



July 2, 2026

E. Joaquin Esquivel, Chair
State Water Resources Control Board
Division of Water RightsAttention: Cal-AM Team
P.O. Box 2000
Sacramento, CA 95812-2000
Cal-AmProject@waterboards.ca.gov

Re: Modification of Cease-and-Desist Order WR 2016-0016

Dear Chair Esquivel and Board Members,

LandWatch Monterey County urges the State Water Board to modify CDO WR 2016-0016 by rescinding Condition 2's prohibition on new service connections and increased use – and to adopt the Monterey Peninsula Water Management District's (MPWMD) proposed monitoring and trigger provision to allow reinstatement if conditions change.

THE MORATORIUM IS BLOCKING AFFORDABLE HOUSING.

The Monterey Peninsula faces an affordable housing crisis. Thousands of workers commute daily from the Salinas Valley to low-wage hospitality and service jobs on the Peninsula – long commutes that harm families, the environment, and our community. The Peninsula must also meet state housing mandates and produce more compact infill development to achieve California's climate goals. The current moratorium is a direct obstacle to all of these.

Support for lifting the moratorium is broad and deep: MidPen Housing, the California Housing Partnership, the Monterey County Mayors' Association, Monterey Peninsula Unified School District, Monterey Bay Economic Partnership, Senator John Laird, and all three local public water agencies – MPWMD, Monterey County Water Resources Agency, and Monterey One Water – have called for this change.

RELIABLE CLIMATE-RESILIENT WATER SUPPLIES MAKE THE MORATORIUM UNNECESSARY.

Cal-Am has not exceeded its legal Carmel River withdrawals in four years. Pure Water Monterey and its recent expansion, combined with sustained conservation, have fundamentally changed the supply picture.

The August 2025 CPUC decision (D.25-08-006) confirms there is sufficient reliable supply to meet existing and projected demand for the next two decades. As shown in Appendix A, assuming

CPUC-determined annual production of 11,204 AFY and demand growth to 13,732 AFY by 2050,¹ Cal-Am's aquifer storage capacity absorbs annual surpluses through 2047. Combined produced and stored water is sufficient through that period without any new supply source. Even without its proposed desalination facility, Cal-Am will operate in surplus for 20+ years – a very deep reserve for climate resiliency. The moratorium is no longer warranted.

MPWMD'S 80% TRIGGER PROVIDES AN ADEQUATE SAFETY NET.

If conditions change, the Board retains authority to reinstate the moratorium. MPWMD's proposal – under which the Deputy Director for Water Rights would consider reinstatement when annual demand exceeds 80% of available supply – provides a meaningful, timely backstop. Appendix A shows demand will not cross that 80% threshold until 2045. And if a supply source were unexpectedly compromised before then, thousands of acre-feet of stored water would cover demand during the period needed to restore or replace that source. Cal-Am represents it can bring desalination capacity online by late 2029 – a three-year worst-case bridge.²

New customers relying on service connections established under a lifted moratorium would not be left stranded.

CONCLUSION

A cease-and-desist order on water is, in practice, a cease-and-desist order on affordable housing. The water supply justification for the moratorium has expired. Water will be stored in underground aquifers for decades, providing more than adequate climate resiliency. The Board should modify the CDO now, with MPWMD's trigger as a prudent safeguard, and allow the Monterey Peninsula to meet its housing, equity, and climate obligations.

Sincerely,



Michael DeLapa
Executive Director

Appendix A: Water Supply and Demand Analysis based on CPUC Decision D.25-08-006 (attached)

¹ CPUC Decision D.25-08-006 as modified by D.25-10-001.

² MPWMD, Supplement No. 4, p. 6, quoting section 4.2.5 of Cal-Am's draft Urban Water Management Plan.

APPENDIX A – Exhibit 1: Water Supply and Demand Analysis (CPUC 2025 Determination)

Based on CPUC 2025 Determination of Supply and Demand (D.25-08-006)

Year	Future Customer Demand	CPUC Available Supply	Annual Surplus / (Shortfall)	Available Storage	Total Available Supply
2025	9,245	11,204	1,959	0	11,204
2026	9,424	11,204	1,780	1,959	13,163
2027	9,604	11,204	1,600	3,739	14,943
2028	9,783	11,204	1,421	5,339	16,543
2029	9,963	11,204	1,241	6,759	17,963
2030	10,142	11,204	1,062	8,000	19,204
2031	10,322	11,204	882	9,062	20,266
2032	10,501	11,204	703	9,944	21,148
2033	10,681	11,204	523	10,647	21,851
2034	10,860	11,204	344	11,170	22,374
2035	11,040	11,204	164	11,513	22,717
2036	11,219	11,204	(15)	11,678	22,882
2037	11,399	11,204	(195)	11,662	22,866
2038	11,578	11,204	(374)	11,468	22,672
2039	11,758	11,204	(554)	11,093	22,297
2040	11,937	11,204	(733)	10,540	21,744
2041	12,117	11,204	(913)	9,806	21,010
2042	12,296	11,204	(1,092)	8,894	20,098
2043	12,476	11,204	(1,272)	7,802	19,006

2044	12,655	11,204	(1,451)	6,530	17,734
2045	12,835	11,204	(1,631)	5,079	16,283
2046	13,014	11,204	(1,810)	3,448	14,652
2047	13,194	11,204	(1,990)	1,638	12,842
2048	13,373	11,204	(2,169)	(351)	11,204
2049	13,553	11,204	(2,349)	(2,520)	11,204
2050	13,732	11,204	(2,528)	(4,869)	11,204

Annual demand growth: 179.48 AFY. Note: 2048 is the first year in which accumulated storage is exhausted and additional supply is needed. Parentheses indicate negative values.

Key finding: Demand does not exceed total available supply (including stored water) until 2048. No additional supply is needed for the next 20+ years.