California American Water Appeals Ruling on LAFCO Decision

Pacific Grove, Calif. (February 12, 2024) – California American Water is appealing the Superior Court's December 11, 2023 decision to vacate a Monterey County Local Agency Formation Commission (LAFCO) December 2021 resolution denying the Monterey Peninsula Water Management District (MPWMD) application for authorization to become a retail water supplier. This is a requirement for MPWMD to serve Monterey customers. If the Superior Court's decision to vacate stands, the matter would potentially be sent back to LAFCO for reconsideration.

LAFCO has filed a separate and similar appeal.

"The court set aside the resolution and allowed MPWMD to seek further review by LAFCO, but no additional review is necessary because the facts are the same," said Evan Jacobs, Senior Director of External Affairs for California American Water. "MPWMD does not have the experience or capacity to operate one of the most complex water systems in the country, and its proposal would impose an undue burden on Monterey residents."

The LAFCO decision stems from the Measure J ballot initiative that was approved in 2018 to explore the "feasibility" of MPWMD acquiring California American Water's Monterey assets and operating the system. Proponents of Measure J predicted an acquisition of these assets would be quick and inexpensive. Five years later, MPWMD has spent more than $3 million of Monterey Peninsula residents' money on legal and consulting fees.

"Our hope is that MPWMD would focus on securing new water supplies and protecting the Carmel River and its ecosystem," said Jacobs. "It's frustrating that these needless legal costs are steadily increasing as California American Water continues to manage this system prudently and provide local communities with safe and reliable service."

California American Water has owned and operated the water system serving parts of Seaside, Sand City, Monterey, Pacific Grove, Del Ray Oaks, Pebble Beach, Carmel-by-the-Sea and unincorporated Carmel Valley for more than 60 years. The company employs about 100 people who live and work in Monterey County, including licensed water treatment and distribution operators, engineers and water quality experts.

About California American Water

California American Water, a subsidiary of American Water (NYSE: AWK), provides high-quality and reliable water and wastewater services to more than 725,000 people. Information regarding California American Water's service areas can be found on the company's website www.californiaamwater.com.

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