

Monterey Peninsula Airport District

FILE

200 Fred Kane Drive, Suite 200 Monterey, CA 93940 (831) 648-7000 (831) 648-7026 FAX

Board of Directors

Executive Staff

Robert De Voe Chairman Richard D. Searle Carl Miller William Sabo Thomas E. Greer General Manager Charles R. Hayes District Secretary David Willoughby District Counsel

May 30, 2008

Division of Water Rights
State Water Resources Control Board
Attention: Paul Murphey
P.O. Box 2000
Sacramento, CA 95812-2000

SUBJECT: Policy Statement on California American Water Cease and Desist Order Hearing

Dear Members of the Board:

The Board of Directors of the Monterey Peninsula Airport District wishes to formally state its opposition to your proposed Cease and Desist Order concerning California American Water (Cal-Am) and the Carmel River.

When your agency created Order 95-10, it also approved rights to a replacement water supply for the Monterey Peninsula. That project, a new Carmel River Dam, never came to fruition for a variety of reasons but largely due to objections by other government entities such as California Department of Fish and Game and NOAA fisheries.

Since that time, leaders on the Monterey Peninsula have worked hard to find a solution to our water problems while our citizens have paid the price for countless political and permitting delays. Not only is our water consumption among the lowest in the state, with every customer of Cal-Am held to individual water "allotments", and property owners obligated to prove existing water "credits" or join long languishing waiting lists, our ability to grow and develop has been severely hampered. In fact, the water situation on the Monterey Peninsula has imposed a de facto moratorium on growth that is unique in California.

The State Water Resources Control Board would better serve the people of the Monterey Peninsula if it would use its authority to compel a new water supply project to achieve a coordinated, streamlined approach among the California Public Utilities Commission, California Coastal Commission and others.

With recycled water projects, low-flow fixture requirements and a highly confiscatory water rate structure already in place in this community, we simply cannot make up 70% of our water supply through conservation. If implemented, the Cease and Desist Order would cause undue harm to our local economy – not to mention our basic health and safety. Without an imminent water project, this order is poor policy. We urge you to direct your energies to helping implement a solution, rather than enforcing a supply deficit never conceived by the authors of 95-10.

Thank you for considering our view in your decision making process.

Sincerely,

Robert DeVoe Chairman

cc: California American Water Board of Directors