any seismic deformations that occur and the hydrologic conditions that may develop as a result of the design storm and diversions into the reservoir. The required total freeboard must be such that a minimum residual freeboard of 1.5 feet be provided, which is measured as the vertical distance between the maximum reservoir surface elevation during this flood event, and the crest of the dam. Consequently, the minimum freeboard could exceed 14.4 feet, depending on future deformation and hydrologic calculations that are performed as the design progresses.

If you have any questions or need additional information, you may contact Design Engineer John Diefenthal at (916) 227-4638 or Project Engineer Mutaz B. Mihyar at (916) 227-4636.

Sincerely,

A handwritten signature in cursive script that reads 'Sharon K. Tapia'.

Sharon K. Tapia, Chief
Division of Safety of Dams

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



August 2017

gjk 9/1
Mr. David Charlevoix, General Manager
Monterey County Water Resources Agency
Post Office Box 930
Salinas, California 93902-0930

Nacimiento Dam, No. 1008.000
San Luis Obispo County

In response to requests pursuant to the Public Records Act and the State's effort to bolster transparency in government, the California Division of Safety of Dams (DSOD) will soon publicly release information related to all dams under the State's jurisdiction.

This letter is to inform you that the following information about your dam will be made available soon on DSOD's website for public viewing (www.water.ca.gov/damsafety):

- Downstream hazard classification
- Reservoir restriction status
- Condition assessment

As you have been recently notified, DSOD updated the downstream hazard classification for all State jurisdictional dams in accordance with Sections 6160 and 6161 of the California Water Code. The updated hazard classification for your dam is "extremely high."

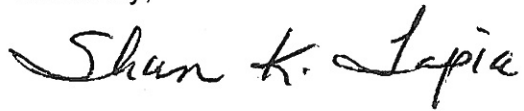
As described by the Federal Emergency Management Agency, a dam hazard classification represents the possible adverse incremental consequences that result from the release of water or stored contents due to failure of the dam or mis-operation of the dam or appurtenances. It does not represent the current condition of the dam.

DSOD may order a reservoir to be operated to a specific level that is lower than the maximum design storage level when a dam or its appurtenant structure(s) has a known major deficiency or when repairs are not resolved in a timely manner. Restrictions are lifted once the deficiency is remediated or studies demonstrate that the dam is safe for continued use. The reservoir level of your dam is not currently restricted for a deficiency related to dam safety.

In accordance with the annual data collected by the US Army Corp of Engineers for the National Inventory of Dams, DSOD rates the condition of all jurisdictional dams as satisfactory, fair, poor, unsatisfactory, or not rated. Dams without identified deficiencies are considered satisfactory, whereas dams with unresolved deficiencies will be considered in fair, poor, or unsatisfactory condition depending on the severity of the deficiencies. Your dam has been rated in "satisfactory" condition.

If you have any questions about the ratings assigned to your dam or the release of this information, please contact Office Engineer Eric Holland at (916) 227-4601 or Regional Engineer Andrew Mangney at (916) 227-4631.

Sincerely,

A handwritten signature in black ink that reads "Sharon K. Tapia". The signature is written in a cursive, flowing style.

Sharon K. Tapia, Chief
Division of Safety of Dams



State of California
California Natural Resources Agency
DEPARTMENT OF WATER RESOURCES
Division of Safety of Dams



INFORMATIONAL NOTICE EMERGENCY REGULATIONS FOR INUNDATION MAPS

The Division of Safety of Dams is drafting emergency regulations to implement the new statutes contained in Sections 6160 and 6161 of the California Water Code requiring inundation maps and emergency action plans (EAP) for dams and their critical appurtenant structure(s). Dams classified as "low" are exempt from this requirement per Section 6160(c).

The regulations will provide the general framework for preparing and submitting inundation map(s) contained within an EAP. Upon approval, the emergency regulations will be effective until the permanent regulations are established through the regular rulemaking process.

A draft version of the emergency regulations will be posted soon at www.damsafety.water.ca.gov. You may email comments related to these draft regulations to mapregs@water.ca.gov.

Please visit www.damsafety.water.ca.gov for the status of the regulations and other informational documents, including a link to frequently asked questions.

ARROYO SECO GROUNDWATER SUSTAINABILITY AGENCY
559 El Camino Real, Greenfield, CA 93927

Via Electronic and Regular Mail

August 24, 2017

Monterey County Water Resources Agency
Attn: David Chardavoyne, General Manager
11 1441 Schilling Place
Salinas, CA 93901

RE: SGMA Data Request

Dear Mr. Chadavoyne:

This letter serves as a formal request from the Arroyo Seco Groundwater Sustainability Agency (ASGSA) for data to be used in the development of the ASGSA Groundwater Sustainability Plan (GSP). For the purpose of developing the ASGSA GSP, the ASGSA has determined the boundary for data development to include the city limits of Greenfield and the Arroyo Seco sub basin area, as identified in the Monterey County Water Resources Agency Zone 2C map and the State of California Bulletin 52 map. The data requested will be used to assist the ASGSA in developing the GSP required under the Sustainable Groundwater Management Act (SGMA).

The ASGSA thanks the MCWRA in advance for the required data. The information ASGSA seeks will be used to develop a water budget and performance model for the ASGSA area for inclusion in the GSP. We request the MCWRA provide the ASGSA groundwater and hydrogeologic data for the Arroyo Seco cone area including but not limited to the following:

- SVIGSM model runs, data input sets and model code used to develop the HBA analysis and the Salinas Valley Water Project (SVWP);
- The new developed USGS model for agency project analysis and basin operations including input data files and result data sets for the ASGSA boundaries;
- Groundwater elevation data based on CASGEM identified wells of the Arroyo Seco Cone for the last 50 years;
- Groundwater elevation data from wells (including CASGEM number) within the boundaries described above for the last 50 years;



- Water quality data from any well resource located within the ASGSA Boundary for the last 50 years;
- Arroyo Seco River and Reliz Creek estimated infiltration rates, flow rate and wetted perimeter data for the last 50 years;
- Soil boring, geophysical logs, casing perforation elevations and other well construction data for the wells (CASGEM numbered) located within the boundaries described above;
- Other geotechnical information regarding the structure and geotechnical make-up of the Arroyo Seco Cone;
- Precipitation data from the MCWRA's rainfall gauges in the Arroyo Seco Watershed for the last 50 years;
- Maps and images of the location of monitoring wells, groundwater elevations, other hydro-geologic informations for the last 50 years;
- Aquifer delineation and mapping for the Arroyo Seco sub basin; and
- Other hydrogeologic data the Agency has developed for the Arroyo Seco Cone area, including but not limited to the HBA Analysis and updates circa 1998 and 2000.

We recognize the data request covers a significant time period and will require some time to compile. The ASGSA appreciates the assistance of the MCWRA and would be pleased to discuss additional opportunities for collaboration between the two organizations. We request the MCWRA provide the requested data and information prior to the end of 2017.

If you have any questions regarding our request, please contact me at your earliest opportunity.

Sincerely,

A handwritten signature in blue ink, appearing to read "Curtis V. Weeks", with a long horizontal flourish extending to the right.

Curtis V. Weeks
General Manager, ASGSA

JOSEPH W. DIEHL, JR.
RODERICK A. RODEWALD
DOUGLAS C. CRAPO
LINDA B. WARD
SEAN N. NAGEL

DIEHL & RODEWALD
A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW
1043 PACIFIC STREET
SAN LUIS OBISPO, CA 93401

TELEPHONE
(805) 541-1000
FACSIMILE
(805) 541-6870
E-MAIL
dcc@dr-slo.com

August 18, 2017



Mr. Brent Buche
Deputy General Manager
Monterey County Water Resources Agency
1441 Shilling Place
North Building
Salinas, CA 93901

Re: Letter of Intent for Lot Line Adjustment / Cullen Site
Tri-Counties Club / Lake Nacimiento

Dear Mr. Buche:

Tri-Counties Club, Inc. ("Tri-Counties") has asked our firm to help resolve a longstanding property issue at Lake Nacimiento involving the Monterey County Water Resources Agency ("MCWRA"). I understand that Tri-Counties has been working with your agency for a number of years in an effort to address the issue of a cabin that encroaches on MCWRA property. We would like to bring this matter to a final conclusion and believe that we have a mutually beneficial solution. In the balance of this letter, I will provide some background on the issue and an outline of our proposed solution.

As you may know, Tri-Counties owns an approximately 40-acre parcel of land on the shore of Lake Nacimiento. The members of Tri-Counties have their own home sites within the 40-acre parcel. The original boundaries of the Tri-Counties parcel were modified by a lot line adjustment in the 1960s. In 1987, one of the members of Tri-Counties, an uncle of the Cullen family, built a cabin (the "Cullen Site"), with a permit from San Luis Obispo County, on what they believed to be Tri-Counties' property. However, in 2003, a survey revealed that the cabin was actually constructed on adjacent property owned by MCWRA, but within the boundary of the original Tri-Counties parcel.

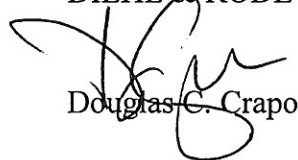
To correct this issue, we believe that the best solution is a lot line adjustment. Tri-Counties has engaged a surveyor, who has prepared preliminary drawings of the proposed lot line adjustment. In order to incorporate the Cullen Site into the Tri-Counties parcel, it is necessary to add 23,600 square feet of MCWRA land along the southern boundary of the Tri-Counties parcel. In exchange, Tri-Counties is prepared to give up an equal amount of area to MCWRA so that there is no net loss of land area to either party.

Our surveyor has prepared two alternative lot line adjustment proposals that have been previously presented to your agency. However, since one of the proposals would give MCWRA land that is sometimes underwater whereas the other proposal would give MCWRA land that is above the water line, Tri-Counties has decided that the best and most fair is a trade for MCWRA is to give MCWRA the better land which is above the water line. The land that Tri-Counties is proposing to grant to MCWRA is lake front, level and in our opinion an overall better land area that the Cullen Site that is currently owned by MCWRA. Enclosed herewith is a map prepared by our surveyor that shows the proposed lot line adjustment. Tri-Counties is willing to have its surveyor prepare all of the necessary, formal documentation for the lot line adjustment and to pay any application and recordation fees so as to make this process as simple and inexpensive to MCWRA as possible.

Once you have had an opportunity to review this letter and the enclosed materials, please contact me to discuss MCWRA's interest in pursuing our proposed solution. We believe that this proposal is fair and sensible for both parties, and can be accomplished with relative ease. Thank you for your time and consideration. We look forward to working with you to bring this matter to a conclusion.

Sincerely,

DIEHL & RODEWALD



Douglas C. Crapo

DCC:lbw
Enclosure

cc: Tri-Counties Club
Randall Tognazzini
David E. Chardavoyne, General Manager MCWRA
Barak Miles, Geo West Surveys
Jesse Avila, County Counsel
Tom Sheppard

EXHIBIT A1

SECTION 23

SECTION 24

S 01°28'52" E 78.00' R
S 01°33'33" E 77.79' M

N 87°45'14" W
N 87°51'35" W

1330.80' R
1333.69' M

S 88°59'39" W 60.00' R
S 88°54'48" W 59.92' M

set nail top
hill in asphalt
EL= 926.37'

WELL
WELL

set chisled "X"
in heli pad
EL= 802.60'

HELI - PAD
WELL

N 00°39'01" W
1336.49' R & M

NE 1/4 OF THE NE 1/4

SECTION 26

TRI-COUNTIES BOAT AND SKI CLUB

TRI-COUNTIES CLUB, INC.

LAKE NACIMIENTO

SECTION 25

LINE TO BE DELETED

825.43' Finish Floor

826.81' Finish Floor

23,600 Sq. Ft.
EL=827.50' Peak Elevation

EL=787.35' Water line
(03/18/2011)

LINE TO BE DELETED

SECTION 26

MONTEREY COUNTY WATER DISTRICT

LEGEND

- FOUND 1 1/2" IP LS 3121 PER R
- SET 1" IRON PIPE WITH CAP LS 7835
- R 16 RS 59
- R-1 13 RS 119
- M MEASURED

MEASURED ELEVATION BASED ON NAVD83 (SEE OPUS POST PROCESSING ATTACHED)

BASIS OF BEARINGS

FOR THIS SURVEY IS NORTH 02°39'01" WEST BEING THE BEARING BETWEEN TWO FOUND MONUMENTS AS SHOWN PER 13 RS 119 (R-1) BEING THE EASTERLY LINE OF THE NORTH EAST 1/4 OF SECTION 26.

BASIS OF ELEVATIONS

FOR THIS SURVEY IS BASED ON NAD 83 (CORS94) USING STATIC OBSERVATION AND POST PROCESSED USING OPUS SOFTWARE AND NGS. THE FOLLOWING BASE STATIONS WERE USED IN THE POST PROCESSING CALCULATIONS: CALLEGOSRNC52004, AVILARANCHCN2005, & CHIMNEYRR_CS2004.

ELEVATIONS SHOWN ARE ON THE NORTH AMERICAN VERTICAL DATUM (NAVD) SHOWN IN US FEET AND COMPUTED USING THE 2003 GEOID.

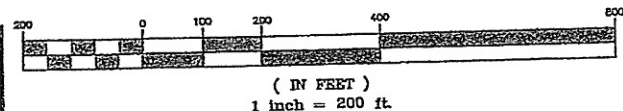
ALL ELEVATIONS WERE MEASURED BY ME OR UNDER MY DIRECTION.

BARAK J. MILES, PLS 7835



5815 Traffic Way Atascadero, CA 93422
805.461.5540 fax 888.435.4443 cell 805.305.0438
www.geo-west.com email: bmiles@geo-west.com

GRAPHIC SCALE



TRI-COUNTIES CLUB, INC.

OF A PORTION OF THE NORTH EAST 1/4 OF THE NORTH EAST 1/4 AND A PORTION OF THE NORTH WEST 1/4 OF THE NORTH EAST 1/4 OF SECTION 26, AND A PORTION OF THE SOUTH EAST 1/4 OF SECTION 23 TOWNSHIP 25 SOUTH, RANGE 9 EAST, MDM, SAN LUIS OBISPO COUNTY, CALIFORNIA.

DATE: MAR 2011

JOB: 019-04

SHEET 1 OF 1



Received 8/1/17
DC

July 31, 2017

Monterey County Water Resources Agency
Attn: David E. Chardavoyne, General Manager
1441 Schilling Place – North Building
Salinas, CA 93901

**Re: Salinas River Cogeneration Company – Request for Change of Water Source
Conditional Use Permit No. PC-6898; A.P. #423-081-12**

Dear Mr. Chardavoyne:

This submittal is to request a change in the source of treated produced water for the Salinas River Cogeneration Company's (SRCC), now Chevron Power Holdings Inc.¹ (CPHI), Salinas River Cogeneration Facility (Facility) pursuant to the Mitigation and Monitoring Plan (MMP) adopted in conjunction with Monterey County Conditional Use Permit No. PC-6898 (CUP). The Monterey County Building and Planning Department (MCB&PD) issued the CUP on June 27, 1990, for the construction and operation of the Facility, including the use of oilfield produced water from operations in the San Ardo oil field to generate steam for use in enhanced oil recovery (EOR) operations. Historically, the Facility received treated oilfield produced water from Aera Energy LLC's (Aera's) San Ardo oil field operations. CPHI is now requesting to receive treated produced water from Chevron U.S.A. Inc.'s (Chevron's) portion of the same San Ardo oil field.

The Facility will operate the same in all respects except for the entity sourcing the produced water, and the entity receiving steam and small volumes of boiler and evaporative cooler blowdown. There will be no change to the source of up to 2 acre feet of groundwater for general use, as that water will continue to be supplied by Aera. Accordingly, no change to the CUP is required. CPHI will comply with the existing CUP requirements in all respects.

¹ As described below, Chevron Power Holdings Inc. succeeded to the interests of the Salinas River Cogeneration Company through a corporate reorganization in October 2015.



At the time the CUP was adopted, the Mitigation Monitoring Plan (MMP) was also adopted. Paragraph 4.2 of the MMP outlines the County-approved process for changing water sources:

“ . . . Any change in the source of the water used in the operation of the Facility must be reviewed and approved by MCFC&WC. TPI and/or Salinas River shall submit a written request to MCFC&WC describing the intended change in water source at least 30 days prior to the planned implementation of such change. A copy of such request shall be provided to the Director of MCP&BI. MCFC&WC shall review and either approve or disapprove such request within 30 days following receipt. Failure by MCFC&WC to act within the 30 day review period shall be deemed approval of the proposed change.”²

While the names of the entities have changed over the years, this provision requires CPHI to request approval from the Monterey County Water Resources Agency (MCWRA) for a change to source water for the facility 30 days prior to the desired change.

This submittal provides MCWRA the information to evaluate the request to change produced water source as outlined by the CUP. As required, CPHI has provided a copy to MCB&PD.

Background

In 1990, SRCC was granted a CUP to construct and operate a cogeneration facility located adjacent to the San Ardo oil field. SRCC was a joint venture between affiliates of Edison Mission Energy (50%) and Texaco Producing Inc (50%) (now Chevron). Chevron obtained 100% ownership in SRCC and took over operation of the Facility in May 2014.³

Historically, the Facility has utilized treated oilfield produced water from Aera's San Ardo operations to generate steam that was provided back to Aera for use in EOR operations. As part of the steam generation process, a small amount of boiler and evaporative cooler blowdown was provided back to Aera for disposal with existing oilfield produced water waste streams via Class II Underground Injection Control (UIC) wells permitted by the California Division of Oil, Gas and Geothermal Resources (DOGGR). The electricity generated by the Facility was provided to PG&E. Aera also provided small amounts of groundwater for general use. **The source of this groundwater is not changing**, as Aera will continue to supply small volume groundwater needs from the same wells as past operations pursuant to the conditions of the CUP.

² The portion of the field currently operated by Aera, was previously operated by Mobil at the time the CUP was adopted. Additionally, TPI refers to Texaco Producing Inc., the predecessor to Chevron's interest in SRCC.

³ Subsequently, through an internal corporate reorganization in October 2015, CPHI succeeded to SRCC as owner of the Facility.



Requested Change

CPHI is proposing to change the source of treated oilfield produced water from Aera's San Ardo oil field operations, to Chevron's San Ardo oil field operations. The Facility will use treated oilfield produced water from Chevron operations to generate the steam in the same manner and to the same extent as previous operation.

No changes to the Facility's electric generation or steam capacity or production are being made.


The excess evaporative cooler and boiler blowdown will be provided back to Chevron for disposal in Chevron's DOGGR permitted UIC wells in the same way and in the same volumes as previously provided to Aera. As was the case with Aera, these wells inject into deep zones below any usable groundwater. Because Aera injects into the same zones, the switch from Aera's UIC wells to Chevron's UIC wells does not increase the total amount of water disposed in the San Ardo oil field.

The steam generated by the Facility and provided to Chevron will not increase the amount of steam used by Chevron. The approximately 17,000 barrels per day of steam generated by the Facility and provided to Chevron will be offset by the idling and/or reduction of output from Chevron's existing conventional steam generators. Therefore, there will be no expansion of steam use by Chevron in the San Ardo field related to the requested change.

A more detailed description of the request to change oilfield produced water source is provided in **Appendix A**. A copy of the CUP and MMP is provided in **Appendix B**.

In summary, this request for change in source of produced water does not (1) change operation of or expand the capacity of the Facility; (2) change the demand and/or impacts on water resources (because oilfield produced water and blowdown disposal in DOGGR permitted UIC wells are all to and from the same zones); or (3) expand production or steam use expansion in Chevron's San Ardo operations. For these reasons, and pursuant to existing CUP provisions, we request that MCWRA approve the requested change in produced water source.

If you have any questions, please contact Mervyn Soares at (832) 854-6822.


Mervyn Soares, OE / HES Manager

Enclosure

cc: Megan Hosterman, Monterey County Building and Planning Department



California Emergency Services Association

P.O. Box 18606, San Jose, CA 95158

September 6, 2017

Dear Howard Franklin,

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Chapter Committees

PIO/Historian – Chris Godley

Legislative – Rocque Yballa
Ryan Zollicoffer

On behalf of the CESA Coastal Chapter Board, it is with great honor that I inform you that you have been chosen to receive *The Exceptional Service Award* from the California Emergency Services Association's Coastal Chapter.

You were nominated by Teresa Meister, Monterey County OES, for your exceptional duties performed during response and/or recovery to the January and February winter storms.

The CESA Coastal Chapter awards are presented each year at our summer/fall chapter meeting. This year, that meeting is scheduled on:

Monday, September 25th
9:30am to 2:30pm
Santa Rosa Utilities Field Office (or EOC)
Room A and F
35 Stony Point Road
Santa Rosa, CA 94501

We would like to invite you and a guest to join us for the workshop and the awards luncheon. Please call or email the Chapter Treasurer, Joe Guzzardi, at joe.guzzardi@oes.sccgov.org or (408) 808-7813 to confirm your attendance and number of lunches, by September 9th.

I may be reached at 408-794-7050 or by email ray.riordan@sanjoseca.gov to answer any additional questions.

Sincerely,

Ray Riordan
Ray Riordan, President

Cc: Alicia Meister