

Exhibit CAW-030E



California-American Water Company

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443-151

November 4, 1996

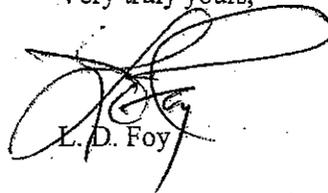
Mr. Walter Pettit  
Chief, Division of Water Rights  
State Water Resources Control Board  
901 P Street  
Sacramento, CA 95814-2000

RE: SWRCB Order No. WR 95-10

Dear Mr. Pettit:

As a condition of the above order, we are filing herewith our quarterly report for the period August 1, 1996 through October 31, 1996, updating the status of the various conditions and responding to the September 20, 1996 memo from Kathy Mrowka of your staff. Included are the supporting backup information for the various conditions.

Very truly yours,



L. D. Foy

LDF/mh  
Enclosure

cc: K. Anderson  
D. Fuerst  
G. Haas  
T. Jones, Jr.  
J. Carrasco

M. Lucca  
L. Weiss, Esq.  
D. Laredo, Esq.  
C. Bowns, Esq.  
J. Haines, Esq.

10/31/96

**SWRCB - ORDER NO. WR 95-10  
Quarterly Report - August/October 1996**

**ORDER CONDITION NO. 2**

*Cal-Am shall diligently implement one or more of the following actions to terminate its unlawful diversions from the Carmel River: (1) obtain appropriate permits for water being unlawfully diverted from the Carmel River, (2) obtain water from other sources of supply and make one-for-one reductions in unlawful diversions from the Carmel River, provided that water pumped from the Seaside aquifer shall be governed by Condition 4 of this Order, not this condition, and/or (3) contract with another agency having appropriate rights to divert and use water from the Carmel River.*

**RESPONSE 2.1:**

**See response to Order Condition No. 12(a) below.**

10/31/96

SWRCB - ORDER NO. WR 95-10  
Quarterly Report - August/October 1996

ORDER CONDITION NO. 2

*Cal-Am shall diligently implement one or more of the following actions to terminate its unlawful diversions from the Carmel River: (1) obtain appropriate permits for water being unlawfully diverted from the Carmel River, (2) obtain water from other sources of supply and make one-for-one reductions in unlawful diversions from the Carmel River, provided that water pumped from the Seaside aquifer shall be governed by Condition 4 of this Order, not this condition, and/or (3) contract with another agency having appropriate rights to divert and use water from the Carmel River.*

**RESPONSE NO. 2.2:**

See response to Order Condition No. 12(a) below.

Cal-Am continues to cooperate with the Monterey Peninsula Water Management District as it reviews the potential for desalination in the Sand City area of its Monterey Division. It is anticipated a report to the MPWMD by its consultant will be available at the end of December. That report then will be presented to the MPWMD board and to the community. We will forward a copy of that report to the SWRCB when we receive it.

Cal-Am also continues to work with the District on the District's study of the feasibility of recharging the Seaside Aquifer using winter flows from the Carmel River. The report by the District's consultant on this matter is also expected by the end of December. If this project proves to be feasible, testing will continue and the necessary steps will be taken to file with the SWRCB for appropriate water rights in conjunction with the MPWMD on this project.

Attached are two-page summaries from both the September 16, 1996 and October 21, 1996 MPWMD's board packet which provide an update of the status of these projects from the District's perspective.

As part of the Urban Reuse Committee, Cal-Am has studied the feasibility of reclaim water projects which are possible for the Monterey Peninsula. Attached is a copy of the Final Report, "Monterey Peninsula Reclaimed Water Urban Reuse Feasibility Study Update," dated September 1996, which is being provided to the SWRCB, the MPWMD and the CDF&G. All others are being provided copies of the Executive Summary, Conclusions and Recommendations.

ITEM: VIII

## INFORMATIONAL ITEMS/STAFF REPORTS

MEETING DATE:

SEPTEMBER 16, 1996

## D. WATER SUPPLY PROJECTS

The following paragraphs summarize work on water supply alternatives from August 8 through September 4, 1996. Activities focused on implementation of the Action Plan for Water Supply Alternatives approved by the Board on February 29, 1996.

**WATER SUPPLY PROJECT ALTERNATIVES:** Staff continues to implement the Action Plan for Water Supply Alternatives as well as the six-month objectives adopted in April 1996 by the Board as part of the Strategic Plan. Phase I studies are underway.

Seaside Basin Injection/Recovery Project -- Project activities are presently focused on making arrangements for and scheduling a short-term demonstration injection/recovery test at an existing site in the Seaside Basin, specifically the Playa-4 well site. Testing should begin within the next month if system demands are sufficiently low enough to permit use of excess water within the Seaside Basin to conduct the test. If system demands remain high, the test will have to be delayed until later this fall.

Seawater Desalination Studies -- Parsons Engineering Science, Inc. began work on desalination studies in July to evaluate the potential for a seawater desalination project. The principal elements of the Parsons studies include:

- (1) evaluate the largest capacity project that could be developed at the Sand City site;
- (2) determine the feasibility of developing a seawater desalination project in the range of 10 to 15 million gallons per day;
- (3) identify critical environmental and permitting issues, and
- (4) estimate costs and time requirements for a desalination project in the range of sizes being evaluated in the study.

The Parsons' draft report providing results of their studies is planned for receipt by the District Board in October 1996.

**WATER RIGHTS:** On July 6, 1995, the State Water Resources Control Board (SWRCB) finalized its Order and Decision on complaints against Cal-Am and the water rights permit for the New Los Padres Project. Lawsuits were filed by the District, Cal-Am Water Company, and several environmental groups in late 1995. The Administrative Record has yet to be prepared by the SWRCB, and court action on this matter is not expected until 1997.

One condition in the SWRCB Order No. WR 95-10 is continuation by Cal-Am of any portion of the District's Five-Year Mitigation Program that the District does not continue after June 30, 1996. Addressing two items at its May 20, 1996 meeting, the Board voted to continue the Mitigation Program for an additional five years (July 1996-June 2001) and directed staff to (1) revise the Draft Evaluation Report for the 1991-1996 program based on public comments received, including more detailed information on program costs, and (2) provide a timeline of major capital projects planned for the 1997-2001 period. Board receipt of the Final Evaluation

Report for the 1991-1996 Mitigation Program is scheduled for the October 21 Board meeting. The delay is due primarily to the federal financial audit that is required for entities that receive FEMA flood disaster grants. This audit has delayed staff's abilities to develop more detailed cost estimates requested by the Board. An Implementation Plan for FY 1997-2001 that includes a timeline for future capital projects is addressed in Item VI-C of this agenda.

**ENDANGERED SPECIES ACT:** In May, the U.S. Fish and Wildlife Service (USFWS) determined that the California red-legged frog is protected as a threatened species as of June 24, 1996. This listing affects District river mitigation projects as well as the 404 permit for the New Los Padres Project. According to USFWS staff, conversion of the Conference Opinion in the 404 permit to a Biological Opinion, as required for a threatened species, should be a routine matter due to the District's previous efforts. Several river mitigation projects could be delayed due to the additional permit processing that is needed now that the frog is listed. Staff has been working with the Corps of Engineers, Monterey County, and USFWS to obtain appropriate permits as soon as possible.

The National Marine Fisheries Service (NMFS) determined on June 30, 1996 that the central coast steelhead be a proposed endangered species. Typically, one year elapses before a formal listing as "endangered." NMFS stated in a May 1996 letter that the District "should not view this [listing] as a major difficulty." Staff is consulting with NMFS regarding future action and responsibilities, as well as initiating the appropriate permit processes as soon as possible in order to avoid delays to District projects once the steelhead is listed next summer.

**LONG-TERM PROJECT FINAL EIR/ADDENDUM-2:** The Superior Court determined that the certification of the 1994 Final EIR for the Monterey Peninsula Water Supply Project should be rescinded, and that a Supplemental EIR focusing on viticulture impacts is required prior to any further action on the New Los Padres Project. The District has appealed this decision to the Sixth District Appellate Court. Opening briefs were filed on August 5; oral arguments will not be held until late in 1996.

Two challenges to the August 1995 recertification of the Final EIR/Addendum-2 were filed by Galante *et al* and the Esselen Tribe of Monterey County. A stay of legal proceedings was agreed to by the Galante petitioners until a decision on the appeal of the 1994 case is rendered. At a settlement conference in late August, it was determined that a similar stay be implemented regarding the Esselen Tribe suit.

Staff met with the U.S. Army Corps of Engineers on September 4 to determine whether additional environmental documentation is needed to keep the District's 404 permit viable in light of the Endangered Species Act (ESA) listings noted above. Also discussed was the process that must be followed if the 404 permit were to be transferred to another entity, such as Cal-Am, which previously requested that the District Board consider such action. Regarding ESA compliance, the Corps believes that issuance of the 404 permit in June 1995 was their final action, and the District should coordinate directly with federal wildlife agencies regarding endangered species issues associated with the New Los Padres Project. The Corps advised staff that the 404 permit can be transferred only after a written request by the District; the Corps has the discretion to approve or disapprove the request to transfer. The Corps staff believes that there could be additional public review as part of its decision on a permit transfer for the project.

ITEM: VIII INFORMATIONAL ITEMS/STAFF REPORTS

MEETING DATE: OCTOBER 21, 1996

D. WATER SUPPLY PROJECTS

The following paragraphs summarize work on water supply alternatives from September 5 through October 7, 1996. Activities focused on implementation of the Action Plan for Water Supply Alternatives approved by the Board on February 29, 1996.

**WATER SUPPLY PROJECT ALTERNATIVES:** Staff continues to implement the Action Plan for Water Supply Alternatives as well as the six-month objectives adopted in April 1996 by the Board as part of the Strategic Plan. The staff goal is to develop a preliminary Water Augmentation Plan for Board receipt in December 1996, based on the results of the Phase I studies described below.

Seaside Basin Injection/Recovery Project -- Activities have focused on making arrangements for a short-term demonstration injection/recovery test at an existing site in the Seaside Basin, specifically the Playa-4 well site. At this writing, the test is scheduled to begin in mid-October. The demonstration project has been delayed until excess water for the injection test could become available when Cal-Am demand declines to a sufficient degree with the end of the peak water demand season. In a related project, District staff are working with contractors to complete two new monitor wells in the Seaside Coastal Subbasin. This effort will provide information to help determine the potential for increasing the long-term sustainable yield from the basin.

Seawater Desalination Studies -- Parsons Engineering Science, Inc. began work on desalination studies in July to evaluate the potential for a seawater desalination project. The principal elements of the Parsons studies include:

- (1) review and update facilities and estimated costs of a 3-million-gallon-per-day project in Sand City (same capacity and location as the project brought to voters in June 1993);
- (2) determine the largest capacity project that could be developed at the Sand City site;
- (3) determine the feasibility of developing a seawater desalination project in the range of 7 to 14 million gallons per day;
- (4) identify critical environmental and permitting issues, and
- (5) estimate costs and time requirements for desalination projects in the range of sizes being evaluated in the study.

District staff received preliminary results of their studies, and is presently reviewing them. The consultant's findings will be summarized for the Board at a future meeting. Information from the Parsons study will be used by staff in the development of a preliminary Water Augmentation Plan scheduled for December 1996.

Other Options -- Staff continues to (1) refine the toilet retrofit-rebate program approved by the Board last month (see Item VI-C); (2) monitor groundwater trends and evaluate the potential for additional groundwater production in the Seaside Basin; (3) evaluate the potential for increased savings from reclamation, including an October 21 presentation by consultants on the potential availability of reclaimed water from the MRWPCA regional treatment plant; and (4) maintain viable permits for the New Los Padres Project, as directed by the Board.

**WATER RIGHTS:** On July 6, 1995 the State Water Resources Control Board (SWRCB) finalized its Order and Decision on complaints against Cal-Am and the water rights permit for the New Los Padres Project. Lawsuits were filed by the District, Cal-Am Water Company, and several environmental groups in late 1995. The Administrative Record has yet to be prepared by the SWRCB, and court action on this matter is not expected until 1997.

One condition in the SWRCB Order No. WR 95-10 is continuation by Cal-Am of any portion of the District's Five-Year Mitigation Program that the District does not continue after June 30, 1996. Addressing two items at its May 20, 1996 meeting, the Board voted to continue the Mitigation Program for another five years (July 1996-June 2001) and directed staff to (1) revise the Draft Evaluation Report for the 1991-1996 program based on public comments received, including more detailed information on program costs, and (2) provide a timeline of major capital projects planned for the 1997-2001 period. The Board received the Final Evaluation Report for the 1991-1996 Mitigation Program at its October 21 Board meeting (Item VII-C). An Implementation Plan for FY 1997-2001 that includes a timeline for future capital projects was provided to the Board at its September 16 meeting.

**ENDANGERED SPECIES ACT:** In May, the U.S. Fish and Wildlife Service (USFWS) determined that the California red-legged frog is protected as a threatened species as of June 24, 1996. This listing affects District river mitigation projects as well as the 404 permit for the New Los Padres Project.

Based on habitat studies and project mitigation measures developed by staff in consultation with USFWS, it appears that District 1996-97 river mitigation projects such as erosion protection projects, channel clearing, and irrigation system maintenance will proceed this year. Staff has been working with the Corps of Engineers, Monterey County, and USFWS to obtain appropriate permits as soon as possible to allow enough time for river projects to be carried out before winter rains result in higher stream flows. According to USFWS staff, conversion of the Conference Opinion in the 404 permit for the dam to a Biological Opinion, as required for a threatened species, should be a routine matter due to the District's previous efforts.

The National Marine Fisheries Service (NMFS) determined on June 30, 1996 that the central coast steelhead be a proposed endangered species. Typically, one year elapses before a formal listing is classified as "endangered." NMFS stated in a May 1996 letter that the District "should not view this [listing] as a major difficulty." Staff is consulting with NMFS regarding future action and responsibilities, as well as initiating the appropriate permit processes as soon as possible in order to avoid delays to District projects once the steelhead is listed next summer.

**LONG-TERM PROJECT FINAL EIR/ADDENDUM-2:** The Superior Court determined that the certification of the 1994 Final EIR for the Monterey Peninsula Water Supply Project should be rescinded, and that a Supplemental EIR focusing on viticulture impacts is required prior to any further action on the New Los Padres Project. The District has appealed this decision to the Sixth District Appellate Court. Oral arguments will not be held until late in 1996.

Two challenges to the August 1995 recertification of the Final EIR/Addendum-2 were filed by Galante *et al* and the Esselen Tribe of Monterey County. A stay of legal proceedings for both the Galante and Esselen petitioners was granted until a decision on the appeal of the 1994 case is rendered.

SWRCB - ORDER No. WR 95-10  
Quarterly Report - August/October 1996

ORDER CONDITION NO. 3

- (a) *Cal-Am shall develop and implement an urban water conservation plan. In addition, Cal-Am shall develop and implement a water conservation plan based upon best irrigation practices for all parcels with turf and crops of more than one-half acre receiving Carmel River water deliveries from Cal-Am. Documentation that best irrigation practices and urban water conservation have already been implemented may be substituted for plans where applicable.*
- (b) *Urban and irrigation conservation measures shall remain in effect until Cal-Am ceases unlawful diversions from the Carmel River. Conservation measures required by this Order in combination with conservation measures required by the District shall have the goal of achieving 15 percent conservation in the 1996 water year and 20 percent conservation in each subsequent year.<sup>23</sup> To the extent that this requirement conflicts with prior commitments (allocations) by the District, the Chief, Division of Water Rights shall have the authority to modify the conservation requirement. The base for measuring conservation savings shall be 14,106<sup>24</sup> AFA. Water conservation measures required by this order shall not supersede any more stringent water conservation requirement imposed by other agencies.*

RESPONSE NO. 3 (b):

The goal established by the State Water Resources Control Board for the water year October 1995 through September 1996 is 11,990 AF. We are pleased to report we completed this water year with a consumption of 11,755.5 AF. (See attached water year production - 1995-96.) This number is somewhat different than anticipated in previous reports. There have been adjustments made for several reasons. Through routine testing of our production meters we discovered that our Cypress Well meter was registering incorrectly fast. The meter was pulled and sent to Sparling Instrumentation Co. for rehabilitation and testing. Sparling determined the meter was running 30% fast. (See attached meter record.) To be conservative, Cal-Am could not assume the meter had been registering 30% fast for the entire year. So we made a downward adjustment to 20% inaccuracy and adjusted all our production records for the Cypress Well accordingly, thus reducing the Cypress Well production by 483 AF. (See estimated production records, Cypress Well.)

SWRCB - ORDER No. WR 95-10  
Quarterly Report - August/October 1996

ORDER CONDITION NO. 3

RESPONSE NO. 3 (b) (Continued):

Cal-Am also found that the backwash valve at the Begonia Iron Removal Plant had been leaking and the production for that facility therefore was incorrect. (See attached memo from G. P. Haas, Operations Manager, Cal-Am.) Calculations made of the leaking 12-inch backwash valve revealed the plant was losing 148.5 GPM. Production was over-calculated by 184 AF. Therefore, our records have been adjusted accordingly.

In addition to these two malfunctions in production facilities, during the 1995-96 water year, we also supplied 397 AF to the Pebble Beach Community Services District Reclaim Project due to the inability of their system to provide adequate water and water quality that was usable by the golf courses. The Community Services District is working to solve these supply and quality problems and expects to correct them in the near future. In addition, we supplied Seaside Municipal Water System with 28 AF due to failure of their well fields. This was supplied through our emergency interconnection. However, we have not made any adjustments in our production numbers regarding either the supply to the Reclamation Project or to the Seaside Municipal System. NOTE: Cal-Am will be providing water production reports to the SWRCB on a monthly basis for the water year 1996-97.

Under SWRCB Order WR 95-10, Cal-Am must reduce its Carmel River diversion in water year 1996-97 by an additional 5% (705 AF) to meet the overall 20% reduction of the ordering condition. Cal-Am is instituting a number of steps to reach this goal for the water year 1996-97, as follows:

- Press release through all media outlets - October 9, 1996
- Letters to:

Monterey County Hospitality Association

California Restaurants Association - Monterey Bay

Monterey Peninsula Chefs' Association

SWRCB - ORDER No. WR 95-10  
Quarterly Report - August/October 1996

ORDER CONDITION NO. 3

RESPONSE NO. 3 (b) (Continued):

**Chambers of Commerce - Peninsula-wide:**

- Carmel Business Association
- Seaside Chamber of Commerce
- Carmel Valley Chamber of Commerce
- Pacific Grove Chamber of Commerce
- Monterey Peninsula Chamber of Commerce
- New Monterey Business Association

**Monterey County Business Council**

**Monterey County Property Owners Association**

**Monterey Mayors' Committee (See exhibit letter attached)**

- **Advertisement in the daily and weekly news media establishing an ongoing conservation campaign (See sample ad attached)**
- **Bill inserts - October and November with follow-up inserts each billing cycle providing water conservation tips (See sample insert attached)**
- **Radio and television advertisements**
- **Monthly press releases on water savings**

**Cal-Am has instituted its Rule 14.2A, "Voluntary Conservation Plan Description" (copy attached) with the California Public Utilities Commission. All of our efforts are intended to be voluntary to bring about compliance by the community.**

**Cal-Am will also be filing with the California Public Utilities Commission for a "Toilet Retrofit Program" to be operated in conjunction with the program of similar nature planned by the Monterey Peninsula Water Management. (See attached staff notes of the MPWMD of October 21, 1996 outlining their program and ordinance, in addition to attached information notes from MPWMD's September 16, 1996 Water Conservation Program Report.)**

SWRCB - ORDER No. WR 95-10  
Quarterly Report - August/October 1996

ORDER CONDITION NO. 3

RESPONSE NO. 3 (b) (Continued):

Cal-Am and the MPWMD will be coordinating their respective retrofit programs very closely to achieve maximum compliance.

Federal installations located on the Monterey Peninsula have signed an agreement to bring about water savings through retrofit compliance. This agreement has been signed by the Presidio of Monterey, the Monterey Bay Naval Support Activities, the Monterey Coast Guard Station, the Monterey Peninsula Water Management District, the State Department of Water Resources, the Department of Energy—all of which will be working toward compliance. (See attached newspaper article and Water Conservation Report by MPWMD, October 21, 1996.)

Cal-Am is working with the Carmel Area Wastewater District/Pebble Beach Community Services District on the expansion of their Water Reclamation Project to make available to the District for wintertime storage Cal-Am's Forest Lake Reservoir, which has a capacity of 425 AF and is now out of service. Engineering studies have been conducted and the project is feasible. (See attached MPWMD Staff Report, Wastewater Reclamation, September 16, 1996.)

Cal-Am anticipates meeting the additional 5% reduction goal in part by implementation of our voluntary conservation program; by the retrofit programs jointly operated by the Monterey Peninsula Water Management District and by Cal-Am (saving 80 AF)—MPWMD Draft Ordinance No. 85, October 21, 1996). Additional retrofitting savings is anticipated being achieved by retrofitting the Naval Postgraduate School and the Navy Housing (saving 37 AF); by retrofitting of all local Army facilities (saving 100 AF); by the Reclamation Program becoming totally self-sufficient (saving 397 AF); and by the Seaside Municipal Water Company well field becoming fully operational (saving 28 AF). These projects alone, without a reduction quantifying or counting conservation savings, constitute 642 AF toward the goal number of 705 AF.

If at the beginning of the dry season or the Spring of 1997, Cal-Am can see that voluntary conservation alone will not reach this goal, Cal-Am will consider invoking mandatory rationing.

*Jo. Frank Ferrante*



METER RECORD

Ship to: Proantony, Co. METER SERIAL NUMBER 117987  
 Meter Type 102 IV w/Prop Meter Size 12"  
 Meter Spec. EM-102-121-121-30 Type of Inst. or Control RATE Sales Order No. 61525  
 Tach Dial \_\_\_\_\_ Inst. or Control Ser. No. 117987 Size Test Pipe 12.09" ID

Test Registration 100 gals Cust. Reg. 100 CF  
 Cust. Pipe Size 12.09" I.D. ML Flg. Tube  
 Type of Prop  Bld.  Cone  Polythene  Durez  
8 3/4" φ 6 Bld.  Durez  Polythene  
 SPECIAL W/H.V. ML Prop  
 Propeller No. \_\_\_\_\_

Test Registration 50.7 -2- 50.7 - 99614 Cust. Reg. 100 GALT  
 Cust. Pipe Size 12.09" I.D. M.L. FLG. Tube  
 Type of Prop  Bld.  Cone  Polythene  Durez  
2 3/4" 6 Bld.  Durez  Polythene  
 SPECIAL H.V. PROP  
 Propeller No. \_\_\_\_\_

Test Index No. 1 35.10 Test Index No. 2 \_\_\_\_\_

GEARS	TANK	METER	Accuracy	TIME	G.P.M.
4 1/6	2365	2394	101.1	60	2365
	1520	1534	100.9	60	1520
	1000	1000	100.0	60	1000

Test Index No. 1 42.98 Test Index No. 2 \_\_\_\_\_

GEARS	TANK	METER	Accuracy	TIME	G.P.M.
4 5/16	2279	2277	99.9	60	2279
	1506	1495	99.3	60	1506
	999	986	98.7	60	999

Tested ~ 12.09" I.D.  
 w/straight reading Reg.

Slow down Meter \_\_\_\_\_ % Speed up Meter \_\_\_\_\_ %  
 Final Meter Index 35.10 Reg. Index 100.0  
 \*Calibrated Meter Index \_\_\_\_\_ Gears 13/37  
 Remarks 1500-2250 GPM RFB  
 Tested by JMI Certified By [Signature]  
 Date 11-18-81 Date 11-18-81

Slow down Meter \_\_\_\_\_ % Speed up Meter 8 %  
 Final Meter Index 43.33 Reg. Index 100.0  
 \*Calibrated Meter Index \_\_\_\_\_ Gears 13/30  
 Remarks R.F.B w/ 1500-2250 G.P.M. CONSTANT  
 Tested by J.S.A Certified By [Signature]  
 Date 07.13.95 Date 7-17-95

T.A.R -3- 50.7 - 91.554  
 Test Registration 100 GALT Cust. Reg. 100 GALT  
 Cust. Pipe Size 12.09" I.D. M.L. FLG. Tube  
 Type of Prop  Bld.  Cone  Polythene  Durez  
2 3/4" 6 Bld.  Durez  Polythene  
 SPECIAL H.V. PROP  
 Propeller No. \_\_\_\_\_

50.7 - 91.554 -4-  
 Test Registration 100 GALT Cust. Reg. 100 GALT  
 Cust. Pipe Size 12.09" I.D. M.L. FLG. Tube  
 Type of Prop  Bld.  Cone  Polythene  Durez  
2 3/4" 6 Bld.  Durez  Polythene  
 SPECIAL H.V. PROP  
 Propeller No. \_\_\_\_\_

Test Index No. 1 \_\_\_\_\_ Test Index No. 2 \_\_\_\_\_

GEARS	TANK	METER	Accuracy	TIME	G.P.M.	CUFT
13	2241	29124	130.2	60	2241	3.90
	1530	2012.3	131.5	60	1530	2.69
	905	11744	129.8	60	905	1.57

Tested ~ 12.09" I.D. w/ Reg.  
 Before

Test Index No. 1 33.33 Test Index No. 2 \_\_\_\_\_

GEARS	TANK	METER	Accuracy	TIME	G.P.M.	CUFT
13/39	2215	2229.2	100.6	60	2215	2.98
	1511	1518.5	100.5	60	1511	2.03
	879	875.2	99.6	60	879	1.17

Tested ~ 12.09" I.D. w/ Reg.  
 AFTER

Slow down Meter \_\_\_\_\_ % Speed up Meter \_\_\_\_\_ %  
 Final Meter Index 43.33 Reg. Index 100.0  
 \*Calibrated Meter Index \_\_\_\_\_ Gears 13/30  
 Remarks w/ R.F.B  
 Tested by J. Single Certified By [Signature]  
 Date 10.1.94 Date 10-1-94

Slow down Meter \_\_\_\_\_ % Speed up Meter \_\_\_\_\_ %  
 Final Meter Index 33.33 Reg. Index 100.0  
 \*Calibrated Meter Index \_\_\_\_\_ Gears 13/39  
 Remarks R.F.B w/ 1500-2200 G.P.M. CONSTANT  
 Tested by J. Single Certified By [Signature]  
 Date 10.1.94 Date 10-1-94

10=2 SERIAL NO. 117987

10/31/96

**SWRCB - ORDER NO. WR 95-10  
Quarterly Report - August/October 1996**

**ORDER CONDITION NO. 4**

*Cal-Am shall maximize production from the Seaside aquifer for the purpose of serving existing connections, honoring existing commitments (allocations), and to reduce diversions from the Carmel River to the greatest practicable extent. The long-term yield of the basin shall be maintained by using the practical rate of withdrawal method.*

**RESPONSE NO. 4:**

**Production from the Seaside Basin during the water year 1995-96 was 4,320 AF. The Seaside Basin production goal was 4,000 AF. Cal-Am continues maximizing this basin and refurbishing its wells within this basin. Cal-Am is also continuing its study in conjunction with the Monterey Peninsula Water Management District to determine the hydrology of this basin and its capacity. This report will be completed at the end of the year by the Monterey Peninsula Water Management District.**

**Enclosed is a Net Water Production Report by sub-basins showing the specific production from the Seaside Basin.**

10/31/96

**SWRCB - ORDER NO. WR 95-10  
Quarterly Report - August/October 1996**

**ORDER CONDITION NO. 2**

*Cal-Am shall diligently implement one or more of the following actions to terminate its unlawful diversions from the Carmel River: (1) obtain appropriate permits for water being unlawfully diverted from the Carmel River, (2) obtain water from other sources of supply and make one-for-one reductions in unlawful diversions from the Carmel River, provided that water pumped from the Seaside aquifer shall be governed by Condition 4 of this Order, not this condition, and/or (3) contract with another agency having appropriate rights to divert and use water from the Carmel River.*

**RESPONSE NO. 2.3:**

**See response to Order Condition No. 12(a) below.**

SWRCB - ORDER No. WR 95-10  
Quarterly Report - August/October 1996

ORDER CONDITION NO. 3

- (a) *Cal-Am shall develop and implement an urban water conservation plan. In addition, Cal-Am shall develop and implement a water conservation plan based upon best irrigation practices for all parcels with turf and crops of more than one-half acre receiving Carmel River water deliveries from Cal-Am. Documentation that best irrigation practices and urban water conservation have already been implemented may be substituted for plans where applicable.*
- (b) *Urban and irrigation conservation measures shall remain in effect until Cal-Am ceases unlawful diversions from the Carmel River. Conservation measures required by this Order in combination with conservation measures required by the District shall have the goal of achieving 15 percent conservation in the 1996 water year and 20 percent conservation in each subsequent year.<sup>23</sup> To the extent that this requirement conflicts with prior commitments (allocations) by the District, the Chief, Division of Water Rights shall have the authority to modify the conservation requirement. The base for measuring conservation savings shall be 14,106<sup>24</sup> AFA. Water conservation measures required by this order shall not supersede any more stringent water conservation requirement imposed by other agencies.*

**RESPONSE NO. 3 (a):**

Cal-Am filed its "Monterey Division Urban Water Management and Water Storage Contingency Plan - 1995-2000" as part of its July 1996 quarterly report and awaits SWRCB's final acceptance.

SWRCB - ORDER NO. WR 95-10  
Quarterly Report - May/July 1996

ORDER CONDITION NO. 5

*Cal-Am shall satisfy the water demands of its customers by extracting water from its most downstream wells to the maximum practicable extent, without degrading water quality or significantly affecting the operation of other wells.*

**RESPONSE No. 5:**

The September 20, 1996 report by the SWRCB regarding Cal-Am's prior quarterly reports indicated that Cal-Am presently is in compliance with Condition No. 5. However, in a separate letter from the SWRCB dated September 12, 1996, the SWRCB requested verification of Cal-Am's production utilizing its lowermost wells in the Carmel Valley Aquifer as part of the compliance of Condition No. 5.

Attached is a chart showing the production water year 1995-96 broken down by the specific sub-aquifer sections, noting the following production data: Aquifer No. 1 is 63.6 AF, Aquifer No. 2 is 7.4 AF, the Water West System is 125.2 AF, Aquifer No. 3 is 5,401.8, and Aquifer No. 4 is 2,808.5 AF.

Production from the Cypress Well has been adjusted by 20% due to a malfunction of the well meter. Cal-Am continues to meet the requirements of Condition No. 5 and the Memo of Understanding between the California Department of Fish and Game, the Monterey Peninsula Water Management District and Cal-Am for operating its lowermost wells. On the attached report we have indicated the wells that were out of service for the 1995-96 water year, the reason and the length of time.

Cal-Am believes, as does the SWRCB, that it is in compliance with this condition. Cal-Am works very closely with the Monterey Peninsula Water Management District and the Department of Fish and Game. See attached letters dated September 24, 1996 and October 24, 1996 from Dave Dettman, MPWMD Senior Fish Biologist, which outline the changes that have been made within the Memo of Understanding to assist the District in preserving the fishery when there has been equipment failure.



# California-American Water Company

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Lawrence D. Foy  
Vice President & Manager

December 3, 1996

Mr. Walt Pettit, Chief  
Division of Water Rights  
State Water Resources Control Board  
901 P Street  
Sacramento, CA 95814-2000

RE: SWRCB Order No. WR 95-10

Dear Mr. Pettit:

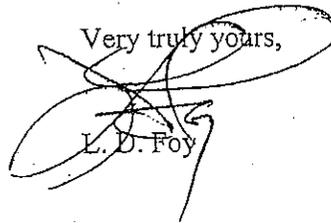
In Cal-Am's quarterly report dated November 4, 1996, we indicated that we would supply the following interim update concerning ordering conditions number 2.1 and 12(a):

On November 11, 1996, Cal-Am, through its legal counsel (Steeffel, Levitt and Weiss), filed with the State Water Resources Control Board, the California Public Utilities Commission, the Army Corps of Engineers, and the Monterey Peninsula Water Management District its request for applications to move forward with the construction of a 24,000 acre-foot dam on the Carmel River, known as the Carmel River Dam. The facility will be financed, designed, constructed, and owned and operated by California-American Water Company, and will be entirely located on property presently owned by Cal-Am. The facility will be identical to the project proposed by the Monterey Peninsula Water Management District with two exceptions: The proponent will be Cal-Am, and the project description will be revised to eliminate any growth from this facility.

Copies of the letters of transmittal are enclosed (with tab sections), along with news briefings that were held and copies of the press packet and media responses, including editorials and letters to the editors to date. Meetings have been held with staff from your agency and from the California Public Utilities Commission and the Monterey Peninsula Water Management District. In addition, a full presentation was made before the Monterey Peninsula Water Management Board of Directors. The Monterey Peninsula Water Management District will be moving forward with their response to the application, as will the other agencies.

It is Cal-Am's intent to hold continuous community education programs by its staff and the staffs of National Demographics Corporation and Armanasco Public Relations, a local firm. We will be updating the SWRCB of the activities and decisions that are being made concerning this project through the normal quarterly report process, which the Company feels will meet the intent of Order Number WR 95-10.

Very truly yours,



L. D. Foy

LDF/ce  
Enclosures

Mr. Walt Pettit  
Page 2  
December 3, 1996

cc/enc: K. Anderson	D. Fuerst	G. Haas	T. Jones, Jr.	J. Carrasco
D. Armanasco	M. Lucca	L. Weiss, Esq.	D. Laredo, Esq.	J. Haines, Esq.

12/2/96

SWRCB - ORDER NO. WR 95-10  
Interim Report

ORDER CONDITION NO. 12

*Within 90 days of the date of this order, Cal-Am shall submit for the approval of the Chief, Division of Water Rights:*

- (a) A compliance plan detailing the specific actions which will be taken to comply with condition 2 and the dates by which those actions will be accomplished;*
- (b) An urban water conservation plan;*
- (c) An irrigation management plan.*

**RESPONSE 12(a):**

On November 12, 1996, Cal-Am filed applications with the State Water Resources Control Board, Army Corps of Engineers, the California Public Utilities Commission, and the Monterey Peninsula Water Management District to build a 24,000 AF Carmel River Dam on Cal-Am's property, downriver of the existing Los Padres Dam. Detailed backup, along with the formal filing, are made part of this interim report.