


Exhibit CAW-030N



California-American Water Company

Monterey Division
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Judith L. Almond
Manager

443-151

February 24, 1999

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

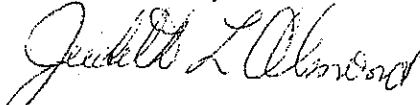
RE: SWRCB Order No. WR 95-10

Dear Mr. Pettit:

As a condition of the subject order, we are filing herewith our *quarterly* report for the period of November 1, 1998 through January 31, 1999 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,



Judith L. Almond

JLA/mh
Enclosure

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Exhibit CAW 030N

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

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).

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

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):

On July 27, 1998 on the recommendation of assigned Commissioner Henry Duque and assigned ALJ Steven Kotz, the California Public Utilities Commission issued the following statement:

"There is no need for a hearing in these applications. Instead, we intend to place on the August 6, 1998 agenda for the Commission consideration a decision making the following disposition:

- (a). The applicant would be authorized on an ex parte basis to establish a memorandum account for the current water year (ending September 1998) and for the water year ending September 30, 1999, to record any fines imposed on the applicant for excessive withdrawal from the Carmel River system during those water years. Cost recovery of any recorded amount would be subject to a reasonableness review.
- (b) Except as indicated above in (A) above the application would be dismissed without prejudice. The applicant would be directed to pursue the requested relief in the next general rate case, which is scheduled to begin early in 1999."

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

ORDER CONDITION NO. 3

RESPONSE NO. 3 (a) (Continued):

Cal-Am is continuing with full emphasis on its Phase IV Mandatory Conservation Plan as previously outlined. The resulting benefits are reported in the following conditions of the order.

Cal-Am has filed with the California Public Utilities Commission a request for the calendar year 1999 to allow the Company to recover from customers' proposed expenditures for various conservation measures, such as water audits and a census of all customers. Water audits will be performed on all large turf irrigated areas, including large residential users (then using over 513,000 gallons annually). The census is to be used to develop a rate design adaptive to each customer and their specific needs while ensuring compliance with the Order's limitation on water production.

In addition, the Monterey Peninsula Water Management District has approved an initial version of a water conservation and rationing plan which will satisfy a three-fold purpose: 1) compliance with the production goal of the order; 2) adopting an emergency plan in case of a actual water shortage; and 3) adopting a water emergency plan which will provide relief in case a short-term curtailment is necessary. Adoption of the Ordinance should occur in December.

The Company's proposal to the CPUC and MPWMD's Ordinance were tailored to correspond with each other, and in fact the Company's request for authorization to expend funds for audits and the census are integral portions of the District's overall Ordinance.

In its Decision 98-08-036, issued August 6, 1998, the California Public Utilities Commission rejected Cal-Am's pending applications by which the Company sought Commission authority to impose a more steeply inverted block-rated design and to implement a standby water rationing plan and a moratorium on new or expanded services. Those applications were dismissed without prejudice and the Company was authorized to pass through to the community over the next two water years any further fines imposed by the SWRCB. Additionally, Cal-Am was urged to work with the Monterey Peninsula Water Management District or to "utilize" the plan of the MPWMD. Cal-Am was directed to seek an associated balancing account with the GRC filing. On January 26, 1999 the Monterey Peninsula Water Management District adopted Ordinance 92, an expanded water conservation and standby rationing plan.

CALIFORNIA-AMERICAN WATER COMPANY
Monterey Division 443
DAILY PRODUCTION (AF)
Carmel Valley & Seaside Wells

JANUARY 1999

Monthly Target 958.0
 Days in Month 31
 Daily Target 30.9

	Daily Target	Actual Daily Pumpage	WYTD-Target	WYTD Actual Pumpage	12 Mos. Target Pumpage	12 Mos. Actual Pumpage
01/01/99	30.9	34.3	3,505.5	3,284.0	15,285.0	13,862.4
01/02/99	30.9	35.1	3,536.4	3,319.1	15,285.0	13,861.0
01/03/99	30.9	34.0	3,567.3	3,353.1	15,285.0	13,862.3
01/04/99	30.9	35.0	3,598.2	3,388.1	15,285.0	13,865.3
01/05/99	30.9	36.4	3,629.1	3,424.4	15,285.0	13,865.7
01/06/99	30.9	35.4	3,660.0	3,459.8	15,285.0	13,872.1
01/07/99	30.9	33.1	3,690.9	3,492.9	15,285.0	13,873.4
01/08/99	30.9	36.2	3,721.8	3,529.1	15,285.0	13,880.4
01/09/99	30.9	35.0	3,752.7	3,564.1	15,285.0	13,882.9
01/10/99	30.9	34.7	3,783.6	3,598.8	15,285.0	13,888.2
01/11/99	30.9	33.3	3,814.5	3,632.0	15,285.0	13,890.2
01/12/99	30.9	35.7	3,845.4	3,667.7	15,285.0	13,896.7
01/13/99	30.9	33.5	3,876.3	3,701.3	15,285.0	13,899.5
01/14/99	30.9	34.7	3,907.2	3,736.0	15,285.0	13,904.0
01/15/99	30.9	34.4	3,938.1	3,770.4	15,285.0	13,907.5
01/16/99	30.9	33.6	3,969.0	3,803.9	15,285.0	13,909.0
01/17/99	30.9	33.7	3,999.9	3,837.6	15,285.0	13,910.4
01/18/99	30.9	32.3	4,030.8	3,869.9	15,285.0	13,911.4
01/19/99	30.9	30.9	4,061.7	3,900.8	15,285.0	13,906.7
01/20/99	30.9	26.9	4,092.6	3,927.7	15,285.0	13,905.4
01/21/99	30.9	30.9	4,123.5	3,958.6	15,285.0	13,905.5
01/22/99	30.9	34.3	4,154.4	3,992.9	15,285.0	13,908.5
01/23/99	30.9	30.5	4,185.3	4,023.4	15,285.0	13,908.0
01/24/99	30.9	29.9	4,216.2	4,053.2	15,285.0	13,907.9
01/25/99	30.9	30.8	4,247.1	4,084.0	15,285.0	13,905.3
01/26/99	30.9	28.5	4,278.0	4,112.5	15,285.0	13,903.1
01/27/99	30.9	32.5	4,308.9	4,145.0	15,285.0	13,905.3
01/28/99	30.9	29.4	4,339.8	4,174.4	15,285.0	13,904.3
01/29/99	30.9	33.9	4,370.7	4,208.3	15,285.0	13,905.6
01/30/99	30.9	32.4	4,401.6	4,240.7	15,285.0	13,906.1
01/31/99	30.9	29.0	4,432.5	4,269.7	15,285.0	13,903.2
		* (22.8)	4,432.5	4,246.9	15,285.0	13,880.4
Monthly Total	957.9	997.1	4%			

* Seaside pilot injection well (CV water supplied) - pumped for MPWMD

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Quarterly Report - November 1998/January 1999

ORDER CONDITION NO. 3

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RESPONSE NO. 3 (b):

Expanding upon the previously reported conditions and quarter of August/October 1998, specifically continuing the reporting requested in the SWRCB's letter dated April 17, 1998, we are providing production graphs and charts from our Carmel Valley wells not to exceed 11,285 AF and a total system goal of not to exceed 15,285 AF, including the Seaside Basin.

For the four months of the water year October 1998 through January 1999, the established goal for the Carmel Valley was 3,047 AF. Actual production for the four-month period from both surface and well diversions was 2,886 AF, a decrease of 5.3% under the Carmel Valley goal. The overall system goal, including the Seaside Basin is 15,285 AF for the water year October 1998 through September 1999.

Commencing a new water year, Cal-Am began to pump from its Seaside Basin with the goal of reaching 4,000 AF throughout the water year. The 4,000 AF goal is established under the Memo of Understanding with the Monterey Peninsula Water Management District and the California Department of Fish and Game.

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

ORDER CONDITION NO. 3

RESPONSE NO. 3 (b) (Continued):

The community continues to show its response to Cal-Am's Phase IV Mandatory Conservation, its continued advertising and community involvement programs. Although it is projected that the remainder of this summer season will be hot and dry. We are optimistic that the conservation efforts of the community and the Company will keep us within the projected goals.

The new San Carlos Well is in the process of final construction and will not be in service until late April. The Manor Well is out of service for rehabilitation. It is expected to be returned to service in March.

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

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:

As indicated in the response to Condition 3(b), Cal-Am is maximizing its production from the Seaside Basin based on the Memo of Agreement between the MPWMD, Cal-Am and the CDF&G, adopted as part of the MPWMD's Water Supply Strategy by their board of directors. The agreement includes the relaxation of the basin during the winter months to allow recharge and maximization during the summer months. The projected goal is to extract 4,000 AF of water from the basin. During the first month of water year October 1998 through September 1999, production was 320.8 AF. Cal-Am will continue maximization of this basin which will assist in maintaining the production goal limits for the Carmel Valley Basin and assist with the continuation of river flows to the Lagoon.

Cal-Am has developed an acceptable conservative agreement with the U. S. Fish and Wildlife and National Marine Fisheries for the protection of the red-legged frog and the steelhead trout for operation in the Carmel Valley Basin during the water year 1998-1999. Also, in cooperation with the MPWMD, the Company will be preparing a Habitat Conservation Plan (HCP) for long-term production of the species in the Carmel River.

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

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 a part of this quarterly report the requirement to provide monthly production data for January 1999 from specific sub-units in the Carmel Valley via Carmel Valley wells.

Carmel Valley Filter Plant produced 115.4 AF, with 18.0 AF from Aquifers No. 1 and No. 2; Water West - 27.8 AF; Aquifer No. 3 - 540.4 AF; Aquifer No. 4 - 390 AF. Total production for the month of January was 740.6 AF. However, applying an adjustment of 3.6 AF for the Begonia Iron Removal Plant Backwash, brings the net production to 737.0 AF. See charts in exhibit attached to Condition 3(b) for detail.

Cal-Am, MPWMD and CDF&G have entered into a Memo of Agreement for the period May 1998 through December 1998 which establishes the releases that will be made through the reservoir system into the Carmel River and the diversion of surface water through Cal-Am's Carmel Valley Filter Plant. This document has been approved and executed by all parties and adopted by the MPWMD's board of directors as part of the overall water supply strategy. The MPWMD, the CDF&G and Cal-Am continue to meet quarterly to review flows and river conditions.

We will meet with the District and Fish and Game in late April to establish the MOA for 1999. At that time we should have a good idea about the storage and flow conditions for the remainder of the year. For the time being we rely on the quarterly meetings with these agencies such as the one scheduled for March 4.

In accordance with the terms of Order No. 98-04, on September 18, 1998, Cal-Am forwarded a draft scope of work to State Water Resources Control Board for the Operational Reconfiguration of the Lower Carmel Valley wells. In the submittal Cal-Am listed components of the proposed work and indicated that it would take approximately six weeks after receipt of your comments to work and indicated that it would take approximately six weeks after receipt of your comments to award a contract. On a January 4, 1999, Cal-Am received the SWRCB's response to the draft.

Since receipt of the SWRCB's response, Cal-Am has been working with the proposed consultants to prepare the required report.

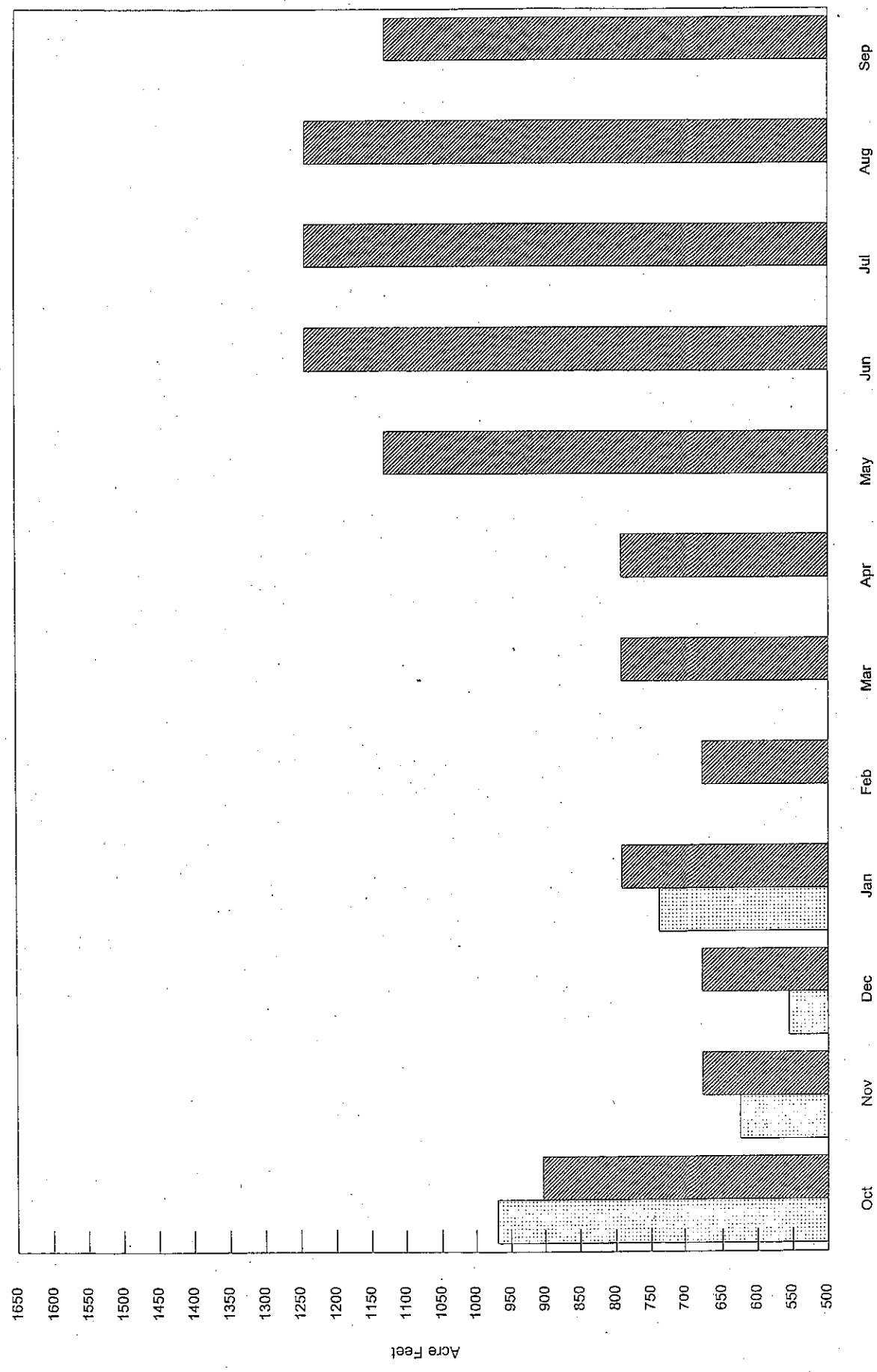
CALIFORNIA-AMERICAN WATER COMPANY
 Monterey Division 443
 CARMEL VALLEY WELLS
 Production Water Year (AF)
 1998-99

Date	CVFP	Aquifer 1	Aquifer 2	Water West	Aquifer 3	Aquifer 4	Total Production	BIRP Backwash	Net Production
Oct 1998	159.4	6.2	50.3	52.6	500.2	206.4	969.1	(0.2)	968.9
Oct 1997	157.7	1.0	0.0	9.5	623.6	227.1	1,018.9	(1.2)	1,017.7
Nov 1998	185.1	1.5	52.6	53.1	156.7	174.7	623.7	1.2	624.9
Nov 1997	24.6	33.9	0.0	0.0	372.1	222.5	653.1	1.1	654.2
Dec 1998	149.9	4.4	14.0	14.2	321.0	52.9	556.4	(1.2)	555.2
Dec 1997	98.9	24.4	0.0	5.8	514.4	221.9	865.4	3.3	868.7
Jan 1999	115.4	12.7	5.3	27.8	540.4	79.0	740.6	(3.6)	737.0
Jan 1998	145.4	18.3	0.0	11.7	591.5	214.3	981.2	(0.6)	980.6
Feb 1999									
Feb 1998	0.5	26.3	0.0	12.4	661.6	7.2	708.0	(1.9)	706.1
Mar 1999									
Mar 1998	190.0	6.5	18.7	45.9	722.0	0.0	983.1	0.6	983.7
Apr 1999									
Apr 1998	92.0	14.1	57.1	100.9	292.5	0.0	556.6	(1.4)	555.2
May 1999									
May 1998	233.9	0.0	4.3	42.1	358.0	0.0	638.3	(1.5)	636.8
Jun 1999									
Jun 1998	157.3	0.0	0.0	11.9	486.0	63.1	718.3	0.5	718.8
Jul 1999									
Jul 1998	154.6	0.0	0.0	10.6	473.4	237.5	876.1	(2.7)	873.4
Aug 1999									
Aug 1998	150.0	0.0	0.0	10.5	632.1	191.0	983.6	(4.0)	979.6
Sep 1999									
Sep 1998	150.7	0.0	16.1	9.1	821.4	180.8	1,178.1	(0.6)	1,177.5
Total	609.8	18.8	122.2	147.7	1,518.3	473.0	2,889.8	(3.8)	2,886.0

Figures Shaded - 98/99 Water Year

CARMEL VALLEY WELLS

Production Water Year



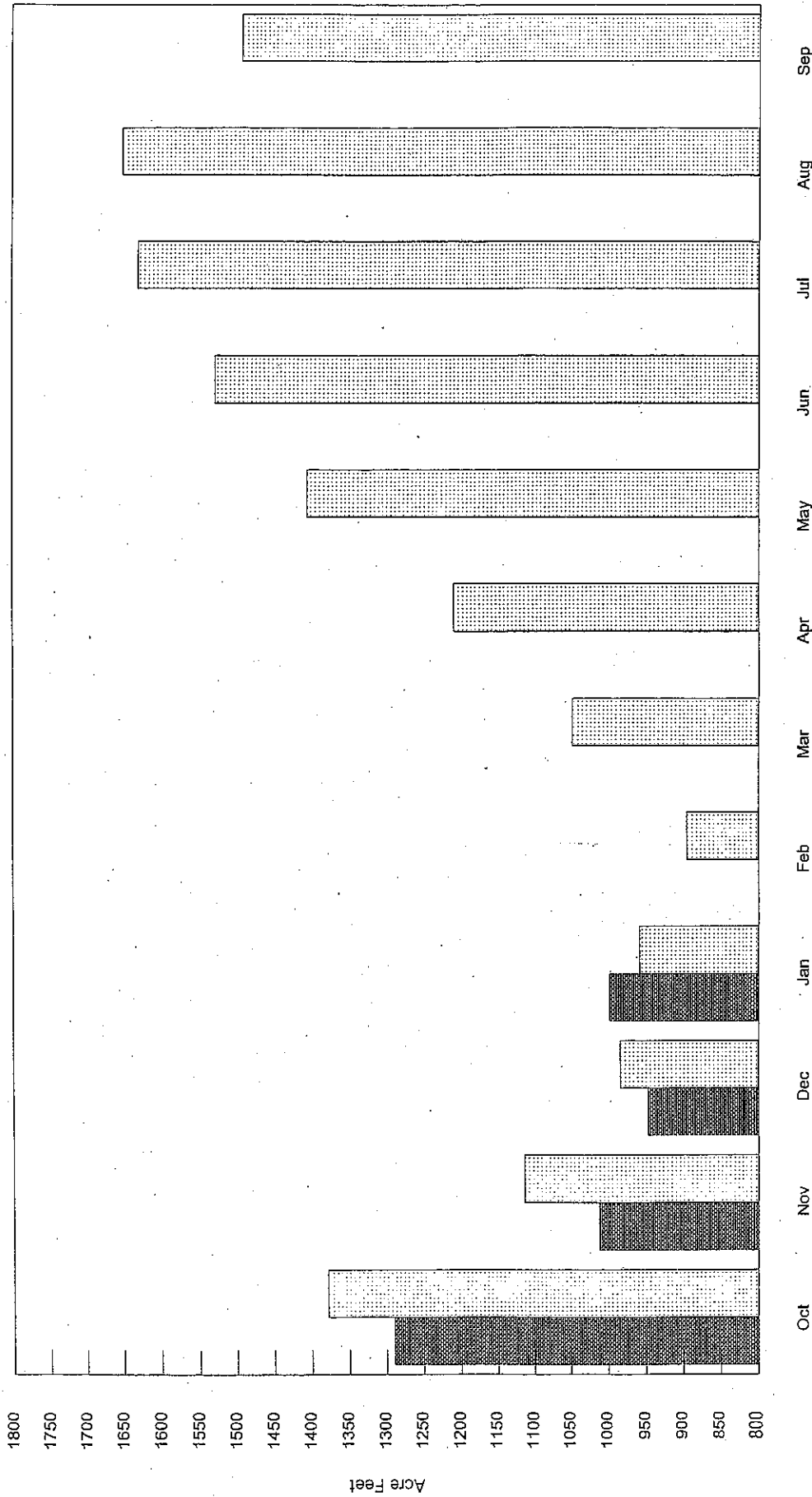
1998-99
 Goal

GOAL FOR CARMEL VALLEY WELLS

Oct	903
Nov	677
Dec	677
Jan	790
Feb	677
Mar	790
Apr	790
May	1,129
Jun	1,241
Jul	1,241
Aug	1,241
Sep	1,129
	<u><u>11,285 AF</u></u>

TOTAL SYSTEM PRODUCTION

1998-99 Water Year



TOTAL SYSTEM PRODUCTION
Goal for Water Year - 15,285 AF

1998-99
Goal

Total Production less Ryan Ranch & Hidden Hills

GOAL FOR TOTAL SYSTEM PRODUCTION

Oct	1,379
Nov	1,113
Dec	984
Jan	958
Feb	894
Mar	1,047
Apr	1,209
May	1,405
Jun	1,527
Jul	1,628
Aug	1,649
Sep	1,492
	<u><u>15,285 AF</u></u>

California-American Water Company
 Monterey Division
 Net System Production
 Water Year to Date 98-99

Month	San Clemente Dam Surface Water	Carmel Valley Wells	Water West Wells	Seaside Wells	Ryan Ranch Wells	Hidden Hills Wells	NET SYSTEM PRODUCTION	Net System (less RR & HH)
10/98	CF 6,942,012 1000 G 51,930 AF 159.4	32,967,205 246,612 756.8	2,290,350 17,133 52.6	13,973,598 104,530 320.8	258,693 1,935 5.9	682,899 5,109 15.7	57,114,757 427,249 1,311.2	1,289.6
Y-T-D	CF 6,942,012 1000 G 51,930 AF 159.4	32,967,205 246,612 756.8	2,290,350 17,133 52.6	13,973,598 104,530 320.8	258,693 1,935 5.9	682,899 5,109 15.7	57,114,757 427,249 1,311.2	1,289.6
11/98	CF 8,062,137 1000 G 60,309 AF 185.1	16,840,846 125,979 386.6	2,312,811 17,301 53.1	16,899,507 126,417 388.0	177,640 1,329 4.1	458,800 3,432 10.5	44,751,741 334,767 1,027.4	1,012.8
Y-T-D	CF 15,004,149 1000 G 112,239 AF 344.5	49,808,051 372,591 1,143.4	4,603,161 34,434 105.7	30,873,105 230,947 708.8	436,333 3,264 10.0	1,141,699 8,541 26.2	101,866,498 762,016 2,338.6	2,302.4
12/98	CF 6,531,417 1000 G 48,858 AF 149.9	17,029,625 127,390 390.9	616,461 4,611 14.2	17,093,710 127,870 392.4	5,374 40 0.1	396,225 2,964 9.1	41,672,812 311,733 956.6	947.4
Y-T-D	CF 21,535,566 1000 G 161,097 AF 494.4	66,837,676 499,981 1,534.3	5,219,622 39,045 119.9	47,966,815 358,817 1,101.2	441,707 3,304 10.1	1,537,924 11,505 35.3	143,539,310 1,073,749 3,295.2	3,249.8
01/99	CF 5,026,472 1000 G 57,601 AF 115.4	25,862,520 198,480 593.8	1,209,513 9,048 27.8	14,386,196 84,801 260.2	176,072 1,917 4.0	205,975 3,022 9.3	41,019,828 329,291 1,010.5	997.2
Y-T-D	CF 26,562,038 1000 G 198,698 AF 609.8	92,702,196 693,461 2,128.1	6,429,235 48,093 147.7	59,303,011 443,618 1,361.4	617,779 4,621 14.1	1,944,899 14,549 44.6	187,559,158 1,403,040 4,305.7	4,247.0

* Adjustment: 1.36 AF deducted from CV Wells (Manor) for 10/30-10/31

California-American Water Company
 Monterey Division
 Net System Production
 Year to Date 1999

Month	San Clemente Dam Surface Water	Carmel Valley Wells	Water West Wells	Seaside Wells	Ryan Ranch Wells	Hidden Hills Wells	NET SYSTEM PRODUCTION	Net System (less RR & HH)
January	5,026,472	25,864,520	1,209,613	11,336,196	176,072	406,975	44,019,848	
1000 G	37,601	193,480	9,048	84,801	1,317	3,044	329,291	
AF	115.4	593.8	27.8	260.2	4.0	9.3	1,010.5	997.2
Y-T-D	5,026,472	25,864,520	1,209,613	11,336,196	176,072	406,975	44,019,848	
1000 G	37,601	193,480	9,048	84,801	1,317	3,044	329,291	
AF	115.4	593.8	27.8	260.2	4.0	9.3	1,010.5	997.2

CALIFORNIA IRIAN WATER COMPANY
 Bay Division 443
 CV WELLS - PRODUCTION
 January 1988

Date	Russell #2 (upper)	Russell #4 (upper)	Robles (upper)	LL #5 (upper)	LL #6 (upper)	Scarlett #8 (lower)	Bianwick #7 (lower)	Bianwick #9 (lower)	Begonia (lower)	Manor (lower)	Schulle (lower)	Pearce (lower)	Cypress (lower)	San Carlos (lower)	Rancho Canada (lower)	Backwash CF	TOTAL CF
1	0	0	0	0	0	0	0	76,400	87,900	130,360	353,325	0	0	0	32,600	(346)	683,921
2	0	0	0	0	0	0	0	127,100	140,200	130,350	353,325	0	0	0	32,600	(730)	784,305
3	0	0	0	0	0	0	0	76,300	87,700	130,350	353,325	0	0	0	32,600	(1,231)	679,506
4	0	0	0	0	0	0	0	157,000	180,000	2,800	360,600	0	21,400	0	36,600	(880)	759,480
5	0	0	0	0	0	0	0	128,000	140,200	159,200	162,800	32,200	74,800	0	101,600	7,051	791,749
6	0	0	0	0	0	0	0	198,800	48,900	159,800	126,400	14,400	121,000	0	90,300	2,760	756,840
7	0	0	0	0	0	0	0	236,400	9,800	153,000	316,500	0	43,800	0	125,600	5,287	879,813
8	0	0	0	0	0	0	0	230,267	230,267	125,600	190,133	0	79,800	0	60,600	2,367	830,200
9	0	0	0	0	0	0	0	230,267	230,267	125,600	190,133	0	0	0	60,600	(731)	753,398
10	0	0	0	0	0	0	0	146,067	96,400	139,500	360,000	0	25,000	0	60,600	5,170	747,496
11	0	0	0	0	0	0	0	88,700	291,400	15,500	240,600	15,600	0	0	68,500	30,577	749,523
12	0	0	0	0	0	0	0	192,700	241,900	0	209,000	0	31,700	0	57,200	24,430	772,970
13	0	0	0	0	0	0	0	148,000	165,600	0	340,400	0	19,300	0	56,400	27,862	654,718
14	0	0	0	0	0	0	0	202,200	105,600	0	340,400	0	19,300	0	43,600	1,920	709,190
15	0	0	0	0	0	0	0	160,400	123,467	0	305,100	0	61,500	0	43,300	(12,954)	706,721
16	0	0	0	0	0	0	0	160,400	123,467	0	305,100	0	61,500	0	43,300	(3,910)	697,677
17	0	0	0	0	0	0	0	116,800	157,300	0	341,200	0	38,100	0	43,300	(5,020)	698,767
18	26,140	9,800	0	0	0	0	0	28,800	215,900	0	295,400	0	0	0	38,800	30,880	660,320
19	17,283	32,580	0	1,000	0	0	0	61,000	146,000	0	349,300	0	0	0	49,900	643,184	643,184
20	20,896	30,170	0	0	0	0	0	132,100	254,200	0	357,300	0	0	0	16,900	569,783	569,783
21	20,503	35,910	0	80	310	239,115	0	204,400	258,367	0	344,133	0	64,133	0	57,000	(7,114)	801,760
22	22,957	31,550	0	0	0	239,115	0	204,400	258,367	0	344,133	0	64,133	0	0	(17,610)	1,241,562
23	25,954	29,490	0	0	0	239,115	0	204,400	258,367	0	344,133	0	64,133	0	0	(1,754)	1,166,309
24	51,783	26,080	0	50,420	58,170	246,060	0	111,400	152,200	0	322,300	0	46,600	0	0	28,100	1,137,482
25	28,717	27,280	0	48,280	47,489	237,130	0	186,200	231,100	0	304,800	0	78,800	0	0	(4,953)	982,103
26	23,160	24,430	0	0	24,840	247,052	0	261,700	306,600	0	113,400	0	0	0	0	16,380	1,119,473
27	0	0	0	0	0	227,209	0	30,000	252,000	0	281,900	0	168,800	0	224,800	25,585	1,285,734
28	0	0	0	0	0	238,453	0	153,037	266,267	0	325,500	0	57,833	0	191,900	30,860	1,168,539
29	0	0	0	0	0	238,453	0	153,037	266,267	0	325,500	0	57,833	0	51,467	(23,787)	1,118,353
30	21,600	8,110	0	0	0	238,453	0	153,037	266,267	0	325,500	0	57,833	0	51,467	500	1,123,767
31	10,275	30,230	0	0	0	238,453	0	153,037	266,267	0	325,500	0	57,833	0	51,467	(6,987)	1,142,049
CF	267,168	285,740	0	99,780	130,800	2,390,155	0	4,555,312	4,794,192	1,397,850	9,036,474	62,200	1,300,689	0	1,700,801	156,549	25,664,520
1000 G	1,999	2,137	0	746	978	17,880	0	34,076	35,863	10,455	67,598	465	9,730	0	12,724	1,174	193,480
AF	6.1	6.6	0.0	2.3	3.0	54.8	0.0	104.9	110.1	32.1	207.4	1.4	29.9	0.0	39.0	3.6	593.8

**California-America Water Company
Monterey Division
Rainfall**

Date	Los Padres Dam				San Clemente Dam				Pacific Grove			
	Jan 1999		Jan 1998		Jan 1999		Jan 1998		Jan 1999		Jan 1998	
	Month	Year	Month	Year	Month	Year	Month	Year	Month	Year	Month	Year
1	0.00	5.73	0.00	13.66	0.00	4.41	0.00	11.21	0.00	4.37	0.00	10.29
2	0.00	5.73	0.38	14.04	0.00	4.41	0.33	11.54	0.00	4.37	0.30	10.59
3	0.00	5.73	0.25	14.29	0.00	4.41	0.18	11.72	0.00	4.37	0.41	11.00
4	0.00	5.73	1.41	15.70	0.00	4.41	0.79	12.51	0.00	4.37	0.54	11.54
5	0.00	5.73	0.12	15.82	0.00	4.41	0.12	12.63	0.00	4.37	0.04	11.58
6	0.00	5.73	0.00	15.82	0.00	4.41	0.00	12.63	0.00	4.37	0.00	11.58
7	0.00	5.73	0.06	15.88	0.00	4.41	0.05	12.68	T	4.37	0.09	11.67
8	0.00	5.73	0.00	15.88	0.00	4.41	0.00	12.68	0.00	4.37	0.00	11.67
9	0.00	5.73	0.14	16.02	0.00	4.41	0.04	12.72	0.00	4.37	T	11.67
10	0.00	5.73	0.95	16.97	0.00	4.41	0.91	13.63	0.00	4.37	1.34	13.01
11	0.00	5.73	0.03	17.00	0.00	4.41	0.03	13.66	0.00	4.37	0.29	13.30
12	0.00	5.73	0.15	17.15	0.00	4.41	0.08	13.74	0.00	4.37	0.38	13.68
13	0.00	5.73	0.46	17.61	0.00	4.41	0.40	14.14	0.00	4.37	0.80	14.48
14	0.00	5.73	T	17.61	0.00	4.41	0.00	14.14	0.00	4.37	T	14.48
15	0.00	5.73	0.63	18.24	T	4.41	0.38	14.52	0.00	4.37	0.75	15.23
16	0.16	5.89	0.35	18.59	0.24	4.65	0.45	14.97	0.15	4.52	0.35	15.58
17	0.00	5.89	0.05	18.64	0.00	4.65	0.02	14.99	T	4.52	0.02	15.60
18	0.00	5.89	0.00	18.64	0.00	4.65	0.00	14.99	0.03	4.55	0.00	15.60
19	0.22	6.11	2.09	20.73	0.19	4.84	1.63	16.62	0.25	4.80	0.90	16.50
20	0.79	6.90	0.12	20.85	0.53	5.37	0.16	16.78	0.35	5.15	0.20	16.70
21	0.17	7.07	0.01	20.86	0.12	5.49	T	16.78	0.22	5.37	T	16.70
22	0.00	7.07	0.00	20.86	0.00	5.49	0.00	16.78	0.00	5.37	0.00	16.70
23	0.05	7.12	0.00	20.86	0.03	5.52	0.00	16.78	0.15	5.52	T	16.70
24	0.45	7.57	0.01	20.87	0.31	5.83	0.00	16.78	0.17	5.69	0.01	16.71
25	T	7.57	0.00	20.87	T	5.83	0.00	16.78	0.00	5.69	0.00	16.71
26	0.45	8.02	0.00	20.87	0.40	6.23	0.00	16.78	0.17	5.86	0.00	16.71
27	0.29	8.31	T	20.87	0.39	6.62	0.00	16.78	0.19	6.05	0.05	16.76
28	0.00	8.31	0.00	20.87	0.00	6.62	0.00	16.78	0.00	6.05	0.00	16.76
29	0.00	8.31	1.60	22.47	0.00	6.62	1.19	17.97	0.00	6.05	0.00	16.76
30	0.00	8.31	0.01	22.48	0.00	6.62	0.07	18.04	0.00	6.05	0.03	18.24
31	1.28	9.59	0.61	23.09	1.16	7.78	0.30	18.34	0.80	6.85	0.14	18.41
Total	3.86	9.59	9.43	23.09	3.37	7.78	7.13	18.34	2.48	6.85	8.12	18.41

* Rainfall - Recorded on Day of Measuring

* Rainfall Season - July to June

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

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:

In accordance with the terms of Order No. 98-04, on September 18, 1998, Cal-Am forwarded a draft scope of work to StateWater Resources Control Board for the Operational reconfiguration of the LowerCarmel Valley Wells. In that submittal Cal-Am listed components of the proposed work and indicated that it would take approximately six weeks after receipt of your comments to award a contract. On January 4, 1999, Cal-Am received the SWRCB's response to the draft.

Since receipt of the SWRCB's response, Cal-Am has been working with the proposed consultants to prepare the required report.

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

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 CDF&G for comment.

RESPONSE NO. 7:

Cal-Am entered into a contract with MPWMD to complete the *Bypassing Early Storm Runoff Feasibility Study*. This study was initiated under contract on July 11, 1996. Although anticipating completion of this work at an earlier date, The District has not been able to do so for various reasons.

The District had planned to have the final report completed by February 1, 1999; however, demands created by the S.E.I.R. for the Carmel River Dam and Reservoir Project has resulted in another delay. The District has agreed to contract out some of the plotting work that needs to be done to complete the Passage study. The new goal is to have the final reports to Cal-Am in May 1999.



California-American Water Company

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

Judith L. Almond
Manager

February 22, 1999

Ms. Katherine Mrowka
Senior Hearings Specialist
State Water Resources Control Board
Division of Water Rights
P. O. Box 2000
Sacramento, CA 95814-2000

RE: SWRCB Order No. WR 95-10
Condition Nos. 7 and 8

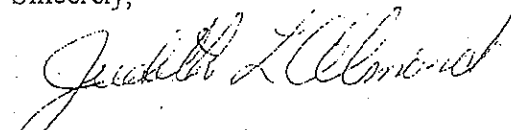
Dear Ms. Mrowka:

This is a follow-up to our conversation on Thursday, February 18, regarding the status of two studies: Bypassing Early Storm Runoff Feasibility Study, Condition No. 7, and Modifying Critical Stream Reaches Feasibility Study, Condition No. 8.

I have been informed by Darby Fuerst, general manager for the Monterey Peninsula Water Management District (the agency Cal-Am contracted with to perform the studies) that because of several demands on his agency the studies are being delayed once again. Mr. Fuerst assured me that the District's goal is to have the studies finalized by May 1999 so that they can be a part of Cal-Am's second quarterly report to the State. To accomplish this the District has agreed to contract out some of the plotting work that needs to be done to complete the Passage study.

I regret the need to notify you of yet another delay; however, I do recognize the significant time required of Mr. Fuerst and his staff to complete and circulate the Supplement Environmental Report for Cal-Am's Carmel River Dam and Reservoir Project. I know they appreciate, as I do, the extension of time granted to complete the two studies. Please feel free to contact me direct, should you have any additional questions or concerns.

Sincerely,



Judith L. Almond

JLA/mh

cc: D. Fuerst, MPWMD

Administration
(831) 646-3201

Customer Service
(831) 646-3200

Fax
(831) 375-4367

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

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:

Cal-Am entered into a contract on July 11, 1998 with MPWMD to perform a study, *Modifying Critical Stream Reaches Feasibility Study*, within the Carmel River. The District has done a number of preliminary activities. However, this work has not been completed.

The District had planned to have the final report completed by February 1, 1999; however, demands created by the S.E.I.R. for the Carmel River Dam and Reservoir Project has resulted in another delay. The District has agreed to contract out some of the plotting work that needs to be done to complete the Passage study. The new goal is to have the final reports to Cal-Am in May 1999.



California-American Water Company

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

Judith L. Almond
Manager

February 22, 1999

Ms. Katherine Mrowka
Senior Hearings Specialist
State Water Resources Control Board
Division of Water Rights
P. O. Box 2000
Sacramento, CA 95814-2000

RE: SWRCB Order No. WR 95-10
Condition Nos. 7 and 8

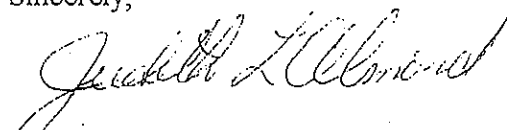
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I have been informed by Darby Fuerst, general manager for the Monterey Peninsula Water Management District (the agency Cal-Am contracted with to perform the studies) that because of several demands on his agency the studies are being delayed once again. Mr. Fuerst assured me that the District's goal is to have the studies finalized by May 1999 so that they can be a part of Cal-Am's second quarterly report to the State. To accomplish this the District has agreed to contract out some of the plotting work that needs to be done to complete the Passage study.

I regret the need to notify you of yet another delay; however, I do recognize the significant time required of Mr. Fuerst and his staff to complete and circulate the Supplement Environmental Report for Cal-Am's Carmel River Dam and Reservoir Project. I know they appreciate, as I do, the extension of time granted to complete the two studies. Please feel free to contact me direct, should you have any additional questions or concerns.

Sincerely,



Judith L. Almond

JLA/mh

cc: D. Fuerst, MPWMD

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Fax
(831) 375-4367

SWRCB - ORDER NO. WR 95-10
Quarterly Report - November 1998/January 1999

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):

The California Public Utilities Commission held a prehearing conference on June 22, 1998 with Commissioner Duque and ALJ Steve Kotz in attendance. After much public comment and input, Cal-Am was directed to prepare a Plan B supplemental to its current application for the Carmel River Dam and Reservoir Project to provide a list of alternatives that would be a fallback measure if the reservoir project is not approved.

On November 16, 1998 the MPWMD released the Draft SEIR for the Carmel River Dam and Reservoir Project. The SEIR included evaluations of alternative or contingency plans.

On November 17, 1998 a prehearing conference was held with Commissioner Duque and ALJ Steve Kotz. Cal-Am submitted its Plan B to the Commission at their hearing. Considerable public comment was received. The Commission staff is expected to review simultaneously the SEIR and the Dam Project, while developing a contingency plan, or Plan B. The directive to the Commission is defined by Keeley Bill AB-1182.

During the months of November and December 1998 the MPWMD held six public workshops to describe the scope of the Project. On January 6, 1999 the MPWMD held two Public Hearings to receive comments. The comment period closed January 15, 1999.

NEWS CLIPPINGS

PERTAINING TO

SWRCB ORDER NO. WR 95-10

AND

OTHER PERTINENT INFORMATION

November 1998 / January 1999

Monterey County The Herald

Tuesday, November 17, 1998

EIR supports Carmel River reservoir-dam

Report says other possible projects not as feasible

By LARRY PARSONS
Herald Staff Writer

California-American Water Co.'s proposed \$127 million dam and reservoir on the Carmel River represent the best water-supply option for the Monterey Peninsula.

That's the bottom-line reasoning of a new environmental study prepared for the Monterey Peninsula Water Management District on the 24,000 acre-foot project that Cal-Am wants to build a half-mile downstream from the existing Los Padres Dam.

The draft environmental impact report, officially received Monday night by water board directors, says the long-controversial dam and reservoir is the cheapest and most feasible answer to the Peninsula's water needs, according to a summary of the 900-page document.

The draft EIR reviews about 70 water-supply alternatives and contains detailed examinations of four alternatives that would allow Cal-Am to comply with a 1995 state order to reduce Carmel River pumping.

While the draft EIR, which has cost Cal-Am about \$260,000, doesn't come right out and say the dam-reservoir is the best project, it questions the workability of the other leading alternatives.

The four alternatives examined are a 10.5 million-gallon-a-day desalination plant in Marina or Moss Landing, and three smaller-sized desalination plants that would be used in conjunction with other water-supply efforts, including Seaside-area injection wells, dredging the existing Los Padres Reservoir, and intensified water conservation and reclaimed-water use.

"Despite their potential benefits, (the alternatives) are of questionable feasibility" because of high costs, uncertain sites and other factors, the EIR summary says.

The 266-acre reservoir Cal-Am wants to create by building a 282-foot high dam would be physically the same as the New Los Padres Dam project once proposed by the water district. After district voters rejected the project in a 1995 election, Cal-Am moved ahead with plans for a "no-growth" version of the same project.

Monday's release of the draft EIR — technically an addition to previous environmental studies on the water district's version of the proposed dam

— starts the clock on a formal public comment period. After receiving comments, water district directors are expected to formally approve the EIR in mid-1999.

The draft EIR says the dam-reservoir would improve drought protection for Cal-Am's existing customers and enhance the Carmel River below the dam by providing enough water releases to keep the river flowing most of the time.

It also would enable Cal-Am to comply with a 1995 state ruling that Cal-Am doesn't have legal rights to nearly 70 percent of the water it now pumps from the Carmel River.

According to the summary, the costs of building the dam would add about \$20 or \$21 to a Cal-Am residential customer's average monthly bill from 2006 to 2011. The four alternative projects would be more expensive. They would increase average residential monthly bills by \$41 to \$43, said the EIR summary.

Although Cal-Am isn't seeking permission to use the dam-reservoir to provide water for new development, the project could indirectly free another 799 acre-feet of water for new construction or remodels, the summary said.

That amount of water, said the summary, wouldn't be enough to meet the estimated water needs for existing legal lots of record and projected remodels on the Peninsula.

And the 799 acre-feet represents "less than 15 percent of 'buildout' (maximum growth potential for the community)," the summary says.

Water district officials have scheduled three afternoon-evening workshops in early December on the draft EIR in Seaside, Monterey and Carmel Valley.

►The Seaside meetings will be Dec. 2 at 1 p.m. at Seaside City Hall and at 7 p.m. at Martin Luther King Middle School.

►The Monterey meetings will be at 3 p.m. and 7 p.m. Dec. 3 at the Monterey Elks Lodge.

►The Carmel Valley meetings will be at 3 p.m. and 7 p.m. Dec. 10 at the Carmel Valley Community Youth Center.

PLANT NAME California-American Water Company – Monterey Division
CLIPPING FROM The Carmel Pine Cone DATED November 20-26, 1998 PAGE NO. 1 of 2

Sleepy Hollow may pay price for earthquake safety at dam

By KIRSTIE WILDE

ADELE MARGOLIS likes Sleepy Hollow just the way it is: very small, very upscale and most of all — sleepy. But she and her neighbors are aghast at news that they will have to endure two years of dusty, noisy gravel trucks rumbling right through their neighborhood, so the rest of the valley can be safe if an earthquake ruptures the San Clemente Dam.

The State of California ordered California-American Water Co. to seismically retrofit the dam almost 10 years ago. The draft Environmental Impact Report for the project is being circulated to governmental agencies for comment right now, and the document will be released to the public.

See *SLEEPY* page 6A

SLEEPY

From page 1A

during the week of December 10.

In order to “get out in front of the EIR,” Cal-Am’s new general manager, Judy Almond, went to the Sleepy Hollow Homeowners’ Association annual meeting earlier this month to explain the project. She told them that Cal-Am has mandated the project; it has to go forward; Cal-Am doesn’t have an option to ignore a dam that is not earthquake-safe. She and project manager Marc Lucca gave residents the bad news:

■ Start date is during the year 2000, when trucks will bring gravel through Sleepy Hollow to improve the Cal-Am access road which connects the subdivision to the San Clemente Dam. The phase 1 road project will take about five months.

■ After the winter rains are finished, Phase 2 of the project in 2001 will really rattle the windows in Sleepy Hollow. One gravel truck every hour, five days a week for another five months will deliver crushed rock to the dam.

Lucca told The Pine Cone that when he started researching the logistics of the seismic retrofit of the dam, he said “Under no circumstances do I want to drive through Sleepy Hollow.”

He had an alternative: an existing road that roughly parallel’s the Sleepy Hollow road, but which does not connect directly to Carmel Valley Road. So why not just extend that road the 500 feet necessary to provide construction access

PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM The Herald DATED December 1, 1998 PAGE NO. 1

Lawsuit challenges water-credit transfer plan

By **LARRY PARSONS**
Herald Staff Writer

A new county law to allow the transfer of water credits on the Peninsula and Carmel Valley was challenged in a lawsuit filed Monday.

The suit contends that county supervisors passed the law Sept. 29 without weighing potential effects to the overdrawn Carmel River. It also alleges that county officials stonewalled requests for public documents about the ordinance.

"All we're asking is if they are going to make their decision, to make it in a way that alerts the public what their course of action is," said Michael Stamp, one of three attorneys who filed the suit in Monterey County Superior Court.

The suit seeks a court order to invalidate

the ordinance, which the supervisors passed on a 4-1 vote. The law allows the transfer of water credits in unincorporated areas of the Monterey Peninsula Water Management District among owners of commercial, residential or industrial properties.

At the time, board Chairman Dave Potter said the measure would allow water for people who have been waiting for years to build a home or add a bathroom in Carmel Valley.

In their suit, the plaintiffs — Monterey resident Ed Leeper, Carmel Valley resident Patricia Bernardi and the groups Save Our Peninsula Committee and Save Our Carmel River — are asking the court to throw out the law and order the county to turn over documents related to it.

Potter and County Counsel Doug Holland said they couldn't comment because they had not seen the suit.

"My only observation is I don't recall seeing them at the public hearing" where the plaintiffs could have raised their objections, Potter said. "That would have saved everyone a lot of money."

In the suit, the plaintiffs contend the exchange of water credits would "encourage a commercial market in 'paper water,' thereby encouraging more development . . . at the expense of the Carmel River."

Potter said he didn't think the county has approved any credit transfers under the law.

Stamp said the credit transfers could result in "tons and tons of water" being freed for development "that we'd like to see flowing down the river."

PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM The Herald DATED December 15, 1998 PAGE NO. 1

Water board delays rationing decision

By JUDIE MARKS
Herald Staff Writer

Concerns about the confidentiality of a census that would be taken for future water rationing on the Monterey Peninsula caused a decision on the whole water conservation and rationing ordinance to be put off Monday night.

With only five of the seven members of the Monterey Peninsula Water Management District board present, the vote was to bring the proposed ordinance back for final approval again next month.

"I don't think people quite got the message yet that we are out of water," said board member Jim Hughes, who seconded the motion to put the decision off, even as he said he was ready to vote in favor of it.

"Hopefully we will have the full board next time."

Board members Richard Ely and Dave Potter were absent from the meeting in the Monterey

"I don't think people quite got the message yet that we are out of water."

Jim Hughes
water board member

City Council chambers; four votes were needed to pass the ordinance.

But several speakers assailed the board, calling for removal of the provision from the ordinance.

Michael Waxer of Carmel called the census a "permanent lifestyle change" and said it was his understanding that if the ordinance called for the census data to be made available to the water district by the California-American Water Co., it would become public record.

"Anyone who asks for it would be able to get the information," he said.

Please see Water page A9

Water

From page A1

Earlier, Stephanie Locke, water demand manager for the water district, told the board that among the changes made in the ordinance since the last public hearing was one that part-time residents and parents with part-time custody of children could count as "fractional permanent residents."

But Eric Miller of Carmel Valley, who told the board that he and his wife have a new baby, argued that the proposed ordinance "intrudes on my privacy" because in-laws and other visitors who come to stay with them for any length of time would have to be reported. "I think it's a dangerous precedent."

Alan Williams of Carmel said the proposed ordinance is "a convoluted plan that reeks of Gestapo control" and would pit neighbor against neighbor.

Water board chairman Robert Ernst conceded that he, too, had concerns about the civil liberties issue.

- | |
|------------------|
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PLANT NAME California-American Water Company - Monterey Divi
CLIPPING FROM The Herald DATED 12/28/98 PAGE _____

State nixes desalination plan

Water agency says Sand City's reclaimed water would go to Carmel River

By LARRY PARSONS
Herald Staff Writer

State water officials have dealt Sand City a major setback in its desire to build its own desalination plant.

Rather than allowing desalinated water produced by the plant to be used for new coastal resorts in Sand City, state officials say, any new water would have to go toward the overpumped Carmel River.

That's the ruling Sand City officials have received from the state Water Resources Control Board.

"It wasn't what we wanted," said Sand City Manager Kelly Morgan on Wednesday. "We have to assess

what we are going to do now. We're not sure yet."

With virtually no water available for ambitious development plans that include three hotels, condominiums and conference facilities, Sand City is looking at achieving water independence by building a desalination plant.

Before plunging into the project, city officials wanted a key interpretation from the state water board on how water produced by the plant could be used.

In a Dec. 15 letter to Morgan, state water board Executive Director Walt Pettit said water from the plant would be subject to a 1995 state order that commanded California-American Water Co. to sharply reduce its pumping from the Carmel River.

"The water would of necessity be required to offset current use of the Carmel River diversions and would not be available for new customers," Pettit said.

The only way Sand City could use water from its desalination plant for new development, Pettit said, would be for the city to pull out of Cal-Am's distribution system. That would require the city to either buy or build its own tanks and pipes to store and deliver water.

"We were hoping we wouldn't have to do that," Morgan said. "Now, we have to think about it and see what avenues we have on water. Maybe wait and see how the new dam does . . . This is certainly going to delay it for awhile."

Please see Sand City page B3

Sand City

From page B1

Cal-Am is seeking permission to build a \$127 million dam on the Carmel River to supply existing Peninsula and Carmel Valley customers.

Sand City officials estimated they could build a desalination plant that would produce 750 acre-feet a year for about \$10 million.

They say the plant could produce enough water to satisfy their city's growth and provide some water for other Peninsula jurisdictions and help reduce overpumping Carmel River.

Their plans call for splitting up the water produced and saved by the desalination plant this way:

➤ 150 acre-feet to supply existing Sand City businesses and homes.

➤ 100 acre-feet for the proposed Monterey Bay Shores Resort — a 228-room hotel, condominiums, time shares, conference center and retail shops on 32 acres at the north end of Fremont Boulevard.

➤ 50 acre-feet for the proposed McDonald Coastal Resort, a 200-room hotel on 14 acres owned by the city.

➤ 25 acre-feet for the proposed Sterling Coastal Resort, a 136-room hotel on 7 acres west of Costco.

➤ 75 acre-feet to redevelop existing city areas and miscellaneous uses.

➤ 150 acre-feet available to other Peninsula jurisdictions.

➤ 300 acre-feet to help Cal-Am reduce overpumping on the Carmel River.

1/15/99

Jury: No reason to halt dam

Cites instances of other U.S. communities regulating growth

By JUDIE MARKS
Herald Staff Writer

Holding back growth is not a valid reason to block a new Los Padres dam, the Monterey County grand jury concluded in its study, released Monday, of the Monterey Peninsula water issue.

"The water supply issue should stand or fall on its own merits or weaknesses, totally removed from the issue of controlling growth," the report said.

When that question is removed from consideration, the report stated, "then the water problem becomes easier to solve."

The grand jury noted that many communities throughout the nation, including Boulder, Colo., have regulated growth through master plans that were upheld by the courts when challenged.

It also noted that the Monterey Peninsula Water Management District considered more than 60 alternatives to solving the area's water problems before settling on the plan for a dam.

Judy Almond, general manager of the California-American Water Co., said she was encouraged that the grand jury "recognized the need to do something."

The grand jury, Almond said, also recognized that the dam would not have detrimental effects on wine-grape growing in the area and that

Water For Us - A Dam Rational Solution

Mission Statement -

We advocate building a dam and reservoir to ensure a secure water supply for our area

Water

From page A1

it would benefit the steelhead fishery by assuring a constant flow in the Carmel River.

"Clearly we do believe the dam, over the long term, meets all the objectives," she said.

The water company is seeking state permission to go ahead with building the dam that originally was proposed by the water management district and approved by voters in 1987.

In 1995, however, the voters rejected a bond issue to finance the dam.

Darby Fuerst, general manager of the water management district, noted that he met with a subcommittee of the grand jury several times.

The report, Fuerst said, "reiterates and confirms a lot of things we have said. We're pleased that the findings are consistent with what we concluded in the draft supplemental EIR (environmental impact report)."

But Sean Flavin, a lawyer and Cachagua Valley property owner, said he didn't see much in the report that was new.

"They talk as though nothing is

being done," Flavin said, pointing out that the question of a dam or some alternative solution is now before the state Public Utilities Commission.

"There's no express train to get you through that process," he said. "It will probably be a couple of years before we have a final decision."

Two inaccuracies in the grand jury report were pointed out by water district and Cal-Am officials.

► The new Los Padres dam has been designed to hold only 24,000 acre-feet of water, not the 31,000 acre-feet mentioned in the report.

► It is the state Water Resources Control Board that mandated reductions in the amount of water being taken from the Carmel River, not the state PUC.

The report points out that a new dam would cost an estimated \$127 million. That would result in an increase of \$18 a month on the typical water customer's bill, it said, "making the district's water perhaps the most expensive in the state."

Nevertheless, the grand jury report states that the alternatives are likely to cost more, and concludes: "Time is running out."

Please see Water page A6

PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM The Herald DATED January 5, 1999 PAGE NO. _____

Jury: No reason to halt dam

Cites instances of other U.S. communities regulating growth

By **JUDIE MARKS**
Herald Staff Writer

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Water

From page A1

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January 7, 1999

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1

Desalination costs challenged

By JUDIE MARKS
Hermit Staff Writer

Estimated costs for a desalination plant to help solve the Monterey Peninsula's water woes have been grossly underestimated.

That is what George Ferguson of Carmel Valley told the Monterey Peninsula Water Management District at its public hearing Wednesday on the supplemental environmental impact report for a new Carmel River dam.

Ferguson said that before he retired, he was president of Sterling Fluid Products, a division of an international company that made desalination equipment in Germany.

"We could only sell to countries and armies like the Iraqis that had plenty of money and oil and no water, or to cities that had no alter-

natives," he said. "We have an alternative here."

Ferguson said a great deal of energy and many pumps are needed for desalination plants.

The water district has estimated a desalination plant would cost about \$100 million to build, compared to \$127 million for the dam. The operating costs for a desalination plant, however, would be between \$8 million and \$10 million a year, compared to an estimated \$1.6 million in operating and maintenance costs for the dam.

Ferguson was one of only 11 people who spoke at the afternoon hearing.

The district also held an evening

Water agency gets input on dam report

hearing to get public comment on the supplemental report. The supplement was ordered by the Monterey County Superior Court, partly in response to a lawsuit by wine grape growers who alleged that construction of a new dam on the Carmel River, half a mile downstream from the present Los Padres Dam, would increase frost in the area and therefore have an adverse effect on their crops.

The nearly 900-page, two-volume, supplemental EIR, prepared by Jones and Stokes Associates of Sacramento, concluded that the proposed larger dam would actually reduce the frequency and severity of frosts "because the water surface

temperature remains above freezing and buffers the effect of the dropping air temperature."

Henrietta Stern, the water district's manager for the project, said the supplement brings the total EIR documents to 12 volumes.

The new dam, she told the more than 100 people who assembled for the hearing, would be 24 miles upstream from the bay and would cover 266 acres, compared to the 55 acres covered by the present Los Padres Dam.

Of the 73 options that have been looked at by the water district since the late 1980s, Stern said, four have been identified as meeting the project's goals.

The four options range from a

see trained monitors of Esselen or Rumsien ancestry, to make sure that any artifacts are preserved.

Roy Thomas of Carmel, a dentist, did not indicate any opposition to the dam, but said there is no language in the EIR to assure that new water generated by the dam will not be used to fuel growth.

"I think the public would like to feel that if they're going to support this project, that they're not opening the floodgates to development on the Peninsula," Thomas said.

various lawsuits and attorneys' fees that have blocked the dam so far, and said firmly, "enough studies and meetings."

Another basically pro-dam speaker was Rudy Rosales, chairman of the Esselen Nation, who said his 485-member group finds only two flaws in the EIR: it does not say to whom any Esselen artifacts should be turned over, and it does not provide monitors to watch over the construction project.

His group, he said, would like to

10.5 million-gallon-per-day desalination plant to slightly smaller plants, combined with injection and recovery of water from other aquifers, dredging of the Los Padres Reservoir or additional conservation and water recycling.

Dorothy Crivello said she advocates building the dam "to ensure a secure water supply for our area." She said water consumers are in fact paying the costs of the

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Carmel Pine Cone

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January 8, 1999

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1

Grand jury's view: Carmel River has plenty of water for thirsty Monterey Peninsula

Artificial shortage not the way to control growth, jurors say

By PAUL MILLER

THE MONTEREY COUNTY Grand Jury this week attempted to answer one of the ubiquitous questions about water on the Peninsula: "If there's a shortage, why are new development projects still being approved?"

The jurors' answer is that no water shortage exists.

"There is adequate water available from the Carmel River to satisfy the needs of the area — including environmental preservation," the Grand Jury said in its 1998 report.

Darby Fuerst, head of the Monterey Peninsula Water Management District said he concurs with the Grand Jury's findings.

storage capability?

Many oppose a new dam — which would cost \$127 million — by contending that "if sufficient water is made available, this in itself will increase development," the report says.

But the Grand Jury argues that many communities in the United States "which have virtually unlimited water supplies have been able to regulate their growth through implementation of and adherence to master [development] plans through local control."

Boulder, Colorado, is a good example, according to the jurors, of a city that has successfully controlled growth without depriving residents of an adequate water supply or any other essential municipal services.

Fuerst said his agency isn't — and does not want to be — in charge of controlling growth.

"We haven't allocated any new water since 1993, except for the a small amount for the new cancer wing at CHOMP," Fuerst said. "We defer totally to the Board of Supervisors and the various city councils for decision-making about zoning and permits," he said.

Some of the big projects that have been approved had their own independent water supply, Fuerst said. Other projects are under construction that were approved years ago.

The Grand Jury said the public is understandably confused about the local water situation.

"The problem is, as long as water comes out of the tap when you turn it on, most people aren't going to get excited about the water supply problem," Farina said.

But "time is quickly running out for a solution to the water problem," the Grand Jury report says.

"On average, there is plenty of water in the Carmel River for municipal uses while still maintaining minimum stream-flow requirements," Fuerst said.

A former member of the water board, Fran Farina, also agreed wholeheartedly that — except in drought years — plenty of water flows down the Carmel River to supply the needs of people and the environment.

"It's an accurate statement . . . we don't have a water shortage," Farina said.

Why, then, have tens of thousands of Cal-Am customers been told to reduce water use right after a year of record-breaking rainfall?

"There are inadequate facilities to store enough water to meet the needs of the current population," the Grand Jury report says.

"We have enough water but what we lack is the capacity to store it," Farina said.

According to water officials, the total amount of water used by Cal-Am customers is about 15,000 acre-feet a year.

(An acre foot is 325,850 gallons — enough to cover a one-acre area with a foot of water.)

And according to the grand jurors, "during the rainy season of 1997-1998 over 100,000 acre-feet of water flowed into the ocean" from the Carmel River — enough to supply the entire area for more than six years.

But without a way to store some of that water to keep the taps running even during dry years, the Grand Jury warned that the state could order Cal-Am customers to cut their water use to 100 gallons per day per household. Such drastic cutbacks would make it "virtually impossible for most households to function," the Grand Jury warned.

Why hasn't something been done to augment Cal-Am's water?

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California-American Water Company - Monterey Division

Carmel Pine Cone DATED January 8, 1999 PAGE NO. 1

Suit over Sept Ranch approval

THE SIERRA CLUB and a group calling itself Save our Carmel River filed a lawsuit in Monterey County Superior Court this week challenging Monterey County's approval of the September Ranch subdivision.

The suit alleges that the 109-unit project was okayed without adequate environmental review.

"Stripping water from one property so that more water can be used on another property is a dangerous precedent that could seriously damage agriculture throughout the county," Fran Farina of Save our Carmel River said.

The board of supervisors approved the ranch on a 3 -2 vote last month.

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City prepares to finalize comments on Carmel River Dam

By TAMARA GRIPPI

WITH THE Jan. 15 deadline near for comments on the newest environmental study of the proposed Carmel River Dam and Reservoir Project, the Carmel City Council will finalize its comments on Jan. 12.

In a draft letter to the Monterey Peninsula Water Management District, the city raises concerns about construction traffic and possible growth-inducing effects of the new water supply made available by the 282-foot high dam and 24,000 acre-foot reservoir.

Carmel Assistant Planner Chip Rerig — who prepared the city's response to the dam's supplemental environmental impact report (SEIR) — called the issues relative to the dam in comparison to the overall benefits of the dam.

City officials are concerned about an estimated 799 acre-feet of water which could be made available for development by the proposed dam. According to the SEIR, the dam would provide drought protection that could free up the additional water.

The city is asking for the SEIR to include a "detailed discussion" of the steps the water district would be required to follow in allocating the additional water for new construction and remodels.

"What we're concerned about is, OK, if water is for sale, exactly what are the restrictions on the water?" said Carmel Mayor Ken White.

Henrietta Stern, project manager for the water management district, said that before any water can be allotted a new EIR would be required to examine the impacts of the 799 acre-feet. A new water allocation program would require adoption of a formal ordinance, Stern said.

In April, 1994, the council unanimously voted to support the New Los Padres dam on the Carmel River. The current council has not taken a stance on the "no growth" Carmel River Dam, which is essentially the project.

"I've said all along that I want a water source for lots of record, remodeling of small homes in town and a large reserve so that we don't ever have to go into rationing," White said.

The city is also asking that the SEIR study the potential impact of traffic going through Carmel — motorists trying to avoid the back-up of construction trucks at the Carmel Valley Road and Highway 1 intersection.

"Usually when people who live around here know there's going to be a problem, they'll shortcut through our city instead of taking time to follow a truck up a hill," Rerig said.

"That's a good question that needs to be addressed," Stern said. "I anticipate we'll be evaluating different kinds of options to avoid the Carmel Valley Road and Highway 1 option."

The city will also be asking that the SEIR include a detailed study of possible dam failure as well as a map showing what areas could be affected by flooding.

"We could potentially have a 24-thousand-acre-foot wall of water traveling down the valley," Rerig said.

An in-depth study of the dam's safety isn't something that is required by the EIR, but would instead be addressed during the dam's final design process at the state level, Stern said. The division of safety on dams is "much more rigorous than the typical EIR," Stern said.

In the letter to the water district, the city is also asking for assurances about the program to prevent sedimentation in the new dam.

The draft SEIR, released Nov. 13, asserts that construction of the proposed dam would cause adverse impacts to traffic, air quality, noise and recreation in the Cachagua area.

According to the report, the new reservoir would inundate fish and wildlife habitats, affecting steelhead trout and red-legged frogs. Cultural resources of the Esselen Native American group would also be lost or damaged.

But local vintners — who sued the water management district for an inadequate EIR in 1995 prompting the supplemental study — would not be adversely affected by the construction of the dam, according to the SEIR.

While the water district drew a large turn-out at its public comment review on the afternoon of Jan. 6, fewer than a dozen people spoke up about the EIR.

While some spoke in favor of the dam, others said they still had nagging concerns about impacts of the project.

Esselen leader Tom Little Bear Nason was concerned about the impact to burial grounds and other sacred sites. "The mitigation measures recommended are not adequate. They are too vague. They don't include thousands of years of history at 27 different sites."

Please note comment regarding lots of record and remodels. I am hearing more and more comments in favor of this. We need to find a way to separate the "no grow" from "old" growth; i.e., lots of record, etc.

J. Almond

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California-American Water Company - Monterey Division

The Herald DATED January 14, 1999 PAGE NO. 1

C A R M E L V A L L E Y

Church's water permit for expansion delayed

By LARRY PARSONS

Herald Staff Writer

Water concerns blocked a permit Wednesday sought by the First Baptist Church of Carmel Valley to add a new gym and youth center.

County planning commissioners delayed action until March in order to get more answers to questions about water for the church project.

The church now gets its water from two sources — a hookup to the California-American Water Co. system and a well used to irrigate landscaping.

With no more water immediately available from Cal-Am's system, the church wants to use its well to serve the two-story, 11,977 square-foot activities center.

But representatives of the group Save Our Carmel River (SOCR) contended that would increase pumping from the well and spur other projects to take the same route, to the detriment of the valley's limited water supplies.

"This is another case of the county approving projects assuming water is there," said SOCR member Patricia Bernardi. "You're going to see

more and more as the desperation increases."

Though a county water official and church representatives said using the well to serve the church center would cause little or no increase in pumping, planning commissioners weren't convinced.

"I feel uncomfortable allowing this split thing to happen," Commissioner Carol Lacy said, referring to the church's plan to use its existing Cal-Am connection while serving the new building with its well.

Commissioner Robert Hernandez said it would set "a terrible precedent" and could encourage more "manipulation of the legal rights to water" in the valley.

In delaying action, commissioners told county staffers they wanted more information on the project's water use and possible effects on other water users in the area.

Church officials said the new gym and activity rooms would provide space for existing youth programs, without expanding the schedule of activities now held on Sundays, Tuesdays and Wednesdays. Neighbors approve of the proposal, they said.

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PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM Carmel Pine Cone DATED January 15, 1999 PAGE NO. 1

Council alters 'supportive' letter on dam to read as 'neutral'

By TAMARA GRIPPI

WHILE VOTING to approve a comment letter on the latest environmental study on the Carmel River Dam and Reservoir Project, the Carmel City Council decided Jan. 12 to make certain changes to "neutralize" the its statement on the dam.

Deadline for submitting comments on the supplemental environmental impact report (SEIR) to the Monterey Peninsula Water Management District is Jan. 15.

During its meeting, the council deleted a paragraph near the end of the city's proposed comment letter asserting that "the city is pleased that the proposed Carmel River Dam and Reservoir Project, will develop a legal long-term water supply and provide adequate drought protection for existing citizens of the Monterey Peninsula."

The scrapped paragraph also included statements asserting "the city is also pleased that the proposal will restore a constant streamflow in the Carmel River environment. This benefits fish, vegetation, riparian habitats, as well as the overall aesthetic quality of region."

Some council members argued that the scrapped paragraph implied that the city officially supported the dam project.

"It seems a little simplistic," said Carmel City Councilwoman Barbara Livingston. "But there are no guarantees. Does the city council really believe all that?"

While the current city council has not taken an official stance on the dam, the 1994 council voted unanimously to support the Los Padres Dam, which was essentially the same project.

Livingston, who voted to support the dam in 1994, told the council, "I have to tell you how much I regret that vote. I chalk it up to political naïveté."

Other council members didn't see a need to change the letter, arguing that its messages made sense. "I would not change a word," said Carmel City Councilwoman Paula Hazdovac.

Hazdovac ultimately voted with the rest of the council to approve the letter with the changes.

Some speakers at the meeting also questioned whether the city's proposed letter was sending the wrong message. "I'm very concerned about the next-to-last paragraph," said Linda Anderson. "In my opinion, that can only be read as a statement of total support for a 24,000-acre-foot dam on the Carmel River."

Council members were careful to add a paragraph at the beginning of the letter explaining that the council hasn't taken an official stance on the dam since 1994.

The council also voted to include a request for analysis of how the dam would affect the sand at the mouth of the river.

The city's letter — written by Carmel Assistant Planner Chip Rerig — asks that the supplemental environmental impact report include more information about 799

acre-feet of water which could be made available for development by the proposed dam and how that water would be distributed.

The city's letter also asks that the SEIR study the potential impact of traffic going through Carmel — motorists trying to avoid the back-up of construction trucks at the Carmel Valley Road and Highway 1 intersection.

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California-American Water Company - Monterey Division

CLIPPING FROM

The Herald

DATED

January 16, 1999

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1

Little rain this winter signals drier rainy season

By MARK SCHROPE
Herald Staff Writer

Little rainfall on the Monterey Peninsula for December and January may signal the start of a drier-than-normal rainy season.

Meteorologists say it is all due to the weather-changing phenomena called La Niña.

"We're in the wettest month of the year, and we have zilch," said Robert Renard, volunteer observer for the National Weather Service on the Peninsula. Rainfall for December was barely half the normal level. "This general trend is attributed to this being a La Niña year," Renard said.

La Niña is a cooling of Pacific water temperatures near the equator that changes weather patterns around the globe.

During an El Niño, the related phenomenon responsible for last year's twice-aver-

age rainfall, Pacific waters near the equator are warmer.

In general, La Niña conditions cause higher rainfall in Northern California and lower rainfall in Southern California. Most of the time, the Peninsula falls in with Southern California, said Norm Hoffman, meteorologist in charge of the National Weather Service office in Monterey.

"It certainly looks like it is going to be drier than normal," Hoffman said.

During a La Niña, the area is more likely to be hit by the "Pineapple Connection," a jet stream that brings tropical moisture from the area around Hawaii to California, Hoffman said.

"Where that is going to set up, who knows." A "Pineapple Connection" normally affects the Pacific Northwest, but it can come this far south, he said.

"If that sets up over the Monterey Bay,

we'll get a month's worth of rainfall in four days." Because of that, Hoffman is telling emergency managers, "We're not really out of the woods."

He said it may be as late as early spring before there is a real pickup in rainfall, though the Weather Service is predicting rain this weekend and possibly more at the end of next week.

It would take a lot of rain to catch up with the January average of 4.28 inches.

Gerry Haas, Operations Manager at California-American Water Co., said, "(Water) is really not an issue right now. There is still flow in the river, and the two reservoirs are still full."

If you are tired of hearing about all the strange weather phenomena, take heart. Only twice in the last century has an El Niño to La Niña pattern been followed by another El Niño.

"We're in the wettest month of the year, and we have zilch."

Robert Renard
volunteer observer for the National Weather Service

Peninsula deserves plan

According to the Herald, the Monterey County grand jury's report of the Monterey Peninsula water issue concluded that "holding back growth is not a valid reason to block a New Los Padres dam."

Upon review of the report, I found that it states "the water-supply issue should stand or fall on its own merits or weaknesses: totally removed from the issue of controlling growth."

It is true that holding back growth is not a valid reason to block a dam, and that if consideration of growth were removed from the issue of adequate water, the water problem becomes easier to solve. However,

Cal-Am's proposed dam project will not provide any water for remodeling or bathroom additions for existing residents and businesses, or for undeveloped legal lots (all defined as "growth" by Cal-Am).

Our quality of life will suffer unless Cal-Am agrees to a project that allows water for bathroom remodels and undeveloped legal lots. Cal-Am's project deprives our community of water for "growth" of any kind.

The proposed Cal-Am project and/or any alternative developed should accommodate the needs of existing residents and businesses and the needs of owners of legal lots, along with the environmental needs. Environmental and community needs can be met without conflict.

The Peninsula citizens deserve a project that will ensure a long-term, safe, secure, stable and sufficient water supply. Cal-Am's proposed project will not do this.

Nancy Isakson
Carmel

I spoke with Nancy Isakson and she adamantly voiced her support for the dam; however, she insists that retrofit remodels be given water. My suggestion that Cal-Am believes we should address only replacement water first and let the policymakers take care of water allocation for other purposes is falling on deaf ears.

J. Almond

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January 21, 1999

PAGE NO.

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Same Old Dam

Editor:
Citizens for Alternative Water Sources (CAWS) just completed review of Cal-Am's new dam EIR, delivering 40 pages of comments to the Monterey Peninsula Water Management District. It's still the same dam that the voters rejected in '95; its description as no growth is false.

CAWS wants to resolve the Peninsula's water problems by means other than a dam. They're cheaper, faster and will not decimate Cachagua as the dam will. The Cal-Am/Water District analysis of alternatives is seriously flawed because:

- Each of the detailed alternative packages include a big desal plant, driving up costs. A smaller desal plant, which will provide for drought reserve and legal lots of record and remodels wasn't even looked at.
- Cal-Am's desal costs are misleading because they were jacked up 25 to 50% above actual 1998 capital and operating cost data.
- Cal-Am tied importation of water from the Central Valley to unnecessary artificial constraints. This highly viable alternative was examined in a most cursory manner.
- Cal-Am cites many rickety reasons why they did not apply for additional water rights from the State Water Resources Control Board rather than vigorously applying for such rights just like the state board said they could.

The adverse construction traffic impacts have been grievously understated by Cal-Am. Not only the proposed Cal-Am dam project but the proposed San Clemente Dam retrofit project and the Hatton Canyon project may all go forward at the same time. No analysis of the combined traffic occurred. Ten year old traffic data was used as well. The shortened Cal-Am project will add massive amounts of heavy construction traffic on Highway 1 and Carmel Valley Road all day, each day, for 6 days a week. Traffic jams will be unprecedented. Maybe that's just to soften us up for the growth and traffic to follow.

CAWS

John Brennan and Charity Crane

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NEWSPAPER CLIPPINGS

PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM Carmel Pine Cone DATED January 22, 1999 PAGE NO. 1

Preferable water solutions

Dear Editor:

Two weeks an article by Judy Almond, the new manager of Cal-Am Water Company in Monterey, entitled "First Person," was published in the Pine Cone. As Ms. Almond is a newcomer to this area, and in spite of the fact she has been a paid employee of Cal-Am for 21 years, I will assume she is uninformed when she states Cal-Am has a commitment to the environment and is unaware of their awful record

here. Ms. Almonds gently endorses the dam project, and denies alternatives are preferable along the lines of the Cal-Am, Monterey Peninsula Water Management District hype we have been fed unsuccessfully for years.

Certainly she is uninformed if she thinks the SEIR for the proposed Los Padres dam project is an honest or accurate document. It neither describes the project area the severe adverse impacts of the project with any attempt at accuracy.

Ms. Almond is correct when she states the dam project has created a deep division in the community. Those who have studied the project realize there are serious impacts affecting the surrounding countryside, roads and communities. Those who have not yell "just build it." Those who care realize the community in Cachagua where the project is proposed will suffer from environmental desecration, health hazards, blasting, smoke, dust, traffic, loss of peace and quiet and property values for the benefit of Cal-Am Water Company and development in town. Cachagua residents would derive no benefit from the dam. Is this a democracy we live in or a dictatorship run by corporate money?

Believe me, by the time a dam is built (if ever) it will have gone through numerous lawsuits including a question of the legality of destruction of an entire community. Alternatives are a much preferable solution to the area's water problems, and can be built much faster than a dam!

Charity Crane

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PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM Coast Weekly DATED January 21-27, 1999 PAGE NO. 1

Damned Dam

For the second time in as many weeks, a major development project proposed for the Monterey Peninsula has been given a thumbs down by a federal regulatory agency.

In response to the Draft Environmental Impact Report (DEIR) for Cal-Am's proposed New Los Padres Dam and its potential benefits for the Carmel River habitat and fisheries, the National Marine Fisheries Service (NMFS) has come out against the project.

In a letter to the Monterey Peninsula Water Management District, which is serving as the lead agency for the supplemental environmental study, NMFS Supervisor Patrick Rutten of the Protected Resources Division writes that, "[the dam] will not improve habitat nearly as much as the [draft environmental impact report] claims and the project has potential to cause serious problems, many of which are uncertain and difficult to predict or foresee. We need to caution all those involved that the projected water yield likely will not be as large as predicted and that project water rights will be junior to environmental impacts that are likely to be more adverse than predicted."

The letter also calls into question the ability to successfully move steelhead trout around and above the dam.

"While the letter doesn't say you can't build the dam, it creates a hurdle for the dam that may be insurmountable," said Sierra Club Ventana Chapter Chair Gillian Taylor in a prepared statement.

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PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM The Sun DATED January 21, 1999 PAGE NO. 1

YOU'RE READING THIS THROUGH 5 GALLONS OF RECYCLED WATER.

[THERE ARE 259,999,995 GALLONS MORE
WHERE THIS CAME FROM.]

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Pebble Beach Company is the
Monterey Peninsula's top water recycler.

Our backing \$34 million in
facility bonds built the wastewater
reclamation plant, recycling more
than 260 million gallons in 1997.

We're glad to use some of this
savings at our property, but the
majority will always be there for
others. Our new plans use far less
water than maximum zoning allows.



"WATER IS
TOO IMPORTANT TO
ONLY USE ONCE."

Ted Horton, Vice President, Resource
Management, Pebble Beach Company

REVISED PEBBLE BEACH PROJECT PROPOSAL

- Reduce Density 65%—216 homes and a golf course instead of 689 homes that maximum zoning now allows.
- Recycled Water on New Golf Course—mandatory reclaimed water, not drinking water, for nearly all irrigation.
- No New Water Rights for anything we build. We must live within our current water rights just like you do. Period.
- Desalination Plant and Storage—financed by us to benefit the entire community. This means even less drinking water consumed by us and others—and more water available for Peninsula residents.

Intelligent water use is one good reason the Del Monte Forest Property Owners Board endorses our plan. We hope you will join our vision for the future. We think it's the right thing to do. For everyone.



Pebble Beach Company
Protecting nature makes good sense.

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PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM The Herald DATED January 21, 1999 PAGE NO. 1

Economist warns of end to expansion

Biannual conference touches on local, state and national economies

By **ALBERT G. PACCIORINI**
Herald Business Editor

California's chief economist says he's looking at the outlook for the next year and a half with "trepidation."

"It's scary," said Ted Gibson, chief economist for the state Finance Department. The international recession, an overvalued stock market, the Year 2000 problem and the possibility of higher interest rates could finally bring an end to the country's longest peacetime expansion.

Gibson and other speakers discussed the economy and the forecast for Monterey County at a conference of about 100 people Wednesday at the Inn at Spanish Bay. The biannual conference is organized by Stephen A.

Nukes & Associates, a San Luis Obispo consulting firm.

The conference, said county Supervisor Edith Johnsen, "is a report card." It enables people to look for trends, frame issues and meet the challenges of the day.

Johnsen noted that the county suffers an increasing imbalance between where people live and work, creating traffic and other problems. "People want to work," she said, "and they'll go where the jobs are."

Gibson said "the U.S. and Western Europe are doing fine, but it's hard to find another part of the world not in recession."

The Japanese recession will likely continue, he said, the rest of Asia can't recover without Japan, and China could fall into recession too. The Latin American recession could spread, causing Mexico, which has become the United States' No. 1 export mar-

ket, to collapse.

Stock market valuations compare to those of 1928-29, just before the Great Depression, Gibson said. Americans aren't saving money and consumer spending, which drives two-thirds of the economy, is being fueled by gains in the stock market.

If corporate profits are disappointing in 1999, Gibson said, "the market could react wildly."

Gibson had his own take on Federal Reserve Board Chairman Alan Greenspan's comments to the House Ways and Means Committee earlier Wednesday. Greenspan suggested stock prices are too high compared to corporate profit growth.

Gibson saw the "implied threat" of higher interest rates, which would bring about a stock market correction.

On the plus side, Gibson said, Cali-

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Economy

From page D1

ifornia is seeing good job growth and commercial construction, but we're "not building the housing to take care of the job growth."

Only 127,000 new housing units were built last year, compared to an annual rate of 200,000 in the late 1980s, he said.

There are still gains to be made in high technology, Gibson said, and there is still a ready pool of labor in Southern California and the Central Valley.

Lack of water and infrastructure continue as problems for Monterey County, said conference organizer Nukes.

For the next two years, the trends

for job and population growth, increases in retail sales and tourism will continue upward.

Nukes' other observations included:

➤ Agriculture and tourism, the county's biggest industries, will fluctuate due to weather, demand and the economy.

➤ The county, "starved" for retail outlets, has been satisfied with the expansion of stores in Seaside, Sand City and North Salinas. The new Salinas auto mall is expected to win back business now going to Gilroy.

➤ Some of the retail expansion has aided the construction business, which is also benefiting from the expansion of the wine industry in South County.

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PLANT NAME California-American Water Company - Monterey Division
CLIPPING FROM The Herald DATED January 25, 1999 PAGE NO. 1

Congratulations Peninsula Residents-

Together We Reached Our 1998 Conservation Goals!



"Thanks to your efforts we were successful in 1998. Let's keep up the good work."

*Judith L. Almond
Manager*

*Y*our hard work conserving water during 1998 paid off. Together, we were able to stay within our reduced allotment of water from the State Water Resources Control Board in 1998. Until we find a long-term solution for our water supply, we will continue to work together on a vigorous conservation program.

As you are well aware, Cal-Am has been working hard to conserve water during the last couple of years and has been reaching out to the community to implement conservation measures mandated by an order from the State Water Resources Control Board. The goal was ambitious, but in 1998 we made it together. We can't rest on our laurels....WE MUST KEEP UP THE GOOD WORK! Remember, the mandatory conservation measures are still in effect.

*W*ater conservation is just one way Cal-Am works with you to protect our natural resources.

www.calamwater.com
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California-American Water Company
Peninsula's partner in protecting the environment since 1882



"Use Water
Wisely"

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