



**CARMEL  
INNKEEPERS  
ASSOCIATION**

P.O. Box 1362, CARMEL, CA 93921

**Testimony of Carrie Theis  
President of the Carmel Innkeepers Association**

**April 1, 2008**

**Members of the State Water Resources Control Board (SWRCB):**

I am here today to represent the interests of the forty-three Hotel, Inn, and Bed & Breakfast owners of Carmel-by-the-Sea. We respect the SWRCB's intentions to accelerate and ensure California America Water's (CAW) progress towards compliance with Water Rights Order (WRO) 95-10. However, we respectfully request that the SWRCB not do so with such a financially disastrous, unrealistic, and unachievable schedule as you have proposed in your Draft Cease and Desist Order.

We support the approach outlined in Assemblyman John Laird's letter to the SWRCB on March 25, 2008. We understand that the SWRCB is required to set timelines with consequences for non-compliance so that the problems identified in WRO 95-10 can finally be remedied. As such, the SWRCB has a responsibility to work with CAW and the community to set reasonable deadlines and milestones. The SWRCB should not take unreasonable measures to ensure compliance, which will unfairly damage the interests of the local community, its businesses, and our economy.

The SWRCB should set reasonable and achievable timelines, which do not punish the business community, who have always been supportive of adopting any environmentally and economically sound new water project. The hoteliers of Carmel-by-the Sea have not contributed in any way to delays in selecting a solution to respond to WRO 95-10.

The SWRCB should recognize that according to water use statistics available from CAW, businesses in general, and the hospitality industry in particular, have achieved a reduction in water use greater than that required in the initial WRO 95-10 (~30% for hospitality related industries vs. the 20% required). Therefore, the SWRCB should acknowledge that we have been doing our share to minimize impacts to the Carmel River's ecosystem, and to reduce



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our share of the illegal diversions to the utmost degree that is technically feasible, without closing our businesses. Our association's members comply with all the Monterey Peninsula Water Management Districts (MPWMD) regulations on water use, and additionally cooperate with CAW's and MPWMD's programs to encourage voluntary reductions in water use by our guests. We do this through the use of in-room information cards that encourage our guests to reuse towels and forgo the daily changing of bed linens. Our hotels have also been voluntarily installing low-flow shower heads and low-volume toilets as replacements or upgrades, even when not legally required to do so. These efforts have resulted in significant reductions in our water usage.

I need to make it unequivocally clear to the SWRCB that our association members cannot continue to keep their doors open for business, while incurring the reductions in water availability that are proposed by the Draft Cease and Desist Order. This is especially true in combination with reductions already required under the existing Seaside Groundwater Basin Adjudication. The SWRCB is expecting that we will be able to accommodate a net total reduction in Carmel River water use from historic levels of 32%, 36%, 48%, and finally 60%. Our industry cannot absorb 32-60% reductions in water usage before any new water project produces a single drop of water, yet somehow miraculously remain in business. This expectation is quite clearly unrealistic and cannot be sustained without bankruptcy or the closure of many businesses. Instead we may well be forced to exceed any reduced water allotments we are given in order to remain in business and pay our expenses. Many local businesses have only just begun to recover from the severe tourism crashes that occurred as a consequence of the national disaster of 9/11/2001. They cannot financially afford to forgo selling rooms to avoid exceeding their share of the future severe reductions in potable water production the SWRCB appears to be proposing for CAW.

As pointed out by Assemblyman Laird, the SWRCB needs to be more rational and reasonable in developing deadlines and water use reduction penalties for CAW. The SWRCB needs to take into account the regulatory delays imposed on CAW by other State agencies, particularly the California Coastal Commission and California Public Utilities Commission, as well as



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the concurrent reductions in potable water from the Seaside Groundwater Basin resulting from the recent court adjudication. With all these competing agencies, the courts, and their regulations and timelines in play, it is completely irrational to expect CAW to have any project addressing WRO 95-10 operational, until after the Draft Cease and Desist Order will have already imposed a 50% reduction in Carmel River diversions. The combined effect of the Draft Cease and Desist Order will be to reduce the water available to the community by 60% since 1995! I fail to see how the SWRCB can claim that such a schedule is reasonable, feasible or equitable, and sincerely request that you reconsider your draft decision and work with the municipalities to create a solution that is feasible.

Thank you for your time and attention.

Sincerely,

Carrie Theis  
President