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MPWMD

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, Associated General Contractors-Monterey Division, Pebble Beach Co., Community Hospital of the Monterey Peninsula

September 16, 2019

The Honorable Molly Evans, Chair, and Board
Dave Stoldt, General Manager
Monterey Peninsula Water Management District
P. O. Box 85
Monterey, California 93942

Transmitted by fax to 831-644-9560

Re: Item 9-A, *Supply and Demand for Water on the Monterey Peninsula*

Dear Ms Evans, Board Members and Mr. Stoldt:

The Coalition of Peninsula Businesses finds a number of things about the report, *Supply and Demand for Water on the Monterey Peninsula*, troubling. In fact, the report appears to be a 'dressed-up' version of arguments MPWMD made to the CPUC before, and rejected by the CPUC in, its final approval of the Monterey Peninsula Water Supply Project. This report seems to constitute a 'second bite at the apple' now that the Supreme Court rejected all appeals, including MPWMD's, of the CPUC decision approving the Monterey Peninsula Water Supply Project. As a consequence, the report deservedly lacks credibility.

The 'Principal Conclusions' reached are problematic.

The first 'conclusion' contradicts a number of the CPUC findings of fact' in its decision approving the Monterey Peninsula Water Supply Project. A sampling of those contradictions follows:

- 19. PWM expansion alone fails to provide a sufficient supply ...[or] sufficient supply flexibility or reliability...;
- 25. Construction and operation of the MPWSP will allow Cal Am to meet reasonable demand..., provide a reliable and secure supply, include a reasonable "buffer" against uncertainties, and satisfy all other reasonable

needs;

- 73. There is a need for additional water supplies, over and above any water savings that can be accomplished through conservation, use of recycled water or other purchased water.

The CPUC approval was based on objective standards following CPUC General Order 103b (written into law in the California Code of Regulations at Waterworks Standards) and AWWA standards for sizing water supply projects. How do the assertions in this report meet those important standards for supply, reliability and flexibility?

The second conclusion is that either water supply option is sufficient to lift the CDO. The CDO specifies it shall remain in effect until a) Cal Am certifies, with supporting documentation, that it has obtained a permanent supply of water [to reduce Carmel River pumping to the legal limit] and b) the Deputy Director for Water Rights concurs.... Given that the supply option that does not include a desal plant does not and cannot comply with the standards mentioned above (including sufficiency, reliability, flexibility) and since the CDO is issued against Cal Am, how can the District assert with any confidence that it can secure a lifting of the CDO based on non-existent evidence of a "permanent" water supply to serve Peninsula water needs?

The fourth conclusion is that 'several factors' contribute to pressure on (sic) decreasing per capita water use. As mentioned earlier, the CPUC rejected this argument by stating in "finding of facts" point 29 that "the assertions by some parties [importantly including MPWMD] that the downward trend in water use in the District will continue ...are not convincing."

The third conclusion that the long-term Peninsula water needs may be less than thought is problematic on several levels.

- Report calculations of water needed for legal lots results in a trivial reduction in overall demand (by the way, the updated water use factors incorrectly list multi-family use at 1.2 AFA instead of .12 AFA) so are not of much concern.
- Reducing the 'tourism bounceback' needs from 500 AFA (the need used in the CPUC approval, and once agreed to by MPWMD - that helped develop that figure) without adequate discussion or documentation is unacceptable. It is also unacceptable to label this figure as due to 'tourism bounceback' as it actually represents a figure for economic recovery of all sectors of the Peninsula economy including recovery of lodging levels to prior highs. Again, this reduction was presented to the CPUC and rejected in its final approval.

- The Pebble Beach Co. entitlement to 345 AFA is a matter of law and not subject to ex post facto tinkering.

We urge the District to reject this analysis of Peninsula water demand and supply. We need a desal plant as approved by the CPUC as the only means of obtaining a sufficient, stable, secure and sustainable water supply which even an expanded Pure Water Monterey (soon to be in double default without any "transparent" explanation to the public) and drought failure-prone Aquifer Storage and Recovery will not provide.

Sincerely,



Jeff Davi, Co-chair



John Tilley, Co-chair