

Exhibit CAW-030H



California-American Water Company

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443-151

August 12, 1997

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

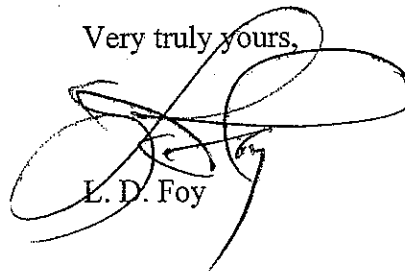
RE: SWRCB Order No. WR 95-10

Dear Mr. Pettit:

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

Enclosed and made part of this report is the *monthly* report required under Condition Nos. 3(b) and 5.

Very truly yours,



L. D. Foy

LDF/mh
Enclosure

cc: K. Aasen
D. Fuerst
G. Haas
T. Jones, Jr.
J. Carrasco
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8/13/97

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

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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.

Cal-Am and MPWMD joined in a cooperative residential toilet replacement refund program which has committed \$328,000. The program has a projected goal of 3,280 toilets to be replaced through the \$100 Rebate Program. To date, 1,038 units have been replaced at an estimated water savings of 23.87 AF. (See the enclosed excerpt from MPWMD's July 1, 1997 staff report.)

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RESPONSE NO. 3 (b):

Total production from the Carmel Valley, both surface and well diversion, for the ten months of water year 1996-1997 was 639.1 AF over the same ten-month period last year. The monthly production for July 1997 was 121.2 AF below the July 1996 period and approximately 50 AF below the projected goal for the month of July. Total production from the Carmel Valley was 10,021.0 AF, or 88.8% of the project goal of 11,285 AF. (See enclosed production and comparison reports and graphs.)

All production facilities were operated in accordance with the Memo of Agreement between the MPWMD, the CDF&G and Cal-Am. All facilities were operable, except Pearce Well which was out of service for replacement of a pump column.

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**ORDER CONDITION NO. 3
(Continued)**

RESPONSE NO. 3 (b) (Continued):

On July 1, 1997 Cal-Am announced that its Voluntary Conservation Program, Phase II, was placed in effect and that it has filed with the California Public Utilities Commission to make the program mandatory. On August 1, 1997 the CPUC passed its Resolution No. W-4058 which made the Voluntary Conservation's four-phased program mandatory. The program will remain in effect until we have a water supply project that meets the goals set out in the SWRCB Order No. WR 95-10. (See enclosed Draft Resolution, media advisory notification and news release regarding Mandatory Conservation Plan. Also enclosed are news articles and advertisements about conservation and a customer letter.)

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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:

Cal-Am continues to work with the MPWMD and the CDF&G to maximize pumpage in the Seaside Basin, thereby taking demands off the Carmel Valley. However, on June 19, 1997, the MPWMD requested that the Company curtail pumpage above that which was outlined in the Memo of Agreement between the two agencies and the Company—that we not exceed the long-term sustainable yield of 4,000 AF. This was approved by the MPWMD Board of Directors on July 16, 1997.

On July 20, 1997 the U. S. Fish and Wildlife Service advised Cal-Am and the MPWMD of their concerns over the drawdown in the Carmel Valley that was drying up pools that were habitat for red-legged frog tadpoles. In their letter of July 20, 1997 they requested that the SWRCB curtail or eliminate all pumpage in the Carmel Valley. They recommended that the SWRCB not issue additional water rights for removal of water from the Carmel River Groundwater Basin. That request was answered in an August 4, 1997 letter from the SWRCB. However, in a telephone call by the MPWMD we were asked to continue to maximize the Seaside basin through July in an effort to maintain pools until the red-legged frog's life cycle matures to land dweller. The Company concurred with that and produced 554.8 AF from the Seaside Basin in July for a total year-to-date production of 3,626 AF. (See enclosed letters, board minutes and production report. Also see enclosed news article pertaining to red-legged frog and steelhead trout.)

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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:

Cal-Am is making part of this quarterly report the requirement to provide monthly production data from specific sub-units in the Carmel Valley via Cal-Am wells.

Aquifer No. 1 produced 1.0 AF; Aquifer No. 2 - 0.0 AF; Water West - 10.8 AF; Aquifer No. 3 - 718.9 AF; Aquifer No. 4 - 230.7 AF. Total production for the month of July was 1,140.7 AF; less backwash (8.1 AF) net production 1,132.5 AF. This is a reduction of 121.2 AF over the same month in 1996.

Cal-Am continues to take its production from its lowermost wells as indicated in this report and is further specified in detailed production reports found in Condition 3(b).

We continued to experience dry weather without benefit of rainfall since January 1997.

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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.

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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 Monterey Peninsula Water Management District, who is under contract to Cal-Am to provide studies for Bypass Early Storm Runoff Feasibility, has provided the status report. (See enclosed letter).

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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 Monterey Peninsula Water Management District is under contract to Cal-Am to provide a study for Critical Stream Reach Feasibility. Sites have been selected. (See status report—letter enclosed.)

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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):

Status - Carmel River Dam and Reservoir Project

Jones & Stokes has been selected the environmental consultant to complete the Supplemental EIR on the subject project.

There were four scoping sessions held with public input. A scoping report has been issued. It is anticipated that a Draft EIR will be available for circulation in the fall for community input.

The CPUC held its public participation hearings on May 15. It was determined at this meeting to hold workshops. A workshop was held on July 28, 1997 and a second was is scheduled of August 11, 1997 to discuss alternatives in the hope of obtaining a community consensus for a solution. (See enclosed news articles and letter from MPWMD concerning "Spragg's Bag" transportation system of fresh water to the Peninsula.)