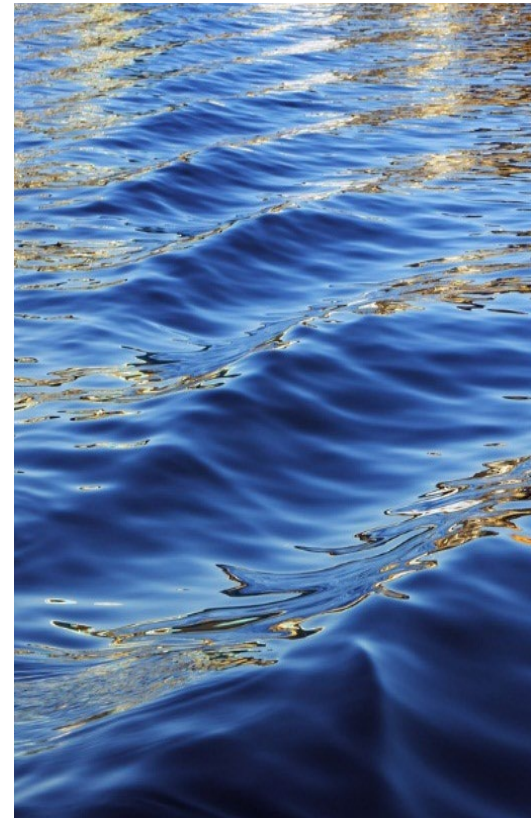


# Status Report on Acquisition of Monterey Water System

Item 12  
Discussion Items  
August 18, 2025

David J. Stoldt  
General Manager



# Timeline of Other Water System Condemnations

Entity	Resolution of Necessity	Final Order of Condemnation	Total Time	Outcome
Apple Valley	Nov 2015	Ongoing	9.5 years plus	Supreme Court review of Appeals Court win for City
Bullhead City, AZ	July 2019	Aug 2021	2 years	\$80 million purchase; \$20 million settlement
Claremont	Nov 2014	Failed at Bench Trial	2 years	Had to pay \$7.6 million of defendants legal fees
Felton	Feb 2007	Sep 2008	1.5 years	\$13.4 million purchase
Missoula, MT	May 2014	Nov 2015	1.5 years	\$88.6 million purchase
Ojai	April 2016	June 2017	1 year	\$34.5 million purchase
South San Joaquin ID	June 2016	Ongoing	9 years plus	Still going; Started LAFCO process in 2004
MPWMD	Oct 2023	Ongoing	Almost 2 years	Trial likely awaits Supreme Court review

## What We Have Done



Date	Activity
December 18, 2023	District files Eminent Domain action in Monterey Superior Court (Complaint)
April 17, 2024	Cal-Am issues Request for Production (RFP) No.1
April 26, 2024	Cal-Am files a demurrer in Superior Court seeking to dismiss the Complaint on basis that District is not authorized to provide retail potable water service
June 12, 2024 July 8, 2024 September 19, 2024	District responds to Cal-Am RFP No.1
November 6, 2024	Cal-Am deposes District General Manager
November 14, 2024	Superior Court dismisses demurrer; Complaint proceeds
December 20, 2024	District issues its own RFP No.1 covering 114 requests
January 15, 2025	Appeals Court in the Apple Valley water system eminent domain case reverses 10/8/21 San Bernardino Superior Court decision which initially ruled city could not takeover Liberty Utilities private water system
February 21, 2025	Liberty Utilities requests Supreme Court Review of Apple Valley decision
April 7, 2025	Superior Court issues a Stipulation and Protective Order allowing Cal-Am's responses to District RFP No.1 to remain confidential
July 3, 2025	Supreme Court receives opening brief on Apple Valley case
July 8, 2025	Cal-Am responds to District RFP No.1; 95 responses and 19 objections

## Where We Are Going?



Date	Activity
August 20, 2025	Cal-Am to file Motion for Summary Judgment; District to file Motion for Summary Adjudication
September 18, 2025	Apple Valley files answer brief on the merits to the Supreme Court
November 10, 2025	Monterey Parties file respective Oppositions to the Motions
November 21, 2025	Monterey Parties file respective Replies in support of the Motions
December 12, 2025	Hearing in Monterey Superior Court on the Motions
All of 2026	Additional discovery in advance of Monterey Superior Court bench trial
February 2027 (???)	Start the Monterey Superior Court bench trial (2-Years from petition for the Apple Valley Supreme Court case)

# Resolution of Necessity

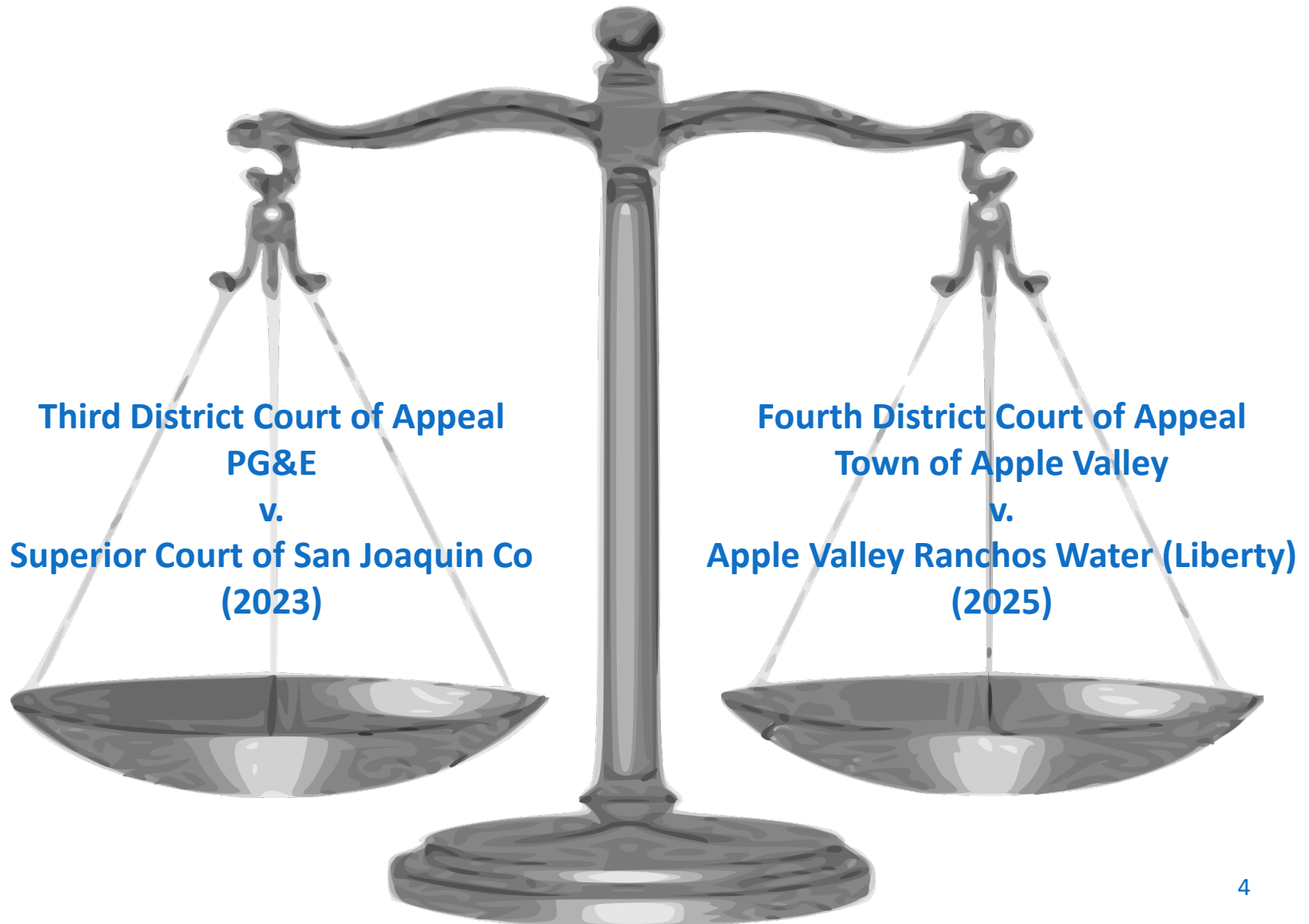
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1. Whether the public interest and necessity require the Proposed Public Use and Project;
2. Whether the Proposed Public Use/Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
3. Whether the Monterey Water System sought to be acquired by the District is necessary for the Proposed Public Use;
4. Whether the Proposed Public Use is a more necessary public use than retention of the Monterey Water System by Cal-Am pursuant to Section 1240.610 of the California Code of Civil Procedure.

Considered “Rebuttable Presumptions” to be decided by trial court under a preponderance of evidence standard.

# Supreme Court Review

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# Appeals Courts Have Conflicting Standards

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## **PG&E**

- Trial Court may be independent trier of fact, not merely a deferential review of Agency's adoption of the Resolution of Necessity
- May consider any extrinsic evidence at trial, including evidence post-dating the Resolution of Necessity

## **Apple Valley**

- Trial Court should not use independent judgement
- Trial Court should only engage in deferential review of Agency's gross abuse of discretion
- Consider only evidence that existed when the agency adopted its Resolution of Necessity

# Why Monterey Superior Court is Likely to Wait

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1. Standard of review is to be determined
2. Scope of admissible evidence is to be determined

Local judge will likely need such guidance before conducting a bench trial.