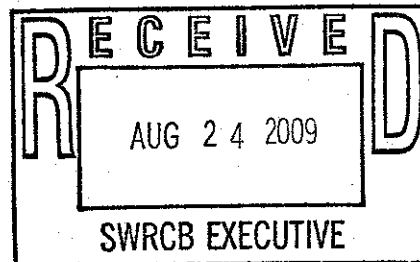




August 24, 2009

VIA ELECTRONIC MAIL TO:
COMMENTLETTERS@WATERBOARDS.CA.GOV

Ms. Jeanine Townsend
Clerk of the Board
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814



RE: Cal Am CDO Hearing Workshop

Dear Ms. Townsend:

The Crossroads Shopping Village has been a long standing member, supporter and contributor to the business community here on the Monterey Peninsula for over 30 years. We are extremely concerned about the long term and irrevocable effects that the current terms of States' CDO will have on both the livelihood of our 50 local shop owners and over 300 employees who are also residents of this Peninsula.

If adopted in its current form the draft order would require an additional 25 percent reduction in water use. The draft order would require local households to reduce water use to between 30 and 50 gallons per person, per day. The Monterey Peninsula has already proven that it leads the state in water conservation, and many residents have already lowered their water use to a minimal level. The current draft order does not take into consideration the benefits our positive conservation practices thus far and while it may be reasonable to ask families who use 200 gallons per person per day to reduce their use by 25 percent, 25 percent is a significant impact and hardship to customers in Monterey area where the average residential customer uses only 70 gallons per day.

Furthermore, the order assumes that additional water savings can be obtained by replacing old leaking pipes and adding pipes and systems for reuse of gray water. Our local water supplier, California American Water Company ("Cal Am") has analyzed these measures (reuse, leak reduction, etc.) and estimate they will cost in the hundreds of millions of dollars and may still not achieve the goals of the draft Cease and Desist order. That means that additional measures would be necessary including but not limited to elimination of outdoor watering, installation of flow restrictors and other measures are likely. And again, all of these improvements will not produce any new water but will significantly increase customers' bills. Cal Am feels that meeting these measures will be difficult and place an undue burden on our customers.

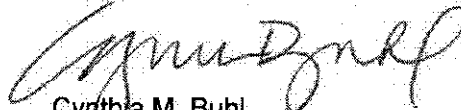
Cal Am has recommended that the focus shift to the work they have already embarked upon with local agencies to build and launch a new water supply solution in the near-term. The project is undergoing critical environmental and economic review at this time. A final environmental impact report is expected on September 30, 2009 with certification to follow in December 2009 or January 2010. We expect to begin work in early 2010.

Therefore, we respectfully request that you reconsider the language proposed in the draft CDO and work with our local agencies to develop a program that reasonably protects residents and businesses now and addresses the need for a new water source moving forward.

Thank you.

Sincerely,

CARMEL VALLEY PARTNERS

A handwritten signature in cursive script, appearing to read 'Cynthia M. Buhl', written in dark ink.

Cynthia M. Buhl
General Manager