

Exhibit CAW-030C



California-American Water Company

Lawrence D. Foy
Vice President & Manager

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443-151

May 29, 1996

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

RE: SWRCB Order No. WR 95-10

Dear Mr. Pettit:

Enclosed is the quarterly report for the subject order covering the period from our last filing on January 25, 1996 through May 30, 1996. We received a reporting date extension, authorized in your letter of August 25, 1996, allowing Cal-Am the opportunity to meet with the SWRCB Senior Staff at your offices and with the California Public Utilities Commission Senior Staff.

Meetings were held with the California Public Utilities Commission on April 22 & 23. In conjunction with their visit, they were able to tour some of Cal-Am's facilities, in addition to meeting with both a group of local citizens that supports a New Los Padres Project and a group that opposes a new dam on the river.

On April 23, 1996 we met with the staff of the Monterey Peninsula Water Management District and one of their directors to advise them of the results of the meetings with the CPUC.

We met with your staff on May 8, 1996 in Sacramento to brief you on the results of those meetings and the Company's plans for proceeding with all of the requirements of Order WR 95-10. In the interim, to maintain communication with your staff, we submitted the quarterly report required by Condition No. 13(a) on April 15, 1996 providing the data for pumpage from wells and diversion from the Carmel River for the six-month period of the 1995-96 season.

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Mr. Walter Pettit
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Enclosed are the required status reports relative to Condition Nos. 2, 6, 7, 8 and 11. Future reports will be done on the schedule required by Condition No. 13.

Very truly yours



L. D. Foy

LDF/mh
Enclosure

cc/enc: K. Anderson, DF&G
D. Fuerst, MPWMD
G. Haas
T. Jones, Jr.
L. Weiss, Esq.

5/29/96

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

ORDER CONDITION NO. 2

Cal-Am shall diligently implement one or more of the following actions to terminate its unlawful diversions from the Carmel River: (1) obtain appropriative 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 appropriative rights to divert and use water from the Carmel River.

RESPONSE 2.1:

Cal-Am 's January 5, 1996 request to MPWMD for transfer to Cal-Am of the permits held by MPWMD for the New Los Padres Project, including Permit No. 20808, remains pending. Discussions with MPWMD continue.

Cal-Am has complied with the requirements of SWRCB Decision No. 1632 with regard to perfecting its Table 13 allocation.

Cal-Am's Application No. 30215 to SWRCB remains pending.

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RESPONSE NO. 2.2:

Cal-Am is exploring alternatives relating to reclaimed water including: (1) working with the Monterey Regional Water Pollution Control Agency to update the 1992 Urban Reuse Study. Cal-Am is also exploring the possibility of obtaining an assignment of an allocation of approximately 1,700-2,200 AFY currently held by Marina Coast Water District. (2) Cal-Am is exploring with the Monterey County Resource Agency the possibility that some of the waste water generated from the Monterey Peninsula which is now transferred to the regional sewage treatment plant might be returned to the Monterey Peninsula communities which generated that water.

Cal-Am has investigated potential deep-fractured rock wells in its watershed properties. To date that investigation indicates that such wells could produce only very small quantities of water (100 to 200 gallons per minute).

In cooperation with the MPWMD, Cal-Am is exploring the capacity of the Seaside Aquifer to determine whether the existing pumping capacity of the Paralta Well can be expanded and/or a new well added.

Consistent with SWRCB's letter of March 11, 1996, Cal-Am has stopped its exploration with the community of a number of alternative sources of supply previously examined by MPWMD. Cal-Am is cooperating with the MPWMD regarding the three specific projects which the MPWMD is exploring:

- A. A 3 MGD desal plant in Sand City with possible expansion.

**SWRCB - ORDER NO. WR 95-20
Quarterly Report - January/May 1996**

**ORDER CONDITION NO. 2
(Continued)**

RESPONSE NO. 2.2 (Continued):

- B Transferring excess Carmel River winter flows through Cal-Am's existing facilities for injection into the Seaside Aquifer for storage and summer time recovery. MPWMD has issued an RFP on this subject and proposals are currently being analyzed by the District and Cal-Am staff.**

- C. Retrofit of various facilities not yet retrofitted, including the possibility of a retrofit rebate program. Cal-Am and the District are exploring potential monetary incentives to accomplish this retrofitting.**

5/29/96

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RESPONSE NO. 2.3:

Cal-Am is working with MPWMD and the community to determine if there is public support for a new water supply project on the Carmel River to resolve the issues raised in SWRCB Order No. WR 95-10. To assist in this process, commencing about June 1, 1996, Cal-Am is embarking on a four-month community education program.