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STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD

In the Matter of the Unauthorized Diversion
and Use of Water by the California American
Water Company; Cease and Desist Order WR
2016-0016

SUPPLEMENTAL MATERIALS IN
SUPPORT OF APPLICATION FOR ORDER
MODIFYING STATE WATER BOARD
ORDERS WR 2016-0016 and WR 2009-0060
(CEASE AND DESIST ORDER)

SUPPLEMENT No. 4

This Supplement No. 4 to the Monterey Peninsula Water Management District's (District) Application for Order Modifying State Water Board (SWRCB) Orders WR 2016-0016 and WR 2009-0060 (Application) dated October 21, 2025 provides an update on planning documents created by California-American Water Company (Cal-Am) pursuant to California regulations requiring filing of Urban Water Management Plans (UWMP) every five years.

This Supplement No. 4 reflects the District's concerns and comments on the Cal-Am 2025 UWMP.



VIA EMAIL

June 1, 2026

Nina Miller
California-American Water Co.
511 Forest Lodge Road, Suite 100
Pacific Grove, CA 93950

Dear Ms. Miller,

The Monterey Peninsula Water Management District has reviewed the Draft 2025 Urban Water Management Plan (UWMP) of California-American Water's (Cal-Am) Monterey District. The District has identified a number of concerns regarding statements, assumptions, omissions, and conclusions contained in the document. Detailed comments are attached hereto as Exhibit A.

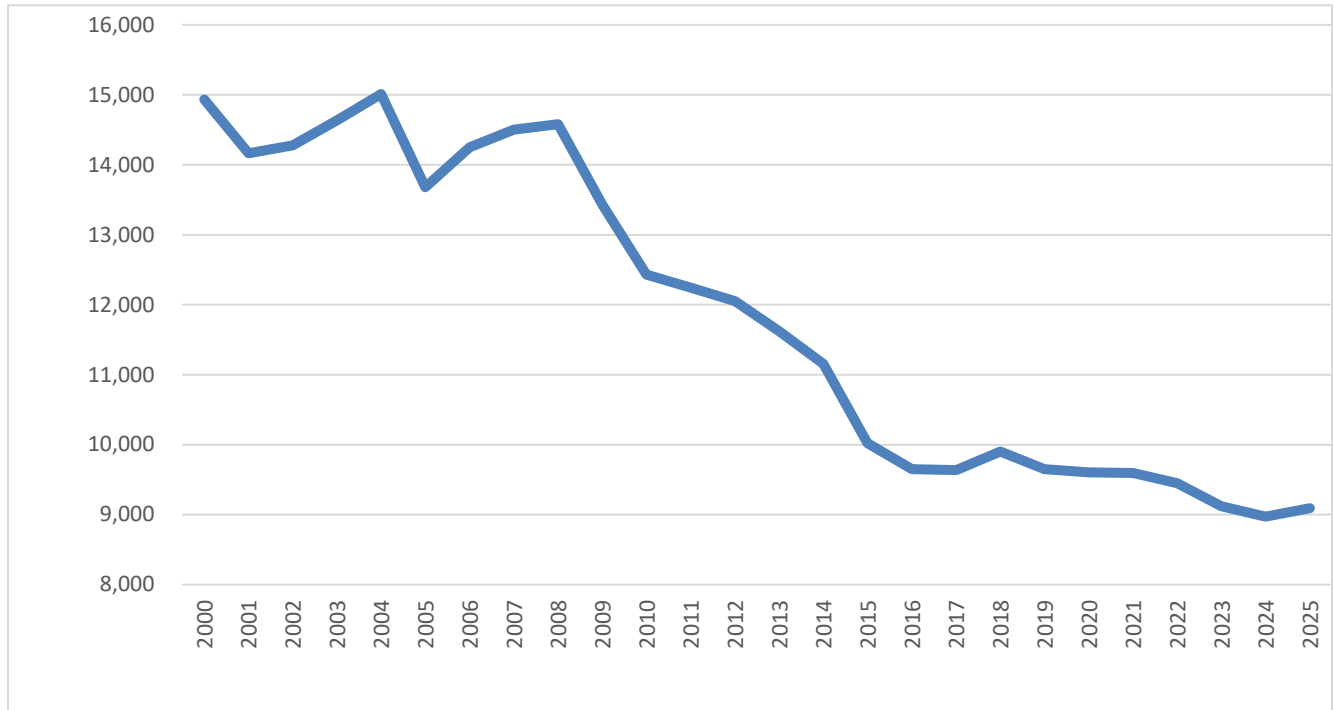
At a fundamental level, the Cal-Am UWMP does not appear credible when compared to the underlying demographic and land use assumptions. Many of the UWMP's conclusions appear to be neither believable, nor logical. For example, the UWMP projects that annual water demand will increase by 52 percent by 2050. However, Table 3-2 on page 3-4 projects population growth of only 3.6 percent between 2025 and 2050.

This disparity raises a significant question: How can water demand increase by more than one-half while population grows by less than four percent? The Cal-Am water system is approximately two-thirds residential water demand, and the Monterey Peninsula is a largely built-out community with limited opportunities for greenfield development. Given these realities, the projected increase in water demand appears inconsistent with both forecasted population growth and the region's physical development constraints. The UWMP does not adequately explain the basis for this substantial divergence between projected population growth and projected water demand. As a result, the reliability of the demand forecast—and the planning conclusions that depend upon it—is difficult to evaluate and, in the District's view, warrants closer scrutiny.

Water demand on the Monterey Peninsula has steadily declined over the past several decades, as illustrated in the chart below. This reduction has been driven by a combination of aggressive conservation measures implemented through District ordinances and incentive programs, as well as Cal-Am's steeply tiered local rate structure, which encourages efficient water use.

Despite this long-term trend, the UWMP projects an increase in water demand of more than 183 acre-feet per year (AFY) over the next 25 years. The UWMP does not adequately explain how such sustained growth can occur in the face of decades of declining demand, continued conservation requirements, increasingly efficient water fixtures and appliances, modest population growth projections, and the Monterey Peninsula's limited opportunities for significant new development. Without a clear and well-supported explanation, the projected increase in demand appears inconsistent with both historical water-use trends and the region's anticipated growth patterns.

Water Demand in AF
Production for Customer Service (Demand)
Cal-Am Monterey Water System



One might argue that growth on the Monterey Peninsula has been constrained by the Cease and Desist Order (CDO), and that lifting the moratorium on new water meters would result in significant increases in water demand. However, the historical data does not support that conclusion. In the ten years preceding the CDO, water use on the Monterey Peninsula increased by only slightly more than 16 acre-feet per year (AFY). By comparison, the City of Santa Cruz — a community of similar size serving approximately 96,168 customers and operating without comparable growth constraints — saw total water demand decline from 13,733 AFY in 2000 to 7,991 AFY in 2020. Marina Coast Water District experienced a 19.7% increase in water demand during the ten years ending in 2024, but that growth occurred in the context of substantial new subdivision development. In contrast, development on the Monterey Peninsula is predominantly infill in nature and generally produces slower increases in water demand. Given these regional trends, it does not appear reasonable to assume that the Monterey Peninsula will suddenly experience growth rates that exceed those of neighboring jurisdictions with fewer development constraints and more growth-oriented land use patterns.

The UWMP also fails to address the implication of the California Public Utilities Commission decision D.25-08-006 which contains findings regarding both current and future supply and demand.

Based on our review, the UWMP appears to systematically understate available water supplies while overstating future water demand. As a result, the UWMP appears to attempt to justify a need for the Monterey Peninsula Water Supply Project (MPWSP) Ocean Desalination Plant (ODP) that is

Ms. Nina Miller

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not supported by the available evidence. As such, the Cal-Am UWMP should not be relied upon as a detailed planning document.

The District respectfully submits the attached comments attached as Exhibit A.

Sincerely,

A handwritten signature in blue ink that reads "David J. Stoldt". The signature is written in a cursive style with a large, sweeping initial "D".

David J. Stoldt
General Manager

EXHIBIT A

Rebuttal to Misstatements in the California-American Water 2025 Draft Urban Water Management Plan

This Exhibit addresses several statements, misstatements, and omissions pertaining to the 2025 Draft Urban Water Management Plan (UWMP) of California-American Water (CAW.)

Chapter 3 – Service Area Description

1. The UWMP states: “CAW Monterey’s water supply source is primarily groundwater from the Carmel Valley Aquifer (CVA), the coastal subbasin of the Seaside Groundwater Basin (SSGB), and the Sand City Desalination Plant.”¹

This statement is false.

Under the Amended and Restated Water Purchase Agreement for the Pure Water Monterey project, CAW is obligated to purchase 5,750 acre-feet per year (AFY). This amount exceeds the amount annually available from the CVA, the SSGB, and the Sand City Desalination Plant combined.

2. Section 3.3.1 states that population estimates prepared by AMBAG “...do not reflect assumptions about future development needed to accommodate the Regional Housing Needs Allocation (RHNA).”²

This statement is misleading.

AMBAG states in its 2045 Metropolitan Transportation Plan (MTP/SCS) that “The 2045 MTP/SCS *includes an updated RHNA*. [emphasis added]”³ The MTP is based on AMBAG’s Regional Growth Forecast (RGF) of population and job growth and includes

¹ UWMP, p. 3-1.

² UWMP, p. 3-4

³ AMBAG 2045 Metropolitan Transportation Plan “Moving Forward Monterey Bay 2045”, p. 4-38

the RGF as an appendix. The MTP goes on to say “In the past, the RHNA was conducted separately from the MTP process. SB 375 now links the RHNA and MTP/SCS processes to better integrate housing, land use, and transportation planning. Integrating processes helps ensure that the state’s housing goals are met.”⁴

Chapter 4 – Water Use Characterization

3. Section 4.2.3 states “Beginning in 2030, when additional water supply is anticipated to be available... a 10 percent rebound in per capita water use was assumed. This accounts for anticipated increases in customer water use due to a relaxation in strict conservation measures once a new, reliable supply source ... is online.”⁵

This assumption is unfounded and likely incorrect.

Per capita water use increasing in 2030 following the addition of a new water supply is both counterintuitive and inconsistent with current and future regulations. Residential per-capita water use will not increase over time and is expected to decline because of plumbing codes, appliance and fixture turnover, new technology and new housing. In addition to numerous local efficiency requirements, water waste restrictions, and tiered rates, the adoption of “Making Water Conservation a California Way of Life” (Senate Bill 606 and Assembly Bill 1668 of 2018), and its predecessor “The Water Conservation Act of 2009” will result in further reductions in per-capita use. Water Code Section 10609.4 sets efficiency standards for indoor residential water use beginning 47 GPCD from 2025-2030 and 42 GPCD after January 1, 2030. The recommendation to reduce GPCD came from the Department of Water Resources and the State Water Resources Control Board (SWRCB) after completion of an Indoor Residential Water Use Study (“IRWUS”). Note that the IRWUS found that lower GPCD will occur without the “active” conservation programs such as rebates, conservation-oriented rate structures, and education programs which can provide additional water savings.

⁴ *Id.*

⁵ UWMP, p. 4-3

The focus by State regulators will tend to cause a reduction in per capita residential water use, rather than an increase. The resulting implementation of state-mandated Urban Water Use Objectives will result in more efficient landscapes and reduced outdoor water use, which will contribute to a reduction in overall residential demand and GPCD.

It is also counterintuitive that a person would use more water than at the present when the cost of water becomes 40%-60% higher due to the costs of a new water supply project and that same person is not restricted from water use today – that is, when a customer turns on his shower or opens a hose bib today, water comes out. Why would that customer use more quantity simply because there is new supply available, but at a significantly higher cost?

The District is a regulatory agency that creates laws and programs to reduce water demand on the Monterey Peninsula. The District also has enforcement powers that Cal-Am does not have. The District asserts oversight by participating in California Public Utility Commission (CPUC) proceedings, by enforcing its regulations that affect Cal-Am, and by coordinating with Cal-Am in the implementation of conservation programs and related public outreach. The District and Cal-Am coordinate conservation programs to avoid duplication of effort and often partner on outreach and education efforts. There are no plans to alleviate any mandatory or strict conservation efforts.

4. Section 4.2.3 also states “Additionally, a 10 percent rebound was applied to future commercial water demands within the Monterey Main service area, similar to residential demand, to account for relaxation in strict conservation measures once the MPWSP ODP is online.”⁶

This assumption is unfounded and likely incorrect for the same reasons cited in Item 3, above.

⁶ UWMP, p. 4-4

5. Section 4.2.3 also states that CAW “also identified additional growth categories outside of what was determined using TAZ projections, which were applied to Monterey Main... The additional growth categories were identified as follows:

- Pebble Beach Entitlements: Represents an entitlement to the Pebble Beach Company totaling 325 AFY of residential use by 2050.
- Tourism Rebound: Represents a rebound in response to a new water supply source, which will allow hotels and visitor facilities to be built, remodeled, or expanded. This rebound accounts for an increase in commercial use of 500 AFY by 2035.
- Lots of Record: Represents a backlog of residential and commercial development due to limited water supply and CDO 2009-0060. The Lots of Record water demand is estimated at 1,180 AFY by 2050.
- Regional Housing Needs Allocation (RHNA): Represents an estimated 6,213 housing units needed to meet regional housing requirements, the accounting of which is not directly accounted for in TAZ growth data since that data is based on historical trends. Water demand is estimated at 745 AFY by 2035.”⁷

These additions to future demand have been debunked as superfluous double- and triple-counting. They only serve to overstate demand numbers in order to justify construction of an unneeded Monterey Peninsula Water Supply Project (MPWSP) Ocean Desalination Plant (ODP.)

Cal-Am has taken the confusing step of adding these categories of future demands on top of, or additive to, the Association of Monterey Bay Area Government (AMBAG) Regional Growth Forecast upon which their UWMP basic demand forecast is based. The

⁷ UWMP, p. 4-4

problem with doing so is that the AMBAG forecast represents population growth and expansion of the commercial sector/job growth that already encompass such future demands. To summarize:

Pebble Beach Entitlements: The entitlements represent a promise to serve new housing and commercial growth in Pebble Beach within the Cal-Am service area. It is not separate demand. Hence, it is encapsulated within the AMBAG Regional Growth Forecast for the unincorporated County and is not additive.

Tourism Rebound: Non-residential economic growth is captured in the AMBAG Regional Growth Forecast and is not additive. Tourism Rebound has already occurred with no corresponding increase in commercial water use. The 500 AFY for economic recovery was originally suggested by the local hospitality industry in 2012 to account for a recovery of occupancy rates in the tourist industry in a post-World Trade Center tragedy setting. Representatives of the Coalition of Peninsula Businesses indicated in 2017 CPUC testimony that the hospitality industry was hurt by the recent recession and that occupancy rates need to increase by 12 to 15 percent to re-attain the levels of decades ago.⁸ It is true that the Salinas-Monterey market was one of five California markets, out of 22, to experience significant declines after the events of 2001, from 71.8% in 2000 to 63.0% in 2001.⁹ The Monterey County Convention and Visitors Bureau recently stated that occupancy rates were 75%-80% pre-COVID and are now in the low 70%-75% range.¹⁰ Hence, Tourism Rebound has already occurred.

Legal Lots of Record: Population moves to the area and lives in either existing housing stock or new housing stock that is built on Legal Lots of Record. Housing is already included in the AMBAG Regional Growth Forecast. Thus, Legal Lots of Record is not additive. Furthermore, the Legal Lots of Record demand value was based on a District study that began with vacant lots as of January 1, 1997, which is now almost 30 years out

⁸ Testimony of John Narigi in CPUC Proceeding A.12-04-019, September 29, 2017.

⁹ Id., p. 5, HVS San Francisco, August 19, 2003.

¹⁰ Rob O'Keefe, CEO, Monterey County Convention and Visitors Bureau, remarks made June 10, 2022 to the Monterey County Hospitality Association.

of date. Many lots have been built upon, others have been determined to be unbuildable. A statistical sampling of the 1997 Legal Lots of Record Database performed by the District shows that vacant lots from the earlier study have been built upon. Those numbers can no longer be trusted, yet Cal-Am holds on to them. The District sampled 188 property records of the original 1,783 vacant, buildable legal lots on vacant parcels in the Cal-Am service area as of January 1, 1997. 116 of those 188 parcels, or 62%, have been built upon by today. Such a high percentage indicates the 1,180 AF per year for Legal Lots of Record is grossly exaggerated. Statistically, it is overstated by 62%.

RHNA Housing Numbers: The new 6th Cycle Regional Housing Needs Allocation Plan 2023-2031 is reflected within the AMBAG Regional Growth Forecast and is not additive. See the Districts comments to Item 2, above. Further, The CPUC in its 2025 decision, D.25-08-006 found that the RHNA estimate of CAW's should *not* be included as demand. Houses don't use water, people do – population estimates drive water demand not housing stock estimates. To add it is double-counting.

6. Section 4.2.5 states “CAW has been actively working on the development of a new desalination supply source, which is projected to begin supplying CAW Monterey customers in late 2029. This new source will significantly improve water supply availability and reliability, promote long-term groundwater sustainability in the SSGB, and alleviate mandatory conservation efforts in CAW Monterey’s service area.”¹¹

See the Districts comments in Item 3, above.

Chapter 6 – Normal-Year Water Supply Characterization

7. Section 6.2.1.2 states “Under the terms of the adjudication, CAW Monterey currently has a right to pump 1,474 AFY from the coastal subarea of the SSGB and 0 AFY from the Laguna Seca subarea.”¹²

¹¹ UWMP, p. 4-7

¹² UWMP, p. 6-4

The Seaside Basin Watermaster recalculated this amount to 1,466 AFY several years ago and establishes CAW's annual native water allocation based on it.

Also, in Section 6.2.1.2 the third paragraph states "the SSGB's vulnerability to over pumping continues, with increased agricultural water use, droughts, and other climate impacts, such as rising sea levels." A portion of that statement is inaccurate. There is little to no agricultural water use within the Seaside Groundwater Basin. Please correct this statement.

8. In Section 6.5 is states "both the cities of Pacific Grove and Seaside operate stormwater diversion projects to divert dry weather flows to the M1W treatment plant." A portion of that statement is incorrect. The City of Seaside does not have any stormwater diversion structures that divert stormwater to Monterey One Water's Regional Treatment Plant. Please revise the text.
9. The UWMP states that the Aquifer Storage and Recovery (ASR) program "... has not been effective at building long-term storage and CAW Monterey only projects an increase in ASR storage during wet years."

This statement is false.

The ASR program has built up 5,309 AF of current storage. In the past 15 years, the ASR program has injected water to storage in 9 years that were statistically *not* wet (meaning Normal, Below Normal, or Dry.)

10. The UWMP states "The projected supply from the ASR program is estimated to be 470 AFY, with 90 percent reliability." and "CAW maintains that ASR is highly unpredictable. For prudent long-term planning, therefore, projected reliable supply from the ASR program is estimated to be 470 AFY in a normal year."¹³

¹³ UWMP, p. 6-6

This statement is false and omits relevant data.

ASR stands for “Aquifer Storage **and** Recovery.” The full scope of available water supply must include and account for water available in real time, both from the river, plus additional water available from supplies that were previously stored. The CPUC in its 2025 decision, D.25-08-006 found the Aquifer Storage and Recovery (ASR) project reliably provides 1,210 AFY, on average. The CPUC decision “Finding of Fact” #14 states, “The ASR Availability and Analysis Technical Memorandum finds that over 59 years, the ASR system held an average of 1,120 AFY of available water.” That 1,120 AFY was changed to 1,210 AFY in an October 9, 2025, correction by the CPUC. 1,210 AFY is the full average annual availability, with no discount for drought years because drought years have been included in the 59-year average. The Technical Memorandum referenced by the CPUC was CAW’s own memorandum.

CAW’s decision to use 470 AF is based on a faulty analysis. **It ignores the importance of storage.** In prior CPUC testimony, CAW states: “The capability of the ASR system to provide potable water to California American Water’s portfolio is highly unpredictable and depends entirely on rainfall conditions during a water year.”¹⁴ This is not entirely correct. Instead, the capability of the ASR system to provide potable water to CAW depends on rainfall conditions during a water year **and stored ASR water from prior years.** Cal-Am’s analysis focuses on injection in the water year and has mistakenly left storage completely out of the equation. In fact, the author of the Technical Memorandum, Paul Findley, stated in CPUC testimony “carry-over storage to the following year is not addressed...”¹⁵ Instead, Findley relies on confidence levels for injection within a water year, but completely misses the importance of storage of excess supply from years available to when needed. Even the American Water Works Association (AWWA) recognizes ASR in its reliability assessment: “ASR wells can improve water basin management by storing water underground from periods of excess supply..., and later

¹⁴ CPUC Proceeding A.21-11-024, Phase 2 Direct Testimony of Ian C. Crooks, Corrected, dated July 25, 2022, p. 34, beginning at line 12.

¹⁵ CPUC Proceeding A.21-11-024, Phase 2 Rebuttal Testimony of Paul Findley, page 8, line 22, September 19, 2022.

allowing a portion of the stored water to be extracted during periods of demand or short supply.”¹⁶

11. Regarding Pure Water Monterey (PWM) supply availability, Section 6.6.3.1 of the UWMP states “Detailed analyses ... submitted by CAW to the CPUC demonstrate that the Phase 2 expansion may only be able to provide between 2,001 and 2,234 AFY during normal conditions, and between 0 and 1,100 AFY during drought conditions. For conservative planning in this UWMP, CAW Monterey continues to assume that 2,001 AFY of Phase 2 PWM water will be available to CAW Monterey during a normal year.”¹⁷

This statement is intentionally misleading and designed to understate PWM supply in order to justify construction of an unneeded Monterey Peninsula Water Supply Project (MPWSP) Ocean Desalination Plant (ODP.)

The CPUC determined Cal-Am’s claims of PWM Expansion drought vulnerability and/or source water reductions were unfounded. The August 18, 2025, CPUC Decision “Finding of Fact” #19 stated, “In view of M1W’s position and the Amended WPA, Cal-Am has not demonstrated that it cannot reliably receive 2,250 AFY of water from M1W as part of the PWM Expansion.” 2,250 AFY is the full capacity, with no discount for drought years.

The public agencies behind the PWM Expansion are contractually committed to 2,250 AFY. The Amended and Restated Water Purchase Agreement for the PWM base project plus Expansion has an Event of Default under Section 20.(c)(8): “The failure of the Agency or the District to meet the Water Availability Guarantee in any Fiscal Year;” The Water Availability Guarantee is defined in Section 13.(b) as the District must deliver enough water to the Delivery Point so that the Company may draw an amount at least equal to the Company Allotment. The definition of Company Allotment means Cal-Am’s a total of 5,750 AFY. Yet failure to deliver the contractually obligated Water Availability Guarantee in any year is an Event of Default. Under the Amended and Restated WPA,

¹⁶ AWWA, “Water Resources Planning: Manual of Water Supply Practices M50”, 3rd Edition, p. 148.

¹⁷ UWMP, p. 6-12

default on the delivery guarantees can result in financial penalties to MPWMD. It is an absurd assumption that all three parties – Cal-Am, M1W, and MPWMD – would enter into an agreement where they knowingly would be in default each and every year. For that reason, the PWM Expansion is fully expected to yield 2,250 AFY.

12. Further discussing Pure Water Monterey, the UWMP in Section 6.6.3.1 states “Additional information regarding the reliability of the PWM Phase 2 expansion can be viewed in Appendix G.”¹⁸

The same letters and memoranda attached in Appendix G to the UWMP were made available to the CPUC in its evaluation of supply and demand. The CPUC ruled that the full 2,250 AFY from the Pure Water Monterey Expansion will be available. Cal-Am is attempting here to regress to assumptions already ruled upon differently by the CPUC.

13. The UWMP states “CAW Monterey has an allocation of 94 AFY from this facility and the remaining 206 AFY is reserved for future development in Sand City. However, CAW Monterey may use any remaining supply until new development utilizes that available remaining supply.”¹⁹ and “Once that remaining capacity is needed by Sand City, CAW Monterey’s use will be limited to its fixed 94 AFY allocation. Therefore, only 94 AFY is included as a reliable supply from the Sand City Desalination Plant in the future.”²⁰ Then Table 6-10 goes on to only project only 94 AF available to CAW in the future. Table 6-10 also fails to include other supplies available to CAW.

This is misleading.

Cal-Am is incorrect to discount Sand City desalination to only 94 AFY because any and all Sand City desalination produced is available supply to demands in Sand City or elsewhere. Future Sand City demand would be reflected in CAW’s demand forecast,

¹⁸ *Id.*

¹⁹ UWMP, p. 6-15

²⁰ UWMP, Section 7.1.1.3, p. 7-2

hence if served by the Sand City desalination plant the plant output should still be reflected as an available supply. In its current General Rate Case, CAW states “Based on input from operations, it was determined that 200 Acre Feet (AF) of water will be produced from Sand City desalination facility” each year.²¹

Also, Malpaso LLC has reliably provided approximately 85 acre-feet per year (AFY) of availability to CAW since 2017. CAW even reports Malpaso LLC water as a supply in its annual compliance reporting to the State Water Board.

Finally, Table 4-3 shows 13 AFY as a demand for “Sales/Transfers/Exchanges to Other Suppliers.” However, this is water wheeled by CAW and sourced from non-CAW supplies. Hence, the supply should be shown in Table 6-10 as a supply available to meet such demand.

14. Table 6-10 on projected water supplies misstates the availability of “Supply from Storage.” Not only is this number merely reflecting only ASR as miscalculated in our discussion under Item 9, above, but it entirely misses encompassing other available storage.

CAW’s UWMP fails to note that in the early years available supplies as forecast in Table 6-10 exceed projected demand in Table 4-4. For example, in 2030 supply is 13,545 AF and demand is 10,287. In 2035 supply is 14,258 AF, but demand is 12,032 AF. This means that there will be thousands of AF surplus available in those early years that can be put to storage. Such surplus even exists in dry years as shown in Table 7-7.

Further, unproduced Seaside Basin allocations remain available as carry-over storage to later years. CAW’s UWMP utterly fails to adequately address the role of storage.

²¹ Direct Testimony of Lakhit S. Thind, Corrected, in CPUC Proceeding A.25-07-003, 4/16/26, p.12

15. Table 6-10 on projected water supplies also includes a Firm Supply Buffer that “derates total supply by 10 percent to account for supply sources that may be out of service at any given time.”²²

This statement appears to be designed to understate available supply.

In addition to eliminating a need for a 10% Firm Supply Buffer, the forgotten stored water discussed in Item 13, above, can be used for peaking to meet maximum month demands (MMD), maximum day demand (MDD), and peak hourly demand (PHD) without building more supply projects. It is always in the ratepayer’s interest to build one or two additional production wells for \$3 million each, rather than over \$300 million on a desalination plant if saved or stored water can be utilized to buffer supply and meet peak demands.

Chapter 7 – Water Service Reliability and Drought Risk Assessment

In this chapter, many of the District’s same comments expressed on Chapters 3, 4, and 6 above should be considered. Additional comments are included below.

16. In discussing Pure Water Monterey, the UWMP states “there is a Drought Reserve Minimum of 1,000 AF”²³

However, this reserve is discretionary and is not required. Monterey One Water (M1W) has separately entered into an Amended and Restated Water Recycling Agreement with the Monterey County Water Resources Agency (MCWRA) in Section 4.05 of which, MCWRA may request additional irrigation water from M1W sources. Pursuant to that agreement M1W has committed to produce no more than 200 acre-feet per year, up to a total quantity of 1,000 acre-feet, for delivery to the District as a drought reserve. When such a request is made, the District may make available to the Company Drought Reserve Water in order to satisfy the Company Allotment. However, MCWRA has “opted out” of

²² UWMP, Table 6-10, p. 6-19

²³ UWMP, Section 7.1.1.4, p. 7-3

participation in the Pure Water Monterey project, hence such a request for additional irrigation water will not occur. The District or M1W, in their discretion, may choose to fill the Drought Reserve as an additional factor of safety for ensuring delivery of Company Water in all water year weather types.

17. Section 7.1.2 of the UWMP says “As shown in Table 7-1, the reasonably available supplies from ASR and the PWM expansion decreases to 240 AFY and 1,100 AFY, respectively, for single dry years, and are projected not to provide any supply after the first year of a five-consecutive-year drought.”

These are false and misleading assumptions. See the District’s earlier comments on ASR and PWM, above.

Section 7.1.1.5 of the UWMP states “while this (ASR) storage may be used in near-term dry years, banked Carmel River water has historically been quickly depleted during periods of extended drought and is not considered a long-term reliable source of water supply for planning purposes.” This statement is misleading and inaccurate. A closer look at data from ASR over the last 5 years has, in fact, debunked that concept. Currently there is 5,309 AF of water in storage which was generated from the ASR program. This number theoretically should be higher if ASR 3 and/or ASR 4 (wells owned by Cal-Am, but taken out of injection capability) were able to receive injection flows over the past 4 years. The current system is limited to only 13 AF per day due to ASR 3 and 4 not being operational for injection. If the District had an additional injection well available such as ASR 3 or ASR 4, an additional 335 AF could have been injected. Also in 2023, Cal Am used 800 AF of ASR water from storage when in fact they had over this amount still available in their Carmel River water right. Water storage is a water supply that can be utilized to meet demand. Fortunately, the lack of overall water demand is allowing both Cal-Am and the MPWMD to increase supplies for use down the road. The volume of storage that is available today will provide much needed redundancy if called upon. Planning for the large volume of ASR stored water being depleted over the course of 1 -5 drought years is unrealistic.

Chapter 9 - Demand Management Measures

18. This chapter contradicts previous statements made in the UWMP in favor of highly increased demand “anticipated increases in customer water use due to a relaxation in strict conservation measures once a new, reliable supply source ... is online” from Section 4.2.3.

Notably, but not limited to, the following demand management measures are used to show the past five years and next five years of implementation to aid mitigating against rising water demand; however, there is no reduction shown in Chapter 3 or 4 realizing these reductions:

- 9.1.1 Implementation of new ordinances in coordination with MPWMD
- 9.1.2 Metering- only 15% of the CAW Monterey service area has been upgraded to AMI meters
- 9.1.3 Discouraging water use through tiered pricing
- 9.1.4 Public education and outreach to customers through extensive channels of communication
- 9.1.5 Real loss programs such as replacing 1.5-2 miles of water main, tracking leaking valves, hydrants and services, checking accuracy of supply and demand meters, etc.
- 9.1.6 Two full time water conservation staff and performing Water Wise house calls and attending community events.
- 9.1.7 Offering free conservation supplies, water audits, mandatory irrigation schedule, rebates, irrigation controllers, CII audits, low income energy efficient upgrades, water tracking, etc.