

Exhibit CAW-030F



California-American Water Company

Monterey Division
50 Ragsdale Dr., Suite 100, P.O. Box 951 • Monterey, CA 93942-0951

(408) 373-3051 FAX (408) 375-4367

Lawrence D. Foy
Vice President & Manager

443-151

February 5, 1997

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

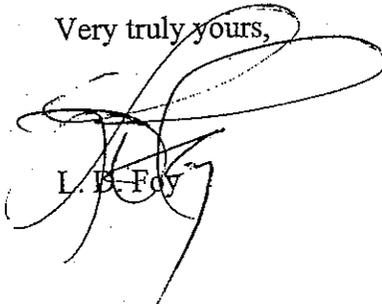
RE: SWRCB Order No. WR 95-10

Dear Mr. Pettit:

As a condition of the above order, we are filing herewith our *quarterly* report for the period November 1, 1996 through January 31, 1997 updating the status of Condition Nos. 2, 3, 4, 5, 6, 7, 8, 11 and 12, including the supporting backup information for each condition.

Enclosed as part of this filing are the *monthly* reports required under Condition Nos. 3 (b) and 5.

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.

Exhibit CAW 030F

1/31/97

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1996/January 1997

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.

1/31/97

SWRCB - ORDER No. WR 95-10
Quarterly Report - November 1996/January 1997

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.²³ 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 14,106²⁴ 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 - November 1996/January 1997

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.²³ 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 14,106²⁴ 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):

Cal-Am continues to work with the community to obtain their assistance in reaching our conservation goals established under the order for the 1996-1997 water year.

At their November meeting, the MPWMD approved a resolution for encouraging increased voluntary water conservation. See enclosed copy.

The city of Monterey responded to the request of the Company for voluntary conservation in all avenues. The city has responded with discussions with all the businesses within their city and the city staff to bring about water conservation, including stringent water conservation measures with retrofitting of their facilities. See enclosed letter.

1/31/97

**SWRCB - ORDER No. WR 95-10
Quarterly Report - November 1996/January 1997**

ORDER CONDITION NO. 3

RESPONSE NO. 3 (b) (Continued):

The MPWMD put into effect its Retrofit Program. A copy of the brochure that has been circulated is enclosed. The program has taken off to a very successful start with 144 toilet retrofits.

Cal-Am, the MPWMD and the CAWD/PBCSD are working together to jointly bring about the expansion of the Water Reclamation Project to utilize Cal-Am's Forest Lake Reservoir for water storage in the winter, for peaking in the summer. Although the Reclamation Program is not up to 100% of its capacity, they are working diligently to retrofit the system to accomplish 100% compliance. See enclosed copy of MPWMD staff notes and letter from PBCSD.

Cal-Am filed its last quarterly report. The Monterey Regional Water Pollution Control Agency's final report - Monterey Peninsula Reclaimed Water Urban Reuse Facility Study Update, September 1996. Included and made part of this report are Errata Sheets to that final report.

RESOLUTION NO. 96-08

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
ENCOURAGING INCREASED VOLUNTARY WATER CONSERVATION**

WHEREAS the Monterey Peninsula Water Management District's objectives and responsibilities include augmentation of the water supply and promotion of water conservation, reuse, and reclamation on the Monterey Peninsula; and

WHEREAS the Monterey Peninsula Water Management District has supported water conservation as a reasonable means to extend local water supplies; and

WHEREAS the State Water Resources Control Board determined in July 1995 that a significant portion of the community's water supply is being taken without a valid water right, and ordered that the public trust resources (environmental quality) of the Carmel River must be protected; and

WHEREAS the State Water Resources Control Board directed California-American Water Company to reduce water production from the Carmel River by 15 percent in Water Year 1996 and by 20 percent in Water Year 1997 and each subsequent year; and

WHEREAS during Water Year 1996, California-American Water Company asked the public to reduce water consumption by 15 percent; and

WHEREAS California-American Water Company, in response to the State Water Resources Control Board Order No. 95-10, is asking the public to save 20 percent during Water Year 1997 and each subsequent year; and

WHEREAS the Board has previously adopted a policy by Ordinance No. 61 that continues water waste prohibitions during non-drought periods; and

WHEREAS the water waste prohibitions outlined in Ordinance No. 61 emulate California-American Water Company's reestablishment of Public Utilities Commission Rule 14.2--Voluntary Water Conservation Plan, within the Monterey District; and

WHEREAS the Monterey Peninsula Water Management District actively enforces water conservation rules and regulations and promotes water conservation education.

NOW THEREFORE, the Board of Directors of the Monterey Peninsula Water Management District does hereby resolve to support California-American Water Company's efforts to promote increased voluntary water conservation on the Monterey Peninsula. The District will support the effort in the following ways:

1. The District shall continue to promote and enforce its requirements for retrofit upon resale, change of use or expansion in use;
2. The District shall maintain its requirements for installation of low-flow showerheads and faucet aerators and toilet reduction devices in all businesses;
3. The District shall continue to implement the water waste ordinance, including addressing water waste incidents through water awareness education, and enforcing the rules against repeat offenders.
4. The District shall continue to serve as a member of the Water Awareness Committee of Monterey County and shall support the Committee's efforts to educate the public about water issues;
5. The District shall continue to provide water conservation information and water saving devices (showerheads, dye tablets, toilet dams) to the public;
6. The District shall continue to educate the public through presentations and talks at local workshops and group meetings;
7. The District shall continue to work with representatives at the Federal installations on the Peninsula and with representatives of the Federal Energy Management Laboratory to obtain financing for extensive retrofitting and conservation activities on the Federal properties.
8. The District shall continue to provide plant brochures and water saving plant identification tags to local nurseries to encourage installation of drought-tolerant and native plants;
9. The District shall continue to promote wastewater reclamation and reuse;
10. The District shall proceed with implementation of a toilet retrofit rebate program following adoption of Ordinance No. 85 in December 1996. The goal of the first phase of the rebate program is 1,640 toilet retrofits.

11. The District plans to install a drought-tolerant demonstration garden at the District office in the Spring of 1997 to promote the use of drought-tolerant plants and efficient irrigation systems.

On motion of Director Haddad, and second by Director Hughes, the foregoing resolution is duly adopted this 18th day of November, 1996, by the following vote:

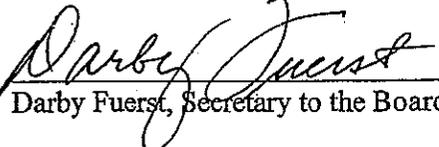
AYES: Directors Burkdeo, Ely, Haddad, Hughes and Pendergrass

NAYS: None

ABSENT: Directors Ernst and Karas

I, Darby Fuerst, secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of a resolution adopted on the 18th day of November, 1996.

Witness my hand and seal of the Board of Directors this 21st day of November, 1996.



Darby Fuerst, Secretary to the Board

1/31/97

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1996/January 1997

ORDER CONDITION NO. 6

Cal-Am shall conduct a reconnaissance level study of the feasibility, benefits, and costs of supplying water to the Carmel Valley Village Filter Plant from its more nearby wells downstream of the plant. The objective of supplying water from the wells is to maintain surface flow in the stream as far downstream as possible by releasing water from San Clemente Dam for maintenance of fish habitat. The results of the study and recommendations shall be provided to the District and DF&G for comment.

RESPONSE NO. 6:

Copy of the report "Reconnaissance-Level Hydrogeologic Study Alternative Source of Water Supply to the Carmel Valley Filter Plant" dated September 1996 was provided to the SWRCB, the MPWMD and the CDF&G. The Company is awaiting a response from these agencies.

1/31/97

SWRCB - ORDER WR 95-10
Quarterly Report - November 1996/January 1997

ORDER CONDITION NO. 7

Cal-Am shall evaluate the feasibility of bypassing early storm runoff at Los Padres and San Clemente Dams to recharge the subterranean stream below San Clemente Dam in order to restore surface water flows in the river at an earlier date. The results of the study and recommendations shall be provided to the District and DF&G for comment.

RESPONSE NO. 7:

The draft report for the study being conducted on behalf of Cal-Am by the Monterey Peninsula Water Management District is scheduled to be completed in February 1997 and the final report on March 31, 1997. See attached letter dated February 3, 1997 from Darby Fuerst.

1/31/97

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1996/January 1997

ORDER CONDITION NO. 8

Cal-Am shall conduct a study of the feasibility, benefits, and costs of modifying critical stream reaches to facilitate the passage of fish. The study shall be designed and carried out in consultation with DF&G and the District. The results of the study and recommendations shall be provided to the District and DF&G for comment.

RESPONSE NO. 8:

The draft report for the study being conducted on behalf of Cal-Am by the Monterey Peninsula Water Management District is scheduled for completion by April 30, 1997, and a final report by June 30, 1997. See letter dated February 3, 1997 from Darby Fuerst. Also enclosed is a Memorandum dated February 3, 1997 from Dave Dettman of the District detailing the status of the tasks involved and the locations of potential critical reaches within the Carmel River.

1/31/97

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

ORDER CONDITION NO. 11

Cal-Am shall be responsible for implementing all measures in the "Mitigation Program for the District's Water Allocation Program Environmental Impact Report" not implemented by the District after June 30, 1996.²⁵ Not later than August 30, 1996, Cal-Am shall submit a report to the Chief, Division of Water Rights, identifying mitigation measures which the District does not continue to implement after June 30, 1996. At the same time, Cal-Am shall submit a plan for the approval of the Chief, Division of Water Rights, detailing how it will implement mitigation measures not implemented by the District. The Chief, Division of Water Rights, may excuse Cal-Am from implementing specific mitigation measures only upon making a finding that Cal-Am has demonstrated that it does not have adequate legal authority to implement the ability to finance such measures or demonstrate that such measures are demonstrably ineffective.

RESPONSE NO. 11:

On June 18, 1996 The Monterey Peninsula Water Management District's board of directors advised the SWRCB of their intent to continue the Mitigation Program for fiscal years 1997 through 2001. That program is in place and is being maintained by the staff of the MPWMD. For reference and information, enclosed is a copy of the 1995-96 Annual Report for the Five-Year Mitigation Program dated January 1997. The full report is being provided to the SWRCB, the CDF&G. All others are being provided copy of the Title Page, Table of Contents and Introduction. There will be no other reports made on a quarterly basis for this condition, except inclusion of the annual report in January of each year.

1/31/97

**SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1996/January 1997**

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):

Cal-Am reported in its August/October 1996 quarterly report that it would be filing a detailed interim report on Condition Nos. 2.1 and 12 (a). That report was filed December 3, 1996 with the appropriate agencies and interested parties.

Status - Carmel River Dam and Reservoir Project

Permit Request

MPWMD advised Cal-Am on December 13, 1996 that the application was incomplete in several areas. That information is being developed and will be forwarded shortly to the District. See enclosed copy of their letter.

On January 23, 1997 the MPWMD staff reported to their board of directors the status of the progress of the Permit Application, Cal-Am's proposal to amend our water distribution system and construct the Carmel River Dam Project. They have laid out a 24-step process that will take a 12-month period to complete through hearings. We are presently in the step 3 identification process.

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1996/January 1997

ORDER CONDITION NO. 12

RESPONSE 12(a) (Continued):

SWRCB - Letter dated December 16, 1996 to the MPWMD indicated that it is deferring an action on Cal-Am's request regarding Permit 20808 (Application No. 27614) to allow the continued negotiations between the MPWMD and Cal-Am regarding the licensing of the permits for the new Carmel River Dam and Reservoir. Note: Initiative circulated by a group known as "POWR" has been approved for a mail ballot for March 4, 1997. As a condition of this initiative that would impose upon the MPWMD to pass an ordinance that would prohibit the transfer of the permits to Cal-Am. The POWR group has requested a clarification from the Superior Court concerning transfer including licensing permit or any other means of conveyance. The court has determined this is a question that cannot be answered and would be a subject for future proceedings if the POWR Initiative, Measure A, passes.

California Public Utilities Commission - On January 13, 1997 the CPUC advised the MPWMD that it continues to work with Cal-Am concerning completeness of its application and additional information is being requested. However, they have advised that after consultation with the Commissioner's office and the Commissioner of Environmental Compliance's staff, the CPUC would forego a lead agency or co-lead agency role with requirements of the California Environmental Quality Act. It states, "It is our belief that the lead agency role is properly vested in the MPWMD, and the CPUC shall only assume the role of a responsible agency." See enclosed letter.

Meetings with the Public

As part of the community canvass conducted by National Demographics Corporation on Cal-Am's behalf, on January 6, 1997 we invited 150 people to attend a presentation of the Carmel River Dam and Reservoir Project. We were pleased to have 130 people respond and in attendance. See enclosed copy of invitation. Of the group that attendance, more than 50 indicated their willingness to participate in our future endeavor to assist Cal-Am accomplish solving the water supply problem for the Monterey Peninsula.

1/31/97

**SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1996/January 1997**

ORDER CONDITION NO. 12

RESPONSE 12(a) (Continued):

Being encouraged, we determined to take this presentation to other parts of the Peninsula and have invited other citizens within the community that responded to the community canvass to attend one of three sessions to be held during the week of February 10. See enclosed invitation letter.

The general manager and the employee relations manager continue their involvement with programs and presentations throughout the community with various groups. See enclosed quarter calendar.

Customer Letters

We continue to receive responses from our customers, both to Cal-Am and to the city of Del Rey Oaks.

Letters to Customers

Cal-Am continues to respond to the inquiries of the customers. See enclosed copies of letters.

News Clippings and Editorials for the Quarter

In the enclosed news clipping section you will find references to Measure A, both pros and cons.

Also included in this section are highlights of newsletters of the Monterey Commercial Property Owners Association and Commercial Real Estate Marketing News.