



May 22, 2020

John Ainsworth
Executive Director
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105
Email: John.Ainsworth@coastal.ca.gov

Dear Jack:

I am responding to Eileen Sobek, Executive Director, State Water Resources Control Board's May 8, 2020 letter to you regarding Application No. 9-19-0918 and Appeal No. A-3-MRA-19-0034 (California American Water Company). Ms. Sobek's analysis fails in the following respects.

Water Demand

Ms. Sobek states, "State Water Board staff does not have a basis to conclude that the Public Utilities Commission's prior analysis and determinations regarding the water demand, sizing, reliability, or diversity of supply were unreasonable, invalid, or outdated."

The Monterey Peninsula Water Management District (MPWMD) has provided her agency, the Coastal Commission, and the California Public Utilities Commission (CPUC) with a supply and demand analysis that corrects significant flaws in California American Water Company's (Cal-Am) 2012 demand assumptions and calculations. Why is that insufficient for acknowledging that the outdated demand study on which the CPUC relied was erroneous?

Neither the State Water Board nor the CPUC has addressed or rebutted the MPWMD analysis, which is the most current study of demand and also the only study that considers the timing of demand, i.e., market absorption rate data. Moreover, neither agency has addressed Cal-Am [critical math \(division\) error](#) that MPWMD identified over a year ago — an error that grossly understates the cost of water.

Most significantly, the State Water Board has not demonstrated that Pure Water Monterey (PWM) expansion would fail to meet demand for *at least* the next 30 years. It has not demonstrated that PWM expansion is infeasible. Coincidentally, Marina Coast Water District [released another demand study this week](#) that also supports the same conclusion.

Coastal Impacts Ignored

SWRCB's extensive rebuttal of the need for additional groundwater impact analysis is a red herring. Groundwater impacts about which experts may disagree are not the only environmental issue. The Coastal Commission staff has determined that the desalination project is inconsistent with the City of Marina's Local Coastal Plan policies and the Coastal Act regarding Environmentally Sensitive Habitat Areas (ESHA), coastal hazards, and placement of fill in coastal waters—coastal impacts that are admittedly significant and unmitigated. If there are

unmitigated impacts and there is a feasible alternative, the Coastal Act requires that the Commission adopt the feasible alternative.

Delay

To be clear, the delay Ms. Sobek references has been caused by the technological, economic, environmental, and political risks of the desalination project. The project seeks entitlements that are naturally and foreseeably contested because the project is unnecessary and unwanted. Public opinion on the Monterey Peninsula overwhelmingly opposes Cal-Am and its desalination plan and instead supports expansion of Pure Water Monterey.

Ms. Sobek argues that:

... PWM expansion has itself already been delayed well beyond December 31, 2021, and requires approvals and funding for which the details are uncertain and the timeline is indefinite. In practice, Pure Water Monterey expansion appears to be viewed by the Coastal Commission and others not merely as a “back-up” to, but *rather as a potential full substitute* for, the Project. It is uncertain whether or when the proposed Pure Water Monterey expansion project may proceed beyond its currently pending environmental review, *but significant additional progress appears unlikely while the Project is still pending. (emphasis added.)*

The delay in the PWM expansion is due to Cal-Am and politics, not project infeasibility. Cal-Am has chosen to pursue only their desal project and not sign a water purchase agreement for PWM so it can move forward. While it contends with various lawsuits and public push-back, Cal-Am has no chance of producing a drop of desalinated water before PWM expansion could. PWM expansion is in fact a feasible, less environmentally damaging, and significantly less expensive substitute. The point of having the back-up project was to be able to substitute it when necessary. That time is now.

Risks to Carmel River and Other Impacts

Ms. Sobek's concludes that “there could be dire consequences for the steelhead and other public trust resources if a reliable and sustainable water supply allowing Cal-Am to terminate its unlawful diversions is not promptly developed.” Her conclusion is based on the false assumption that the PWM Expansion does not provide enough water to meet the CDO requirement.

Ms. Sobek's letter ignores other issues the Coastal Commission must consider in evaluating the benefits and feasibility of the Pure Water Monterey expansion as an alternative to the desalination project. As noted, the desalination project has significant unmitigated impacts that compel the Coastal Commission to consider any feasible alternative. Furthermore, the desalination project would substantially aggravate [climate change impacts on the Central Coast](#), purported greenhouse gas offsets notwithstanding. Considering these impacts and California's climate policies, it would be foolish to authorize a wasteful, costly, and climate-damaging desalination plant when a cheaper, faster, and more climate-friendly alternative exists. It makes no sense to ostensibly protect one public trust resource (Carmel River steelhead) while damaging others (the California coast and its climate).

Social Justice

Inexplicably, Ms. Sobek ignores any consideration of social justice issues while favoring the most costly and risky alternative for addressing the State Water Board's CDO. She defends wasting [\\$1 billion in public funds](#) for a project that will unnecessarily drive water bills through the roof for Peninsula ratepayers, many of them low income renters.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. DeLapa". The signature is stylized with large, flowing letters and a prominent "1" at the end.

Michael D. DeLapa
Executive Director

cc: [via email only]

Eileen Sobek, Executive Director, State Water Resources Control Board

Alison Dettmer, Senior Deputy Director, Coastal Commission

Kate Huckelbridge, Deputy Director of Energy, Ocean Resources, & Federal Consistency, Coastal Commission

Tom Luster, Senior Environmental Scientist, Coastal Commission

Layne Long, City Manager, City of Marina

Commission Liane Randolph

Elizabeth Echols, Director, Public Advocates Office, California Public Utilities Commission

Jason Rieger, California Public Utilities Commission