

Carmel Valley Association

Carmel Valley, California
www.carmelvalleyassociation.org

Mr. David Stoldt
General Manager
Monterey Peninsula Water Management District
5 Harris Court
Monterey, CA 93942-0085

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DEC 12 2011

MPWMD

Dear David:

As you are probably aware, CAW has requested the go-ahead to undertake some of its capital projects associated with RDP. DRA has recommended denial while describing the current state of turmoil surrounding the project. DRA describes the uncertainty that the project will proceed as approved by CPUC and notes that major changes in the project could render some of the proposed capital work unnecessary or inappropriate.

CVA Water Committee (CVAWC) supports DRA's goal of preventing CAW expenditures that are linked to the desal plant which is uncertain in both size and location, while endorsing MPWMD's position of allowing CAW to proceed with facilities that would be used to enable the ASR to be used at its full permitted capacity.

In reading the DRA response filed 11-14-11, CVAWC felt that the DRA response was particularly helpful in that it clearly informed the Commission that the RDP needs to be re-examined in comparison to alternatives. DRA states:

DRA recommends that the Commission issue a new scoping ruling that will allow for a full examination of the Cal Am facilities under different project scenarios for a full examination of the Cal Am facilities under different project scenarios.

This strong and supportive position by DRA provides a positive opportunity for MPWMD. CVAWC thinks that MPWMD is in the best position to manage such an examination in conjunction with DRA and suggests that MPWMD view this opening as a chance to obtain financing that would enable a more comprehensive and definitive Contingency Plan than the current MPWMD effort.

Clearly, the contingency planning element of the Regional Plan is deficient as it indicated that the contingency response would be to continue the illegal pumping from the Carmel River. MPWMD should make this point to CPUC and state the reasons that implementation of the Regional Plan is in doubt and that the need for a contingency plan is very real and not just a compliance detail. MPWMD should propose a scope of work to CPUC along with a time line and budget estimate. It would be reasonable to request that the funding come from the same

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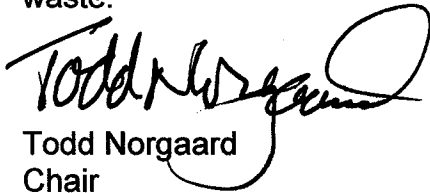
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source as funding for the Regional Plan /EIR

We would like to explore with you the steps that CVA can take to encourage a petition to CPUC endorsing the DRA position on Regional Desalination Project review and for MPWMD to develop a scope of work and a proposal to provide the management and staff support for the oversight and reexamination the DRA is recommending.

We are concerned that it might take forever to put together a workable coalition that involves the cities and that perhaps it will never happen. Therefore, the best alternative is for MPWMD to move ahead expeditiously. Considering the threats that face the RDP and the inexorable schedule demands, there is no time to waste.



Todd Norgaard
Chair



Roger Dolan