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California State Senate

ABEL MALDONADO
FIFTEENTH SENATE DISTRICT

March 31, 2008

Tam Dudoc, Chair
State Water Resources Control Board
1001 "I" Street
Sacramento, CA 95814

Dear Chair Dudoc & Board Members:

I am writing to request that the Board not move forward on the draft Cease and Desist Order (CDO) related to diversion of water from the Carmel River by California American Water (Cal-Am).

If the Board adopts this order, the consequences could be devastating to the local economy, which is focused on the tourist industry. The operation of numerous hotels and restaurants that serve the visitors to the area will be severely impacted. This regulatory action will add to the economic hardship already being experienced by these businesses due to the softening economy.

Furthermore, the health and safety of the 38,000 Cal-Am customers on the Monterey Peninsula will be put at risk if this order is adopted. The schedule for reducing Cal-Am's diversion of water from the Carmel River is extremely aggressive and would seriously jeopardize the ability of Cal-Am to serve its customers as it is mandated by the California Public Utilities Code as a regulated utility.

If increased conservation is the goal of the CDO, the Board must recognize that Cal-Am in partnership with the community has already made significant strides in water conservation. According to a 2006 survey, Monterey Peninsula customers had the lowest per capita water use of any urbanized area in California. In fact, Cal-Am consistently exceeds the conservation schedule outlined in Order 95-10.

It also appears that this order is not justified. While the draft CDO is based on the premise that Cal-Am has failed to meet condition 2 of the Order 95-10 the actions of Cal-Am dispute that claim. For instance, initially a dam project was proposed, which was

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rejected by the voters. Subsequently in 1998, the Legislature passed and the Governor signed Assembly Bill No. 1182 directing the California Public Utilities Commission (PUC) to develop an alternative to the dam project. Eventually, the PUC recommended a desalination plant located at Moss Landing. Cal-Am has been diligently moving forward on that project since the PUC made its recommendation. In addition, Cal-Am is actively participating with other stakeholders, including the PUC, on studying alternatives to the Moss Landing desalination project and procuring new sources of water.

While I do support restoring the health of the Carmel River, I cannot support this regulatory action at the expense of the residents and businesses of the Monterey Peninsula. Subjecting the community to the extremely detrimental effects of the CDO is unwarranted in light of the fact that Cal-Am is meeting the conditions of Order 95-10 and is engaged in efforts to end the excess diversions from the Carmel River while still providing the necessary water to its customers. It is only the lack of a sense of urgency by other regulatory agencies that has prevented Cal-Am from showing more progress on ending its excess diversions. The community should not suffer do to the failings of state agencies.

Thank you for your consideration.

Sincerely,



ABEL MALDONADO
Senator, 15th District

AM/rg