

Water district takes Cal Am to court to force takeover

By KELLY NIX

HAVING MONTHS ago decided to proceed with its takeover of California American Water, the Monterey Peninsula Water Management District this week put the process of eminent domain in motion by filing a lawsuit to force Cal Am to sell.

On Monday, the water district filed the 11-page eminent domain complaint, which follows a 6-0 vote by the agency’s board of directors in October to adopt a resolution of necessity authorizing the acquisition of the system operated by Cal Am, a private company.

In 2018, voters passed Measure J, which called for acquisition if it was “feasible,” which the district said it is.

Backers of the takeover have long promised that it will make water less expensive and operation of the system more efficient. Cal Am, though, says the effort will fail in court and could cost customers tens of millions of dollars in rate hikes to cover the legal fees.

“MPWMD’s purpose for acquiring the subject property interests is to convert Cal Am’s privately owned and operated water distribution system into a publicly owned water distribution system, and thereafter to operate that system,” according to the lawsuit, which was filed in Monterey County Superior Court.

First, is the takeover effort valid, and second, what is Cal Am worth?

Far apart on price

Cal Am has valued its Monterey system at more than \$1 billion, while a consultant hired by the water district said it’s worth \$449 million. The district made an offer in April but Cal Am rejected it.

The lawsuit, signed by water management district attorney Douglas Dennington, asks the court to allow Cal Am’s system to be taken over, and that “just compensation” for the company’s assets to be determined.

It also asks for litigation expenses and other costs.

Cal Am responded to news of the filing with the

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Hofsas House not historic, board says

■ Consultant’s report riddled with errors

By MARY SCHLEY

IT TOOK the historic resources board just a few minutes Monday night to determine the Hofsas House — which is slated for demolition to make way for a new



PHOTO/PINE CONE FILE

The pink-hued, Bavarian-themed Hofsas House hotel on San Carlos Street isn’t of historic importance, a city board said Monday.

Overhauled AT&T Pro-Am has smaller field, no celebrities, \$20M purse

■ Big changes in professional golf, and in a cherished local tradition

By MARY SCHLEY

THE AT&T Pebble Beach Pro-Am as everyone knows it is no more. No more celebrity antics and huge fields. No more charity shootouts and sky boxes. The newly designated PGA Tour Signature Event — one of eight such limited-field, elite tournaments on the tour’s extensive schedule — will instead feature 80 top pros and 80 amateurs, an astounding \$20 million purse, competition on two courses instead of three, and no cut before the final round.

“Most everything changed, other than the location and the time,” Steve John, CEO of the Monterey Peninsula

Foundation, said Wednesday. “It is a big change for us to move away from 156 pros paired with 156 amateurs for almost 80 years.”

The new PGA Tour Signature Events, last year referred to as “distinguished events,” boast higher purses and more FedEx Cup points than the other events on the calendar and were created to compete with Saudi Arabia’s LIV tour, which has attracted many former PGA Tour pros with high winnings. (The PGA Tour and LIV have been in negotiations to merge, but those talks are set to expire at the end of the year.)

“The tour obviously reacted to LIV by raising purses,” John said. “LIV caused the tour to change their model. They want to reward the best players in the world, and

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They won’t be seen much around the Monterey Peninsula during the AT&T Pebble Beach Pro-Am anymore, but fan favorites in recent years have included (from left) Josh Duhamel, Ray Romano, Kevin Costner and, of course, Bill Murray.

CHOMP CANCELS \$40 MILLION IN PATIENT BILLS

By KELLY NIX

IF YOU received medical care from Community Hospital of the Monterey Peninsula during the Covid-19 pandemic and haven’t paid off your bill, you’ll probably be very pleased with the hospital’s Christmas gift.

Community Hospital announced late last week that it has forgiven 100 percent of all outstanding patient-responsible medical care debt incurred during 2020, 2021 and 2022 — the first three years of the Covid-19 pandemic.

The amount the hospital has forgiven amounts to more than \$40 million and affects about 29,000 patients.

The good news

“We understand that medical debt has placed a significant burden on households locally and all across America, and that the Covid-19 pandemic has had devastating impacts on individuals, families and businesses in Monterey County,” said Dr. Steven Packer, president and CEO of Montage Health, the hospital’s parent company.

On Dec. 15, Community Hospital sent letters to the 29,000 patients notifying them of the good news, spokeswoman Erika Yanez explained.

“The memo is just starting to hit mailboxes and we’ve already received a number of phone calls from patients expressing their gratitude,” Yanez told The Pine Cone Monday.

The debt forgiveness covers out-of-pocket costs for all types of medical care, not just Covid-related care, and will be especially helpful for patients who aren’t covered by insurance.

“We routinely hear from patients regarding difficulty” paying their bills, said Matthew Morgan, vice president and chief financial officer of Montage Health.

David Price, a 65-year-old graphic designer, said he received a devastating lung cancer diagnosis in October 2020 from his pulmonologist.

“I had to go into surgery in December of that year, and that meant a two-week recovery in the hospital,” Price, who doesn’t smoke, told The Pine Cone. “I went through chemotherapy and radiation, and then I got a brain tumor. The bills kind of racked up.”

While Price had good insurance, he initially had about

‘We understand that medical debt has had a devastating impact’

Dates from 1960s

The hotel property, which is between Third and Fourth and fronts on San Carlos and Dolores, contains two parcels totaling 36,200 square feet and was converted from houses and apartments to the 38-room, Bavarian-themed, pink-hued hotel between 1957 and 1968. Donna and Fred Hofsas started the hotel together, but they

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