

EXHIBIT 14-C



December 15, 2020

Eileen Sobek
Executive Director
State Water Resources Control Board (SWRCB)
1001 I Street
Sacramento, CA 95814

RE: November 17, 2020 SWRCB Letter to California American Water regarding Order WR 2016-0016, Ordering Paragraph 3.b.viii – 2020 Joint Annual Report

Dear Ms. Sobek:

On November 17, 2020 you issued a letter to California American Water (Cal-Am) stating that "regardless of control or fault, the 1,000-acre-foot Effective Diversion Limit reduction is an appropriate and intended consequence of Cal-Am's missing Milestone 5."¹ The Monterey Peninsula Water Management District (District) and the Monterey Peninsula jurisdictions, and others, were copied on the letter.

The letter appears to be in response to an October 21, 2020 letter by Cal-Am to the SWRCB which included several spurious and debunked claims, as well as the outrageous accusation that the District was the cause of missing Milestone 5.

The District wishes to respond to both your letter and some of the Cal-Am claims in its letter to you, including:

- There was inadequate consultation with Cal-Am's fellow Applicants.
- The SWRCB may be misinterpreting its own Ordering Paragraph 3.b.viii.
- Missing Milestone 5 was not the cause of any of the Applicants.
- The Effective Diversion Limit reduction should be waived.

Your letter cites Cal-Am's letter that "Cal-Am clarified that it does not request the State Water Board schedule such a presentation or make such findings or actions regarding Milestone 5." and "Cal-Am is prepared to meet customer demands and to comply with the reduced Effective Diversion Limit in Water Year 2020-2021."² However, that decision not Cal-Am's alone to make. As you correctly state at the top of page 2 of your letter, the Order has a provision under which the request to make a presentation is to be in consultation with Cal-Am's fellow Applicants. Cal-Am made no effort whatsoever to engage its fellow Applicants on this matter, and the District as one of those original

¹ SWRCB letter of November 17, 2020 page 2, line 28

² Ibid, page 2, paragraph 2

Applicants disagrees with Cal-Am's approach.


Ordering Paragraph 3.b.viii requests a Joint Annual Report which is to indicate "whether Applicants expect the Milestone to be achieved by its Deadline and, if not, whether the Milestone will be missed for reasons beyond Applicants' control." This was done June 4, 2020. In it, it was reported that Milestone 5 would likely be missed and that it was beyond the control of the Applicants: "In light of the stay imposed by the Superior Court, and the delay in the Coastal Commission's hearing on Cal-Am's application for a coastal development permit, Cal-Am will not be able to meet Milestone 5."³ Note that there was no mention of District causality.

Ordering Paragraph 3.b.viii also states "If requested, Cal-Am, in coordination with Applicants, shall present written and/or oral comments on the progress towards Milestones at a regularly scheduled State Water Board meeting that falls at least 60 days after submission of the report." This phrase does not clarify if requested by whom, rather implies Cal-Am would be the presenter of the comments in coordination with Applicants. The District, as one of the original Applicants hereby requests to make such a presentation of evidence in the expectation that the SWRCB may suspend any corresponding reductions under Condition 3.b.vi.

Contrary to Cal-Am's spurious claims in its October 21, 2020 letter – which contradicts the June 4, 2020 Joint Annual Report – the missed Milestone 5 was not the fault of any Applicant and certainly not the District. Rather, it was simply due to the lack of a timely hearing on the Coastal Development Permit. Other misstatements by Cal-Am in its October 21, 2020 letter include: (a) the District's water supply and demand analysis is not misleading, rather is carefully footnoted and has third-party confirmation of its principal conclusions; (b) the water supply and demand analysis was not "specifically rejected by the CPUC, because it was released AFTER the CPUC issued its decision and closed the application on the desalination project; (c) there was never "a deliberately manipulated consultant's memorandum" to support the supply and demand analysis, rather the District excerpted the Benito/Williams technical memorandum modeling assumptions contained in the Pure Water Monterey SEIR appendices, to show that build-up of Aquifer Storage and Recovery storage would be sufficient to meet a 5-year drought – a completely different issue – and that excerpt has been used on multiple occasions; (d) The District's analysis does, in fact, account for critical protections of the Seaside Groundwater Basin; and (e) Cal-Am has never demonstrated or proven any of the District's analysis to be misleading or incorrect.

We respectfully request that the SWRCB consider the needs and values of the residents and businesses of the Monterey Peninsula. Rather than punishing the community for Cal-Am's inability to make reasonable progress, we request that you provide the forum to review evidence under Ordering Paragraph 3.b.viii and suspend any corresponding reductions under Condition 3.b.vi.

Sincerely,


David Stoldt
General Manager
Monterey Peninsula Water Management District

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³ Joint Annual Report, June 4, 2020, page 3, last paragraph