



Supplement to March 18, 2024 MPWMD Board Packet

Attached are copies of letters sent and/or received between **February 5, 2024** and **March 8, 2024**. These letters are listed in the Monday, March 18, 2024 Board Packet under Letters Received.

Author	Addressee	Date	Topic
Melodie Chrislock	MPWMD Board	2/20/2024	Herald Letter to the Editor – LAFCO’s appeal
David J. Stoldt	Yessica Ramirez	2/20/2024	Environmental Justice Outreach: Application for a General Lease – Industrial Use, Monterey Peninsula Water Supply Project, near Marina, Monterey County
Sandy Raffelson	MPWMD	2/21/2024	District Transparency Certificate of Excellence Approval
Melodie Chrislock	MPWMD Board	2/21/2024	Letter to the State Lands Commission Opposing Cal-Am’s Lease

From: mwchrislock@redshift.com
To: [Alvin Edwards](#); [Amy Anderson](#); [George Riley](#); [Karen Paull](#); [District 5](#); [Marc Eisenhart](#); [Ian Oglesby](#); [Dave Stoldt](#); [Sara Reyes](#)
Subject: Herald Letter to the Editor
Date: Tuesday, February 20, 2024 6:46:27 PM

Monterey Herald Letters to the Editor: Feb. 20, 2024

By [DAVID KELLOGG](#) | dkellogg@montereyherald.com

LAFCO's appeal

It wasn't enough that LAFCO's foolish decision against the Water Management District (MPWMD) was overturned in court. Now LAFCO is digging the hole deeper by appealing Judge Wills' decision against them. LAFCO has already wasted over half a million dollars of public money on legal costs and now more on the appeal.

LAFCO's own staff and their \$70,000 independent consultant recommended approval of MPWMD's latent power to sell water retail. But Chris Lopez, Matt Gourley, Kimbley Craig, Pete Poitras and Mary Ann Leffel all voted to block the buyout by refusing to approve MPWMD's latent powers. The court found they had no legal grounds for their decision.

Why are five LAFCO commissioners so determined to block the buyout of Cal Am? Most of them live in Salinas. They don't pay Cal Am bills and would not see a 60% increase in the cost of their water if Cal Am's desal plant were ever built. The two that do live on the Peninsula, Leffel and Poitras, are long-time supporters of Cal Am using their seats on LAFCO to carry out their personal opposition to the buyout.

Make no mistake, this LAFCO vote was about Cal Am's proposed desal plant. Add some hubris in the mix and you have the mess that LAFCO has created in opposing the will of 24,000 voters and attempting to block MPWMD from carrying out the mandate of Measure J.

In the five years since Measure J passed, the typical Peninsula water bill for 5,000 to 6,000 gallons a month has gone up more than 50

percent. That would never have happened under public ownership.

Melodie Chrislock, Monterey



VIA EMAIL

February 20, 2024

Ms. Yessica Ramirez
Environmental Justice and Tribal Liaison
Executive Office
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento CA 95825

RE: Environmental Justice Outreach: Application for a General Lease – Industrial Use,
Monterey Peninsula Water Supply Project, near Marina, Monterey County

Dear Ms. Ramirez:

The Monterey Peninsula Water Management District (District) understands that the California-American Water Company has applied to the State Lands Commission to consider a long-term lease for appurtenant features of the Monterey Peninsula Water Supply Project (MPWSP) desalination plant. At build-out, the MPWSP could include up to six new slant wells to be located within a Cal-Am easement in part of the CEMEX sand mining facility near the Monterey Bay shoreline in the City of Marina.

The State Lands Commission envisions a future in which environmental justice communities are no longer disproportionately impacted by pollution or environmental hazards, and all Californians can access and enjoy our beautiful public lands and natural resources. Such protections should also extend to better financial protections for those least able to afford project costs.

In its final adopted findings at its De Novo Appeal Hearing for the MPWSP project held November 17, 2022 the California Coastal Commission identified that within Cal-Am's service area, there are significant concerns about how the cost of water from the Project will affect low-income ratepayers. Coastal Commission staff found that Cal-Am offers several rate assistance programs for low-income ratepayers; however, several of the programs have eligibility requirements that create a barrier to access, have not reached all low-income customers, and do not provide enough relief to offset the ongoing rate increases. In response, Cal-Am offered to submit proposals to the CPUC to offset the costs of the Project for low-income rate payers and to expand the eligibility requirements for the discount offered by its Customer Assistance Program.

Ms. Yessica Ramirez
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February 20, 2024

The Coastal Commission included Cal-Am's proposals as its Special Condition 16 of the Consolidated Coastal Development Permit and it is included here as Attachment C. There are many problems with Cal-Am's proposals, not the least of which is they will not provide the protections desired. In general, the State Lands Commission (SLC) should reject the lease application because of the following environmental justice issues: (i) Cal-Am has done nothing to act on its proposals to the Coastal Commission and there is no guarantee that such concessions will be approved by the California Public Utilities Commission (CPUC), thus the application to the SLC is premature; (ii) the Cal-Am Customer Assistance Program (CAP) does not adequately reach disadvantaged customers, hence cannot be counted on to ameliorate the financial injustice. Attachments A and B hereto show the woeful lack of overlap of Low-Income Ratepayer Assistance ratepayers (now called CAP participants) to the disadvantaged and severely disadvantaged communities (DACs/SDACs).¹

Cal-Am promises a low-income ratepayer relief program plan and implementation strategy, one feature of which is a \$10 cap on rate increases per month for ratepayers enrolled in its Customer Assistance Program. No such program has been proposed to the CPUC, nor have the equity issues of a \$10 cap been vetted. These proposals are likely to be evaluated in a "Rulemaking" proceeding at the CPUC that can require three years, or more, to complete, and cannot provide a guaranteed outcome. It is absurd to assume the outcome today for purposes of a SLC environmental justice analysis.

Further, recent testimony submitted by Cal-Am to the CPUC shows that there are approximately 3,000 household account participants in Cal-Am's CAP program in the Monterey Main System.² However, as Attachment D to this letter shows, based on the California Department of Water Resources Disadvantaged Community database, there are 6,171 disadvantaged households in the Cal-Am system. Cal-Am's program does not reach even half of them; over 7,800 people in need are not addressed.

These reasons are among others I am sure you will hear where the proposed MPWSP does not meet the standards of environmental justice for Monterey Peninsula ratepayers.

Sincerely,



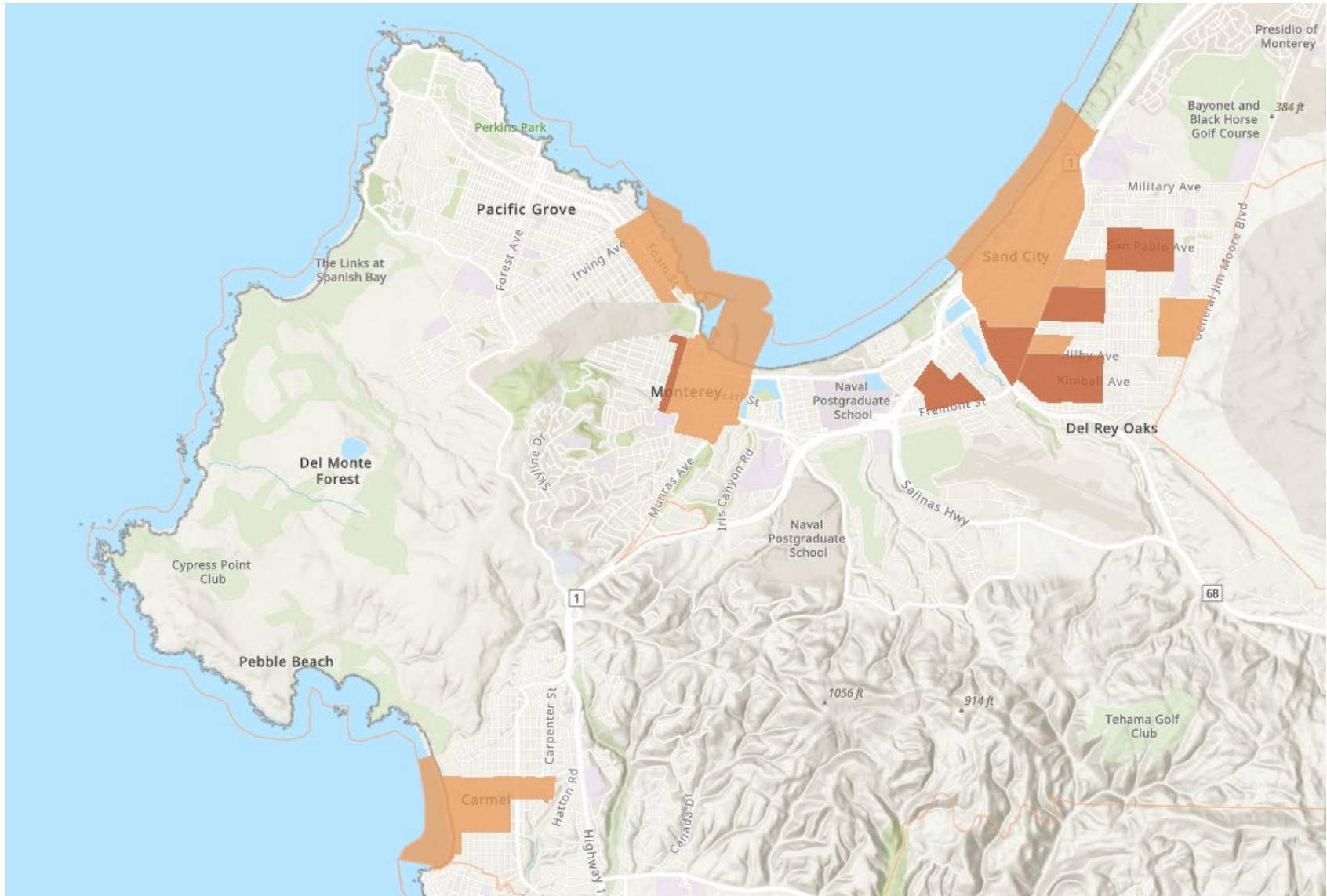
David J. Stoldt
General Manager
Monterey Peninsula Water Management District

¹ Low income ratepayers are shown as yellow circles and less than half overlap with a DAC.

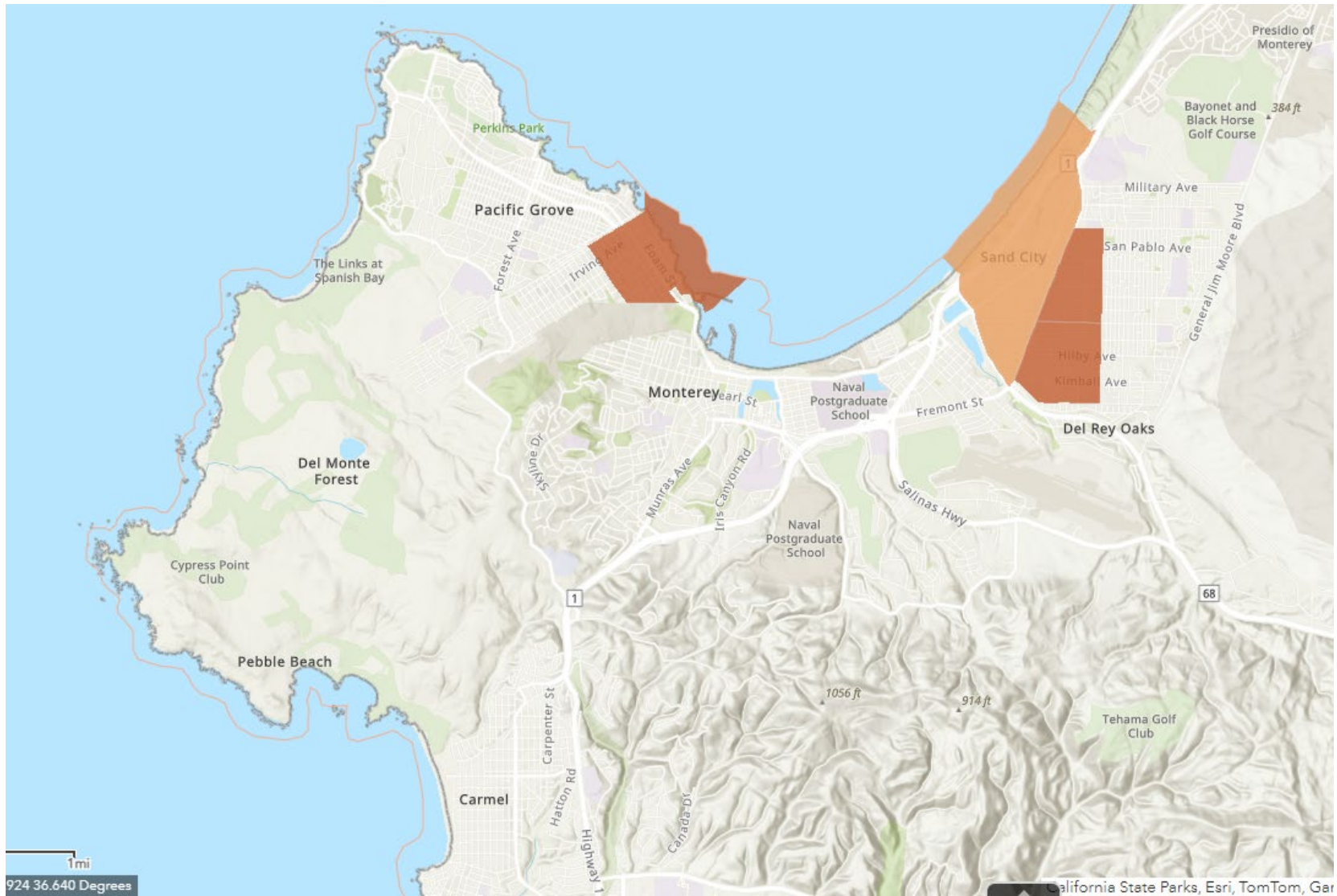
² Direct Testimony of David Mitchell in CPUC proceeding A.22-07-001 (the 2024-26 General Rate Case) Attachment 3, "Cal-Am Rate Design Bill Impact Analysis" Central Division Technical Memorandum #1, p70, June 2022

Attachment A
Disadvantaged Community Maps
California Department of Water Resources DAC Mapping Tool (2016-2020)

Cal-Am Service Territory - Disadvantaged Communities (2016-2020) by Block Groups



Cal-Am Service Territory - Disadvantaged Communities (2016-2020) by Census Tracts



Attachment B

Low Income Ratepayer Assistance (LIRA) Program Maps

Direct Testimony of Jeffrey T. Linam, California-American Water Co. in

CPUC A.19-07-004, Attachment 1, July 1, 2019



Legend

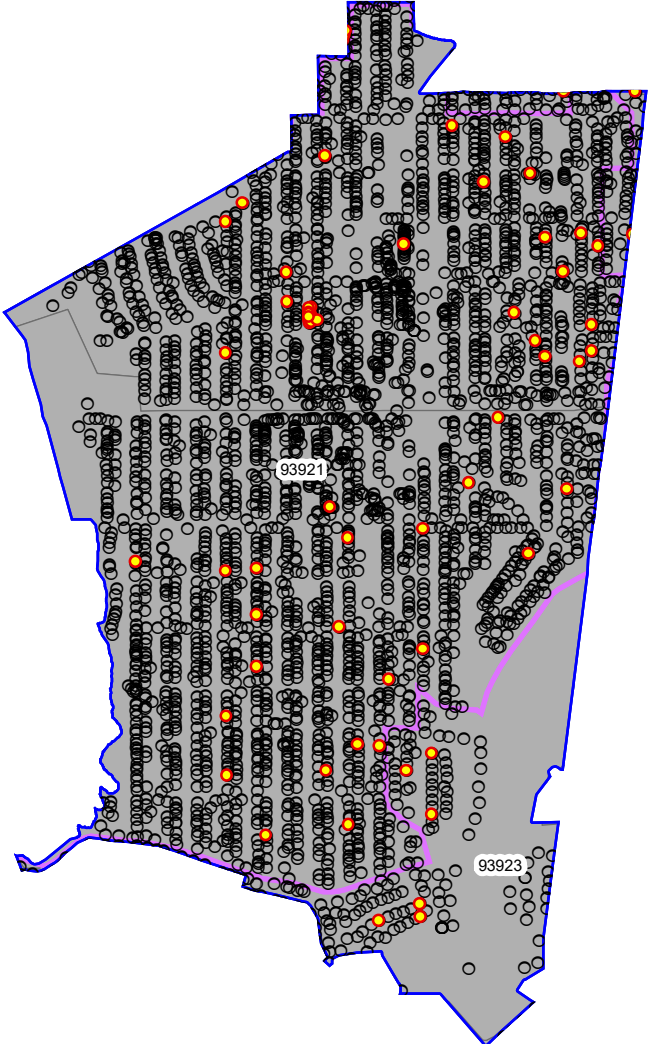
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Low Income Community Opportunity Zones

Estimated Population Below Poverty Level

- 0 - 445
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Median gross rent, 2013-2017	\$1,151	\$1,606	\$1,376	\$1,271	\$1,625	\$1,232	\$1,599	\$1,338	\$1,358
Households with a computer, percent, 2013-2017	74.20%	90.70%	90.10%	90.70%	90.60%	82.40%	87.80%	85.50%	90.20%
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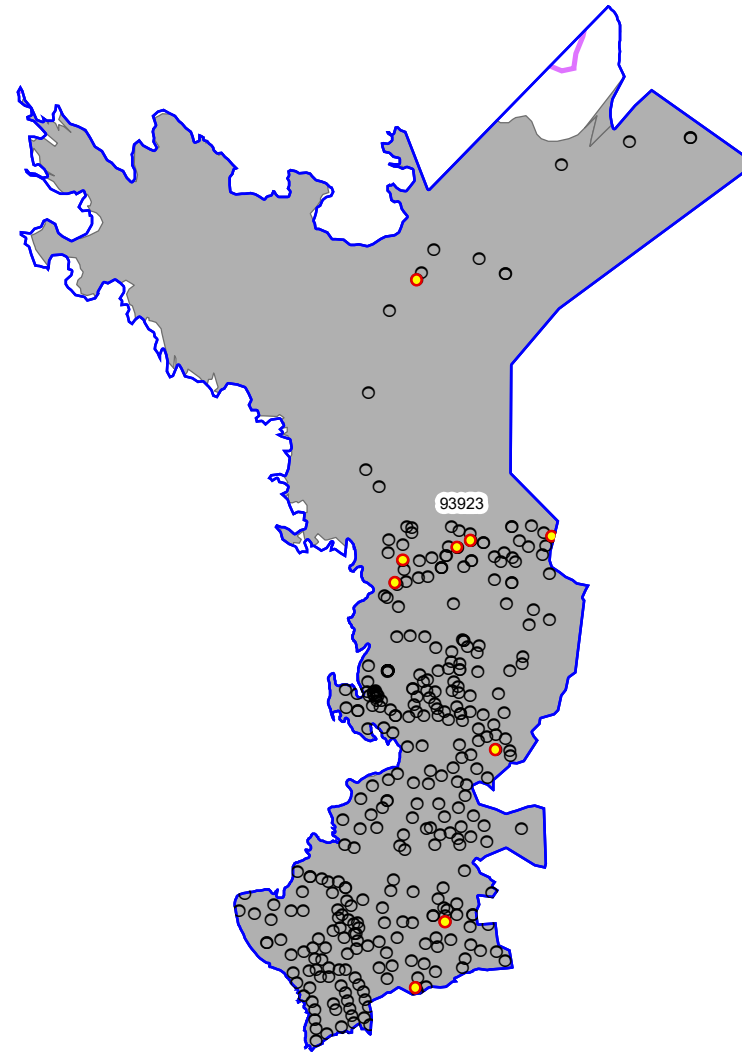
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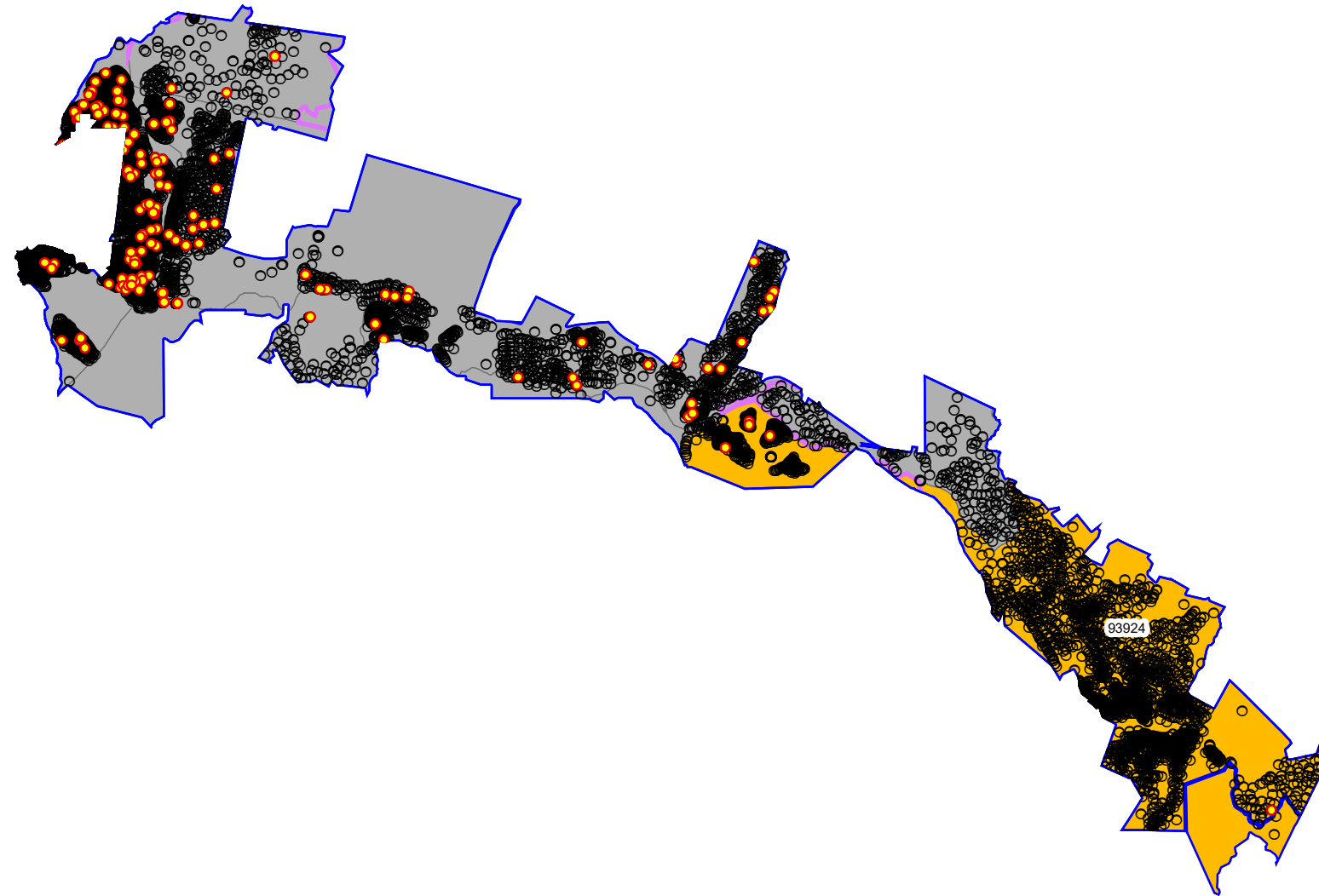
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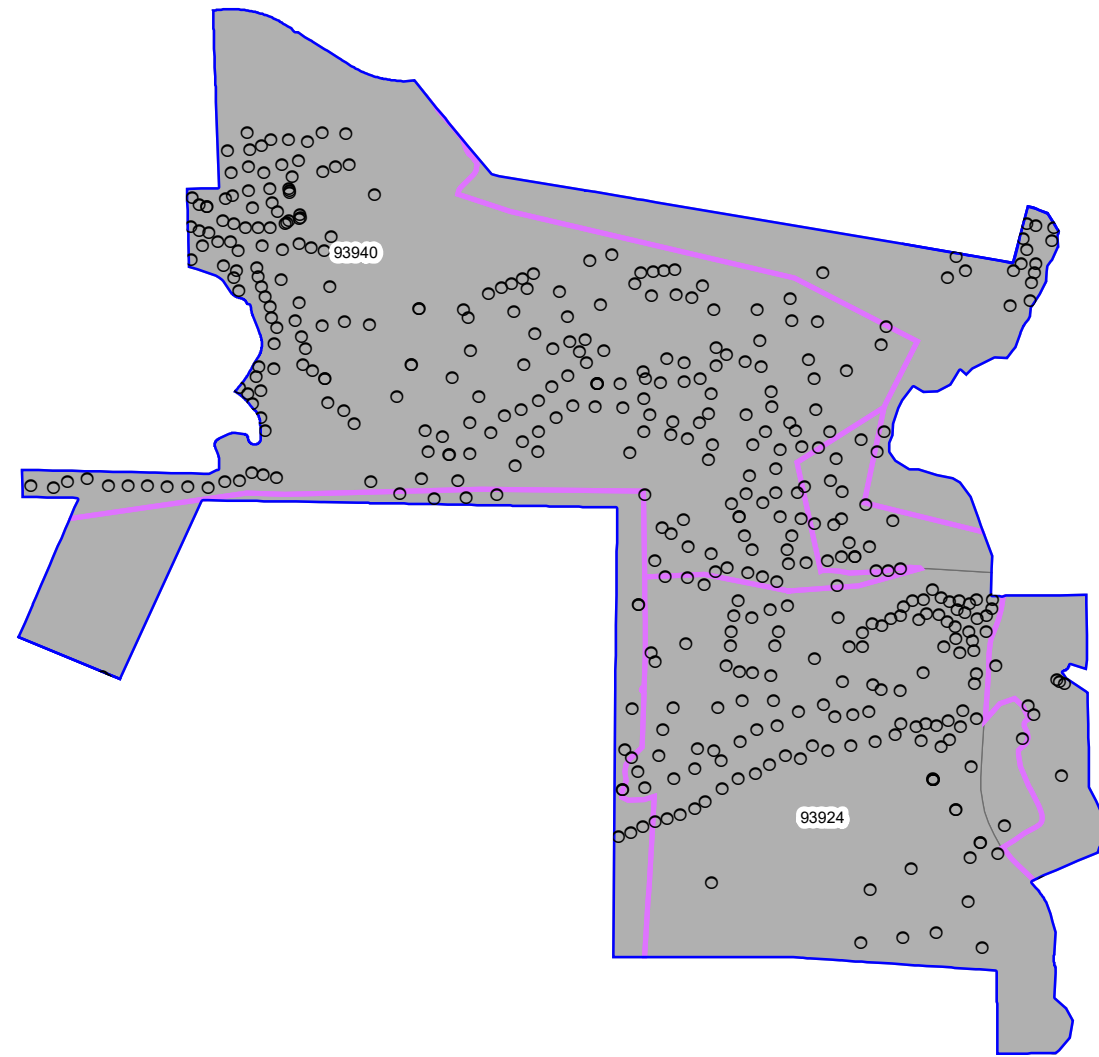
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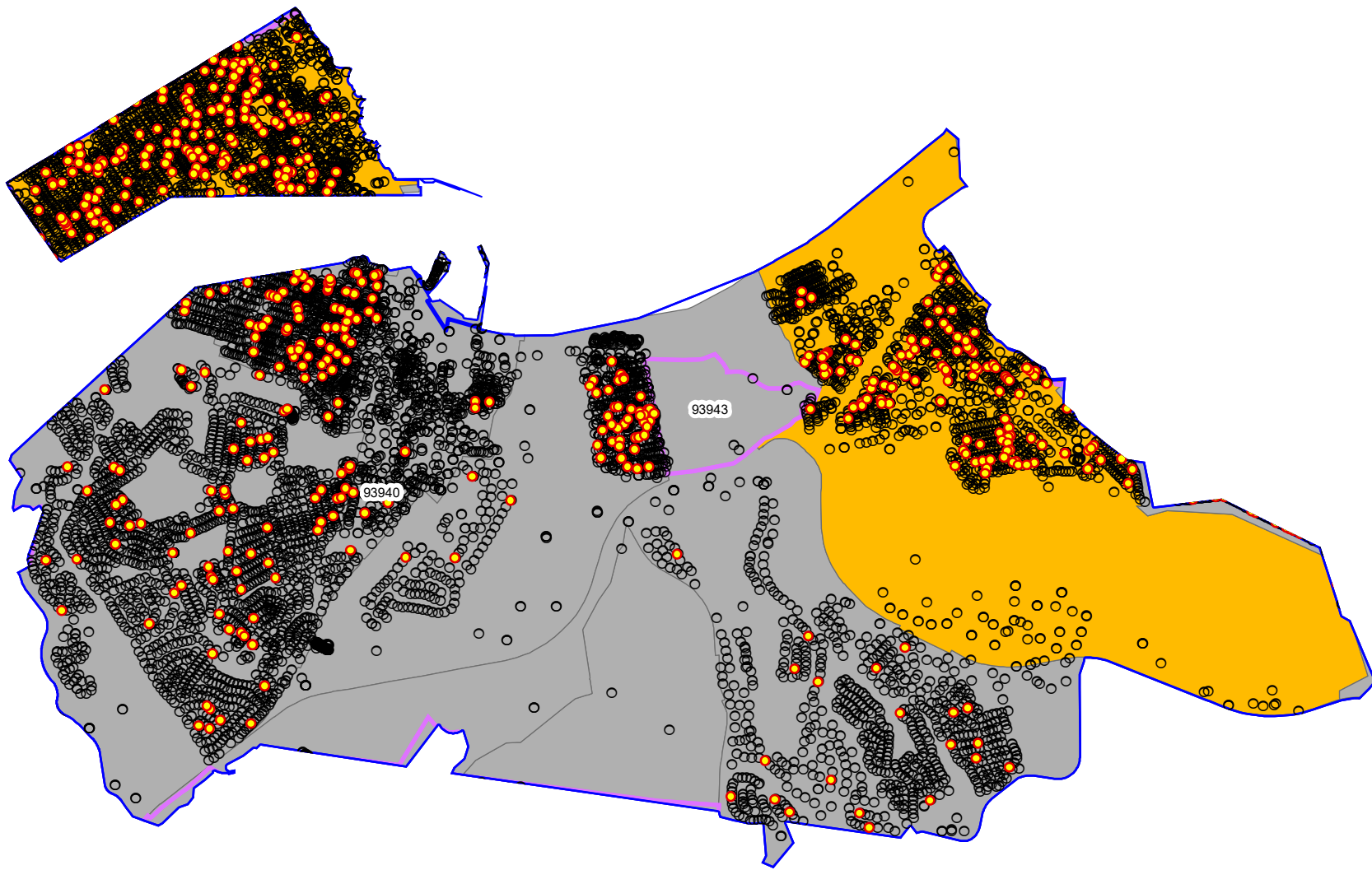
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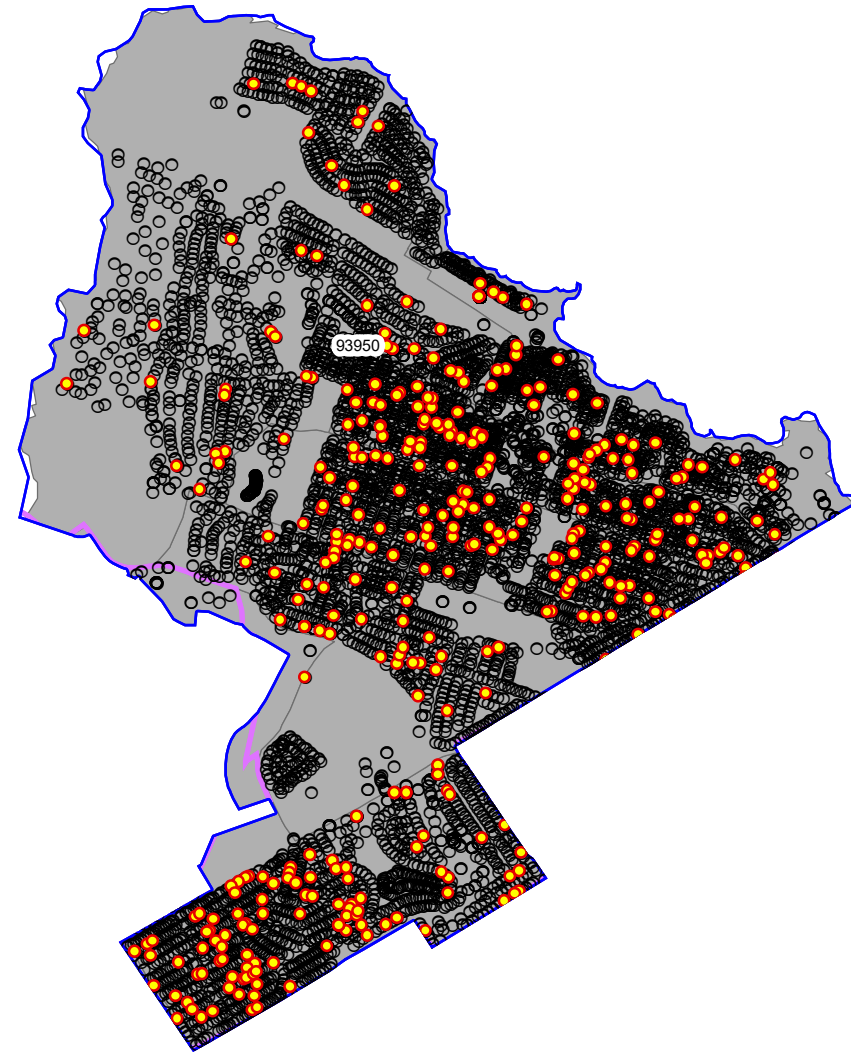
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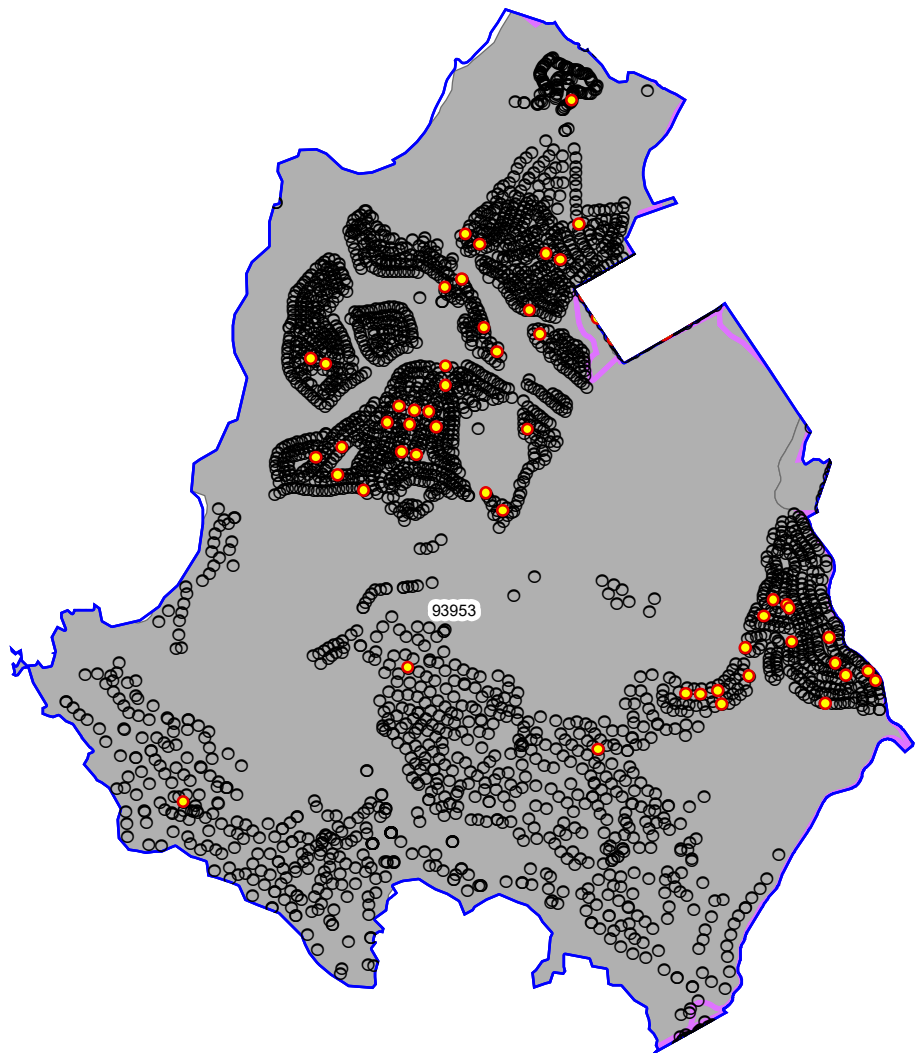
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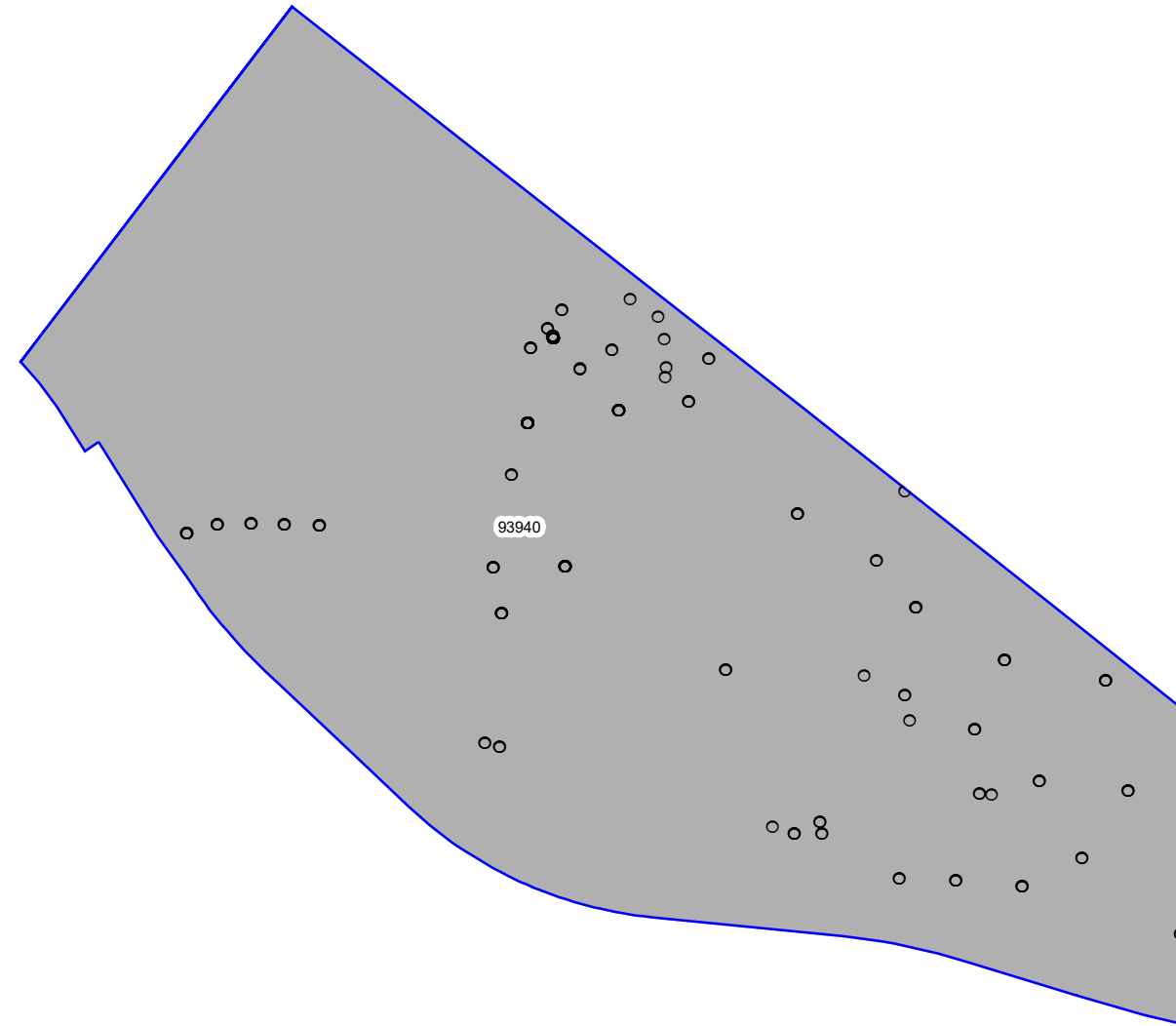
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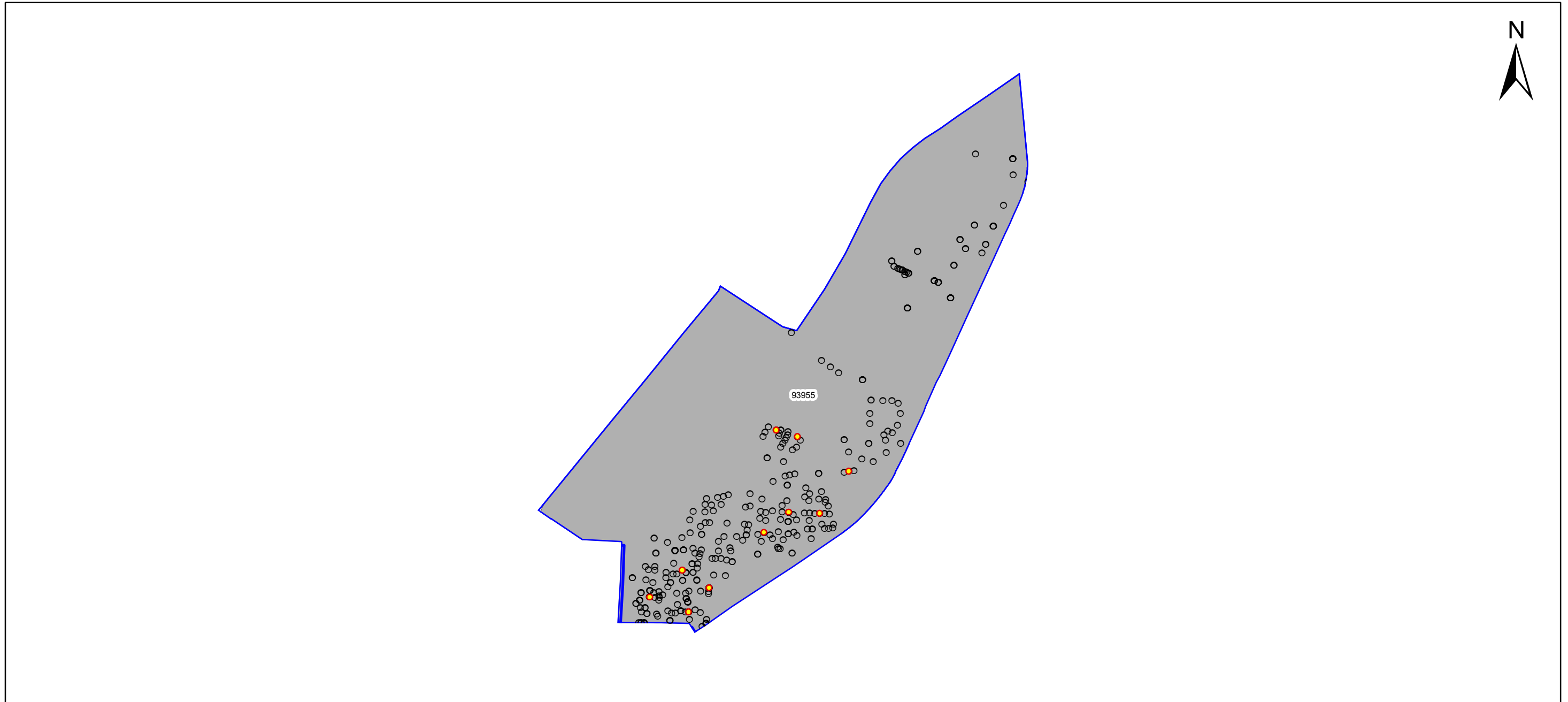
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Median value of owner-occupied housing units, 2013-2017	\$323,400	\$764,600	\$451,300	\$431,800	\$696,200	\$342,100	\$413,600	\$441,000	\$443,400
Median gross rent, 2013-2017	\$1,151	\$1,606	\$1,376	\$1,271	\$1,625	\$1,232	\$1,599	\$1,338	\$1,358
Households with a computer, percent, 2013-2017	74.20%	90.70%	90.10%	90.70%	90.60%	82.40%	87.80%	85.50%	90.20%
Households with a broadband Internet subscription, percent, 2013-2017	64.50%	84.80%	79.80%	84.90%	87.50%	74.90%	83.00%	78.30%	82.60%
High school graduate or higher, percent of persons age 25 years+, 2013-2017	51.10%	96.30%	77.90%	85.20%	92.90%	59.90%	76.90%	71.20%	82.50%
Bachelor's degree or higher, percent of persons age 25 years+, 2013-2017	9.90%	51.30%	20.40%	30.00%	50.10%	12.90%	22.60%	23.90%	32.60%



Legend

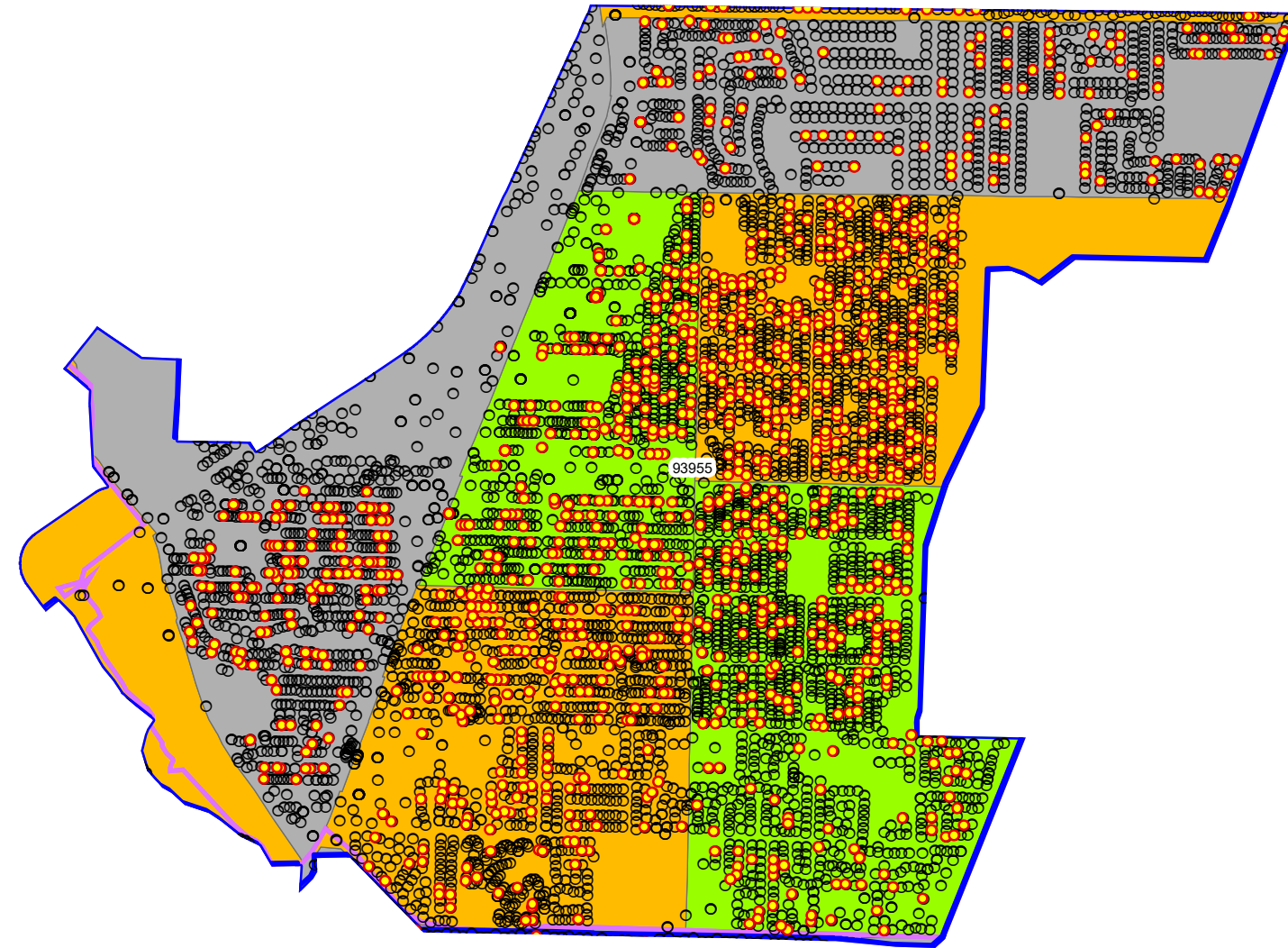
- LIRA Customers
- Customers
- Service Area
- CENSUS Zip Code 2010

Low Income Community Opportunity Zones

Estimated Population Below Poverty Level

- 0 - 445
- 446 - 908
- 909 - 1505
- 1506 - 2458
- 2459 - 5480
- CA Boundary

	93908 / 93926	93953 / 93950	93908 / 93907	93940 / 93923 / 93955	93908 / 93907	93940			
	Gonzales city, CA	Pacific Grove city, CA	Prunedale CDP, CA	Marina city, CA	Monterey city, CA	Salinas city, CA	Seaside city, CA	Monterey County, California	California
Fact									
Median value of owner-occupied housing units, 2013-2017	\$323,400	\$764,600	\$451,300	\$431,800	\$696,200	\$342,100	\$413,600	\$441,000	\$443,400
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High school graduate or higher, percent of persons age 25 years+, 2013-2017	51.10%	96.30%	77.90%	85.20%	92.90%	59.90%	76.90%	71.20%	82.50%
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Legend

- LIRA Customers
- Customers
- Service Area
- CENSUS Zip Code 2010

Low Income Community Opportunity Zones
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Attachment C
Coastal Commission Consolidated Coastal Development Permit
Special Condition 16

16. Low-income ratepayer relief. The Applicant shall prepare and implement a low-income ratepayer relief program, inclusive of the following components, to offset the costs of the Project construction and operations on low-income customers in the service area:

a) PRIOR TO ISSUANCE OF THE PERMIT, the Applicant shall submit a low-income ratepayer relief program plan and implementation strategy that includes baseline information on the number of low-income ratepayers in the district, both in single-residential and multifamily units, that qualify as low-income according to the definition in AB 1550 and those who are eligible for the Applicant's Customer Assistance Program. The plan shall include current enrollment rates for the Applicant's existing income relief programs and the number that do not currently receive assistance. The plan will also include an outreach strategy including a timeline to enroll qualified ratepayers in its Customer Assistance Program. The plan shall explore options to offset the increased costs of desalinated water on low-income ratepayers identified through AB 1550 that are not currently eligible for rate assistance. This may include the Applicant working with the CPUC or independent of its approval to create new programs or expand income eligibility of existing programs, as detailed in subsection (b) and (c). The Plan shall also provide for annual reporting on the status and success of these programs, consistent with Special Condition 16.

b) PRIOR TO ANY INCREASE IN RATES RELATED TO THE DESALINATION FACILITY TAKING EFFECT, the Applicant shall implement the following:

- i. A \$500,000 grant to the United Way Hardship fund and proposal to continue funding the United Way Hardship fund in perpetuity.
- ii. A \$10 cap on rate increases per month for ratepayers enrolled in its Customer Assistance Program. The cap shall be in place for the duration of the Project. Annual reporting required here and under Special Condition 16 must demonstrate how the \$10 cap is being met.

c) The Applicant shall submit an annual report to the Executive Director that describes and provides the status of all Project-related measures meant to reduce Project costs to low-income ratepayers. These shall include, but are not limited to:

- All measures taken to enroll additional ratepayers into the Applicant's Customer Assistance and Low-Income Ratepayer Assistance programs, including the number and percentage of customers enrolled.
- All measures implemented to provide low- or no-cost purchase and installation of low-flow water fixtures (e.g., sink and bath faucets, showerheads, toilets, etc.), including the number of each type of fixture installed.
- The status of all requested or required CPUC proceedings meant to reduce costs to low-income ratepayers.
- All measures implemented to ensure that once deliveries of desalinated water from the Project start, ratepayers enrolled in these programs are subject to a rate increase of no more than \$10.00 per month for any costs associated with the delivery of desalinated water from the Project after start of those water deliveries until Cal-Am implements any CPUC-approved rate relief programs that effectively cap rate increases to no more than \$10 per month for such customers.
- A description of outreach activities to low-income ratepayers to inform them of the cost-saving measures.

Attachment D

Disadvantaged Community Data
 California Department of Water Resources
 Disadvantaged Communities Mapping Tool
<https://gis.water.ca.gov/app/dacs/>
 2016-2020

<u>By 2020 Tract Identifier</u>	Block Group Method		Median Household
	<u>Population</u>	<u>Households</u>	<u>Income</u>
Carmel-by-the-Sea - 060530118022	390	277	\$43,380
Monterey - 060530127001	639	345	\$59,185
Monterey - 060530127002	601	413	\$42,443
Monterey - 060530125042	1,492	708	\$46,630
Monterey - 060530133003	2,486	984	\$47,604
Sand City - 060530140001	1,337	499	\$36,648
Seaside - 060530140002	1,187	312	\$56,500
Seaside - 0605301360001	1,405	610	\$48,500
Seaside - 0605301360003	933	336	\$43,558
Seaside - 060530137002	1,402	473	\$52,991
Seaside - 060530137001	1,140	401	\$34,746
Seaside - 060530135001	Removed - Served by Seaside Municipal Water		
Seaside - 060530138002	<u>2,698</u>	<u>813</u>	<u>\$52,364</u>
Monterey Peninsula Total	15,710	6,171	\$47,046



February 21, 2024

Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942

RE: District Transparency Certificate of Excellence Approval

Congratulations Monterey Peninsula Water Management District has successfully completed the District Transparency Certificate of Excellence program through the Special District Leadership Foundation (SDLF).

On behalf of the SDLF Board of Directors, I would like to congratulate your district on achieving this important certificate. By completing the District Transparency Certificate of Excellence Program, Monterey Peninsula Water Management District has proven its dedication to being fully transparent as well as open and accessible to the public and other stakeholders.

Congratulations and thank you for your dedication to excellence in local government.

Most sincerely,

Sandy Raffelson
SDLF Board President

Public Water Now / LandWatch Monterey County

February 22, 2024

Environmental Justice and Tribal Liaison Executive Office

CALIFORNIA STATE LANDS COMMISSION

Environmental Justice Outreach: Application for a General Lease – Industrial Use, Monterey Peninsula Water Supply Project

Making a community's water unaffordable is the epitome of environmental injustice.

The cost of water from this desal project would be added to already extremely high water costs.

In 2017, the national environmental watchdog, Food & Water Watch, rated the cost of Cal Am water on the Monterey Peninsula as the most expensive water in the country of the 500 largest water providers. https://www.foodandwaterwatch.org/wp-content/uploads/2023/06/FS_Top-Ten-Most-Expensive-Water-Providers-June-2017.pdf

Peninsula water costs have risen more than 50 percent since then. The cost for 5,000 gallons a month is now over \$150.

The CPUC Public Advocates Office estimates that if this desal plant were built it would add 60 to 70 percent to our bills. This is likely a very significant underestimate. As Coastal Commission staff acknowledged in their staff report, there will likely be no demand for water in excess of the expected supply from Pure Water Monterey until at least 2040. The Monterey Peninsula Water Management District's analysis demonstrates that running a desalination facility at 20% of its full capacity would quadruple the unit costs for water, from at least \$7,981 to \$32,398 per acre-foot. (LandWatch Monterey County LandWatch [Nov. 11, 2022 letter to Coastal Commission](#)).

There are egregious and unresolved environmental justice concerns for Marina as well. These were readily acknowledged by the Coastal Commission and were compelling in the Commission's original recommendation of denial for this project. If built, Cal Am's desal would result in a much higher burden of industrial footprint and the loss of public open space for Marina with no benefit.

"...the Project raises the most significant environmental justice issues the Commission has had to address since the 2019 adoption of the Commission's environmental justice policy. At both its reduced 4.8 mgd scale and its full 6.4 mgd scale, the Project would result in the most costly water of any of the desalination projects the Commission has considered recently and would involve locating some of the Project components in a community that has a long history of having a disproportionate share of industrial facilities and uses. Staff conducted in depth analyses of these issues and identified several communities of concern that would be affected by Cal-Am's proposed

Project – including the cities of Marina, Seaside, Sand City and Castroville. Overall, the analysis shows that Cal-Am’s Project creates several serious environmental justice issues...Additionally, the City and the Marina Coast Water District, which provides water to City residents, are deeply concerned that the Project would adversely affect the groundwater aquifers that the District relies on.” (p. 4-5 , CCC staff report 2022, Attachment A)

The Monterey Peninsula, especially Seaside, a lower-income, predominantly non-Caucasian city with a poverty rate of 12.9% (source: City of Seaside 2024), would be heavily impacted by extraordinary water costs.

“According to Cal Am, the average single-family customer in the Monterey service area will have a monthly rate increase of approximately \$47 to \$50 due to Project construction and operation costs once the Project is put into service.” (CCC Staff Report 2022, page107)

Today, this 50% monthly rate increase would be \$59 added to Cal Am’s current average bill of \$117 for 3,483 gallons per month, resulting in a total monthly bill of \$176 for a minimal amount of water.

Cal Am uses an extremely low average that includes all the empty homes on the Peninsula that use no water to figure cost increases, which makes them look lower than they are for most people. Cal Am is presenting a deceptively low increase with its example.

According to the CPUC Public Advocates Office, typical Peninsula water use is 5,000 to 6,000 gallons a month. The current bill for 5,000 gallons costs over \$150 and would see an increase of \$75 to \$105 a month if Cal Am’s desal were built.

Cal Am’s stated 50% increase added to future 2026 rates would be even higher. Using the CPUC Public Advocate’s estimate of a 60 to 70% increase with desal, the typical bill for a modest use of 5,500 gallons could easily reach \$300 a month.

These rates would cause extreme economic hardship for low-income families, forcing many residents to move from the Peninsula or endure a diminishing quality of life. This would be especially hard for seniors and others living on a fixed income who already face a higher cost of living on the Peninsula, including a 9.25% sales tax, along with increasingly higher utility, insurance rates and inflated prices for goods and services.

Why would this water be so expensive?

The question that should have been asked long ago by the CPUC is why is this desal plant and the water it would provide so expensive.

When you compare Cal Am’s project to the Doheny Desal plant currently under construction, the costs just don’t make sense. Both plants are about the same size and produce about the same amount of water. Both use slant wells. But Doheny will deliver water at about \$2,000 per acre-foot, while Cal Am’s water would cost an estimated \$7,000 or more per acre-foot.

Cal Am has not updated costs for this project in many years, making it hard to trust any figure Cal Am gives for the cost of water.

The Return Water Agreement

One of the major problems with this desal project is the fact that its slant wells draw water from the edge of the Salinas River Groundwater Basin in the Marina Coast Water District, not the ocean.

The Monterey County Water Resources Agency Act, Sec.21, prohibits any export of groundwater from the basin because it is critically over drafted.

To get around this law, Cal Am developed the Return Water Agreement:

<https://www.mpwmd.net/asd/board/boardpacket/2016/20160620/21/Item-21-Exh-E.pdf>

This agreement returns the freshwater component of the brackish groundwater to the Basin. Cal Am plans to calculate the percentage of freshwater drawn in the brackish groundwater and then return that amount of desalinated water to Castroville. There is no certainty as to what this percentage will be. Cal Am currently estimates it to be 4% to 5%. But some have pointed out that the freshwater percentage could be much higher. In that case, even more extremely expensive desalinated water would need to be returned to the Basin, raising the cost to Peninsula ratepayers.

Monterey Peninsula ratepayers would be asked to subsidize water for Castroville

The Return Water Agreement states that 690 AFY of desalinated water will be returned to Castroville at \$110 an acre-foot, with a promise to Castroville ratepayers to ensure a monthly average of \$42.50. But this desal water would cost \$7,000 or more per acre-foot to produce. Who pays the difference? This agreement forces Cal Am's Monterey Peninsula customers to subsidize the cost of this water to Castroville. Cal Am's ratepayers certainly did not agree to this, and for the most part, are completely unaware of this agreement.

A major Environmental Justice issue with this project is that it would force low-income customers on the Monterey Peninsula to pay millions of dollars every year to subsidize Castroville's water.

In 2020, 17% of Monterey Peninsula residents had disadvantaged income levels. Those 15,710 people would have to subsidize 4,504 disadvantaged people in Castroville if this desal plant were built.

The US Census Quick Facts 2021 shows there are over five times more people living in poverty in Seaside on the Monterey Peninsula than in Castroville. Castroville has a population of 7,515, with 766 people (10.2%) living in poverty. Seaside, with a population of 32,085, has 3,914 people (12.9%) living in poverty.

Cal Am's Return Water Agreement forces Peninsula residents living in poverty to pay for another disadvantaged community's water.

Cal Am's Low Income Assistance Programs

Cal Am's Monterey Peninsula district has 18,000 residents living within 200% of the poverty level. Many residents are low income by State HCD criteria but don't qualify for assistance under Cal Am's programs.

Cal Am serves 33,159 Peninsula households. Currently only 2,997 of those households are enrolled in its low-income Customer Assistance Program (CAP).

Cal Am's low-income assistance programs do not cover many low-income residents on the Peninsula. To qualify you must have a Cal Am water bill in your name. A family of four must have an annual income of \$60,000 or less to qualify. A family of two must have an income of \$39,440 to qualify. At these income levels, most would be renting.

But renters don't qualify unless they have a water bill in their name, and most tenants of multi-family units do not have separate water meters. Instead, their landlord passes on the water cost through their rent. Thus, Cal Am's low-income assistance programs are not available to many who need them.

One of our members with a \$ 26,000-a-year income is on Cal Am's CAP program. Her January water bill was \$53.87. The CAP discount was \$12.50 off her bill. But she reports that on her income, she can't afford her water bill even with the \$12.50 discount. She worries that if Cal Am were to add a 50% increase for the cost of desal she simply could not afford water.

When asked how people would be able to afford water if the desal costs were added to our current bills, Cal Am's Ian Crooks responded that there would be no tiers. Currently the Peninsula has a four-tier water pricing system.

The problem which Cal Am does not to recognize is that the current higher tiers subsidize the lower tiers. If the tiers were gone and everyone paid the same price per gallon for water, the low-income users would see their bills rise dramatically even before the cost of desal was added.

Another problem is that Cal Am passes the Customer Assistance Program (CAP) Surcharge onto ratepayers, further burdening lower income ratepayers who don't qualify for assistance.

While Cal Am offered a few modest options to alleviate the high cost to low-income households, Coastal Commission staff agreed none of them addressed the long-term effects of the higher costs endured by lower income ratepayers for this expensive water option. (CCC Staff Report, 2022, page 110).

Cal Am consistently continues to increase its rates to its Monterey district on an annual basis, raising them 50% since 2018. A current low-income resident in Seaside who does not qualify for the CAP program reported she pays \$121 for 3,216 gallons, a minimal low use of 45 gallons a day per person.

It should be noted that despite conditional approval, there was clear acknowledgement of the severe environmental justice effects of this project. The current chair of the Coastal Commissioners who voted no on the project made this clear.

“...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.” (Los Angeles Times, November 18, 2022)

Pure Water Monterey is a more affordable solution

The Pure Water Monterey potable recycled water project is a much more affordable water supply project. This is a public agency project of Monterey One Water and the Monterey Peninsula Water Management District (MPWMD). It was first proposed in 2014. Pure Water Monterey (PWM) is currently providing 3,500 AFY. That is over one third of the Peninsula’s potable water demand. When the expansion of Pure Water Monterey is completed in 2025, PWM will provide a total of 5,750 AFY (source: Monterey One Water) toward the Peninsula’s demand of approximately 9,500 acre-feet.

Cal Am has attempted to suppress, delay and discredit the PWM Expansion in order to justify its much more expensive desal plant.

Total PWM water recharged into the Seaside basin will approach 14,000 AF by the end of February 2024, equivalent to approximately 4.6 billion gallons of drinking water delivered since start-up. (source: Monterey One, Recycle Water Committee meeting staff report, February 15, 2024)

The Pure Water Monterey expansion is enough water for 30 years at less than half the cost of desal. It’s drought resistant as it uses wastewater as its water source.

Unfortunately, the Coastal Commission under pressure from Governor Newsom granted conditional approval to Cal Am ignoring testimony from our three local public water agencies – Monterey One Water, MPWMD and Marina Coast Water District – who provided this information in detail illustrating that desalination will not be needed for 30 years and there will be better options and technology for desal available in the future.

Water Needed for Affordable Housing

Water for new and affordable housing will be available from the expansion of Pure Water Monterey (Completion 2025). Desal is not needed for affordable housing.

Historic use and studies done by the Monterey Peninsula Water Management District show that with the Pure Water Monterey Expansion the Peninsula will have water for 30 years of growth without desal.

CPUC Phase 2 Hearings

It is premature to consider this application since the CPUC has not given final approval of Cal Am's desal project, an approval mandated by the California Coastal Commission as one of 22 conditions this project must meet. Until a decision on the CPUC Phase 2 Supply and Demand hearing is final, this project cannot move forward. This was clearly stated in the Coastal Commission 2022 Staff Report:

"...Ultimately, the CPUC will determine the longer-term supply and demand estimates after extensive testimony and evidence on this issue, which bears on whether the CPUC would approve the Project. Furthermore, without CPUC approval, the Project cannot proceed. Thus, the Commission's approval is conditioned on final CPUC approval for construction of the Project based on CPUC's findings of supply and demand. Moreover, if the Project does not begin construction within five years, Cal-Am must seek an extension through Executive Director approval or, if necessary, an amended CDP application through which the Commission may review any changed circumstances affecting the Project." (page 4, California Coastal Commission Staff Report, October 2022, Attachment A)

Furthermore, Cal Am is now proposing a phased approach, starting with a smaller 4.8 MGD desalination facility and later increasing that facility to 6.4 MGD. But the CPUC considered and rejected this phased approach in 2018, finding that it would be more expensive to ratepayers and more environmentally damaging. (CPUC Decision D.18-09-017, pp. 69-70.) The CPUC must reconsider these findings and reassess the rate impacts of this more expensive approach. Until then, approval of a lease is premature.

Melodie Chrislock

Managing Director

Public Water Now

<https://www.publicwaternow.org>

Michael DeLapa

Executive Director

LandWatch Monterey County

<https://landwatch.org>

PUBLIC WATER NOW

Public Water Now is a local non-profit with over 4,000 members. Our interest is an affordable, sustainable water supply for the Monterey Peninsula. That goal cannot be realized under Cal Am's corporate ownership.

In 2018, PWN put Measure J on the ballot asking the public to vote on a public buyout of Cal Am. It passed with 56% of the vote mandating that the Monterey Peninsula Water Management District (MPWMD) pursue a buyout if feasible. It was found to be financially feasible and in December 2023 MPWMD filed its eminent domain court case to buy Cal Am's Monterey Peninsula system.

One reason Cal Am is in a hurry to build an unnecessary \$400 million desal plant is to drive up the price of the buyout in hopes of defeating the will of the community in Measure J.

Over the years we have often found conflict between Cal Am's need for profit and the truth.

LANDWATCH

LandWatch's mission is to inspire Californians to create a sustainable future, using Monterey County as a model.

We work to enhance Monterey County's future by addressing climate change, affordable housing, reliable water supplies, and related land and water use policies.