

CALIFORNIA COASTAL COMMISSION

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January 28, 2020

Mr. Ian Crooks
California American Water Company
511 Forest Lodge Road #100
Pacific Grove, CA 93950

RE: Recommended withdrawal of Coastal Development Permit (“CDP”) Application No. 9-19-0918 for proposed desalination facility

Dear Mr. Crooks:

Per your request, we are providing this letter to describe the circumstances and timing constraints leading to our recent recommendation that California American Water Company (“Cal-Am”) withdraw its above-referenced coastal development permit (“CDP”) application. As you know, Commissioners at Cal-Am’s November 2019 Coastal Commission hearing asked questions and requested additional information about the proposed project. The questions and requests included several about the hydrogeologic data and modeling associated with the project, about the different water supply and demand projections that had been presented, and other issues.

As part of our continuing review of Cal-Am’s proposed project, we are working to respond to those questions and requests. For example, we are conducting an independent review to determine whether additional hydrogeologic data or modeling are needed. It appears likely at this point that we will need to conduct additional modeling exercises, possibly with new data, to establish a higher degree of certainty about the expected effects of Cal-Am’s project on nearby aquifers. We are also evaluating new data about different water supply and demand projections from local water districts and from Cal-Am, and we may seek to hire an independent reviewer to help with that evaluation. We are also reviewing what steps Cal-Am will need to take to ensure its proposed project is able to use the water distribution pipeline Cal-Am would share with the Marina Coast Water District and to ensure Cal-Am has, or can and will obtain, the necessary approvals to install the outfall liner required for the proposed project.

At this point, it appears that there is not enough time to complete these reviews before mid-February 2020, which is when we would need to publish an updated staff recommendation for the Commission to consider at its March 2020 hearing. Because Cal-Am’s 180-day Permit Streamlining Act (“PSA”) time period will expire at the end of March, there is not enough time to schedule a hearing on a later Commission agenda. Additionally, and as we have discussed, although the PSA allows an applicant to provide a 90-day extension to that 180-day period, we expect that Cal-Am’s next hearing will need to be at a location close to the project site, and the Commission’s schedule does not include any nearby hearings during those additional 90 days (i.e., through June 2020). It would therefore not be worthwhile for Cal-Am to provide a time extension in lieu of withdrawal. Without having the additional necessary information that might support a revised recommendation to the Commission, we recommend that Cal-Am withdraw its application and re-submit it at a later time once the various issues are more fully resolved.

As we have discussed, Cal-Am's application withdrawal will not affect the pendency of your appeal of the City of Marina's CDP decision, which is not subject to a similar deadline for Commission action. Once Cal-Am re-submits a complete application, we will then hold a combined hearing for the Commission to consider both your application and the appeal.

Thank you for considering this recommendation. I am happy to discuss any of these items in more detail or answer any questions you might have.

Sincerely,

A handwritten signature in cursive script that reads "Tom Luster".

Tom Luster

Energy, Ocean Resources, and Federal Consistency Division