Coalition of Peninsula Businesses

A coalition to resolve the Peninsula water challenge to comply with the CDO at a reasonable cost

Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners Association, Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce, Monterey County Association of Realtors, Community Hospital of the Monterey Peninsula, Associated General Contractors – Monterey District, Pebble Beach Company

February 10, 2016

Tom Howard Executive Director State Water Resources Control Board 101 I Street Sacramento, CA 95814

Re: Application to Modify State Water Board Order WRO 2009-0060 (Cease and Desist Order)

Dear Mr. Howard,

The Coalition of Peninsula Businesses represents thousands of businesses employing tens of thousands of workers and residents on the Monterey Peninsula. Our membership includes the Monterey County Hospitality Association, Monterey Commercial Property Owner's Association, Community Hospital of the Monterey Peninsula, Monterey County Association of Realtors, Monterey Peninsula Chamber of Commerce, the Chambers of Commerce for Carmel and Pacific Grove, Pebble Beach Company and Association of General Contractors-Monterey District.

The Coalition supports the efforts of California American Water, the Monterey Peninsula Regional Water Authority and the Monterey Peninsula Water Management District to modify the Cease and Desist Order. We wish to underscore that our community is united in the commitment to reduce our reliance on the Carmel River and develop an alternative water supply.

However, we believe the modification is too stringent in its proposed cutback levels, which seek to limit production from the Carmel River to 8,761 acre feet in 2016 and 8,310 acre feet in 2017.

We understand that production from the River in this past water year was 7,228 acre feet, well below the new proposed limits. But, we think it's important you carefully consider our community's use of water in past years by setting reasonable limits.

In 2000, when the local economy was stronger and hotel occupancy rates were at an average of 80%, calendar year production from the Carmel River was 11,050 acre feet. Since that time, much has changed. Conservation measures have advanced and we have all learned to live with less water.

We understand that returning to a production level of 11,000 acre feet is unrealistic and that achieving a modification to the order will require us all to do our part to use less water. Nevertheless, we believe 8,000 acre feet is too low.

Production limits should allow for a gradual increase in hotel occupancy rates and improvement in the local economy. Water demand in 2015 was exceptionally low due to public sensitivity to drought conditions, which is likely to change if we receive the El Nino weather pattern predicted this year.

The Coalition of Peninsula Businesses believes the best approach is to look at average production over a ten year period (2004-2014) to determine what the appropriate cutback in year one of a modification order should be. The chart below shows the average Carmel River production for the 2004-2014 period is 9,453 acre feet.

WATER YEAR	CARMEL VALLEY WELL PRODUCTION
2004-05	10,674.61
2005-06	10,540.89
2006-07	10,443.51
2007-08	10,658.91
2008-09	10,467.72
2009-10	9,785.50
2010-11	8,558.92
2011-12	7,646.07
2012-13	8,007.77
2013-14	7,743.53
AVERAGE	9,452.74

Please consider 9,500 acre feet per year as a more appropriate starting point for additional cutbacks on the River. Our community should be recognized for the remarkable conservation we have achieved to date and not be held to production levels that are too low to meet the demands of our local economy and way of life.

If you have any questions, please contact our consultant, Bob McKenzie, at 831-596-4206 or jrbobmck@gmail.com.

Sincerely,

Bob McKenzie, Consultant to the Coalition of Peninsula Businesses

cc: Barbara Evoy John O'Hagan Mariana Aue Felicia Marcus Frances Spivy-Weber Tam Doduc Steven Moore Dorene D'Adamo Anthony J. Cerasuolo Robert E. Donlan Andrew Homer Russell M. McGlothlin David C. Laredo Thomas H. Jamison

John Narigi, Co-Chair, Coalition of Peninsula Businesses