

Board Meeting 7-19-16--Item 7
California-American Water Company
Deadline: 7/13/16 by 5:00pm

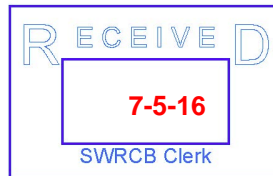
BRC/MJQ
WR 2009-0060

Coalition of Peninsula Businesses

A coalition to resolve the Peninsula water challenge to
comply with the CDO a a reasonable cost

*Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners Association,
Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce,
Monterey County Association of Realtors, Community Hospital of the Monterey Peninsula,
Associated General Contractors -- Monterey District, Pebble Beach Company*

July 5, 2016



Felicia Marcus, Chair
Tom Howard, Executive Director
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

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

Transmitted by fax to 916-341-5400 and by e-mail to Matthew.Quint@waterboards.ca.gov

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

Dear Ms Marcus, Mr. Howard, and Mr. Quint:

The Coalition of Peninsula Businesses, comprised of the organizations and entities listed above, 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 Coalition represents hundreds of employers and the thousands of families whose living and livelihoods are sustained by those employers. Our businesses employ thousands of workers, provide multiple services to our communities and generate millions of dollars in local government revenues. The economic viability of 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 Cease and Desist Order WR 2009-0060 (CDO).

We businesses and residents of the Peninsula 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.

The Coalition supports the CDO amendments reflected in the request filed April 28th. That filing was based on several years of negotiations with staff.

We are delighted staff agrees with a five year extension of the CDO deadline but are 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.

Our support for the CDO amendments submitted April 28 was contingent on setting the EDL at 8,310 afa; we had earlier proposed that setting the EDL at 9,500 afa would be more appropriate (see our letter of February 10, 2016). Our support was and is contingent on a reasonable ordering paragraph crediting prior water use. We agree that there should be no new connections until our water supply is no longer dependent on illegal Carmel River pumping. However, 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.

We beseech staff to reconsider its recommendations for CDO amendments and revise the recommendations to the original negotiated agreements. Only this way can our community sustain compliance with the amended CDO and avoid the economic disaster of lost business, lost jobs, and lost government revenues that will result from an unreasonable amendment of the CDO.

Sincerely,



John Nargi, Co-chair



Bob McKenzie, Consultant