

*Submitted by staff
at 4/5/11 committee
meeting Item 4-C*
DRAFT (Rev. 2)

A.10-05-020 ALJ/GW2/hkr/lil

Cal-Am is directed to confer with the Monterey Peninsula Water Management District and thereafter seek from the State Water Resources Control Board a process or mechanism that will permit Cal-Am to serve demonstrated and compelling public health and safety needs within the Monterey District, notwithstanding the moratorium. Cal-Am is also directed to return to that Board for guidance with respect to any unresolved issues of interpretation or implementation concerning Condition 2. Cal-Am is directed to file a petition to modify this Commission decision if pending litigation testing the 2009 cease and desist order of the State Water Resources Control Board results in an outcome that conflicts with the orders in this decision or if the State Water Resources Control Board modifies its order, or provides written direction to Cal-Am interpreting its order, in a manner that conflicts with the orders in this decision.

2. Background

2.1. Water Scarcity in the Monterey District of Cal-Am

The Monterey District of the California-American Water Company (Cal-Am) has a continuing water supply deficit. It is served by scarce water resources;¹ a sizeable portion of its demand is served by water diverted from the Carmel River without a water right in order to meet customer demand pending the development of a supplemental water supply.² If it were not for graduated or

¹ The two sources are the Seaside Basin and the Carmel River.

² On December 2, 2010, the Commission authorized Cal-Am to participate in the Coastal Water Project that is designed to produce 8,800 acre feet of desalinated water in a normal year for the Monterey Peninsula. See Decision (D.) 10-12-016 rendered in Application (A.) 04-09-019.