



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Application of California-American Water
Company (U210W) for Approval of the
Monterey Peninsula Water Supply Project and
Authorization to Recover All Present and Future
Costs in Rates.

A.12-04-019
(Filed April 23, 2012)

**REPLY COMMENTS OF COUNTY OF MONTEREY AND
MONTEREY COUNTY WATER RESOURCES AGENCY
TO CONSOLIDATED COMMENTS OF MARINA COAST WATER DISTRICT
ON THE SETTLING PARTIES' MOTION
TO APPROVE SETTLEMENT AGREEMENT**

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Dated: September 16, 2013

**REPLY COMMENTS OF COUNTY OF MONTEREY AND MONTEREY COUNTY WATER
RESOURCES AGENCY TO CONSOLIDATED COMMENTS OF MARINA COAST WATER
DISTRICT ON THE SETTLING PARTIES MOTION TO APPROVE SETTLEMENT
AGREEMENT**

Pursuant to Rule 12.2 of the Commission’s Rules of Practice and Procedure, the Monterey County Water Resources Agency (“MCWRA”) and the County of Monterey (“County”) (collectively “Respondents”) hereby reply to Marina Coast Water District’s Consolidated Comments on the Settling Parties’ 1) Motion to Approve Settlement Agreement and 2) Motion to Approve Settlement Agreement on Plant Size and Operation (“MCWD Comments”), filed by the Marina Coast Water District (“MCWD”) on August 30, 2013.

Respondents are parties to Settlement Agreement, sometimes called “the Large Settlement Agreement,” approval of which was sought in the Settling Parties’ Motion to Approve Settlement Agreement, filed in this proceeding on July 31, 2013. Respondents are not parties to the Settlement Agreement on Plant Size and Operation, and therefore do not respond to comments regarding that agreement. Respondents continue to support the Large Settlement Agreement and urge the Commission to adopt it expeditiously.

MCWRA notes that whatever MCWD’s characterizations of the 1996 Annexation Agreement, that document speaks for itself. Not rebutting Mr. Lowrey’s testimony nor cross-examining him does not impact the content of that document, which has independent legal dignity. The simple fact is that MCWD has not yet annexed the former Lonestar property. Whatever rights accrue to MCWD upon annexation with respect to that property and water pumped from that property are not yet ripe. Even if they were, MCWD has not explained how Cal-Am locating wells on property where it would pump water, with State Water Resources Control Board approval, would interfere with any MCWD contract rights under the 1996 Annexation Agreement.

Further, MCWD’s assertions to the contrary, the Large Settlement Agreement does not impact MCWRA’s rights and obligations under the Agency Act. In fact, quoting from Section 3.1 of the LSA, the Motion to approve the settlement notes this fact:

Consistent with the Monterey County Water Resources Agency Act, the Settlement Agreement acknowledges MCWRA’s authority in the SRGB: the Parties agree that a study and report to be undertaken under section 5 of the Settlement Agreement “do not constitute and shall not be taken as any agreement that affects MCWRA’s authority with respect to the SRGB.”

