

Good afternoon chair and members of the board:

I am Sue McCloud, Mayor of Carmel-by-the-Sea. I would ask that the 4 Carmel Council members who are here with me stand to show their support of these remarks. There are several Monterey Peninsula Mayors present this afternoon as well and 3 of us have City Council meetings today. It would therefore be appreciated if they could speak following me.

We understand that today's session is to deal with policy statements. However, it is very difficult to focus on policy when no determination has yet been made whether Cal-Am is in violation of Order 95-10 and if so, to what degree. Once that determination has been made, we would then be in a position to weigh in.

Our concern is procedural: first determine if Cal-Am is in violation; then ask the public and the cities how this would affect them; and then and only then ask for policies that would address reasonable remedies. Assemblyman John Laird, sent you a very thoughtful letter on March 25 which also outlines a two step process: namely, to defer consideration of the draft order until the various studies and EIRs undertaken by the PUC are completed and for the Board to fully coordinate with other state entities to help the community find the least costly and most environmentally beneficial solution.

This Peninsula is a one crop economy, and that is tourism, which accounts for the majority of our revenues. In turn, there are many in Monterey, Santa Cruz and San Benito counties who derive their income from working in our tourist industry. Thus, their jobs will be adversely affected by any drastic reductions without a new water source.

If we are facing rationing and a moratorium on hookups, if we are facing a loss of jobs in the tri-county area due to drastically reduced water supplies, if we need to address the resultant pain and suffering of our residents, we will all have to work collaboratively to develop the policies to address your concerns as well as those of the community.

For our part, Cal-Am customers have voluntarily conserved water and in the process we have earned the title of top per capita conservers in the state. There is probably little additional water to be saved via conservation.

The Monterey County Mayors' Association wrote you on March 20 opposing the CDO which "will have a very severe 'domino effect' on the economic well-being of this large County". It asked that the formal hearings planned for June be held here locally.

In conclusion we endorse Assemblyman Laird's two priorities and ask also that you not enact the CDO with its adverse economic and social impacts, but that you first determine if there has been a violation of Order 95-10 and then allow us

the time necessary to develop policies and to spend our time and resources to bring new water sources online.

Thank you.

DRAFT

I am Sue McCloud, Mayor of Carmel-by-the-Sea, and I would ask that the Carmel Council members who are here with me stand as they support these remarks as well. There are several Monterey Peninsula Mayors present this afternoon and as 3 of us have City Council meetings today, it would be appreciated if they could speak following me.

The City of Carmel understands that today's session is to deal with policy statements. However, it is very difficult to focus on policy when no determination has yet been made whether Cal-Am is in violation of 95-10 and if so, to what degree. Once that determination has been made, we would then be in a position to weigh in.

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Assemblyman John Laird wrote you a very thoughtful letter dated March 20th. The Monterey County Mayors' Association wrote you on March 20 opposing the CDO which "will have a very severe 'domino effect' on the economic well-being of this large County". It also asked that the formal hearings planned for June be held here locally. We urge that you not enact the CDO with its adverse economic and social impacts, but that you first determine if there has been a violation of 95-10 and then allow us the time necessary to develop policies and to spend our time and resources to bring new water sources online.

Thank you.