

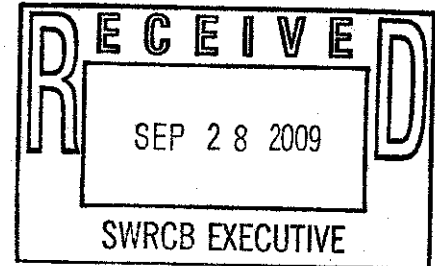


## CITY OF PACIFIC GROVE

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September 28, 2009

Chair Charles R. Hoppin  
State Water Resources Control Board  
Joe Serna, Jr./Cal-EPA Building  
1001 I Street, Second Floor  
Sacramento, CA 95814



Subject: Revised Draft SWRCB Cease and Desist Order WR 2009-00XX in the Matter of the Unauthorized Diversion and Use of Water by the California American Water Company

Chair Charles R. Hoppin and Members of the Board:

This letter presents comments of the City of Pacific Grove on the Revised Draft SWRCB Cease and Desist Order (CDO) issued on September 16, 2009, relating to the unauthorized diversion and use of water from the Carmel River in Monterey County.

The City feels compelled to raise its voice in concern regarding the devastating economic impact the City may experience from enforcement of the proposed CDO in its present form. The threat to our City's tax base, its residents and a key segment of our business community – the hospitality sector – poses an unacceptable threat to health, safety and welfare of our citizens. Extraordinarily low travel and tourism levels this year are already threatening sustainability of many businesses. Implementing the draft CDO could prevent the full recovery of the industry.

The revised draft CDO may inhibit operation of our municipal golf course. This would interfere not only with the source of revenue used to repay municipal bonds issued in reliance upon continued play at the course, but it also threatens our City budget which is partially dependent upon golf revenue to fund vital public services.

The harm our City budget is not the only impact, however. Golf Course lands have been transferred to the City with the expectation and requirement that dune habitat will be restored. Golf course revenues are essential to fund this work. The draft CDO will prevent irrigation of our

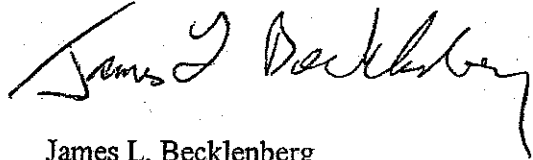
course, and eviscerate those revenues. The revised draft CDO fails to balance impacts such as those imposed upon the City with any advantage that may result from reduced water use.

The golf course is the City's most important economic asset. We have taken great measures to reduce water demand on its course, but the draft CDO represents a death sentence... not only for the golf course, but perhaps for the City due to its perilous financial condition caused by an already weakened economy.

Footnote 36, at page 43 of the revised draft CDO, clarifies that "The State Water Board recognizes that the actual amount of water saved by reducing the quantity of water for outdoor use may be greater or less than 100 af and that the quantity saved in any given year may be more or less than 12 af." As such, it may be inferred that the amount of landscape irrigation meant to be saved by the revised draft CDO relates to ornamental water use; this is a far cry from interrupting, and essentially confiscating, an ongoing business enterprise.

The City respectfully requests that the SWRCB clarify its draft CDO so that the City may continue operate its municipal golf course, and thereby to meet the financial obligations that have been made in reliance upon that continued enterprise.

Respectfully submitted,



James L. Becklenberg  
Acting City Manager  
City of Pacific Grove

Enclosures

Cc: Jeanine Townsend  
Clerk to the Board  
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