# California Public Utilities Commission Approves Water Supply Decision Supporting California American Water's Monterey Peninsula Desalination Project

PACIFIC GROVE, Calif. - (August 14, 2025)  The California Public Utilities Commission (CPUC) today voted to adopt the Phase 2 Demand and Supply Estimates for the Monterey Peninsula Water Supply Project, which concludes that the region faces a water supply deficit of approximately 815 million gallons per year by 2050. The projected shortfall continues to underscore the clear need for new, robust, drought-proof water supply resources for the Monterey Peninsula.

"It’s our responsibility to supply safe, reliable water to our customers. Our estimates reflect responsible future supply and demand estimates to help ensure we can reliably provide water to meet our customers’ needs, whether it is a time of water abundance or more critically in a time of drought," said Kevin Tilden, President of California American Water. "Today's decision confirms the Monterey Peninsula needs additional water supply to meet customer demands today, tomorrow and well into the future to provide water security."

On the Monterey Peninsula, the challenge of addressing drought is heightened by State Water Resource Control Board orders that require California American Water to significantly reduce pumping from the Carmel River and prohibit the company from providing new water connections until alternate water sources are identified.

"When the CPUC considered this decision, it was the result of extensive review and analysis of our water supply and demand projections, building on their prior decision and more than six years of work on the project's Environmental Impact Report," said Tilden. "This acknowledgment that the Peninsula has a real need for additional water supplies shows that the community deserves full implementation of the Monterey Peninsula Water Supply Project."

Desalination is a crucial piece of California American Water’s multi-pronged solution that includes aquifer storage and recovery and the expansion of the Pure Water Monterey facility. Once operational, the desalination project will provide the reliable, drought-proof water source needed for California American Water to apply for the lifting of the Water Board's cease-and-desist order, supporting community demand and allowing for sustainable future growth, including the development of affordable housing to meet the region's needs.

The project will also protect the Carmel River and restore this critical watershed. By expanding and diversifying Monterey's water supply, California American Water is working to prepare for whatever the future holds.

California American Water expects to break ground on the desalination plant by the end of 2025.

About American Water
American Water (NYSE: AWK) is the largest regulated water and wastewater utility company in the United States. With a history dating back to 1886, We Keep Life Flowing® by providing safe, clean, reliable and affordable drinking water and wastewater services to more than 14 million people with regulated operations in 14 states and on 18 military installations. American Water's 6,700 talented professionals leverage their significant expertise and the company’s national size and scale to achieve excellent outcomes for the benefit of customers, employees, investors and other stakeholders.

For more information, visit amwater.com and join American Water on LinkedIn, Facebook, X and Instagram.

About California American Water

California American Water, a subsidiary of American Water, provides high-quality and reliable water and wastewater services to approximately 700,000 people.

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