



# Supplement to 12/12/2022 MPWMD Board Packet

Attached are copies of letters sent and/or received between **November 9, 2022 and December 6, 2022**. These letters are listed in the **December 12, 2022** Board packet under Letters Received / Sent.

Author	Addressee	Date	Topic
<b>Bill Peake</b>	General Manager	November 10, 2022	Resignation Letter to the Ordinance No. 152 Citizen's Oversight Panel
<b>Susan Schiavone</b>	Board of Directors and General Manager	November 14, 2022	General Public Comment for the Regular Board Meeting on Monday, 11/14/2022, re: CA Coastal Commission Hearing on Thursday, 11/17/2022 on CalAms Coastal Development Permit No. 9-20-0603 (Monterey Peninsula Water Supply Project)
<b>David J. Stoldt</b>	John Ainsworth	November 11, 2022	CalAms Coastal Development Permit No. 9-20-0603
<b>Melodie Chrislock</b>	Board of Directors and General Manager	November 16, 2022	San Francisco Chronicle Article dated November 15, 2022 entitled, "The Monterey Area May Get a Huge Desalination Plan. Is this the future of California's water supply?"
<b>Melodie Chrislock</b>	Board of Directors	November 19, 2022	News Media Coverage of Coastal Commission Decision (Various Newspapers)
<b>Melodie Chrislock</b>	Board of Directors and General Manager	November 23, 2022	Forwarding CalAms letter dated November 23, 2022, re: Application No. 21-11-024 Proposed Decision- Request for Hold
<b>Michael Baer</b>	Board of Directors and General Manager	November 24, 2022	MPWMD Special Board Meeting on Monday, 11/28/2022, re: Public Comment on Item No. 1: GM Performance Evaluation
<b>Laura Paxton</b>	General Manager	November 28, 2022	Seaside Groundwater Basin Watermaster Appointment Notification

## Joel Pablo

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**From:** Bill Peake <bpeake@cityofpacificgrove.org>  
**Sent:** Thursday, November 10, 2022 3:13 PM  
**To:** Dave Stoldt  
**Cc:** Clyde Roberson; Joel Pablo  
**Subject:** Ordinance No. 152 Citizens Oversight Panel

Hi Dave,

I'm writing to let you know that I resign from the Ordinance No. 152 Citizens Oversight Panel effective immediately. It has been interesting to hear others' views and I appreciate the staff support given to the panel.

Regards,  
Bill

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*Bill Peake*  
*Mayor Pacific Grove*

**Joel Pablo**

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**From:** susan schiavone <s.schiavone@sbcglobal.net>  
**Sent:** Monday, November 14, 2022 5:04 PM  
**To:** Joel Pablo; Dave Stoldt  
**Subject:** Public comment

I need to attend the M1 board meeting and it is a conflict. Can I make a public comment for the 6pm meeting by mail? No worries if not possible. Here it is:

I am urging the board to strongly speak up to oppose the Cal Am desal project on Thursday. You are all aware of the consequences of this being approved and I hope you will be able to speak as private citizens if not as a Board. I do not know protocols but if a vote can be taken to speak with board approval, it would be great to stand together on this. I know Dave will be speaking and the commission needs to hear the truth on supply and demand rather than what is being presented. Cal Am is presenting data that is half-truths and sometimes completely conjecture. The project is overly costly, still environmentally damaging and will make the buy-out even more expensive if approved. Thanks for hearing me.



November 11, 2022

Mr. John Ainsworth  
Executive Director  
California Coastal Commission  
455 Market Street  
San Francisco, CA 94105

Via Email

**RE: Cal-Am's CDP Application #9-20-0603**

Dear Mr. Ainsworth:

Today marks the final day to submit comments to the Coastal Commission on the above-referenced Coastal Development Permit (CDP) application prior to the Commission's hearing November 17<sup>th</sup>.

Previously, the Monterey Peninsula Water Management District has written you to explain why such a hearing is premature, but at this point we simply want to highlight that the Commissioners have insufficient accurate data in front of them to make an informed decision. We encourage you to delay this significant decision until you have appropriate information before allowing ratepayers on the Monterey Peninsula to get saddled with a \$400 million dollar project that there is no need for, which damages the coastal environment and does not resolve environmental justice issues.

The Applicant has provided you flawed data that wildly overstates future demand for water and falsely discounts the capacity of existing and future supplies. This creates a fictional crisis that the Applicant contends can only be solved by this particular desalination plant in this particular location.

The Commission Staff Report dated November 4, 2022 incorrectly concludes, based on false and misleading data, that the Pure Water Monterey Expansion project alone is likely inadequate to meet demand over the next twenty years. For that reason, denial of the Project would adversely affect the public welfare, according to the Report. That conclusion is at odds with evidence in the record showing that Pure Water Monterey Expansion would clearly provide enough supplemental water to meet demand for more than twenty years. That evidence has not been considered in the staff report. The Commission should review the evidence that has been overlooked to determine whether a project of this size is really needed, and if so, when.

In fact: (a) Pure Water Monterey Expansion is a viable alternative to the desalination plant, delivering more than enough water supply for the next 30 years; (b) It is far less environmentally damaging; and (c) It has no impacts on the Coastal Zone.

I have attached a technical memorandum that shows that the Coastal Commission Staff Report:

Mr. Ainsworth  
Page 2 of 2  
November 11, 2022

- Willfully ignores data and conclusions of other experts in the field;
- Presents data riddled with errors;
- Makes conclusions where alternate conclusions have been ignored; and
- Presents data that is presently under review and not definitively complete, and should not be used to make a Commission decision.

Just as it did in November 2019, the Commission should ask additional questions and defer action on the Application until it gets appropriate answers.

We hope the Coastal Commission will defer action on CDP Application #9-20-0603. Given the number of unresolved issues, there is a significant likelihood that the project will need to come back before you anyway.

Sincerely,



David J. Stoldt  
General Manager



## MPWMD Technical Memorandum

### **Errors and Omissions in Coastal Commission Staff Report**

Application 9-20-0603 / Appeal A-3-MRA-19-0034 (California American Water Co.)

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The Coastal Act governs location and expansion of coastal-dependent industrial facilities (Cal. Pub. Resources Code § 30260). The Commission may approve a Coastal Development Permit (CDP) if (1) alternative locations are infeasible or more environmentally damaging; (2) to do otherwise would adversely affect the public welfare; and (3) adverse environmental effects are mitigated to the maximum extent feasible.

The Commission Staff Report dated November 4, 2022 incorrectly concludes, based on false and misleading data, that the Pure Water Monterey Expansion project alone is likely inadequate to meet demand over the next twenty years. For that reason, denial of the Project would adversely affect the public welfare. Because that conclusion is at fault, the Commission's deliberation in its hearing is adversely constrained, and the Commission has had the openness of its decision-making preempted.

In fact: (a) Pure Water Monterey Expansion is a viable alternative to the desalination plant, delivering more than enough water supply for the next 30 years; (b) It is far less environmentally damaging; and (c) It has no impacts on the Coastal Zone.

This memorandum will show that pages 143-147 of the Staff Report:

- Willfully ignores data of other experts in the field Staff had in hand;
- Presents data riddled with errors;
- Makes conclusions, where alternate conclusions have been ignored; and
- Presents data that is presently under review and not definitively complete and should not be used to make a Commission decision.

Just as it did in November 2019, the Commission should ask additional questions and defer action on the Application until it gets appropriate answers.

## Staff Report Willfully Ignores Other Experts

Commission staff were provided, or otherwise had access to, the supply and demand data of two other professional organizations with water forecasting expertise that result in different conclusions than that provided by the Staff Report to the Commissioners.

For example, the Marina Coast Water District (MCWD) provided Commission staff with the August 19, 2022 Phase 2 Direct Testimony of Peter Mayer, principal of Water Demand Management, LLC (“WaterDM”). WaterDM is a nationally recognized water consulting firm providing expertise and services in municipal and industrial water use, research, and analysis; conservation and demand management planning and implementation; integrated water resources planning; drought preparedness; demand forecasting; and related matters.

Mr. Mayer’s principal conclusions – supported by data and an extensive report available to Commission staff – included:

**“Cal-Am’s revised 2022 water demand forecast provided in Ian Crooks’ testimony is overstated.”**

**“A more realistic demand forecast prepared by WaterDM projects Cal-Am’s 2050 demands to be 11,160 AF, which is more than 3,400 AF lower than Cal-Am’s overstated forecast.”**

**“With the addition of 2,250 AF from the Pure Water Monterey Expansion, Cal-Am can meet future demand in 2050.”**

MCWD is an experienced water supplier and performs Urban Water Management Plans every 5 years, just like Cal-Am. They have both internal and external expertise to understand supply and demand forecasting methods. Testimony of their General Manager made available to Commission staff states “MCWD believes CalAm’s future demand projections are vastly overstated.” And “MCWD understands the additional 2,250 AFY that would be supplied by expansion of the PWM project proposed in Phase 1 would allow CalAm to meet its customers’ needs for at least the next two or three decades.”

On October 19, 2022 the Monterey Peninsula Water Management District provided to Coastal Commission staff its adopted 2022 Supply & Demand Forecast and the Phase 2 Direct Testimony of David Stoldt its General Manager.

The District is a legislatively created public water district whose boundaries include the Cal-Am system subject to the Application presently in front of the Coastal Commission. The District’s

activities include monitoring the compliance of Cal-Am water production with the State's Cease and Desist Order and the Superior Court's adjudication, wholesale of Pure Water Monterey water to Cal-Am, operation of supply from the District's Aquifer Storage and Recovery project, conservation programs, and environmental mitigation on the Carmel River due to Cal-Am water withdrawals. It's General Manager, David Stoldt has over 30 years of infrastructure experience, an MBA from Stanford, a MS from Berkeley, and a degree in Civil and Environmental Engineering from the University of Illinois. In a previous position at PG&E he performed demand forecasting in an investor-owned utility setting.

Mr. Stoldt's principal conclusions – supported by data and the reports provided to Commission staff – included:

**“The future Supply versus Demand analysis shows that the addition of the Pure Water Monterey Expansion meets the region's demand needs for over 30 years and a new Cal-Am desalination plant, or some other alternative, is not needed.”**

**“MPWMD also analyzed a demand forecast 50% higher, at 47.2 AF per year of average growth. At that level, available supplies (with Pure Water Monterey Expansion, without a desalination plant) exceed water demand for over 30 years. In fact, MPWMD's model shows that at 63 AF per year of average growth – 200% of or twice the water forecasted to be required for the AMBAG 2022 Regional Growth Forecast – supplies are available for over 30 years.”**

The District's forecasting methodology is based on the Association of Monterey Bay Area Governments (AMBAG) 2022 Regional Growth Forecast which forecasts population and economic growth for the coming 25-year period. Use of a fully-vetted third-party growth forecast is a very objective way for projecting water demand increase without bias.

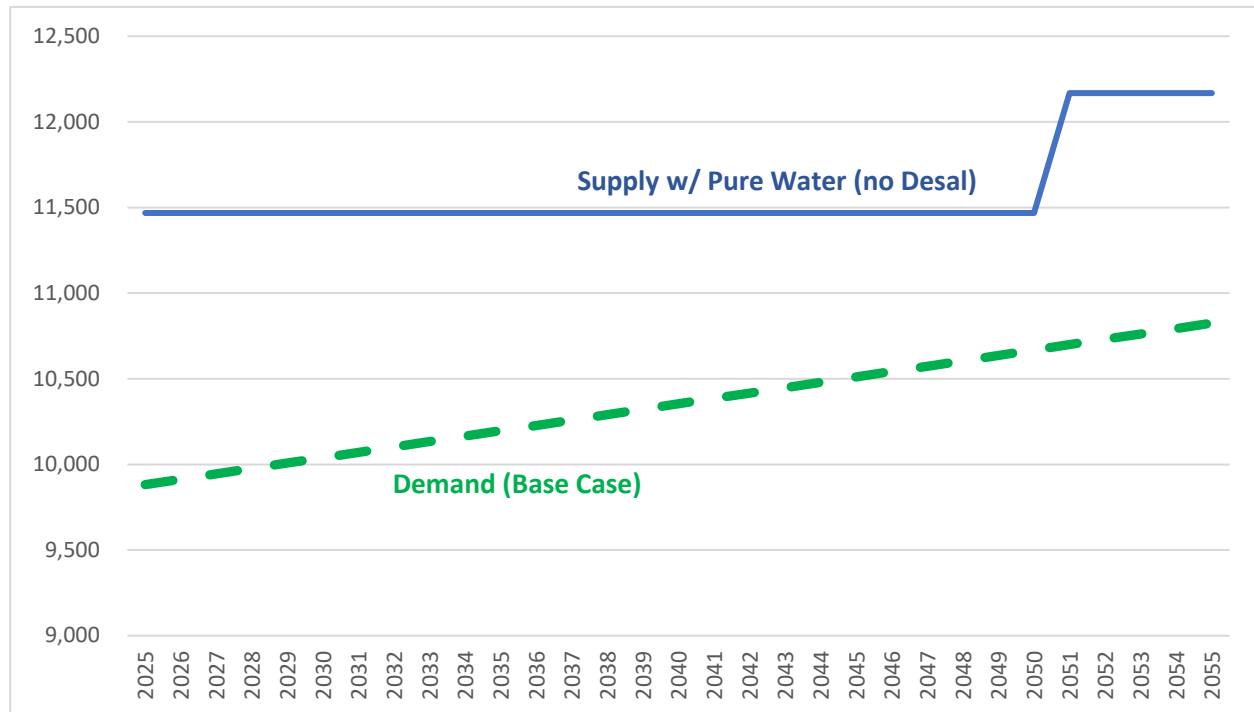
AMBAG implemented an employment-driven forecast model for the first time in the 2014 forecast and contracted with the Population Reference Bureau (PRB) to test and apply the model again for the 2018 Regional Growth Forecast (RGF). To ensure the reliability of the population projections, PRB compared results with a cohort-component forecast, a growth trend forecast, and the most recent forecast published by the California Department of Finance (DOF). **All four models** resulted in similar population growth trends. As a result of these reliability tests, AMBAG and PRB chose to implement the employment-driven model again for the 2022 Regional Growth Forecast. AMBAG has undergone a very vigorous testing regime of its models.

The District then translates the population growth to residential water use and the jobs growth as a proxy for overall growth in non-residential water use. Demand is then compared to



available supply available with Pure Water Expansion, but without a desalination plant. The results are shown in the chart below:

**Water Supply Available**  
vs.  
**Water Demand for AMBAG 2022 Regional Growth Forecast**



The District’s demand forecast, based on the AMBAG Regional Growth Forecast is shown below:

	2020	2025	2030	2035	2040	2045	2050	2055
Water Demand - AF	9,725	9,882	10,039	10,196	10,353	10,511	10,668	10,825

The results shown above differ significantly from the information presented by Coastal Commission staff in the Staff Report. This is because of the large number of errors contained in Table 4 and Table 5 on pages 145 and 146 of the Staff Report, discussed below.

### The Staff Report Presents Data Riddled with Errors

The Coastal Commission staff report relies heavily on Tables 4 and 5 on pages 145 and 146 to create doubt about the capability of Pure Water Monterey Expansion to meet long term water demand. Those tables are derived from a document titled “Report and Recommendations of Office of Public Advocates in Phase 2”, CPUC No. A-21-11-024 dated August 19, 2022. As

discussed later, this data is presently under review and not definitively complete. Nevertheless, Coastal Commission staff has presented it as fact. It is replete with errors that are in dispute and misrepresent the complete body of data that was available to Commission staff.

**Water Demand:** Table 4 is presented again below. Identified are five identified errors subject to dispute in the CPUC proceeding and, as yet unresolved. They are labelled 1 through 5 and then individually discussed below.

Forecasted Demand (AF)	Cal Am						Cal Advocates					
	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050
Demand Category												
Residential demand	5,031	5,644	5,754	5,864	5,974	6,084	5,297	5,403	5,511	5,621	5,734	5,848
Non-Residential demand	4,834	5,019	5,204	5,389	5,574	5,759	3,030	3,091	3,152	3,215	3,280	3,345
Total Residential and Non-Residential demand	9,865	10,663	10,958	11,253	11,548	11,843	8,327	8,494	8,663	8,837	9,013	9,194
Pebble Beach Entitlements	-	65	130	195	260	325	-	65	130	195	260	325
Tourism	250	500	500	500	500	500	-	-	-	-	-	-
Legal Lots of Record												
Single Family Residential	-	59	103	147	190	234	-	-	-	-	-	-
Multi Family Residential	-	35	60	86	111	137	-	-	-	-	-	-
Commercial	-	158	274	389	505	621	-	158	274	389	505	621
Residential Remodels	-	27	47	66	86	106	-	27	47	66	86	106
Commercial Remodels	-	21	36	51	67	82	-	21	36	51	67	82
Legal Lots of Record Total		300	520	739	959	1,180	-	206	357	506	658	809
RHNA Demands	-	370	745	745	745	745	-	370	745	745	745	745
<b>Total</b>	<b>10,115</b>	<b>11,898</b>	<b>12,853</b>	<b>13,432</b>	<b>14,012</b>	<b>14,593</b>	<b>8,327</b>	<b>9,135</b>	<b>9,895</b>	<b>10,283</b>	<b>10,676</b>	<b>11,073</b>

**Error #1:** The Table 4 data in 2025 shows “Residential demand” at 51% of the total, and “Non-Residential demand” at 49%. But Cal-Am’s own historical data shows that its system is predominately a residential system with years of data showing residential demand at 66% of the total – 2021 was 69% due to COVID. Thus, their starting point does not even represent their own system. If one starts in the wrong place, it is likely one will end in the wrong place.

**Error #2:** The data provided by Cal-Am to the CPUC Public Advocates Office includes the wild assumption that when a new water supply comes on-line between 2025 and 2030, per capita water use will increase by almost 5 gallons per person per day. That is a nonsensical assumption. Water comes out of the tap today. Why would people use 10% more water when it costs 50-60% more with a desalination plant? This 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. Further, State law (Water Code Section 10609.4) sets efficiency standards for indoor residential water use beginning with 55 gallons per capita per day (“GPCD”) until 2025, 52.5 GPCD from 2025-2030,

then 50 GPCD onward. Recent Senate Bill 1157 (Hertzberg), signed into law by the Governor several weeks ago will reduce these standards to 47 GPCD from 2025-2030 and 42 GPCD after January 1, 2030. Thus, it is difficult to trust in Cal-Am assumptions.

**Error #3:** Legal Lots of Record and Regional Housing Needs Allocation (RHNA) Housing Numbers should not be added on top of the population forecast which drives residential water use. 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. The new 6<sup>th</sup> Cycle Regional Housing Needs Allocation Plan 2023-2031 is reflected within the AMBAG Regional Growth Forecast and therefore also is not additive. Houses don't use water, people do – population estimates drive water demand not housing stock estimates. Table 4 of the Staff Report shows the Commissioners not just double-counting, but triple-counting. Cal Advocates make the same mistake in their data. These mistakes have not been resolved in an ongoing CPUC proceeding.

**Error #4:** Pebble Beach Entitlements are already included in the AMBAG Regional Growth Forecast – within population growth for Pebble Beach's new home lots and within non-residential demand for new hotel rooms or other commercial projects within the unincorporated County non-residential growth. It is within the AMBAG Growth Forecast so to separately estimate them is more double-counting. Cal Advocates makes the same mistake in their data. These mistakes have not been resolved in an ongoing CPUC proceeding.

**Error #5:** Tourism Rebound has already occurred with no corresponding increase in commercial water use. It is true that the Salinas-Monterey market was one of five California markets, out of 22, to experience significant declines in hotel occupancy after the events of 2001, from 71.8% in 2000 to 63.0% in 2001. It is also true that the decline persisted and was still down when the MPWSP desalination plant was sized in April 2012, with occupancy rates of 62.8% in 2011-12 and 64.1% in 2012-13. However, occupancy rates have since recovered with no notable increase in water demand. In 2016, hotel occupancy locally was back at approximately 72% and was estimated by Smith Travel Research to be higher for better quality properties on the Monterey Peninsula. Recently the Monterey County Convention and Visitors Bureau stated that occupancy rates were 75%-80% pre-COVID and are now in the low 70%-75% range. Hence, Tourism Rebound has already occurred.

**Water Supply:** Table 5 is not presented again here in full. There are only two significant identified errors subject to dispute in the CPUC proceeding and as yet unresolved:

**Error #1:** In its data, Cal-Am has intentionally discounted the value of Aquifer Storage and Recovery (ASR) by ignoring year-to-year storage, the "S" in "ASR". The whole project is predicated on storage of water in normal to wet years. Their consultant has since in as much admitted, "I wasn't asked to look at storage." The Cal Advocates numbers are closer to

reasonable, but District scientific evidence and testimony shows 1,300 AFY is a reasonable expectation.

**Error #2:** Both Cal-Am and Cal Advocates show reduced supplies by 10% for a “supply buffer”. In its CPUC testimony and its Adopted 2022 Supply & Demand Forecast the District showed less expensive and more robust methods to achieve the supply buffer without over-spending and over-relying on desalination capacity. Such information was previously provided to Coastal Commission staff. It is also discussed again below.

### **The Staff Report Ignores Alternate Conclusions**

Page 145 of the Staff Report states “Commission staff has reviewed longer-term estimates presented in the Phase 2 CPUC proceeding and believes that there is a basis for demand of additional sources of water supply beyond the Pure Water Expansion at some time by 2050.” If staff had equally weighed the other available expert testimony and reports made available, and sought to better address the errors in the data, also identified in testimony provided to Commission staff, staff could easily have recommended to the Commission that Pure Water Monterey Expansion will likely provide sufficient supplies to meet needs beyond 2050.

Page 146 of the Staff Report also states “Cal Advocates also included a 10% “supply buffer.” This supply buffer addresses the potential for some under-supply by a factor of 10% (and, therefore, builds in a buffer in the supply estimate).”

Information provided to Coastal Commission staff clearly showed a contingency can be achieved by having additional stored water available to call upon at any time. This can be achieved by building up available storage in the early years where supply exceeds demand. In the initial years following completion and availability of Pure Water Monterey Expansion (2025) the available supplies exceed demands by over 1,500 AF per year. In the very first year, more than 10% of available supplies (1,147 AF) can be stored to satisfy any contingency. This information was ignored in the Staff Report and artificially reduces future water supplies available to meet demand.

The Staff Report also utilizes fears about drought as a suggestion to undermine future supply available from Pure Water Monterey Expansion, stating on page 147 “Moreover, drought conditions have become increasingly more severe, which is another significant factor in the analysis. The three-year period ending August 2022 was recorded as the driest three-year period in California since records began in 1895.” However, during the course of Commission staff’s review of this application, staff was informed that the Monterey Peninsula just ended its second dry year, rather than a 3-year drought. Furthermore, since October 1, 2022 the Monterey Peninsula rainfall totals constitute a “Normal” to “Above Normal” rainfall year.

Hence, drought is a local condition and Commission staff have overstated the conditions on the Monterey Peninsula.

### **The Staff Report Presents Data that is Under Review and Not Complete**

As the Commission is aware, it was only as a result of a complaint filed by the Monterey Peninsula Water Management District citing Cal-Am's failure to make progress on a permanent water supply, that Cal-Am filed Application 21-11-024 with the CPUC seeking approval to enter into the Amended and Restated Water Purchase Agreement ("Amended WPA") with M1W for Pure Water Monterey Expansion.

A decision in Phase 2 of the CPUC proceedings regarding supply and demand is unlikely to occur before March of 2023. Yet the Staff Report cites data from that Phase 2 proceeding as if fact. Instead, it is important to understand that the proceeding is ongoing, the data cited by Commission staff has occurred at different times, has not been rebutted or scrutinized by other witnesses at this point, and Commission staff ignored other expert testimony provided in the same proceeding.

The Cal-Am information provided in the Staff Report pages 143-147 was submitted by Cal-Am to the CPUC on July 20, 2022. On that date, they were the only party to submit testimony.

On August 19, 2022 all other intervenors were allowed to file their direct testimony, including Cal Advocates and the expert witnesses Peter Mayer and David Stoldt. To date, there has been no opportunity for any party to respond to any of the August 19, 2022 testimony. That means Cal Advocates has not accommodated any comments from others and that no party's testimony has been fully vetted by others, yet it has been presented by Commission staff to the Commissioners to support a decision at the November 17<sup>th</sup> hearing, as fact, which it is not. It is an ongoing proceeding for which no conclusions of law or ordering language have been established by the CPUC. It simply should not be relied upon by the Coastal Commission to make a decision on the application.

The CPUC's Phase 2 determination on supply and demand will inform whether Cal-Am's currently proposed desalination plant is still needed and, if so, whether it is appropriately sized. Therefore, until the CPUC issues its Phase 2 decision, the Coastal Commission cannot make an informed decision that there are no feasible alternatives to Cal-Am's proposed desalination plant that would avoid the Project's inconsistencies with the City's LCP and the Coastal Act and are less environmentally damaging as required under Section 30260 of the Coastal Act.

## Joel Pablo

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**From:** mwchrislock@redshift.com  
**Sent:** Wednesday, November 16, 2022 3:15 PM  
**To:** Alvin Edwards; Amy Anderson; Clyde Roberson; George Riley; Karen Paull; District 5; SAFWAT MALEK; Dave Stoldt; Joel Pablo  
**Subject:** So much for getting the whole story (SF Chronicle)

He missed most of the important issues. – Melodie

SF Chronicle | Nov. 15, 2022

### **The Monterey area may get a huge desalination plant. Is this the future of California's water supply?**

#### **Kurtis Alexander**

A man performs maintenance work in the reverse osmosis building at the Carlsbad Desalination Plant in May in Carlsbad (San Diego County). The facility is the Western hemisphere's largest desalination plant, which removes salt and impurities from ocean water.

Gregory Bull, STF / Associated Press

With California butting up against 840 [miles of ocean](#), desalination seems an obvious solution to the state's water woes. However, the cost, energy demands and environmental impacts have made the technology largely unworkable.

Three [years of drought](#) may be changing the calculus.

The latest push for desalination is on the Monterey Peninsula, where a plan for a plant, which has faced more than a decade of hurdles, is poised to win approval this week from the California Coastal Commission.

The \$300 million-plus proposal calls for pumping seawater from wells beneath Monterey Bay, near the city of Marina, and piping it ashore to the popular tourist region to help relieve a longtime water shortage, made worse by escalating drought and climate change.

While a handful of desal operations are already putting a small dent in Monterey County's thirst, the venture proposed by investor-owned California American Water is much bigger and more comprehensive. It would provide up to 40% of the supply for the city of Monterey, the wealthy enclaves of Carmel-by-the-Sea and Pebble Beach and several other communities. Water bills, under the plan, would rise by up to \$50 a month.

The project would be the second major desal plant approved this fall by the Coastal Commission, the first being in Southern California. The powerful regulatory agency, which governs coastal development, has long been critical of desalination given its environmental, energy and financial downsides. But commission staff has recommended that the agency's governing board approve Cal Am's plan, noting that water scarcity must play an increasing role in the commission's decision-making.

"As this historic drought continues to worsen and drought becomes the new normal, we are going to need to diversify California's water portfolio," Coastal Commission Executive Director Jack Ainsworth told The Chronicle in an email.

“Desalination projects will be a part of that where it’s appropriate, complies with the law and in a way that protects coastal resources.”

The advance of desalination in California is aided by millions of dollars of state funding for new facilities this year as well as an endorsement from Gov. Gavin Newsom. The governor made desal a central tenet of his recently released [Water Supply Strategy](#).

While few oceanfront proposals like Cal Am’s are in the works, more communities are looking at the technology. Less expensive facilities in brackish water, where less salt needs to be removed because the water is not from the ocean, are also being pursued. The city of Antioch [broke ground last year on a plant](#) in the Sacramento-San Joaquin River Delta, and several of the Bay Area’s biggest water agencies, including the San Francisco Public Utilities Commission, are jointly studying the idea, also in the Delta.

Still, desalination remains steeped in controversy, and Cal Am’s project is no exception. The Coastal Commission even calls some of the Monterey Bay plan’s sticking points the most significant environmental justice issues the agency has faced since adopting an environmental justice policy three years ago.

The chief concern is that the new plant would raise water rates for many who can’t afford it.

“I’m serious: It’s either eat or pay the water bill,” said Monterey resident Tammy Jennings, who has a disability that requires a wheelchair and lives off a fixed income that will make it hard to handle even a partial rate increase for less advantaged customers. “I don’t know what I’m going to do. I’m not watering. I’m not taking excessive baths. I just don’t know how they expect us to pay this.”

While desalination remains expensive relative to other water sources, often prohibitively so, the [rising cost of water](#) in general and the difficulty finding it have diminished the price gap.

Desalinated water from the ocean averages about \$2,500 per acre foot, though it can run considerably higher depending on the project, according to the Public Policy Institute of California. An acre foot of water, which is 325,851 gallons, typically supports two households for a year.

By contrast, recycled water, which is often generated from treated wastewater and is another increasingly popular alternative, averages about \$1,500 per acre foot. Traditional sources, such as river water, are usually much less expensive. These supplies can run well below \$1,000 per acre foot, though this water may not be available during droughts.

“Are we going to see desal plants proliferating up and down the whole coast? I don’t see that coming anytime soon,” said Ellen Hanak, director of the Water Policy Center at the Public Policy Institute of California. “But can it be a useful thing in some of our coastal communities where they don’t have a lot of options. Yes. Definitely.”

More for you

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[Californians have a lot of ideas for how to get more water. Most of them are really bad](#)

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The Monterey Peninsula has long leaned on the Carmel River for its water. But state regulators, in an effort to keep the river from drying up, have forced privately-owned Cal Am to reduce its draws. The area does not import water from elsewhere.

The desalination project, in concert with a recycling water plant that is slated for expansion, is intended to fill the gap created by the declining river - and more for the future.

Answering questions by email, Cal Am spokesman Josh Stratton called the region's initiatives the right "solution" to meet demand in the company's roughly 100,000-person service area.

The Coastal Commission's hearing on the project this Thursday is the third time in four years that the proposal has been scheduled to go before the agency's governing board. At the last hearing, in 2020, Cal Am withdrew the item when the commission's staff came out against the project.

At the time, the staff said desalination wasn't needed given the project's footprint on the coast and the amount of recycled water that was being planned at the recycling plant. The current recommendation in support of the project is based on different forecasts, however, and says the water is necessary.

The change isn't sitting well with many in the region, and it has sparked a fresh round of concerns about some of the longstanding problems with desalination.

The biggest is cost. While Cal Am declined to provide The Chronicle an estimate of the project's expense, or the cost of producing desalinated water, the Monterey Peninsula Water Management District, which works with Cal Am to ensure water for the area, said the new supply could run as much as \$7,000 per acre foot. Coastal Commission staff confirmed it's the priciest proposal they've seen recently.

Though not addressing the cost of the project, Cal Am told The Chronicle the plant will increase the average customer bill, which now hovers around \$102 a month, between \$47 and \$50 a month.

The company also said it's committed to making sure low-income residents don't see such big increases - no more than \$10 a month for five years - though Coastal Commission staff say that the region's poorer residents could face "long-term (financial) impacts."

Additionally, Cal Am has agreed to pipe desalinated water at a discounted rate to the disadvantaged farm community of Castroville, in turn for permission to pump water out of a shared basin.

Officials in Marina, which is also not as affluent as many communities in the region, have another concern. They worry the operation's wells in the bay could suck water from an aquifer that supplies their city. Marina will not receive water from the proposed plant. The city has already filed suit over the project.

Summing up much of the opposition, Public Water Now, a group that has been critical of the private ownership of the region's water supply, called Cal Am's plan simply more trouble than it's worth.

"The biggest problem here," said Melodie Chrislock, the organization's managing director, "is we just don't need desal."



Her group, citing projections from the Monterey Peninsula Water Management District, estimates that the expanded water recycling facility will provide more than enough water - for up to 30 years.

"I don't know why the Coastal Commission is supportive," Chrislock said. "I think it's Gov. Newsom. I think his pressure on the staff has been a huge factor in reversing their denial."

Like some of the newer proposals for desalination, Cal Am's plan overcomes many of the challenges that have plagued the technology.

From an environmental standpoint, the intake pipes historically used to draw ocean water, which can fatally ensnare fish, are replaced with wells that instead pull seawater from the ground beneath the bay floor. Also, the brine from the desalination process isn't dumped directly into the water where it could harm marine life. It will be diluted and treated before being sent back to sea.

From an energy standpoint, newer projects like Cal Am's benefit from advances in desalination technology and the incorporation of energy recovery systems, which reduce the power needed to force saltwater through the filters.

"We keep getting better at doing projects like this with experience," said Hanak at the Water Policy Center. "We're starting to see the next generation of ocean desal that deals with the impact problems in a decent way."

Last month, when the Coastal Commission approved the Doheny Ocean Desalination Project in Dana Point (Orange County), it cited the ecologically friendly design and efforts, like the installation of solar panels, to minimize drag on the power grid.

Conversely, the Coastal Commission in May rejected a larger project in nearby Huntington Beach. The denial came in part because of the suspected environmental toll. The proposal called for taking saltwater directly from the ocean, not underground, and releasing brine without fully treating it. The board was also critical of the high cost of the plant's water.

About a dozen, mostly small, desalination plants currently operate along the California coast. The largest is the Carlsbad Desalination Plant in San Diego County, also the largest in the nation, producing about 50 million gallons of treated water per day. That's about enough for 400,000 people.

The Cal Am proposal, while larger than most of the state's existing desal operations, is similar in size to the recently approved Doheny proposal and would produce about a tenth as much water as the Carlsbad plant.

If Cal Am succeeds in winning a development permit from the Coastal Commission, the project still needs a handful of other local and state approvals, though this week's trial is the biggest.

The state's two major water agencies, the Department of Water Resources and the State Water Resources Control Board, back the proposal. So do many in the region's tourist economy, business community and government, none of whom wants to take a gamble on the local water supply.

Cal Am says it expects to have the project operational in five years.

"There are housing projects being turned down in some cities where they can't build here because there's no water now," said Mary Ann Carbone, the mayor of Sand City. "We need a (new) regional water source, whether it's Cal Am's project or what. We have a real water problem."

*Kurtis Alexander is a San Francisco Chronicle staff writer. Email: [kalexander@sfgchronicle.com](mailto:kalexander@sfgchronicle.com) Twitter: [@kurtisalexander](https://twitter.com/kurtisalexander)*

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## Drought Map

**Error! Filename not specified.**

[Track water shortages and restrictions across Bay Area](#)

Updated to include drought zones while tracking water shortage status of your area, plus reservoir levels and a list of restrictions for the Bay Area's largest water districts.



Written By

[Kurtis Alexander](#)

Reach Kurtis on

Kurtis Alexander is an enterprise reporter for The San Francisco Chronicle, with a focus on natural resources and the environment. He frequently writes about water, wildfire, climate and the American West. His recent work has examined the impacts of drought, threats to public lands and wildlife, and the nation's widening rural-urban divide.

Before joining the Chronicle, Alexander worked as a freelance writer and as a staff reporter for several media organizations, including The Fresno Bee and Bay Area News Group, writing about government, politics and the environment.

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**Sent: Saturday, November 19, 2022 7:58 AM**

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**Subject:** Coverage of Coastal Commission Decision

L. A. Times | November 18, 2022

**Monterey Bay desalination project is approved despite environmental injustice concerns**  
BY ROSANNA XIA

<https://www.latimes.com/environment/story/2022-11-18/desalination-project-wins-approval-despite-equity-concerns>

Monterey Herald | November 18, 2022

**Despite criticism, Coastal Commission approves Cal Am's desal application**

By DENNIS L. TAYLOR

<https://www.montereyherald.com/2022/11/18/despite-criticism-coastal-commission-approve-cal-ams-desal-application/>

Cal Matters | November 17, 2022

**Another California desalination plant approved — the most contentious one yet**

BY RACHEL BECKER

[Controversial Monterey Bay desalination plant approved - CalMatters](#)

San Jose Mercury News | November 18, 2022

**New desalination plant approved by California Coastal Commission for Monterey Bay**

Monterey County facility would be built near Marina, faced opposition over high cost

By PAUL ROGERS

<https://www.mercurynews.com/2022/11/18/new-desalination-plant-approved-by-california-coastal-commission-for-monterey-bay/>

SF Chronicle | November 18, 2022

**California approves large, controversial desalination plant for Monterey Peninsula**

By Kurtis Alexander

<https://www.msn.com/en-us/weather/topstories/california-s-second-major-desalination-project-in-two-months-wins-approval/ar-AA14gWi3>

# LOS ANGELES TIMES

## CLIMATE & ENVIRONMENT

Monterey Bay desalination project is approved despite environmental injustice concerns



A sand-mining company had operated on the coast of Marina, Calif., until late 2020. A controversial desalination project is now seeking to break ground on this site.

(Robert Gauthier/Los Angeles Times)

BY [ROSANNA XIA](#) STAFF WRITER

NOV. 18, 2022 1:24 PM PT

SALINAS, Calif. —

In a decision that sheds harsh light on the state's commitment to environmental justice amid growing drought anxiety, the California Coastal Commission has granted conditional approval to a [controversial Monterey Bay desalination project](#) that even the commission's own staff said would unfairly burden a historically underserved community.

"This is a really, really tough decision," Commission Chair Donne Brownsey said during a heated 13-hour hearing Thursday. "I, like most of the commissioners up here, struggled with this. But I read everything ... I talked to everybody ... and I feel like this is the right place to land."

California American Water, an investor-owned utility, has proposed building a more than \$330-million desalination project on a former sand-mining site in Marina, a small city where one-third of the community is low-income and many speak little English. The plant would convert as much as 6.4 million gallons of oceanwater to drinking water per day that would then be piped to neighboring cities and businesses.

The proposal drew testimony from more than 350 speakers and was regarded by many as the first major test of the commission's [new power to consider](#) potential harms to underserved communities in addition to environment impacts. In a [157-page report](#), commission staff said the proposal presented "the most significant environmental justice concerns the Commission has considered since it adopted an Environmental Justice Policy in 2019."

The commission issued its ruling in a Salinas chamber packed with lawyers, local water officials, labor groups, tribal leaders, and residents from across the region. Many noted the presence of Wade Crowfoot, Gov. Gavin Newsom's highest-ranking appointee on natural resources, who spent his entire day at the hearing and gave opening remarks emphasizing the need to diversify California's water supply.



## CALIFORNIA

### Climate change is rapidly accelerating in California, state report says

**Nov. 1, 2022**

Amid this backdrop of repeated calls by the Newsom administration to [fast-track desalination](#), commissioners examined water demand projections, local groundwater impacts and other water supply concerns. The heart of the debate, however, focused on whether it was acceptable to continue saddling some communities but not others with the burden of industrialization.

Marina, with a population of more than 22,000, is already bearing the brunt of a regional landfill and sewage plant, as well as [a sand mine](#) that has dredged away the coast for more than a century. Many speakers also questioned the proposal's economics, decrying [reports](#) that Cal Am's treated seawater would run almost \$8,000 per acre-foot — a shockingly expensive price tag that could burden ratepayers across the Monterey Peninsula.

Commissioners, who voted 8 to 2, acknowledged these concerns and sought to remedy the situation by demanding a strict set of conditions — including

guaranteed protection of low-income ratepayers, intense monitoring for any potential groundwater damage, and extensive restoration of precious dune habitat. They also ordered Cal Am to give Marina \$3 million and a full-time employee for 10 years to develop more public amenities for the community.

Residents of Marina, however, said this felt like a slap in the face.

“Essentially, they’re saying that environmental justice can be negotiated for \$3 million,” said Kathy Yaeko Biala, who has spent many late hours speaking up for her community. “It becomes monetary, and not a principle to uphold.”

Caryl Hart, one of the two commissioners to vote against the project, echoed this sentiment and said Thursday’s vote was a failure of the values the commission stood for.

“You don’t buy off environmental justice concerns,” she said. “I just don’t understand why we’re plowing ahead in this way... this is a violation of our environmental justice policy, in my opinion.”



In a packed meeting room in Salinas, hundreds of people expressed their support and opposition to a controversial desalination project proposed by California American Water.  
(Rosanna Xia/Los Angeles Times)

Water politics is rarely easy, but along Monterey Bay, it's particularly fraught: The region, isolated from state and federal aqueducts, has limited water options. A few communities like Marina tap their own groundwater, but most rely on Cal Am, which has pumped the Carmel River for decades.

But the river, where 10,000 steelhead trout once spawned, has suffered from the region's water demands. Cal Am was pumping more than three times its legal limit and by 1995, the State Water Resources Control Board had ordered an end to the overdraft — a deadline that was extended until December 2021.

A number of alternate supply projects have been proposed over the years, including a new dam and a desalination plant at the Moss Landing power



plant. Voters rejected the dam's financing plan, and environmentalists balked at all the marine life that could be harmed by sucking water directly from the ocean.

So Cal Am tried again with the Monterey Peninsula Water Supply Project: a smaller desalination plant that would use a slanted well technique that does not draw water from the open sea. They picked a new site — a sand mine in Marina that recently closed.

This downsized project relies on a new [public recycled water project](#) to fulfill the demand gap. In the last two years, facing mounting controversy, the company also agreed to build the project in phases and downsize the overall footprint even further — from six slant wells to four.

“We used the best science and engineering available. We thoroughly vetted everything and answered every objection we heard — and we took what we heard, and we made changes to the project to make it better,” said Kevin Tilden, the company's president.



A desalination project would be located on the coast of Marina, where a sand mine had operated.

(Robert Gauthier/Los Angeles Times)

Cal Am also offered to sell some of the desalinated water to Marina (which the community said added insult to injury), and it worked out an agreement to provide water at a reduced rate to Castroville, a small community of farm workers on the brink of collapse.

“The average household income here is \$35,000, and I’m not sure if that counts the fact that there’s usually two families squeezed into a house,” said Eric Tynan, general manager of Castroville’s Community Services District, who noted, with clear panic in his voice, that his community just lost its best well to seawater intrusion.

Critics say Castroville got played — a false pitting of one underserved community against another. That’s what happens when a big water company controls so many pieces of the chessboard, said Melodie Chrislock, who’s spearheading [a public effort to buy out Cal Am](#) to put a stop to the exorbitant cost of water.

Even the most conservative estimates suggest the average ratepayer will pay at least \$564 more a year to finance the desal project. But the final cost burden — and whether the water is even needed — remains unknown, pending a final determination by the California Public Utilities Commission next year.

“There’s something going on politically here that really smells,” said Chrislock, a longtime resident of Carmel, who said it felt premature to have the coastal commission sign off on the project before the CPUC’s determination.

Chrislock, along with many others on Thursday, pointed to the new recycled water project, Pure Water Monterey, as a more equitable and environmentally conscious way of meeting the region’s water needs for at least the next three decades. Expanding this other project — a joint effort by local public agencies — would also be much cheaper.

Cal Am declined to provide up-to-date estimates, but public water officials [calculated](#) the desalinated water could cost at least \$7,900 per acre-foot, or per 325,851 gallons. (Compare this to the \$1,700 per acre-foot cost of the publicly owned Doheny desalination project, which the coastal commission [approved](#) last month. Even Poseidon Water's controversial proposal in Huntington Beach, which the commission unanimously [rejected](#) in May, would've cost less than half, at \$3,000 per acre-foot.)

Recent filings to the U.S. Securities and Exchange Commission also show that Cal Am has already incurred [\\$206 million](#) in aggregate costs related to the project.



## [CLIMATE & ENVIRONMENT](#)

### [California Coastal Commission rejects plan for Poseidon desalination plant](#)

**May 12, 2022**

State Assemblyman Mark Stone (D-Scotts Valley), who represents all the communities at stake and opposes the project, noted that "Cal Am, as an

investor-owned utility, owes its allegiances to its investors: It has to grow, it has to make money, it has to be profitable.”

Some commissioners, concerned with these unanswered cost questions, made clear that the project could not break ground without the CPUC’s final authorization that the water was indeed needed.

Back in Marina late Thursday, residents were visibly worn out from trying to keep up with Cal Am’s more sophisticated lobbying.

“I am suffering,” said Bruce Delgado, Marina’s longtime mayor, whose voiced cracked with emotion talking about all the families, schoolteachers and students who spent yet another day pleading their case to the powers that be.

Delgado said the city is considering its next options. Marina has already sued Cal Am, and local leaders recently broached the idea of having their own water district pipe water to Castroville. Their two communities, both struggling, should never have been pitted against each other, he said.

For Monica Tran Kim, who juggles four jobs to make ends meet, making it to the meeting this week meant sacrificing more than 12 hours of work. But she felt an immense duty to speak up for the city’s large refugee community.

Kim, whose parents fled Vietnam and forged a new life fishing off Marina’s open shore, said many have been reluctant to speak up against a company as politically powerful as Cal Am. She thinks often of the hardworking families that had been [historically run out](#) of Pacific Grove and other more wealthy cities nearby.

“First it was land, now water,” she said. “It’s a historical repeat of people in power taking what’s valuable from a community that they don’t see as deserving — from a community that is vulnerable.”

## Newsletter



[Rosanna Xia](#)

Rosanna Xia is an environment reporter for the Los Angeles Times. She covers the coast and was a Pulitzer Prize finalist in 2020 for explanatory reporting.

# Monterey Herald

## BUSINESS

# Despite criticism, Coastal Commission approves Cal Am's desal application



An artist's rendering of the desalination plant proposed for the Monterey Peninsula. (Courtesy of California American Water)

By **DENNIS L. TAYLOR** | [newsroom@montereyherald.com](mailto:newsroom@montereyherald.com) | Monterey Herald

PUBLISHED: November 18, 2022 at 1:55 p.m. | UPDATED: November 21, 2022 at 10:42 a.m.

SALINAS – During Thursday's Coastal Commission meeting scores of people asked commissioners what their legacy would be if they approved California American Water Company's application for a desalination plant. Commissioners answered that question by overwhelmingly supporting Cal Am.

The commissioner's 8-2 ruling at the end of the 13-hour hearing was the mirror opposite of the hours of public testimony commissioners heard before chairwoman Donne Brownsley cut off any further public comments. After more than 80 members of the public spoke, opposition to Cal Am was running four to one.

Proponents and opponents were divided along predictable lines: public agencies, social justice interests and environmental groups blasted the project as not needed, destructive to important coastal habitat and a project that's too expensive for low-income residents.

Businesses, trade unions, chambers of commerce, real estate advocacy groups and agricultural interests lobbied the commission on behalf of Cal Am, arguing that desal is the only sustainable source of water for decades to come.

While numerous components of the complex project were discussed, the night belonged to issues surrounding the city of Marina. Opponents argued that the city, where the majority of residents are people of color, will shoulder the burden and potential harm from the project without receiving any of the water the desal project would produce.

The city of 22,300 has been subjected to a dump, a sand mine, a wastewater facility and former Fort Ord land that was potentially contaminated and now another industrial use is being forced on them, Cal Am opponents told the commission Thursday. It's a question of environmental justice that is supposed to be considered by the Coastal Commission when it makes any ruling.

Slant wells are designed to reach salt-laden brackish water from well heads atop cement pads on the old Cemex sand mine in Marina. That prompted one Marina resident to ask commissioners rhetorically what the more affluent city of Monterey would say if Cal Am wanted to punch slant wells on its land and not provide it with any benefits.

The slant wells will go near the former CEMEX plant. (Monterey Herald File)



Cal Am had offered Marina \$1 million for a beach access project, but the commission pushed back on that amount and ultimately settled on \$3 million that Cal Am will pay Marina. Cal Am is also offering to provide assistance for water bills to low-income residents of Castroville, a community in northern Monterey County that has some of the lowest annual incomes in the county.

Cal Am opponents, however, say that Cal Am will make up for those discounts on the backs of ratepayers on the Peninsula.

The issue of social justice was brought up in the commission's own staff report. Tom Luster, the commission's senior scientist, said "the project also involves the most significant environmental justice concerns the commission has considered since it adopted an environmental justice policy in 2019" and added that the cement well pads will be in what he calls an "environmental sensitive habitat area" that could disturb endangered species like the western snowy plover. But the Coastal Act allows commissioners to overrule the restriction and approve an application anyway, which they did.

"Cal Am doesn't care if they are impacting a disadvantaged community," said Marina Mayor pro-tem Kathy Biala.

Several water experts on the Peninsula said both privately and publicly they believed the commission was pressured by Gov. Gavin Newsom's office to approve the project regardless of any environmental or social justice impacts. Desal is one of the efforts pushed heavily by Newsom in his water strategy he released during the summer.

"The best science tells us that we need to act now to adapt to California's water future," Newsom said in a press release. "Climate change means drought won't just stick around for two years at a time like it historically has – extreme weather is the new normal here in the American west and California will adapt to this new reality," Newsom said about a desal project in Antioch.

Melodie Chrislock, the managing director of Public Water Now, the nonprofit behind 2018's Measure J that requires a public buyout of Cal Am's assets, pointed to the end of the dais where Wade Crowfoot sat. Crowfoot is Newsom's Natural Resources Secretary and a non-voting member of the commission. Chrislock said his presence sent a clear message to the other members of the commission to get behind Newsom's full-court press for desal projects to help offset the state's water crisis.

"He was there to make sure the commission answered to the governor," Chrislock said.

Marina Mayor Bruce Delgado told commissioners that portions of the staff report they were relying on were not accurate and that it was driven by economics and not water needs. He also said there were at least 13 plants and animals along Marina beaches that would be endangered by the project.



Marina City Manager Layne Long warned commissioners that the sand under the slant well platforms will likely collapse in 25 years as sea level rise erodes the sand out from under the pads. Cal Am responded that if that happens, they would just move the slant wells more inland.

Other water officials noted during their presentations that the supply and demand estimates contained in the commission staff report were from Cal Am and the Public Advocates Office – the consumer advocate arm of the California Public Utilities Commission. What weren't in the staff report were estimates from the Monterey Peninsula Water Management District, Marina Coast Water District,, and third-party engineers' reports that show the Pure Water expansion will produce more than enough water for future needs.

Cal Am's Peninsula growth estimates were called into question by the water district, which said Cal Am was double-counting demand by counting parcels that no one lives on. In contrast, Dave Stoldt, the water district general manager, said his projections were based on estimates by the third-party Association of Monterey Bay Area Governments. Cal Am's estimates were intentionally misleading, he said.

"If demand is over-stated and supply is understated then there is a crisis that can be solved only by a desal," Stoldt said.

Cal Am argued that Pure Water Monterey Expansion, which takes wastewater and purifies it to a potable level, won't provide enough water and questioned the stability of the Expansion's water supply – wastewater, agricultural runoff and stormwater.

As an example of how far apart the disparate interests were, estimates of when future water sources will be needed are years apart. Cal Am says more water will be needed by 2025, the Public Advocates Office – the consumer advocate arm of the California Public Utilities Commission – pegged the need at 2040, and the Water Management District staked its claim at 2050 before new water sources are needed.

Cal Am President Kevin Tilden told the commission Thursday that his company supports recycled water efforts, but as an addendum to the project and not an alternative to desal. Tilden and his allies often cited the affordable housing crisis in the area that is made worse by a restriction the state Water Board placed on new water hookups. The moratorium was placed on the area because Cal Am had been over-pumping from the Carmel River for decades, endangering the steelhead population.

Proponents equated the desal project as the answer to more affordable housing. But Cal Am detractors said the Pure Water Monterey Expansion would accomplish the same result. TJ Moore, an attorney for Cal Am and a partner in the Los Angeles office of New York-based law firm Latham & Watkins, told commissioners that the project would have minimal impacts on Marina, which is already an industrialized town.

Even though the Coastal Commission approved the project, there are still significant hurdles Cal Am will have to jump before lifting the first shovel full of dirt. The most glaring is the California Public Utilities Commission, or the CPUC. The CPUC is involved because Cal Am is an investor-owned utility. The CPUC is also poring through hundreds of pages of testimony from both sides before it renders a decision perhaps by March.

There are also roughly 10 lawsuits against Cal Am that will need to be litigated before the company can break ground. Perhaps a key one is the city of Marina has sued Cal Am claiming the company has no water rights to pump from the slant wells.

Thursday's application approval contains 20 special conditions that won't be easy for Cal Am to adhere to. Opponents said the conditions are negotiable and could be negotiated out of the approval. Cal Am says it will meet all the conditions in the approval.

*An earlier version of this story inaccurately reported Wade Crowfoot was not a member of the Coastal Commission.*



## **Dennis L. Taylor**

Dennis L. Taylor has reported on diverse issues for three decades in the San Francisco and Monterey bay areas, including 10 years in the Silicon Valley business press covering venture capital and technology investments.

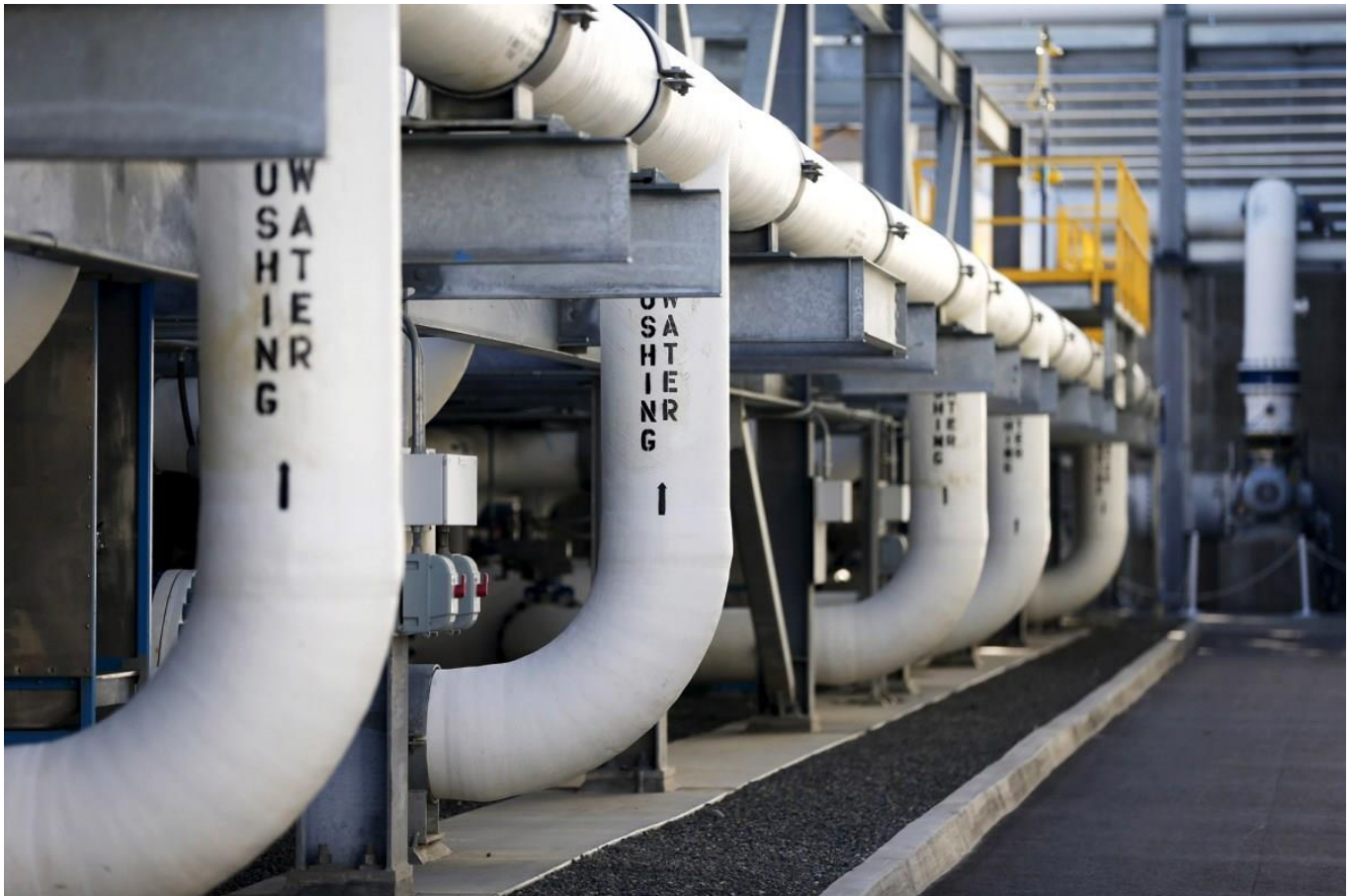
## CAL MATTERS

[ENVIRONMENT](#)

# Another California desalination plant approved — the most contentious one yet



BY [RACHEL BECKER](#) NOVEMBER 17, 2022N



The Carlsbad desalination plant is one of four desalination plants providing drinking water in California. Photo by Earnie Grafton, Reuters

**IN SUMMARY**

The California Coastal Commission voted 8-to-2 despite the ecological risks to the Monterey Bay coast, high costs of the water and a divide between affluent and lower-income communities.

Lea este artículo en [español](#).

The California Coastal Commission tonight approved another desalination plant, despite citing its high costs, risks to Monterey Bay's environment and "the most significant environmental justice issues" the commission has faced in recent years.

The commission's divided, 8-to-2 vote came after 13 hours of debate at a Salinas public hearing packed with several hundred people, plus more crammed into overflow space. Many of the 375 who signed up to speak opposed the project — some in tears.

Much of the debate focused on the fairness of locating a for-profit company's facility in the Monterey County city of Marina — which does not need the water and is home to [designated disadvantaged](#) neighborhoods. The expensive supply will flow to other communities, including the whiter, wealthy enclaves of Carmel-by-the-Sea, Pacific Grove and Pebble Beach.

"It's our city, our water, our beaches, our wildlife — so that Cal-Am can send the water to another wealthier community who don't even want it," [Marina Mayor Bruce Delgado](#) told commissioners, his voice breaking.

California American Water, the nation's largest [publicly traded water and wastewater company](#), plans to build the plant to pump ocean water, desalinate it and provide drinking water to 100,000 people on the Monterey Peninsula. The largely Latino, agricultural community of Castroville would also receive the water at a discount.

Today, nine years after the project was first proposed, commissioners approved the plant along with a long list of conditions aimed at limiting the harm to dunes and wetlands, groundwater stores and local communities. The company must still obtain an array of local, state and federal permits, and resolve a court battle over groundwater rights before construction could begin.

Coastal Commission staff warned that the plant would require overriding parts of the state's Coastal Act, and would have "substantial impacts" to sensitive habitat areas for threatened and endangered species such as the Western snowy plover, which nests in dunes there.

**“It’s our city, our water, our beaches, our wildlife — so that Cal-Am can send the water to another wealthier community who don’t even want it.”**

MARINA MAYOR BRUCE DELGADO

The approval is a pivot from the [staff’s 2020 recommendation](#) to reject the company’s proposal to build a larger plant. Since then, California has faced its driest [three-year stretch on record, and a fourth drought year is looming](#), making the need for new drinking water supplies more urgent.

The decision pits environmental justice concerns and ecological impacts against the precarious water supply of the Monterey Peninsula, which does not receive imported water and relies instead on over-pumped groundwater, the overtaxed Carmel River and highly-treated wastewater. Parts of the peninsula have been under a moratorium for new water connections for longer than a decade.

“There’s just too much uncertainty regarding the future of the water supply in this region,” Coastal Commission Executive Director Jack Ainsworth said at the hearing. “History will judge us harshly if we do not take a precautionary approach on water supplies in this community.”

But Commissioner Linda Escalante, one of the two voices of dissent, said she could not support the project because of the “overwhelming uncertainty of need, cost and feasibility.”

The plant would produce about 4.8 million gallons of water per day when it begins operating, with the possibility of increasing production later. California American Water hopes to have it operating by the end of 2027. The water company is seeking to bolster local supplies after state regulators [ordered it to stop its decades-old practice of unlawfully diverting](#) more than its share [from the Carmel River](#).

Supporters of the desalination project include Gov. Gavin Newsom, state water agencies and local businesses, with hotels and inns in the region writing letters of support, and some saying it would ease housing shortages in the region.

“The Monterey Peninsula has been in dire need of additional drought-proof, reliable water supplies for over 25 years. There’s no time left to wait,” wrote Amy Herzog, executive director of Visit Carmel, in a letter to the commission.

Newsom “supports the staff recommendation and appreciates their work to ensure the project protects the coastal environment and addresses environmental justice issues,” Newsom Communications Director Erin Mellon told CalMatters.

But Coastal Commission staff acknowledged that even if the company meets the conditions, the environmental justice impacts remain in Marina and elsewhere.

“The simple fact the project is sited within a community that doesn’t want it and won’t benefit from it means that these impacts cannot be fully eliminated,” Kate Huckelbridge, a senior deputy director, told the commissioners.

Customers could face bill hikes of \$50 per month, about a 50% increase over the average residential bill, California American Water estimates.

“If Cal Am is allowed to build their desal plant, and my water bill increases by 50%, I will have to choose between eating and buying water,” one commenter, Tammy Jennings, told commissioners, adding that even with the company’s low-income assistance program, the bill runs more than \$40 a month. “No one should be allowed to make a profit on something we all need to live.”

California American Water proposed increasing its low-income discounts to 50% and expanding eligibility for its assistance program. But the commissioners at the last minute tonight added provisions ordering the company to improve plans for assisting low-income ratepayers and capping rate hikes at \$10 a month for eligible customers.

Just before 10 p.m., after 13 hours, in an attempt to soften the blow, the commissioners also asked the company to pay \$3 million to the city of Marina and fund a full-time employee to oversee a public access and amenities plan.

Residents and officials from Marina — where 62% of residents are people of color and the average annual income is under \$33,000 — said the facility would add to their environmental burdens, which already include a Superfund site and landfill.

They worry it would harm their shoreline and imperil precious groundwater supplies. Others questioned whether there is even a

need for the water on the peninsula, given its high cost and efforts to expand local recycled water production.

Delgado showed commissioners a picture of a rusted pipeline rising above sand dunes. “Would you want this on the beach that you go to? Is this what the Coastal Commission envisions?”

**“The Monterey Peninsula has been in dire need of additional drought-proof, reliable water supplies for over 25 years. There’s no time left to wait.”**

AMY HERZON, VISIT CARMEL

The decision was closely watched as the state weighs how desalination will fit into its parched future. Currently [four desalination plants](#) provide drinking water in California.

The Coastal Commission staff in its support of the project cited “the increased pressure from the historic drought for new sources of water in a region already struggling with longstanding, critical water shortages.” Though recycled water provides a “feasible and less environmentally damaging alternative” in the near term, “staff concludes that the Project is needed in the longer term.”

In May, the commissioners unanimously [rejected another controversial plant](#) proposed by developer Poseidon Water in Huntington Beach, citing environmental harms, high costs and lack of local demand. But a [smaller, less-expensive plant proposed by a public water agency in Dana Point](#) sailed through the approval process in October.



The Monterey County plant brings the battle north. Its size more closely resembles the Dana Point plant and it, too, would suck water from beneath the sea floor, adding a buffer between the intakes and sea life.

But instead of a public agency, a massive water utility would construct and operate the Monterey Bay plant. And it would produce the “most costly water of any of the desalination projects the Commission has considered recently,” staff wrote in their assessment.

“The question I pose to the Commission today is how they want to be remembered,” California State University Monterey Bay graduate student Liz Smith said at the hearing. “You have a chance to stand against environmental injustice to stand beside the community and environment you claim to support and to be on the right side of history.”

## **Endangered species, dunes and groundwater at risk**

Home to charismatic sea otters and other marine creatures, Monterey Bay is highly prized and protected for its kelp forests and deep underwater canyons. The [Monterey Bay National Marine Sanctuary](#) reaches from north of the Golden Gate Bridge to Cambria, [spanning a 4,601 square nautical mile stretch](#) about the size of Connecticut.

Constructing the well pads, an access road and part of the pipeline — plus ongoing maintenance — would disturb coastal dune habitat that still supports two dozen sensitive species despite a century of sand mining, commission staff reported.

Nearby wetlands and vernal ponds, too, could see the groundwater beneath them drawn down by as much as four feet, according to an

earlier independent review from the Coastal Commission. What's unclear is how this would affect the wetlands: if they're connected to the groundwater, "this amount of drawdown could cause adverse effects to up to several dozen acres of these important habitat areas," the review says.

The commission tasked the company with keeping a close watch on how the wetlands respond to pumping, and developing a plan if they find any harm. Commissioners also responded to residents' complaints by adding last-minute requirements for the company to prioritize purchasing other dune habitat in an effort to offset ecological harm.

It's not enough, Delgado said.

"The first thing that would happen is that those vernal pools and wetlands would dry up," the mayor said. Only then would the monitoring "tell us what that cure is, somewhere down the road, someplace probably outside Marina."



The desalination plant may pose risks to Monterey Bay dunes, wetlands and vernal pools. Fort Ord Dunes State Park in Marina is home to wildlife, including some endangered and threatened species. Photo by LiPo Ching, Bay Area News Group

Supporters said a desalination plant could offset harm to the Carmel River, which [California American Water has been illegally pumping from](#) in excess of its water right for decades.

[DJ Moore](#), an attorney representing California American Water, said the company has shrunk the footprint of permanently fenced area on the shore to 7,400 square feet. Staff said the company's plans to use tunneling techniques for pipelines would also reduce harm to sensitive ecosystems.

Even more controversial is how the facility could affect local groundwater supplies, which Marina relies on for drinking water.

The wells would stretch at least 1,000 feet seaward, from a former sand mining facility in Marina on the shore of Monterey Bay to suck in water from beneath the sea floor, and then pipe it to a new treatment facility adjacent to an existing wastewater plant. The leftover brine would be co-mingled with the wastewater and discharged about two miles offshore in the National Marine Sanctuary.

In addition to seawater, the wells will pull “some percentage of water from nearby aquifers,” said Tom Luster, the Coastal Commission’s senior environmental scientist. That groundwater must be returned to the basin in the form of discounted supplies for Castroville.

Marina officials and residents have raised concerns that the wells could degrade their own groundwater stores and cause saltwater to seep into the aquifer.

Previous reviews found “limited to negligible” effects on seawater intrusion and that the plant’s capture area “would likely not extend to near the City’s wells.” The Marina Coastal Water District, which contests that assessment, is embroiled in a court battle with the company over its rights to pump groundwater.

Coastal commission staff acknowledged the uncertainties and the severe consequences if desalination did harm local groundwater supplies.

“We took the precautionary approach of requiring a very robust groundwater monitoring plan ... meant to be an early warning system,” Huckelbridge said.

## **Costs could “burden low-income ratepayers”**

Costs of construction remain unknown because the company says it is waiting for the commission’s approval before bidding the construction

and material costs. But the company's previous estimate is around \$330 million; the Monterey Peninsula Water Management District estimates more than \$420 million.

The desalinated water could cost more than [\\$6,000 per acre-foot](#). The estimated 50% increase in rates will "disproportionately burden low-income ratepayers in the service area and residents in the City of Marina," according to commission staff.

Eric Tynan, general manager of the Castroville Community Services District, whose groundwater supplies are already tainted by seawater, supports the project and the discounted water supplies it would bring.

"Castroville really needs it. We're the canary in the coal mine. And this has been a slow moving trainwreck coming at us," Tynan said.

Others questioned the need for the pricey water, particularly given efforts by Pure Water Monterey to recycle more water.

"It's more than enough water for thirty-plus years, so you don't need a desal plant today," David Stoldt, general manager of the Monterey Peninsula Water Management District, which is tasked with managing the region's ground and surface water supplies, told CalMatters.

"You don't go to your most expensive, most environmentally harmful project first. You go there last."

[MORE ON WATER](#)





**Katherine, Fresno**  
FEATURED CALMATTERS MEMBER



## Rachel Becker

[rachel@calmatters.org](mailto:rachel@calmatters.org)

Rachel Becker covers California's complex water challenges and water policy issues for CalMatters. In 2021 she won first place for Outstanding Beat Reporting from the Society of Environmental Journalists,... [More by Rachel Becker](#)



[MSN](https://www.msn.com/en-us/weather/topstories/california-s-second-major-desalination-project-in-two-months-wins-approval/ar-AA14gWi3)

[URL: https://www.msn.com/en-us/weather/topstories/california-s-second-major-desalination-project-in-two-months-wins-approval/ar-AA14gWi3](https://www.msn.com/en-us/weather/topstories/california-s-second-major-desalination-project-in-two-months-wins-approval/ar-AA14gWi3)

## California approves large, controversial desalination plant for Monterey Peninsula

Story by By Kurtis Alexander • Nov 18

**A** [desalination plant](#) proposed for the drought-fatigued Monterey Peninsula was approved Thursday night by the California Coastal Commission.



California drought: Monterey Peninsula desalination plant approved. The former Cemex sand mine in Marina (Monterey County) is the proposed site for wells to draw seawater for desalination. © Santiago Mejia / The Chronicle

The vote by the powerful regulatory agency comes amid increasing controversy over the role that desalination should play in addressing water shortages not only on the Central Coast, but across the state.

The project, which would draw seawater off the coast of the city of Marina (Monterey County), put a spotlight both on the marvel of creating freshwater from the boundless ocean as well as the many problems associated with the technology, which include environmental impacts, energy consumption and, most fundamentally, cost.

In the end, the Coastal Commission's governing board decided that the benefit of a new water supply outweighed the proposal's downsides. Concerns about environmental justice loomed large over the often passionate, 13-hour hearing in Salinas on Thursday, namely that the desalination plant would drive up water rates for people who can't afford it, and that the seawater would be pumped from Marina, one of the region's less-affluent communities and not a benefactor of the project.

"It's clear: I think we've heard it over and over again (that) a drought-resistant water supply is necessary," said commissioner Meagan Harmon, who was on the winning side of the board's 8-2 vote.

Only a dozen desalination facilities currently operate along the California coast, and the majority are very small. The \$300 million-plus project proposed by the privately owned California American Water would be bigger than most, providing up to 40% of the supply for the city of Monterey, the seaside communities of Carmel-by-the-Sea and Pebble Beach and a handful of other cities and towns.

The main sticking point with the proposal was the expense. While Cal Am declined to provide The Chronicle clarity on the plant's price tag, the company said the investment would require raising customer bills about 50%, from an average \$102 per household monthly to about \$150.

The increase worried many in the region's poorer communities, despite pledges by Cal Am to limit the rate hike for low-income residents. The Coastal

Commission's staff, in their review of the project, called the higher bills, alongside the project's location in Marina, the biggest environmental justice concerns the agency had faced since implementing an environmental justice policy in 2019.

Many in Marina made clear that their community did not want an industrial facility that wouldn't serve them on their coast. Several civic leaders in the region even argued that the plant, and its water, wasn't necessary for the Monterey Peninsula.

"Cal Am doesn't seem to care that they're impacting a disadvantaged community of color," said Marina Mayor Pro Tempore Kathy Biala. "A decision here today has the power to harm our cities for decades."

The project, however, was widely praised for its innovations. Instead of using pipes to collect seawater, which puts fish at risk of being sucked up, water would be drawn from wells beneath the floor of the Monterey Bay. Also, the residual brine produced in the desalination process would be treated before being released back into the ocean, preventing the potentially toxic material from harming marine life.

The Monterey area has long struggled to find a way to comfortably meet its water needs in light of demands by state water regulators to limit draws from the over-pumped Carmel River. Desalination, coupled with the expansion of a water recycling facility, is seen by Cal Am as the best path forward for its roughly 100,000-person service area.

The green light for the desalination plant follows the Coastal Commission's approval of the similarly sized Doheny Ocean Desalination Project in Dana Point (Orange County) last month. In May, the commission denied a proposal for a much larger facility in nearby Huntington Beach, citing its environmental impact and high cost.

The Monterey Bay facility still needs a handful of local and state approvals before it can launch, but Thursday's was the most significant.

Gov. Gavin Newsom, who has been a proponent of desalination as a means of diversifying California's water supply, backed the Cal Am proposal.

"Desalination is an important part of the state's strategy to address the threats of extreme weather," Newsom said in a statement Thursday night. "I support the Coastal Commission's decision to allow this project to move forward, and I'll continue supporting innovative solutions to bolster our state's water resilience."

*Kurtis Alexander is a San Francisco Chronicle staff writer. Email: [kalexander@sfchronicle.com](mailto:kalexander@sfchronicle.com) Twitter: [@kurtisalexander](https://twitter.com/kurtisalexander)*

# San Jose Mercury News

## New desalination plant approved by California Coastal Commission for Monterey Bay

Monterey County facility would be built near Marina, faced opposition over high cost



(Vern Fisher – Monterey Herald)

The CEMEX plant in Marina on March 31, 2015. The California Coastal Commission late Thursday Nov. 17, 2022 approved plans to construct a desalination facility on the site of the sand plant, which closed in 2021. (Vern Fisher – Monterey Herald)

By [PAUL ROGERS](#) | [progers@bayareanewsgroup.com](mailto:progers@bayareanewsgroup.com) | Bay Area News Group

PUBLISHED: November 18, 2022 at 2:31 p.m. | UPDATED: November 21, 2022 at 6:45 a.m.

Following a decade of debates and political battles, the California Coastal Commission has approved a plan to build the largest ocean desalination plant ever built in Northern California.

The project, proposed at the site of a former sand mining plant on the Monterey Bay shoreline near the town of Marina in northern Monterey County, would be just one-tenth the size of the nation's largest desalination plant, built in 2015 in Carlsbad, near San Diego.

But it would provide 4.8 million gallons a day of drinking water from the ocean — about 35% of the water supply for Monterey, Carmel, Pacific Grove and surrounding communities — many of which have suffered under water shortages for the past 25 years.

After a 12-hour public hearing in Salinas with more than 300 people testifying, the Coastal Commission voted 8-2 late Thursday night to approve the plan, which was supported by Gov. Gavin Newsom.

“We have a building moratorium. We have water rationing,” said Josh Stratton, a spokesman for California American Water, a private company that proposed the plant and which provides water to about 100,000 people in the Monterey Peninsula area. “There are multiple housing projects that haven't gone forward. We already have some of the lowest per-capita water consumption in the state. This is critically needed.”



BAY AREA NEWS GROUP

The project was supported by Monterey's tourism industry, including major hotels and resorts, along with chambers of commerce, the Monterey County Farm Bureau, and the Monterey Peninsula Taxpayers Association.

But opponents launched a passionate and sustained effort to kill it. They noted that under Cal-Am's own projections, the project would increase water bills by 50% a month, adding about \$50 to the average bill.

Critics included environmental groups and some local elected officials, particularly from the city of Marina, which has far more minority and low-income households than famously wealthy nearby communities like Pebble Beach and Carmel. They noted that Marina would get none of the water from the project since it isn't served by Cal-Am Water.

"The water will be obscenely expensive," said Melodie Chrislock, director of Public Water Now, a non-profit group that has been pushing for a public takeover of Cal-Am. "And it's not fair to put it in Marina. They don't get a drop of the water and they get all the environmental impacts."

Cal-Am estimated the cost of the plant at about \$330 million, but that estimate is several years old.

In the Coastal Commission's staff report, the water's cost was estimated at roughly \$6,000 an acre foot. An acre foot, or 325,851 gallons, is enough water for two families of four for a year.

That cost is several times the price of water from other desalination plants, like the Carlsbad plant, which typically runs about \$2,500 an acre foot, and more than three times the price of recycled water.

Critics say there's a better approach: Continue to expand Pure Water Monterey, an advanced water recycling project run by the Monterey Peninsula Water Management District and Monterey One Water, the area's wastewater operator, that recycles wastewater and puts it into underground aquifers.

"Building desal now is premature. It locks the Monterey Peninsula into an expensive solution," said Mandy Sackett, California policy director for the Surfrider Foundation, an environmental group.

Supporters countered, however, that the water recycling project and groundwater wells in general were important, but not as "drought-proof" as the desalination project, given that underground water basins in the area have problems with sea water intrusion and also demands from farmers.

They also noted the desalination project would have little impact on wildlife. The plan is to drill up to seven slant wells 200 feet under the sea floor and slowly draw out ocean water through the sand. The wells would be based at the former CEMEX sand mining plant, which operated on the beach near Marina since 1906 and closed last year. Their pads and electrical equipment would take up 1 acre.

The seawater would be piped about two miles east to a desalination plant that would be constructed next to an existing wastewater treatment plant. The water would be piped to nearby cities. And the leftover brine would be blended with treated



wastewater to get its salinity back to ocean water levels and released into the ocean through an existing pipe that empties two miles offshore into Monterey Bay.

California has been in a severe drought for 8 of the last 11 years. With climate change, Newsom has said that the state needs to expand its water supply by building more off-stream reservoirs, water recycling plants, stormwater capture projects and desalination plants.

The Monterey area has had a severe water shortage since 1995, when state regulators said Cal-Am was taking three times as much water from the Carmel River as it had rights to, and ordered cuts. Voters rejected plans for a new dam on the Carmel River, and several other desalination projects were proposed but never built.

There are 12 ocean desalination plants in California now. But most are small and serve military bases, power plants and other facilities, like the Monterey Bay Aquarium. Apart from the Carlsbad plant, there are plants in Santa Barbara and Catalina Island. In May, the Coastal Commission rejected a huge plant at Huntington Beach, citing environmental concerns.

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Last month, it approved a plant in Dana Point similar in size to the Marina plant.

There are another 23 brackish desalination plants in California. They take water from various non-ocean sources, including salty groundwater, or in the case of a plant under construction in Antioch now, water from the Sacramento-San Joaquin River Delta.

Water experts said Friday they expect more desal plants to be approved, particularly if the drought worsens, but predicted the ocean-related ones will be mostly smaller plants in water-starved areas.

"The ocean is an endless supply," said Jeff Mount, a professor emeritus at UC Davis and senior fellow at the Public Policy Institute of California's water center. "But in most places the water is too expensive to drink. We can't afford it."

---



[Paul Rogers](#) | **Natural resources and environment reporter**

Paul Rogers has covered a wide range of issues for The Mercury News since 1989, including water, oceans, energy, logging, parks, endangered species, toxics and climate change. He also has worked as managing editor of the Science team at KQED, the PBS and NPR station in San Francisco, and has taught science writing at UC Berkeley and UC Santa Cruz.

## Joel Pablo

---

**From:** mwchrislock@redshift.com  
**Sent:** Wednesday, November 23, 2022 10:22 AM  
**To:** Alvin Edwards; Amy Anderson; Clyde Roberson; George Riley; Karen Paull; District 5; SAFWAT MALEK; Dave Stoldt; Joel Pablo  
**Subject:** FW: A.21-11-024 Proposed Decision REQUEST FOR HOLD  
**Attachments:** A2111024CAWHoldRequest.pdf

Cal Am still won't sign the WPA.

Melodie

---

**From:** Kimberly Febus <Kimberly.Febus@amwater.com> on behalf of Kevin A Tilden <Kevin.Tilden@amwater.com>  
**Date:** Wednesday, November 23, 2022 at 9:49 AM  
**To:** "alice.reynolds@cpuc.ca.gov" <alice.reynolds@cpuc.ca.gov>, "genevieve.shiroma@cpuc.ca.gov" <genevieve.shiroma@cpuc.ca.gov>, "Darcie.Houck@cpuc.ca.gov" <Darcie.Houck@cpuc.ca.gov>, "john.reynolds@cpuc.ca.gov" <john.reynolds@cpuc.ca.gov>, "cliff.rechtschaffen@cpuc.ca.gov" <cliff.rechtschaffen@cpuc.ca.gov>  
**Cc:** Bob McKenzie <jrbobmck@gmail.com>, MWChrislock <MWChrislock@redshift.com>, David Laredo <dave@laredolaw.net>, "awh@cpuc.ca.gov" <awh@cpuc.ca.gov>, "JFarrow@MRWolfeAssociates.com" <JFarrow@MRWolfeAssociates.com>, Ruth Muzzin <RMuzzin@FriedmanSpring.com>, "ServiceList.CPUC@perkinscoie.com" <ServiceList.CPUC@perkinscoie.com>, "ldolqueist@nossaman.com" <ldolqueist@nossaman.com>, "SSMyers@att.net" <SSMyers@att.net>, "kybiala@icloud.com" <kybiala@icloud.com>, "marlimelton@yahoo.com" <marlimelton@yahoo.com>, "mgk333@sbcglobal.net" <mgk333@sbcglobal.net>, Zan Henson <ZanCan@aol.com>, "tge@cpuc.ca.gov" <tge@cpuc.ca.gov>, Zan Henson <ZanCan@aol.com>, Julie Hofmann <JHofmann@redshift.com>, "LLong@CityofMarina.org" <LLong@CityofMarina.org>, "liesbethvisscher@yahoo.com" <liesbethvisscher@yahoo.com>, Paul Sciuto <Paul@my1water.org>, Dave Stoldt <dstoldt@mpwmd.net>, "JLear@mpwmd.net" <JLear@mpwmd.net>, "karenppaull@gmail.com" <karenppaull@gmail.com>, "SLocke@mpwmd.net" <SLocke@mpwmd.net>, Fran Farina <fran@laredolaw.net>, "bl4@cpuc.ca.gov" <bl4@cpuc.ca.gov>, "cu2@cpuc.ca.gov" <cu2@cpuc.ca.gov>, "dk4@cpuc.ca.gov" <dk4@cpuc.ca.gov>, "eo2@cpuc.ca.gov" <eo2@cpuc.ca.gov>, "jd8@cpuc.ca.gov" <jd8@cpuc.ca.gov>, "md6@cpuc.ca.gov" <md6@cpuc.ca.gov>, Richard Rauschmeier <rra@cpuc.ca.gov>, "rwh@cpuc.ca.gov" <rwh@cpuc.ca.gov>, "tgz@cpuc.ca.gov" <tgz@cpuc.ca.gov>, "zk1@cpuc.ca.gov" <zk1@cpuc.ca.gov>, "JHeal@FriedmanSpring.com" <JHeal@FriedmanSpring.com>, Cathy A Hongola-Baptista <Cathy.Hongola-Baptista@amwater.com>, Demetrio A Marquez <Demetrio.Marquez@amwater.com>, "SSpaulding@SFlaw.com" <SSpaulding@SFlaw.com>, Sarah Leeper <Sarah.Leeper@amwater.com>, "Hon, Willis" <whon@nossaman.com>, CAWC - A2111024 <cawc-a2111024@amwater.onmicrosoft.com>  
**Subject:** A.21-11-024 Proposed Decision REQUEST FOR HOLD

Dear President Reynolds and Commissioners:

Please the attached letter requesting that the revised Proposed Decision in A.21-11-024, currently on the agenda for the December 1, 2022 voting meeting, be held for further consideration.

Kevin A. Tilden (he/him/his)  
President  
California & Hawaii American Water  
655 W Broadway #1410  
San Diego, CA 92101  
M 619.206.8099

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error, please notify the sender. Please note that any views or opinions presented in this email are solely those of the author and do not necessarily represent those of American Water Works Company Inc. or its affiliates. The recipient should check this email and any attachments for the presence of viruses. American Water accepts no liability for any damage caused by any virus transmitted by this email. American Water Works Company Inc., 1 Water St. Camden, NJ. 08102 [www.amwater.com](http://www.amwater.com)



Kevin Tilden P 619-446-4761  
President F 619-230-1096  
California American Water  
655 W. Broadway, Suite 1410  
San Diego, CA 92101  
[www.calamwater.com](http://www.calamwater.com)

November 23, 2022

VIA E-MAIL

President Alice Busching Reynolds  
Commissioner Clifford Rechtschaffen  
Commissioner Genevieve Shiroma  
Commissioner Darcie L. Houck  
Commissioner John Reynolds  
505 Van Ness Avenue  
San Francisco, CA 94102

Re: Application 21-11-024 Proposed Decision – Request for Hold

Dear President Reynolds and Commissioners:

As President of California-American Water Company I request that the Commission hold for further consideration the Proposed Decision in proceeding A.22-11-024, currently listed as Item 4 on the consent agenda for the December 1, 2022. As I have previously stated, California American Water is concerned that adoption of the Proposed Decision, issued September 30, 2022, and subsequently revised on October 31, 2022, will delay the Pure Water Monterey expansion project. Given the California Coastal Commission's approval of the coastal development permit for the Monterey Peninsula Water Supply Project on November 17, 2022, the Commission should allow more time for consideration of changes to the revised Proposed Decision.

Modifications to the revised Proposed Decision are necessary to allow the PWM expansion to move forward as a supplemental source that will help California American Water to continue to provide safe and reliable water service to its Monterey District customers. Desalination will

produce 45% of the replacement water we need to reduce pumping from the Carmel River, and the original Pure Water Monterey project plus the proposed expansion will produce the other 55%. This water source is necessary to meet State Water Resources Board requirements, and we need to fund the infrastructure requested in this application to use it. Based on the fruitful discussions the all-party meeting held by Commissioner Houck on November 9, 2022, California American Water hopes to reach consensus as to how to resolve some of the key errors in the revised Proposed Decision that could hinder California American Water's ability to enter into an agreement to purchase water from the PWM expansion. By holding the revised Proposed Decision for further consideration, the Commission will allow much-needed time for additional discussions and potential agreement.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Tilden". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kevin Tilden, President  
California-American Water Company

cc: A.21-11-024 Service List

**From:** [Michael Baer](#)  
**To:** [Joel Pablo](#)  
**Subject:** Re: MPWMD Special Board Meeting Agenda for Monday, 11/28/2022 at 5 p.m. (Zoom- Virtual)  
**Date:** Thursday, November 24, 2022 7:27:30 AM

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Hello Joel,

Please pass these remarks to the board for its special meeting on Monday.

Esteemed Board,  
It appears you are doing a performance review of the General Manager.

From my viewpoint, I believe The District and the community are extremely fortunate to have Mr Stoldt guiding the ship. His intelligence, integrity, work ethic, knowledge, and experience all appear to me as impeccable credentials.

Please do what it takes to keep him happy. It is hard to imagine going through the eminent domain process without him.

Many thanks to all of you for your service.

Sincerely,  
Michael Baer.

[Sent from Yahoo Mail on Android](#)

On Wed, Nov 23, 2022 at 1:04 PM, Joel Pablo  
<[Joel@mpwmd.net](mailto:Joel@mpwmd.net)> wrote:

Good Morning, All:

The MPWMD Board of Director's will convene a Special Meeting on Monday, November 28, 2022 at 5:00 p.m. which will be a Zoom- virtual meeting. The agenda is attached-above and has been posted to the MPWMD Website at:

To Join the Zoom Webinar Meeting, please click on this link. <https://mpwmd-net.zoom.us/j/81481302778?pwd=cmZhTGx6amsxYkpBWmZuUHpLN0pOdz09>

To Participate by Phone:

**Phone No.:** (669) 900-9128  
**Webinar ID:** 814 8130 2778  
**Passcode:** 11282022

International numbers available: <https://mpwmd-net.zoom.us/j/kcEJGtHimD>

***Additional Instructions on how to participate can be found on the published meeting agenda***

*Please let me know if I can be of further assistance.*

**Joel G. Pablo**

**Board Clerk**

**[Monterey Peninsula Water Management District](#)**

5 Harris Court, Building G, Monterey, CA 93940

**Phone:** 831-658-5652

**LinkTree:** <https://linktr.ee/MPWMD>

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*Please note that email correspondence with the Monterey Peninsula Water Management District, along with attachments, may be subject to the California Public Records Act, and therefore may be subject to disclosure unless otherwise exempt.*



MPWMD  
Received on 11/20/2022  
by Joel G. Pardo

Seaside Groundwater Basin Watermaster

P.O. Box 51502, Pacific Grove, CA 93950

Phone: 831.595.0996 • [watermasterseaside@sbcglobal.net](mailto:watermasterseaside@sbcglobal.net)

November 18, 2022

Clerk of the Board  
Monterey Peninsula Water Management District  
Board of Directors  
5 Harris Ct # G  
Monterey, CA 93940

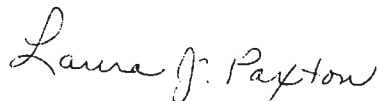
The Seaside Groundwater Basin Watermaster Rules and Regulations Section 4.1 Appointment of Members states: ...*The Public Agency Parties, groups of Landowner Parties and Cal-Am shall each appoint or reappoint one Member in November of every second year, beginning in November of 2007, to sit on the Watermaster Board for a two (2) year term.*

And Section 4.2 Alternate Members states: *In addition to appointing a Member, Cal-Am and the Public Agency Parties may also appoint an alternate Member in the same manner and for the same terms as provided for Members in these Rules and Regulations. Each Member representing a group of Landowner Parties may act as an alternate for the Member representing the other group of Landowner Parties. A duly appointed Alternate Member may exercise all of the rights of a Member at a meeting of the Watermaster Board where the Member for whom the Alternate Member sits, is absent.*

Board member and alternate appointments are to be submitted in writing to the Watermaster Administrative Officer at [watermasterseaside@sbcglobal.net](mailto:watermasterseaside@sbcglobal.net) or PO Box 51502, Pacific Grove, CA 93950. Submission is to be made prior to the Watermaster January 4, 2022 board meeting to be held at 2:00 p.m. where appointed members will be publicly announced and will officially take over voting positions (or at the first regular board meeting in 2022 if the January 4<sup>th</sup> meeting does not take place).

A hard copy of this appoint request notice will be sent to each party via U.S. Mail.

Sincerely,



Laura Paxton  
Watermaster Administrative Officer