California State Lands Commission Approves Slant Well Lease Application for Monterey Peninsula Water Supply Project

PACIFIC GROVE, Calif., June 23, 2026 /PRNewswire/ -- Today, the California State Lands Commission (SLC) voted to approve California American Water's application for the lease of state lands that comprise a part of its Monterey Peninsula desalination project.

The SLC evaluated California American Water's lease application for the construction and use of four new subsurface slant wells and the conversion and use of one existing subsurface slant well for the proposed desalination plant on the Monterey Peninsula. During the three-year application review process, SLC staff gathered extensive community input through environmental justice outreach, outreach to the Monterey community and through tribal consultation.

"We thank the State Lands Commission for their thorough review of the facts and the approval of California American Water's lease application," said Sarah Leeper, President of California American Water. "This decision is integral to bringing reliable, drought-proof water to the Monterey peninsula to provide opportunities for sustainable growth while reducing dependence on the Carmel River."

The proposed desalination plant is a necessary component of the Monterey Peninsula Water Supply Project's (MPWSP) three-pronged plan to restore regional water supplies, prepare for droughts, support long-term water reliability and economic stability, and provide for sustainable growth.

To protect water quality, reduce environmental impacts and comply with permitting requirements, the desalination facility will feature subsurface slant wells. These wells are drilled diagonally from land to beneath the ocean floor, drawing naturally filtered seawater or brackish groundwater into the well. Unlike open-ocean intakes, slant wells reduce harm to marine life as they naturally provide filtration and are less vulnerable to waves, storms and surface pollution.

Last year, the California Public Utilities Commission confirmed that the Monterey Peninsula faces a water supply deficit of 815 million gallons per year by 2050. That projected shortfall underscores the critical nature of the SLC's approval and the need for additional water supplies to meet demands well into the future.

Today's decision reflects years of meaningful dialogue with local residents and environmental justice stakeholders. California American Water remains committed to bringing the Monterey community a long-term, drought-proof water supply. For more information on the MPWSP, visit https://www.watersupplyproject.org.

About American Water
American Water (NYSE: AWK) is the largest regulated water and wastewater utility company in the United States. With a history dating back to 1886 and celebrating 140 years in 2026, We Keep Life Flowing® by providing safe, clean, reliable and affordable drinking water and wastewater services to approximately 14 million people with regulated operations in 14 states and on 18 military installations. American Water's approximately 7,000 talented professionals leverage their significant expertise and the company's national size and scale to achieve excellent outcomes for the benefit of customers, employees, investors and other stakeholders. For more information, visit amwater.com and join American Water on LinkedIn, Facebook, X and Instagram.

About California American Water
California American Water, a subsidiary of American Water (NYSE: AWK) with approximately 300 dedicated employees, provides safe, clean, reliable and affordable water and wastewater services to approximately 720,000 people.

SOURCE American Water

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