



July 12, 2016

Felicia Marcus, Board 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, CA 95812-2000

RE: Supplement to July 1, 2016 Letter

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

On July 1, 2016, and in accordance with the State Water Resources Control Board's ("SWRCB") Notice of Comment Deadline & Rationale Document for Preliminary Staff Recommendation, Community Hospital of the Monterey Peninsula ("CHOMP") submitted comments on the Preliminary Staff Recommendation ("Preliminary Recommendation") to Modify Cease and Desist Order WR 2009-0060 ("CDO") released by the SWRCB on June 17, 2016. However, I am submitting this supplemental letter to address an additional issue also contained within the Preliminary Staff Recommendation and related to change in zoning or use.

I have concerns that relate to language added in paragraph three of the draft CDO, which pertain to: 1) Reliance upon a five-year water average to set a cap on maximum water use for each property, despite the fact that approved water allocations by the Monterey Peninsula Water Management District are greater; and 2) Restrictions in using property currently owned or acquired for different purposes. On the former, setting a cap on a five-year average doesn't consider broader economic dynamics, like the great recession that lowered demand, benefits of conservation, and investments for future projects based on approved water allocations. Regarding the provision related to a change in zoning or use, these decisions should be left to local governments to make responsible decisions for their communities.

As noted in my July 1, 2016, letter, it is CHOMP's mission as the only hospital on the Monterey Peninsula to meet the changing health care needs of our community and surrounding areas. Few industries are changing as rapidly as health care, necessitating investment in various outpatient services and new locations, including but not limited to, wellness, primary care, and chronic disease and case management services. These

proposed restrictions hamper CHOMP's ability to be nimble in pursuing new health care solutions to meet the ever-changing demands.

On behalf of CHOMP, I respectfully request that SWRCB staff modify its proposed amended CDO by removing these two restrictions, as both severely limit any planned projects on existing or acquired property.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steven J. Packer, M.D.", with a stylized flourish at the end.

Steven J. Packer, M.D.

President & CEO

Community Hospital of the Monterey Peninsula