

commentletters - "COMMENT LETTER - 10/20/09 BOARD MEETING CAL-AM CDO"

From: "Eric McGrew" <eric@ospreyholdings.com>
To: <commentletters@waterboards.ca.gov>
Date: Tuesday, September 29, 2009 3:12 PM
Subject: "COMMENT LETTER - 10/20/09 BOARD MEETING CAL-AM CDO"

Jeanine Townsend
Clerk to the Board
State Water Resources Control Board
PO Box 100, Sacramento, CA 95812-0100

Please do not adopt the Cal Am cease and desist order. It would bring severe economic hardship to many in Monterey County, including the Hospitality industry and its employees. The hospitality industry is essential to our Monterey County economic base. The adverse effects of adopting the Cease and Desist would be devastating to the economy and our residents.

The Monterey Peninsula has the political will to pursue and accomplish a regional water supply project by 2012. A broad community consensus for the regional water supply plan already exists.

- The State Water Resources Control Board draft Cease and Desist Order against Cal Am would decrease the amount of water available within the Cal Am service area to levels that would prevent the recovery of the Hospitality Industry to a sustainable level of activity.
- The Hospitality Industry is the primary economic driver for the Peninsula.
- The Hospitality Industry generates \$2 billion per year in direct spending, over \$55 million per year in local taxes, and keeps almost 23,000 workers employed.
- 90% of Monterey County's travel and tourism economy is within the Cal Am service area.
- Travel and tourism activity is dangerously low this year – occupancy and spending levels are lower than they were following the 9-11 attacks (per Smith Travel Research, the rolling 12 month average is well under 60%, a level too low to sustain the industry).
- Hospitality Industry establishments and local residents have accomplished tremendous water use savings over the last decade; there simply is not much more we can do for water conservation.
- If SWRCB adopts the CDO, the only option available to the Hospitality Industry is to close rooms, eliminate food service seats, and lay off employees.
- If SWRCB adopts the CDO, regional economic activity will decline, local tax revenues will drop, and local workers will lose jobs. It's as simple as that.

Please do NOT adopt the CDO.

Thank you,

Eric W. McGrew CCIM

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