

SAMPLE LETTER OF SUPPORT TO CPUC REGARDING
FUNDING FOR MPWMD CARMEL RIVER MITIGATION PROGRAM

<YOUR LETTERHEAD with name and address>

<DATE>

President Michael R. Peevey
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Via e-mail to CPUC Public Advisor
public.advisor@cpuc.ca.gov

SUBJECT: Support for Application No. 10-01-012 to Continue Collection of Monterey Peninsula Water Management District User Fee for Carmel River Mitigation Program and Aquifer Storage and Recovery Project

Dear President Peevey:

I am writing to support Application No. 10-01-012 submitted by California American Water Company (Cal-Am) to continue collection of the Monterey Peninsula Water Management District (MPWMD or District) User Fee to fund the Carmel River Mitigation Program and the Aquifer Storage and Recovery (ASR) Project. The User Fee has been collected for 26 years as a surcharge on the Cal-Am water bill. Importantly, the public directly participates in MPWMD program oversight and budget development through local public hearings each year.

Cal-Am and MPWMD have cooperated for nearly two decades on the Mitigation Program, which is required by the State to offset the environmental impacts of the Monterey Peninsula's use of water from the Carmel River. Components include fish rescue and rearing, streamside erosion control and restoration, lagoon management, surface and groundwater monitoring, and water conservation. Cal-Am and MPWMD have also cooperated on the ASR Project, which enhances the Carmel River by diverting excess winter streamflow into the Seaside Basin, then extracting stored Seaside Basin water during summer. These actions have improved river conditions to the benefit of people, fish and wildlife.

Funding for this successful partnership is threatened by the December 2010 Proposed Decision issued by Administrative Law Judge Maribeth Bushey. The Proposed Decision would deny Cal-Am's Application to reinstate the District's User Fee on the Cal-Am bill, even though Cal-Am, MPWMD and the Division of Ratepayer Advocates (DRA) support the application and have signed a Settlement Agreement. Cal-Am has repeatedly stated that MPWMD is best equipped to carry out the Mitigation Program in a cost-effective manner.

The Proposed Decision includes inaccurate assertions about District programs, but does not allow MPWMD the opportunity to set the record straight in a public hearing. The Proposed Decision is also flawed because it interferes with the authority of a governmental agency to lawfully enact fees for needed services.

I am concerned that the Proposed Decision would interrupt the long-standing MPWMD fisheries, riparian, lagoon, hydrology, water conservation and water supply programs that have protected our primary source of water supply. If the MPWMD program ends, Cal-Am is required to take it over. However, the Proposed Decision makes no provision for Cal-Am to start a new program on its own. This is no time to interrupt the Mitigation Program activities while the community strives to comply with the many state and federal directives that affect our water supply.

For the above reasons, I encourage you to approve Cal-Am's Application No. 10-01-012 and to modify the Proposed Decision to accept the Settlement Agreement among Cal-Am, MPWMD, and DRA. Alternatively, a public hearing should be set to allow MPWMD to answer questions and provide factual information about its programs. I believe the District Mitigation Program and ASR Project User Fees should continue as they are non-duplicative, reasonable and prudent.

Thank you for your consideration.

Sincerely,

<YOUR NAME or TITLE or GROUP>