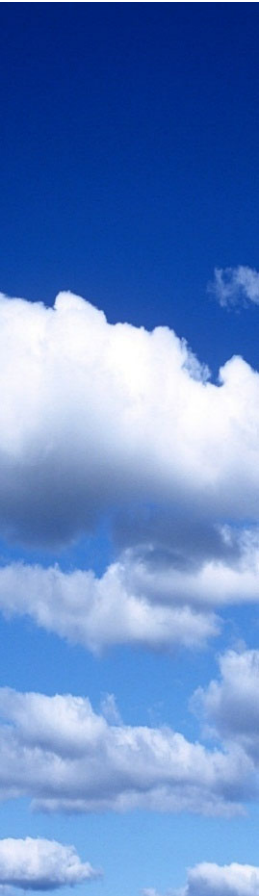
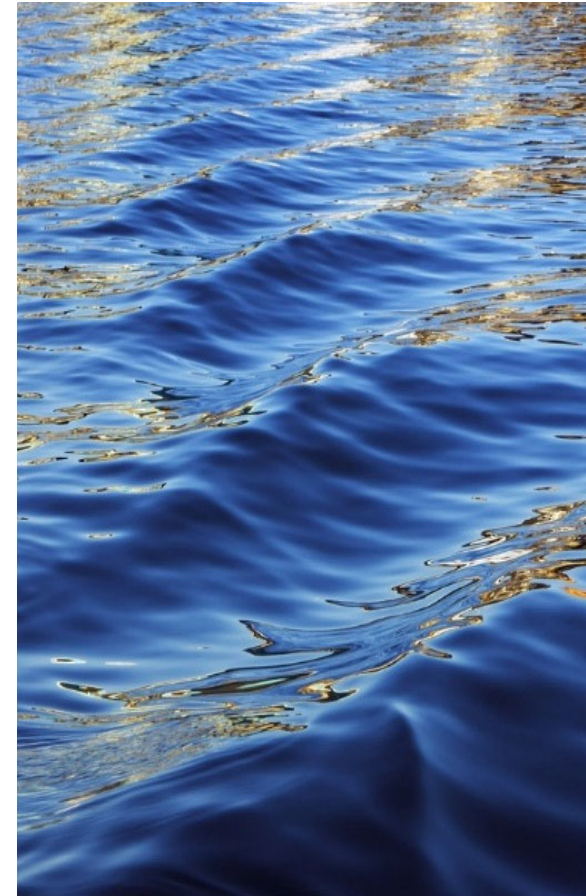


General Manager's Report

April 20, 2026

David J. Stoldt
General Manager



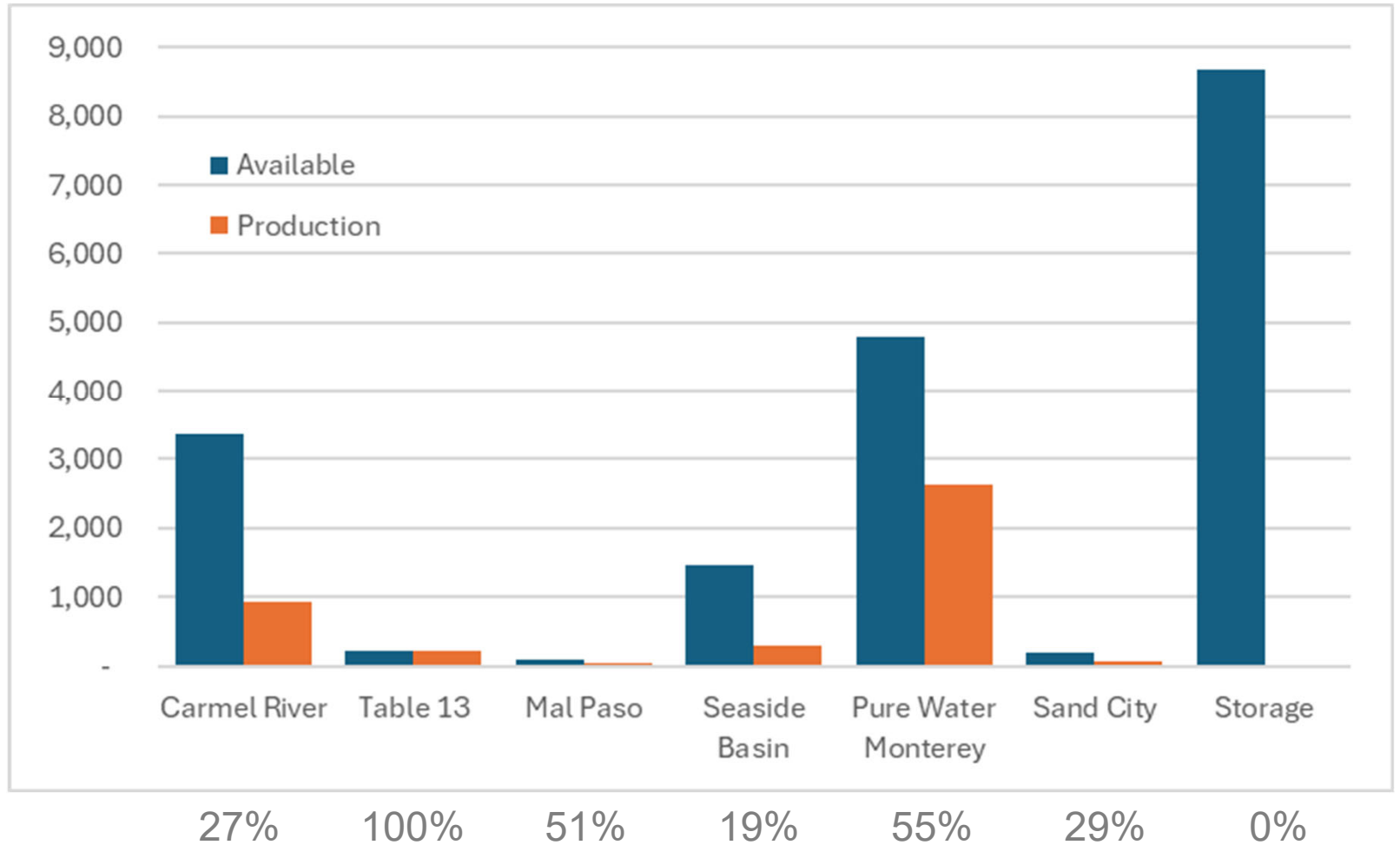
Production for Customer Service Thru March of Water Year 2026 (All Values in Acre-Feet)

Monthly Production from all Sources for Customer Service: WY 2026

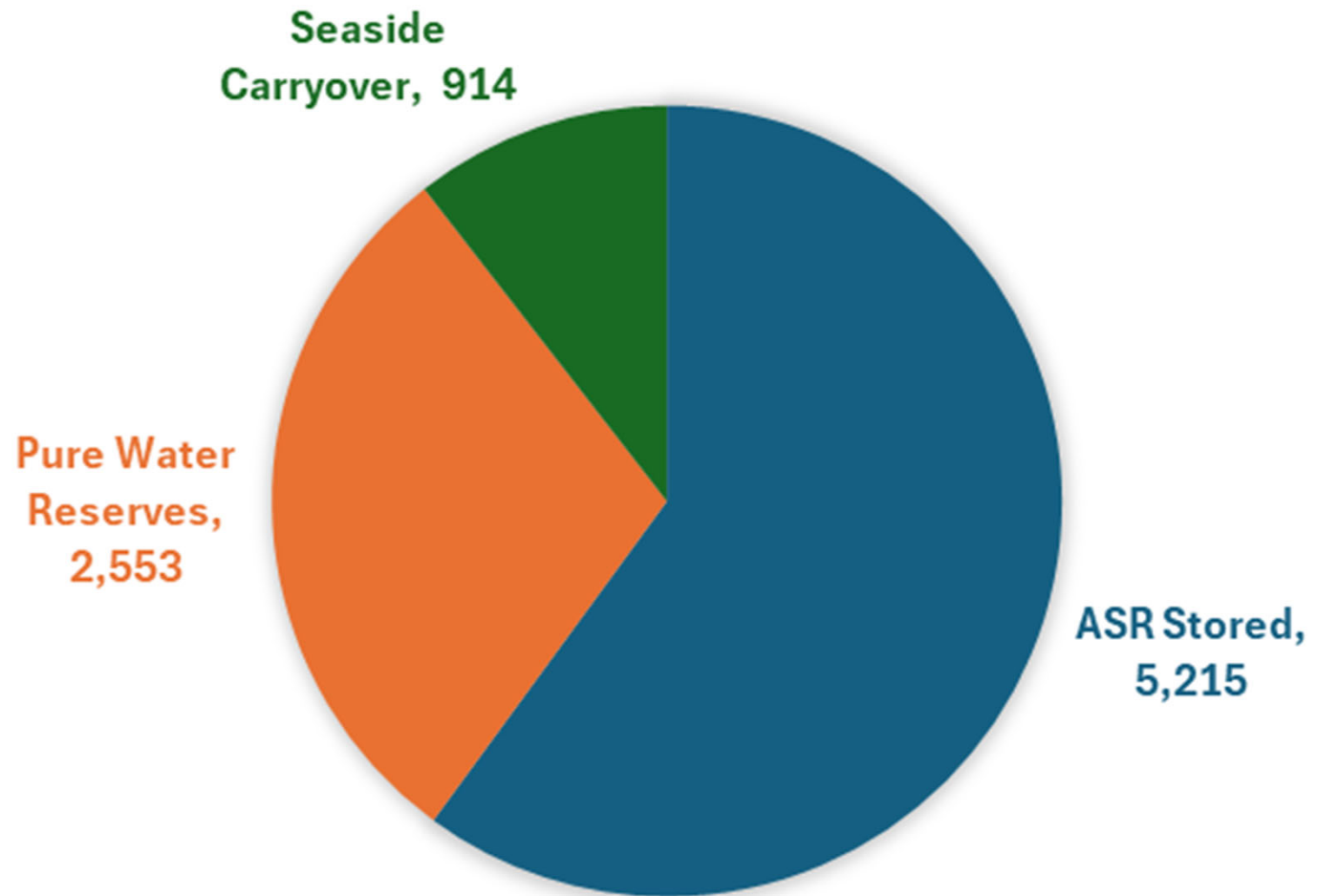
	Carmel River Basin	Table 13	Mal Paso	Seaside Basin	ASR Recovery	PWM Recovery	Sand City	Total
Oct-25	232	0	7	124	0	413	14	790
Nov-25	129	0	7	38	0	489	3	666
Dec-25	132	0	7	32	0	473	12	657
Jan-26	60	101	8	32	0	428	20	648
Feb-26	115	55	7	26	0	389	8	600
Mar-26	259	59	9	29	0	435	0	790
Apr-26								
May-26								
Jun-26								
Jul-26								
Aug-26								
Sep-26								
Total	928	215	44	281	0	2,628	57	4,152
WY 2025	1,264	163	46	757	0	1,797	96	4,123

1. This table is produced as a proxy for customer demand.
2. Numbers are provisional and are subject to correction.

Use of Available Supplies Thru 50% of Water Year 2026 (All Values in Acre-Feet)

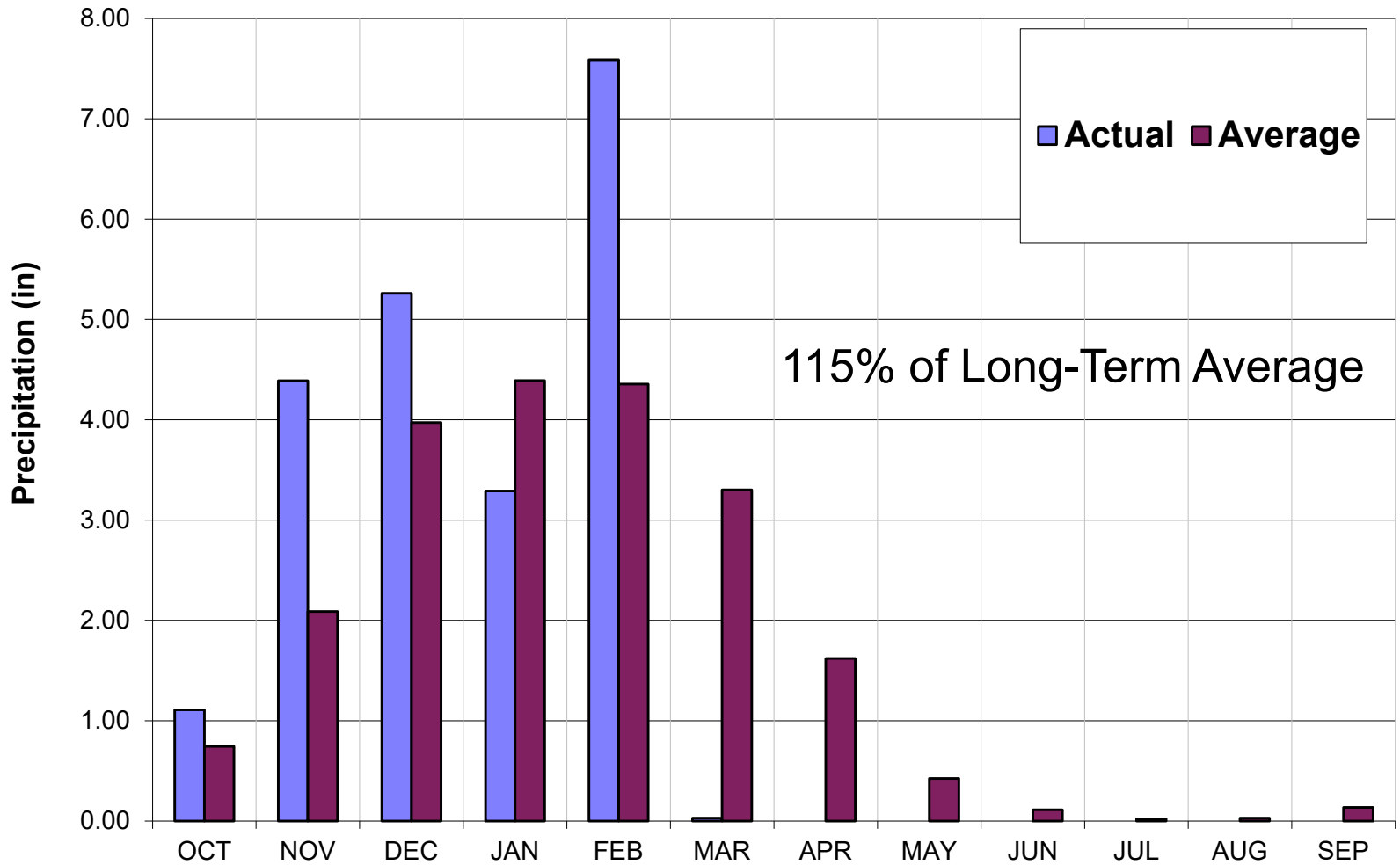


Storage Available Thru March of Water Year 2026 (All Values in Acre-Feet)



Total Storage = 8,682 AF

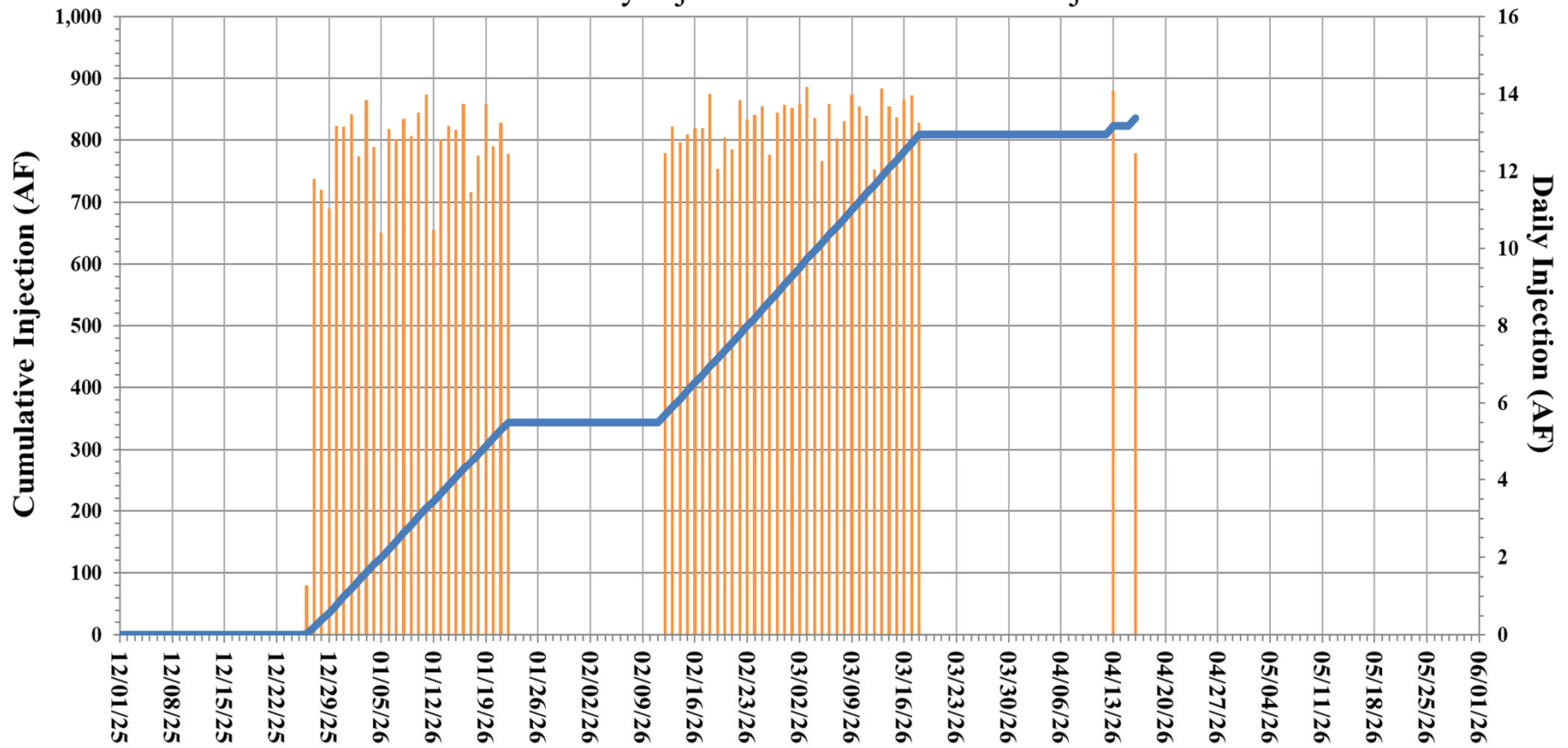
Monthly Recorded Rainfall at San Clemente Rain Gage: Water Year 2026



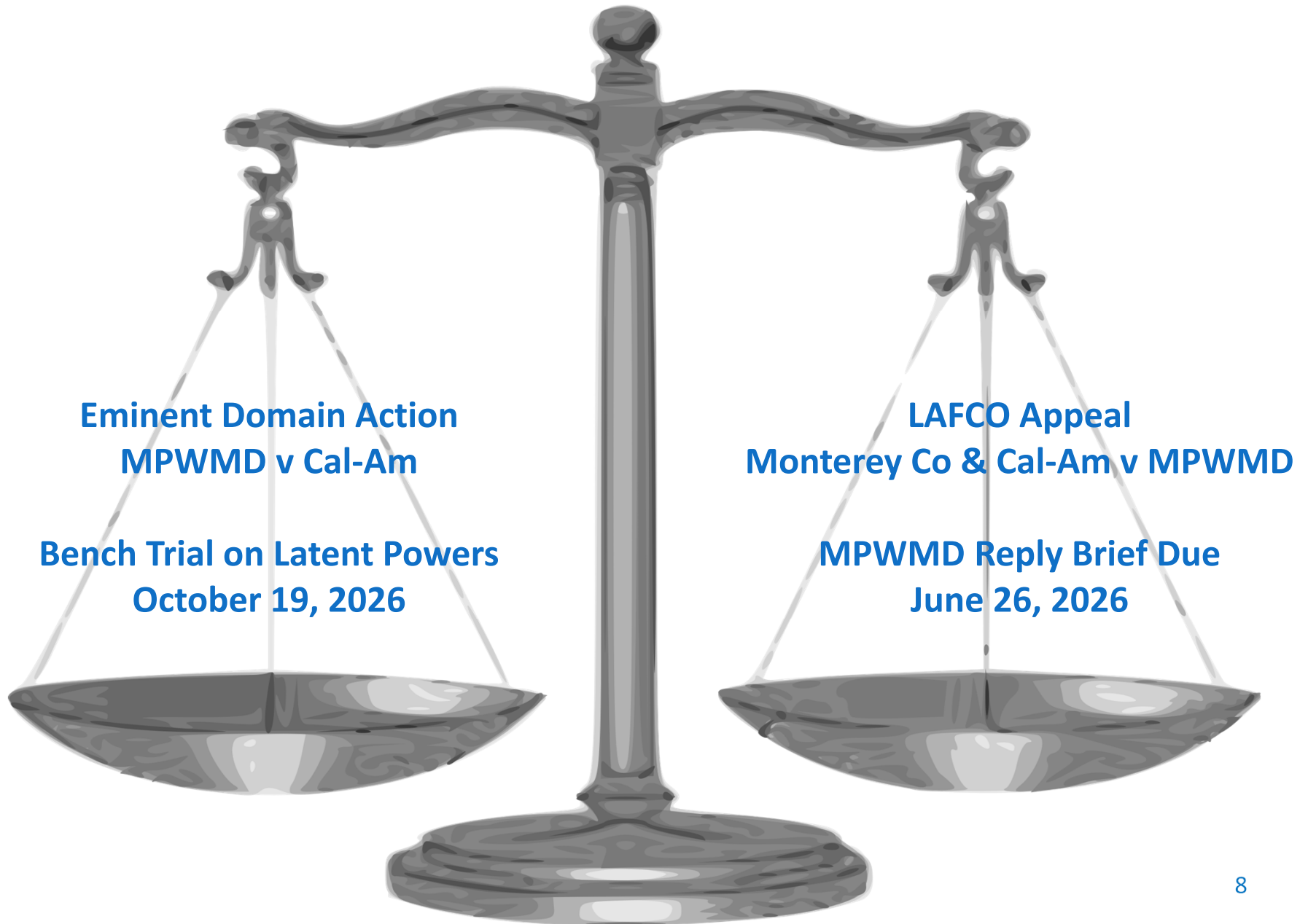
Total ASR Storage – 5,215 AF

ASR Injection Summary WY 2026

■ Daily Injection — Cumulative Injection



Update on the Acquisition of Cal-Am



**Eminent Domain Action
MPWMD v Cal-Am**

**Bench Trial on Latent Powers
October 19, 2026**

**LAFCO Appeal
Monterey Co & Cal-Am v MPWMD**

**MPWMD Reply Brief Due
June 26, 2026**

Update on the Acquisition of Cal-Am



**Supreme Court Review
Liberty Utilities v City of Apple Valley**

Supreme Court has sent notice of in-person oral arguments in next few months, but no date set.

What's Next?

Update on the Cal-Am Desal Plant



Desal Plant / Coastal Commission Conditions

Condition or Requirement	Comments
<p>1.Monterey One Water (“M1W”): Coastal Commission permit authorization for construction of modifications to the existing M1W ocean outfall.</p>	<p>On March 30, 2026 M1W Board authorized submitting an application for the Coastal Development Permit. Such application has not been filed as of 4-20-26</p>
<p>1.Monterey County: encroachment permit(s) for construction within the coastal zone and County jurisdiction.</p>	<p>Condition satisfied.</p>
<p>1.Cities of Marina, Seaside, and Sand City: encroachment permit(s) for construction and operation of Project within the jurisdiction of these entities.</p>	<p>Condition not satisfied as of 4-20-26.</p>
<p>1.Transportation Agency of Monterey County (“TAMC”): approvals necessary for construction and operation of Project within TAMC rights-of-way.</p>	<p>Condition satisfied.</p>
<p>1.State Lands Commission (SLC): lease(s) of state tidelands for continued use of the Project’s existing and new proposed wells beneath state tidelands.</p>	<p>Condition not satisfied as of 4-20-26.</p> <p>Cal-Am proposed that they would prepare an Addendum to the Final Environmental Impact Report for the MPWSP, but now SLC expects a memorandum, with a hearing in Spring.</p>

Desal Plant / Coastal Commission Conditions

<p>1. Central Coast Regional Water Quality Control Board (RWQCB): A National Pollution Discharge Elimination System (NPDES) permit allowing the discharge of effluent through the M1W outfall and approval to modify that outfall.</p>	<p>Condition not satisfied as of 4-20-26.</p> <p>Regional Water Board staff will share an Administrative Draft version of the permit with M1W, U.S. EPA, and Monterey Bay National Marine Sanctuary (MBNMS) and accept informal comments.</p> <p>When the informal comments have been addressed, Regional Water Board staff will post a Tentative Order NPDES permit amendment for 30-day public comment period. Only formal written comments will be accepted.</p> <p>After the public comment period ends, Regional Water Board staff will review comments received, modify the Tentative Order as needed, and prepare a written Response-to-Comments.</p> <p>The Regional Water Board will schedule a public hearing to adopt the amended NPDES permit. Such hearing is not expected until August or October.</p>
<p>1. California Public Utilities Commission (“CPUC”): completion of the CPUC’ spending proceeding (A.21-11-024) of water supply and demand estimates.</p>	<p>Condition satisfied.</p>

Desal Plant / Coastal Commission Conditions

<p>1.Monterey Bay National Marine Sanctuary: authorization from the Sanctuary to allow discharges into Sanctuary waters and drilling and disturbance of submerged lands within the Sanctuary. This is to include any necessary Biological Opinions required.</p>	<p>Condition not satisfied as of 4-20-26.</p>
<p>1.Legal: a final judgment of the pending action entitled <i>City of Marina v. RMC Lonestar, et al.</i>, Monterey County Superior Court No. 20CV001387. The Coastal Commission permit shall not be issued if that judgment or disposition demonstrates that (1) Cal-Am does not have, and cannot feasibly obtain, water rights for the Project or (2) Cal-Am’s project would cause harm to any aquifer that is a source of drinking water to the City of Marina or the Marina Coast Water District.</p>	<p>Condition not satisfied as of 4-20-26.</p>
<p>2.Project Phasing. The Coastal Commission conditional permit authorizes Phase I of the Project. To obtain authorization for construction and operation of Phase II in the future, Cal-Am shall submit an application for an amendment.</p>	<p>Condition for 4.8 MGD plant satisfied per Coastal Commission application. Unclear if CPUC approval for 4.8 MGD plant is required.</p>
<p>9.Dune Habitat and Open Space Protection. PRIOR TO THE START OF CONSTRUCTION, Cal-Am shall submit to the Executive Director evidence of existing deed restriction(s) or documentation irrevocably dedicating habitat and open space conservation easement(s) in perpetuity.</p>	<p>Condition not satisfied as of 4-20-26.</p>

Desal Plant / Coastal Commission Conditions

<p>11. Groundwater Protection. Cal-Am shall install the Project's slant wells to extend at least 1,000 feet seaward of the proposed well head locations and shall screen the wells so they extract water as far seaward as is feasible and without penetrating the 400-Foot Aquifer.</p>	<p>Condition not satisfied as of 4-20-26.</p>
<p>12. Monitoring and Remedial Measures to Protect Groundwater. PRIOR TO ISSUANCE OF THE COMMISSION PERMIT, Cal-Am shall provide, for Commission review and approval, a Groundwater Monitoring Plan intended to ensure the Project's source water pumping does not adversely affect the aquifers that are a source of drinking water to the City of Marina and the Marina Coast Water District.</p>	<p>Condition not satisfied as of 4-20-26.</p>
<p>13. Wetlands and Vernal Pond Adaptive Management Program. PRIOR TO PERMIT ISSUANCE, Cal-Am shall submit a Wetlands and Vernal Pond Adaptive Management Program, for review and approval by the Executive Director. Cal-Am shall provide the funding necessary to allow the Executive Director to hire one or more independent third-party reviewers.</p>	<p>Condition not satisfied as of 4-20-26.</p>

Desal Plant / Coastal Commission Conditions

16.Low-income ratepayer relief. Cal-Am shall prepare and implement a low-income ratepayer relief program, inclusive of the following:

Cal-Am shall submit a low-income ratepayer relief program plan that includes baseline information on the number of low-income ratepayers in the district.

a) 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 Cal-Am 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) Cal-Am 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.

Condition not satisfied as of 4-20-26.

Ratemaking is the purview of the CPUC. It is unclear how \$500,000 funding to the United Way hardship program in perpetuity would not be subject to CPUC approval.

Further, with no updated construction cost numbers, the level of subsidy provided by regular (non-CAP) ratepayers cannot be projected or analyzed by the CPUC. Further, it is unclear whether Cal-Am intends to seek CPUC permission for the cap and subsidy prior to construction.

It is difficult to understand how the CPUC wouldn't require rate approval prior to commencement of construction.

Desal Plant / Coastal Commission Conditions

17. Community Engagement and Public Access Plans and Implementation. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, Cal-Am shall submit a Community Engagement Plan that ensures residents and representatives of the City of Marina will be equitably engaged in development of a revised Public Access and Amenities Plan.

It shall include a schedule and agendas for at least five community workshops within the City to allow community input on preferred public access opportunities and improvements.

Upon Coastal Commission approval of the Plan, Cal-Am shall implement to prepare a Public Access and Amenities Plan based on preferences expressed in the Community Engagement Plan. This Access Plan shall include two components: a Public Access and Amenities Plan for the City of Marina and a Plan describing how Cal-Am's project site will be connected into the larger planning effort for the CEMEX site.

Cal-Am will provide three million dollars as funding to implement the elements of this Plan.

The Plan shall describe the process for Cal-Am's funding of one full-time staff person at the City of Marina with appropriate professional credentials to provide technical oversight regarding the elements of the plan on behalf of the City of Marina, and Cal-Am shall fully fund that position for a period of ten years.

Condition not satisfied as of 4-20-26.

Desal Plant / Coastal Commission Conditions

<p>19. Energy Minimization and Greenhouse Gas Reduction. PRIOR TO THE START OF CONSTRUCTION ACTIVITIES, Cal-Am shall submit, a plan that identifies the expected annual amount of indirect greenhouse gas (“GHG”) emissions resulting from the Project’s electricity use during its initial year of operations, with provisions to update these expected emissions during each subsequent year of operations.</p>	<p>Condition not satisfied as of 4-20-26.</p>
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