



Supplement to January 23, 2023 MPWMD Board Packet

Attached are copies of letters sent and/or received between **December 7, 2022 and January 17, 2023**. These letters are listed in the **January 23, 2023** Board Packet under Letters Received / Sent.

GENERAL CORRESPONDENCE

Author	Addressee	Date	Topic
David J. Stoldt	Kevin Tilden	December 13, 2022	CA Public Utilities Commission Decision No. 22-12-001 in Pure Water Monterey – Expansion
Melodie Chrislock	Board of Directors and General Manager	December 20, 2022	MC Weekly – Water District Ask Regulators to Compel Cal-Am to Sign
Melodie Chrislock	Board of Directors and General Manager	December 20, 2022	Monterey Herald – Water District asks regulator to force Cal Am to buy water
Melodie Chrislock	Board of Directors and General Manager	December 20, 2022	Cal Am Update on Pure Water Monterey
Melodie Chrislock	General Manager and Board of Directors	January 9, 2023	Carmel River Update

APPOINTMENT COMMUNICATIONS

Author	Addressee	Date	Topic
Rick Heuer	General Manager	October 27, 2022	Nomination of John Tilley as MPTA Representative on the Ordinance No. 152 Oversight Committee
Denise Adams, Executive Assistant	General Manager	December 16, 2023	CY2023 MPWMD Appointees to the PAC/TAC Monterey Peninsula Airport District
Nova Romero, City Clerk	General Manager	December 22, 2023	CY2023 MPWMD Appointees to the PAC/TAC City of Carmel-by-the-Sea
Clementine Bonner-Klein, City Clerk	General Manager	December 21, 2023	CY2023 MPWMD Appointees to the PAC/TAC City of Monterey
Rosa Salcedo, Executive Assistant	General Manager	November 16, 2023	CY2023 MPWMD Appointees to the PAC/TAC City of Seaside
Ben Harvey, City Manager	General Manager	January 5, 2023	CY2023 MPWMD Appointees to the PAC/TAC City of Pacific Grove

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December 13, 2022

Mr. Kevin Tilden
President
California American Water
655 W. Broadway, Suite 1410
San Diego, CA 92101

RE: D.22-12-001 in Pure Water Monterey Expansion

Dear Kevin:

As I expressed to you in our conversation on December 6, 2022 the Monterey Peninsula Water Management District (District) is very disappointed in California American Water Company's (Cal-Am) decision to renege on the November 2021 three-party agreement signed by Cal-Am, the District, and Monterey One Water whereby each of "the Parties agree to sign the Proposed Agreement if (1) the CPUC approves the Company's recovery in rates of costs to be incurred by the Company relating to the Company Facilities (as defined in the Proposed Agreement), and (2) either (a) the CPUC approves the Proposed Agreement without any changes, or (b) the CPUC approves the Proposed Agreement subject only to what the Parties' respective counsels unanimously determine are non-substantive changes, or (c) the CPUC approves the Proposed Agreement subject to what the Parties unanimously agree are acceptable substantive changes."

California Public Utilities Commission (CPUC) Decision 22-12-001 approved the Amended and Restated Water Purchase Agreement, and the Company's recovery in rates of the costs of Company Facilities, thereby meeting both parts of the three-party agreement.

The District finds Cal-Am's two stated concerns with the CPUC decision to be unfounded. First, the Company claims that the treatment for allowance for funds used during construction (AFUDC) is unfair and inadequate. The Decision set AFUDC for the extraction wells at the weighted-average-cost-of-debt and for the Carmel Valley Pump Station at the level established in a previous decision. Cal-Am did not provide any evidence that its actual costs were in excess of that. Hence, this "loss" is not real, rather Cal-Am was hoping for "free" dollars from ratepayers at the higher all-in cost of capital.

The CPUC was within its authority and precedent to set the AFUDC rate where it did. CPUC Decision 08-05-036 held that "... the Commission should decide the interest rate treatment based upon the circumstances at hand and the type of financing being used to fund the Project." The categorization of any project as a "capital project," does not automatically entitle a utility to

Mr. Kevin Tilden
Page 2 of 2
December 13, 2022

receive AFUDC treatment at its authorized full rate of return. Therefore, in this case, the factual circumstances of the proposed Project and the level of risk the company is exposed to must be considered when determining AFUDC interest rate treatment.

The second Cal-Am concern appears to be what you have mis-stated as being forced to take a write-down on extraction wells. However, the reductions in recovery for certain extraction well features are also not a “loss” to Cal-Am, rather a recognition by the CPUC that Cal-Am was seeking to allocate common actual costs for other facilities to these facilities. Such costs remain open to be considered for recovery by Cal-Am in a future CPUC action. Therefore, Cal-Am was not harmed by the treatment allowed by the CPUC.

Cal-Am can sign the Amended and Restated Water Purchase Agreement today to expedite a highly-needed new source of water supply, and still file an Application for Rehearing to express its disagreement over the rate recovery. There is no legitimate reason to not sign the water purchase agreement. As Cal-Am knows, it is likely that the water from the Expansion will be needed in the next 2-3 years to meet the water demand on the Peninsula. Your statement last week that “Cal-Am will just over-pump the Seaside Basin if it has to” is irresponsible in light of the alternative in front of you.

Cal-Am should sign the water purchase agreement, let the project proceed, and work collectively on a near-term water solution for the Monterey Peninsula community.

Sincerely,



David Stoldt
General Manager
Monterey Peninsula Water Management District

cc: Paul Sciuto
CPUC Public Advocates Office

From: mwchrislock@redshift.com <mwchrislock@redshift.com>
Sent: Tuesday, December 20, 2022 6:43 PM
To: Alvin Edwards <alvinedwards420@gmail.com>; Amy Anderson <carmelcellogal@comcast.net>; Clyde Roberson <roberson@monterey.org>; George Riley <georgetriley@gmail.com>; Karen Paull <karenppaull@gmail.com>; District 5 <district5@co.monterey.ca.us>; SAFWAT MALEK <samalek@aol.com>; Dave Stoldt <dstoldt@mpwmd.net>; Joel Pablo <Joel@mpwmd.net>
Subject: MC Weekly -- Water District asks regulators to compel Cal Am to sign

https://www.montereycountyweekly.com/blogs/news_blog/water-district-asks-state-regulators-to-compel-cal-am-to-sign-off-on-pure-water/article_47c00322-809a-11ed-b911-ef61e0a17884.html

MC Weekly | December 20, 2022

Water District asks state regulators to compel Cal Am to sign off on Pure Water Monterey expansion.

David Schmalz

If Cal Am won't voluntarily play ball to expand Pure Water Monterey, a recycled water project that could preclude the need for a local desalination project for decades, perhaps a strongly worded petition to the California Public Utilities Commission might help.

On Dec. 16, David Laredo, attorney for the Monterey Peninsula Water Management District, sent such a petition to the CPUC, the state commission that regulates private utilities, alleging that Cal Am is acting in bad faith in its request for a rehearing on the rate structure connected to Pure Water Monterey expansion.

The petition asks that the commission compel the private water utility to sign an amended water purchase agreement—essentially, a promise that Cal Am will buy the water a PWM expansion would produce—so that construction of the project would begin and add 2,250 acre-feet of water annually to the local portfolio. (Current annual demand on the Peninsula is just under 10,000 acre-feet.)

At issue is whether Cal Am can recover some \$21 million of sunk costs that the CPUC previously denied, on advice of the Office of Ratepayer Advocates.

In Laredo's petition, he writes, "Monterey ratepayers will be held hostage by an investor-owned utility that gives lip service to support for the project while it argues for additional funding that has already been reviewed and denied by the commission."

The [CPUC approved the water purchase agreement](#) for the Pure Water Monterey expansion Dec. 1, but [Cal Am has thus far refused to sign it](#) and plans instead to ask for a rehearing at the CPUC.

This comes despite Cal Am officials testifying before the Coastal Commission last month—while advocating for a permit for their desal project—that they supported the Pure Water Monterey expansion, and that they fully intended to sign the agreement once it was approved. Water is desperately needed for housing, they said.

Then on Dec. 6, Cal Am President Kevin Tilden wrote a letter to the CPUC’s five commissioners indicating Cal Am would not be signing the water purchase agreement. A day later he called project partners Paul Sciuto and Dave Stoldt, general managers for Monterey One Water and MPWMD, respectively, indicating Cal Am would not sign the agreement, and that the company planned to file for a rehearing to recover its costs. (The utility company could sign the agreement while simultaneously applying for a rehearing, which would allow the expansion to move forward immediately.)

“Mr. Tilden also stated Cal Am would not like to lose its leverage by proceeding with the expansion,” Laredo's petition reads, “and if water is needed in the next few years Cal Am would over-pump the adjudicated Seaside Basin.”

Laredo concludes the petition with, “All this leaves the Monterey community hostage. It has sponsored a project to provide a needed water supply. That project is ready for bid, and financing has been arranged, but this recalcitrant investor-owned utility is digging in its heels to the detriment of its customers, and in violation of water supply requirements set by the State Water Resources Control Board.”

Cal Am spokesperson Josh Stratton, in an email, reiterates Cal Am’s commitment to the expansion, adding, “We expect that the right decision will be made by the CPUC so that we can sign the [water purchase agreement] and proceed right away with Pure Water Monterey expansion. Our financial investment in Pure Water Monterey expansion evidences our support of the project.”

ARTICLE REFERENCED AND TAGGED ABOVE

CPUC APPROVED THE WATER PURCHASE AGREEMENT

GREAT:

An important milestone for the Monterey Peninsula’s water supply was reached Dec. 1 when the **California Public Utilities Commission** approved a water purchase agreement between **Cal Am**, the **Monterey Peninsula Water Management District** and **Monterey One Water** to facilitate the expansion of **Pure Water Monterey**, a recycled water project that currently can provide up to 3,500 acre-feet of water annually. Under the amended agreement approved Dec. 1, Pure Water Monterey could provide another 2,250 acre-feet annually, bringing the project’s annual water deliveries to 5,750 acre-feet – more than half of the Peninsula’s current demand. For all the controversy surrounding Cal Am’s proposed desalination project, the last chapter of which involved a 13-hour **California Coastal Commission** meeting in November, the Pure Water expansion didn’t even merit a discussion by the CPUC – it sailed through unanimously.

.....

ARTICLE REFERENCED AND TAGGED ABOVE

CAL AM HAS THUS FAR REFUSED TO SIGN IT

Cal Am is using rate structure to hold a sensible recycled water project hostage.

- [Sara Rubin](#)



Part of the treatment system at Monterey One Water's existing Pure Water Monterey project. The expansion would increase the volume of wastewater that could be recycled to the level required for the drinking water supply. Photographed by Joel Angel Juárez

There is a story of water supply on the Monterey Peninsula that Cal Am executives like to tell. Project after project, over decades, has been knocked down by the public, the villain in this story. The company has persisted in suggesting alternative sources.

Sara Rubin here, reflecting on how many times I have heard that story—and how the narrative now looks a little different: Cal Am is the one stalling progress. At issue is an effort to recycle and super-clean wastewater, which is already happening to the tune of 3,500 acre-feet per year at

Monterey One Water, with a project called Pure Water Monterey. In 2021, the board of M1W ultimately approved an expansion of that successful project, but [not without a lot of foot-dragging by Cal Am and its supporters](#). (The thinking went that if the region could generate sufficient water with expanded recycling capacity, [there would be less motivation for desalinated water](#)—Cal Am’s preferred, and more expensive, option.)

The expansion could provide an additional 2,250 acre-feet of water annually. While it’s M1W, the region’s sewer agency, that will build the project, M1W needs an agreement with someone who will buy the water—a water retailer, like Cal Am—before it can secure construction loans. That was expected to come in the form of a water purchase agreement, carefully negotiated over months. All parties involved—M1W and the Monterey Peninsula Water Management District, and private utility California American Water, which will ultimately deliver the water and bill customers for its use—signed a memorandum of understanding about the project back in November 2021.

And a year later, on Dec. 1, the California Public Utilities Commission [approved the water purchase agreement](#). No discussion, no fanfare, just a yes.

It seemed like the deal was ready to go. But within a couple of hours, Cal Am President Kevin Tilden sent an email saying that he did not intend to sign the agreement, and the company would file a petition for a rehearing within 30 days.

A private utility needs approval from the CPUC for how much of a project expense it can pass on in the form of billing to customers; in this case, the CPUC’s third-party Public Advocates Office disagrees with Cal Am on how much is appropriate.

“All we need is to get reimbursed, and we’ll gladly sign it,” Cal Am spokesperson Josh Stratton says.

In a press release issued on Dec. 13, Tilden said, “Our commitment to the Pure Water Monterey expansion project is unequivocal.”

Coming from a company that has opposed this sensible recycled water project every step of the way, that sounds like doublespeak. Instead of signing the agreement—and letting M1W go out to bid and get to work on what is estimated to be a \$65 million effort—they are holding the project hostage. (Cal Am could sign, and still pursue its rate case, seeking to recover more money down the road.)

What's next is unclear. The CPUC may or may not grant a rehearing, and if they do grant a rehearing—on an unknown timeline—Cal Am may again come up short of what the company wants to bill to customers.

Meanwhile, M1W is investigating what happens to millions in grant funding that was already secured, and General Manager Paul Sciuto instructed his CFO to put the brakes on financing the project. Monterey Peninsula Water Management District is exploring whether there's an alternative buyer available.

It's a smart project, and one that should be built. And Cal Am should be the one to use the water—the big picture here is that by getting more water into the local supply, the State Water Resources Board might be persuaded to lift a cease-and-desist order, finally allowing more development.

There's no telling whether the Pure Water Monterey expansion will be enough to persuade the state board, [but it might be](#). The longer the recycled water project is stalled, the more compelling Cal Am's more glamorous, expensive water supply—a desalination plant, [approved in November](#) by the California Coastal Commission—looks.

Another option might be to simply pay the ransom, effectively a \$21 million difference in what was requested versus what was approved. “It's blackmail,” says Public Water Now Director Melodie Chrislock, “but I say, let them have it.”

It remains unknown whether the CPUC will cave to blackmail, and for now, the project is in limbo.

From: mwchrislock@redshift.com <mwchrislock@redshift.com>

Sent: Tuesday, December 20, 2022 6:41 PM

To: Alvin Edwards <alvinedwards420@gmail.com>; Amy Anderson <carmelcellogal@comcast.net>; Clyde Roberson <roberson@monterey.org>; George Riley <georgetriley@gmail.com>; Karen Paull <karenppaull@gmail.com>; District 5 <district5@co.monterey.ca.us>; SAFWAT MALEK <samalek@aol.com>; Dave Stoldt <dstoldt@mpwmd.net>; Joel Pablo <Joel@mpwmd.net>

Subject: Monterey Herald - Water district asks regulator to force Cal Am to buy water

<https://www.montereyherald.com/2022/12/20/water-district-asks-regulator-to-force-cal-am-to-buy-water/>

Monterey Herald | December 20, 2022

Water district asks regulator to force Cal Am to buy water

By **DENNIS L. TAYLOR**

MONTEREY — The Monterey Peninsula Water Management District has filed a petition with state regulators seeking to force California American Water Co. to purchase water from a future water recycling project, an agreement Cal Am made more than a year ago but is now backing out of, citing financial harm.

The water district, Monterey One Water and Cal Am all reached agreement in September 2021 to purchase water from Monterey One’s planned Pure Water Monterey expansion project. All three parties signed the agreement in November 2021. It was a general agreement and did not contain specific cost allowances that the California Public Utilities Commission would establish nearly a year later.

Earlier this month the PUC – Cal Am is regulated because it is a private, investor-owned utility – approved the deal, including a cost recovery allowance to Cal Am for building out the water delivery system (<https://bit.ly/3YGQkwM>). But within days of that go-ahead, Cal Am refused to sign off on the PUC approval because, it said, the amount of money the PUC approved for Cal Am to spend to build out the distribution infrastructure would not cover its costs – by roughly \$20 million.

Cal Am then requested a modification to the approval that would allow it to recoup more money. The PUC refused, followed by Cal Am refusing to sign the final agreement.

A week ago, water district General Manager Dave Stoldt wrote to Cal Am President Kevin Tilden asking Cal Am to reconsider its refusal, saying that Cal Am was seeking “free dollars from ratepayers” and that it has never submitted any evidence to support the company’s claim that its “actual costs were in excess” of the PUC allowance. Tilden declined, still citing the inadequate cost recovery.

So, Friday, attorneys for the water district filed a petition with the PUC asking the regulator to compel Cal Am to buy the Pure Water Monterey expansion water, “and set compliance dates for Cal Am to complete the required company-related facilities. “Monterey ratepayers will be held hostage by an investor-owned utility that gives lip service to support the project while it argues for additional funding that has already been reviewed and denied by the commission,” the petition reads.

Cal Am, in a statement issued Tuesday, said the water district petition incorrectly characterizes Cal Am’s commitment to Pure Water Monterey expansion.

“We signed a (memorandum of understanding) to purchase water and wholly intend to follow through with that commitment,” the statement reads. “To expedite the Pure Water Monterey expansion becoming operational, Cal Am made significant infrastructure investments for conveyance needs such as pipes, tanks and pumps. This commitment is not reflected in the CPUC decision and, because of our early investment in PWM expansion, I would think that our partner agencies would support our need for recoupment of costs so that we can have no more delays in getting much needed water.”

The one thing everyone agrees upon is the need for an additional Monterey Peninsula water supply in the near future. There is a state-imposed limit to how much Cal Am can pump out of the Carmel River basin because of environmental damage, principally endangered steelhead, that was occurring from over-pumping. Right now, the combination of the legal limit taken from the river with the water produced through the existing Pure Water Monterey project is meeting the current demand.

But an additional source will be needed in the next two or three years as demand increases. Cal Am wants a desalination plant to meet future demand while the water district and Monterey One Water want the Pure Water Monterey expansion to cover demand at less cost to ratepayers.

The California Coastal Commission last month approved Cal Am’s desal project but slapped major conditions on the approval that will make it difficult for the company to move forward, at least in the foreseeable future (<https://bit.ly/3GhUHHP>).

There is no timeline yet on when the PUC will take up the water district’s petition.

ARTICLE REFERENCED IN E-MAIL ABOVE

Regulator authorizes Cal Am to purchase future water supply



The PUC approved an agreement to have Cal Am buy future water from the planned Pure Water Monterey Expansion project. (Courtesy of Monterey One Water)

By [DENNIS L. TAYLOR](mailto:newsroom@montereyherald.com) | newsroom@montereyherald.com | Monterey Herald

PUBLISHED: December 2, 2022 at 1:33 p.m. | UPDATED: December 2, 2022 at 2:16 p.m.

MONTEREY >>

A key state regulator on Thursday OK'd an agreement to have California American Water Co. buy future water from the planned Pure Water Monterey Expansion project.

The agreement signals a major new water supply for the Monterey Peninsula.

Mike McCullough, the director of external affairs for Monterey One Water (M1W), said the authorization defines the terms and conditions for the sale of water from the expansion project. Monterey One Water is the public wastewater agency operating the Pure Water Monterey recycled water project and which will operate the Pure Water Monterey Expansion,

“Once that document is executed, Monterey One Water can finalize funding for construction of the expansion from the U.S. Environmental Protection Agency and open the bid process for construction of the expanded facilities,” McCullough said.

The three involved parties – Cal Am, the Monterey Peninsula Water Management District and Monterey One Water reached an agreement on the language of what’s called a Water Purchase Agreement more than a year ago.

At that time contractual language disputes arose involving Cal Am's desalination project. The three parties tried for months to come to terms over several key issues, including a project construction timeline, water delivery guarantees and financial penalties in the event the expansion project cannot deliver the agreed-upon amount of water.

But a key sticking point was Cal Am's insistence that the water district support an alternative water supply source – desalination — in the event of repeated failures to meet the expansion project's guarantees of the amount of water delivered to Cal Am.

But the board of directors of the water district balked, saying such an agreement would commit a future board to supporting Cal Am's desalination project, which was of questionable legality.

Eventually, Cal Am dropped its insistence on the language and instead agreed to have the water district provide strong financial commitments, including penalty payments should the district and Monterey One Water fail to meet agreed-upon amounts of water delivery.

All three parties signed off and the agreement in September 2021. It then went to the California Public Utilities Commission for authorization since Cal Am is an investor-owned utility.

About a week ago, Cal Am wrote to the Commission asking for a delay in the decision. The company's logic was that since its desal project received approval from the Coastal Commission, the Public Utilities Commission “should allow more time for consideration of changes to the revised (decision).”

Cal Am claimed that issuing the decision now would somehow delay the Pure Water Monterey Expansion and that it should be a “supplemental source” of water for the Peninsula rather than a sole source. The letter stated that the Pure Water Expansion would deliver 55% of the demand and the desal project would deliver 45%

On Thursday, the Commission issued its decision as part of its consent agenda – a group of rulings that are typically noncontroversial – without further discussion.

This decision supports the proposed expansion to the Pure Water Monterey Groundwater Replenishment Project as a near-term source of water for Cal Am's customers on the Monterey Peninsula.

The current Pure Water Monterey project delivered to Cal Am 3,500 acre-feet of water and an additional 173 acre-feet into reserves, according to the Monterey Peninsula Water Management District. The expansion project is expected to add another 2,250 acre-feet annually.

Two third-party analyses have shown the combined output of the two Pure Water projects will be more than enough to meet the Peninsula's needs for the next three decades. Cal Am's analysis differs.

In a related action, the PUC is also mulling a decision on whose water supply and demand projections are the most accurate. That decision is expected to be handed down in March 2023.

ARTICLE REFERENCED IN E-MAIL ABOVE

DESPITE CRITICISM, COASTAL COMMISSION APPROVES CAL AM'S DESAL APPLICATION



An artist's rendering of the desalination plant proposed for the Monterey Peninsula. (Courtesy of California American Water)

By [DENNIS L. TAYLOR](mailto:newsroom@montereyherald.com) | newsroom@montereyherald.com | Monterey Herald

PUBLISHED: November 18, 2022 at 1:55 p.m. | UPDATED: November 21, 2022 at 10:42 a.m.

SALINAS – During Thursday's Coastal Commission meeting scores of people asked commissioners what their legacy would be if they approved California American Water Company's application for a desalination plant. Commissioners answered that question by overwhelmingly supporting Cal Am.

The commissioner's 8-2 ruling at the end of the 13-hour hearing was the mirror opposite of the hours of public testimony commissioners heard before chairwoman Donne Brownsley cut off any further public comments. After more than 80 members of the public spoke, opposition to Cal Am was running four to one.

Proponents and opponents were divided along predictable lines: public agencies, social justice interests and environmental groups blasted the project as not needed, destructive to important coastal habitat and a project that's too expensive for low-income residents.

Businesses, trade unions, chambers of commerce, real estate advocacy groups and agricultural interests lobbied the commission on behalf of Cal Am, arguing that desal is the only sustainable source of water for decades to come.

Continue watching Humboldt coast no stranger to strong earthquakes after the ad

While numerous components of the complex project were discussed, the night belonged to issues surrounding the city of Marina. Opponents argued that the city, where the majority of residents are people of color, will shoulder the burden and potential harm from the project without receiving any of the water the desal project would produce.

The city of 22,300 has been subjected to a dump, a sand mine, a wastewater facility and former Fort Ord land that was potentially contaminated and now another industrial use is being forced on them, Cal Am opponents told the commission Thursday. It's a question of environmental justice that is supposed to be considered by the Coastal Commission when it makes any ruling.

Slant wells are designed to reach salt-laden brackish water from well heads atop cement pads on the old Cemex sand mine in Marina. That prompted one Marina resident to ask commissioners rhetorically what the more affluent city of Monterey would say if Cal Am wanted to punch slant wells on its land and not provide it with any benefits.



The slant wells will go near the former CEMEX plant. (Monterey Herald File)

Cal Am had offered Marina \$1 million for a beach access project, but the commission pushed back on that amount and ultimately settled on \$3 million that Cal Am will pay Marina. Cal Am is also offering to provide assistance for water bills to low-income residents of Castroville, a community in northern Monterey County that has some of the lowest annual incomes in the county.

Cal Am opponents, however, say that Cal Am will make up for those discounts on the backs of ratepayers on the Peninsula.

The issue of social justice was brought up in the commission's own staff report. Tom Luster, the commission's senior scientist, said "the project also involves the most significant environmental

justice concerns the commission has considered since it adopted an environmental justice policy in 2019” and added that the cement well pads will be in what he calls an “environmental sensitive habitat area” that could disturb endangered species like the western snowy plover. But the Coastal Act allows commissioners to overrule the restriction and approve an application anyway, which they did.

“Cal Am doesn’t care if they are impacting a disadvantaged community,” said Marina Mayor pro-tem Kathy Biala.

Several water experts on the Peninsula said both privately and publicly they believed the commission was pressured by Gov. Gavin Newsom’s office to approve the project regardless of any environmental or social justice impacts. Desal is one of the efforts pushed heavily by Newsom in his water strategy he released during the summer.

“The best science tells us that we need to act now to adapt to California’s water future,” Newsom said in a press release. “Climate change means drought won’t just stick around for two years at a time like it historically has – extreme weather is the new normal here in the American west and California will adapt to this new reality,” Newsom said about a desal project in Antioch.

Melodie Chrislock, the managing director of Public Water Now, the nonprofit behind 2018’s Measure J that requires a public buyout of Cal Am’s assets, pointed to the end of the dais where Wade Crowfoot sat. Crowfoot is Newsom’s Natural Resources Secretary and a non-voting member of the commission. Chrislock said his presence sent a clear message to the other members of the commission to get behind Newsom’s full-court press for desal projects to help offset the state’s water crisis.

“He was there to make sure the commission answered to the governor,” Chrislock said.

Marina Mayor Bruce Delgado told commissioners that portions of the staff report they were relying on were not accurate and that it was driven by economics and not water needs. He also said there were at least 13 plants and animals along Marina beaches that would be endangered by the project.

Marina City Manager Layne Long warned commissioners that the sand under the slant well platforms will likely collapse in 25 years as sea level rise erodes the sand out from under the pads. Cal Am responded that if that happens, they would just move the slant wells more inland.

Other water officials noted during their presentations that the supply and demand estimates contained in the commission staff report were from Cal Am and the Public Advocates Office – the consumer advocate arm of the California Public Utilities Commission. What weren’t in the staff report were estimates from the Monterey Peninsula Water Management District, Marina Coast Water District,, and third-party engineers’ reports that show the Pure Water expansion will produce more than enough water for future needs.

Cal Am’s Peninsula growth estimates were called into question by the water district, which said Cal Am was double-counting demand by counting parcels that no one lives on. In contrast, Dave Stoldt, the water district general manager, said his projections were based on estimates by the third-

party Association of Monterey Bay Area Governments. Cal Am's estimates were intentionally misleading, he said.

"If demand is over-stated and supply is understated then there is a crisis that can be solved only by a desal," Stoldt said.

Cal Am argued that Pure Water Monterey Expansion, which takes wastewater and purifies it to a potable level, won't provide enough water and questioned the stability of the Expansion's water supply – wastewater, agricultural runoff and stormwater.

As an example of how far apart the disparate interests were, estimates of when future water sources will be needed are years apart. Cal Am says more water will be needed by 2025, the Public Advocates Office – the consumer advocate arm of the California Public Utilities Commission – pegged the need at 2040, and the Water Management District staked its claim at 2050 before new water sources are needed.

Cal Am President Kevin Tilden told the commission Thursday that his company supports recycled water efforts, but as an addendum to the project and not an alternative to desal. Tilden and his allies often cited the affordable housing crisis in the area that is made worse by a restriction the state Water Board placed on new water hookups. The moratorium was placed on the area because Cal Am had been over-pumping from the Carmel River for decades, endangering the steelhead population.

Proponents equated the desal project as the answer to more affordable housing. But Cal Am detractors said the Pure Water Monterey Expansion would accomplish the same result. TJ Moore, an attorney for Cal Am and a partner in the Los Angeles office of New York-based law firm Latham & Watkins, told commissioners that the project would have minimal impacts on Marina, which is already an industrialized town.

Even though the Coastal Commission approved the project, there are still significant hurdles Cal Am will have to jump before lifting the first shovel full of dirt. The most glaring is the California Public Utilities Commission, or the CPUC. The CPUC is involved because Cal Am is an investor-owned utility. The CPUC is also poring through hundreds of pages of testimony from both sides before it renders a decision perhaps by March.

There are also roughly 10 lawsuits against Cal Am that will need to be litigated before the company can break ground. Perhaps a key one is the city of Marina has sued Cal Am claiming the company has no water rights to pump from the slant wells.

Thursday's application approval contains 20 special conditions that won't be easy for Cal Am to adhere to. Opponents said the conditions are negotiable and could be negotiated out of the approval. Cal Am says it will meet all the conditions in the approval.

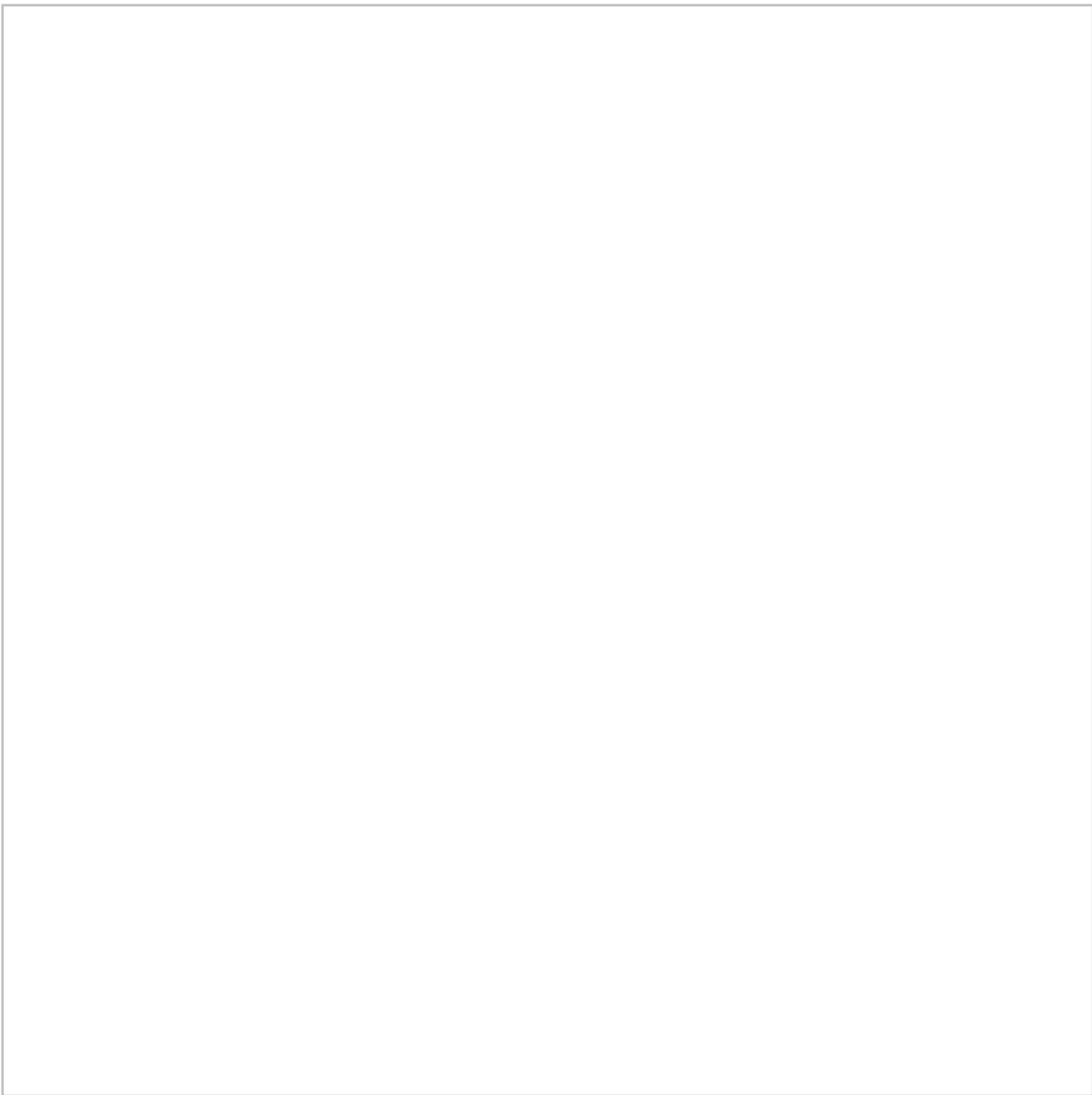
An earlier version of this story inaccurately reported Wade Crowfoot was not a member of the Coastal Commission.

From: mwchrislock@redshift.com
To: [Alvin Edwards](#); [Amy Anderson](#); [Clyde Roberson](#); [George Riley](#); [Karen Paull](#); [District 5](#); [SAFWAT MALEK](#); [Dave Stoldt](#); [Joel Pablo](#)
Subject: Cal Am Update on Pure Water Monterey
Date: Tuesday, December 20, 2022 9:21:37 PM




What's that old children's taunt... liar, liar, pants on fire. Quite appropriate here. NO mention of the \$60 million they got. The public should be asking Cal Am what that \$60 million the CPUC just authorized was for if not wells, pumps and pipelines for the Expansion. To hear Cal Am spin it, they didn't get a dime.

Melodie

[View this email in your browser](#)



For many years, California American Water has supported efforts to diversify the area's water supply and relieve the over-drafted Carmel River Aquifer. Three components of the Monterey Peninsula Water Supply Project are:

-  Aquifer Storage and Recovery
-  Pure Water Monterey Recycled Water
-  Desalination

Together with other smaller projects, these three components will bring drought-proof and environmentally sustainable water supplies to the Monterey Peninsula.

“Our commitment to the Pure Water Monterey Expansion project is unequivocal and our concerns are clear. We fully support the Expansion project and adding the project’s additional recycled water to bolster the region’s water supplies. But we need the necessary funding to support the wells, pipelines and pumps necessary to deliver the Expansion project’s additional supplies to our customers on the Monterey Peninsula.”

– Kevin Tilden, President of California American Water

On December 1, 2022, the California Public Utilities Commission (CPUC) issued a troubling decision related to the expansion of Pure Water Monterey that doesn't include funding for wells and pipelines needed to deliver water from the project to customers. California American Water continues to support the Expansion project and the company will seek a rehearing of the decision on limited issues related to funding of the project, aiming to resolve these issues as quickly as possible.

FOR MORE INFORMATION

For additional information and to read the full press release, click [here](#).

californiaamwater.com

[888-237-1333](tel:888-237-1333)

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You are receiving this email because you have expressed an interest in California American Water.

Our mailing address is:

CALIFORNIA AMERICAN WATER

511 Forest Lodge Road, Suite 100

Pacific Grove, CA 93950

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**Monterey Peninsula Taxpayers Association
PO Box 15 – Monterey – CA - 93942**

October 27, 2022

David Stoldt
General Manager
Monterey Peninsula Water Management District

RE: Nomination of John Tilley as MPTA representative on Ordinance 152 Oversight
Committee

BY : Email

Dear Mr. Stoldt:

This letter nominates John Tilley on behalf of MPTA for the Ordinance 152 Oversight
Committee (O/S/C).

Please let me know if you need anything else from MPTA with respect to this
nomination.

Sincerely yours,

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Heuer", written over a large, loopy flourish.

Rick Heuer
President

From: [Denise Adams](#)
To: [Joel Pablo](#)
Cc: [Sara Reyes](#); [Michael LaPier](#)
Subject: RE: CY2023 MPWMD Appointees to the PAC / TAC
Date: Friday, December 16, 2022 9:02:02 AM

Dear Joel,

Michael La Pier asked me to advise you that the Monterey Peninsula Airport District Board of Directors recently appointed Mary Ann Leffel as their 2023 appointee to the Monterey Peninsula Water Management District's Policy Advisory Committee and Michael La Pier to the Monterey Peninsula Water Management District's Technical Advisory Committee. These are the same appointees as last year, so I believe you have their contact information already, but please reach out if you need anything else.

Regards,
Denise

Denise Adams
SENIOR EXECUTIVE ASSISTANT

P 831.648.7000 ext. 224
F 831.373.2625

200 Fred Kane Drive Suite 200
Monterey, CA 93940

From: Joel Pablo <Joel@mpwmd.net>
Sent: Friday, November 4, 2022 12:19 PM
To: Michael LaPier <mike@montereyairport.com>; Denise Adams <dadams@montereyairport.com>
Cc: Sara Reyes <Sara@mpwmd.net>
Subject: CY2023 MPWMD Appointees to the PAC / TAC

Good Afternoon, Mr. La Pier and Denise:

The Monterey Peninsula Water Management District (District) seeks your jurisdictions 2023 appointee to the District's Policy Advisory Committee and Technical Advisory Committee.

We seek your appointees name and contact information no later than Monday, January 9, 2023 for consideration/approval by our Board for their Thursday, January 26, 2023 Regularly Scheduled Meeting. For more information, please refer to the above-attached letter and I am available to provide you with additional information and answer any questions you may have.

Thank you and have a great weekend!

Joel G. Pablo
Executive Assistant – Board Clerk
[Monterey Peninsula Water Management District](#)
5 Harris Court, Building G, Monterey, CA 93940

Joel Pablo

From: Nova Romero <nromero@ci.carmel.ca.us>
Sent: Thursday, December 22, 2022 4:16 PM
To: Joel Pablo
Cc: Chip Rerig; mwaffle@ci.carmel.ca.us; Dave Potter
Subject: Re: CY2023 MPWMD Appointees to the PAC / TAC

Hi Joel,

At the next Carmel City Council Meeting on **Jan. 10th**, Council will adopt a Resolution re-appointing Mayor Dave Potter as the MPWMD Policy Advisory Committee (PAC) Member, and Marnie Waffle, AICP, Principal Planner as the TAC member for 2023.

FYI -- I won't have the official signed Resolution for you by the 9th, but I'll send it to you asap. In the meantime, here is the contact info:

Dave Potter, Mayor

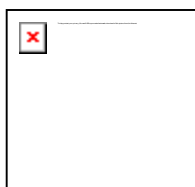
Carmel-by-the-Sea
 MPWMD PAC Member for
 email: dpotter@ci.carmel.ca.us
 PO Box CC, Carmel, CA 93921
 Ph:(831) 207-6666

Marnie Waffle, AICP, Principal Planner

Carmel-by-the-Sea
 MPWMD TAC Member for 2023
 PO Box CC, Carmel, CA 93921
 email: mwaffle@ci.carmel.ca.us
 Ph: 831-620-2057

I've cc'd City Administrator Rerig, Mayor Potter, and Principal Planner Waffle if you need anything else.

Thank you, and hope you have a great holiday!!

**Nova Romero, MMC
City Clerk**

City of Carmel-by-the-Sea
 P.O. Box CC
 Carmel-by-the-Sea, CA 93921
 (831) 620-2016
nromero@cbts.us

**Please note: The Carmel-by-the-Sea City Administrative Office will be closed from December 23rd through January 2nd. I will respond to emails as soon as possible upon my return on January 3rd.*

From: [Clementine Bonner Klein](#)
To: [Joel Pablo](#)
Subject: City of Monterey Appointments for 2023
Date: Wednesday, December 21, 2022 2:16:42 PM

Joel Pablo, Board Clerk
Monterey Peninsula Water Management District
Joel@mpwmd.net

Dear Joel:

At their regular meeting on December 20, 2022, the Monterey City Council approved appointments to outside agencies for 2023, including the following appointments to the Monterey Peninsula Water Management District Policy Advisory Committee:

Representative:
Mayor Tyller Williamson
twilliamson@monterey.org

(No alternate appointed)

Staff:
City Manager Appointee to Technical Advisory Committee:
Kim Cole, Community Development Director
cole@monterey.org

The chart of all Council appointments made yesterday can be found [here](#).

Please let me know if you have any questions. Happy holidays!

Sincerely,

Clementine

Clementine Bonner Klein, MMC (she/her)
City of Monterey City Clerk · bonner@monterey.org
Office: [Web](#) · cityclerk@monterey.org · (831) 646-3935

City of Monterey Logo



www.monterey.org

From: [Rosa Salcedo](#)
To: [Joel Pablo](#)
Cc: [Jaime Fontes](#)
Subject: RE: Designate Appointees for 2023 - MPWMD Policy and Technical Advisory Committees
Date: Wednesday, November 16, 2022 3:45:44 PM

Hi Joel,

Below you will find the names of our 2023 appointees.

Policy Advisory Committee: Ian N. Oglesby, ioglesby@ci.seaside.ca.us
Technical Advisory Committee: Andrew Myrick, amyrick@ci.seaside.ca.us

Please let me know if you need anything further.

Thank you,
Rosa

RESOLUTION NO. 22-163

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

APPROVING THE MODIFICATION OF THE ANNUAL APPOINTMENTS TO LOCAL COMMITTEE ASSIGNMENTS FOR JANUARY 1, 2023, TO DECEMBER 31, 2023

WHEREAS, annually, the Mayor considers City Council Member assignments to various commissions, boards, committees in special districts and organizations, joint powers authorities, and other agencies; and

WHEREAS, Mayor Oglesby considered the necessary annual appointments made recommendations for City Council member assignments to the various commissions, boards and committees in special districts and organizations, joint powers authorities and other agencies for January 1, 2023, to December 31, 2023; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Seaside does hereby approve Mayor Oglesby's recommendations for City Council Member assignments to various outside commissions, committees, and boards as listed in Exhibit A.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 15th day of December 2022, by the following vote:

AYES:	5	COUNCIL MEMBERS	Burks, Garcia-Arrazola, Miller, Oglesby, Pacheco
NOES:	0	COUNCIL MEMBERS	None
ABSENT:	0	COUNCIL MEMBERS	None
ABSTAIN:	0	COUNCIL MEMBERS	None



APPROVED:


Ian N. Oglesby, Mayor

ATTEST:


Dominique L. Davis, City Clerk

APPROVED AS TO FORM:


Sheri L. Damon, City Attorney

SEASIDE CITY COUNCIL MEMBER LOCAL COMMITTEE ASSIGNMENTS

January 1, 2023 –December 31, 2023

Item	Committee	Representative	Alternate	Date/Time
1.	<u>Seaside Groundwater Basin Watermaster</u>	Mayor Oglesby	Mayor Pro Tem Pacheco	1 st Wednesday, 2 p.m.
2.	<u>Monterey-Salinas Transit District (MST)</u>	Mayor Pro Tem Pacheco	Council Member Garcia-Arrazola	2 nd Monday, 10 a.m.
3.	<u>Monterey One Water</u>	Council Member Garcia-Arrazola	Mayor Oglesby	Last Monday, 7 p.m.
4.	<u>North Salinas Mosquito Abatement District</u>	Jason Campbell	Mayor Oglesby	2 nd Tuesday, 12 noon
5.	<u>Seaside County Sanitation District</u>	Mayor Oglesby	Mayor Pro Tem Pacheco	2 nd Tuesday, 9:30 a.m.
6.	<u>Association of Monterey Bay Area Governments (AMBAG)</u>	Council Member Miller	Council Member Burks	2 nd Wednesday, 7 p.m.
7.	<u>ReGen Monterey (Waste Management)</u>	Jason Campbell	Council Member Garcia-Arrazola	3 rd Friday, 9 a.m.
8.	<u>Monterey Peninsula Water Management District (MPWMD): Policy Advisory Committee</u>	Current Mayor	Mayor Pro Tem	Called
9.	Access Monterey Peninsula Board	Council Member Burks	Council Member Miller	3 rd Monday at 5:00 p.m.
10.	<u>Community Human Services of Monterey County JPA</u>	Council Member Garcia-Arrazola	Council Member Miller	3 rd Thursday, 11:30 a.m.
11.	Traffic Advisory Committee	Mayor Pro Tem Pacheco	Council Member Burks	3 rd Tuesday, 5:00 p.m.
12.	<u>Transportation Agency of Monterey County (TAMC)</u>	Mayor Oglesby	Mayor Pro Tem Pacheco	4 th Wednesday, 9 a.m.
13.	<u>Monterey Peninsula Unified School District (MPUSD) & City of Seaside Trustees and City Council Collaboration</u>	Mayor Oglesby Mayor Pro Tem Pacheco	MPUSD Trustees	Called
14.	Laguna Grande Joint Powers Authority	Mayor Pro Tem Pacheco	Council Member Miller	Called
15.	California Joint Powers Insurance Group	Council Member Miller	Council Member Burks	Called
16.	Homeless Leadership Council	Mayor Oglesby	Council Member Garcia-Arrazola	Called
17.	Seaside Housing Non-Profit Cooperation	Mayor & City Manager	n/a	TBD

ATTEST: Per Resolution No. 22-163


 Dominique L. Davis, City Clerk



CITY OF PACIFIC GROVE
300 Forest Avenue □ Pacific Grove, California

January 5, 2023

Via Email joel@mpwmd.net

Joel G. Pablo
Executive Assistant – Board Clerk
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

Dear Joel:

Below are Pacific Grove's 2023 representative appointments.

2023 Representation	
Policy Advisory Committee	Bill Peake, Mayor bpeake@cityofpacificgrove.org City Hall 300 Forest Avenue Pacific Grove, CA 93950
Technical Advisory Committee	Anastacia Wyatt, Director awyatt@cityofpacificgrove.org Community Development Department City Hall 300 Forest Avenue Pacific Grove, CA 93950

Please let me know if anything further is needed. Thank you.

Sincerely,

Ben Harvey
City Manager

cc: Mayor Bill Peake, via email bpeake@cityofpacificgrove.org
Anastacia Wyatt, via email awyatt@cityofpacificgrove.org