



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

FILED

06-01-12

04:59 PM

In the Matter of the Application of California-American
Water Company (U210W) for Approval of the Monterey
Peninsula Water Supply Project and Authorization to
Recover All Present and Future Costs in Rates.

Application A.12-04-019
(Filed April 23, 2012)

PREHEARING STATEMENT OF COALITION OF PENINSULA BUSINESSES

6-1-12

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By

Bob McKenzie

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I. INTRODUCTION

Pursuant to Administrative Law Judge Gary Weatherford's Ruling Setting a Prehearing Conference and Inviting Prehearing Conference Statements, the Coalition of Peninsula Businesses files this prehearing statement.

II. PREHEARING STATEMENT

The Coalition of Peninsula Businesses (CPB) appreciates Judge Weatherford's recognition that time is of the essence in order to meet the December 31, 2016 deadline of the State Water Resources Control Board's Cease and Desist Order (CDO - Order 09-60). CPB also appreciates Judge Weatherford's acknowledgement of the many years of failed local initiatives to implement alternative, supplemental water supplies (the local impasse has lasted at least four decades; the Monterey Peninsula Water Management District officially declared a water shortage in 1990). In CPB's view, it is absolutely essential that the California Public Utilities Commission (CPUC) retain jurisdiction over the Monterey Peninsula Water Supply Project (MPWSP), its environmental review, its costs, and the timetable associated with the proceeding. In short, if the Peninsula area is to be spared the disastrous economic and social consequences of failing - again - to implement a sufficient and sustainable water supply by the CDO deadline, the CPUC must provide the water supply leadership the Peninsula repeatedly has failed to provide.

III. ISSUES THAT SHOULD DEFINE THE SCOPE OF THE PROCEEDING

CPB submits that the following issues expeditiously must be examined and settled within this proceeding:

- ✓ "Governance" of the project. This has been the principal recent stumbling block for developing a Peninsula consensus on, and support for, the implementation of a water supply project(s). The recently formed Monterey Peninsula Regional Water Authority offers the last, best hope for a local "governance" approach that makes sense and does not cause delays in the proceeding or cause extraordinary problems for CEQA lead agency questions.
- ✓ Establishment of water rights. The legal and physical means to comply with Monterey County's ban on exportation of Salinas Basin groundwater must be firmly and timely established to the satisfaction of Monterey County agricultural interests. The Peninsula's entitlement or right to adequate recycled water from Monterey Regional Water Pollution Control Agency (MRWPCA) must be established to the satisfaction of Monterey County's agricultural interests.
- ✓ The adequacy of MPWSP (and related projects) to produce enough water to timely and safely provide the Peninsula with a safe, stable, sufficient and sustainable water supply for the foreseeable future, including redundancy or other contingency plans for failure of desalination or other water supply projects, and including lots of record (and general plan needs) and sufficient water in the event the hospitality industry recovers to the level of activity of several years ago.

IV. VALUE OR NOT OF HOLDING A WORKSHOP FOR THE PARTIES

CPB's view is that a workshop would not provide anything meaningful or useful and would result in a delay in this proceeding.

V. FACILITATED SETTLEMENT DISCUSSIONS

Facilitated settlement discussions could resolve several issues but the time allowed should be brief and instructions to reach a conclusion clear.

VI. PROPOSED PROCEEDING TIMELINE

The timeline proposed by California American Water Company (CAW – U210-W) in its application for PUC review must be as closely as possible adhered to meet or beat the CDO deadline.

VII. CONTACT INFORMATION

All information, correspondence, pleadings, orders, notices and other proceeding filings should be directed as follows:

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Dated: June 1 2012

Respectfully submitted,
By:



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