

Exhibit L

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State Water Resources Control Board

April 8, 2026

Pamela Nieting
Vice President
City Ventures
pnieting@cityventures.com

PROPOSED DISTRIBUTION OF DRINKING WATER TO CARMEL RIO ROAD RESEDENTIAL DEVELOPMENT PROJECT UNDER RIPARIAN WATER RIGHT CLAIM

Dear Ms. Nieting:

Thank you for your submittals regarding City Ventures' proposed Carmel Rio Road residential development project (Project) and associated plan to use water derived from the Project site's riparian right, conveyed and treated through the California-American Water Company (Cal-Am) system. The State Water Resource Control Board (State Water Board) Division of Water Rights (Division) has reviewed the information provided, including materials describing the proposed water supply, consumptive use reduction, forbearance or dedication of remaining water, and watershed restoration components.

Condition 2 of State Water Board Order WR 2009-0060 states that Cal-Am shall not divert water from the Carmel River for new service connections or increased use at existing service addresses resulting from a change in zoning or use. The question presented is whether the proposed conveyance of water associated with the Project would be inconsistent with this provision.

The Division has previously noted the tension in interpreting the CDO's Condition 2. (See Division of Water Rights Decision 2015-0001-DWR.) While the text of the ordering provision itself applies only to Cal-Am's diversions from the Carmel River, the rationale for the CDO and other provisions make clear that new water sources distributed in the Cal-Am system are also subject to limitation based on overcoming prior dependence on unlawful diversions. Previously, the Division has interpreted this tension to find that Condition 2 does not bar Cal-Am from wheeling water for a project that (1) reduces unlawful diversions from the Carmel River, and (2) provides net environmental benefits to the Carmel River and its fishery that mitigate the environmental harm caused by unlawful diversion.

Based on the information provided, the Project will:

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

1. Rely on a riparian water right associated with the Project's land to meet the Project's 16 acre-feet per year demand
2. Reduce overall consumptive use relative to historical agricultural conditions
3. Formally dedicate, or otherwise permanently forbear, the remaining portion of the water right (approximately 19 acre-feet per year) to improve Carmel River instream flows.
4. Provide additional support for Carmel River watershed restoration through a \$100,000 financial contribution and coordinated restoration activities described in the City Ventures' April 1, 2026 proposal.

The Division finds that the Project's reduction in consumptive use and dedication or permanent forbearance of water to instream beneficial use will contribute to reducing reliance on unlawful Carmel River diversions, while providing a net environmental benefit to the watershed.

Based on these factors, the Division concludes that the Project would result in a net benefit to the Carmel River watershed and would not violate Condition 2 of Order WR 2009-0060. This conclusion is contingent upon implementation of the project as described, including completion of the Water Code section 1707 instream flow dedication or a permanent forbearance agreement, adherence to the identified water demand for the housing development, and completion of the restoration commitments described in the City Ventures' April 1, 2026 proposal. The Division reserves the right to reconsider this determination if material changes occur or if the project is not implemented as described.

Sincerely,



Robert P. Cervantes, PE
Assistant Deputy Director
Permitting and Enforcement Branch
Division of Water Rights

Enclosure: City Ventures April 1, 2026 Development Proposal

ec: Fiona Jensen
Principal Planner
County of Monterey Housing and Community Development
JensenF1@countyofmonterey.gov

**State Water Resources Control Board
Review of Project Water Source
26500 Val Verde Drive**

Revised 1 April 2026

23 March 2026

State Water Resources Control Board
Permitting and Enforcement Branch, Division of Water Rights
Office of Chief Counsel

To: Mr. Robert Cervantes, Mr. Connor Bovee, Mr. Alexander Sweat and Mr. John Prager, State Water Resources Control Board, Division of Water Rights

From: Pamela Nieting, PE Vice President, Carmel 1 Inv, LLC (City Ventures)

Re: PLN240105-DEP Carmel Rio Road, LLC

Dear Robert, Connor and Alex,

On behalf of City Ventures (“Applicant”) included herein is a net environmental benefit proposal for the Carmel Rio Road project (the “Project”). The Monterey Peninsula Water Management District reports annual water production via a water meter as part of its Well Monitoring Program. The 2025 Reporting Year water use on the Property was 71.27 afy¹ (see Exhibit 2) and the 10-year prior average at 34.79 afy. The proposed Project water demand is projected to be a substantially lower usage of 16 acy, which results in a net environmental benefit of the reduction notwithstanding additional environmental benefits described herein.

The Project seeks approval to wheel its riparian right to Cal-Am pursuant to the Conditional Will-Serve Letter, dated July 3, 2025, until such time as the cease-and-desist order (CDO) is lifted. Upon a lifting of the CDO, the project would utilize the County of Monterey’s allocation of water from the Monterey Peninsula Water Management District (MPWMD or The District) Ordinance 197. A request for water allocation for the Project was filed at the request of Monterey County in October 2025.

Thank you,

Pamela (Salas) Nieting

INTRODUCTION

Project Description

The property located at 26500 Val Verde (“Property”) consists of five parcels with APN’s 015-021-004, 015-021-015, 015-021-020, 015-021-021, and 015-021-049. The site is bordered at the

¹ Historical Water Production Data Reporting Year 1993 through Water Year 2025, Monterey Peninsula Water Management District.

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west boundary line by the Carmel Rancho shopping center that provides access to fitness studio, veterinary services, salon, spa, commercial law offices and more. At its northern and southern boundary, the site is bounded by existing residential and open space at its east boundary. At its southern boundary the site exists single family residential with the existing Riverwood Condominium subdivision across the street from Rio Road.

The Project is a Monterey County Housing Element site. It will host a range of home options with 59 single homes and 15 townhomes for a total of 74 for-sale units. The project will be solar, all electric with the photovoltaic panels installed on all homes. Our company has a core strategy on sustainability implementing ecologically responsible homes. Our homes include standard items such as nest thermostats, EV charging in addition to the aforementioned solar panels. We also strive to design creatively with less lumber and prioritize infiltration for our stormwater systems in addition to adapting concrete mixes with less Portland Cement in consideration of air quality impacts and greenhouse house emissions.

Affordability

The Project provides 20% of the total units for lower income households and the homes will be deed-restricted to overall deeper levels of affordability than required by the County’s affordable ordinance,. In partnership with the County, the Projects has been included in the County’s Site Inventory list within the Housing Element which has been submitted to California’s Housing Community Development Department and will supply a portion of the much-needed housing identified as part of Monterey County’s Regional Housing Needs Assessment.

Existing Water Wells and Usage

There are four existing, permitted and operating wells (collectively “Project Wells”) located on the following APN’s (see Exhibit 1): 1.) APN 015-021-020: Gamboa and Travers Replacement Well; 2.) APN 015-021-004: Carmel Presbyterian Church Well and 3.) APN 015-021-015: Travers Well. For this memo, the APNs with the associated wells “Water Parcels” will be the focus (see Exhibit I).

An existing potable water main installed by California-American Water Company (Cal-Am) is located within Val Verde Road and continues onto Rio Road adjacent to the Project. It is currently dormant as it is currently not being utilized by the Property.

The existing uses of the site are largely agricultural in nature with year-round row crop farming operations. The following is a select list of crops currently being grown: table greens, squashes (zucchini, pumpkins), hot peppers, strawberries, onions, radishes, carrots and herbs. The crops have various irrigation needs with many of the crops have a high-water demand as follows:

| # | Crop Group | Typical Water Need (Relative) |
|---|--------------|---|
| 1 | Table greens | Highest – frequent, high volume; shallow-rooted |

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| # | Crop Group | Typical Water Need (Relative) |
|---|------------------------------|---|
| 2 | Squash / Zucchini / Pumpkins | High – especially during flowering/fruiting |
| 3 | Hot peppers | High – increases with fruiting demands |
| 4 | Strawberries | High during establishment and fruiting |
| 5 | Onions | Moderate – critical during bulb formation |
| 6 | Radishes | Moderate – consistent during root development |
| 7 | Carrots | Moderate – needs even moisture throughout |
| 8 | Herbs | Lowest – shallow watering, tolerant to slight dry periods |

The Monterey Peninsula Water Management District reports annual water production via a water meter as part of its Well Monitoring Program. The 2025 Reporting Year water use on the Property was 71.27 afy 10-year prior average of consumptive water use on the Property is 34.79 afy² (see Exhibit 2).

Proposed Environmental Benefit

The Project proposes a meaningful Net Environmental Benefit based on the mitigation intent codified in Order No. WR95-10 (SWRCB, July 6, 1995) and Order No. WR2009-0060 (collectively “Orders”). The Orders summarize mitigation as 1.) enhancement of groundwater recharge 2.) improvement of floodplain function 3.) support of aquifer storage and recovery and 4.) improvement of habitat and riparian corridor³. Section 6.2 of this order detailed mitigation program, which included Riparian Vegetation and Wildlife (MPWMD: 16, 64) and the creation of a Riparian Corridor Management Plan. Section 17.3 of WR2009-0060 notes that a close connection was demonstrated between groundwater diversions, riparian vegetation and stability.

As a response to the Orders, regional agencies, including Monterey County and MPWMD advanced projects that supported mitigation contemplated in the Orders. The Carmel Floodplain Restoration Environmental Enhancement (CRFREE) Project, a large-scale river and floodplain restoration effort located along the lower Carmel River in Monterey County, emerged as part of that effort with Monterey County as the sponsor. The purpose of CRFREE is flood risk reduction, habitat restoration, groundwater recharge and hydrologic connectivity and watershed resilience.

The Project proposes a Net Environmental Benefit through a three-part contribution designed to directly support on-site in-stream flow restoration and accelerate implementation of the CRFREE Project. Given the Project site’s immediate proximity and the interconnecting hydrogeological relationship between the Property and the CRFREE work area, these contributions would provide tangible environmental value within the alluvial aquifer and watershed.

² Historical Water Production Data Reporting Year 1993 through Water Year 2025, Monterey Peninsula Water Management District, dated 2026 February

³ Riparian corridor was adversely affected by the diversions of in-stream flows (WR95-10).

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1. Part 1. Community Benefit Days (2026–2027)

City Ventures (CV) would host three community benefit days to assist with implementation of tasks identified in the Restoration Mitigation Plan (RMP) prepared by H.T. Harvey & Associates. The RMP, which is the County’s responsibility to fund and implement, includes critical restoration activities such as clearing, grubbing, and, most importantly, planting of riparian habitat to restore key environmental performance metrics.

For each community day, CV would commission a licensed biologist to conduct training sessions and lead volunteer groups—including community members and CV team members—in work commensurate with the volunteers’ skill levels and consistent with the direction of H.T. Harvey and the RMP. CV would organize and fund all event logistics, including outreach materials (pamphlets and online RSVP coordination), volunteer coordination, training materials, lunch, and a structured day-of package with maps, task descriptions, volunteer certificates, and small appreciation gifts.

These community workdays would directly supplement the County’s restoration efforts while fostering meaningful public engagement in a project that is central to the Carmel community.

2. Part 2. Funding to the CRFREE Project

In November 2024, several parties including Monterey County and Monterey Peninsula Water Management District (MPWMD) entered into Memoranda of Understanding outlining financial contributions and responsibilities where different funding sources were identified and committed to however, the CRFREE project remains a multi-million-dollar undertaking with funding gaps. Soft costs alone have approached approximately \$800,000, exclusive of contractor construction costs, and full project funding has not yet been secured.

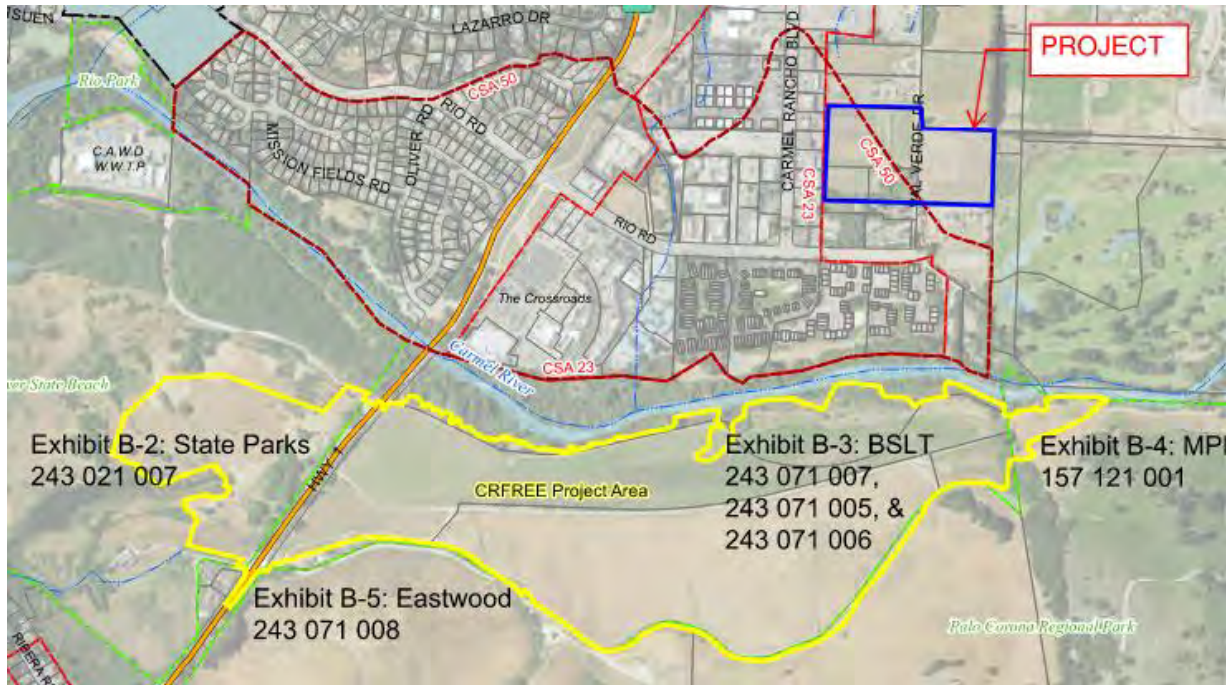
The Monterey County Service Area 50 (CSA50) formed in 1967 (see Figure 1), is a subsidiary of the County. Notwithstanding the larger County wide restoration the CRFREE Project is addressing, on a smaller scale, the improvements are directly correlated with a portion of the watershed in CSA50. On September 26, 2023, the Board of Supervisors approved an annual \$30,000 fund to be utilized for long term maintenance of the CRFREE project⁴. Homeowners within the CSA50, through special assessments, contribute to this fund. The existing property pays approximately \$36 a month into CSA50 through tax assessments.

The Project would provide a \$100,000 grant directly to CSA 50, which would fund approximately three years of its obligations with an estimated 10% buffer, to support a portion of its responsibility for the CRFREE effort. This financial contribution would provide immediate and flexible support toward advancing restoration work.

⁴ Monterey County Board of Supervisors Report Legistar File Number:23-743.

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Figure 1



3. Part 3. On-Site Hydrogeological Restoration

From a hydrogeological perspective, the most effective and durable net environmental benefit is the permanent reduction in groundwater extraction from the Carmel River alluvial aquifer via on-site pumping of wells, equating to an approximately 78% reduction from the 2025 Reporting Year. The property is hydraulically connected to the Carmel River alluvial aquifer; reduced pumping of the Project Wells would directly benefit surface water conditions not only at the project site but throughout the interconnected aquifer system. Increased instream flows provide multiple ecological benefits, including improved aquatic habitat conditions, habitat connectivity, enhanced water quality, and improved passage and rearing conditions for steelhead and other native species within the lower Carmel River. The Project will be designed to retain and infiltrate as further detailed in the section below.

Project Setting

The Property drains from north to south and east to west with elevations ranging from 32 to 38 feet. The Property is bisected by Val Verde Drive which creates a western and eastern watershed. The 100-year Special Flood Hazard (SFHA) intersects the Property in two locations. On the western half, approximately 0.6 acres of land fall within the SFHA and on the eastern half, an

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additional 0.6 acres are affected. In total, approximately 1.2 acres of the Property lie within the designated flood hazard zone.

Within the area encumbered by the SFHA, the topography is steeper than the rest of the Property. There are no storm drain facilities on the Property. Both the western and eastern watershed do not have controls and flow concentrates at the areas within the SFHA and overland releases off the Property into neighboring property with a potential of erosion during larger flows. At the eastern perimeter of the Property, there is a 42-inch storm drain pipe which flows north-south and ultimate drains to the Carmel River (see Exhibit 3).

Proposal

The Project will preserve and improve natural drainage features. The flow of the watersheds are maintained while providing flow management. The Project would be specifically designed to provide a permanent dedication of instream flows through two complementary mechanisms: (1) infiltration of treated stormwater into the Carmel River alluvial aquifer via engineered bioretention basins, and (2) direct discharge of treated flows through the existing 42-inch storm drain system to the Carmel River.

The primary mechanism—groundwater infiltration—provides a distinct hydrogeological benefit. By directing a portion of water into bioretention facilities designed for percolation, the Project enhances recharge of the alluvial aquifer that is hydraulically connected to the Carmel River. In The alluvial aquifer, surface flow and the river flow have a direct relationship with “surface flow recharg[ing] river underflow and, consequently, cause[ing] a rise in Carmel Valley aquifer water levels (Stetson, Thomas M. WR95-10, p.11, MPWMD, 107,4).” Infiltration-based dedication attenuates flows, reduces peak runoff, improves water quality through soil filtration, and provides delayed, sustained return of water to the river system through natural subsurface pathways. This mechanism mimics natural hydrologic processes and supports long-term groundwater elevation stability.

The secondary mechanism for contribution of instream flows by the project includes direct discharge to the Carmel River through the existing 42-inch storm drain - direct discharge primarily provides an immediate benefit to the recurrent river flow (Stetson, Thomas M. WR95-10, p.11, MPWMD, 107,4).

As this project is designed to increase flows back into the watershed, a steady-state HEC-Ras model of the Carmel River was completed to assess water service elevation level (WSEL) by Schaaf and Wheeler (see ATTACHMENT A), which confirmed that the proposed development will not significantly reduce the capacity of existing rivers or watercourses or otherwise adversely affect any other properties by increasing stream velocities or depth of diverting of flow⁵.

⁵ Carmel Floodplain Impacts Analysis by Schaaf & Wheeler, dated 2025 April 28

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Proposed Instream Flow Dedication

The Project provides a substantial and permanent reduction in consumptive groundwater use. The current 10-year historical average consumptive use on the property is approximately 34.79 afy⁶ (see Exhibit 2). Under the proposed Project, total annual water use would be reduced to approximately 16 afy⁷, representing a 78% reduction from the 2025 Reporting Year and a 74% reduction from the 2024 Reporting Year. Notwithstanding emergency fire suppression services, water demand for a housing subdivision is relatively consistent throughout the year because residential water use—such as indoor consumption, landscaping, and irrigation—is fairly steady from month to month. In contrast, agricultural water demand fluctuates seasonally, peaking during the warm growing months and tapering off in the winter, reflecting crop cycles and evapotranspiration rates. The Project proposes to dedicate the following which will be reflected in the Section 1707 Petition and corresponding En (see ATTACHMENT B)

The Project's on-site hydrogeological restoration measures are designed to enhance groundwater recharge, improve site permeability, and support the broader floodplain restoration objectives. In recognition of the hydrologic connectivity between the Project site and the CRFREE project area, the on-site improvements would function as complementary watershed-level enhancements that directly contribute to the scope of the CRFREE project.

The Applicant commits to Project conditions of approval, enforced by Monterey County as follows:

1. Prior to issuance of the first building permit for the vertical construction of the Project, the applicant shall formalize its reduction of water usage through a perpetual covenant, such as a Section 1707 petition or other form or process, as mutually agreed upon by the California State Water Resources Control Board, and the Applicant.
2. Following approval of the Project's CDO exception by the California State Water Resources Control Board, and upon installation of water meters for the Project by water purveyor (i.e. California-American Water), the Applicant shall commence the decommissioning of all onsite Project Wells in accordance with applicable Monterey County Environmental Health Bureau (EHB) requirements, Monterey Peninsula Water Management District (MPWMD) and all state regulations. Decommissioning shall include the destruction of the well(s) consistent with California Department of Water Resources standards. This requirement shall be enforced by Monterey County HCD Planning. All well-decommissioning activities must be completed to the satisfaction of the County prior to the issuance of building permits for the final six (6) residential units within the Project.

Summary of Proposed Environmental and Community Wide Benefit Summary

⁶ Historical Water Production Data Reporting Year 1993 through Water Year 2025, Monterey Peninsula Water Management District, dated 2026 February

⁷ Water Demand & Supply Analysis by Bierman Hydrogeologic, dated 2026 February 13

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Collectively, these three components—direct volunteer labor, on-site hydrogeological enhancement/dedication of instream flows, and a targeted financial contribution—create a measurable, community-centered Net Environmental Benefit that helps offset the historic unlawful diversions that gave rise to the State Water Board’s CDO and contributes to a system-wide hydrological recovery effort by supporting implementation and acceleration of the CRFREE Project, a regionally significant restoration effort within the interconnected Carmel River floodplain system. When completed, the housing development will result in consumptive use savings that could be credited as flow to the Carmel River.

Outside of the direct Community Benefits listed above, providing housing on a designated Housing Element site directly advances the State of California’s core housing policy goals: it helps jurisdictions meet their RHNA obligations, reduces the statewide housing shortfall, and supports fair housing by placing homes in sites vetted for zoning, capacity, and infrastructure readiness. Development on Housing Element inventory sites demonstrates that local governments are implementing their certified Housing Elements in good faith, increasing housing production, improving affordability, and reducing pressure on greenfield and resource lands. The deeper levels of affordability on this site- beyond what is required under local law- further that goal.

LONG TERM WATER SUPPLY

The project has two potential sources of long-term water supply to sufficiently serve the project as listed below. Both options utilize the Project’s water system infrastructure that is either installed or designed in such a way that would allow for the water supply to be served in either manner.

- 1) Option 1. The utilization of the County of Monterey’s allocation of water from the Monterey Peninsula Water Management District (MPWMD or The District)

This allocation would be utilized once the State’s Cease and Desist Order (CDO) has been lifted, as the allocation cannot currently be used to set new meters. On October 21, 2025, The District submitted an Application for Order Modifying SWRCB Orders 2016-0016 and WR 2009-0060, and respectfully requested that the SWRCB address the need to modify the CDO with an effective date no later than January 31, 2026. The project requires approximately 16-acre feet per year and the County has an allocation per MPWMD’s Ordinance 197.

At the request of the County, a water allocation request was submitted and filed on October 29, 2025, for the available water to be allocated to the Project.

- 2) Option 2. Project Riparian Rights

While it is the preference that the project’s water supply be provided through the County’s allocation from Pure Water Monterey once the CDO has been lifted, if the project is ready for construction before the CDO has been lifted, it would be able to rely on the property’s underlying riparian rights. The property upon which the project is located has riparian

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water rights sufficient to supply the estimated demand of the project. The project would wheel riparian rights to Cal-Am, whereby Cal-AM would deliver the water demand to serve the project.

The Project would implement Option 2, Project Riparian Rights, until Option 1, utilization of water allocation, is made available.

Both Options would utilize Cal-Am's infrastructure and would not only be more efficient but support the intent of SB 1263, a California law effective in 2017 which encourages consolidation and discouraging the creation of new water systems.

CONCLUSION

We respectfully request your review of the information above to make findings that support the Project's request to approve Option 2 with the ability to revert to Option 1 upon availability as the infrastructure will be designed to allow such conversion. The application of Option 2 would not be in violation of Condition 2 of the Cal-Am CDO.

Thank you,

Pamela Salas Nieting, Vice President, Carmel 1 Inv, LLC (City Ventures)

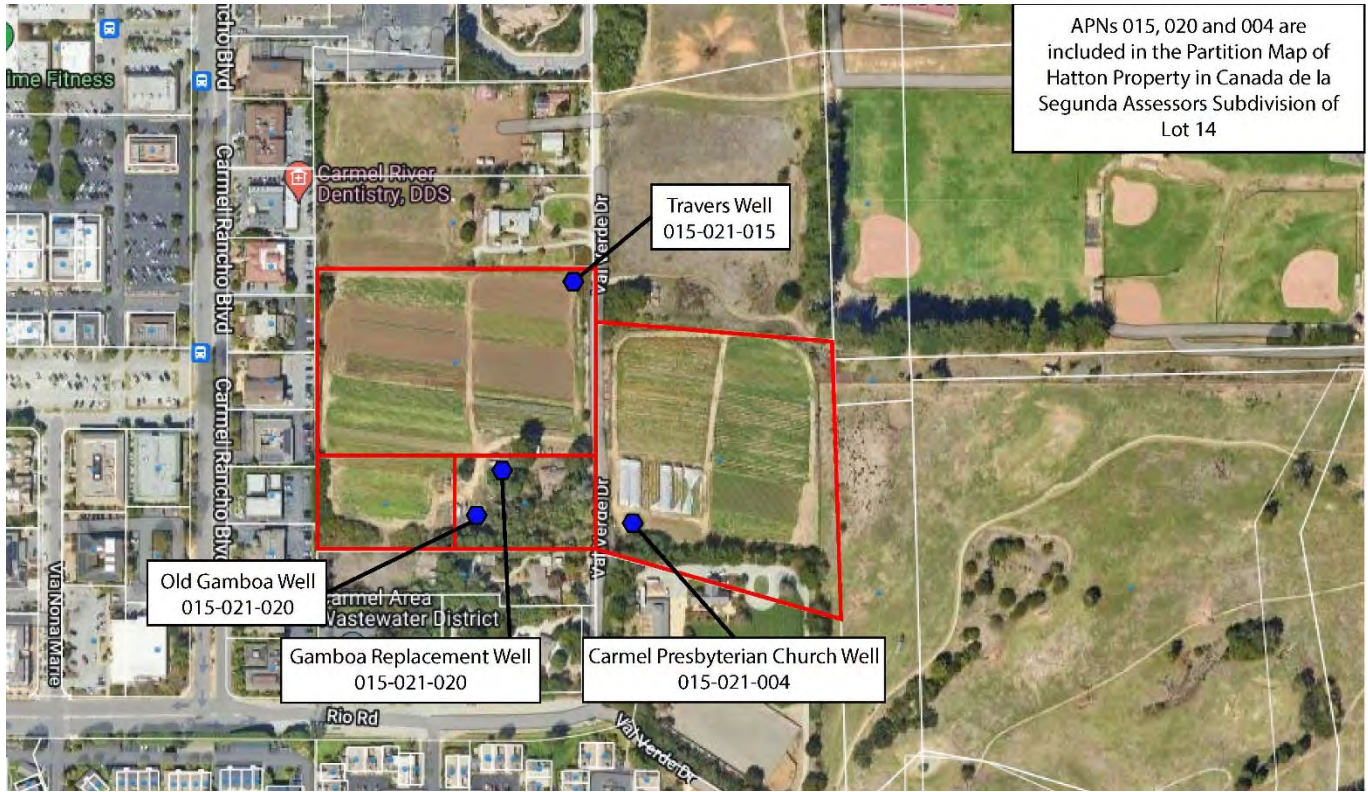
CC:

Samantha Hauser, Executive Vice President, Carmel 1 Inv, LLC (City Ventures)

Phil Kerr, CEO, Carmel 1 Inv, LLC (City Ventures)

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Exhibit 1



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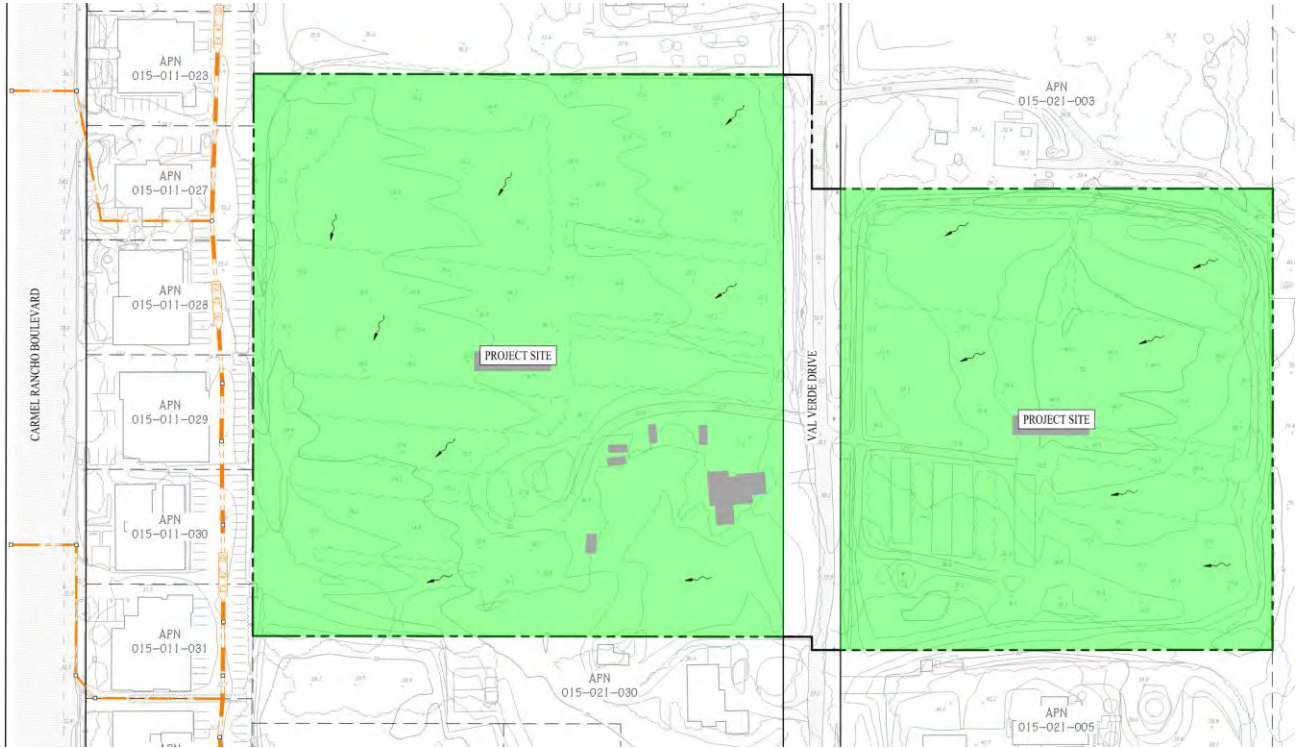
Exhibit 2

Monterey Peninsula Water Management District
 HISTORICAL WATER PRODUCTION DATA
 APN 015-021-004 – Former Carmel Presbyterian Church Well
 APN 015-021-015 – 1993 Cypress Greens and 2012 Rio Road LLC Wells
 APN 015-021-020 – 2008 Rio Road LLC and Old Harms/Gamboa Wells
 Reporting Year 1993 through Water Year 2025
 (All values in Acre-Feet)

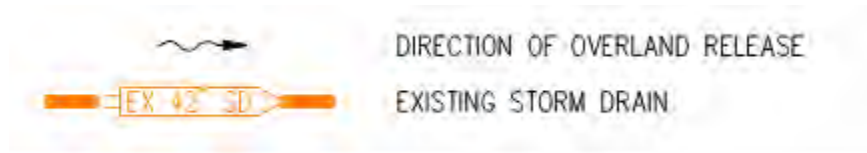
| Year | No Permit # 1954 Harms (destroyed Gamboa well) | 12-11990 2012 Rio Road LLC (replacement Travers well) | 08-11428 2008 Rio Road LLC (replacement Gamboa well) | 93-0289 Old Cypress Greens (Travers well) | 96-173 Carmel Presbyterian "Church" well | Sum | 10-Year Prior Average | Rainfall at SC Dam (in.) |
|---------|---|---|--|--|---|-------|--------------------------|-----------------------------|
| RY 1993 | 2.89 | NA | NA | 0.00 | | 2.89 | | 30.78 |
| RY 1994 | 2.89 | NA | NA | 10.70 | | 13.59 | | 15.57 |
| RY 1995 | 1.10 | NA | NA | 8.91 | | 10.01 | | 36.29 |
| RY 1996 | 1.10 | NA | NA | 7.20 | | 8.30 | | 22.40 |
| RY 1997 | 1.10 | NA | NA | 5.15 | | 6.25 | | 21.67 |
| RY 1998 | 1.10 | NA | NA | 11.50 | | 12.60 | | 46.29 |
| RY 1999 | 1.10 | NA | NA | 11.08 | | 12.18 | | 17.41 |
| RY 2000 | 1.10 | NA | NA | 11.56 | | 12.66 | | 20.37 |
| RY 2001 | 1.10 | NA | NA | 14.62 | | 15.72 | | 20.99 |
| WY 2002 | 1.10 | NA | NA | 9.72 | | 10.82 | | 15.56 |
| WY 2003 | 1.10 | NA | NA | 11.48 | | 12.59 | | 24.29 |
| WY 2004 | 1.10 | NA | NA | 9.08 | | 10.18 | 11.13 | 18.16 |
| WY 2005 | 1.10 | NA | NA | 0.37 | | 1.47 | | 29.95 |
| WY 2006 | 1.10 | NA | NA | 0.00 | | 1.10 | | 28.03 |
| WY 2007 | 1.10 | NA | NA | 0.00 | | 1.10 | | 11.81 |
| WY 2008 | 0.00 | NA | 0.01 | 0.59 | | 0.60 | 7.84 | 19.61 |
| WY 2009 | 0.00 | NA | 0.26 | 0.74 | 0.00 | 1.00 | | 18.14 |
| WY 2010 | NA | NA | 0.67 | 6.00 | 0.00 | 6.67 | | 27.46 |
| WY 2011 | NA | NA | 0.29 | 8.61 | 0.00 | 8.90 | | 24.73 |
| WY 2012 | NA | 0.00 | 0.29 | 10.51 | 0.00 | 10.80 | | 13.94 |
| WY 2013 | NA | 0.00 | 7.42 | 10.78 | 0.00 | 18.20 | | 14.60 |
| WY 2014 | NA | 0.00 | 4.67 | 10.89 | 0.00 | 15.56 | 6.54 | 10.61 |
| WY2015 | NA | 0.00 | 7.74 | 10.05 | 7.46 | 25.25 | 8.92 | 16.04 |
| WY 2016 | NA | 1.75 | 11.38 | 6.54 | 6.44 | 26.11 | 11.42 | 22.25 |
| WY 2017 | NA | 0.00 | 0.24 | 4.53 | 6.82 | 11.59 | 12.47 | 32.22 |
| WY 2018 | NA | 0.00 | 2.24 | 13.95 | 11.41 | 27.60 | 15.17 | 13.52 |
| WY 2019 | NA | 0.00 | 2.53 | 15.02 | 12.74 | 30.29 | 18.10 | 30.91 |
| WY 2020 | NA | 0.00 | 2.16 | 20.50 | 19.98 | 42.64 | 21.69 | 17.57 |
| WY 2021 | NA | 0.00 | 0.24 | 7.37 | 7.50 | 15.11 | 22.32 | 10.86 |
| WY 2022 | NA | 0.00 | 0.38 | 9.01 | 6.91 | 16.30 | 22.87 | 13.23 |
| WY 2023 | NA | 0.00 | 0.69 | 21.68 | 23.26 | 45.63 | 25.61 | 35.28 |
| WY 2024 | NA | 0.00 | 0.00 | 3.55 | 57.83 | 61.38 | 30.19 | 24.25 |
| WY 2025 | NA | 0.00 | 2.97 | 0.00 | 68.30 | 71.27 | 34.79 | 16.89 |

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Exhibit 3



LEGEND:



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ATTACHMENT A

Analysis

Floodplain impacts are assessed using the FEMA effective steady-state HEC-RAS model of the Carmel River. In the HEC-RAS model, the applicable cross sections through the project site are located along reach FLDPLN2 and consist of cross sections 6207.832, 6557.074, 6635.903, 6798.585 and 6885.99. See Figure 2 for the cross-section locations shown on the FEMA floodplain relative to the project boundary. The steady-state flow data used in this analysis assumes failure of the right bank levee therefor the floodplain is represented as the “worst case” condition.

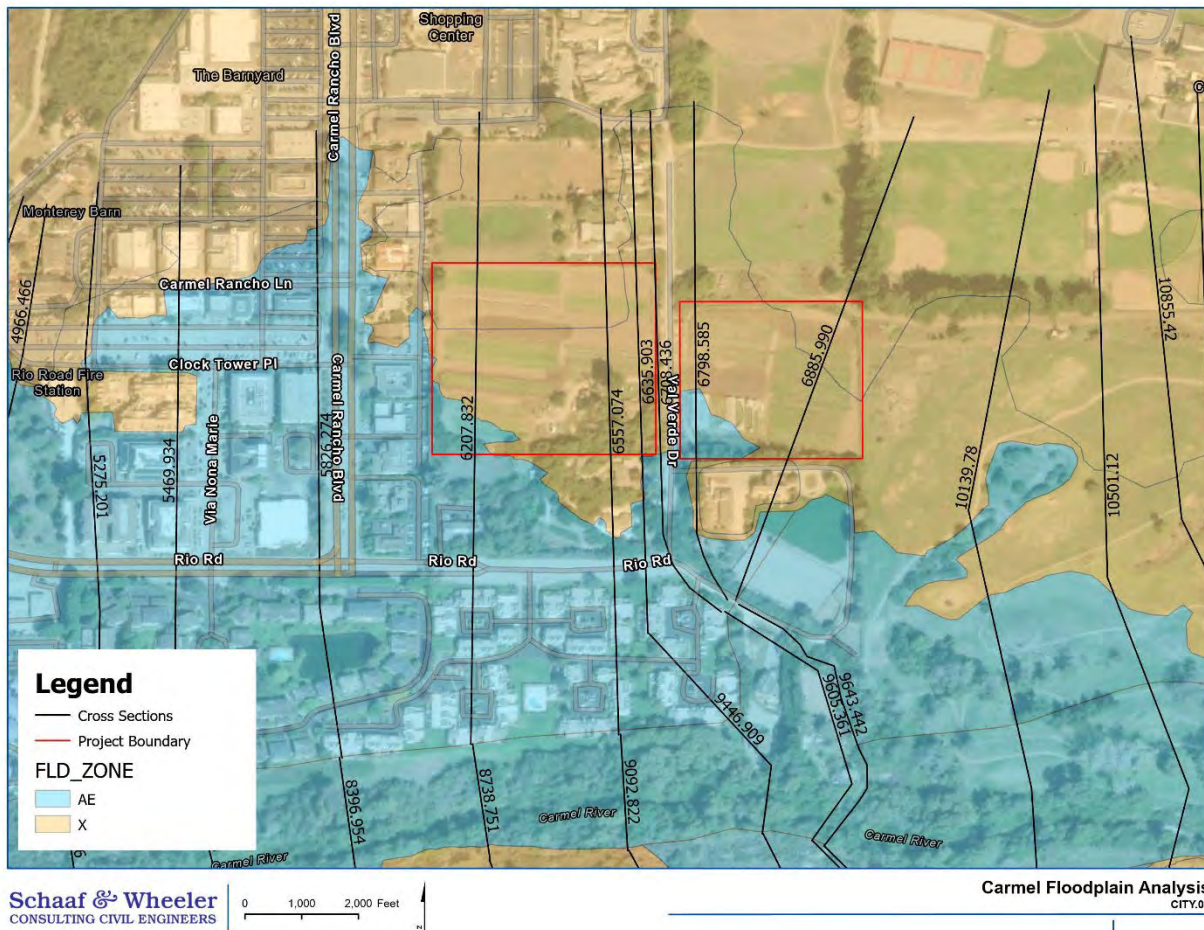


Figure 2. HEC-RAS Cross Section Data through Project Site on Effective FEMA Floodplain

The proposed project site outlines shown in the drawings provided by CBG Engineers are added to the floodplain as blockages. The blockage is represented in the model by obstructions which add 10 feet to the existing elevation of each station on the cross section located within the project boundary. This is a conservative assumption, as actual site blockages by structures occur outside of the floodplain boundary. The intent of this conservative assumption is to show that any development action on the site will not cause significant impacts to the floodplain. The table below shows the resulting change in WSEL when obstructing the entire project limits.

Table 1. 100-year Water Surface Elevation Comparison at Cross Sections

| Parameter | XS 6207.832 | XS 6557.074 | XS 6635.903 | XS 6798.585 | XS 6885.99 |
|-----------------------|----------------|----------------|----------------|----------------|---------------|
| Existing WSEL (ft) | 32.22 | 32.31 | 34.35 | 35.03 | 35.17 |
| Proposed WSEL (ft) | 32.20 | 32.20 | 34.39 | 35.02 | 35.14 |
| Increase in WSEL (ft) | -0.02 | -0.11 | 0.04 | -0.01 | -0.03 |

There is a negative impact to the WSEL for all cross sections on the project site except for XS 6635.903 where the WSEL increases by 0.04 feet. The negative impact to the WSEL at most of the cross sections is likely due to “shadowing” which is the effect where structures or other obstructions create areas of reduced or altered flood flow. There is no significant change in WSEL in the upstream and downstream cross sections from the proposed development as a result of shadowing in the floodplain.

Conclusion

Based on this analysis, there is not a significant impact to the Carmel River floodplain due to blockages on the project site represented conservatively as an obstruction to the entire project boundary in the proposed condition. The largest increase to the WSEL is below 0.1 therefore the project is considered to have negligible impact.

Per Monterey County Municipal Code Section 16.16.050 K:

- **The proposed development is set back approximately 1,000 feet from the top of bank of the Carmel River, which exceeds the 200-foot minimum requirement.**
- **The proposed development will not significantly reduce the capacity of existing rivers or watercourses or otherwise adversely affect any other properties by increasing stream velocities or depths or diverting the flow.**

Any questions can be directed to Caitlin Tharp, PE, at ctharp@swsv.com or by cell phone at (415) 823-4964.

Sincerely,
Schaaf & Wheeler



Caitlin Tharp, PE
CFM, QSD/QSP, CPSWQ
Vice President
RCE #76810



**State Water Resources Control Board
Review of Project Water Source
26500 Val Verde Drive**

ATTACHMENT B

Please indicate County where your project is located here:

MAIL FORM AND ATTACHMENTS TO:
State Water Resources Control Board
DIVISION OF WATER RIGHTS
P.O. Box 2000, Sacramento, CA 95812-2000
Tel: (916) 341-5300 Fax: (916) 341-5400
<http://www.waterboards.ca.gov/waterrights>

This petition is binding to Carmel 1, Inv LLC/City Ventures LLC (or assignee) upon taking possession of land and consistent with condition of approval as follows: "Prior to issuance of first building permit for for the vertical construction of the Project, the applicant shall formalize its reduction of water usage through a perpetual covenant, such as a Section 1707 petition or other form or process, as mutually agreed upon by the California State Water Resources Control Board, and the Applicant

PETITION FOR CHANGE

Separate petitions are required for each water right. Mark all areas that apply to your proposed change(s). Incomplete forms may not be accepted. Location and area information must be provided on maps in accordance with established requirements. (Cal. Code Regs., tit. 23, § 715 et seq.) Provide attachments if necessary.

Point of Diversion
Wat. Code, § 1701

Point of Rediversion
Cal. Code Regs., tit. 23, § 791(e)

Place of Use
Wat. Code, § 1701

Purpose of Use
Wat. Code, § 1701

Distribution of Storage
Cal. Code Regs., tit. 23, § 791(e)

Temporary Urgency
Wat. Code, § 1435

Instream Flow Dedication
Wat. Code, § 1707

Waste Water
Wat. Code, § 1211

Split
Cal. Code Regs., tit. 23, § 836

Terms or Conditions
Cal. Code Regs., tit. 23, § 791(e)

Other

Application

Permit

License

Statement

I (we) hereby petition for change(s) noted above and described as follows:

Point of Diversion or Rediversion – Provide source name and identify points using both Public Land Survey System descriptions to ¼-¼ level and California Coordinate System (NAD 83).

Present:

Proposed:

Place of Use – Identify area using Public Land Survey System descriptions to ¼-¼ level; for irrigation, list number of acres irrigated.

Present:

Proposed:

Purpose of Use

Present:

Proposed:

Split

Provide the names, addresses, and phone numbers for all proposed water right holders.

In addition, provide a separate sheet with a table describing how the water right will be split between the water right holders: for each party list amount by direct diversion and/or storage, season of diversion, maximum annual amount, maximum diversion to offstream storage, point(s) of diversion, place(s) of use, and purpose(s) of use. Maps showing the point(s) of diversion and place of use for each party should be provided.

Distribution of Storage

Present:

Proposed:

Temporary Urgency

This temporary urgency change will be effective from _____ to _____.

Include an attachment that describes the urgent need that is the basis of the temporary urgency change and whether the change will result in injury to any lawful user of water or have unreasonable effects on fish, wildlife or instream uses.

Instream Flow Dedication – Provide source name and identify points using both Public Land Survey System descriptions to ¼-¼ level and California Coordinate System (NAD 83).

Upstream Location:

Downstream Location:

List the quantities dedicated to instream flow in either: _____ cubic feet per second or _____ gallons per day:
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Will the dedicated flow be diverted for consumptive use at a downstream location? Yes No

If yes, provide the source name, location coordinates, and the quantities of flow that will be diverted from the stream.

Please see Technical Memorandum by Hydrogologic Group (Aaaron Bierman) dated 3.30.2026 attached

Waste Water

If applicable, provide the reduction in amount of treated waste water discharged in cubic feet per second.

Will this change involve water provided by a water service contract which prohibits your exclusive right to this treated waste water? Yes No

Will any legal user of the treated waste water discharged be affected? Yes No

General Information – For all Petitions, provide the following information, if applicable to your proposed change(s).

Will any current Point of Diversion, Point of Storage, or Place of Use be abandoned? Yes No

I (we) have access to the proposed point of diversion or control the proposed place of use by virtue of:
ownership lease verbal agreement written agreement

If by lease or agreement, state name and address of person(s) from whom access has been obtained.

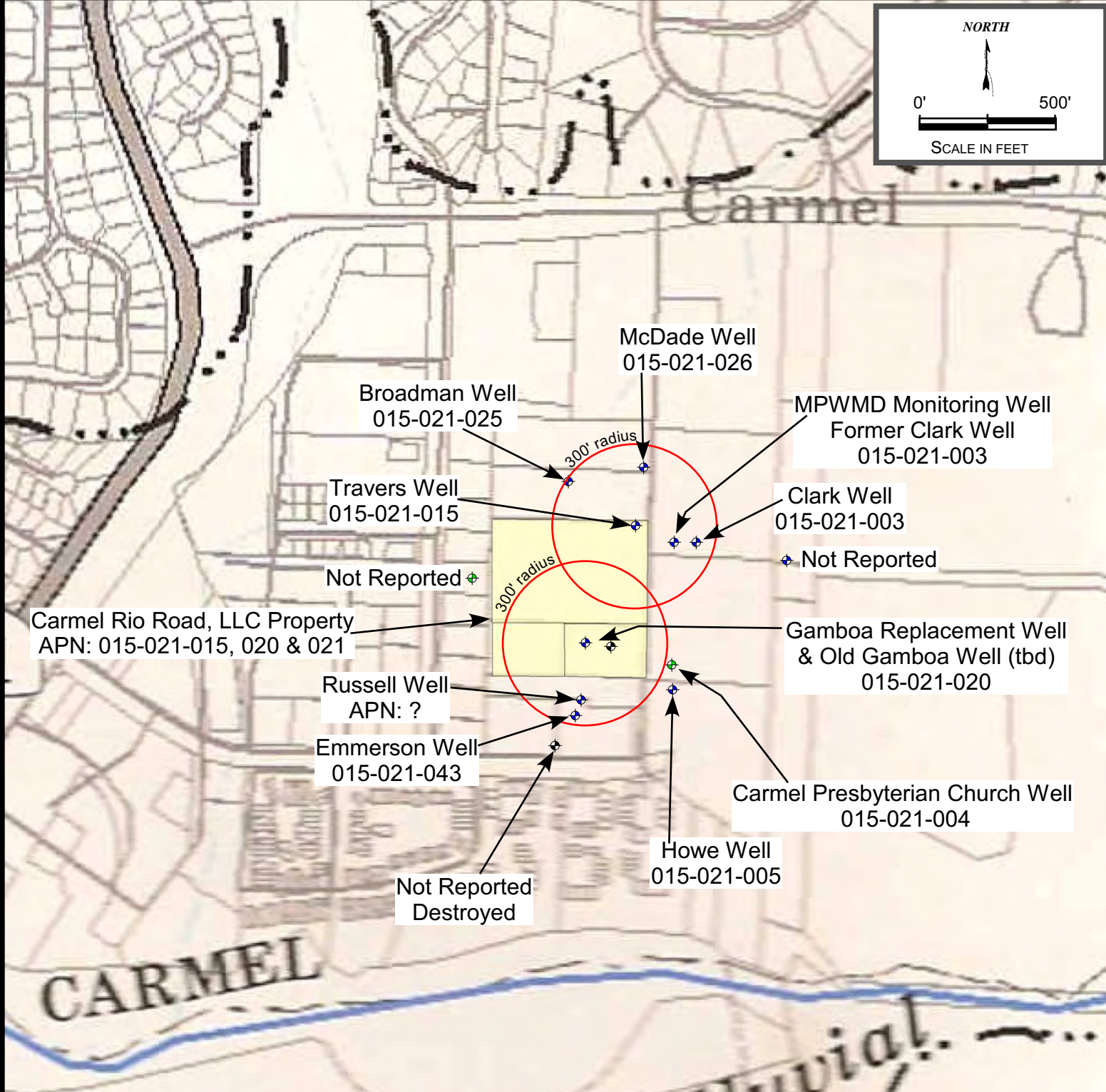
Give name and address of any person(s) taking water from the stream between the present point of diversion or rediversion and the proposed point of diversion or rediversion, as well as any other person(s) known to you who may be affected by the proposed change.

All Right Holders Must Sign This Form: I (we) declare under penalty of perjury that this change does not involve an increase in the amount of the appropriation or the season of diversion, and that the above is true and correct to the best of my (our) knowledge and belief. Dated _____ at _____.

Right Holder or Authorized Agent Signature

Right Holder or Authorized Agent Signature

NOTE: All petitions must be accompanied by:
(1) the form Environmental Information for Petitions, including required attachments, available at: http://www.waterboards.ca.gov/waterrights/publications_forms/forms/docs/pet_info.pdf
(2) Division of Water Rights fee, per the Water Rights Fee Schedule, available at: http://www.waterboards.ca.gov/waterrights/water_issues/programs/fees/
(3) Department of Fish and Wildlife fee of \$850 (Pub. Resources Code, § 10005)



Base Map: Monterey Peninsula Water Management District Boundary Map, Sheet 17, Drafted 11/2003 and Updated 7/2005.
 Data obtained from MPWMD Well Radius Search Data - Appendix A.

EXPLANATION:

- Active Well
- Inactive Well
- Destroyed Well or To Be Destroyed (tbd)



WELL RADIUS MAP
 APN: 015-021-015, 020 & 021
 Monterey County, California

**FIGURE
5**

By: AB; 1/15/09
 File: Clark/Figures/WellRadiusMap.cvx



Hydrogeologic Consulting & Water Resource Management
Office: (831-888 8888) Cell: (831-334 2237) E-Mail: abierman@comcast.net
3153 Redwood Drive, Aptos, CA. 95008

March 30, 2026

City Ventures
c/o: Pamela Nieting, PE - Vice President of Development
444 Spear Street, Suite 200
San Francisco, CA 94105

TECHNICAL MEMORANDUM:

2025 Irrigation Demand vs Project Annual Demand & Groundwater remaining in the Carmel Valley Alluvial Aquifer

Executive Summary:

Bierman Hydrogeologic (BHgl) has prepared this Technical Memorandum at the request of City Ventures which has been asked by State Water Resource Control Board to provide monthly time-step methodology of the sites 2025 irrigation demand versus the project projects average annual demand and how much water would remain in-situ in the Carmel Valley Alluvial Aquifer¹.

Based on using a monthly time-step methodology (as shown on Table 1 - attached) there will less water used annually for the proposed development than what the site used in its 2025 irrigation water demand. Specifically, the 2025 crop irrigation demand was 71.27 acre-ft per year (afy) where as the projects annual average water demand of 15.22 afy (after account for 7% system loss² and 7% treatment loss³) thereby leaving 56.06 afy of water in the Carmel Valley Alluvial Aquifer (CVAA).

In summary, based on the data compiled and calculations performed there will be no cumulative significant impacts to CVAA, Carmel River instream flows, riparian ecosystems, other offsite well users or Sensitive Environmental Receptors (SERs)⁴.

Irrigation Water Demand:

The irrigation water demand was supplied by Monterey Peninsula Water Management District (MPWMD). City Ventures requested that BHgl use the 2025 crop irrigation water demand in this analysis. The crops used during the 2025 irrigation season (March – October) consisted of:

- Squash / Zucchini / Pumpkins (High Demand– especially during flowering/fruiting)
- Hot peppers (High Demand – increases with fruiting demands)
- Strawberries (High Demand - especially during establishment and fruiting)
- Onions (Moderate Demand – critical during bulb formation)
- Radishes (Moderate Demand – consistent during root development)
- Carrots (Moderate Demand – consistent moisture throughout)
- Herbs (Low Demand – shallow watering, tolerant to slight dry periods)

The monthly irrigation demand factor percentages were obtained from California Irrigation Management Information Systems (CIMIS) webpage and is based on Evapotranspiration Zone 2 – Coastal Mixed Fog Area. It should be noted that CIMIS has ETo values for each month. These ETo values for each month were converted into percentages/month based on a total annual ETo for Zone 2 (39-inches).

The monthly irrigation demand was then converted into a daily demand in gallons-per-day (GPD) per month. The average daily demand was calculated to range roughly between 23,800 to 101,200 GPD as shown on Table 1 (attached).

1: Although this analysis does not compare the MPWMD 10-yr historical average irrigation demand to the projects average annual water demand (after S&T losses), it should be noted that there is still a net positive amount of groundwater left in-situ in the Carmel Valley Alluvial Aquifer (CVAA) equivalent to 19.57 afy.

2: A 7% System Loss is based on data from Canada Woods and Monterra Ranch Mutual Water Systems, Monterey County, 2008 to present.

3: A 7% Treatment Loss is based on PACE Inc Technical Memorandum dated September 24, 2024.

4: SERs are any one of the following areas or locations: (1) the Carmel Valley Alluvial Aquifer as delineated by the State Water Resources Control Board (SWRCB) in Order 95-10 as modified by Order 98-04; (2) the five tributaries: Tularcitos, Hitchcock Canyon, Garzas, Robinson Canyon and Potrero Creeks; (3) Seaside Groundwater Basin; (4) Pacific Ocean or (5) other locations as designated by Resolution of the MPWMD Board of Directors.

Project Water Demand:

The Project Water Demand was calculated by BHgl in a technical memorandum dated November 2, 2024 and updated February 13, 2026 to reflect the 2025 historical water use data gathered and supplied by Monterey Peninsula Water Management District (MPWMD).

The Project average annual water demand was calculated to be 15.22 afy after accounting for a 7% system loss and a 7% treatment loss (as referenced above).

Groundwater Remaining within the CVAA:

The monthly time-step methodology analysis shown on Table 1 (attached) shows that annually (based on 10yr historic use and 2025 crop demands) there remains a positive net water supplying remaining in-situ with the CVAA on the order of 19.57 afy (based on 10yr historical use demands) to 56.05 afy (based on 2025 crop irrigation demands).

Conclusion:

In conclusion, the project will use less water than either the 10-yr historical demand or 2025 annual crop irrigation demand and there will be a net positive amount of groundwater remaining in the Carmel Valley Alluvial Aquifer.

Therefore, based on data compiled and analyzed, there will be no cumulative significant impacts to CVAA, Carmel River instream flows, riparian ecosystems, other offsite well users or Sensitive Environmental Receptors (SERs) from the projects water demand.

Respectfully submitted,



Aaron Bierman
Ca. Hydrogeologist #819

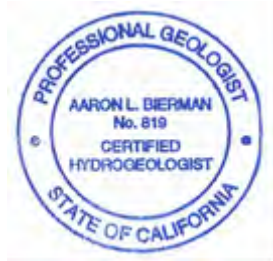


Table 1
2025 Irrigation Water Demand / Project Demand & Groundwater Remaining in Aquifer

| Water Demand Variables | Month of the Year | | | | | | | | | | | | Annual Total |
|--|-------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|
| | January | February | March | April | May | June | July | August | September | October | November | December | |
| Monthly Irrigation Demand Factor ¹ | 3.18% | 4.31% | 7.95% | 10.00% | 11.92% | 13.08% | 12.72% | 11.92% | 10.00% | 7.15% | 4.62% | 3.18% | 100% |
| Monthly Irrigation Demand(Acre-Feet) ² | 2.266 | 3.072 | 5.666 | 7.127 | 8.495 | 9.322 | 9.066 | 8.495 | 7.127 | 5.096 | 3.293 | 2.266 | 71.27 afy ² |
| Daily Irrigation Demand (in GPD) ⁴ | 23,822.71 | 35,747.45 | 59,556.79 | 77,411.34 | 89,297.72 | 101,254.03 | 95,290.86 | 89,297.72 | 77,411.34 | 53,563.65 | 34,610.36 | 23,822.71 | --- |
| Daily Project Demand (in GPD) ⁵ after accounting for S&T losses | 10,206.87 | 10,166.88 | 10,798.81 | 12,729.26 | 14,734.37 | 16,514.98 | 17,198.10 | 17,534.06 | 16,465.38 | 14,366.41 | 11,836.56 | 10,270.87 | 15.22 afy |
| Groundwater Remaining in Aquifer (in GPD) ⁶ | 13,615.84 | 25,580.57 | 48,757.98 | 64,682.08 | 74,563.35 | 84,739.05 | 78,092.76 | 71,763.66 | 60,945.95 | 39,197.24 | 22,773.80 | 11,986.16 | 56.05 afy |
| Dedication of Water for Instream Flows (in GPD) ⁷ | 6,807.92 | 12,790.29 | 24,378.99 | 32,341.04 | 37,281.67 | 42,369.53 | 39,046.38 | 35,881.83 | 30,472.98 | 19,598.62 | 11,386.90 | 5,993.08 | 28.03 afy |

NOTES:

- 1: Monthly Irrigation Demand Factors obtained from California Irrigatin Management Information Systems for Evapotranspiration Zone 2 - Coastal Mixed Fog Area.
- 2: Annual Total Irrigation Demand based on Monterey Peninsula Water Management District (MPWMD) Historical Water Use Production Data Spreadsheet - Specifically for the 2025 Water-Year.
- 3: Monthly Irrigation Demand calculated by dividing Total Use by Monthly Irrigation Demand Factor. The 71.27 afy demand for 2025 was for Squash / Zucchini / Pumpkins (High Demand– especially during flowering/fruiling); Hot peppers (High Demand – increases with fruiting demands); Strawberries (High Demand - especially during establishment and fruiting); Onions (Moderate Demand – critical during bulb formation); Radishes (Moderate Demand – consistent during root development); Carrots (Moderate Demand – consistent moisture throughout) Herbs (Low Demand – shallow watering, tolerant to slight dry periods)
- 4: Daily Irrigation Demand in gallons per day (GPD). Converted from monthly demand using prouduct of Monthly Irrigatin Demand and 325,851 gallons per acre-foot; divided by # day per month (Jan-31; Feb-28; Mrch-31; Apl-30; May-31; June-30; July-31; Aug-31; Sep-30; Oct-31; Nov-30; Dec-31)
- 5: Daily Project Demand (in GPD) calculated by Bierman Hydrogeologic: Technical Memorandum dated November 2, 2024 and revised February 12, 2026. Daily Project Demands accounts for a 7% system loss for leaks and 7% treatment loss for iron and manganese removal.
- 6: Groundwater Remaining in Aquifer for Instream Flows is the equivalent to subtracting Daily Project Demand (S&T losses) from Daily Irrigation Demand (in GPD).
- 7: See Water Pettion Application from City Ventures.

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

ENVIRONMENTAL INFORMATION FOR PETITIONS

This form is required for all petitions.

Before the State Water Resources Control Board (State Water Board) can approve a petition, the State Water Board must consider the information contained in an environmental document prepared in compliance with the California Environmental Quality Act (CEQA). This form is not a CEQA document. If a CEQA document has not yet been prepared, a determination must be made of who is responsible for its preparation. As the petitioner, you are responsible for all costs associated with the environmental evaluation and preparation of the required CEQA documents. Please answer the following questions to the best of your ability and submit any studies that have been conducted regarding the environmental evaluation of your project. If you need more space to completely answer the questions, please number and attach additional sheets.

DESCRIPTION OF PROPOSED CHANGES OR WORK REMAINING TO BE COMPLETED

For a petition for change, provide a description of the proposed changes to your project including, but not limited to, type of construction activity, structures existing or to be built, area to be graded or excavated, increase in water diversion and use (up to the amount authorized by the permit), changes in land use, and project operational changes, including changes in how the water will be used. For a petition for extension of time, provide a description of what work has been completed and what remains to be done. Include in your description any of the above elements that will occur during the requested extension period.

Insert the attachment number here, if applicable:

Coordination with Regional Water Quality Control Board

For change petitions only, you must request consultation with the Regional Water Quality Control Board regarding the potential effects of your proposed change on water quality and other instream beneficial uses. (Cal. Code Regs., tit. 23, § 794.) In order to determine the appropriate office for consultation, see: http://www.waterboards.ca.gov/waterboards_map.shtml. Provide the date you submitted your request for consultation here, then provide the following information.

Date of Request

Will your project, during construction or operation, (1) generate waste or wastewater containing such things as sewage, industrial chemicals, metals, or agricultural chemicals, or (2) cause erosion, turbidity or sedimentation?

Yes No

Will a waste discharge permit be required for the project?

Yes No

If necessary, provide additional information below:

Insert the attachment number here, if applicable:

Local Permits

For temporary transfers only, you must contact the board of supervisors for the county(ies) both for where you currently store or use water and where you propose to transfer the water. (Wat. Code § 1726.) Provide the date you submitted your request for consultation here.

Date of Contact

For change petitions only, you should contact your local planning or public works department and provide the information below.

Person Contacted:

Date of Contact:

Department:

Phone Number:

County Zoning Designation:

Are any county permits required for your project? If yes, indicate type below.

Yes No

Grading Permit

Use Permit

Watercourse

Obstruction Permit

Change of Zoning

General Plan Change

Other (explain below)

If applicable, have you obtained any of the permits listed above? If yes, provide copies.

Yes No

If necessary, provide additional information below:

Insert the attachment number here, if applicable:

Federal and State Permits

Check any additional agencies that may require permits or other approvals for your project:

- Regional Water Quality Control Board Department of Fish and Game
- Dept of Water Resources, Division of Safety of Dams California Coastal Commission
- State Reclamation Board U.S. Army Corps of Engineers U.S. Forest Service
- Bureau of Land Management Federal Energy Regulatory Commission
- Natural Resources Conservation Service

Have you obtained any of the permits listed above? If yes, provide copies. Yes No

For each agency from which a permit is required, provide the following information:

| Agency | Permit Type | Person(s) Contacted | Contact Date | Phone Number |
|--------|-------------|---------------------|--------------|--------------|
|--------|-------------|---------------------|--------------|--------------|

If necessary, provide additional information below:

Insert the attachment number here, if applicable:

Construction or Grading Activity

Does the project involve any construction or grading-related activity that has significantly altered or would significantly alter the bed, bank or riparian habitat of any stream or lake? Yes No

If necessary, provide additional information below:

Insert the attachment number here, if applicable:

Archeology

| | | |
|--|-----|----|
| Has an archeological report been prepared for this project? If yes, provide a copy. | Yes | No |
| Will another public agency be preparing an archeological report? | Yes | No |
| Do you know of any archeological or historic sites in the area? If yes, explain below. | Yes | No |

If necessary, provide additional information below:

Insert the attachment number here, if applicable:

Photographs

For all petitions other than time extensions, attach complete sets of color photographs, clearly dated and labeled, showing the vegetation that exists at the following three locations:

Along the stream channel immediately downstream from each point of diversion

Along the stream channel immediately upstream from each point of diversion

At the place where water subject to this water right will be used

Maps

For all petitions other than time extensions, attach maps labeled in accordance with the regulations showing all applicable features, both present and proposed, including but not limited to: point of diversion, point of rediversion, distribution of storage reservoirs, point of discharge of treated wastewater, place of use, and location of instream flow dedication reach. (Cal. Code Regs., tit. 23, §§ 715 et seq., 794.)

Pursuant to California Code of Regulations, title 23, section 794, petitions for change submitted without maps may not be accepted.

All Water Right Holders Must Sign This Form:

I (we) hereby certify that the statements I (we) have furnished above and in the attachments are complete to the best of my (our) ability and that the facts, statements, and information presented are true and correct to the best of my (our) knowledge. Dated _____ at _____.

Water Right Holder or Authorized Agent Signature

Water Right Holder or Authorized Agent Signature

NOTE:

- Petitions for Change may not be accepted unless you include proof that a copy of the petition was served on the Department of Fish and Game. (Cal. Code Regs., tit. 23, § 794.)
- Petitions for Temporary Transfer may not be accepted unless you include proof that a copy of the petition was served on the Department of Fish and Game and the board of supervisors for the county(ies) where you currently store or use water and the county(ies) where you propose to transfer the water. (Wat. Code § 1726.)

| 10. HYDROLOGY AND WATER QUALITY | | Potentially Significant Impact | Less Than Significant With Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|---|--------------------------------|--|-------------------------------------|--------------------------|
| Would the project: | | | | | |
| a) | Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality? (Source: IX.5, 78, 83, 84) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) | Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin? (Source: IX.53, 78, 84) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) | Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: | | | | |
| i) | result in substantial erosion or siltation on- or off-site? (Source: IX.78, 84) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ii) | substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site? (Source: IX.78, 84) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| iii) | create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? (Source: IX.84) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| iv) | impede or redirect flood flows? (Source: IX.78) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) | In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation? (Source: IX.78, 84) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) | Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan? (Source: IX.5, 53, 78, 81, 84) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion/Conclusion/Mitigation:

A Hydrogeologic Report for the project was prepared by Todd Groundwater in January 2026 (Source: IX.78). The purpose of this report was to evaluate groundwater levels, aquifer characteristics, groundwater-surface water interactions, and potential changes to groundwater demand and recharge associated with the project. These findings provide the basis for evaluating whether the project would degrade surface or groundwater quality, substantially decrease groundwater supplies, alter drainage patterns, or conflict with applicable stormwater management regulations. A Preliminary post-construction Stormwater Control Plan was prepared by the owner/applicant in accordance with the Central Coast Regional Water Quality Control Board requirements (Source: IX.84). In addition, an Operation and Maintenance (O&M) Plan was prepared by the owner/applicant, which outlines long-term operational maintenance and funding of the project stormwater treatment facilities (Source: IX.83).

The project site is located approximately 1,050 feet north of the Carmel River, within the lower Carmel River Valley. The project site is underlain by the Carmel Valley Groundwater Basin (CVGB) where the Carmel Valley Alluvial Aquifer (CVAA) is the primary water-bearing unit. The CVAA is highly permeable, shallow (typically 10–25 feet below ground surface), and hydraulically connected to river flows. Two portions of the site lie within the 100-year flood zone of the Carmel River: the southwest corner and the southwestern section of the parcel east of Val Verde drive, as shown in Figure 2-3.

Hydrology and Water Quality Impact 10(a) – Less Than Significant Impact

Project Construction

Project construction would include short-term soil disturbing activities that could lead to increased erosion and sedimentation, which would decrease water quality and be a potential violation of water quality standards. The project would disturb more than one acre of land, and therefore would be subject to the General Permit for Stormwater Discharges Associated with Construction and Land Disturbance Activities, Order No. 2022-0057-DWQ, NPDES No. CAS000002 (Construction Stormwater General Permit) adopted by the SWRCB. The Construction Stormwater General Permit requires development of a Storm Water Pollution Prevention Plan (SWPPP) with best management practices to control the discharges of pollutants, including sediment, into local surface water drainages. Prior to the issuance of a permit for grading activity, the owner/applicant must submit an Erosion Control Plan developed in compliance with County Code 16.12 (Erosion Control) to the appropriate County Director for review and approval. Further, the project would be subject to County Code 16.12.070, which requires the use of erosion and sediment controls to protect water quality while the site is under construction (Source: IX.5). This would prevent project construction from adversely impacting water quality or violating water quality standards. Compliance with existing regulations would ensure that the potential for water quality degradation from project construction is minimized, would not violate water quality standards or waste discharge requirements, or otherwise substantially degrade surface or groundwater quality. As such, project construction impacts to surface water and groundwater quality would be less than significant.

Project Operation

Project operation would result in a net increase of approximately 299,139 square feet of impervious surfaces (Source: IX.84). Under post-project conditions, approximately 55 percent of the site would be covered by impervious surfaces and 45 percent would be landscaped (Source: IX.78). Although the additional impervious surfaces would cover soils and reduce soil erosion, impervious surfaces prevent the infiltration of water and other fluids into soils and could potentially result in the addition of contaminants or runoff entering the local stormwater drainage system and ultimately degrade surface water and groundwater quality. Stormwater runoff from impervious surfaces would be directed toward the two on-site bioretention basins designed to treat and infiltrate stormwater runoff consistent with County requirements. One of the bioretention basins would be located west of Val Verde Drive, with a capacity of approximately 4,085 cubic feet. The second bioretention basin would be located east of Val Verde Drive, with a capacity of approximately 5,492 cubic feet (Source: IX.78). These facilities would reduce pollutant loading through the inclusion of ponding, permeable planting soils, infiltration

materials and sub-drains systems designed to filter pollutants from stormwater runoff from adjacent roof areas and other impervious surfaces (Source: IX.83). Further, the Stormwater Control Plan and the O&M plan would ensure pollutants discharges are minimized during long-term project operation (Source: IX.83, 84). In summary, compliance with existing regulations, on-site management of runoff provided by the bioretention basins, and implementation of the Stormwater Control Plan and O&M plan would ensure that the potential for water quality degradation from project operation is minimized and would not violate any water quality standards or waste discharge requirements, or otherwise substantially degrade surface or groundwater quality. As such, project operation impacts to surface water and groundwater quality would be less than significant.

Hydrology and Water Quality Impact 10(b) – Less Than Significant Impact

The project site is currently utilized for agricultural purposes and contains 2,948 square feet of impervious surfaces including the roofs from the existing single-family residence and detached garage (Source: IX.84). Once project construction is complete, the project site would increase the impervious surfaces on the site by 299,139 square feet (approximately 55 percent of the project site), which would reduce the infiltration of precipitation into the groundwater compared to existing conditions. However, the remaining 45 percent of the project site would be comprised of pervious surfaces, landscaped vegetation, and would include two bioretention areas that would provide groundwater recharge on-site. The soil underlying the bioretention basins (Pico fine sandy loam) would facilitate infiltration and are estimated to provide 4–7 acre feet per year (AFY) of groundwater recharge, supplemented by infiltration from landscaped areas and disconnected impervious surfaces (Source: IX.78). The infiltration provided by the bioretention basins, pervious surfaces, and landscaped areas would result in approximately 9.84 to 12.22 AFY of groundwater recharge under project development, which is sufficient to offset the reduction in natural infiltration caused by the additional impervious surfaces (Source: IX.78). Therefore, the project would not substantially reduce groundwater recharge.

The CVGB has an estimated storage capacity of 37,500 acre feet and historical pumping ranging from 5,900–9,100 AFY (Source: IX.53, 78). As described in Section II.2.2.7, *Infrastructure*, the project would be served by one of two potential long-term water supply sources: (1) an MPWMD allocation delivered through a new Cal-Am connection, or (2) continued use of the property’s riparian rights through on-site wells and a wheeling agreement with Cal-AM. The project’s potential impact on groundwater supplies can be determined by whether the project would increase or decrease the current (baseline) water demand based on the net consumptive water use of the project compared to the current water demand. Net consumptive water use represents water permanently removed from the groundwater system. Therefore, any increase above the current water demand would reduce groundwater supplies, resulting in a potential impact on groundwater supplies. Under both potential water supply scenarios, the project’s estimated long-term water demand would be lower than the current agricultural water use on the site, representing a net decrease in consumptive water use. MPWMD typically uses the most recent 10 years of data to determine the baseline consumptive use for a development project (Rule 40-A.5.a). Based on reported water use, consumptive use of groundwater on the property during 2015-2024 averaged 27 AFY⁴ (Source: IX.78). The project would require approximately

⁴ Based on 10-year average data from MPWMD (Source: IX.78)

16 AFY⁵, which is substantially lower than historical water demand on the property (Source: IX.53). This reduction in water demand represents approximately a 36 percent decrease relative to current (baseline) conditions and represents less than one percent of the CVGB's historical pumping range (Source: IX.53). Therefore, the project would result in a net decrease in consumptive groundwater use, thereby reducing groundwater depletions, and result in an improvement in comparison to current (baseline) conditions (Source: IX.78).

Given the lower water supply demand under the project compared to the site's current use, CVGB's substantial capacity, and sufficient production from on-site wells, the project would not substantially decrease groundwater supplies. This impact would be less than significant.

Hydrology and Water Quality Impact 10(c.i, c.ii) – Less Than Significant Impact

The project would not involve altering the course of any stream or river, and no defined channels or drainages cross the site. Two portions of the site lie within the 100-year flood zone of the Carmel River, which is located 1,050 feet to the south: the southwest corner and the southwestern section of the parcel east of Val Verde Drive. These portions of the project site within the 100-year flood zone would be utilized for bioretention basins, as shown in Figure 2-3. Hydraulic modeling performed during preparation of the Hydrogeologic Report indicated that the project would have a negligible effect on Carmel River flood levels (Source: IX.78). Further, existing roadside ditches along Val Verde Drive currently provide adequate stormwater conveyance, and there have been no documented local flooding events in the project vicinity (Source: IX.78).

Construction activities would include grading, excavation, and other ground-disturbing activities, which could temporarily alter surface drainage patterns on-site and increase the potential for erosion and siltation. However, the project would be required to comply with the SWPP, which would require implementation of best management practices and erosion control measures, thereby reducing the potential for construction activities to result in soil erosion and siltation of waters.

According to the Preliminary Stormwater Control Plan for the project, full project development would result in approximately 55 percent of the project site being covered by new impervious surfaces such as the roadways, driveways, sidewalks, residences, and landscaped areas; representing a net increase of 299,139 square feet compared to existing conditions. The remaining 45 percent of the project site would be covered by pervious landscaping (Source: IX.84). Although the new impervious surfaces would increase by preventing infiltration of rainwater, stormwater runoff would be adequately managed on-site by the two bioretention basins designed to treat and infiltrate stormwater runoff consistent with County requirements to prevent flooding. Further, the new impervious surfaces proposed under the project would cover soils, reducing on-site soil erosion and siltation of waters. In addition, the project would be required to comply with the SWPP, County stormwater requirements, Stormwater Control Plan and O&M plan. Therefore, flooding and siltation impacts resulting from the project's effects on drainage patterns would be less than significant.

⁵ Interior annual average water demand (13.35AFY) added to exterior annual average water demand (2.36 AFY), rounded up for conservative estimate (Source: IX.53)

Hydrology and Water Quality Impact 10(c.iii) – Less Than Significant Impact

As described in Section VI.10, *Hydrology and Water Quality*, Impact 10(c.i, c.ii), the project would introduce 299,139 square feet of new impervious surfaces (Source: IX.84), replacing the existing agricultural crop lands and thereby altering the existing drainage pattern of the site. The new impervious surfaces introduced by the project would reduce infiltration and increase surface stormwater runoff compared to current conditions. The project would include construction of new stormwater drainage facilities, including two bioretention basins designed to manage surface stormwater runoff from the additional impervious surfaces and accommodate a 95th percentile rainfall event for the site (refer to Section II.2.2.7, *Infrastructure*). The bioretention basins would be designed to filter pollutants from stormwater runoff before discharge, ensuring that runoff does not exceed the capacity of existing or planned drainage systems. Therefore, the project would not create a significant new source of stormwater runoff which would exceed the capacity of existing or planned stormwater drainage systems or contribute substantial amounts of polluted runoff. Therefore, the project's impact on stormwater drainage systems would be less than significant.

Hydrology and Water Quality Impact 10(c.iv) – Less Than Significant Impact

The project site is located within a 100-year floodplain as mapped by the Federal Emergency Management Agency (FEMA), as shown in Figure 2 3. However, the project is designed to raise finished grades in the southwest corner of the site that lies within the 100-year floodplain above the mapped base flood elevation through placement of engineered fill (Source: IX.78). Therefore, no residences would be placed within a 100-year flood hazard area. The project would increase impervious surface area on the project site compared to existing conditions; however, the project includes on-site stormwater management facilities, such as bioretention areas, where stormwater would collect and be treated before discharge. This treatment process involves infiltration of stormwater through soils and sub-drains, which slows the velocity of the stormwater runoff and releases treated stormwater into the existing storm drain system gradually. Therefore, impacts related to impeding or redirecting flood flows would be less than significant.

Hydrology and Water Quality Impact 10(d) – Less Than Significant Impact

The project site is located in the lower Carmel River Valley, where regional flooding is primarily caused by overbank flows from the Carmel River during major storm events. As shown in Figure 2 3, a small portion of the site's southwest corner lies within the FEMA-mapped 100-year floodplain. The remainder of the site is outside any mapped flood, tsunami, or seiche hazard zones, and no nearby enclosed water bodies are present that could generate a seiche (Source: IX.78). Because the site is near the Carmel River and partially overlaps the 100-year floodplain, a 100-year flood event is the most likely scenario in which floodwaters could reach the project area and potentially mobilize pollutants. As shown in Figure 2-3, a limited portion of three residential parcels (Lots 6-8) lie within the 100-year floodplain; all other residential parcels would be located outside of the floodplain. No residential units or building foundations are anticipated to be developed within the 100-year floodplain. Although not anticipated, should development within the floodplain occur, it would be subject to the requirement of Chapter 16.16 of the County Code and require that finished floors be elevated one foot above the base flood elevation to minimize related risk and hazards to an acceptable level. The portions of Lots 6-8 within the floodplain would serve as rear yards and would be graded to direct flood flows away

from the residences and south toward the bioretention basin adjacent to Lot 8, as shown in the Preliminary Grading Plan (Figure 2-8). According to the Hydrogeologic Report, project grading activities would not significantly alter flood elevations or redirect overbank flows in a manner that would elevate flood hazards off-site (Source: IX.78). Further, the project's bioretention basins (Parcels C and B) would be located within the flood hazard area and would exceed the required capacity required to accommodate a 95th percentile storm event (Source: IX.78, 84). If a flood did occur, the bioretention basins would prevent on-site floodwater ponding that could mobilize pollutants, ensuring that stormwater is conveyed away from residences and would not rise to levels capable of inundating pollutant sources. Therefore, impacts related to the release of pollutants from inundation from flood hazards, tsunamis, or seiches would be less than significant.

Hydrology and Water Quality Impact 10(e) – Less Than Significant Impact

Water quality in the project area is regulated under the Central Coast Regional Water Quality Control Board's Basin Plan (Basin Plan), which establishes water quality objectives for the Carmel River and underlying groundwater basins, including the CVGB (Source: IX.82). Implementation of the Basin Plan is carried out through multiple regulatory mechanisms, including the NPDES Construction General Permit, Post-Construction Requirements for stormwater management, and waste discharge requirements applicable to development projects. The project's stormwater design, which includes two bioretention basins and compliance with the County's Low Impact Development (LID) standards, is consistent with the Basin Plan's requirement to treat and infiltrate stormwater and reduce pollutant loading. The basins are capable of infiltrating stormwater and preventing uncontrolled discharges that could violate water quality objectives for sediment, nutrients, or other pollutants (Source: IX.78). As described under Section VI.10, *Hydrology and Water Quality*, Impact (a), the project would not violate water quality standards.

The project also would not conflict with any Sustainable Groundwater Management Act (SGMA) plan, because the CVAA, which is the primary water-bearing unit of the CVGB, is not managed under SGMA. Instead, groundwater in the CVAA is legally considered underflow of the Carmel River and is regulated through surface water rights administered by the SWRCB. The CVAA is managed through MPWMD's regulatory authority rather than SGMA, and project-related pumping under both water supply scenarios would not conflict with any sustainable groundwater management plan (Source: IX.81). As described under Section VI.10, *Hydrology and Water Quality*, Impact (b), the project would demand approximately 16 AFY of water, which is substantially lower than historical use. This reduction in water demand represents approximately a 36 percent decrease relative to existing conditions and represents less than one percent of the CVGB's historical pumping range (Source: IX.53, 78). The project's reduced groundwater use would support, rather than conflict with, long-term resource management goals for the CVAA and the Carmel River. Therefore, the project does not include any action that would interfere with regional water quality regulations, watershed management programs, or the County's stormwater ordinances, or prevent the County, MPWMD, or the Regional Water Quality Control Board from implementing their adopted water resource programs (Source: IX.5, 84). This impact would be less than significant.

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