



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 FAX (831) 394-6421

DATE: November 18, 2025

TO: Honorable Mayor and City Council

FROM: John Guertin, City Manager

SUBJECT: Consideration of a Letter of Support for State Water Resources Control Board Modification of Cease-and-Desist Order WR 2016-0016

CEQA: Not applicable.

Recommendation

Consider authorizing the Mayor to sign and submit a Letter of Support to the State Water Resources Control Board (SWRCB) regarding modification of the Cease-and-Desist Order (CDO), selecting either the “neutral” Pure Water Monterey focused letter or the version that additionally supports desalination, or a modification of the Council’s choice.

Background

On October 28, 2025, the Monterey Peninsula Water Management District (MPWMD) contacted the City requesting support for the State Water Resources Control Board’s consideration of modifications to Cease-and-Desist Order WR 2016-0016. MPWMD is seeking letters of support from jurisdictions across the Monterey Peninsula by December 1, 2025.

The requested modification would rescind Condition 2 of the CDO, which currently limits California American Water (Cal-Am) from issuing new water connections in its Monterey Peninsula service area. This constraint has significantly affected the region’s ability to issue water meters for development projects, including those needed to meet state-mandated Regional Housing Needs Allocation (RHNA) targets.

In 2021, the Pure Water Monterey (PWM) recycled water project became operational, increasing available potable supply through advanced treatment and groundwater replenishment. MPWMD notes that Cal-Am has remained within legal Carmel River pumping limits for the past four years due to this new supply and continued community-wide conservation. The CPUC, in a decision adopted August 14, 2025, affirmed that with the additional Pure Water Monterey Expansion coming online, Cal-Am is not projected to exceed legal limits in the foreseeable future.

Modifying the CDO to remove Condition 2 would enable the lifting of the CPUC moratorium on new water connections, allowing local jurisdictions, including Del Rey Oaks, to advance housing production, economic development, and community-serving projects.

Discussion

MPWMD has submitted two optional letter-of-support templates (attached):

1. Neutral Letter of Support — Supports the CDO modification based primarily on the increase in supply from Pure Water Monterey and its expansion.
2. Letter Supporting CDO Modification + Desalination — Includes all elements of the neutral letter but additionally expresses support for the Monterey Peninsula Water Supply Project desalination facility as a long-term water supply solution.

MPWMD notes that cities may edit the templates as they see fit. For additional information, the letter drafted and submitted by the Monterey County Mayors group is attached.

Council may choose between the two provided templates depending on whether it wishes to take a position regarding desalination as part of the long-term water supply portfolio. Both versions support the requested CDO modification. Or the Council may decide not to take a position.

Fiscal Impacts

There is no direct fiscal impact associated with submitting a letter of support. However, future lifting of water-connection restrictions may help unlock development activity with associated revenue benefits.

Respectfully submitted,

John Guertin
City Manager

VIA EMAIL

November 1, 2025

Dr. Juliet Christian-Smith, Deputy Director Water Rights
State Water Resources Control Board
1001 I Street,
Sacramento CA 95814

RE: Letter of Support for Modifications to the Cease and Desist Order WR 2016-0016

Dear Dr. Christian-Smith:

On behalf of <BLANK ORGANIZATION>, we respectfully request the State Water Board to modify the Cease-and-Desist Order (CDO) to allow the Monterey Peninsula to increase its much-needed housing requirements and experience modest economic development.

The Pure Water Monterey project, which came online in 2021, coupled with the Monterey Peninsula's longstanding commitment to water-wise conservation strategies for both commercial and residential water consumption, has resulted in California American Water (Cal-Am) not exceeding the legal amount of water available from the Carmel River for the past four years. With the addition of the Pure Water Monterey Expansion project coming online, there is no threat of Cal-Am exceeding legal limits in the foreseeable future. This was confirmed by the California Public Utilities Commission (CPUC) in a decision adopted on August 14th, 2025.

The current moratorium on new connections was put in place by the CPUC in response to the 2009 Order WR 2009-0060 by the State Board. This restriction on setting any new water meters in the service area could be lifted if the State Board were able to rescind Condition 2 of the CDO.

Our communities and vested stakeholders are eager to start fulfilling the Regional Housing Needs Allocation (RHNA) in order to have more affordable housing options for local workforce employees. Working to align business and housing interests for the benefit of our members is a win for all communities on the Monterey Peninsula.

Our members and organization support construction of the Monterey Peninsula Water Supply Project desalination plant and firmly believe this facility is the only permanent and sustainable water supply for the community moving forward. However, until this new supply is online, we support this current effort to rescind Condition 2 of the CDO and allow for the construction of new housing and creation of local jobs.

The members of <BLANK ORGANIZATION> encourage you and the State Water Board members to modify the Cease-and-Desist Order to allow our area the opportunity to have some independence in developing projects that work for our residents and businesses.

Sincerely,

<BLANK ORGANIZATION>

VIA EMAIL

November 1, 2025

Dr. Juliet Christian-Smith, Deputy Director Water Rights
State Water Resources Control Board
1001 I Street,
Sacramento CA 95814

RE: Letter of Support for Modifications to the Cease and Desist Order WR 2016-0016

Dear Dr. Christian-Smith:

On behalf of <BLANK ORGANIZATION>, we respectfully request the State Water Board to modify the Cease and Desist Order (CDO) to allow the Monterey Peninsula to increase its much-needed housing requirements and experience modest economic development.

The Pure Water Monterey project, which came online in 2021, coupled with the Monterey Peninsula's longstanding commitment to water-wise conservation strategies for both commercial and residential water consumption, has resulted in California American Water (Cal-Am) not exceeding the legal amount of water available from the Carmel River for the past four years. With the addition of the Pure Water Monterey Expansion project coming online, there is no threat of Cal-Am exceeding legal limits in the foreseeable future. This was confirmed by the California Public Utilities Commission (CPUC) in a decision adopted on August 14th, 2025.

The current moratorium on new connections was put in place by the CPUC in response to the 2009 Order WR 2009-0060 by the State Board. This restriction on setting any new water meters in the service area could be lifted if the State Board were able to rescind Condition 2 of the CDO.

Our communities and vested stakeholders are eager to start fulfilling the Regional Housing Needs Allocation (RHNA) in order to have more affordable housing options for local workforce employees. Working to align business and housing interests for the benefit of our members is a win for all communities on the Monterey Peninsula.

The members of <BLANK ORGANIZATION> encourage you and the State Water Board members to modify the Cease-and-Desist Order to allow our area the opportunity to have some independence in developing projects that work for our residents and businesses.

Sincerely,

<BLANK ORGANIZATION>

MONTEREY COUNTY MAYORS' ASSOCIATION

November 10, 2025

Dr. Juliet Christian-Smith, Deputy Director Water Rights
State Water Resources Control Board
1001 I Street,
Sacramento CA 95814

RE: Letter of Support for Modifications to the Cease-and-Desist Order WR 2016-0016

Dear Dr. Christian-Smith:

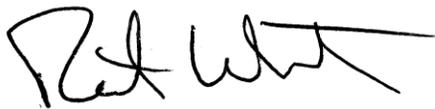
On behalf of Monterey County Mayors' Association, we respectfully request the State Water Resources Control Board to modify the Cease-and-Desist Order (CDO) to allow the Monterey Peninsula to experience an increase in much-needed housing and economic development.

The Pure Water Monterey project, which came online in 2021, coupled with the Monterey Peninsula's longstanding commitment to water-wise conservation strategies for both commercial and residential water consumption, has resulted in California American Water (Cal-Am) not exceeding the legal amount of water available from the Carmel River for the past four years. With the Pure Water Monterey Expansion project now online, there is no threat of Cal-Am exceeding the legal water right limits on the Carmel River in the foreseeable future. This was confirmed by the California Public Utilities Commission (CPUC) in a decision adopted on August 14th, 2025.

The current moratorium on new connections was put in place by the CPUC in response to the 2009 Order WR 2009-0060 by the State Board. This restriction on setting any new water meters in the service area could be lifted if the State Board were to rescind Condition 2 of the CDO.

The members of Monterey County Mayors' Association encourage you and the State Water Board members to modify the Cease-and-Desist Order to allow our area the opportunity to have some independence in developing projects that work for our residents and businesses.

Sincerely,



Robert White,
Chair - Monterey County Mayors' Association
Mayor – City of Greenfield

Cc: Monterey County Mayors
Monterey Peninsula Water Management District



CARMEL-BY-THE-SEA



DEL REY OAKS



GONZALES



GREENFIELD



KING CITY
CALIFORNIA
KING CITY



MARINA



MONTEREY



PACIFIC GROVE



SALINAS



SAND CITY



SEASIDE



SOLEDAD