

Exhibit CAW-030G



California-American Water Company

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

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

Lawrence D. Foy
Vice President & Manager

443-151

May 14, 1997

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

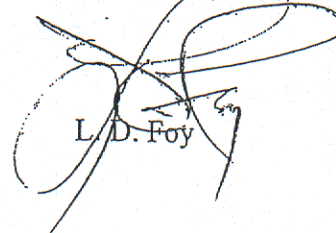
RE: SWRCB Order No. WR 95-10

Dear Mr. Pettit:

As a condition of the above order, we are filing herewith our *quarterly* report for the period February 1, 1997 through April 30, 1997 updating the status of Condition Nos. 2, 3(a), 4, 5, 6, 7, 8, and 12, including the supporting backup information for each condition.

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

Very truly yours,



L. D. Foy

LDF/mh
Enclosure

cc: K. Anderson
D. Fuerst
G. Haas
T. Jones, Jr.

M. Lucca
L. Weiss, Esq.
D. Laredo, Esq.
J. Carrasco

5/14/97

**SWRCB - ORDER NO. WR 95-10
Quarterly Report - February/April 1997**

ORDER CONDITION NO. 2

Cal-Am shall diligently implement one or more of the following actions to terminate its unlawful diversions from the Carmel River: (1) obtain appropriate permits for water being unlawfully diverted from the Carmel River, (2) obtain water from other sources of supply and make one-for-one reductions in unlawful diversions from the Carmel River, provided that water pumped from the Seaside aquifer shall be governed by Condition 4 of this Order, not this condition, and/or (3) contract with another agency having appropriate rights to divert and use water from the Carmel River.

RESPONSE 2.1:

See response to Order Condition No. 12(a) below.

5/14/97

SWRCB - ORDER No. WR 95-10
Quarterly Report - February/April 1997

ORDER CONDITION NO. 3

- (a) *Cal-Am shall develop and implement an urban water conservation plan. In addition, Cal-Am shall develop and implement a water conservation plan based upon best irrigation practices for all parcels with turf and crops of more than one-half acre receiving Carmel River water deliveries from Cal-Am. Documentation that best irrigation practices and urban water conservation have already been implemented may be substituted for plans where applicable.*
- (b) *Urban and irrigation conservation measures shall remain in effect until Cal-Am ceases unlawful diversions from the Carmel River. Conservation measures required by this Order in combination with conservation measures required by the District shall have the goal of achieving 15 percent conservation in the 1996 water year and 20 percent conservation in each subsequent year.²³ To the extent that this requirement conflicts with prior commitments (allocations) by the District, the Chief, Division of Water Rights shall have the authority to modify the conservation requirement. The base for measuring conservation savings shall be 14,106²⁴ AFA. Water conservation measures required by this order shall not supersede any more stringent water conservation requirement imposed by other agencies.*

RESPONSE NO. 3 (a):

Cal-Am filed its "Monterey Division Urban Water Management and Water Storage Contingency Plan - 1995-2000" as part of its July 1996 quarterly report and awaits SWRCB's final acceptance.

Cal-Am has received approval from the California Public Utilities Commission to participate in the Toilet Retrofit Rebate Program and will be contributing \$164,000 to the program to retrofit an additional 1,640 toilets through a \$100 rebate program. See enclosed article.

Cal-Am has entered into a Water Audit Agreement for the Naval Postgraduate School and the U. S. Coast Guard Station as part of the Federal Energy Management Program's Water Conservation Partnership. See attached correspondence.

NEWSPAPER CLIPPINGS

PLANT NAME California-American Water Company – Monterey Division

CLIPPING FROM The Herald DATED April 24, 1997 PAGE NO. 1

Cal-Am boosts area's low-flow toilet rebate

PUC gives approval for \$164,000 contribution

BY THOM AKEMAN
Herald Staff Writer

The California-American Water Co. will help buy 1,640 new toilets so the Monterey Peninsula can cut down its water consumption.

Cal-Am, under the gun to reduce water use by an Oct. 1 deadline set by the state, got state Public Utilities Commission approval to give the Monterey Peninsula Water Management District \$164,000 to double the toilet rebate program that the district started in January.

The water district has been paying homeowners and landlords up to \$100 each to replace older toilets with modern ones that require only 1.6 gallons per flush.

The water district's funding would replace about 1,600 toilets and save an estimated 45 to 60 acre-feet of water a year, said Stephanie Locke, the district's water demand supervisor.

Cal-Am's contribution would double the numbers, she said, so that the water district could save 90 to 120 acre-feet of water a year. That would amount to less than 1 percent of the Peninsula water use, which is in the range of 16,000 acre-feet a year.

In addition to the toilet rebates, Cal-Am will start an advertising campaign to urge residents and businesses to conserve water, said Cal-Am Manager Larry Foy.

"We need to convince the community that there truly is a problem," he told the Peninsula water board Monday night, "so we don't have to come back to you in several months and say,

*Cal-Am's
contribution
would double the
numbers . . . the
water district
could save 90 to
120 acre-feet of
water a year.*

"We're not there. We're going to have to turn to rationing."

Cal-Am is supposed to cut its water diversions from the Carmel River to 11,285 acre-feet a year by Oct. 1 in order to comply with an order handed down in 1995 by the state Water Resources Control Board.

That diversion and 4,000 acre-feet believed to be available in the ground water aquifer under Seaside would limit Cal-Am users to a total of 15,285 acre-feet of water a year.

But at the rate the Peninsula is using water this year, consumption could be 1,260 acre-feet higher than that by Oct 1, said Darby Fuerst, manager of the water district.

The Peninsula needs to cut its water use by 15 percent in the next six months in order to comply with the state order, Fuerst told the water board.

MEMO

To: Steve Jaffe
From: Linda D. Morris *Linda*
Date: Tuesday, May 6, 1997
Subject: Invoice - Water Audits for Government

I have attached the invoice from Honeywell DMC Service regarding the water audits they performed for National Renewable Energy Laboratory(NREL) and Cal-Am Water, Monterey Division.

As per the original agreement, we will invoice NREL for \$20,000 for the water conservation audits at the Naval Postgraduate School and the Coast Guard Station Monterey. The balance, \$6,000.00, is from account # 930.24 (Water Conservation Program). I have attached copies of the contract for your information.

If you have any questions regarding this transaction, please let me know.

cc: L.D. Foy

Attachments



Honeywell DMC Services
1000 Broadway Ste 200
Oakland CA 94607
510 763-2432
510 763-1568 Fax

12 March 1997

Mr. Lawrence D. Fow
Vice President/General Manager
Monterey Division
California American Water Company
50 Ragsdale Drive, Suite 100
Monterey, CA 93940

Dear Lawrence:

Thank you for the opportunity to assist in the water audits of the Naval Postgraduate School and U.S. Coast Guard Station in Monterey, California, as part of the Federal Energy Management Program's Water Conservation Partnership for Federal Facilities. Honeywell DMC is prepared to begin these audits on March 24th and complete the work on April 11th. A proposal was sent to Linda Morris on March 7th outlining the scope of work and final report deliverables.

Attached is a pricing sheet that will serve as a general guide for our invoice to you. We will invoice for the entire project amount (\$26,000.00) once the audits are complete and the final report delivered.

To indicate your acknowledgment of the scope of work and general agreement with our pricing, please sign this letter below and mail it back to me at your earliest convenience.

Once again, thank you for the opportunity to support your efforts on this program.

Sincerely,

Chance Beauchesne
Honeywell DMC Program Manager

CC: Contracts
Ashley Houston

Lawrence D. Fow

3/12/97
Date

California - American Water Company
United States Government Facilities Institutional Water Audit
Date submit March 7, 1997
Submitted by: Honeywell DMC Services Inc.

Price Schedule

	Total
Price Per Auditor/ Per Day	\$525.00
3 auditors for 3 weeks (15 days) (Includes Food/Lodging/Travel Expenses For Audit Staff)	\$23,625.00
Management/Start-up Fee	<u>\$2,375.00</u>
Includes management of operations, start-up planning, printing of data sheets and final report production.	
Total Costs	\$26,000.00

Payment terms will be specified in a contractual letter agreement to be sent at a later date.



Honeywell DMC Services

1000 Broadway Ste 200
Oakland CA 94607

510 763-2432
510 763-1568 Fax

INVOICE NO. 51997

Please Remit to:

DMC Services
P.O. Box 692
Boston, MA 02102

DATE 5/1/97

TO: Linda Morris
Monterey Division
California American Water Co.
50 Ragsdale Drive, Suite 100
Monterey, CA 93940

RE: Naval Postgraduate School & U. S. Coast Guard Station Institutional Water Audits
Billing Period: March 15th - April 15th, 1997

BILLING SUMMARY

	Per Day/Per auditor	# Days	# of Auditors	
Water Auditor Fee	\$525.00	15	3	\$23,625.00
3 auditors for 15 days @ \$525 per auditor per day				
Management/Start-up Fee	\$2,375.00			\$2,375.00
Management of Operations, Start-up planning printing of audit forms and final report production.				

TOTAL AMOUNT DUE: \$26,000.00

NET PAYABLE: 30 DAYS

(DMC Services Office Use Only)

Account Number(s)	
39010 903200	\$23,625.00
39090 903200	\$2,375.00

5/14/97

SWRCB - ORDER No. WR 95-10
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ORDER CONDITION NO. 3

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RESPONSE NO. 3 (b):

Cal-Am kicked off its summer program for 1997 Fire Hydrant Painting Content and Water Conservation Poster Painting Contest which is done through the summer programs throughout the community. See enclosed letter and list of participants.

Cal-Am also kicked off its water conservation program making the community aware of its activities through ad campaigns, radio, television and print media. See enclosed "first series" of ads.

5/14/97

**SWRCB - ORDER NO. WR 95-10
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ORDER CONDITION NO. 4

Cal-Am shall maximize production from the Seaside aquifer for the purpose of serving existing connections, honoring existing commitments (allocations), and to reduce diversions from the Carmel River to the greatest practicable extent. The long-term yield of the basin shall be maintained by using the practical rate of withdrawal method.

RESPONSE NO. 4:

The goal for the Seaside Production is 4,000 AF. During the period October 1996 through April 1997, we produced 1,884.1 AF, or 47% of the goal. However, under an agreement with the Monterey Peninsula Water Management District (MPWMD) and the Department of Fish and Game (CDF&G), during the months of December, January, February and March, we relaxed our pumping from the basin to allow for recharge of the Seaside Aquifer, while water is flowing in the Carmel River and taking the excess winter flows to provide service to the community.

We have now entered into a draft agreement with the MPWMD and CDF&G for diversions from the San Clemente Reservoir from July to December in an amount no greater than 3 CFS. It is anticipated that the pumpage from the Seaside basin will exceed 4,000 AF and we will be minimizing our diversions from the Carmel River system as indicated above. See the enclosed production schedules and draft agreement.

5/14/97

**SWRCB - ORDER NO. WR 95-10
Quarterly Report - February/April 1997**

ORDER CONDITION NO. 5

Cal-Am shall satisfy the water demands of its customers by extracting water from its most downstream wells to the maximum practicable extent, without degrading water quality or significantly affecting the operation of other wells.

RESPONSE No. 5:

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

Aquifer No. 1 produced 57.4 AF; Aquifer No. 2 - 159.6 AF; Water West - 75.4 AF; Aquifer No. 3 - 3,097.8 AF; Aquifer No. 4 - 1,023.4 AF. Total production was 4,413.6 AF.

Cal-Am continues to take its production from its lowermost wells as indicated in this report and the specifics of well production.

All wells in the Carmel Valley are in full operation, except Los Laureles No. 6 which is out of service for installation of a new pump. This well is located in Aquifer No. 3.

We continued to experience dry weather without benefit of rainfall during the months of February, March and April—the driest since the 1880s—with less than one-half inch of rain recorded for the three-month period. See enclosed production, rainfall and pumping schedules.

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**SWRCB - ORDER NO. WR 95-10
Quarterly Report - February/April 1997**

ORDER CONDITION NO. 6

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

RESPONSE NO. 6:

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

5/14/97

**SWRCB - ORDER WR 95-10
Quarterly Report - February/April 1997**

ORDER CONDITION NO. 7

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

RESPONSE NO. 7:

The Monterey Peninsula Water Management District, who is under contract to Cal-Am to provide studies for Bypass Early Storm Runoff Feasibility, has indicated that the final report will be submitted in July 1997. See enclosed letter.

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SWRCB - ORDER NO. WR 95-10
Quarterly Report - February/April 1997

ORDER CONDITION NO. 8

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

RESPONSE NO. 8:

The Monterey Peninsula Water Management District is under contract to Cal-Am to provide a study for Critical Stream Reach Feasibility. Sites have been selected and it is anticipated that the work will be completed during the summer, with a final report to be submitted August 1997. See enclosed letter.



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

187 ELDORADO STREET • POST OFFICE BOX 85
MONTEREY, CA 93942-0085 • (408) 649-4866
FAX (408) 649-3678 • <http://www.mpwmd.dst.ca.us>

RECEIVED

MAY 14 1997

CAL-AM WATER CO.

May 9, 1997

Mr. Larry Foy
Vice President & Manager
California-American Water Company
P.O. Box 951
Monterey, California 94942-0951

**Subject: Status of Modifying Critical Stream Reaches Feasibility Study -- SWRCB
Order No. WR 95-10, Condition No. 8**

Dear Larry:

This letter is to update you on the status of the Modifying Critical Stream Reaches Feasibility study being conducted by District staff for Cal-Am. This study is described in the District's proposal dated June 19, 1996, and was authorized by Cal-Am on July 11, 1996. As proposed, the study consisted of seven tasks with a draft report scheduled for completion by April 30, 1997 and a final report by June 30, 1997.

To date, District staff has conducted a reconnaissance of potential sites for selection as critical reaches, selected five of the 29 potential sites for further study, and begun field measurements and observations on the selected sites. The five study sites include two manmade features (Old Carmel Dam and Sleepy Hollow Ford), the inundation zone of San Clemente Reservoir, and two critical riffles in the lower Carmel Valley (Girl Scout Crossing in DeDampierre Park and Rancho Canada riffle). Due to higher than expected streamflow earlier in the year, fieldwork on this study is about one month behind schedule. However, with the current extremely dry weather, staff expects to complete all field work by mid-June. Work on the remainder of the proposal is scheduled for June and July with a draft report completed in late July and a final report submitted by August 31, 1997.

If you have any questions regarding the study, please let me know. I appreciate your cooperation and patience.

Sincerely,


Darby Fuerst
General Manager

5/14/97

SWRCB - ORDER NO. WR 95-10
Quarterly Report - February/April 1997

ORDER CONDITION NO. 12

Within 90 days of the date of this order, Cal-Am shall submit for the approval of the Chief, Division of Water Rights:

- (a) A compliance plan detailing the specific actions which will be taken to comply with condition 2 and the dates by which those actions will be accomplished;*
- (b) An urban water conservation plan;*
- (c) An irrigation management plan.*

RESPONSE 12(a):

Status - Carmel River Dam and Reservoir Project

On March 31, 1997, the MPWMD staff deemed Cal-Am's application to be complete and placed the matter on the agenda for April 21, 1997 for board approval.

The MPWMD board of directors approved the District's acceptance as lead agency for the completion of the environmental work. Two final consultant candidates will be interviewed and the selected environmental consultant will be on board on May 20, 1997.

On April 21 & 22, the Army Corps of Engineer's Lieutenant Colonel Richard Thompson toured the system and the reservoir site.

The CPUC will hold hearings on May 15 in Monterey to receive input on the project and projected rate impact.

The MPWMD will hold public scoping sessions on May 22, 1997 for input into the environmental review process. The process is moving ahead. See the enclosed letter and Update.

NOTE: Enclosed are copies of newspaper articles, letters to the editor and other items providing public comments and opinions about the reservoir project.