

BRC/MJQ
WR 2009-0060 CDO
STATE WATER RESOURCES
CONTROL BOARD
2016 JUL 11 AM 11:55
STATE WATER RIGHTS
SACRAMENTO

July 7, 2016

State Water Resources Control Board
Attn: Chair Felecia Marcus and SWRCB Board Members
PO Box 2000
Sacramento CA 95812-2000

Dear Esteemed Members,



Regarding the Cal Am Cease and Desist Order (CDO) WR 2009-0060, I have some public comment.

My name is Michael Baer, I have been a resident of the Monterey Peninsula for 32 of the last 34 years, and, like everyone here, have been forced to use California American Water as my monopoly, private, water service provider. Over the last 3 years I have become keenly interested in water use, and have had the good fortune to converse and share information with other residents who are also keenly interested. Some of these residents have decades of institutional knowledge.

I believe the CDO of the last 5 years, has not had the intended effect. Jason Burnett, former mayor of Carmel, took leadership and formed an alliance and a JPA, the Monterey Peninsula Regional Water Authority (MPRWA), commonly referred to as the Mayors' Authority as it was boarded by all six Peninsula mayors. There was no oversight or apparent input from their respective city councils. Essentially they were self-appointed to "go fix it", and the "it" that needed to be fixed was a) avoiding the punishing conditions of the CDO, and b) help secure a new water source to replace the illegal over-drafting of the Carmel River. Mr. Burnett freely admitted in a town hall shortly before the end of his mayoral term that "the one thing the water authority doesn't have, is any authority."

What has happened from my view is that CalAM and the so-called authority, have been working closely together and using the Chicken Little's, "sky is falling, sky is falling" panic line in order to shortcut just about everything in this project, and compress schedules to put the cart before the horse on several aspects.

One of the most glaring is the fact that back in March of this year, CalAM started putting out RFPs for construction, and have accepted the bids, before there is even a draft EIR on the table. According to the CPUC's latest timeline, that document will not be available for public scrutiny before mid-December. The intent was to show progress before your governing body by having the builders all lined up, but

what is also clear is that the plan will have to change substantially as it goes through the permitting process and those bids are likely needed to be substantially reworked if not entirely redone. All at the expense of the water ratepayer, because as I am sure you heard from others, the company doesn't pay for this, they pass it on to us, through the graces of the rate setting and special rebates provided to them by the CPUC, of which there is a long history. Needlessly expensive, but that doesn't punish CalAM one bit. In fact it often adds to their profit.

So, now you have been recommended by staff to relax the CDO for *another* five years, with certain benchmarks for performance. If we get dinged 1000 acre feet for non-compliance, CalAM will claim under-collection of guaranteed revenues before the CPUC again, and ask for a rate increase to cover the shortfall of not being allowed to sell that 1000 acre feet.

The SWRCB absolutely MUST make CalAM executives and shareholders the ones who take it on the chin for non-performance. To be frank, they have been profiting from non-performance for so long, I believe it has developed into institutional incompetence, and that they are literally unable to get it right and build it.

You know of the 3 failed previous projects since 1995 where ratepayers are now paying \$35million in stranded costs. You should also know that Monterey Peninsulans are some of the stingiest water users in the state, averaging 55-58 gallons/day for residential ratepayers. If you want to hold up a stick as an incentive to get CalAM to perform, please, please make sure the stick lands on the hide of CalAM and not on the backs of ratepayers.

I look forward to the results of your July 19 hearing with the keenest of interest.

Sincerely,

Michael Baer
Monterey California

Ps. I have added an enclosure, a 200 word letter to the editor published today. It highlights some of the other problems facing CalAM's desal plant.

Dear Editor,

In truth, there are many ways to solve or not solve problems. CalAM has been unable to solve the problem of developing a new water source for nearly 60 years, including the last 21 years with the state's boot on our collective throats via it's CDO. Not one drop of new water. Yet CalAM profits handsomely from all of these past failures and their stockholders have outperformed the market to a dazzling degree in recent years.

My peeve is that hydrologists cobbled together into the HWG analyzing the test well serve special interests, still led by a man, Dennis Williams of Geosciences, who is also serving his own interest; a clear conflict of interest. That was last summer's story but it is still true today, so whatever is reported about the slant well results is unreliable.

CalAm has no water rights in the Salinas Valley, they are violating laws today that protect our resources. The Herald and the Mayor's Authority ignore that. The Coastal Commission and the County codify that, which is why they are being sued. I am most grateful to Ron Weitzman and WRAMP.

We need a water source that is reliable, equitable and just.

196 Words

Michael Baer

Monterey California