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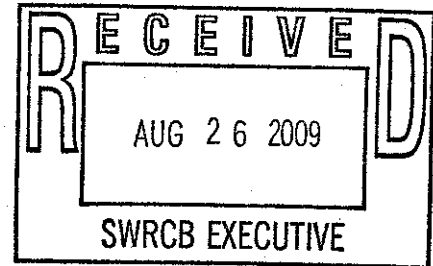
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August 26, 2009

Charles Hoppin, Chair
State Water Resources Control Board
Joe Cerna Jr./Cal-EPA Building
1001 I Street, Second Floor
Sacramento, California 95814



Re: Comments on the July 27th Draft Cease and Desist Order WR 2009-00XX
Workshop September 2, 2009

Dear Chair 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 July 27, 2009 draft Cease and Desist Order (CDO) against California American Water Company (Cal Am). 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, without serious diminution of the quality of life in the Monterey Peninsula area and without jeopardizing the ability of local businesses to remain viable and continue to provide goods and services to area residents. In short, the draft CDO would jeopardize economic vitality as well as 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. The gallons per day per person water consumption on the Peninsula is under 70, well below the 75 gallons per day per person the prosecution team offered as the minimum amount of water that would avoid danger 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 bad public policy.

The draft CDO takes the water use savings accomplished in the last decade to propose a reduction in the baseline Carmel River pumping established in Order 95-10 (from 11,285 acre feet annually - afa - to the proposed new baseline of 10,978 afa); that is punishing the Peninsula for its good behavior and is arbitrary, to say the

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least. This reduction would necessitate a rewriting and recalibration of Peninsula water conservation and rationing rules, which seems an extraordinary penalty for the additional amount of water, 307 afa, saved.

The draft CDO does not take meaningful notice of the significant gradual water supply reductions imposed by the Seaside Basin Watermaster. The combination of the Seaside Basin reductions and the proposed Carmel River reductions would be devastating to public health and safety.

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 American Water Company's Coastal Water Project and the identified alternatives. One of the alternatives, the so-called regional water supply project that is strongly supported by the Chamber and other community organizations, is now the subject of multiple Memoranda of Understanding pledging three local government water agencies to cooperate in the planning of components of the regional plan. Once the EIR is certified, the cooperative effort can begin. We have never been this close to realizing a source of water that can legalize Cal Am's water supply, but 2016 is a realistic forecast of when a new supply project could be operational. As a matter of policy, the Board should acknowledge this progress and defer any additional Carmel River pumping reductions until, say, 2016 when it will be possible to assess the success of the current water supply augmentation efforts.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Astrid Coleman".

Astrid Coleman
President

A handwritten signature in cursive script, appearing to read "Chris Thom".

Chris Thom
Chair of the Board

A handwritten signature in cursive script, appearing to read "Kevin Stone".

Kevin Stone
Government Affairs Chair