

# Exhibit F

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July 9, 2019

via email

Carl Holm, Director, Resource Management Agency  
County of Monterey  
1441 Schilling Place  
Salinas, CA 93901

Re: PLN180438 (APN 416-082-022) – described by County at times as *Paseo Escondido* and other times as *Camino Escondido*, west of Los Laureles Grade. (Greater Monterey Peninsula Area Plan.) Comments due July 16.

Dear Mr. Holm:

We make these comments on behalf of The Open Monterey Project. The project should not be approved administratively. This project should go to the Planning Commission for consideration at a public hearing. Before that, the project should go to the Greater Monterey Peninsula LUAC and should undergo appropriate CEQA review.

Past Grading, Grubbing and Vegetation Removal

Many acres of the site have already been graded, grubbed, and cleared of all chaparral and other vegetation, as the photographs show. (See Before and After photographs attached to this letter.) The County should investigate, disclose and consider the applicant's grading and vegetation removal of the site. It appears to be unpermitted activity.<sup>1</sup> The amount graded is well in excess of 100 CY and requires a permit. It is not clear whether the grading done without benefit of permit, and whether the project approval includes after-the-fact permits and if there is a code enforcement file on the grading. The County should explain in detail and provide the grading permit number and CE file number, if any.

The project includes approximately 4,400 CY grading according to the first page of the plans. Grading is not mentioned in the County's project description, despite County planning documents that state that grading must be included in the project description. It also is not clear whether the 4,400 CY includes the past grading.

Water Supply and Demand Not Disclosed.

The CEQA baseline water use is zero. There is no estimate of water use or analysis of the water supply and demand. The project proposes a swimming pool, a guest house, and acres of orchards, all of which should be included in the proposed future water use. The MPWMD requires a permit for new irrigated areas such as the

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<sup>1</sup> The County's use of inconsistent addresses and the lack of reliability of the County's Accela database make it impossible to determine the past permits and code enforcement actions for this site.

new orchard. The plans show acres of new orchards that are not disclosed in the public hearing notice. The water source for irrigation of the agricultural uses should be disclosed and investigated for adequacy of supply and water rights. Regarding a nearby project (PLN180257) the MPWMD on May 28, 2019 wrote that MPWMD “Permits are required for the building as well as for new landscaping” – vineyards in that case, orchards in this case. New irrigated orchards require a Water Permit pursuant to MPWMD Rule 142.1. MPWMD should be listed as a responsible agency on the CEQA analysis.

The proposed water source should be clarified. The County mentions "Cal Am" but that is the distributor, not the source. The County should disclose the actual water source and the impacts of the proposed new uses and demand on the water supply. The likely water source is the Seaside basin. Cal Am does not have the legal right to pump that additional water from the adjudicated Seaside basin.

On May 28, 2019, the MPWMD wrote to the County as follows regarding a nearby project:

Use of Hidden Hills (Cal-Am) water for the project could potentially be an issue, as the Laguna Seca Subarea (e.g. Hidden Hills system's water source) is subject to the Seaside Basin Adjudication and there are zero rights to pump water from the area at this time. Use of water from the Laguna Seca subarea is subject to replenishment assessments to the Seaside Watermaster. The District is very concerned that large outdoor (agricultural) uses may impact the water system's ability to meet the demand for all of its customers.

The County did not respond. Last week, Cal Am applied to the CPUC for a moratorium on new connections in the Hidden Hills area. (See attached.) Cal Am told the CPUC:

With no allocated Laguna Seca Subarea source water, and the restrictions in the Amended CDO, California American Water cannot justify setting new meters resulting in increased system consumption in contravention of the adjudication. Setting new service connections or expanding existing connections is risky and unreliable given California American Water's current water supply situation and is contrary to the intent and objectives of the CDO, Amended CDO, and Amended Decision.

The County should perform an analysis that reflects the fact that setting new service connection for this property would be “risky and unreliable,” as Cal Am has stated. The County should investigate and disclose the consequences and impacts of pumping that water for this project, including cumulative impacts. It would not be responsible for the County to approve new service connections under the circumstances, without first informing the County decision makers of the situation and the known facts. CEQA requires informed decisionmaking.

The public notice omits reference to a water main. However, County documents indicate a possible claim of a mysterious water source, possibly from the Mal Paso Water Company, with a water main extension crossing two other properties, and on-site irrigation wells (plural). The County should investigate and disclose whether this extension has been approved by all applicable regulatory entities, and whether the water main extension would serve other properties or uses.

The information presented by the County in its PLN180438 notice does not mention a well. However, a well is shown on the project plans. Its permitting status and its use should be explained.

Project includes a Guest House or Accessory Dwelling Unit.

The County’s notice of pending administrative permit contains this project description: “Construction of a one-story single family dwelling (approximately 3,415 sq. ft.) with a detached garage/storage (approximately 675 sq. ft.) and workshop (approximately 345 sq. ft.).”

The “workshop” is a 345 square foot unit that has glass french doors with glass side lights that open onto a patio and views. The unit includes a walk-in closet and a full bathroom with toilet, sink and tub/shower. It has a stone pathway from the patio to the main house. It is a guest house use and potential ADU and must be disclosed in the project description and the environmental analysis.

The Project Description does not confirm to County requirements.

The County should ensure that project descriptions are accurate and complete. A project description should inform the decision makers and to provide sufficient information to the neighbors and the public so they can provide informed comments. Accurate and complete descriptions mean describing the structures as guest houses or dwelling units, or describing the bathrooms and kitchens in accessory structures so that the potential uses of the property are evident.

County planning documents require that grading be included in the project description where grading is more than 100 cubic yards, because that amount triggers a grading permit. Recently, however, the County has stated that the County does not use

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PLN180438 – at times called *Paseo Escondido* and at other times *Camino Escondido*

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consistent project descriptions from one planning document to the next, *even for the same project*. The Interim Chief of Planning recently wrote:

Please note that we have not included grading quantities in public hearing notices for some time now. Information regarding grading quantities is generally found in other documents, such as the project description in Accela, the staff report, and/or the draft resolutions, and is included in the final resolution.

(Email from Brandon Swanson, July 3, 2019.) The Accela project description for this project does not mention grading.<sup>2</sup>

The County should disclose the project elements, including the 4,400 cubic yards of grading. The County's use of descriptions that are inconsistent among the County's various documents has the effect of confusing the reader, because the reader does not know that in some descriptions the County has omitted information that the County has included in other descriptions. The description on Accela should be the same as on the public hearing notice and the same as on the staff report and resolutions of approval. Consistency helps everyone: decision makers, the public, applicants and planners.

A grading permit is required for the project and all permits are required to be stated in the project description. In the Coastal zone, grading is "development" and must be disclosed in the project description. The County should not have two different approaches to project description, one in the coastal zone and one for inland. As to the interim chief's claim about the County having various different project descriptions, the County's Accela site is unwieldy and unreliable for project information. It often does not disclose all permit files applicable to an address and the documents often are not complete within each permit file, and often the plans, even if posted, are too large to download. And the staff reports often are released only three days in advance, which does not give adequate time to interested persons and groups to research and compare the different project descriptions that may be tucked away on the unreliable Accela site.

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<sup>2</sup> The Accela project description says this: "Administrative Permit and Design Approval for the construction of a 3,415 square foot one-story single family dwelling with a detached 676 square foot garage/storage, 345 square foot workshop, 876 square foot covered veranda, swimming pool and ground mounted photovoltaic system."

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Protected species and other biological impacts.

The project site is potential habitat for the Carmel Valley bush mallow, a protected species. It also is possible that it is part of the wildlife corridor. That area is increasingly blocked off by fences through which wildlife cannot pass. The County should require a professional biological report.

CEQA.

This project as a whole, with all its components, is not exempt from CEQA. The County should disclose and review the whole of the action.

Inconsistent addresses.

The address in County public notice is not accurate, is inadequate, and is potentially misleading. The site appears to be on Paseo Escondido. The County notice says it is on Camino Escondido. Those are two different roads.

Request for notice

Please place this office on the notification list for all County actions including those under Public Resources Code section 21092.2.

Thank you for consideration of these comments.

Very truly yours,

STAMP | ERICKSON

/s/ *Molly Erickson*

Molly Erickson

Attachments:        Before and after photographs of the site  
                             Cal Am request for moratorium on new connections in Hidden Hills

c:     District 5 planning commissioners  
       District 5 supervisor  
       Ron DeHoff, chair, GMP LUAC

Re: PLN180438 (APN 416-082-022) – described by County at times as *Paseo Escondido* and other times as *Camino Escondido*

**Before and after photographs**

**BEFORE**

Photographs of the site from the March 2018 real estate listing.

















See  
<https://www.sotheyshomes.com/Monterey-Real-Estate/sales/0474965-11850-Paseo-Escondido-Carmel-Valley-CA-93940>



**AFTER**

Photographs from the County Accela file for the same property. The October 2018 photographs show extensive vegetation clearing, grubbing and grading.

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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of  
California-American Water Company  
(U210W) for an Order Authorizing and  
Imposing a Moratorium on Water Service  
Connections in the Laguna Seca Subarea of  
its Monterey County District.

Application No. 19-\_\_\_\_\_

**APPLICATION OF CALIFORNIA-AMERICAN WATER COMPANY (U210W)  
FOR AN ORDER AUTHORIZING AND IMPOSING A MORATORIUM ON WATER  
SERVICE CONNECTIONS IN THE LAGUNA SECA SUBAREA OF ITS MONTEREY  
COUNTY DISTRICT**

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July 2, 2019

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**APPLICATION OF CALIFORNIA-AMERICAN WATER COMPANY (U210W) FOR AN  
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CONNECTIONS IN THE LAGUNA SECA SUBAREA OF ITS MONTEREY COUNTY  
DISTRICT**

**I. INTRODUCTION**

California-American Water Company (“California American Water”) respectfully submits this Application for an Order Authorizing and Imposing a Moratorium on Water Service Connections in the Laguna Seca Subarea of its Monterey County District (“Application”) to comply with the withdrawal limitations set by the Seaside Groundwater Basin Adjudication, Monterey County Superior Court Case No. M66343. The Laguna Seca Subarea moratorium would apply to new or expanded water service connections until the existing moratorium on the Monterey Main System expires.

**II. FACTUAL AND PROCEDURAL BACKGROUND AND NECESSITY FOR RELIEF**

**A. California American Water’s Monterey County District**

California American Water’s Monterey County District is made up of several distinct water systems. The water systems include Monterey Main, Ryan Ranch, Hidden Hills, and Bishop.

As the California Public Utilities Commission (“Commission”) recently recognized:

Water supply on the Monterey Peninsula is available largely from rainfall

1 and has long been constrained due to frequent drought conditions on the  
 2 semi-arid Peninsula. Water supply constraints have been extensively  
 3 documented and have existed for decades on the Monterey Peninsula.<sup>1</sup>

4 Unlike many regions of the State, in terms of water resources, Monterey is in an isolated  
 5 area where all available water is obtained locally through groundwater or surface methods. No  
 6 imported water is available, thus making the area prone to drought conditions and reduced  
 7 availability of supplies based on weather conditions. Water supply for the Monterey County  
 8 District is primarily developed from shallow wells in the Carmel Valley, mid-depth and deep  
 9 wells in the Seaside Basin, and deep wells along the Highway 68 corridor. Production from  
 10 these sources is limited by government orders, court adjudications, and annual rainfall amounts.  
 11 The two key regulatory limitations on water production for the Monterey County District are: (1)  
 12 the State Water Resources Control Board's ("SWRCB") Carmel River Orders, including Order  
 13 No. WR 95-10 ("Order 95-10"), Order No. WRO 2009-0060 (the "Cease and Desist Order" or  
 14 "CDO"), and Order No. WRO 2016-0016 (the "Amended CDO"), and (2) the Amended  
 15 Decision issued in the Seaside Basin Adjudication (the "Amended Decision").  
 16

# 17 **1. State Water Resources Control Board Order 95-10, CDO and** 18 **Amended CDO**

19 In 1995, the SWRCB issued Order 95-10, which found that California American Water's  
 20 Carmel River Valley wells were producing water subject to the SWRCB's permitting authority,  
 21 and that California American Water's water rights authorized diversion of only 3,376 acre feet  
 22 per year. On that basis, the SWRCB concluded that California American Water did not have the  
 23 legal right to about 10,730 acre-feet annually of its then-current diversions from the Carmel  
 24 River. In 2009, SWRCB issued the CDO requiring California American Water eliminate all  
 25 non-permitted diversions for the Carmel River by no later than December 31, 2016, which  
 26

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27 <sup>1</sup> D.18-09-017, *Decision Approving a Modified Monterey Peninsula Water Supply Project, Adopting*  
 28 *Settlement Agreements, Issuing Certificate of Public Convenience and Necessity and Certifying*  
*Combined Environmental Report*, as modified by D.19-01-051, p.4.

amounts to nearly a 70 percent curtailment of water diversions. In 2016, SWRCB issued the Amended CDO, imposing a lower annual Carmel River diversion limit, adopting a new compliance schedule and requiring all unauthorized diversions from the Carmel River end by December 31, 2021. The Amended CDO imposes further, “one-for-one” Carmel River diversion reductions as the Pure Water Monterey Project is brought on-line.

Condition 2 of the 2009 CDO prohibits diversions from the Carmel River for new connections or certain increased uses. Consistent with Condition 2, in Decision 11-03-048 the Commission authorized a moratorium for the Monterey Main System on new service connections and increased use of water at existing service addresses resulting from a change in zoning or use. Pursuant to California American Water’s tariffs, the Monterey Main System moratorium:

...shall expire at the filing by California-American Water Company of a Tier 1 advice letter with the Commission transmitting the written concurrence of the Deputy Director of Water Rights of the State Water Resources Control Board with California-American Water Company’s finding that a permanent supply of water is ready to serve as a replacement for the unlawful diversions of Carmel River water.

## **2. The Monterey Peninsula Water Supply Project**

In Application (“A.”) 12-04-019, California American Water sought Commission authorization to construct and operate the Monterey Peninsula Water Supply Project (“MPWSP”) in response to the CDO. In Decision (D.) 18-09-017, the Commission granted California American Water a Certificate of Public Convenience and Necessity (“CPCN”) for the MPWSP, including a desalination plant at a size of 6.4 million gallons per day. The Commission concluded “that a CPCN is needed to authorize Cal-Am to construct and operate the MPWSP so that it may replace water supplies for Cal-Am’s Monterey District in response to the CDO issued by the [SWRCB] to cease excess diversions from the Carmel River by December 31, 2021, meet reasonable demand... provide a reliable and secure supply, include a reasonable ‘buffer’ against uncertainties, and satisfy all other reasonable needs.”<sup>2</sup>

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<sup>2</sup> D.18-09-017, pp.68-69.

**B. California American Water's Laguna Seca Subarea and the Seaside Groundwater Basin Adjudication**

The Laguna Seca Subarea of the Seaside Groundwater Basin ("Basin") is currently the source of water for California American Water's Ryan Ranch, Hidden Hills and Bishop service areas. California American Water has six groundwater wells located within the Laguna Seca Subarea.

In August 2003, California American Water filed a complaint in Monterey Superior Court, Case No. M66343, seeking appointment of a Watermaster and adjudication of the groundwater rights for the Basin on the basis that use was exceeding replenishment and there was an imminent risk to water supply and quality. Despite the necessity of continued extractions from the Basin, it was apparent that the then existing level of Basin production was likely not sustainable and could lead to long-term overdraft and chronically lowered water levels leading to negative and irreversible Basin impacts – most notably seawater intrusion.

In February 2007, the Superior Court issued the Amended Decision, finding that Basin pumping must be reduced over time to avoid adverse Basin impacts. For California American Water and other producers, the decision required reduction in Basin production over a fifteen-year period in order to prevent seawater intrusion. Specifically, California American Water's pumping rights were reduced from more than 4,000 acre-feet per year to about 1,500 acre-feet annually. The mandatory reductions are felt more heavily in the Laguna Seca Subarea, in which California American Water's authorized pumping allocation was reduced to zero in 2018. The chart below illustrates California American Water's court-ordered allocation limits.

Seaside Groundwater Basin Adjudication Allocations: Water Years 2006-2026

California American Water Share (AFY)

Water Year	Coastal Subareas (AF)	Laguna Seca Subarea (AF)
2006-2008	3,504	345
2009	3,191	271
2010-2011	3,087	246



2012-2014	2,669	147
2015-2017	2,251	48
2018-2020	1,820	0
2021-2023	1,494	0

The Amended Decision established a regional Watermaster board to manage the basin. The Watermaster is charged with administering and enforcing the provisions of the Amended Decision and to that end is required to hold regular meetings. At the time of the adjudication, Watermaster and California American Water believed that an alternate source of water would be available to serve the Laguna Seca Subarea by Water Year 2018.

**C. California American Water’s Laguna Seca Subarea Water Supply Deficit**

As set forth above, the Seaside Groundwater Basin Adjudication set California American Water’s production limits for the Laguna Seca Subarea at zero starting in Water Year 2018, which began October 1, 2017. The amount of water available to California American Water during Water Year 2018 and the actual amount produced are provided in the table below. The “target” for the year is California American Water’s adjudicated production rights for Water Year 2018. The “actual” is the metered production in AF from California American Water wells within the Laguna Seca Subarea.

Laguna Seca Subarea Water

Year 2018

	Target (AF)	Actual (AF)
Oct	0.00	24.00
Nov	0.00	18.60
Dec	0.00	23.59
Jan	0.00	19.19
Feb	0.00	21.64
Mar	0.00	18.48
Apr	0.00	19.67
May	0.00	27.54
Jun	0.00	31.26
Jul	0.00	33.52
Aug	0.00	35.04

Sep	0.00	30.74
Total (AF)	0.00	303.26
Target (AF)	0.00	
Balance (AF)	-303.26	

The actual production of 303.26 AF minus the operating yield of 0.0 AF results in an overproduction of 303.26 AF. Thus, at this time, all Laguna Seca Subarea production is in excess of California American Water's adjudicated production rights and a moratorium is justified.

Pursuant to the Amended Decision, California American Water may supply the Ryan Ranch and Bishop service areas with water produced from the Coastal Subarea of the Basin, consistent with California American Water's allocation for the Coastal Subarea. As such, in the short term, once the Main System/Ryan Ranch intertie project is constructed and water from the Pure Water Monterey project is available for delivery, and if sufficient water is also available as a result of Aquifer Storage and Recovery efforts ("ASR"), California American Water intends to help alleviate the Laguna Seca Subarea deficit by supplying existing customers and uses in the Ryan Ranch and Bishop service areas with water produced from the Coastal Subarea. Long-term, California American Water intends to supply all of its systems located within the Laguna Seca Subarea with water from the Main System, using all water sources in its portfolio. However, until the MPWSP is brought on-line and the CDO is lifted, California American Water may only use its Basin supply to serve demands in the Laguna Seca Subarea, with use of native Coastal Subarea groundwater to help meet demands in the Laguna Seca Subarea further stretching California American Water's limited water supplies until the CDO is lifted.

General Order 103-A, at Section II.2.B.(3)a., states that a system's facilities shall have the capacity to meet the source capacity requirements as defined in the Waterworks Standards, CCR Title 22, Section 64554, or its successor. If, at any time, the system does not have this capacity, the utility shall request a service connection moratorium until such time as it can demonstrate the source capacity has been increased to meet system requirements. Here, the amount of water allocated to the Laguna Seca Subarea by the adjudication is legally insufficient

for new and extended uses, which justifies issuance of the requested moratorium.

California American Water's practice has been to continue to produce water from the Laguna Seca Subarea and incur replenishment assessments for over-production. However, this practice is no longer available now that California American Water's Laguna Seca allocation has reached zero. Under the Amended Decision, a producer must pay replenishment assessments for any water produced in excess of its base water right (i.e. its share of the natural safe yield) but within its share of the operating yield.<sup>3</sup> In years where replenishment water is available, a producer may produce in excess of its share of the operating yield, but must pay an additional replenishment assessment on that water.<sup>4</sup> In years where replenishment water is unavailable, all producers, including California American Water, are enjoined from any over-production beyond the operating yield.<sup>5</sup> A producer whose allocation has been reduced to zero is not allowed to engage in over-production by paying a replenishment assessment, even if replenishment water is available. Further, producers are enjoined from producing except pursuant to a right authorized by the Amended Decision.<sup>6</sup>

#### **D. Past and On-Going Efforts to Correct the Supply Deficit**

Until the MPWSP is online, the only source water outside of the Basin that could be provided to the Laguna Seca Subarea would be from the Carmel River. However, California American Water's use of this source water is constrained by the CDO and cannot support new connections until the MPWSP is complete. As explained above, California American Water may be able to physically serve water to existing customers in the Ryan Ranch and Bishop service areas with groundwater produced from the Coastal Subarea of the Basin once the Bishop/Ryan Ranch intertie project is constructed and water from the Pure Water Monterey project is available for delivery to California American Water's customers, if sufficient ASR water is available. Until that time, and given no other currently viable options, California American Water will

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<sup>3</sup> See *Amended Decision*, Exhibit A, Section III.A.28, "Replenishment Assessment" and Section III.j.iii, "Artificial Replenishment and Replenishment Assessments."

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at Section III.D, "Injunction of Unauthorized Production."

<sup>6</sup> *Id.* at Section III.D, "Injunction of Unauthorized Production."

1 serve its existing customers with groundwater produced from the Laguna Seca Subarea. Even  
 2 with the Bishop/Ryan Ranch interconnect, the available water to serve these two locations would  
 3 be dependent on the available stored ASR water from previous rains. Additionally, the  
 4 interconnect would not extend to Hidden Hills, which would still be served from the Laguna  
 5 Seca Subarea. Consequently, a combination of building the interconnect and implementing the  
 6 moratorium would be the most prudent approach for the Laguna Seca Subarea.

7 Even though California American Water's allocation for the Laguna Seca Subarea  
 8 groundwater has been at zero since Water Year 2018, and despite the more stringent Carmel  
 9 River diversion limits imposed in the Amended CDO, California American Water continues to  
 10 receive requests for new or expanded water service connections with Water Connection Permits  
 11 being issued by the Monterey Peninsula Water Management District ("MPWMD").

12 In direct response to this situation and recognizing that an alternative water supply would  
 13 not be available when anticipated, California American Water requested a moratorium on service  
 14 connections in the Laguna Seca Subarea in A.16-07-002, the Company's general rate case  
 15 application for test year 2018, which request was supported by MPWMD. In D.18-12-021, the  
 16 Commission found that California American Water failed to provide sufficient notice of the  
 17 moratorium to its customers and did not present sufficient information to support a moratorium  
 18 because the Company did not explain why it could not rely on "payment of replenishment  
 19 assessments to the Watermaster or through importation of non-native water to the Seaside  
 20 Basin."<sup>7</sup> The Commission concluded that "Cal-Am may renew [its moratorium] request in a  
 21 new application or in its next GRC if it provides appropriate notice to potentially affected  
 22 customers."<sup>8</sup> This Application addresses those concerns by (1) demonstrating, as set forth  
 23 above, that payment of replenishment assessments or importation of non-native water are not  
 24 viable solutions, and (2) providing notice to Laguna Seca Subarea customers and property  
 25 owners as described below.

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28 <sup>7</sup> D.18-12-021, p.24.

<sup>8</sup> D.18-12-021, p.24.

### III. REQUESTED RELIEF

California American Water now seeks Commission authorization to:

(A) impose a moratorium in its Laguna Seca Subarea service areas (which includes the Ryan Ranch,<sup>9</sup> Hidden Hills, and Bishop systems) on new or expanded water service connections until the existing Monterey Main System moratorium expires;

(B) modify its Monterey County District tariffs to include a special condition authorizing California American Water to refuse to connect new or expanded water service connections in its Laguna Seca Subarea service areas; and

(C) supply water to new or expanded service connections after the moratorium's effective date, provided that any such service had obtained all necessary written approvals required for project construction and connection to California American Water's water system prior to that date.

With no allocated Laguna Seca Subarea source water, and the restrictions in the Amended CDO, California American Water cannot justify setting new meters resulting in increased system consumption in contravention of the adjudication. Setting new service connections or expanding existing connections is risky and unreliable given California American Water's current water supply situation and is contrary to the intent and objectives of the CDO, Amended CDO, and Amended Decision. Additionally, as explained above, importation of non-native water is not a solution.

Because prospective customers are still obtaining water permits from MPWMD, and in compliance with the Commission's directive in D.18-12-021, California American Water files this Application. To address any concerns regarding notice, California American Water intends to provide the notice attached hereto as Attachment A and described in greater detail below. In addition, and before the filing of this Application, California American Water invited representatives from several Homeowner Associations in its Laguna Seca Subarea to a presentation at its offices to discuss this Application and the requested relief. A representative

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<sup>9</sup> Although the Ryan Ranch service area currently has a service connection moratorium imposed by MPWMD, it is possible the MPWMD moratorium may be lifted prior to implementation of the MPWSP.

1 from County Supervisor Mary Adams's office attended the meeting. Three representatives from  
2 MPWMD were also present.

3 The basis for this application includes, but is not limited to, Public Utilities Code Section  
4 451 (prohibiting unreasonable discrimination in service); General Order 103-A, sections  
5 II.2.B.(3) (requiring public utilities to ensure the system meets 22 C.C.R. Section 64554); and *In*  
6 *Re Southern California Water Company*, D.91-04-022 (allowing a connection moratorium when  
7 a wholesale water supplier to a regulated utility ordered a connection moratorium without the  
8 regulated utility declaring its own water shortage emergency).

9 The Commission has the authority under Section 451 to authorize difference in service  
10 when those differences are not undue, unjust or unreasonable. If California American Water  
11 were to continue to connect new customers in the Laguna Seca Subarea despite a production  
12 allocation of zero, California American Water will be forced to continue the unreliable existing  
13 practice that does not conform to the intent and objectives of the CDO and Seaside Groundwater  
14 Basin Adjudication. Therefore, absent a court order modifying the production rights established  
15 by the Seaside Groundwater Basin Adjudication, a reasonable basis exists to refuse service to  
16 prospective customers of California American Water's systems served with water produced from  
17 the Laguna Seca Subarea.

18 California American Water has not implemented the procedures specified in Chapter 3 of  
19 Division 1 of the California Water Code, commencing with Water Code section 350, prior to  
20 filing this application as those procedures are inapplicable to this Application.

21 For the reasons described in this Application, California American Water respectfully  
22 requests, after notice and a full opportunity for public comment, that a special condition be  
23 placed in its tariffs for Laguna Seca Subarea allowing California American Water to refuse  
24 service to new or expanded water connections.

#### 25 **IV. COMPLIANCE WITH CEQA**

26 Action by the Commission on this Application is either not subject to or is exempt from  
27 the California Environmental Quality Act ("CEQA").

28 Action by the Commission on this application is not subject to CEQA because the

requested action is ministerial. The requested action seeks authorization to comply with the Amended Decision; there is no opportunity for the Commission to shape California American Water's compliance with that order in a manner that might address environmental impacts of the adjudication.<sup>10</sup>

Action by the Commission on this application would enforce General Order 103-A. Such action is categorically exempt from CEQA pursuant to 14 C.C.R. § 15321, which exempts actions to enforce a law, general rule, standard or objective administered or adopted by a regulatory agency.

## **V. CATEGORY, HEARING, ISSUES AND PROPOSED SCHEDULE [RULE 2.1(C)]**

### **A. Category**

California American Water proposes the category for this proceeding is ratesetting.

### **B. Are Evidentiary Hearings Necessary?**

California American Water believes that evidentiary hearings are not necessary because this Application does not raise any material issue of fact or law. The necessity for the requested authorization has been demonstrated. California American Water intends to introduce the following items in support of the Application:

1. This Application, copies of which have been or will be delivered to the Commission.
2. Prepared witness qualifications and direct testimony of Christopher Cook, Central Division Director of Operations for California American Water, to support the reasonableness and prudence of the Application.
3. Prepared and oral rebuttal testimony and related exhibits if necessary to support California American Water's specific requests.

### **C. Issues**

There are two issues in the proceeding. The first is whether California American Water should be allowed to implement a moratorium in the Laguna Seca Subarea. The second is the

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<sup>10</sup> See *California American Water v. City of Seaside*, 183 Cal.App.4th 471 (2010); see also *Mountain Lion Foundation v. Fish & Game Commission*, 16 Cal.4th 105 (1997); *Leach v. City of San Diego*, 220 Cal.App.3d 389 (1990).

proper duration of such a moratorium, if a moratorium to be implemented.

#### **D. Safety Considerations**

California American Water is committed to the safety of its employees and customers. This commitment to safety involves efforts to protect system infrastructure and safeguard customers supplies. This commitment to safety of customer supply supports the requested moratorium.

#### **E. Schedule**

California American Water submits the procedural schedule below for the Commission's consideration of the relief requested.

<b>Event</b>	<b>Date</b>
Application Filed	July 2, 2019
Protests and Responses to the Application	30 Days after Notice
Reply to Protests or Responses	40 Days after Notice
Prehearing Conference	45 Days after Application Filed
Scoping Memo	60 Days after Application Filed
Proposed Decision Issued	150 Days after Application Filed
Commission Decision	180 Days after Application Filed

### **VI. OTHER PROCEDURAL REQUIREMENTS**

#### **A. Communications Concerning Application [Rule 2.1(b)]**

All communications and correspondence with the Applicants should be directed to:



1 Sarah E. Leeper  
 2 California-American Water Company  
 3 555 Montgomery Street, Suite 816  
 4 San Francisco, CA 94111  
 5 Tel: (415) 863-2960  
 6 Fax: (415) 397-1586  
 7 Email: sarah.leeper@amwater.com

Cathy Hongola-Baptista  
 California-American Water Company  
 555 Montgomery Street, Suite 816  
 San Francisco, CA 94111  
 Tel: (415) 293-3023  
 Fax: (415) 397-1586  
 Email: cathy.hongola-baptista@amwater.com

## 8 **B. Description of Applicant [Rule 2.1(a) and Rule 2.2]**

9 California American Water's exact legal name is California-American Water Company.  
 10 California American Water, a California corporation, is a Class A public utility water and  
 11 wastewater company regulated by the Commission. California American Water provides  
 12 regulated water and/or wastewater utility services in parts of San Diego, Los Angeles, Ventura,  
 13 Monterey, Sonoma, Yolo, Sacramento, Merced, and Placer counties. California American  
 14 Water's principal place of business is 655 W. Broadway, Suite 1410, San Diego, CA 92101-  
 15 8494.

16 California American Water filed a certified copy of its articles of incorporation with the  
 17 Commission on January 6, 1966 in Application 48170. California American Water filed a  
 18 certified copy of an amendment to its articles of incorporation with the Commission on  
 19 November 30, 1989, in Application 89-11-036. California American Water filed a certified copy  
 20 of a further amendment to its articles of incorporation with the Commission on February 28,  
 21 2002, in Application 02-02-030. California American Water filed a certified copy of an  
 22 additional amendment to its articles of incorporation with the Commission on April 3, 2017, in  
 23 Application 17-04-003. California American Water has not subsequently amended its articles of  
 24 incorporation.

## 25 **VII. SERVICE AND NOTICE**

26 California American Water will serve the Application on the parties identified on the  
 27 attached service list, which includes certain parties listed on the Monterey service lists for its last  
 28 general rate case (A.16-07-002).

Within 15 working days of the California Public Utilities Commission's Public Advisor's Office ("PAO") approving the notice, California American Water will mail a notice of this Application to (1) all of its Laguna Seca Subarea customers, and (2) to Laguna Seca Subarea property owners that are not current California American Water customers, but for which California American Water has an address, notifying them of the proposed moratorium. A draft of that notice is set forth in attached Exhibit A. Prior to filing the Application, California American Water supplied the PAO with drafts of the proposed notice.

The recipients of the notice (i) will be furnished the Application number and file reference, (ii) will be requested to direct any questions to California American Water at its Central Division office, and (iii) will be advised to communicate in writing with the Commission if they take exception to this Application or are not satisfied with the information furnished by California American Water.

## **VIII. CONCLUSION**

For the reasons set forth above, California American Water respectfully requests that the Commission issue a decision finding that:

- a. California American Water's Application is granted;
- b. California American Water is authorized to immediately refuse service to new or expanded connections upon approval of this Application;
- c. California American Water is authorized to file a Tier 1 advice letter within 15 days of a final decision granting this Application to add a special condition to its Monterey County District tariffs authorizing California American Water:
  - a. to refuse service to new or expanded connections in the Laguna Seca Subarea until the existing Monterey Main System moratorium terminates; and
  - b. to supply water to new or expanded service connections after the moratorium's effective date, provided that any such service had obtained

1 all necessary written approvals required for project construction and  
2 connection to California American Water's water system prior to that date;  
3 and

4 d. For such other relief as may be necessary and appropriate.

5  
6 DATED: July 2, 2019

Respectfully submitted,

7 By /s/ Cathy Hongola-Baptista

8 Cathy Hongola-Baptista

9  
10 Sarah E. Leeper  
11 Nicholas A. Subias  
12 Cathy Hongola-Baptista  
13 California-American Water Company  
14 555 Montgomery Street, Suite 816  
15 San Francisco, CA 94111  
16 Tel: (415) 863-2960  
17 Fax: (415) 397-1586  
18 Email: sarah.leeper@amwater.com  
19 nicholas.subias@amwater.com  
20 cathy.hongola-baptista@amwater.com

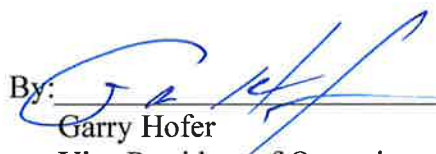
21 Attorneys for Applicant  
22 California-American Water Company  
23  
24  
25  
26  
27  
28

**VERIFICATION**

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 27, 2019 at Pacific Grove, California.

By:   
Garry Hofer  
Vice President of Operations  
California-American Water Company

# EXHIBIT A

Para una versión en español de este aviso, visite nuestro sitio web [www.californiaamwater.com](http://www.californiaamwater.com).

**NOTICE OF APPLICATION REQUESTING AUTHORITY TO IMPLEMENT NEW WATER  
HOOKUPS AND EXPANSIONS OF WATER USE SERVICE MORATORIUM IN THE  
LAGUNA SECA SUBAREA  
(A.19-07-XXX)**

California American Water has filed a request with the California Public Utilities Commission (CPUC) for authority to impose a moratorium on new or expanded connections in the Laguna Seca Subarea of its Monterey County District. The Laguna Seca Subarea includes the Ryan Ranch, Hidden Hills and Bishop systems. The request is necessary to comply with withdrawal limitations set by the Seaside Groundwater Basin Adjudication<sup>1</sup>. The Seaside Groundwater Basin Adjudication requires California American Water and other producers to reduce production from the Seaside Groundwater Basin to prevent seawater intrusion. The moratorium would apply until the existing moratorium on California American Water's Monterey Main System terminates, which is anticipated by the end of 2021.

On July 2, 2019, California American Water filed application (A.19-XX-XXX) with the CPUC requesting a modification to its existing tariffs authorizing California American Water to implement the moratorium described above. **This will not affect rates and is not a request to change rates.**

**CUSTOMER QUESTIONS; OBTAINING A COPY OF THE APPLICATION**

The application and its attachment will be made available upon request. Customers who wish to obtain a copy of the application or who have questions about the application may contact Anthony Lopez at [Anthony.Lopez@amwater.com](mailto:Anthony.Lopez@amwater.com); 511 Forest Lodge Road, Suite 100, Pacific Grove, CA 93950.

The application may also be reviewed online on the CPUC's Docket Card webpage <https://apps.cpuc.ca.gov/apex/f?p=401:1:0>. Type the application number (19XXXXX) into the Proceeding Number Search box. The application may also be reviewed in person at the CPUC's Central Files Office by appointment. For more information, contact [aljcentralfilesid@cpuc.ca.gov](mailto:aljcentralfilesid@cpuc.ca.gov) or 1-415-703-2045.

**CPUC PROCESS**

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where parties of record will present their testimony and may be subject to cross-examination before the Judge. These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses. After considering all proposals and all evidence presented during the formal hearing process, the Judge will issue a draft decision which may adopt all or part of California American Water's request, modify, or deny the application. Any of the five CPUC Commissioners may sponsor an alternate decision and the issue will be voted on at a scheduled CPUC Voting Meeting.

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<sup>1</sup> Monterey County Superior Court Case No. M66343

The CPUC may deem it necessary to hold Public Participation Hearings (PPHs) for this requested moratorium. In the event PPHs are scheduled, customers will be notified of the date(s), time(s) and location(s) through a bill insert or separate mailer. Notices will also be posted in a local newspaper.

### **STAY INFORMED**

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments, or have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the PAO as follows:

Write: CPUC Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)  
Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074  
1-866-836-7825 (toll-free) or TTY 1-415-703-5282

Please refer to **California American Water's Laguna Seca Subarea Moratorium Application No. 19-07-XXX** in any communications with the CPUC regarding this matter. These comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, the Commissioners, and appropriate CPUC staff.

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