

STONE REPORT

September 1, 2009



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Dear MCAR GAD,

Welcome to the "Stone Report", a publication brought to you by the Government & Community Affairs Department of the Monterey County Association of REALTORS®

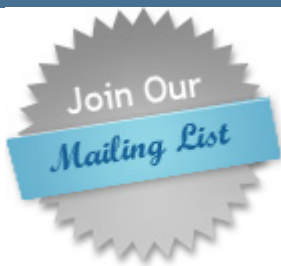
Water Update - Part 2

Wednesday will be a big day for current and future residents, travelers and business owners on the Monterey Peninsula. The CA State Water Resources Control Board (SWRCB) will be hearing testimony on the proposed Cal-Am Cease and Desist Order (CDO), an event that will be closely monitored by stakeholders throughout the region in addition to numerous interests throughout the state.

As was reported in my last Water Update, the proposed CDO would require immediate reductions in the amount of water diverted from the Carmel River. The CDO would require a reduction of 670 Acre Feet Annually (AFA) (~5%) beginning on October 1, 2009 which would gradually escalate to around 21% by 2015. To borrow the CA Public Utility Commission's (CPUC) analogy; "each acre foot of water in the Monterey region serves about four households for one year. A 21% annual reduction, with no replacement water, would be equivalent to no water for about 6500 families". To reiterate our documented position and that of other local stakeholders: the proposed CDO simply is not realistic, feasible, equitable or reasonable on any level.

A piece of good news was reported last week in the Herald regarding the CA Public Utilities Commission request that the SWRCB apply some level of common sense in respect to the proposed CDO. The very fact that the PUC would submit a letter urging consideration for more time to be given demonstrates not only the magnitude of the situation but offers a sense of hope that a California regulatory entity would actually understand and defend taxpayers who are being held responsible for the states punitive charge against Cal-Am.

Current water use on the Monterey Peninsula averages 70 gallons per capita per day, (GPCD) the lowest in the entire state. The statewide average is in the ball park of 192 GPCD. If the proposed CDO were ratified as it is drafted today, the Monterey Region would be reduced to the lowest levels actually experienced in the industrialized world {CPUC Comment Letter}.



This issue represents much more than just another restrictive policy or burden to business. It exemplifies an evolving and ongoing struggle for fairness or merit on harmful exactions impacting economic or even physical viability from a regulatory body.

I will be providing testimony on behalf of MCAR and its membership at tomorrow's workshop in Sacramento during public comment. The workshop will be streamed online and should begin around 1:00 pm. You can access the feed by clicking [here](#). I have also included the link to MCAR's comment letter which can be accessed by clicking [here](#).

Upon conclusion of tomorrow's workshop, we should have a much stronger understanding of how this issue could evolve in regards to mandatory reductions. I will provide an update on Thursday of this week to summarize the day's events and let you know what is (or could be) in store for all of us.



Until next time,

Kevin Stone
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Monterey County Association of REALTORS®