

Submitted at  
2/12/13 Board Meeting  
Item 3

## 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 – Santa Clara-Monterey District*

February 12, 2013

Mr. David Pendergrass, Chair  
Monterey Peninsula Water Management District  
5 Harris Court  
Monterey, CA 93940

Dear Chair Pendergrass:

Attached for your review and record is a letter dated January 9, 2013 to the California  
Public Utilities Commission regarding the Coalition of Peninsula Businesses position on  
a preferred water supply project. The letter also clearly states our professional opinion on  
the sizing issue of the desal plant.

Please consider the information provided in this evening's deliberations.

Sincerely,



John V. Narigi  
Co-Chair  
Coalition of Peninsula Businesses

## **Coalition of Peninsula Businesses**

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comply with the CDO at a reasonable cost

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January 9, 2013

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Re: Monterey Peninsula Water Supply Project

Dear Members of the Commission,

The Coalition of Peninsula Businesses is an organization that was formed in 2011 with only one interest in mind, “to assist in finding a resolution to the Peninsula water challenges to comply with the CDO at a reasonable cost”. The Coalition is comprised of eight business organizations; chambers, property owners, trade associations and a hospital. A diverse concerned group.

We ask that the PUC stick to its intent to expedite in every way possible its processing of the Cal Am application; the CDO deadline is looming and no alternative to the Cal Am project has even the slightest chances of meeting the deadline. No other project discussed locally has the expertise nor the resources to meet the deadline.

- The economic and social consequences of not making the CDO deadline are **unthinkable**.
  - The losses of jobs would exceed 15,000
  - The losses of economic activity would exceed \$1.1 billion
  - The losses of discretionary local revenues would exceed \$35 million
  - Normal city services due to the economic impact would negatively impact the tremendous benefits this community for years has enjoyed. The tourism industry, the Peninsula’s #1 economic engine, would be devastated.
  
- We ask the PUC to approve a project that provides for
  - Replacement and replenishment
  - Lots of record – 1,181 acre feet annually (afa)
  - General Plan needs of the six cities and the county – 4,545 afa

- Current water use plus a margin to accommodate a return to normal economic activity and job growth. Currently, the Peninsula's tourism industry demand is well below its peak of the late 90's and early 2000. Real estate, construction and other professions continue to stall, thus the water demand currently does not represent the "good times" for this community. Why approve a project with a desal plant that is limited to replacement and replenishment only? The augmented water supply need is a minimum 15,000 afa.
- Cost to the rate payer remains a serious concern, but until a single project is selected and details finalized, little if any real work can be done to minimize future "rate shock".

The concept of aquifer storage and ground water recharge we would support for future consideration, but at this time we do not see it as reliable to meet our current needs or be available by the CDO deadline.

The size of the plant appears to be the major concern of special interest groups locally. Water historically, like roads, have been used to control economic growth for the Peninsula. We acknowledge the potential growth factor, but this topic has been studied and resolved and mitigated as needed in the general plans of the respective municipals and approved by our elected officials.

In closing, we ask that the PUC continue to expedite Cal Am's application and aggressively control this process. Sadly, our community remains divided on a viable long-term solution for our water needs and unable to build consensus. Time is running out.

Sincerely,



John V. Narigi  
Co-Chair  
Coalition of Peninsula Businesses