

## **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, Community Hospital of the Monterey Peninsula, Associated General Contractors – Monterey District*

---

March 17, 2017

Ms. Kathy Mrowka  
Mr. John O'Hagan  
Ms. Marianna Aue  
Mr. Les Grober  
State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-0100

Dear Ms. Mrowka, Mr. O'Hagan, Ms. Aue and Mr. Grober,

We, the Coalition of Peninsula Businesses, have followed the recent correspondence to you from various interested parties including the Sierra Club, Planning and Conservation League and the Monterey Peninsula Water Management District.

It is apparent to us that all of the parties are making this issue much bigger than it should be. We participated in the SWRCB public hearing as well as a December meeting with yourselves, the State Water Resources Board staff, and were encouraged as the interested parties were in consensus on a reasonable method of allowing on site water credits to be used for any legal purpose, along with an understanding that the ability to transfer water was extremely limited and subject to significant restrictions. In subsequent correspondence, the MPWMD has quantified the amount that would even be possible (if all the restrictions were met) and it does not represent a material amount of water. Further, it represents water already available for use, but was temporarily out of use as buildings underwent tenant changes or renovations, hence should not be deemed an "increase in use". This water is critical to the economic well-being and flexibility of the community.

There are two issues that need to be addressed. The first is the change in use or zoning language in Condition 2. Under any interpretation, a property that has been vacant or underutilized can use the water that it is legally entitled to if the use does not change. The result of this is that the water capacity is already accounted for in the system. The language in Condition 2 related to change in use or zoning could be interpreted to limit water capacity if the use is changed to the amount of water used during an arbitrary five-year period, thereby restricting an owner's legal rights to the use of said property.

As the staff and other interested parties are aware, the Monterey Bay Aquarium recently began construction on its Educational Center. This project requires demolition of a building that had

been largely vacant for many years with little water usage. This project would represent a change in use under District rules and most any reasonable interpretation of change in use. As such, the project could only be approved utilizing the historical water capacity under District rules. This was done with full knowledge of all parties and produced an appropriate result that allowed the project to go forward. We would expect all properties to receive similar treatment such that the use of historical on site credits is allowed and the change in use or zoning conditions is eliminated.

The second issue relates to transfers. Before even considering the issue of transfers, it is important to note that everyone understands that no new meters can be set so that any transfers can only be to existing developed property with a prior history of water use, not new development. The amount of water available to transfer is extremely limited and subject to many District restrictions including potential CEQA review. Even the small amount of water that might be transferred would represent a reduction in the capacity to use it where it originated, so it is not necessarily an increase in use. In following the correspondence with Sierra Club and Planning and Conservation League, this issue has been ramped up with unfounded fears that this will somehow lead to uncontrolled growth, which is simply not the case.

The Coalition of Peninsula Businesses, along with the community, fully appreciates the importance of the Cease and Desist Order and the limits imposed by the Effective Diversion Limit. We have backed that up with support for new projects deemed important to the community, along with investments in our businesses that have produced water conservation results that are the model for the state. The District, with community support, has produced a system that controls demand while allowing the community the flexibility to ensure its well-being.

We would welcome an opportunity to discuss this issue further to assure you and others we will continue to manage and honor the CDO with no increase in water use from the Carmel River, based on the CDO requirements and the long-standing policies of the MPWMD that have historically produced excellent results.

The Coalition represents the community; residents, business owners and operators. We have been active in the mission to promote conservation and working towards a long-term water solution for the past several years, investing financially and educating the community on conservation. Coalition members live and work in our community and are unified in this cause for the betterment of the community, not for special interests.

We would request another meeting with yourselves and attempt to resolve this issue with additional conversation regarding the needs of the community and your concerns. Your consideration to our comments is appreciated.

Sincerely,



John Narigi  
Chair, Coalition of Peninsula Businesses



Bob McKenzie  
Consultant, Coalition of Peninsula Businesses