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July 11, 2016

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State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Matthew Quinn
Division of Water Rights
State Water Resources Control Board
P.O. Box 2000
Sacramento, California 95812-2000

Re: Preliminary Staff Recommendations to Modify Cease and Desist Order WR 2009-0060 (CDO)

Dear Messrs. Marcus, Howard. and Quint:

The Monterey County Business Council (MCBC) agrees with the points made in the comment letter jointly filed June 29th by California American Water Co. (Cal Am), Monterey Peninsula Regional Water Authority (MPRWA), Monterey Peninsula Water Management District (MPWMD) and others.

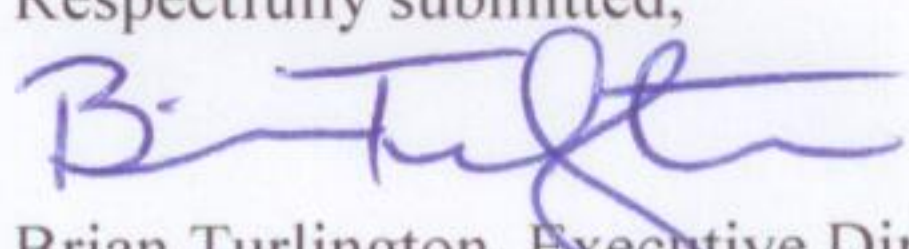
The MCBC is a 501(c)(6) comprised of professionals from business, government, and education devoted to workforce and economic development throughout Monterey County and promotes the concept of private-public partnerships by bringing business experience and techniques to the public arena. Our members and partners represents hundreds of employers and the thousands of families whose living and livelihoods are sustained by those employers, who provide multiple services to our communities and generate millions of dollars in local government revenues. The economic viability of our Monterey Peninsula employers and the quality of life of area residents depends on the State Water Resources Control Board reaching a reasonable decision on amendments to the subject CDO.

Monterey Peninsula residents and employers have invested hundreds of thousands of dollars, perhaps even millions of dollars, in water savings over the last decade and have adopted a strong water conservation ethic. We have saved almost 50% on water use over the last decade. Our water consumption is among the lowest, perhaps the lowest, in California. The Coalition and its members are dedicated to the goal of eliminating illegal pumping from the Carmel River and have worked hard building community consensus toward that end.

MCBC supports the CDO amendments reflected in the request filed April 28th. That filing was based on several years of negotiations with staff. While MCBC is pleased staff agrees with a five-year extension of the CDO deadline, we join the members of the Coalition of Peninsula Businesses (Coalition) in the concerns raised by their July 5th letter addressed to your attention. MCBC is also disturbed that staff deviated from the negotiated agreement in several key areas. Those areas of concern are 1) setting the effective diversion limit (EDL) at 7,990 afa instead of 8,310 afa; 2) virtual elimination of carryover credits for years when the pumping is under the EDL; 3) reasonable disposition of supplemental water rights and acquisitions; and 4) setting Milestone #1 too early in the as-yet uncertain Public Utilities Commission schedule for deliberation and decision on approval of the Cal Am-Groundwater Recharge/Pure Water Monterey water purchase agreement.

MCBC's members and partners' support for the CDO amendments submitted April 28 was contingent on setting the EDL at 8,310 afa and this support is contingent on a reasonable ordering paragraph crediting prior water use. In addition, the proposed wording of ordering paragraph 2, which would limit use resulting from changes of use or zoning to usage over the previous five years or to the MPWMD fixture unit count/allocation is completely arbitrary and would be destructive of job retention or creation, local government revenue generation, and maintaining a healthy and vibrant community.

Accordingly, MCBC joins with the MPRWA, Cal-Am; MPWMD, the Coalition, and others to respectfully request staff to reconsider its recommendations for CDO amendments and revise the recommendations to the original negotiated agreements. Those negotiated condition enjoy support from business, environmental and community groups. It is by adherence to these original agreements that we can protect both the river and that our community can reasonably comply with the amended CDO and avoid the economic disaster of lost business, lost jobs, and lost government revenues that will result from staff's proposed CDO amendment.

Respectfully submitted,

Brian Turlington, Executive Director