

Carmel Valley Association  
P.O. Box 157, Carmel Valley, California 93924  
[www.carmelvalleyassociation.org](http://www.carmelvalleyassociation.org)



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APR 5 2010

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April 5, 2010

Regina Doyle, Chair  
Monterey Peninsula Water Management District  
PO Box 85  
Monterey, CA 93942

Sent by FAX on 4/5/2010 to: 831-644-9560

**PLEASE DENY APPROVAL OF THE WATER PURCHASE AGREEMENT**

Dear Chair and Members of the Board of Directors:

The Carmel Valley Association has been actively participating in water issues affecting our area since 1949. Representing hundreds of families, we are the oldest and only residents' association speaking for all the Carmel Valley.

Our members have been actively participating in the current proceedings, and we have strongly supported the "Regional Project" in concept. However we strongly oppose the Water Purchase Agreement now under discussion. We believe the Agreement as written commits Carmel Valley residents and all Peninsula ratepayers to excessive up front risk, an unfair imbalance in costs allocation, and is not in the long term best interest of ratepayers served by CalAm.

- 1) **The Agreement commits ratepayers to huge immediate expenditures based on untested science.** Financial projections are based on an estimated 15% of fresh water from the planned wells. But no test wells have been drilled, and no pumping over extended time has taken place, so there are no actual measurements of current salinity under real pumping conditions, or of the extent of expected reductions in salinity as pumping progresses. Because of the "no export" rule for Salinas Valley groundwater and the required replacement water, the cost of exported desalinated water could soar at the same time the amount of desalinated water available for export could be sharply diminished, making the total project unfeasible under the proposed pricing formula. Test wells should be drilled and test pumping should

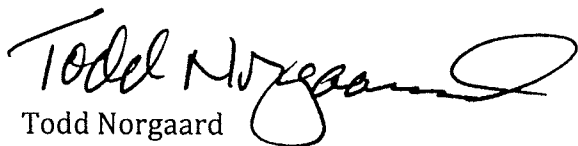
take place over a sufficient period of time so that actual well performance and salinity can be reasonably projected before this commitment takes place.

- 2) **The Agreement creates open-ended future obligations without adequate financial controls.** Peninsula ratepayers would be expected to cover all litigation costs, future planning and development costs, and operating costs without any participation in the decision-making process. There should be joint ownership of the plant facilities by the Marina Coast Water District, the Monterey County Water Resources Agency and Peninsula ratepayers, and joint participation in all future planning and operations.
  
- 3) **The Agreement rewards failure.** If the salinity of brackish water falls too low, making the cost of exportable desalinated water untenable; if the plant doesn't work as proposed; if there are crippling delays caused by litigation or the permit process – the Marina Coast Water District and the Monterey County Water Resources will receive a “windfall” in facilities and development work free of charge, paid for solely by Peninsula ratepayers. All parties to the Agreement must be financially obligated from the start, according to future benefits.
  
- 4) **The Agreement may not serve the future needs of Peninsula ratepayers.** Peninsula water customers need a dependable source or sources of water to replace water from the Carmel River aquifer. This project may or may not be the total answer to filling that need. Instead of taking one giant leap, the project needs to be broken down into smaller steps, with shared responsibilities for decisions and financing as more dependable information on future costs and benefits becomes available.

On April 7<sup>th</sup> the Division of Ratepayer Advocate (DRA) of the California Public Utilities Commission is expected to release their findings detailing the problems they have found in the agreements that resulted from the secret negotiations just concluded. Please delay any endorsement or approval of any Regional Project agreement until there has been time to fully review and understand the DRA's comments and the documents to which they apply.

**As Carmel Valley residents we feel we have an extensive stake in the outcome of this project, both as ratepayers and as caretakers of the Carmel River and our valley.**

**Thank you for giving careful attention to our concerns,**



Todd Norgaard  
CVA Water Committee



Roger Dolan  
CVA Water Committee