



September 10, 2020

Steve Padilla, Chair  
California Coastal Commission  
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Subject: September 17, 2020 Agenda Item TH3a & 4a - Appeal No. A-3-MRA-19-0034 (California American Water Company, et al., Monterey Co.); Agenda Item Thursday 9a - Application No. 9-19-0918 (California American Water Co., Seaside, Monterey Co.)

Dear Chair Padilla and Coastal Commissioners:

LandWatch joins the majority of elected officials on the Monterey Peninsula, the Monterey Peninsula Water Management District, Citizens for Just Water, Public Water Now, and tens of thousands of angry California American ratepayers in strongly supporting your staff's recommendation that:

1. "... the Pure Water Expansion is a feasible alternative to Cal-Am's Project, will allow Cal-Am to cease its illegal water withdrawals from the Carmel River and meet the region's water needs, and is the preferable, least environmentally damaging alternative."
2. "The Pure Water Expansion would also result in fewer environmental and economic burdens to the communities of concern within Cal-Am's service area, would avoid environmental burdens to the City of Marina, and appears to have fewer significant hurdles to clear before it could be implemented."
3. "... the [Cal-Am] Project is inconsistent with relevant Coastal Act and LCP policies and [] the Commission may not approve the Project despite those inconsistencies because the PWM Expansion is a feasible, less damaging alternative that will adequately provide water and protect the public welfare."

Please refer to our [September 17, 2020 PowerPoint presentation](#) that summarizes LandWatch's support for denying Cal-Am application.

As we noted in [LandWatch's November 11, 2019 letter](#), the staff report concludes, the 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.
- Does not qualify for the Coastal Act Section 30260 exception to permit a coastal-dependent industrial facility that is inconsistent with these policies:

- the project cannot meet the first element of the Section 30260 test because there is a feasible alternative in a different location that is less environmentally damaging;
- the project cannot meet the second element of the Section 30260 test because denial of the permit will not adversely affect public welfare, but will in fact promote public welfare; and
- the project cannot meet the third element of the Section 30260 test because it has not been mitigated to the maximum extent feasible.

As the Monterey Peninsula Water Management District has clearly demonstrated, a critical problem with the desalination facility is that it would generate much more water than is foreseeably demanded. This would raise water rates substantially because smaller delivered quantities of desalinated water would have to cover the same large, fixed costs. Table 8 of the staff report shows that the cost per acre foot of water with the desalination plant running at 4,300 AFY instead of full capacity would be \$8,294/AF. This compares with \$6,094/AF with the plant running at full capacity, a level that would not be reached for many years, if ever (Staff Report, pp. 128-129). By contrast, water from the Pure Water Monterey expansion would cost \$2,340/AF (Staff Report, p. 128).

Even with the extremely optimistic demand at **three times the historic absorption rate**, the desalination plant will not run at capacity in this century. The Water Management District concludes that Pure Water Monterey expansion is sufficient until 2043 with demand at three times the historic absorption rate (Staff Report, p. 128). With water rates certain to rise, it is equally certain that demand will not reach three times the historic absorption rate -- unless the basic economic law of supply and demand miraculously doesn't apply to desalinated water. In relationship to absorption rates, consider that there are more than 9,000 houses with water entitlements that have been approved, but not built throughout Monterey County, including more than 700 within the Monterey Peninsula Water Management District.

LandWatch has long advocated for timely and affordable solutions to sustainable water on the Monterey Peninsula. **We ask that you support your staff's recommendation** so Cal-Am's desalination project can be put to bed and Pure Water Monterey expansion can be brought online as soon as possible.

Sincerely,



Michael DeLapa  
Executive Director