

ITEM 8



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TO: Chair Riley, Members of the Board and General Manager Stoldt

FROM: David C. Laredo, Counsel

RE: General Report of Pending Litigation effective August 18, 2025

This memo presents a public summary of litigation matters that are deemed to be open and active. This is a recurring memo; the newly updated data is shown in **highlighted text**.

1 – MPWMD v. Cal-Am; 23CV004102

This lawsuit embodies District efforts to fulfill the electoral mandate of Measure J to acquire ownership and operation of Cal-Am's Monterey Division water supply facilities by eminent domain. Cal-Am's Dec. 16, 2024 Answer contends the District lacks the power to both acquire the water system, or to operate a retail potable water system. The District disputes Cal-Am's contentions and objections. Judge Rivamonte (Department 13A) is assigned as presiding judge for this case.

Cal-Am's lead counsel says Cal-Am intends to file a motion to stay proceedings in the Superior Court but has not yet done so. Discovery efforts are continuing.

2 – MPWMD v. Local Agency Formation Commission (LAFCO); Cal-Am; 22CV000925
6th Dist. Court of Appeal H051849

The District successfully challenged LAFCO's decisions affecting and limiting MPWMD's power to acquire Cal-Am water system facilities as directed by the voter mandate in Measure J. LAFCO and Cal-Am then appealed the 2023 decision of Judge Thomas Wills. The matter is on appeal before the Sixth District Court of Appeal. Appellants LAFCO and Cal-Am have filed opening briefs; Respondent MPWMD's brief is to be filed by October 10, 2025.

3 – City of Marina; MPWMD, et al, v. California Coastal Commission (CCC); Cal-Am; 22CV004063

The trial court found the CCC did not exceed its jurisdiction or abuse its discretion in this matter. Petitioning parties (City of Marina, the Marina Coast Water District (MCWD), and the MCWD have jointly filed Notice of Appeal in this matter.

4 – Matters before the California Public Utilities Commission (CPUC) pertaining to Cal-Am.

The following actions are separate proceedings in which MPWMD is involved due to their impact on the Monterey area or upon the Cal-Am water system.

4.a A.21-11-024 Cal-Am Amended Water Purchase Agreement

This action deals with Cal-Am's water purchase from the Pure Water Replenishment Project, and updates Cal-Am system supplies and demand estimates.

The Proposed Decision (PD) related to Supply & Demand (Phase 2) was originally circulated in May but was continued to the Commission's July agenda; the PD was later, again, continued to the CPUC August agenda. During this time Commissioners engaged in further ex parte meetings, including sessions with District staff and counsel. The assigned Commissioner circulated a revised at the close of business on Friday, August 8 limited to technical corrections but made no substantive modifications.

The updated water supply estimate proposed by the PD would adopt annual water supply for the Monterey Peninsula Water Supply Project of 11,114 acre-feet (note: MPWMD contends this amount should be revised to 11,204). The updated water demand forecast proposed by the PD would adopt an estimate of 13,732 acre-feet per year for the Monterey Peninsula Water Supply Project. The full Commission is set to act on the PD at its next meeting.

The internal CPUC deadline to complete review of this case was previously extended from June to October 21, 2025.

4.b A.25-07-003 Cal-Am 2025 General Rate Case (GRC)

Cal-Am filed its latest triennial rate request with the CPUC on July 1, 2025. This request is part of the regular three-year rate cycle by which the CPUC reviews and authorizes Cal-Am's rates and charges, and also by which the CPUC authorizes Cal-Am to modify its operating system.

The GRC is a massive filing and contains extensive written testimony. MPWMD staff and counsel are assessing the issues presented by Cal-Am and points raised by opposing parties. MPWMD has been granted full party status in this proceeding, with the right to undertake discovery, and to present witnesses and evidence in forthcoming evidentiary hearings.

A prehearing (scoping) conference was tentatively set in late August by ALJ Douglas Long and Commissioner Baker, but that schedule may be modified due to a pending motion filed by the Public Advocates Office to Reassign the case on Peremptory Challenge against ALJ Long.

4.c R.22-04-003 CPUC Acquisition Rulemaking

This action is a statewide CPUC Rulemaking matter that addresses statewide public utility system policy, and has specific impact on the Cal-Am system. It is unclear when a Proposed Decision will be issued or when the matter may be submitted for consideration by the full Commission. The CPUC's internal Statutory deadline

for CPUC has been extended to September 30, 2025.

In addition to pending matters of active litigation referenced above, two matters of threatened litigation exist, as referenced below.

5 –MPWMD v. SWRCB. Case No. 1-10-CV-163328 (Santa Clara County Superior Court) 10/27/2009.

This 2010 matter challenged the SWRCB Cease & Desist Order (CDO). Insofar as no parties challenged the request for dismissal of this action filed by the Sierra Club and Carmel River Steelhead Association (CRSA), the Court granted dismissal.

6 –CITY OF MARINA & MARINA COAST WATER DISTRICT v. RMC LONESTAR and CAL-AM - Case No. 20CV001387 (Monterey County Superior Court)

MPWMD is not a party to this action which focuses on Cal-Am's access to water and water rights. As this matter may potentially involve District interests, staff and counsel are tracking this matter.