
State Water Resources Control Board

NOTICE OF HEARING TO CONSIDER MODIFICATION OF CALIFORNIA AMERICAN WATER COMPANY CEASE AND DESIST ORDER (STATE WATER BOARD ORDERS WR 2016-0016 AND WR 2009-0060)

COUNTY: Monterey

STREAM SYSTEM: Carmel River

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board or Board), Division of Water Rights (Division) assisted by the Administrative Hearings Office (AHO), will conduct a hearing on the written record, with an opportunity for public comment and oral presentation of policy statements, to inform the State Water Board's consideration of the Monterey Peninsula Water Management District's (MPWMD) October 21, 2025 application under Water Code section 1832 to modify Orders WR 2009-0060 and WR 2016-0016 (Application) that the Board issued to the California American Water Company (Cal-Am).

The Division will accept testimony provided under penalty of perjury and other evidence through written submissions, on the hearing questions identified below. Following the deadline to submit written rebuttal evidence, the Division will conduct a hybrid hearing day, held in-person and virtually on Zoom, for the public to provide oral presentation of policy statements and public comments. Senior Hearing Officer Megan Knize from the AHO will preside over the hearing.

Unless a written objection is submitted by **July 1, 2026, at 11:59 p.m.**, the AHO hearing officer hereby waives any requirements for in-person examination and cross-examination of witnesses, and the requirement that witnesses providing written testimony appear at the hearing, pursuant to her authority under California Code of Regulations, title 23, section 648, subdivision (d), in order to promote the efficient conduct of the proceeding.

HEARING PROCESS AND SCHEDULE

July 20, 2026: Written testimony and exhibits addressing the hearing questions are due by e-mail or mail.

August 18, 2026: Written rebuttal to testimony and exhibits are due by e-mail or mail.

September 17, 2026: Opportunity for public comment and presentation of policy statements. This will be conducted as a hybrid hearing with the opportunity to participate in person at the CalEPA Building in Sacramento or online on the Zoom platform.

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

September 21, 2026: Closing briefs due. Any party may file a closing brief addressing the hearing questions below. The brief should be limited to 10 pages, double-spaced, and written in size 12 font.

Upon receipt of closing briefs, unless the hearing officer issues a different ruling, the hearing will close. State Water Board staff and the hearing officer will prepare a draft order addressing the Application after the close of the hearing. The draft order will be made available for public comment prior to consideration of adoption by the State Water Board at a regular public Board meeting.

Written testimony, exhibits, and closing briefs should be submitted to:
Cal-AmProject@waterboards.ca.gov

OR

State Water Resources Control Board
Division of Water Rights
Attention: Cal-AM Team
P.O. Box 2000
Sacramento, CA 95812-2000

Written testimony and evidence will be posted on the [State Water Board's FTP](#) site¹ as soon as practicable after the deadlines for submittal of evidence.

HEARING QUESTIONS

By July 20, 2026, participants must submit written testimony and other evidence they wish to have considered addressing these questions:

1. Should Condition 2 of State Water Board Order WR 2009-0060² be modified to lift the moratorium on new service connections?

¹ The link for the FTP site, as well as access information, is available at https://www.waterboards.ca.gov/waterrights/water_issues/projects/california_american_water_company/

² Condition 2 of Order WR 2009-0060 states, "Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use. Cal-Am may supply water from the river for new service connections or for any increased use at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am's water system prior to that date." (Order WR 2009-0060, p. 57.)

2. If Condition 2 is modified, is the following trigger appropriate for reimposing restrictions currently in Condition 2 such as the moratorium on new service connections?

“Upon Cal-Am reporting diversions exceeding 3,376 acre-feet³ under the water rights described in Order 95-10 in any water year, the moratorium on new water service connections described in Condition 2 shall immediately be reimposed with no further action required by the Board.”

If this trigger is not appropriate, what would be appropriate conditions to reimpose Condition 2?

BACKGROUND

On October 20, 2009, the State Water Board adopted State Water Board Order WR 2009-0060, a cease and desist order for Cal-Am’s unlawful diversions from the Carmel River. Order WR 2009-0060, as amended by State Water Board Order WR 2016-0016, requires Cal-Am to take various actions and to terminate all unlawful diversions from the Carmel River by December 31, 2021. Order WR 2009-0060 also includes language that prohibits Cal-Am from creating new water service connections or expanding use at existing service connections (Condition 2).

On October 21, 2025, Monterey Peninsula Water Management District (MPWMD) filed an application with the State Board pursuant to Water Code section 1832 to modify Orders WR 2009-0060 and WR 2016-0016. Specifically, MPWMD requests that the State Board issue an amended order that rescinds Condition 2, updates reporting requirements, and includes a trigger that would allow the Deputy Director for the Division to reinstate Condition 2 if necessary.

A copy of MPWMD’s Application is available on the [State Water Board’s website](https://ftp.waterboards.ca.gov/). In addition, associated letters are also posted on the Board’s file transfer protocol (ftp) site:

Website: <https://ftp.waterboards.ca.gov/>

Username: Cal-AmProject

Password: AccessCal-Am

MPWMD’s Application claims:

- There is no current violation or threat of violation of Orders WR 2009-0060 or WR 2016-0016 in the foreseeable future.
- Diversions from the Carmel River have remained within the authorized limit for the past three years due to new water supplies and conservation efforts.
- The Pure Water Monterey Expansion project provides an additional water supply sufficient for Cal-Am to avoid future violations.

³ Order 2009-0060 provides that 3,376 acre-feet is Cal-Am’s maximum diversion limit from the Carmel River pursuant to Cal-Am’s pre-1914 rights, riparian rights, and License 11866. (*Id.* at pp. 57, fn. 49 & p. 64, Attachment 1.)

The Application in general does not propose changes to the reporting requirements of Orders WR 2009-0060 and WR 2016-0016. The proposed updates focus on removing requirements that MPWMD claims have been met or are no longer required. Quarterly and annual reports summarizing diversions from the Carmel River, among other data, would still be required under the proposed modifications.

The Application also proposes a mechanism to reimpose Condition 2. Under the proposed methodology, prior year pumping would be evaluated against several water supply metrics. If a defined threshold is reached, the Deputy Director for Water Rights will evaluate submitted reporting data against projected growth in demand estimates from Cal-Am/MPWMD to determine if Condition 2 should be reimposed.

As of the date of this notice, the Division has received 34 letters related to MPWMD's application, including a December 19, 2025 letter from Cal-Am requesting the Board deny the application or hold it in abeyance to provide Cal-Am additional time to "meet with stakeholders and fish agencies to develop appropriate conditions for interim relief from the CDO moratorium" and promising an update by April 1, 2026. The Division has not received further information from Cal-Am. The Division also received from MPWMD four supplements to the application on October 21, 2025, as well as on January 9, April 29, and June 2 of 2026.

PROHIBITION ON EX PARTE COMMUNICATIONS

Any participant submitting evidence by the deadline will be deemed a party to this proceeding. While this proceeding is pending, ex parte communications between any party, party representative or interested person and the hearing officer, any member of the hearing team, or any State Water Board member are prohibited. Ex parte communications include any type of communication regarding this proceeding that occurs between a party or interested person and the hearing officer, a member of the hearing team, or a State Water Board member without notice and an opportunity for all parties to participate. (See Wat. Code, § 1110, subd. (c); Gov. Code, §§ 11430.10–11430.80.) Additional information about ex parte communications is in response number 16 of the AHO's FAQ posted at bit.ly/aho-faq. (See response to FAQ 16.)

If any party wants to communicate with any member of the hearing team, the hearing officer, or any Board member, at any time while this proceeding is pending regarding any potentially controversial procedural or substantive issue, that party shall make such communication in writing (by e-mail or letter) and serve all other parties with copies of the communication and include a proof of service demonstrating such service of the written communication to the hearing officer. A party may provide this proof of service through a formal proof of service or by other verification. For e-mails, the verification shall be a list of the e-mail addresses of the parties or their representatives in an electronic mail "cc" (carbon copy) list. For letters, the verification shall be a list of the names and mailing addresses of the other parties or their representatives in the cc portion of the letter.

If the hearing team receives any substantive or potentially controversial procedural communication regarding this proceeding that is addressed to a Board member, the hearing officer, or any other member of the hearing team, but not copied to the hearing parties, then the hearing team will file a copy of the communication in the "Misc. Correspondence" folder within the State Water Board's FTP folder for this proceeding. Parties should plan to regularly check this folder for such communications. Please do not attempt to communicate by telephone or in person with a Board member or any hearing team member regarding this proceeding, because other parties would not be able to participate in such communications. If oral communications with any members of the hearing team are necessary to discuss any potentially controversial procedural or substantive issue, then the hearing team will set up a conference call in which representatives of all parties may participate. Any party may request such a conference call at any time using the written communications protocols described above.

HEARING DAY FOR PRESENTATION OF PUBLIC COMMENT AND POLICY STATEMENTS

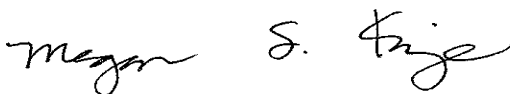
As indicated, the hearing officer will oversee a hybrid-format hearing day to receive public comments and oral presentation of policy statements. Persons who wish to participate in this day of the hearing should join the Service List for this proceeding so they can receive additional instructions about how to participate. Participants will likely be limited to five minutes or less for their presentations. A quorum of the State Water Board members may attend, but will not make any decisions at the hearing day. The Division will provide additional details about hearing logistics closer to the date of the hearing.

Statements presented during the hybrid hearing day will be part of the record of this proceeding but are not made under oath and will not be relied upon by the decisionmakers as evidence when making their determinations.

ADDITIONS AND UPDATES TO SERVICE LIST

The Division has prepared a service list of e-mail addresses using information from the Division's files about the Application and letters it has received so far related to this Application. If anyone wants to be added to the service list or change any of their information, they should submit this information by e-mail to Cal-AmProject@waterboards.ca.gov. The party or interested person does not need to send copies of the e-mail to the service list.

Date of Notice: June 19, 2026



Megan S. Knize
Senior Hearing Officer

Administrative Hearings Office
State Water Resources Control Board