



# Supplement to 8/20/2012 MPWMD Board Packet

Attached are copies of letters received between June 27, 2012 and July 10, 2012. These letters are also listed in the August 20, 2012 Board packet under item 17, Letters Received.

Author	Addressee	Date	Topic
George T. Riley	MPWMD Board	8/10/12	San Clemente Dam Removal and River Rerouting
Hans Usler	David Stoldt	7/11/12	Mobile Portable Hydrant Water Meters for City of Monterey
David E. Chardavoyne	Keith Israel	8/9/12	July 26, 2012 meeting with the Water Resources Agency and representatives of the Grower community

U:\staff\Boardpacket\2012\20120820\LtrPkt\ltrpkt.docx

# CITIZENS FOR PUBLIC WATER RECEIVED

1198 Castro Road  
Monterey CA 93940

AUG 10 2012

MPWMD

August 10, 2012

Monterey Peninsula Water Management District

Dear Chairman Potter and District Members,

Regarding San Clemente Dam Removal and River Rerouting

There is still a chance to lower ratepayer costs for the Carmel River dam removal and rerouting. We all celebrate the partnership and the goals for this project. And we agree to CA Public Utilities Commission approval, however it also awarded Cal Am its full rate of return, its profit. Citizens for Public Water objected earlier, and continues to object strongly, to adding profit on top of actual costs.

The CPUC ratepayer agency, Division of Ratepayer Advocates (DRA), has called the CPUC decision to add profit "contrary to law, unsupported by adequate findings and by the evidentiary record, and constitutes an abuse of discretion." It has appealed to the CPUC to reopen this proceeding for this single issue. The purpose is for the CPUC 1) to align the decision with law, 2) be consistent with the evidence that no used and useful water supply facility will result, and 3) to allow a lower return that recognizes these facts.

The MPWMD is a party to this proceeding. MPWMD could file a supporting statement of behalf of the ratepayers.

There is urgency here. A rehearing is not assured, but a number of supporting requests will help.

Background: On May 24th, the CPUC approved the entire project, and added full profit for Cal Am. By law, the CPUC will authorize profit for "used and useful" water facilities that benefit water customers. In the case of the San Clemente Dam, the entire community looks forward to the Carmel River

returning to a near natural state. And most ratepayers endorse Cal Am and its supporting financing partners in covering the extra costs. But when the CPUC had an option of moderating the impact on ratepayers by lowering the return to Cal Am, it faltered. Rather it chose Cal Am profit over ratepayer fairness. It chose to allow Cal Am to gain a return of nearly 10% on expenses, instead of the more modest and appropriate return of about 6.5% for its actual cost of capital. This simple decision added about \$25 million to ratepayer costs.

Cal Am expenses total \$77 million. Charitable partners bring another \$34 million. Cal Am's total collection from ratepayers will be about \$152 million over 30 years if the CPUC decision stands. If a rehearing results in a reduced return on capital, the cost will be reduced about \$25 million, to a total of about \$127 million.

It is respectfully requested that MPWMD support lower costs and ratepayer fairness by filing a statement with CPUC in support of DRA's request for a rehearing. If granted, it is further requested MPWMD actively advocate for the lower return.

Thank you for any action in support.

\_\_\_\_\_  
/s/

George T. Riley, Citizens for Public Water, 645-9914

PS: There may be a reason the District decides not to file the requested statement. If so, it is alternatively requested that individual District members support this request by emailing these three parties:

[michael.peevey@cpuc.ca.gov](mailto:michael.peevey@cpuc.ca.gov), [joe.como@cpuc.ca.gov](mailto:joe.como@cpuc.ca.gov), [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov), The y are Chair of CPUC, Assistant Director of DRA, and the public contact office.

Subject: San Clemente Dam A1009018

I support the DRA request for rehearing. The purpose is to reconsider the CPUC decision in May to authorize Cal Am its full rate of return for a project that does not add a water facility nor supplements any aspect of the water supply.

This decision unfairly favors investors and ignores ratepayers. We still urge ratepayer fairness.

Name and city



RECEIVED

JUL 16 2012

MPWMD

DEPARTMENT OF PLANS & PUBLIC WORKS

July 11, 2012

David Stoldt, General Manager  
Monterey Peninsula Water Management District  
P.O. Box 85  
Monterey, CA 93942-0085

Dear Mr. Stoldt:

I would like to ask for your support in obtaining an annual permit renewal period for mobile portable hydrant water meters for the City of Monterey.

As you are aware, the City of Monterey utilizes mobile portable hydrant water meters for our sewer jet and water truck in order to measure water consumption. The City uses these meters continuously and the water usage is reported monthly to Cal Am.

In May of 2010, City staff was informed that permits would need to be renewed every 60 days. At that time the City requested, and was granted, a renewal period of one year. Recently, we have been informed that MPWMD has returned to the 60-day renewal period for these permits.

Because the City uses meters continuously, rather than for short-term construction projects, I believe an annual permit period to be more appropriate than a 60-day renewal. The longer renewal period would also be more cost effective and less of an administrative burden on the staff of MPWMD, as well as the staff of the City of Monterey.

I appreciate your assistance in coming to a mutual agreement on this matter.

Sincerely,

Hans Uslar  
Interim Deputy City Manager, Plans and Public Works

# MONTEREY COUNTY

## WATER RESOURCES AGENCY RECEIVED

PO BOX 930  
SALINAS, CA 93902  
(831)755-4860  
FAX (831) 424-7935

DAVID E. CHARDAVOYNE  
INTERIM GENERAL MANAGER

AUG 14 2012

MPWMD



STREET ADDRESS  
893 BLANCO CIRCLE  
SALINAS, CA 93901-4455

August 9, 2012

Keith Israel, General Manager  
Monterey Regional Water Pollution Control Agency  
5 Harris Court, Bldg D  
Monterey, CA 93940

Dear Keith:

Thank you again for meeting with the Water Resources Agency and representatives of the Grower community on July 26<sup>th</sup>. We were pleased that the discussions were engaging, and fostered a frank exchange of interests and positions.

We look forward to receiving the Pollution Control Agency's proposal on options for Growers to consider with respect to utilization of water rights for the Groundwater Replenishment Project. We should set a mutually convenient meeting date as soon as possible, given how everyone's calendar fills up fast.

Very Truly Yours,

*David E. Chardavoigne*

cc: N. Isakson, President – Salinas Valley Water Coalition  
D. Hart, Chair – Monterey County Water Resources Agency  
K. Ekelund, Vice Chair – Monterey County Water Resources Agency