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RECEIVED  
CITY OF CARMEL-BY-THE-SEA  
MAY 10 2000

8 CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

9 IN THE MATTER OF WHETHER THE ) DECLARATION OF SUE McCLOUD  
10 DRAFT CEASE AND DESIST ORDER ) IN SUPPORT OF PROPOSED  
11 CONCERNING CALIFORNIA AMERICAN) MODIFICATIONS TO THE DRAFT  
12 WATER'S DIVERSION FROM THE ) CEASE AND DESIST ORDER  
13 CARMEL RIVER SHOULD BE ISSUED )  
14 )

15 I, Sue McCloud declare as follows:

16 1. I am the Mayor of the City of Carmel-by-the-Sea. I  
17 have served as Mayor for five terms. If called as a witness, I  
18 would and could testify competently based upon my personal  
19 knowledge of the following:

20 2. In my capacity as the Mayor of the City of Carmel-by-  
21 the-Sea I am familiar with the City's history, its present  
22 issues and concerns, and its needs and goals for the future.  
23 Additionally, I grew up in Carmel-by-the-Sea and my family was  
24 in business here for 30 years.

25 3. The City was incorporated in 1916 and is one of the  
26 Monterey Peninsula's smallest cities, measuring approximately  
27 one square mile and according to the 2000 census has a  
28 population of 4,081 residents whose median age is 55. The City  
has approximately 2,800 homes. Circa 6% of the City's 640  
acres are within the commercial district while 10% is  
designated open space. We "guesstimate" our annual visitors to  
number around two million. Carmel is primarily a residential

1 community located within an urban forest of approximately  
2 40,000 trees, and is about 99% developed.

3 While it is difficult to predict precisely or  
4 quantify the exact effect of a moratorium, or water rationing  
5 on replacement or remodeling of existing homes and businesses,  
6 if adopted as proposed the draft CDO would have significant  
7 impacts on the City including: A) limiting the development of  
8 affordable housing; B) reducing transient occupancy tax (TOT),  
9 property and sales tax revenues; and C) requiring unattainable  
10 levels of conservation as well as the potential for endangering  
11 the public health and safety of the City's population. The  
12 draft CDO would most likely result in a moratorium in new water  
13 service connections as well as water rationing within the  
14 California-American Water Company (Cal-Am) service area which  
15 would include the City of Carmel-by-the-Sea.

16 4. The opportunities for development in the City of  
17 Carmel-by-the-Sea are essentially limited to replacement and  
18 remodeling of existing buildings, aging housing and commercial  
19 stock and City infrastructure. From 1980 to 1993 the Monterey  
20 Peninsula Water Management District (MPWMD) established water  
21 allocations for the City and other jurisdictions based on Cal-  
22 Am production limits. Since 1993 specific water allocations  
23 are issued to each jurisdiction when new water sources are  
24 developed. Ordinance #70 (Exhibit "A" ) was adopted by the  
25 MPWMD in June 1993 and allocated the City of Carmel-by-the-Sea  
26 15.07 acre-feet from the Peralta Well located within the City  
27 of Seaside. MPWMD Ordinance #73 (Exhibit "B"), adopted in  
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1 February 1995 distributed 4.34 acre-feet to the City from the  
2 MPWMD reserve. That, combined with the pre-Peralta credit of  
3 1.081 acre-feet, gave the City a total allocation of 20.491  
4 acre-feet (Exhibit "C"). Order 95-10 was then issued on July  
5 6, 1995. No water has been allocated to the City since that  
6 time and the City has only 3.151 acre-feet remaining. Of that  
7 amount approximately 1.9 acre-feet of the remaining water has  
8 been allocated by the City to future projects including the  
9 construction of at least fourteen affordable senior housing  
10 units, an amount which would increase affordable units in the  
11 City by almost 10%. This specific project is currently in the  
12 planning process and it is anticipated to break ground this  
13 fall. However, a moratorium would deprive the City of not only  
14 the 14 affordable senior housing units, but also approximately  
15 10 to 12 additional housing units. Thus, construction in  
16 Carmel-by-the-Sea is constrained by the existing water credits  
17 available on each site.

18 5. Operating revenues for the City are based primarily  
19 on property tax, transient occupancy tax (TOT), property and  
20 sales taxes. The TOT comprises 33% of the City's revenue,  
21 while property tax represent approximately 30%, and sales tax  
22 18%. The City receives a significant economic boost when  
23 properties are built/remodeled and subsequently reassessed at a  
24 higher value. The City processes between 50 to 80 building  
25 permits annually that involve either demolition and  
26 reconstruction or substantial alterations. A moratorium or  
27 rationing of water could affect the ability of local visitor-

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1 serving establishments to fully utilize and/or remodel aging  
2 facilities. This in turn would become a deterrent to visitors  
3 who might otherwise choose Carmel as a destination. A loss in  
4 visitors could be expected to result in a loss of jobs within  
5 the hospitality industry and other visitor-serving related  
6 businesses which account for 63% of the City's annual revenues.

7 6. To date, the City of Carmel-by-the-Sea as well as  
8 other district jurisdictions have made significant sacrifices  
9 and gone to great lengths to conserve water. MPWMD  
10 requirements related to conservation are among the most  
11 stringent in the state and exceed requirements of most  
12 districts in the State of California (Exhibit "D"). Within the  
13 MPWMD, residents of jurisdictions must meet, and many have  
14 exceeded, MPWMD conservation goals. Virtually all of the City  
15 slopes toward Carmel Bay and these slopes are replete with  
16 springs and runoff through streets which act as a filtering  
17 agent for groundwater resources. More specifically, our narrow  
18 streets are not paved to their full width, leaving an  
19 undeveloped permeable right of way or linear greenbelt of 10 to  
20 25 feet on each side of the roadway which act as a run-off  
21 filter. Cal-Am and the City have been working to re-commission  
22 fire hydrants throughout the City to improve fire safety when  
23 it was discovered that 29 of our 204 hydrants had insufficient  
24 flows. This program requires upgrading underground water  
25 mains, and in some cases, replacing hydrants. Had a moratorium  
26 or water rationing requirement been in effect this critical  
27 safety measure would have been jeopardized, and because we  
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1 cannot predict what other emergency situations can or may arise  
2 in the near future, such a requirement can be reasonably  
3 anticipated to have the potential for an added detrimental  
4 affect of risking public health and safety. This is  
5 particularly relevant in view of the Basin Complex and Indians  
6 Fires which as of July 7<sup>th</sup> have consumed some 150,000 acres and  
7 are still burning to the south of our boundaries with a  
8 potential threat to the east in Carmel Valley.

9 I declare under a penalty of perjury under the laws of the  
10 State of California that the foregoing is true and correct, and  
11 that this declaration is executed this 7th day of July, 2008 at  
12 Carmel-by-the-Sea, California.

13  
14 Dated: July 7, 2008

  
15 SUE MCCLLOUD

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