



## DRA

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## Monterey Regional Water Supply Reliability Dialogue Project

July 2007 Update

The Division of Ratepayer Advocates (DRA) of the California Public Utilities Commission (CPUC), with the assistance of the University of California Santa Cruz (UCSC), Center for Integrated Water Research, is engaged in a collaborative project planning effort designed to identify a diverse set of new water supply projects, water management programs, and multiple-agency agreements that lessen the financial impacts on ratepayers and improve the economic benefits for the region. To accomplish this goal, DRA is facilitating a series of regional project strategy implementation dialogues during 2007 amongst the agencies, organizations and publics who are interested in Monterey regional water supply reliability. Dialogue participants include California American Water Company (Cal Am), public and other private water agencies, municipalities, other governmental agencies responsible for resource management or quality, interested citizens, and interest-group stakeholders.

The objective of the regional dialogues is to achieve consensus through collaboration among the various interested parties on a solution, or perhaps several complementary solutions, to supplying the water needs of the Monterey Peninsula in a cost-effective and sustainable way that is more *affordable, acceptable* and *implementable* than the Cal Am proposed Coastal Water Project (CWP) at Moss Landing. Such a regional alternative would need to satisfy Cal Am's regulatory requirements, have a greater chance of implementation while increasing the direct benefits to Cal Am's ratepayers.

### **Why did DRA decide to sponsor this regional water supply planning dialogue process?**

This regional dialogue initiative is a unique, new approach to DRA's regulatory mandate. DRA's mission is to advocate on behalf of utility consumers to get the lowest possible rates consistent with reliable and safe service. The DRA advocates forcefully to advance and protect all utility customers' interests at the California Public Utilities Commission and in other forums that affect public utility rates, investments, resources, and operations. To further its mission, DRA balances the needs of a diverse customer constituency, represents primarily the interests of residential and small commercial customers for revenue allocation and rate design matters, and considers additional factors such as environmental, health, service quality, product quality, and resource sustainability.

DRA advocates on behalf of Cal Am ratepayers. As such, DRA is very concerned about the escalating costs and resultant rate shock that the Cal Am proposed Coastal Water Project would have on customers. DRA initiated these regional water supply planning dialogues in the belief that such a collaborative process could result in a regional water supply and management implementation strategy that satisfies the regulatory requirements faced by Cal Am, increases the financial and economic benefits to ratepayers over Cal Am's proposed Coastal Water Project, and has a higher probability of being implemented. The implementation strategy could include a phased-in approach with an array of new water supply projects including desalination of brackish or sea water, recycled water, or other sources, water conservation, and ground and surface water conjunctive management programs.

**What is the timeframe and structure for the DRA regional dialogues?**

The first DRA sponsored regional water supply dialogue meeting was held January 31, 2007. Meetings are held monthly and are generally scheduled for the last Wednesday of the month. The meetings are held at the University of California's MBEST Center in Marina, California. The meetings are facilitated by members of the UCSC Center for Integrated Water Research team who were retained by DRA to conduct this project. In addition to the monthly regional plenary oversight group (REPOG) meetings, three committees, or technical working groups, have been formed to help develop options for the plenary group consideration. These committees include a regional plan, conservation and public involvement working group. Finally, the Leadership Task Force (LTF) public agencies have offered both in-kind assistance of technical staff as well as financial support for technical consultants to assist the working groups in developing a viable alternative water supply plan.

The CPUC is currently conducting an environmental review under CEQA of Cal Am's proposed Coastal Water Project. This review includes the consideration of alternatives. Cal Am cannot afford to slow or stop the CWP process due to the regulatory imperative. However, if a viable water supply alternative that has broad political and public support from regional interests and Cal Am emerges in the next two to three months, the Commission could consider it as an alternative in the draft EIR on the CWP. To that end, the DRA hopes that the regional dialogue process will facilitate the definition and support of a series of phased projects that will satisfy SWRCB Order 95-10, are lower cost and provide more economic benefits by late September.

**Where can I get more information?**

The UCSC Center for Integrated Water Research has put together a website on the DRA regional dialogues. Meeting agendas, handouts, notes and other information are posted there. See <http://urbanwater.ucsc.edu/monterey>

The website for the Commission CEQA process is [www.cwp-eir.com](http://www.cwp-eir.com).

**Contact**

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