

July 13, 2016

Felicia Marcus, Board Chair  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95814

Re: Preliminary Staff Recommendations regarding California-American Water Company  
Request to Change Order WR 2009-0060-DWR

Dear Ms. Marcus:

Effective Diversion Limit (EDL) and Possible Adjustment Scheme:

The 7990 acre-feet per annum diversion limit recommended by staff is a six-year average, which includes an offset for ASR production above 600 afa. The table below provides the difference between recent Cal-Am production on the Carmel River and the 7990 afa limit.

2010-11:	52	acre-feet above 7990
2011-12:	344	acre-feet below 7990
2012-13:	18	acre-feet above 7990
2013-14:	246	acre-feet below 7990
2014-15:	762	acre-feet below 7990

These amounts indicate that for the last five years Cal-Am's Carmel River diversions are either very close or well below the proposed 7990 afa diversion limit (see plot on p. 3, attached). However, Cal-Am has indicated that mandatory pumping reductions from the Seaside Basin, coupled with a 7990 afa diversion limit, will eventually lead to insufficient supplies for meeting even the lower demand that ongoing conservation efforts have established. If true then perhaps one solution would be to establish an ongoing carryover credit based on any annual savings below 7990 afa and then apply any "banked" credit towards increasing the EDL for that year by an amount equal to some portion of the current "stepdown" event compared to water year 2015-16.

Proposed paragraph #3, prohibiting intensification of use caused by a rezone, is essential:

The clear intent of Condition 2 in WRO 2009-060 was to limit an increase in water consumption from the Carmel River that may be caused by regional or local zoning and land use changes compared to the conditions that existed at the time of the Order. Indeed, in their April, 2012 letter to Cal-Am (see pp. 4-7, attached), the SWRCB stated: "The State Water Board concludes that Condition 2 prohibits any increased water use at an existing service address that results from a change in zoning or use approved by either MPWMD or a local land use authority after October 20, 2009".

There has been local "pushback" over this, most of it coming from the Monterey Peninsula Water Management District (MPWMD). Indeed, during the California Public Utilities Commission's (CPUC) hearing to recognize the moratorium established by the SWRCB, the MPWMD attempted to qualify the ban on new connections (served by Carmel River diversions) to mean only those new connections where a change in zoning or use took place.

The CPUC responded to the MPWMD in their decision (D 11-03-048) by stating:

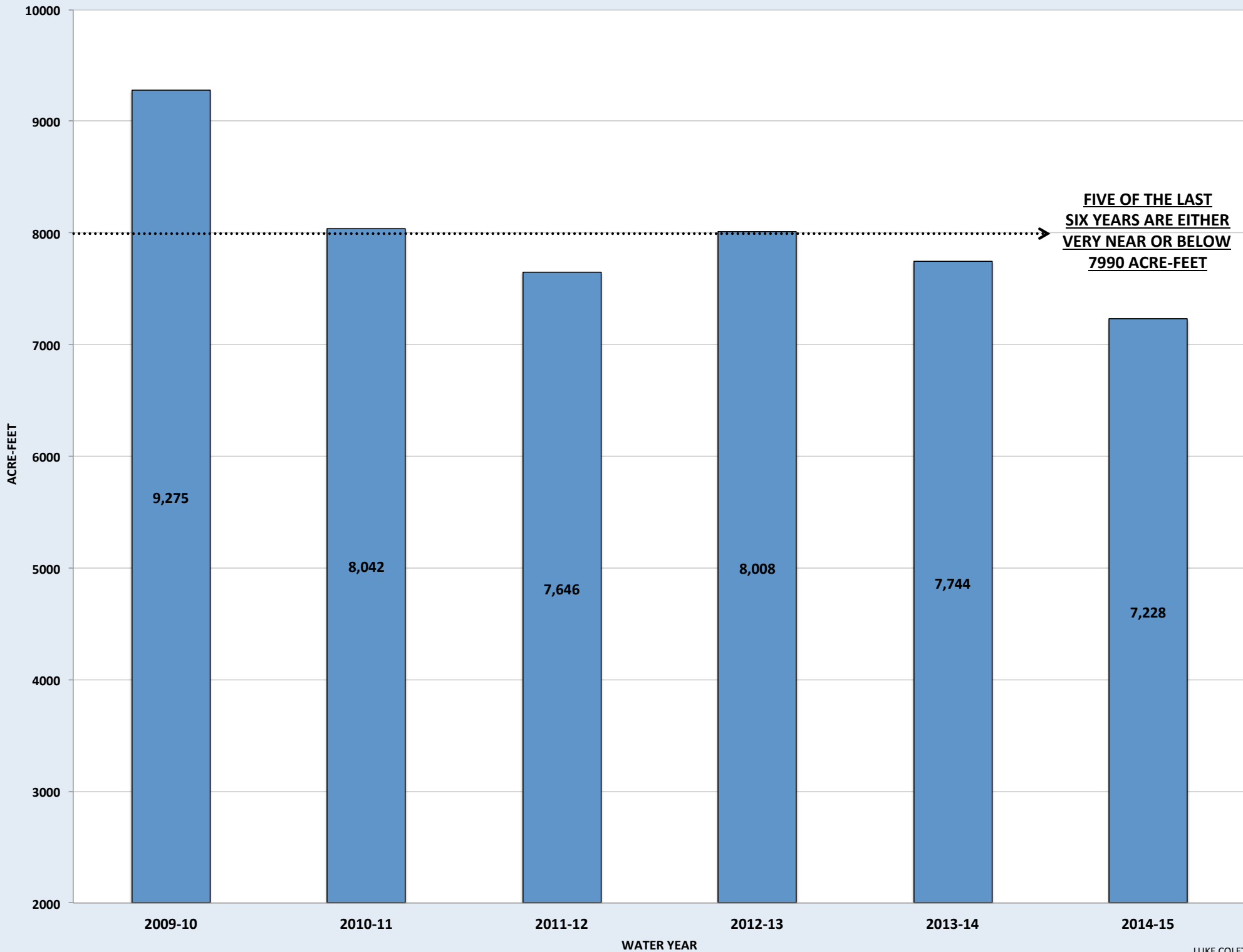
We find MPWMD's reading of the phrase in question to be strained and incorrect. To exclude from the moratorium new connections not prompted by a change in zoning or use would be to narrow substantially Condition 2, allowing what could be a growing number of new connections that would draw materially upon the Carmel River to the detriment of the significant public trust values that Condition 2 was designed to protect. Such a gaping loophole would run counter to the 2009 CDO's clear objective of strictly limiting and further reducing diversions from the river. It could become an exception that swallows the rule. The "change in zoning or use" phrase is linked only to the "increased use" language; no comma separates the two and the two are divorced from "new service connections" by the disjunctive "or." It is clear to us that the prohibition against "new service connections" is not intended to be linked to a change in zoning or use. Rather, it is to be read as unqualified. Accordingly, in implementing Condition 2, Cal-Am should honor the prohibition against new service connections without reference to any change in zoning or use. (see pp. 10-13, attached).

I believe the MPWMD is once again straining the interpretation of Condition 2 by claiming an accounting of 18.53 acre-feet, dating back to 1991, can serve as an "on-site credit" towards permitted water use for a new hotel (Project Bella), that a recent change in zoning (via local initiative, requiring voter approval – PG Measure X) would now permit at the site. If this isn't "an exception that swallows the rule", I don't know what is! I should also emphasize that local zoning changes can be adopted by either a legislative act (ordinance) or directly via the initiative process. It is essential that the SWRCB not adopt language (which some are proposing) that would exclude recognition of either of these two mechanisms (ordinance or initiative) that can both lawfully establish a change in zoning. It's also essential for the SWRCB to recognize the inherent inequity of having the public conserve only to have a hotel developer come along and construct a 225 room hotel simply because local officials on the Monterey Peninsula don't want to abide by this very important condition of the Order! I addressed this in an argument against Measure X, which was part of the Voters Guide (see pp. 14-15, attached).

Finally, in their May, 2013 letter to the MPWMD (see pp. 8-9, attached), the SWRCB clarified a second time that: "the State Water Board will determine the baseline for past water use based on the lesser of the actual average metered annual water use for a water year from the last five years of records, or the amount calculated using MPWMD's fixture- unit count method". Therefore, this clarifying language, sent to the MPWMD some three years ago, is not new information! Instead, SWRCB staff rightly recommended including this clarifying language in ordering paragraph #3 and I believe it's essential that it remain there. I leave the matter in your good offices.

Luke Coletti  
Pacific Grove, CA

**ANNUAL CAL-AM CARMEL RIVER DIVERSIONS (ADJUSTED FOR ASR INJECTIONS ABOVE 600 AFA)  
SIX YEAR AVERAGE = 7990 AFA**



**FIVE OF THE LAST  
SIX YEARS ARE EITHER  
VERY NEAR OR BELOW  
7990 ACRE-FEET**

State Water Resources Control Board

APR 09 2012

In Reply Refer to:  
MJQuint:262.0(27-01)

California American Water - Monterey  
c/o Tim Miller  
1033 B Avenue, Suite 200  
Coronado, CA 92118

Dear Mr. Miller:

ORDER WR 2009-0060; CALIFORNIA PUBLIC UTILITIES COMMISSION DECISION 11-03-048

Thank you for your November 29, 2011 letter regarding the California Public Utilities Commission (Commission) Decision 11-03-048 (D. 11-03-048) and a need for clarification from the State Water Resources Control Board (State Water Board) related to Condition 2 of Order WR 2009-0060. You identify that Commission D. 11-03-048 imposes three separate obligations on Cal-Am with respect to implementing a moratorium and consultation with the State Water Board. Your letter recites the requirements from the Commission's decision, then sets forth Cal-Am's proposal, followed by a description of a meeting with the Monterey Peninsula Water Management District (MPWMD). This response includes your recital of the Commission decision, Cal-Am's proposal and the State Water Board's responses to each proposal in the order presented in your letter.

Condition 2 of Order WR 2009-0060 states "Cal-Am shall not divert water from the Carmel River for new service connections or for any increase use of water at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am's water system prior to that date."

**Ordering Paragraph 2 of D.11-03-048 states:**

California-American Water Company shall confer with Monterey Peninsula Water Management District on the subject of how best to serve demonstrated and compelling institutional public health and safety water needs within the Monterey District in the light of Condition 2 [of Order WR 2009-0060].

**Cal-Am's Proposal:** Cal-Am proposes that upon the MPWMD finding that an institutional project presents a demonstrated and compelling public health and safety need that warrants an exception to Condition No. 2, Cal-Am will cooperate with the interested institution and MPWMD staff to meet with State Water Board staff and request that the State Water Board issue an exception from Condition 2. You state that the MPWMD agreed that Cal-Am's approach would best address any identified institutional health and safety needs.

State Water Board's Response: The State Water Board generally agrees with the proposed procedure of requesting an exception from Condition 2 for public health and safety needs, provided: (1) the procedure allows adequate time for State Water Board staff to review the proposed exception; and (2) expanded water service is not provided prior to the State Water Board granting such an exception. Prior to approving any exception to Condition 2, Cal-Am must be able to demonstrate that the Carmel River is the only available and viable water supply to meet the public health and safety need.

**Ordering Paragraph 3 of D.11-03-048 states:**

Cal-Am shall confer with MPWMD and then consult with the State Water Board to develop or select a workable protocol for determining the past use baseline as well as measuring increase in water use.

Cal-Am's Proposal: Cal-Am proposes that an increase in water use will be determined by comparing the estimated consumption of the proposed use, determined by the MPWMD using MPWMD's fixture count or commercial factor method, to the lower of the fixture count for the existing use, or the five year historical average of actual water use for the service address. MPWMD suggests using a factor to factor comparison only (and not comparing to actual historical use) because comparing to prospective use based on fixture unit counts to actual usage may induce prospective property sellers to artificially increase water use to facilitate changes in use by prospective buyers.

State Water Board Response: The State Water Board agrees to meet and discuss this matter. The potential for property owners to artificially increase water use to obtain a higher historical water use baseline is of concern. Until a determination to the contrary is made, the State Water Board will determine the baseline for past water use based on the lesser of the actual average metered annual water use for a water year from the last five years' of records, or the amount calculated from the fixture unit count.

**Ordering Paragraph 4 of D.11-03-048 states:**

Cal-Am shall ask the State Water Board for written guidance with respect to any unresolved issues of interpretation or implementation concerning Condition 2 of Order WR 2009-0060, including any pertaining to requests by holders of water credits and entitlements from the MPWMD.

Cal-Am's Proposal: Cal-Am and MPWMD identified the following issues:

**Changes in "Use"**

Condition No. 2 of Order WR 2009-0060 prohibits Cal-Am from serving an increased use of water at an existing service address due to a change in zoning or use. [Footnote 2 states "There has been little debate that a "change in zoning" is a Legislative act by the local land use authority that changes the use allowed as of right to a piece of real property. If the State Water Board had a different intent when adopting Order WR 2009-0060, we request clarification of the State Water Board's intent."] Because the word "use" is included in the same phrase as "zoning," Cal-Am interprets that phrase to reference local land use regulations. Therefore, whether there is a change in "use" depends on how the local land use regulations classify businesses; however such classifications may vary by jurisdiction, frequently contain illustrative and not exhaustive lists, and may vary from MPWMD regulations regarding a change in use. We request that the State Water Board clarify how a "change in use" is to be determined for the purposes of complying with Order WR 2009-0060.

**State Water Board Response:** The intent of Condition 2 is to limit an increase in water consumption from the Carmel River that may be caused by regional or local zoning and land use changes to the conditions that existed at the time of the Order. On October 20, 2009, the date of Order WR 2009-0060, each existing service connection had a specific zoning and use designation by both MPWMD and local land use authorities, and some prospective users may have obtained all necessary written approvals required for project construction and connection to Cal-Am's water system. The State Water Board concludes that Condition 2 prohibits any increased water use at an existing service address that results from a change in zoning or use approved by either MPWMD or a local land use authority after October 20, 2009.

### **Use of Water Credits**

Under the MPWMD's rules and regulations, if a Cal-Am customer invests in certain water conserving improvements, that customer can obtain a "credit" for a portion of the water that is estimated to be conserved by the improvement. That credit can then be used in the future if the customer proposes to modify their property in a way that may increase water consumption. The water credit concept is discussed in State Water Board Order WR 2010-001 and the petitions for reconsideration that gave rise to that Order. It is Cal-Am's contention that Order WR 2010-001 clearly expressed the State Water Board's interpretation of Order WR 2009-0060, to wit that water credits may not be used to serve a new connection or an increased use of water at an existing service address due to a change in zoning or use. Because debate remains regarding this issue, Cal-Am and the MPWMD request the State Water Board to squarely address whether MPWMD water credits may be used to authorize a new connection or an increased use of water at an existing service address.

**State Water Board Response:** The State Water Board agrees with Cal-Am's contention that water credits may not be used to serve a new connection or an increased use of water at an existing service address due to a change in zoning or use as described above.

### **Changes in Water Service Associated with Remodeling Existing Structures**

One of the most significant areas of debate is the extent to which the State Water Board's moratorium affects changes in water use attributable to remodeling existing structures. This issue arises in many forms, but the most common issues are:

- the addition of a second bathroom to an existing single family residential structure;
- the addition of a fire service connection due to a remodel, where such connection is required by the Fire Code; and
- the addition of units to an existing structure by subdividing existing units into multiple, smaller units, where a new meter is required for the additional unit(s) under MPWMD rules, but through water conservation devices, no increase in water use is expected.

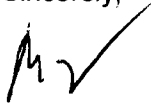
As to the first two instances, Cal-Am contends that whether such a change implicates the moratorium depends on whether the remodel constitutes a "change in zoning or use at an existing service address." If the addition constitutes a "change in zoning or use" under the local land use agency's laws, then the addition is not allowed. If the addition is not a "change in zoning or use" under the local land use agency's laws, then the addition is allowed. We request the State Water Board to confirm that this approach is consistent with the State Water Board's intent. As to the last situation, Cal-Am is unable to ascertain if this constitutes a "new connection" or if the question is whether there is an "increased use of water at an existing service address." This issue is particularly complex within the City of Carmel-By-The-Sea, where there are no street addresses. We request clarification from the State Water Board as to on how to analyze such a situation.

State Water Board Response: The State Water Board agrees with Cal-Am's position that if the addition constitutes a "change in zoning or use" under local land use agency ordinances or MPWMD rules, the addition is not allowed. For locations without a definable service address, the parcel number served at the time of the Order adoption is applicable. If new water meters are added to an existing structure that is subdivided into smaller units, with no additional units and with no change in zoning or use, the installation of additional meters is permissible. (See footnote 47 to Order 2009-0060 where the Board discusses the benefits of additional metering to multi-unit structures.) It is not permitted however, to rely on conservation credits to offset additional water use associated with new units. Such practice would amount to use of conservation credits to serve a new connection and is prohibited.

State Water Board staff is available to meet and discuss the responses provided in this letter. If you have any questions concerning this matter, please contact Mr. John O'Hagan of my staff at (916) 341-5368 or by email at [johagan@waterboards.ca.gov](mailto:johagan@waterboards.ca.gov). Written correspondence should be addressed as follows:

State Water Resources Control Board  
Division of Water Rights  
Attn: John O'Hagan  
P.O. Box 2000  
Sacramento, CA 95812-2000

Sincerely,



Barbara Evoy, Deputy Director  
Division of Water Rights

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**State Water Resources Control Board**

**MAY 3 1 2013**

In Reply Refer to:  
JO:262.0(27 -01)

Mr. David J. Stoldt, General Manager  
Monterey Peninsula Water Management District  
5 Harris Court, Building G  
P.O. Box 85  
Monterey, CA 93942-0085

Dear Mr. Stoldt:

**ORDER WR 2009-0060 CALIFORNIA AMERICAN WATER-MONTEREY**

Thank you for meeting with us on March 8, 2013 and for your March 1, 2013 letter. Your letter identifies Monterey Peninsula Water Management District's (MPWMD) concerns related to California American Water-Monterey's (Cal-Am) interpretation and implementation of the State Water Resource Control Board's (State Water Board) Order WR 2009-0060. I know the Monterey community is keenly aware of the need to significantly reduce water use as the compliance deadlines of Order WR 2008-0060 approach. The State Water Board is also interested in supporting any significant reductions in water use by the community. However, because Cal-Am has indicated they will not be able to implement a water replacement solution by the dates specified in Order WR 2009-0060, it is important to carefully articulate the framework for compliance.

Your letter indicates that Cal-Am's interpretation of my April 9, 2012 letter to them interferes with water savings that might otherwise be achieved through subdividing, remodeling, new connections (under certain circumstances), and conversion of existing commercial water use sites to mixed use commercial/residential water use. You suggest that additional savings can be realized by allowing a change in use as long as there is no increase in water use to the site.

Specifically, you ask that I confirm MPWMD's understanding as to the meaning and proper interpretation of Condition 2 of Order WR 2009-0060 by amending my April 2012 letter to Cal-Am in the following manner:

- a) For purposes of interpreting a "change of use," only local land use authorities will be considered, not MPWMD's defined term "Change of Use";
- b) A meter split at an existing site to convert existing commercial water use to residential water use, and vice versa, may be allowed provided the aggregate use from all resulting split meters does not exceed prior water use served by the single water meter;
- c) Creation of a new service address at an existing site by subdividing or remodeling shall not constitute a "new connection" so long as there is no increase in water use to the site; and



MAY 31 2013

- d) Replacing a meter to a site that previously had service does not constitute a "new connection" so long as there is no increase in water use to the site.

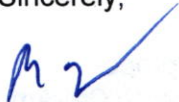
In my April 9, 2012 letter to Cal-Am, I identified that Condition 2 and the associated Footnote 47 are intended to limit an increase in water consumption from the Carmel River that may be caused by regional or local zoning and land use changes when compared to the conditions that existed at the time of the Order adoption. On October 20, 2009, the date of Order WR 2009-0060, each existing service connection had a specific zoning and use designation by both MPWMD and local land use authorities. The Order addressed new water meters at existing structures with no changes in zoning (Footnote 47 to Order WR 2009-0060) but is not interpreted to allow new meters where zoning would be changed by local land use authorities, Cal-Am or MPWMD.

At this time, I do not have enough information to determine if your four clarifications would lead to water savings, as you suggest. My April 9, 2012 letter to Cal-Am stated that the State Water Board will determine the baseline for past water use based on the lesser of the actual average metered annual water use for a water year from the last five years of records, or the amount calculated using MPWMD's fixture- unit count method. Since your letter did not address the approach to quantify baseline, please provide additional information as to how your proposal will assure that new usage will reduce consumption below the baseline, what MPWMD would use as a baseline to evaluate past water use at a given site, and how this will be monitored and enforced.

If you would like to discuss this matter further, I suggest you arrange to have representatives from State Water Board, Cal-Am, and MPWMD participate. If you have any questions concerning this matter, please contact Mr. John O'Hagan of my staff at (916) 341-5368 or by e-mail at [John.O'Hagan@waterboards.ca.gov](mailto:John.O'Hagan@waterboards.ca.gov). Written correspondence should be addressed as follows:

State Water Resources Control Board  
Division of Water Rights  
Attn: John O'Hagan  
P.O. Box 2000  
Sacramento, CA 95812-2000

Sincerely,



Barbara Evoy, Deputy Director  
Division of Water Rights

cc: California American Water—Monterey  
c/o Tim Miller  
1033 B Avenue, Suite 200  
Coronado, CA 92118

Decision 11-03-048 March 24, 2011

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of California-American Water Company (U210W) for an Order Authorizing and Imposing a Moratorium on Certain New or Expanded Water Service Connections in its Monterey District.

Application 10-05-020  
(Filed May 24, 2010)

**DECISION DIRECTING TARIFF MODIFICATIONS  
TO RECOGNIZE MORATORIUM MANDATED  
BY STATE WATER RESOURCES CONTROL BOARD**

challenge of exploring the grounds for a moratorium against the backdrop of MPWMD's existing staged-rationing form of regulation in which Cal-Am has participated with the encouragement of the Commission.<sup>63</sup>

Given the absence of a physical connection between them and Carmel River diversions, then, we conclude that the Ralph Lane, Chular, Bishop, Ambler Park, Ryan Ranch, Hidden Hills, and Toro subsystems are outside the reach of the 2009 CDO moratorium, as represented in Cal-Am's Amended Application.

## **5.5. Other Connections for which Either an Exclusion or Exemption is Sought in this Proceeding**

### **5.5.1. Connections Within Ambit of Allegedly Ambiguous Text**

Cal-Am and the MPWMD agree that the moratorium should not go beyond the plain terms of the 2009 CDO, yet they disagree as to the plain meaning of the phrase of Condition 2 prohibiting river diversions for "new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use." Cal-Am reads the words "resulting from a change in zoning or use" as applying only to the "increased use of water at existing service addresses."<sup>64</sup> The MPWMD sees those words of

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<sup>63</sup> MPWMD's Regulation XV provides for 7 graduated stages of water conservation. At this writing, water users within the MPWMD are subject to the least restrictive level, Stage 1. For the Stage 1 restrictions, see :

<http://www.mpwmd.dst.ca.us/wdd/Conservation/STAGE%201%20WATER%20Conservation%20and%20water%20waste.htm>.

For examples of the Commission's exercise of concurrent jurisdiction relative to and in respect of MPWMD, see D.98-08-036 at 11-14; and D.09-07-023 (adopting settlement agreement on water conservation and rationing issues) at 10-14.

<sup>64</sup> Reply Brief of Cal-Am at 5-6.

qualification as applying as well to “new service connections,”<sup>65</sup> which would exclude from the moratorium new connections not prompted by a change in zoning or use.

We find MPWMD’s reading of the phrase in question to be strained and incorrect. To exclude from the moratorium new connections not prompted by a change in zoning or use would be to narrow substantially Condition 2, allowing what could be a growing number of new connections that would draw materially upon the Carmel River to the detriment of the significant public trust values that Condition 2 was designed to protect.<sup>66</sup> Such a gaping loophole would run counter to the 2009 CDO’s clear objective of strictly limiting and further reducing diversions from the river. It could become an exception that swallows the rule. The “change in zoning or use” phrase is linked only to the “increased use” language; no comma separates the two and the two are divorced from “new service connections” by the disjunctive “or.”<sup>67</sup> It is clear to us that the prohibition against “new service connections” is not intended to be linked to a change in zoning or use. Rather, it is to be read as unqualified. Accordingly, in

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<sup>65</sup> Reply Brief of MPWMD at 5; Opening Brief of MPWMD at 12-13.

<sup>66</sup> 2009 CDO at 37-38.

<sup>67</sup> An additional basis for our conclusion can be found in a guideline of statutory construction, the “last antecedent rule.” See Reply Brief of Cal-Am at 5, quoting from *White v. County of Sacramento* (1982) 31 Cal.3d 676, 680:

[The last antecedent rule] provides that “qualifying words, phrases and clauses are to be applied to the words or phrases immediately preceding and are not to be construed as extending to or including others more remote.” (*Board of Port Commrs. v. Williams* (1937) 9 Cal.2d 381, 389) ...

implementing Condition 2, Cal-Am should honor the prohibition against new service connections without reference to any change in zoning or use.

As to any other ambiguities that now or later may be perceived to exist<sup>68</sup> in the 2009 CDO relative to the text of Condition 2, we think that the issuer, the SWRCB, not this Commission, is best suited to clarify or resolve such matters, and therefore should be turned to by Cal-Am on an as-needed basis. Should any material interpretation of Condition 2 offered by the Commission in this decision be countered by the SWRCB or a state court, Cal-Am, or any other affected person, will have the ability to seek a modification of this decision.

#### **5.5.2. New Connections and Increased Uses Relative to Yet Unserved MPWMD Water Use Credits or Entitlements**

Both the MPWMD, as the public agency recognizing water use credits<sup>69</sup> and granting entitlements,<sup>70</sup> as well as selective holders of such credits and entitlements who also are parties here, have an interest in not having Condition 2 interpreted or applied in a manner adverse to those credits and entitlements.

To possess a quantified water use credit an applicant must have successfully provided to the MPWMD staff information concerning the removal of a previous use or abandoned (e.g., demolished) use, along with evidence of a

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<sup>68</sup> Parties have cited portions of the text of the 2009 CDO that they contend are unclear for compliance purposes, e.g., Opening Brief of Cal-Am at 12-14; and of MPWMD at 8-11; and of Baylaurel at 7-9.

<sup>69</sup> Defined as “a record allowing reuse of a specific quantity of water upon a specific site,” MPWMD Rules and Regulations, Rule 11 (added by Ordinance No.1, February 11, 1980, as amended).

<sup>70</sup> Defined as “a discrete amount of water that has been set aside by the [MPWMD] for new or Intensified Water Use that shall occur on one or more specific Parcels.” *Ibid.*



## **Voter Guide / Guía Electoral**

**Special Municipal Election**

**Tuesday, April 19, 2016**

**Vote 7am to 8pm**

**Elección Municipal Especial**

**Martes 19 de Abril, 2016**

**Vote 7am a 8pm**

# MEASURE X CITY OF PACIFIC GROVE

## ARGUMENT IN FAVOR OF MEASURE X

Project Bella will be Pacific Grove's only full-service hotel. This Measure, to allow a hotel as a permitted use at the American Tin Cannery location, will provide significant long-term benefits to the citizens of the City of Pacific Grove:

- Recognition of Pacific Grove as a world-class destination and an innovative leader in conservation and sustainability
- Banquet, meeting, and reception rooms that will enable Pacific Grove to host large and small events, keeping that business in Pacific Grove
- New luxury travelers who will patronize Pacific Grove restaurants, shops, and other businesses
- State-of-the-art design, construction, and operational programs and technologies, as one of the world's most sustainable hotels, that will save and recycle significant amounts of water and energy and reduce pollution and greenhouse gases
- An ideal location at the edge of town that will help mitigate traffic impacts and provide additional needed parking for the City, resulting in reduced downtown congestion
- A visitor and interpretive center and museum that will celebrate Pacific Grove's extraordinary culture, its heritage and historic character, and its unequalled scenic beauty
- New revenues from transient occupancy taxes, property taxes, and sales and use taxes to support our library, police, fire department, parks, and other City services and operations
- Three hundred permanent high quality hotel jobs for workers of all skill and education levels, many of whom will be residents of Pacific Grove, plus hundreds of high quality construction phase jobs, many of which will benefit Pacific Grove businesses and residents
- Direct spending in Pacific Grove by the hotel for a wide range of locally available goods and services, plus local expenditures by many Project Bella employees, who will "shop local," both during construction and when the hotel is operational

To ensure preservation of Pacific Grove's long-term vitality, we urge you to vote YES on this Measure.

/s/ Bill Kampe, Mayor

/s/ Carmelita Garcia, Former Mayor

/s/ Richard Stillwell, Civic Leader

/s/ Margaret Jean Anton, Retired Teacher

/s/ Jeanne C. Byrne, Former Mayor

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE X

The subject property should not be rezoned until a new water source is available to Pacific Grove, which obtains water from California American Water Company (Cal-Am). Cal-Am is subject to a Cease and Desist Order (CDO) from the state of California, which ordered it to terminate all unlawful diversions from the Carmel River. The CDO also prohibits any intensification of water use at existing service addresses resulting from a change in zoning. The Bella Hotel zoning change and proposed 160 rooms and suites (divisible into 225 separate rooms, along with restaurants and retail) will surely result in an intensification of water use compared to the current use.

Since being notified by the State in 1995, Cal-Am has continued to take substantially more water from the Carmel River than their license allows. This has left the river in ruin. Citizens have saved water to offset the effects of the drought and the impending CDO deadline, only to face rate increases so that Cal-Am can make up for lost billings.

Clearly, the Bella developers feel assured that in spite of the CDO they can use more water. Additional water use could trigger further mandated cutbacks and yet the City and Water District persist with their dishonest water entitlement scheme. Bella developers get more water while we conserve and pay more. The argument in favor is silent about water but you shouldn't be. A NO vote on Measure X is a YES vote for honest water.

/s/ Luke Coletti, Citizen Activist

ARGUMENTS AND REBUTTALS ARE THE OPINION OF THE AUTHORS AND HAVE NOT BEEN CHECKED BY ANY OFFICIAL AGENCY