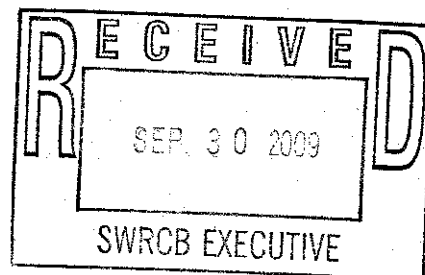


### City of Carmel-by-the-Sea

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September 30, 2009

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



**REF: Cal-Am Draft CDO – Board Meeting 10/20/09**

Dear Ms. Townsend:

The City of Carmel-by-the-Sea joins with our neighboring cities in urging the State Water Resources Control Board not to adopt the draft Cease and Desist Order because of the deleterious effect it would have on our city, as well as that of the entire Monterey Peninsula. Rather, we strongly encourage the Board to delay enforcement of water cutbacks to our area and give us time to develop a viable water supply by 2012.

The economic blow that the CDO would strike to the Cal-Am service area would be lasting and crippling. Already our local hospitality industry is reeling from the economic downturn, so further decreases to the available amount of water to our hotels and inns, restaurants, and tourist-serving attractions could be the fatal strike for many. In addition, this would have serious public health and safety implications for the area.

Tourism on the Monterey Peninsula generates \$2 billion in direct spending, more than \$55 million per year in local taxes and employs about 23,000 people. Should the Board adopt the CDO, the hospitality industry will have no choice but to close rooms, eliminate food service seats, and lay off employees. Declining economic activity, decreased tax revenues and higher local unemployment will surely result.

The City, along with other Peninsula cities, has acknowledged and understands the adverse impacts to the Carmel River habitat caused by water diversions in the Cal-Am system; however, there must be a balance between protecting public health and protecting the environment.

It is imperative that the Board understand that the entire Monterey Peninsula takes water conservation very seriously and we have all done our utmost to save water over the past decade; there is simply not much more we can do in this regard. Indeed, our local residents and businesses have accomplished tremendous water savings over the past 10 years. Developing a regional water supply plan has broad support, and we are working diligently to make this a reality. The City of Carmel-by-the-Sea is committed to this effort.

Adopting the draft CDO at this point is unwise and will only lead to negative results. On behalf of the City of Carmel-by-the-Sea, I urge the Board to accept the recommendation offered by the Public Utilities Commission—namely, to adopt a timeline for water reductions and restrictions consistent with the completion of the new water supply currently under study and consideration by that agency.

Sincerely,

Rich Guillen  
City Administrator

cc: Mayor McCloud and City Council  
City Attorney Don Freeman