



February 21, 2023

President Alice Busching Reynolds  
Commissioner Genevieve Shiroma  
Commissioner Darcie L. Houck  
Commissioner John Reynolds  
Commissioner Karen Douglas  
505 Van Ness Avenue  
San Francisco, CA 94102

Re: Application 21-11-024— Request to Compel Execution of the Amended Water Purchase Agreement  
Authorized in D. 22-12-001

Dear President Reynolds and Commissioners:

As the elected body representing the City of Monterey, we want to thank you for your unanimous approval of the amended Water Purchase Agreement at the Dec. 1, 2022, virtual meeting by the issuance of D.22-12-001 in A. 21-11-024. The approval cleared the way for the expansion of the Pure Water Monterey Project. The amount of water created from the expanded Pure Water Monterey Project would potentially lift the Cease-and-Desist Order imposed upon the area by the State Water Resources Control Board.

The area is in desperate need of the additional water as the Regional Housing Needs Assessment units are not being implemented because of the lack of water availability. Our council is eager to move forward with the construction of much needed housing and this project is essential in our ability to lift barriers towards that end.

It is our understanding that two of the three parties needed to execute the Amended Water Purchase Agreement -- Monterey One Water and the Monterey Peninsula Water Management District -- have already signed the document. The Third party, California American Water, has not yet signed the Agreement. Once the Agreement is fully executed, the financing to construct the Project can be secured and bidding the various components of the Project can begin. The delays caused by not executing the Agreement are delaying drought proofing efforts for the residents and businesses in our communities.

As requested by the Water Management District in its December 16, 2022 Petition for Modification, we also respectfully request that the California Public Utilities Commission compel California American Water to sign the Amended Water Purchase Agreement in order for the Pure Water Monterey Expansion Project to move forward. California American Water can continue to work through the issues related to cost recovery at a later time without delaying the expansion of the Pure Water Monterey Expansion Project.

The delay in signing the Water Purchase Agreement is costing an estimated \$14 million. Further delays will add to the cost of construction and financing, putting a great burden on our ratepayers. M1W staff have secured over half of the project cost (~\$40 million) in grant funding, that are at risk of being lost if not utilized in a timely manner.

We appreciate your consideration of our community's request.

Respectfully,

A handwritten signature in black ink, appearing to read "Tyller Williamson". The signature is fluid and cursive, with a prominent flourish at the end.

Tyler Williamson

Mayor

City of Monterey