

Arlene Tavani

From: Larry Parrish <lparrish@toast.net>
Sent: Wednesday, January 23, 2019 1:39 PM
To: Arlene Tavani
Subject: re: FW: MPWMD Rule 19.8 Listening Sessions

Dear MPWMD Board members -

I made some comments at the Carmel listening session, but all of you weren't there and I would like to pass along my comment on feasibility. And this is it:

When considering the matter of feasibility, I think it's imperative that you consider not only the feasibility of public ownership of our water system, but the prospect of retaining Cal-Am and whether that's feasible or not? There are only two scenarios - public ownership by MPWMD, or retaining Cal-Am. And both situations should be examined thoroughly. And then determine which scenario is more beneficial to ratepayers.

Cal-Am wants to build their desalination plant - but to state it plainly - that project is NOT SUSTAINABLE, if Cal-Am builds it. Ratepayers are currently paying the highest costs in the country for their water. A Cal-Am desal plant would probably double the costs on your water bill, as projected by some forecasters. What would happen then? People would naturally use less water, of course, just as they did during the drought. This would further raise the price of water, and diminish the demand for water. This would likewise raise the cost of water, and on and on. This would spiral the price of water so high that it would be unaffordable for many ratepayers. That's not feasible. But Cal-Am would still want their revenues anyway, (as we have seen before), for water that was never delivered and never used. That's not a sustainable, or even rational, scenario.

And if the desalinated water is two or three times the cost of water obtained from other sources (like the Pure Water Monterey project) would Cal-Am try to sell us the more expensive desalinated water, or sell us the cheaper water? Would they have to reduce pumping from the desal plant? Probably. Would they have to shut down the plant? A likely scenario. That's exactly what happened in Santa Barbara, and their plant was shut down for about 25 years. But if the Cal-Am plant shuts down, we would still have to pay for it, wouldn't we. That's not sustainable, and that's not feasible. In fact, it's a little crazy.

Measure J didn't require such an examination as I am asking for, but there is no reason why the MPWMD couldn't include that prospect in their analysis. Would it be feasible to remain under Cal-Am ownership? I don't think so!

Thank you for your attention.

Sincerely,

Larry Parrish