

Big Sur Carmel-by-the-Sea Carmel Valley Del Rey Oaks Marina Monterey Pacific Grove Pebble Beach Sand City Seaside

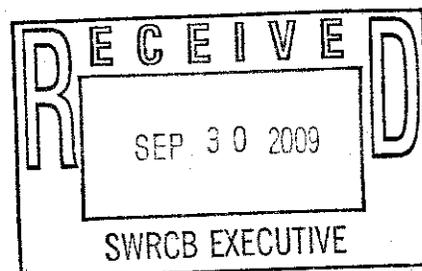


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September 30, 2009

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, California 95812-0100



Re: Comment letter - 10/20/09 Board Meeting Cal Am CDO

Dear Chair Charles Hoppin and Members, State Water Resources Control Board:

The Monterey Peninsula Chamber of Commerce, on behalf of its 900 member businesses and their 27,000 employees, opposes adoption of the September 16, 2009 draft Cease and Desist Order (CDO) against California American Water Company (Cal Am). We urge that you not adopt the CDO.

The water supply reductions in the draft CDO are too steep and too quickly imposed for local residents and businesses to adjust to in the time specified in the draft CDO, and eventually are too drastic to avoid seriously diminishing the quality of life in the Monterey Peninsula area and jeopardizing the ability of local businesses to remain viable and continue to provide goods and services to area residents. The water cutbacks in the draft CDO, when combined with the water cutbacks ordered by the Seaside Basin Watermaster, jeopardize economic vitality and threaten public health and safety.

You have seen evidence that the Peninsula has responded remarkably well to the water use reduction requirements of your Order 95-10 and have embraced water conservation like no other area in California. The combined effects of the CDO and Seaside Basin cutbacks would take our area well below the prosecution teams testimony about the minimum amount of water necessary to avoid threats to public health and safety. The draft CDO would punish Peninsula residents and businesses, the very people and institutions responsible for the remarkable water use reductions already accomplished; that is simply arbitrary and bad public policy.

The Board should take note of how much closer we are to realizing a water supply project than we have ever been. The Public Utilities Commission recently indicated it would certify a Final Environmental Impact Report on California

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American Water Company's Coastal Water Project and the identified alternatives in January of 2010. One of the alternatives, the 'regional water supply project' that is strongly supported by the Chamber and other community organizations, is now the subject of historic multiple Memoranda of Understanding pledging three local government water agencies to cooperate in planning of the components of the regional plan, the centerpiece of which is a desalination plant that would provide enough water to eliminate Cal Am's overpumping of the Carmel River and restore that degraded river to health. Once the EIR is certified, the cooperative effort can begin and Marina Coast Water District, one of the cooperating agencies, has indicated it is ready to begin building the desalination plant as soon as the EIR is certified. As a matter of sound public policy, the Board should acknowledge this progress and defer any additional Carmel River pumping reductions until it is possible to assess the success of the water supply augmentation efforts.

Thank you for allowing us to comment on the draft CDO; we urge that you not adopt the CDO.

Sincerely,

Astrid Coleman
President

Chris Thom
Chair of the Board

Kevin Stone
Government Affairs Chair