

On Jul 8, 2016, at 1:59 PM, William Hood <[wshood37@yahoo.com](mailto:wshood37@yahoo.com)> wrote:

Dear Chairwoman Marcus and President Picker:

As a person who has been involved in efforts to provide a reasonable and reliable water supply for the Central Coast's Monterey Peninsula (my resume is attached, Ms. Marcus, just to summarize my background and experience; Mr. Picker have already exchanged several emails, so he is aware of who I am), I am reaching out to you regarding my serious concern regarding the CDO extension to Cal-Am. Both of you, in your capacities as head of your respective boards, have been exposed to the complexities, the politics and the diametrically opposed positions in favor of and opposed to Cal-Am' current desal project and the rates, both historically and projected, that seriously affect the utility's ratepayers.

My focus for contacting you relates to an ongoing concern regarding the manner in which Cal-Am might be "punished" for any failures to meet deadlines or other conditions that may be included in the extension of the CDO. The primary issue is two-fold: What is the appropriate "punishment" for Cal-Am (which has historically failed to meet deadlines in the 2006 CDO, as well as deadlines for various environmental documents required by other agencies) for any future failures to meet the deadlines and/or conditions that will be part of the extension now under consideration; and to what will the impacts be on Peninsula ratepayers as a result of the type and amount of "punishment" that may be meted out by the SWRCB?

I am sending this email to you both by forwarding a string of other emails that speak for themselves. As you both probably know, the ratepayers of the Monterey Peninsula are currently paying the 9th highest water rates per acre foot in the US. Over the past few years, and with the approval of the CPUC, Cal-Am has successfully passed onto its customers costs involving litigation, caused in large part by their own mismanagement, costs for a dam removal that were far above the actual demolition costs required because the dam was a seismic hazard, and a panoply of fees -- all of which have burdened residential ratepayers at a much more unfair rate than commercial or hospitality industry customers, who have secretly bargained for a guaranteed flat rate. Then, on top of all that, in the past few days, has indicated it will additionally seek a 15% rate increase to invest in upgrading its infrastructure, etc. -- something it has poorly done over the past 40 years. Just as one example, the added costs to the dam demolition (San Clemente Dam) were in large part because the utility failed to adequately maintain its operation.

The two primary water activist groups on the Peninsula are in lock step as to their ultimate goal, but understandably do not always agree on the methods to reach that goal - a product of the complexities that are involved. The email string below suggests that is the case.

To the point, I respectfully ask each of you to think outside the box. I have been told, below, that cooperation between your two agencies would not happen, that there is no history for it. But in the case of the appropriate "punishment" to levy on Cal-Am as part of the CDO extension, it seems to me the answer is clear.

Reducing availability of Carmel River water for failures to meet deadlines will affect Cal-Am's revenue. More seriously, it will affect residential customers who have made amazing conservation efforts, and who will be second to the hospitality industry in receiving the diminished allocations and so will suffer even more. As to the suggestion already submitted to the SWRCB by one of the activist groups, it would require the Board to reduce the price/rate of water on a per-gallon basis. I am not an expert in this area, but would believe that authority would rest solely with the CPUC and not the SWRCB.

A better option, which would require inter-agency cooperation, would have the SWRCB levying monetary fines on Cal-Am, and with the understanding and commitment from the CPUC that should Cal-Am seek to recover its losses from paying fines from its ratepayers, that such efforts would be rejected.

Thank you both for your service in so many ways to the citizens of California. We are fortunate to have such well-respected and well-qualified public servants in such major policy positions. It is my hope that history, tradition, and whatever else it is that would otherwise keep your agencies from both looking at these issues together, will be ignored and that the most fair resolution is adopted. Remember that ratepayers, particularly residential ratepayers, have no government agency with the authority to make actual policy working on their behalf. They need that representation and I am hoping that you both will be in agreement.

Respectfully submitted,

Bill Hood  
Carmel and Columbus, OH  
614-488-9985

----- Forwarded Message -----

**From:** Marc Del Piero <[mjdelpiero@aol.com](mailto:mjdelpiero@aol.com)>

**To:** William Hood <[wshood37@yahoo.com](mailto:wshood37@yahoo.com)>

**Sent:** Thursday, July 7, 2016 7:46 PM

**Subject:** Re: [pwnaction] PWN Comment on CDO Modification

Such a coordinated action by the SWRCB and the CPUC would be unprecedented. Marc

Sent from my iPhone

On Jul 7, 2016, at 4:47 PM, William Hood <[wshood37@yahoo.com](mailto:wshood37@yahoo.com)> wrote:

Hi Marc and Steve - you both are intimate with the Board and what it can and cannot do. I wonder if the Board could mandate significant fines, and, at the very least, put Cal-Am on notice that if they submitted a any rate increase applications before the CPUC to recover those fines, a representative of the Board would either (or both) write a letter to the Commissioners requesting that, in the name of fairness and common sense, such applications should be denied, or that a representative would appear before the CPUC in such a hearing and argue, in detail, as to why the application must be denied.

So my question to you guys is: are either options realistically available to protect the ratepayers?

Best to you both,

Bill

----- Forwarded Message -----

**From:** Ron Weitzman <[ronweitzman@redshift.com](mailto:ronweitzman@redshift.com)>  
**To:** 'William Hood' <[wshood37@yahoo.com](mailto:wshood37@yahoo.com)>  
**Sent:** Thursday, July 7, 2016 4:33 PM  
**Subject:** RE: [pwnaction] PWN Comment on CDO Modification

Bill, thank you. Please read my response to Larry. George and Chuck are well aware of the suggestion I made to the state water board about a month ago, and yet theirs directly conflicts with mine while not even being implementable. --Ron

**From:** William Hood [<mailto:wshood37@yahoo.com>]  
**Sent:** Thursday, July 07, 2016 4:00 PM  
**To:** George Riley; Ron Weitzman  
**Cc:** Myrleen Fisher; Charles Cech; Dan Presser; ddavidbeech; Doug wilhelm; Janice And Michael Parise; Larry Parrish; MelanieBillig; Nancy Selfridge; Ron Nelson; Safwat Malek; Turner Jeanne; PWNaction; [waterplus@redshift.com](mailto:waterplus@redshift.com)  
**Subject:** Re: [pwnaction] PWN Comment on CDO Modification

George, you make a great point with Ron, but I understand where he is coming from. From my point of view, I think the better route, if there is one, would be to push the SWRCB to issue monetary fines (significant ones) for failure to comply, and at the same time try and push the Board and the CPUC together to ensure that Cal-Am wouldn't be able to recover those fines in a subsequent rate application. It's not rocket science for either agency to simply understand that a fine is not "punishment" if there is

a way to get around it and be made whole at the expense of the innocent and already burdened public. That is argument I would make. Having said that, I hope you and Chuck are successful in anything you do that will protect the ratepayers.

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**From:** George Riley <[georgetriley@gmail.com](mailto:georgetriley@gmail.com)>  
**To:** Ron Weitzman <[ronweitzman@redshift.com](mailto:ronweitzman@redshift.com)>  
**Cc:** Myrleen Fisher <[myrfisher@comcast.net](mailto:myrfisher@comcast.net)>; Charles Cech <[chuck\\_cech@hotmail.com](mailto:chuck_cech@hotmail.com)>; Dan Presser <[dan@fourwindstravel.com](mailto:dan@fourwindstravel.com)>; ddaavidbeech <[dbeech@comcast.net](mailto:dbeech@comcast.net)>; Doug wilhelm <[DWILH333@aol.com](mailto:DWILH333@aol.com)>; Janice And Michael Parise <[jhparise@aol.com](mailto:jhparise@aol.com)>; Larry Parrish <[lparrish@toast.net](mailto:lparrish@toast.net)>; MelanieBillig <[hbillig@sbcglobal.net](mailto:hbillig@sbcglobal.net)>; Nancy Selfridge <[self48@icloud.com](mailto:self48@icloud.com)>; Ron Nelson <[nelson06870@gmail.com](mailto:nelson06870@gmail.com)>; Safwat Malek <[samalek@aol.com](mailto:samalek@aol.com)>; Turner Jeanne <[j.turner809@gmail.com](mailto:j.turner809@gmail.com)>; PWNaction <[pwnaction@lists.riseup.net](mailto:pwnaction@lists.riseup.net)>; [waterplus@redshift.com](mailto:waterplus@redshift.com)  
**Sent:** Thursday, July 7, 2016 3:18 PM  
**Subject:** Re: [pwnaction] PWN Comment on CDO Modification

Ron, I am not trying to get under your skin.  
I'm hoping we stop shooting at each other.  
Our paths may not be identical, but our objectives are very similar.  
George

## George

On Thu, Jul 7, 2016 at 3:00 PM, Ron Weitzman <[ronweitzman@redshift.com](mailto:ronweitzman@redshift.com)> wrote:  
George, to be effective, you have to be credible; to be credible, you have to be accurate. The presidential campaign is a good example. --Ron

**From:** George Riley [mailto:[georgetriley@gmail.com](mailto:georgetriley@gmail.com)]  
**Sent:** Thursday, July 07, 2016 2:30 PM  
**To:** Ron Weitzman  
**Cc:** Myrleen Fisher; Charles Cech; Dan Presser; ddaavidbeech; Doug wilhelm; Janice And Michael Parise; Larry Parrish; MelanieBillig; Nancy Selfridge; Ron Nelson; Safwat Malek; Turner Jeanne; PWNaction; [waterplus@redshift.com](mailto:waterplus@redshift.com)  
**Subject:** Re: PWN Comment on CDO Modification

My reaction to this string of "doubts".  
Chuck and I proposed a way for SWRCB to look at the unfairness of the milestones for reduced pumping. It was plea, with a suggestion, to be fair, and to penalize the right party -- Cal Am, not ratepayers.  
It surely was not an attempt to get the SWB to set Cal Am rates.  
Ranting in a highly specific way only clouds the issue.  
Please do not let "your details" that undermine others get in the way of other efforts to resist Cal Am.  
Thanks,  
George

**George**

On Mon, Jul 4, 2016 at 3:30 PM, Ron Weitzman <[ronweitzman@redshift.com](mailto:ronweitzman@redshift.com)> wrote:

George and Chuck and Melodie, your suggestion that the state water board compel Cal Am to charge ratepayers less per gallon when the company fails to reach a milestone faces a serious obstacle: The state water board does not set Cal Am's rates; that is the responsibility and authority of the Public Utilities Commission, which assures that Cal Am's revenues are adequate to meet its expenses. Cal Am does not make shareholder profits from water sales; it makes those profits as a percentage of equity. Nader and I have had a battle over this issue for years. --Ron

**From:** George Riley [mailto:[georgetriley@gmail.com](mailto:georgetriley@gmail.com)]

**Sent:** Tuesday, June 28, 2016 12:25 PM

**To:** George Riley; Myrleen Fisher; Charles Cech; Dan Presser; ddaavidbeech; Doug wilhelm; Janice And Michael Parise; Larry Parrish; MelanieBillig; Nancy Selfridge; Ron Nelson; Safwat Malek; Turner Jeanne

**Cc:** Ron Weitzman

**Subject:** Fwd: PWN Comment on CDO Modification

Chuck and I teamed up for this comment letter.

**George**

----- Forwarded message -----

**From:** **George Riley** <[georgetriley@gmail.com](mailto:georgetriley@gmail.com)>

**Date:** Tue, Jun 28, 2016 at 12:22 PM

**Subject:** PWN Comment on CDO Modification

**To:** Dorene D'Adamo <[ddadamo@waterboards.ca.gov](mailto:ddadamo@waterboards.ca.gov)>, Felicia Marcus <[felicia.marcus@waterboards.ca.gov](mailto:felicia.marcus@waterboards.ca.gov)>, Frances Spivy-Weber <[frances.spivy-weber@waterboards.ca.gov](mailto:frances.spivy-weber@waterboards.ca.gov)>, Steven Moore <[smoore@waterboards.ca.gov](mailto:smoore@waterboards.ca.gov)>, Tam Doduc <[tdoduc@waterboards.ca.gov](mailto:tdoduc@waterboards.ca.gov)>, [thoward@waterboards.ca.gov](mailto:thoward@waterboards.ca.gov), [lyris@swrcb18.waterboards.ca.gov](mailto:lyris@swrcb18.waterboards.ca.gov)

**Cc:** laurens silver <[LarrySilver@earthlink.net](mailto:LarrySilver@earthlink.net)>, Royal Calkins

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[<chuck\\_cech@hotmail.com>](mailto:chuck_cech@hotmail.com)

Here are Public Water Now comments on the SWRCB staff rationale re CDO WR 2009-0060.

If there re questions, please contact me.

George T. Riley  
Managing Director  
Public Water Now  
[831-645-9914](tel:831-645-9914)

<RESUME2013.doc>