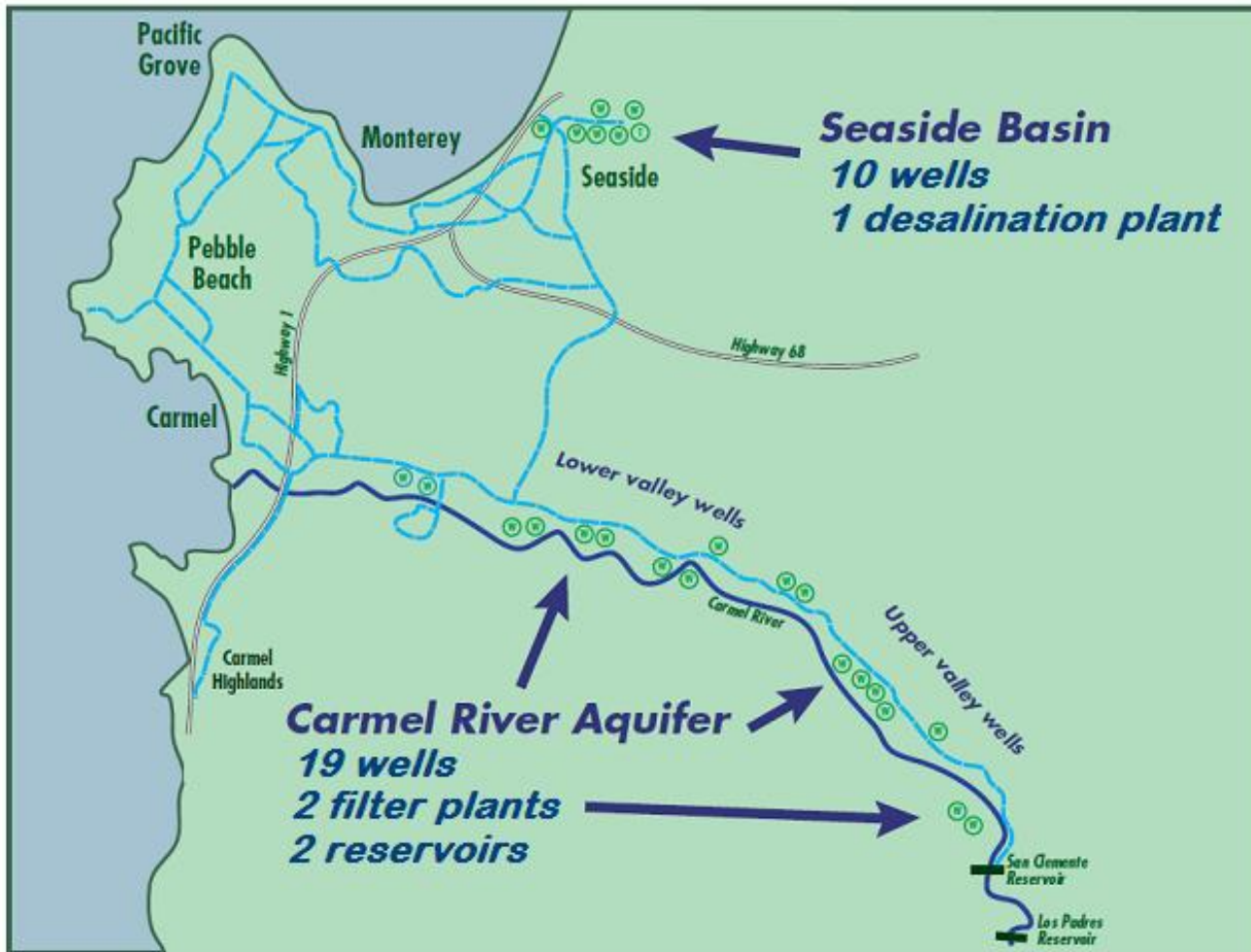




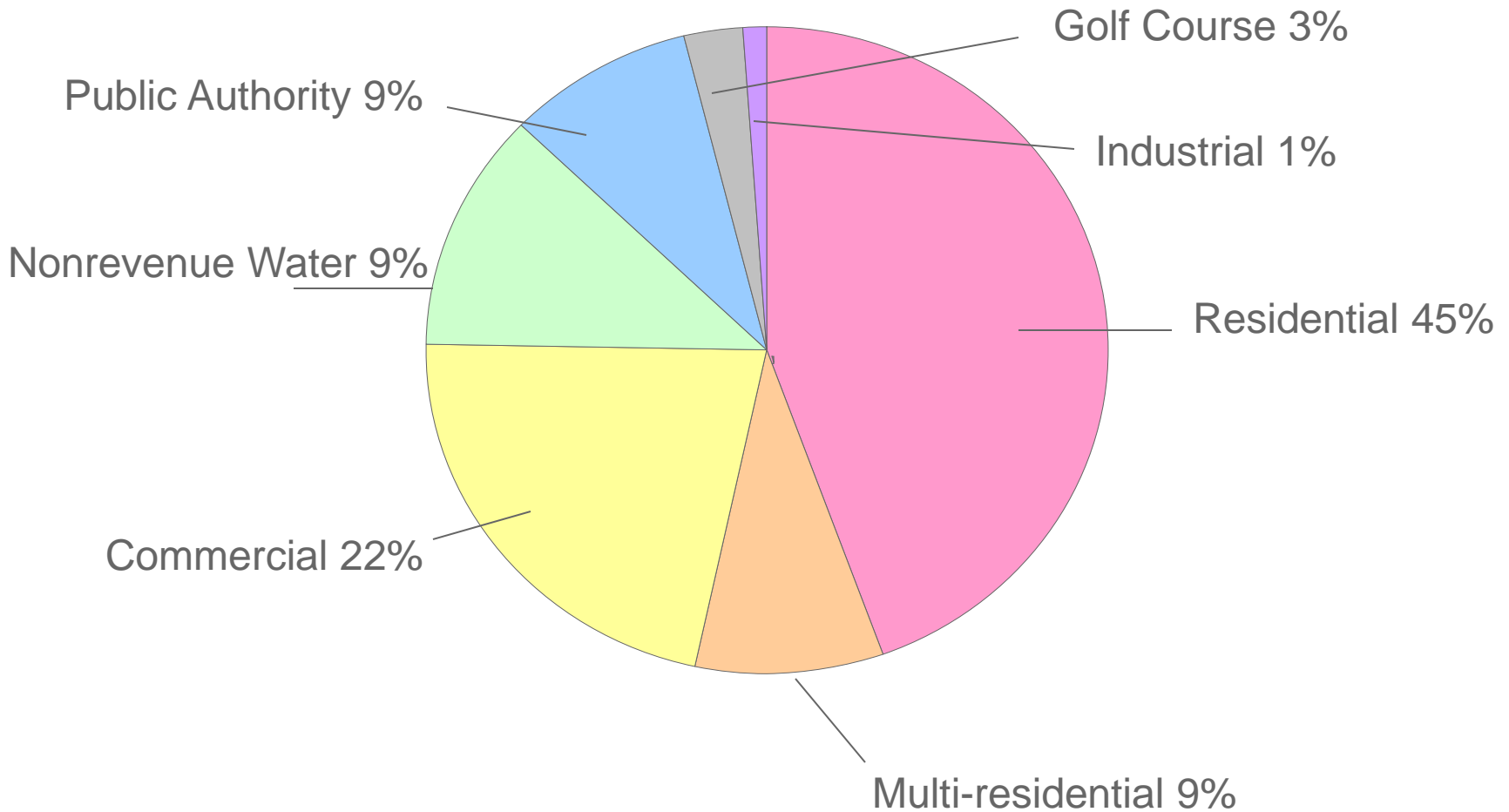
CALIFORNIA
AMERICAN WATER

**CALIFORNIA AMERICAN WATER MONTEREY COUNTY DISTRICT
UPDATE ON COMPLIANCE WITH STATE
WATER CONTROL BOARD ORDER WR 2009-0060**

The Monterey Main System



System Usage by Type



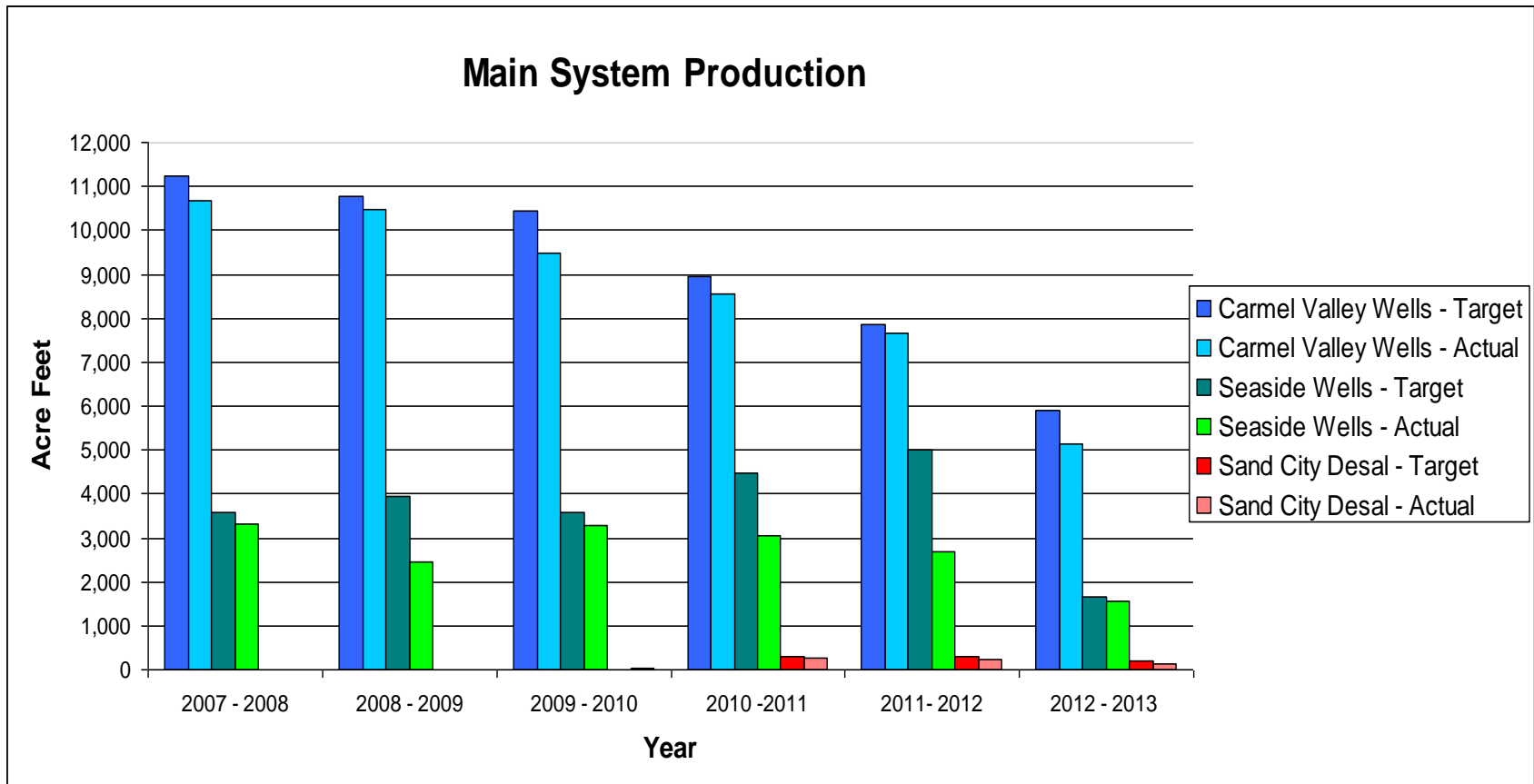
SWCB ORDER WR 2009-0060

- **In October 2009, the California State Water Resources Control Board issued a Cease and Desist Order that requires cutbacks from the areas primary water source, the Carmel River. The cutbacks begin gradually but by the 2017 “cliff” will require achieving the limit of 3,376 AF.**
- **California American Water has been working diligently on a water supply project as a replacement supply for the Carmel River and the adjudicated Seaside Groundwater Basin.**
- **The following will provide an update on California American Water’s compliance.**

CONDITION 6(a)

- **Condition 6(a) requires California American to provide monthly summaries of the quantity of water it diverts from the Carmel river.**
- **California American Water continues to report diversions as part of its quarterly updates to the SWRCB. All diversions have been within that allowed under condition 3(a).**
- **The chart on the following page provides the total production for the Monterey Main System compared to the agreed targets set by MPWMD, CA Fish & Wildlife, National Marine Fisheries Service, and California American Water.**

Main System Production – Water Years 2007 - 2013



*2013 Year to Date Usage

Water Year 2009-2010 Carmel River Production – 9,486 AF

Water Year 2011-2012 Carmel River Production – 7,646 AF (- 19.4%)

CONDITION 6(b)

- Condition 6(b) requires California American Water to provide monthly summaries of the quantity of ASR project water diverted from the river under Permit 20808A and stored in the Seaside groundwater basin. The monthly report is to state the quantity of water beneficially used under Permit 20808A and the current balance of water in storage.

Aquifer Storage	
WY 2005 – 2006	411 AF
WY 2006 – 2007	11 AF
WY 2007 – 2008	60 AF
WY 2008 – 2009	181 AF
WY 2009 – 2010	1,110 AF
WY 2010 – 2011	1,117 AF
WY 2011 – 2012	131 AF
WY 2012 – 2013	294 AF

CONDITION 6(c)

- **Condition 6(c) requires California American Water to provide monthly summaries of the quantity of water being produced by the Sand City desalination plant. The report is also to identify new service connections within Sand City and report the quantity of water being delivered to the new connections. The monthly report is also to specify the quantity of water used to reduce diversions from the river during the reporting period.**

SAND CITY DESALINATION PRODUCTION

- Plant permit to operate received in April 2010

Sand City Desalination Plant Production (AF)	
WY 2009-2010	45.90
WY 2010-2011	275.68
WY 2011-2012	242.20
WY 2012-2013 *	119.25
Total	683.03

- Total New Connections – 2
- Total Consumption to Date – 0.1560 Acre Feet

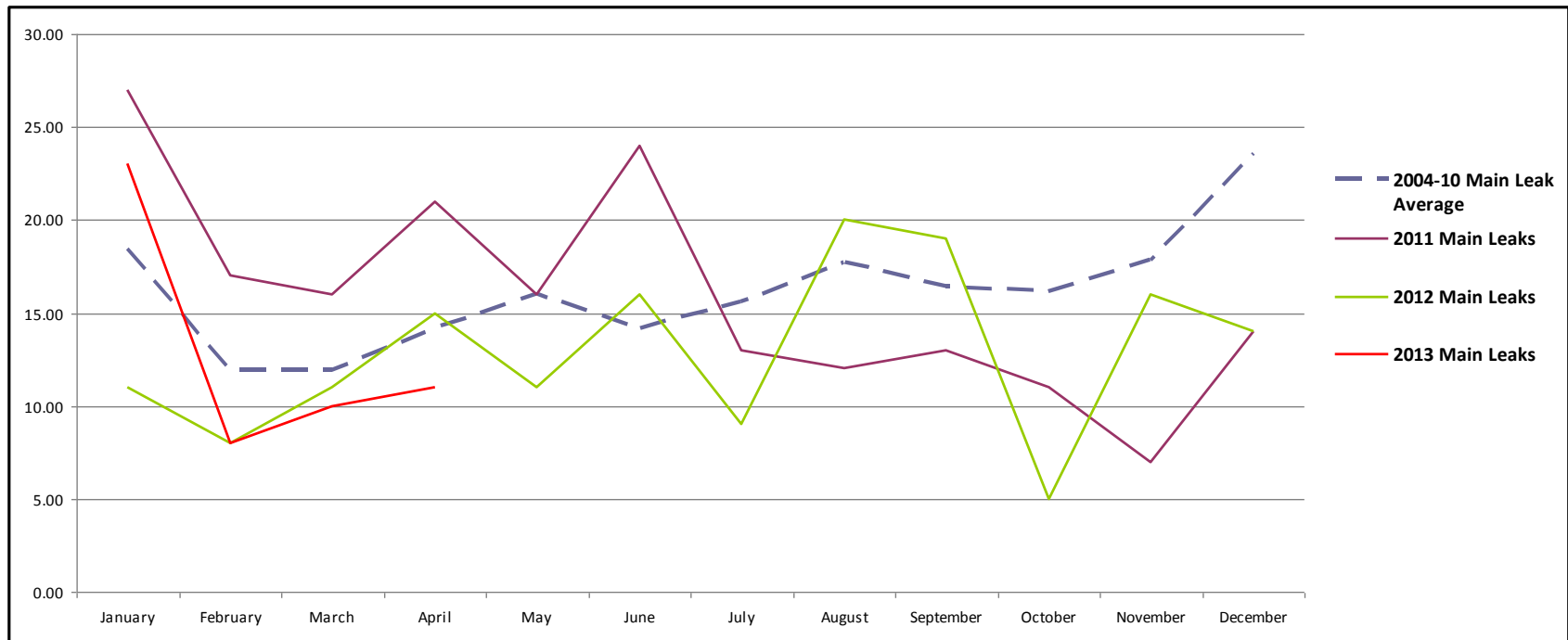
*2013 Year to Date Usage

CONDITION 6(d)

- **Condition 6(d) requires California American Water to provide monthly summaries of the quantity of water saved by reducing system losses.**
- **California American Water continues to focus on reducing system losses. The “base year” for reporting NRW is Water Year 2008 – 2009 for which the Main System losses were calculated at 1,276 Acre Feet.**
- **Current 12-month running total is 885 Acre Feet which equates to a reduction of 391 Acre Feet.**

CONDITION 6(d) continued...

The number of system leaks has been reduced from an annual average of 193 main leaks per year for the period covering 2004 – 2010. The total for 2011 was 191 and 2012 dropped to 155. The decrease is a result of main replacements and other system improvements.



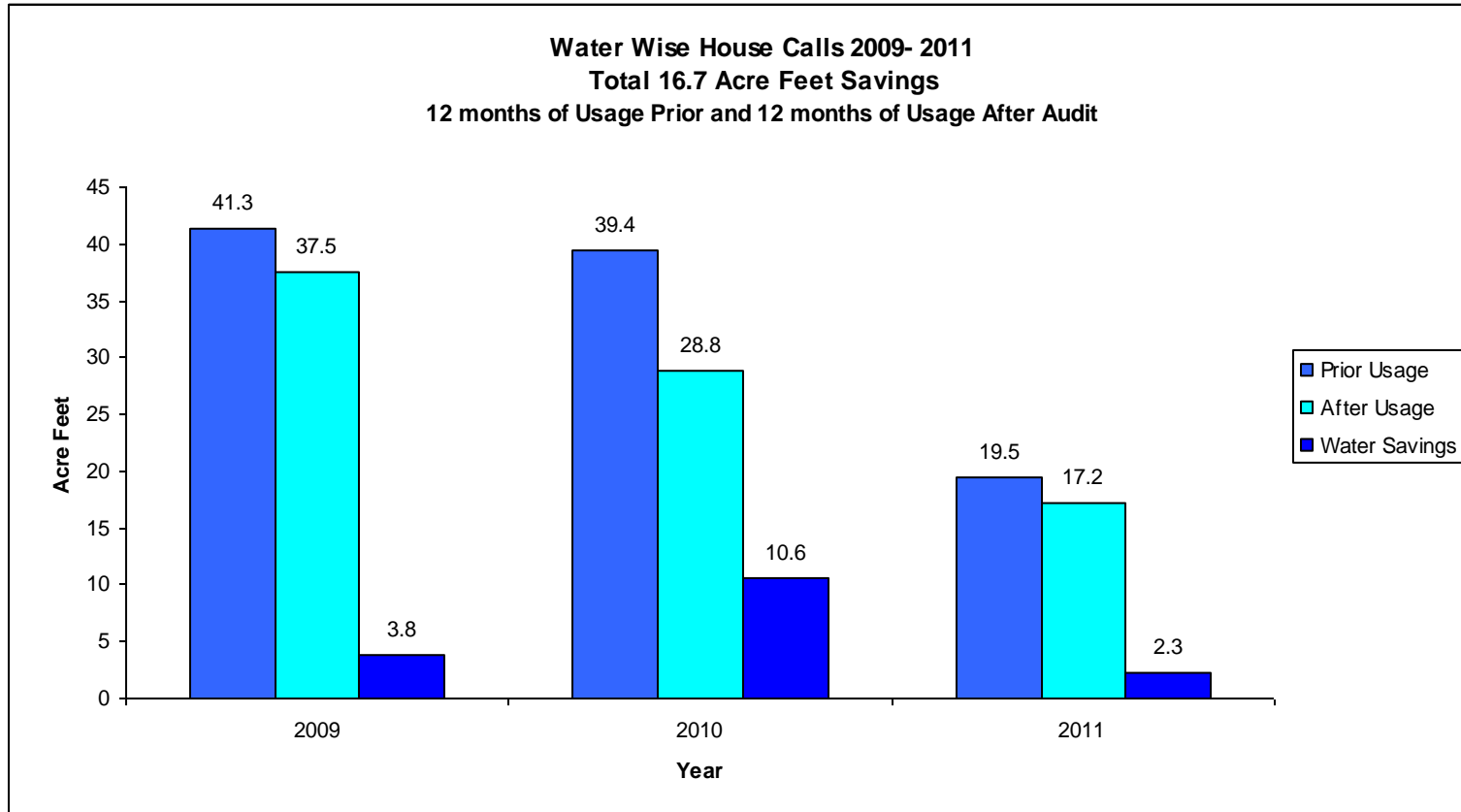
CONDITION 6(e)

- **Condition 6(e) requires California American Water to provide monthly summaries of reductions in demand for potable water due to conservation actions such as increased rates, the Monterey Peninsula Water Management District's retrofit program, programs to reduce potable water use for outdoor irrigation, and other demand reduction initiatives.**
- **California American Water continues to invest in conservation programs (see following slides)**
- **A significant portion of our system's wastewater is put to beneficial use via two recycling projects:**
 - Carmel Area Wastewater District/ PBCSD Reclamation Project
 - Monterey Regional Water Pollution Control Agency Recycle Project

CONDITION 6(e) continued...

- **Free Water Wise House Calls – California American Water will check for leaks indoors and outdoors, teach you to read your meter and create personalized watering schedule**
- **Free conservation devices**
 - **Low flow shower heads, sink aerators, hose nozzles, moisture meters, hose timers, and more**
- **Free Landscape Audits for large users**
- **Free Installation Rain Sensor Program**
- **In school education**
- **Public Outreach**
- **Large Landscape Grant Program for Municipalities**
- **\$100 + rebates are offered through California American Water and the Monterey Peninsula Water Management District. Application available at www.mpwmd.dst.ca.us or call (831) 658-5601.**

Water Wise House Calls – Water Savings 2009 - 2011



Landscape Grant Program – Water Savings

City of Monterey (185,000 Gallons)

Before



After



City of Seaside (335,000 Gallons)

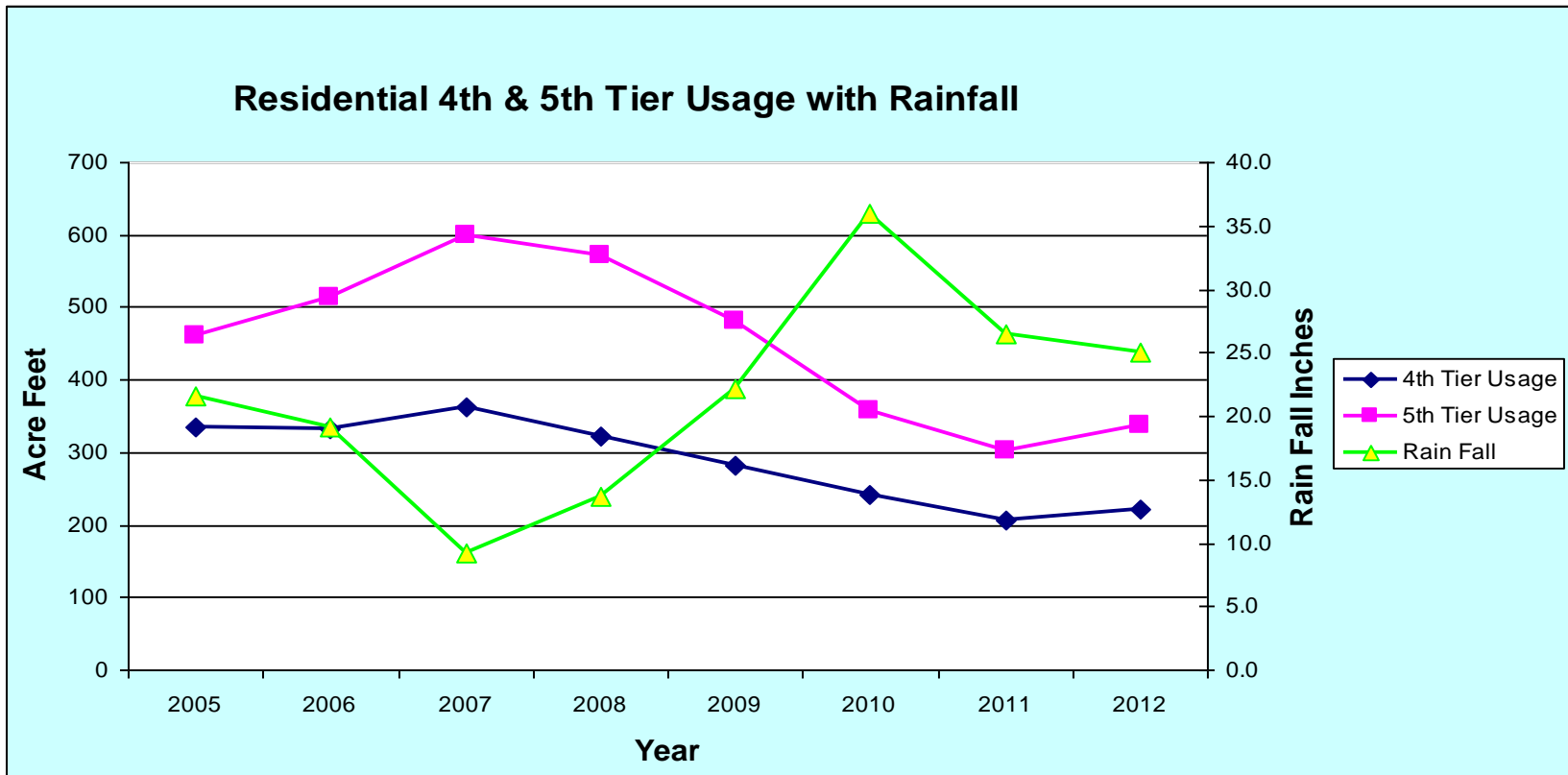
Before



After



Residential 4th & 5th Usage – Years 2005 - 2012



CONDITION 6(f)

- **Condition 6(f) requires California American Water to provide monthly summaries identifying all new service connections. The report is to include the California American Water account number, the service address, the name of each authority granting any approval required for connecting to California American Water's system and the name of each authority granting any approval required before commencing construction; the issuer of each approval and the date of each approval shall be separately listed for each service address.**
- **The CPUC approved moratorium¹ for the Monterey main system prohibits new connections with the exception of those within Sand City's jurisdiction and customers who have purchased entitlements through Pebble Beach Company. California American Water continues to report all new connections in accordance with the order.**

*CPUC Decision D1103048 dated March 24, 2011

CONDITION 6(g)

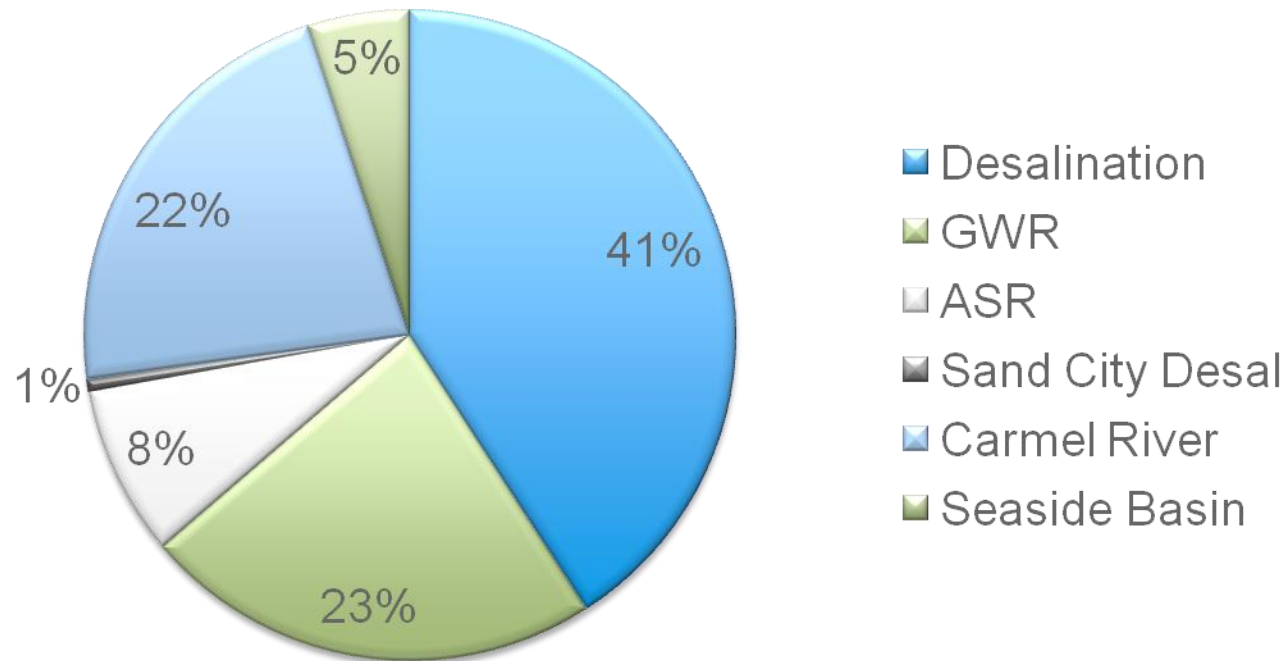
- **Condition 6(g) requires California American Water to provide monthly summaries identifying existing service addresses that receive an increased supply of water due to a change in zoning or use. The report is to include the California American Water account number, the service address and the name of each authority authorizing the change of use or zoning and the date of such change.**
- **California American Water continues to provide quarterly updates that list permits issued by the Monterey Peninsula Water Management District authorizing changes to existing service addresses that will result in an increased use of water through a change in zoning or use.**

MPWSP Basics - Overview

- **Desalination and ASR facilities required to replace partial loss of supplies from Carmel River and Seaside Groundwater Basin. (approx. 70% of existing supplies)**
- **6.4 MGD to 9.6 MGD (6,252 to 9,752 AFY) desalination plant, depending on implementation of MRWPCA's GWR project, located north of Marina**
- **13.2 to 25 MGD slant well intake system (7 to 9 Wells) on coastline**
- **Brine discharge to MRWPCA's existing outfall**
- **ASR system in Seaside Groundwater Basin**

MPWSP Provides Diversified Supply

Proposed Water Sources



MPWSP Basics - Role of GWR

- Independent Project by MRWPCA
- Groundwater Replenishment (GWR) is a great opportunity for the Peninsula
 - Sec Effluent → AWTP → Injection → Extraction
 - Utilizes available excess winter effluent flow
 - Lower overall carbon footprint
 - Reduces effluent flow to Monterey Bay
 - Effective use of vast underground storage reservoir
- CAW's desalination plant will be downsized if GWR can be implemented.

Desalination Plant Components

- **Feedwater Storage**
- **Pretreatment**
- **Reverse Osmosis with Partial Second Pass**
- **Chemical Facilities and Post Treatment**
- **Product Water Storage**
- **Product Water Pump Station**
- **Brine Storage**
- **Residuals Management Facilities**
- **Non-Process Facilities**
 - Site
 - Administration/Operations Building
 - Emergency Power

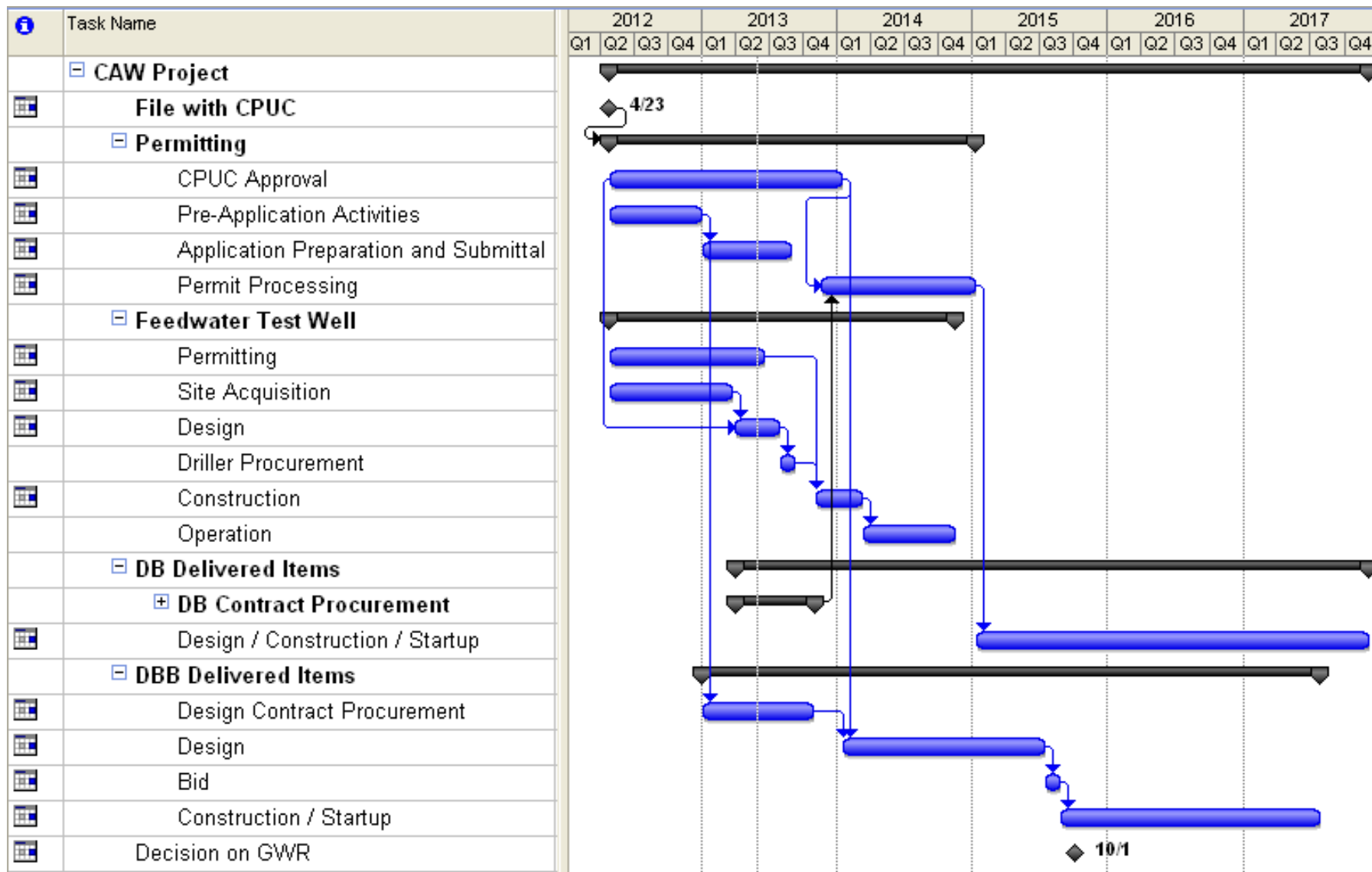
Contingency Plans

- **As part of CPUC Application several contingency approaches have been identified and reviewed:**
 - 8 alternate intake configurations including Ranney wells, open ocean intakes and alternative slant well sites.
 - 8 Facilities siting configurations including sites at Moss Landing.
 - 4 Discharge Options including new outfalls and use of existing facilities at Moss Landing.

What is the current status of the project?

- Submitted Application to CPUC on April 23, 2012, seeking approval to design, build and place into rates a 9,752 AFY desalination plant. Application includes CEQA review by CPUC.
- Application also seeks permission to make desalination plant smaller (6,252 AFY) if the GWR project can be realized in time. The decision to implement GWR will be based on several factors, including: cost, schedule, and public acceptance
- CPUC expects Final Decision on the Application in the 1st Q of 2014.

Current Project Schedule



Questions?

