January 15, 2013

The Honorable Gary Weatherford Administrative Law Judge California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Submitted by staffat 1/30/13 Board meeting. Item 18

SUBJECT: MONTEREY PENINSULA WATER SUPPLY PROJECT - PUBLIC PARTICIPATION HEARINGS

Dear Judge Weatherford:

California American Water (CalAm) presented updated information at the public participation hearings on January 9, 2013 in Monterey. New demand numbers were provided including 1,181 AFY for lots of record.

Assembly Bill 1182 establishing the CPUC's role in decisions related to a water supply project for the Monterey Peninsula required the Commission to prepare a study for a water supply project to <u>replace</u> water for illegal extractions from the Carmel River. The subsequent study (Plan B) similarly called for <u>replacement</u> water only. The Coastal Water Project and the now defunct Regional Desalination Project were all based on replacement water to meet regulatory requirements only. Meeting regulatory needs first has been a consistent position of all the major interests on the Monterey Peninsula and is consistent with the LWVMP position which supports a water supply to meet existing customers' needs first. CalAm should be required to address why the proposed project differs from previous decisions.

The Monterey Peninsula Water Management District's 1998 report on water requirements for legal lots of record showed that 688.64 AFY would be required to supply water to 1,783 legal lots of record. Final Report to the MPWMD Board, p. 23. This is 492 AFY less than currently planned. While the 1998 report should be updated, it is reasonable to expect that the actual number of legal lots requiring water would have declined due to water constraints on the Monterey Peninsula. CalAm should be required to identify the source of its projections for water for lots of record and provide related data.

Finally, providing water for growth will complicate the environmental review process and open up additional avenues for challenge to the environmental impact report. For example, traffic from lots of record when combined with traffic from past, present and probable projects will have a significant cumulative impact on a road network already operating at Levels of Service (LOS) E and F where most jurisdictional standards call for LOS C or D. The need for mitigation measures will further complicate the environmental review process and result in delays for the project which is already one year behind schedule.

Thank you for your consideration.

Sincerely,

s/Beverly Bean

Beverly Bean President