MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

March 15, 2017

Mr. Leslie Grober
Deputy Director, Division of Water Rights
State Water Resources Control Board
PO Box 2000
Sacramento, CA 95812-2000

VIA EMAIL

Subject: Orders WR 2016-0016 and WR 2009-0060

Dear Mr. Grober:

It was with dismay that I read the March 10, 2017 letter addressed to Mr. John O'Hagan from The Sierra Club and Planning and Conservation League. The letter was riddled with misstatements of fact, willful disregard of prior discussion, and inaccurate conclusions. Further, the authors live outside of the affected area, have limited understanding of the local regulatory regime, and have no interest in balancing the needs of the environment with the ongoing rights of business and property owners.

The Sierra Club's first paragraph states that the proposal *"would allow it to approve new development that would use according to the letter's estimate approximately 100AFY."* Nothing could be further from the truth. There is currently a moratorium on new connections to the California-American Water System that the District supports, hence there can be no *"new development"*, rather we are speaking only of renovation and repurposing existing service connections. The District letter states, and the District has provided evidence, that available credit[1] which could potentially be transferred is small (less than 100 acre feet), and that most property owners would not consider requesting a transfer because water availability on a site has value, and the likelihood of any transfer is small due to significant CEQA analysis and necessary findings by the jurisdiction. The potential for credit transfers is realistically less than 15 AFY.

The Sierra Club letter also states in the first paragraph, that *"The water would be pumped from the Carmel River alluvium by California American."* If the water is already being used at an existing site or is available for renewed use at an existing site, then such water may come from the Carmel River, the Seaside Basin, or the Sand City desalination plant. Moving a potential use of water from one site to another results in a corresponding decrease in potential use at the prior site, hence no increase in the potential use, nor any difference as to where that water is produced.

In the second paragraph, Sierra Club states that it does *"not believe the use of additional Carmel River for growth"* should be allowed. However, Sierra club (a) fails to recognize that there is no *"additional"* water, rather water that was already potentially in use in the system, and (b) fails to adequately define growth – if District programs have reduced consumption by 3,000 AFY since the CDO was put into effect eight years ago, and existing regulations allow a building owner to repurpose three AFY that had already been previously in use, where is the growth? The District contends that its programs have been wildly

[1] Water credit can be defined as water saved through permanent reductions in water use capacity on a Site, such as results from demolition of a documented use or extraordinary conservation measures beyond those required.

successful and are decidedly non-growth inducing. The Sierra Club has not adequately shown there is anything growth-inducing about declining consumption of water.

In its fourth paragraph, the Sierra Club says *"the District is in effect seeking authorization of up to another 100 afa for growth."* For the reasons cited above, this is false and mere hyperbole. The paragraph goes on to say *"interjurisdictional allocation transfers would be allowed resulting in another 90 acre-feet."* Again, this is false. Previous public correspondence with the State Water Board and direct communication with the Sierra Club clearly states that interjurisdictional transfers are expressly prohibited. Further, Sierra Club itself has recognized that most jurisdictional water allocations are pre-allocated to projects that are subject to the moratorium on new meters and that very little of the 90 AFY is actually available for use. This also renders false the sentence in the same paragraph that says *"there could be as much as 190 afa available for growth…"* Sierra Club misses the mark.

It its sixth paragraph, Sierra Club wrongly asserts that the District's credits are *"paper water."* This is false in that a credit is only derived from an investment in the saving or permanent abandonment of a use of actual water – wet water. It is disingenuous to use the term *"paper water."* This paragraph also suggests that *"the District offers no forebearance agreement that would offset the effects of additional pumping…"* This is not actually true. The District has repeatedly stated that its regulations are based on "no new water," hence there is no *"additional pumping"* per se, rather production of water that a property owner already has the documented capacity to use. Further, the District has made countless references to its myriad other programs designed to create and enforce water conservation which have collectively allowed the Community to forebear almost 3,000 AFA since the CDO was put into effect. In addition, the District has entered into agreements to fund local water projects which permanently forebear the use of potable water – the Pacific Grove and Del Monte Golf Course projects will come on line within a year and will forebear 135 AFA of current potable use.

This whole discussion should be about establishing a meaningful baseline for determining no increase in the capacity to use water on a property. The District offers a consistent and well understood program that can be applied equitably, reliably, and consistently. The Sierra Club provides no suggestions, only unsupportable worries over potential outcomes.

Thank you for the opportunity to clarify these points. It looks like we may all benefit from another meeting to cooperatively find a solution to the Condition 2 confusion.

Sincerely yours,

David J. Stoldt
General Manager

cc: Felicia Marcus, Chair, SWRCB
John O'Hagan
Mariana Aue
Kathy Mrowka
Gordon Burns, California Environmental Protection Agency
Kim Craig, Governor's Office