



CALIFORNIA
AMERICAN WATER

October 19, 2010

California American Water – Monterey
511 Forest Lodge Rd, Suite 100
Pacific Grove, CA 93950
amwater.com

Barbara Evoy, Division Chief
Division of Water Rights
State Water Resources Control Board
1001 I Street
Sacramento, CA 95812

Re: SWRCB Order WR 2009-0060 Report for the 2009-2010 Water Year Addressing
Operations for the Period of October 1, 2009 to September, 2010.

Dear Ms. Evoy:

Pursuant to Condition Six of Order WR 2009-0060, this letter is California American Water's combined report for Water Year 2010 covering the period of October 1, 2009 to September 30, 2010. Each subsection of Condition Six is represented by a separate heading below. For ease of reference, the requirement of each subsection is summarized, followed by the requested information.

Condition 6(a)

Condition 6(a) requires California American to provide monthly summaries of the quantity of water it diverts from the river.

Compliance with Condition 6(a):

Table One summarizes the water diverted from the Carmel River by month, including all water diverted to storage under Permit 20808A. This data is compiled from meter readings that are collected daily from California American Water's pumps, either through an employee manually reading each meter, or through an employee reading the data from the Supervisory Control and Data Acquisition ("SCADA") system. A California American Water employee manually enters those daily readings into a spreadsheet that is provided to the Monterey system General Manager. The spreadsheet is designed to automatically calculate the monthly total from the daily readings. At the end of each month, this daily summary is cross-checked against SCADA information that is separately maintained for each well.

Table One	
Monthly Carmel River Water Diversions	
Month	Quantity Diverted
October 2009	803.2 AF
November 2009	628.2 AF
December 2009	653.8 AF
January 2010	849.9 AF
February 2010	964.7 AF
March 2010	1,071.8 AF
April 2010	997.4 AF
May 2010	829.0 AF
June 2010	711.4 AF
July 2010	788.8 AF
August 2010	754.5 AF
September 2010	733.0 AF
Total	9,485.7 AF

Condition 6(b)

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

Compliance with Condition 6(b):

Table Two summarizes by month the quantity of ASR project water diverted from the Carmel River under Permit 20808A. This summary is from a spreadsheet e-mailed to the General Manager for California American Water's Monterey system by a Monterey Peninsula Water Management District employee each business day during the diversion season. This spreadsheet shows the gallons of water injected into each of the two injection wells. California American Water understands that the daily injection data is a manual reading of the meters on the injection pumps by a Monterey Peninsula Water Management District employee. This spreadsheet also contains a formula that estimates the number of acre-feet based on the gallons injected and also totals the daily readings for the month. The information in Table Two is taken directly from this spreadsheet.

The data regarding ASR water recovered is taken from the Quarterly Water Budget developed cooperatively between California American Water, the Monterey Peninsula Water Management District, NOAA Fisheries, and the California Department of Fish and Game, and represents an accounting of water withdrawn from the Seaside Groundwater Basin. On September 21, 2010, California American Water submitted a revised ASR

Recovery Plan to conform to the Quarterly Water Budget adopted by the Monterey Peninsula Water Management District on September 20, 2010. Table Two has been revised from our prior submittal to reflect the updated recovery plan.

Table Two			
Monthly Water Diverted to Storage Under Permit 20808A and Storage Balance			
Month	ASR Diverted to Storage	ASR Recovered for Beneficial Use	Month End Storage Balance
October 2009	0.0 AF	0.0 AF	0.0 AF
November 2009	0.0 AF	0.0 AF	0.0 AF
December 2009	129.5 AF	0.0 AF	129.5 AF
January 2010	103.5 AF	0.0 AF	233.0 AF
February 2010	245.0 AF	0.0 AF	478.0 AF
March 2010	227.7 AF	0.0 AF	705.7 AF
April 2010	194.1 AF	0.0 AF	899.8 AF
May 2010	210.6 AF	0.0 AF	1,110.4 AF
June 2010	0.0 AF	0.0 AF	1,110.4 AF
July 2010	0.0 AF	0.0 AF	1,110.4 AF
August 2010	0.0 AF	0.0 AF	1,110.4 AF
September 2010	0.0 AF	0.0 AF	1,110.4 AF
Total	1110.4 AF	0.0 AF	

Condition 6(c)

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

Compliance with Condition 6(c):

Table Three lists the number of new connections in the City of Sand City by month for the reporting period. This information is taken from Attachment One. Attachment One is manually compiled by a California American Water employee from the water connection permits issued by the Monterey Peninsula Water Management District and subsequently provided to California American Water by prospective customers. If a listing on Attachment One has no "Installed Date," the customer has provided California American Water with the water connection permit, but has not requested a meter to be installed.

Month	Number of New Connections in Sand City
October 2009	0
November 2009	0
December 2009	0
January 2010	0
February 2010	0
March 2010	0
April 2010	0
May 2010	0
June 2010	0
July 2010	0
August 2010	0
September 2010	0

Table Four summarizes by month the quantity of water produced by the Sand City desalination plant, the quantity of water used by new connections, and quantity of water used to reduce river diversions.

Month	Sand City Production	Water Used by New Connections	Water Used to Reduce River Diversions
October 2009	0.0 AF	0.0 AF	0.0 AF
November 2009	0.0 AF	0.0 AF	0.0 AF
December 2009	0.0 AF	0.0 AF	0.0 AF
January 2010	0.0 AF	0.0 AF	0.0 AF
February 2010	0.0 AF	0.0 AF	0.0 AF
March 2010	0.0 AF	0.0 AF	0.0 AF
April 2010	4.8 AF	0.0 AF	4.8 AF
May 2010	14.0 AF	0.0 AF	14.0 AF
June 2010	0.8 AF	0.0 AF	0.8 AF
July 2010	3.6 AF	0.0 AF	3.6 AF
August 2010	9.3 AF	0.0 AF	9.3 AF
September 2010	13.5 AF	0.0 AF	13.5 AF
Total	46.0 AF	0.0 AF	46.0 AF

The Sand City desalination plant did not produce water during the first and second quarters because the Department of Public Health had not issued the required permit to operate the facility. California American Water received a permit to operate the Sand City facility from the California Department of Public Health on March 30, 2010. The desalination plant is producing limited water during the ongoing plant acceptance testing.

Condition 6(d)

Condition 6(d) requires California American Water to provide monthly summaries of the quantity of water saved by reducing system losses.

Compliance with Condition 6(d):

Water systems typically calculate losses using a 12-month running average to smooth seasonal variations in the data. Table Five lists the 12-month running average for Monterey Main System losses and compares the losses to an October 2008 through September 2009 base period. The 12-month running average is calculated by subtracting the cumulative metered consumption from the production volume shown in Table One. The cumulative metered consumption is based on the individual monthly meter readings and is obtained from a report generated by our accounting system. The Monterey system General Manager calculates the difference from these two numbers to arrive at the monthly system loss, and then calculates the 12-month running average from the monthly data.

Table Five		
12-Month Running Average of Unaccounted For Water		
12 Month Period	System Losses	Savings Compared to Base Year
Oct 08 – Sept 09	1,276 AF	(base year)
Nov 08 – Oct 09	1,175 AF	101 AF
Dec 08 – Nov 09	1,263 AF	13 AF
Jan 09 – Dec 09	1,217 AF	59 AF
Feb 09 – Jan 10	1,149 AF	127 AF
Mar 09 – Feb 10	1,298 AF	-22 AF
Apr 09 – Mar 10	1,314 AF	-38AF
May 09 – Apr 10	1,147 AF	130 AF
Jun 09 – May 10	1,174 AF	102 AF
Jul 09 – Jun 10	1,264 AF	13 AF
Aug 09 – Jul 10	1,306 AF	-7 AF
Sep 09 – Aug 10	1,278 AF	-2 AF
Oct 09 – Sep 10	1,306 AF	-29 AF

It is difficult to identify the actual components of unaccounted-for-water as it is a combination of system leaks and actual water use not captured by meters. A high priority is being given to identifying and repairing leaks, meter replacement, and infrastructure replacement. Table Six presents information on leaks detected and repaired during the reporting period. Each time a leak is detected, a California American Water repair crew responds to repair the leak. The assigned crew leader prepares a "leak report." The information in Table Six is based on a manual count of the leak reports received by the Monterey system General Manager during the reporting period.

Month	Main Leaks	Service Leaks
October 2009	18	40
November 2009	17	43
December 2009	36	27
January 2010	16	16
February 2010	12	23
March 2010	19	21
April 2010	33	36
May 2010	29	36
June 2010	19	35
July 2010	16	27
August 2010	22	32
September 2010	26	57
Total	263	393

Table Seven summarizes service, main, meter, and hydrant replacements during the reporting period. Please note that service, main, meter and hydrant replacements are performed by both California American Water's forces and contractors. Service replacements are tracked via work orders for various purposes, including accounting and system management. The service replacements are calculated by a California American Water Operations supervisor from these work orders. The quantity of water mains and fire hydrants replaced is compiled by a California American Water Operations supervisor from Engineering Department records, which in turn are based on information from contractors. California American Water maintains records regarding meter replacements for various purposes, including reporting to the California Public Utilities Commission and inventory control. The number of meters replaced was compiled by a California American Water Operations supervisor from these records. To the extent that the data in Table Seven includes contractor reports or data from invoices for contract services, this information: (a) is based on the representations made by our contractors; (b) may include field estimates for the lengths of pipe replaced.

Month	Service Replacements	Main Replacements Feet	Meter Replacements	Fire Hydrant Replacements
October 2009	3	0	113	3
November 2009	10	0	86	1
December 2009	0	0	54	0
January 2010	67	0	127	1
February 2010	95	0	168	0
March 2010	201	3,646	340	1
April 2010	126	0	249	20
May 2010	4	0	111	1
June 2010	1	0	80	1
July 2010	4	802	77	0
August 2010	5	4,326	100	1
September 2010	20	4,150	118	2
Total	536	12,924	1623	31

Condition 6(e)

Condition 6(e) requires California American Water to provide monthly summaries of reductions in demand for potable water due to conservation actions such as increased rates, the Monterey Peninsula Water Management District's retrofit program, programs to reduce potable water use for outdoor irrigation, and other demand reduction initiatives.

Compliance with Condition 6(e):

California American Water implemented a new conservation rate structure effective February 1, 2010. The change in the rate structure is shown in Table Eight. The residential tiered conservation rate structure increases were directed at the top tier users and were designed to promote conservation practices and reduce overall water usage.

Tier	Old Rates Per Unit*	New Rates Per Unit*	Percent Change
1	\$0.268	\$0.275	2.6%
2	\$0.439	\$0.401	-8.6%
3	\$0.609	\$0.801	31.6%
4	\$0.800	\$1.603	105.6%
5	\$1.452	\$2.805	91.9%

* A unit of water equals 10 cubic feet or 75 gallons.

Attachment Two compares the five year historical tier usage with calendar year 2010 actual use. There are several factors that can affect water consumption; including price, weather, and conservation efforts. California American Water assumes that the changes in consumption shown in Attachment Two are, in part, a result of the conservation rates and the other conservation activities. Except for savings estimated by the Monterey Peninsula Water Management District for water appliance retrofitting, California American Water cannot attribute specific portions of reduced consumption to rates, weather, or other conservation efforts.

Table Nine reports the estimated annual water savings from retrofit programs. The monthly rebate costs are dependent on the number and type of water conserving appliances. Examples of rebates include High Efficiency Toilet (\$200), High Efficiency Dishwasher (\$125), High Efficiency Washer (\$250), High Efficiency Urinal (\$200), Cistern Water Tank (\$25 per 100 gallon storage capacity), Cooling Tower Conductivity Controller (\$1,000), and X-ray Film Processor Recirculation System (\$2,000). This information was specifically requested from the Monterey Peninsula Water Management District by California American Water's Monterey system General Manager for the purposes of this report. The data provided by the Monterey Peninsula Water Management District and reported in Table Seven included the retrofit expenditures and estimated water savings in acre-feet by month.

Month	Cost	Savings
October 2009	\$30,325	3.404 AF
November 2009	\$30,550	3.958 AF
December 2009	\$18,756	1.703 AF
January 2010	\$83,810	11.309 AF
February 2010	\$32,753	2.652 AF
March 2010	\$54,792	6.956 AF
April 2010	\$28,106	2.738 AF
May 2010	\$74,810	8.020 AF
June 2010	\$41,716	3.757 AF
July 2010	\$56,025	6.190 AF
August 2010	\$54,367	4.294 AF
September 2010	\$58,659	3.639 AF
Total	\$564,669	58.620 AF

The Monterey Peninsula Water Management District and California American Water conduct water conservation audits for homes, businesses and landscape accounts. Table Ten shows the total number of audits conducted in the reporting period. The information

in Table Ten was reported to the Monterey system General Manager by California American Water’s local Conservation Manager, who manages the conservation contract with the Monterey Peninsula Water Management District.

Table Ten	
Total Water Conservation Audits By Month	
Month	Number of Audits
October 2009	25
November 2009	22
December 2009	32
January 2010	29
February 2010	43
March 2010	43
April 2010	56
May 2010	23
June 2010	26
July 2010	20
August 2010	16
September 2010	27
Total	362

Both the Monterey Peninsula Water Management District and California American Water use contractors to perform some audits. Accordingly, the data in Table Ten is based, in part, on: (a) representations by those contractors as to the work performed; and (b) information provided by the Monterey Peninsula Water Management District.

The Monterey Peninsula Water Management District and California American Water conducted the following conservation programs and workshops during the reporting period:

- Landscape Irrigation Auditor Class and Certification Examination, November 4 – 6, 2009
Topic – Field-tests on irrigation systems to determine and improve efficiency.
Attendees – 15 landscapers
- Landscape Irrigation Workshop, March 25, 2010
Topic – Water savings irrigation technology and water conservation strategies.
Attendees – 45 landscapers, homeowners, business owners, school district employees and city public works employees.
- Rain Water Harvesting and Accreditation Workshops, May 15 – 18, 2020.

Introduction to Rainwater Harvesting (Level 100)

Advanced Rainwater Harvesting and Accreditation (Level 200)

Topic – Overview of rainwater harvesting, uses and applicability to conserving rainfall as a natural resource and accreditation.

Attendees – 26 landscapers and residential customers.

- Conservation Events – California American Water and the Monterey Peninsula Water Management District participates in various community fairs and events where customers interact with experts on water conservation, obtain water saving devices, and receive information about indoor water saving appliances and techniques. The following events were held during the reporting period:
 - Pacific Grove Middle School March 5, 2010
 - Pacific Grove Good Old Days, April 10 and 11, 2010
 - Monterey Peninsula College – Earth Day, April 22, 2010
 - Naval Post Graduate School – Earth Day, April 22, 2010
 - Monterey High School – Earth Day, April 22, 2010
 - Del Monte Shopping Center – Water Awareness Day, May 8, 2010
 - Monterey Volunteer Services, June 4, 2010
 - Monterey County Library – Make a Splash Event, June 5, 2010
- School Retrofit Program – California American Water and the Monterey Peninsula Water Management District collaborate to schedule and conduct indoor and outdoor audits at local schools. The School Retrofit Program is designed to grant money to educational facilities on the Monterey Peninsula to achieve cost-effective water-saving retrofits that might otherwise not occur due to budget constraints or conflicting funding priorities. During the reporting period, California American Water and the Monterey Peninsula Water Management District completed 6 audits within the Pacific Grove Unified School District. Once all recommendations from these audits are implemented, it is estimated that these improvements will save seven acre-feet of water per year. In addition, there are five other audits that are in progress.
- Monterey County Fair, September 2, 2010 – Distributed water-saving devices and talked to customers about water saving strategies.
- Santa Catalina School, September, 2010 – Performed indoor and outdoor water audits to reduce water use.
- Del Mar French Laundry, August, 2010 – Discussed the results of the recent indoor audit and water saving strategies.
- Naval Postgraduate School, September, 2010 – Reviewed results of water audits.

- Landscape Grant Program, September, 2010 – California American Water President handed out letters to Monterey Peninsula mayors introducing the grant program.

Condition 6(f)

Condition 6(f) requires California American Water to provide monthly summaries identifying all new service connections. The report is to include the California American Water account number, the service address, the name of each authority granting any approval required for connecting to California American Water's system and the name of each authority granting any approval required before commencing construction; the issuer of each approval and the date of each approval shall be separately listed for each service address.

Compliance with Condition 6(f):

In compliance with Monterey Peninsula Water Management District regulations, California American Water does not connect new customers unless the prospective customer provides California American Water with a water connection permit issued by the Monterey Peninsula Water Management District.

Attachment One is a list of all new connections authorized by the Monterey Peninsula Water Management District. Attachment One is being provided under separate cover as it contains confidential customer account information. California American Water requests the State Water Resources Control Board maintain this information as confidential. As discussed in Section 6(c) above, Attachment One is compiled by California American Water employees from the water connection permits issued by the Monterey Peninsula Water Management District and provided to California American Water by prospective customers. Prospective customers may elect to have a meter installed shortly after presentation of the water connection permit, or may request the meter at a later date. This report includes prospective customers who have presented California American Water with a water connection permit, even if that customer has not requested a meter to be immediately installed. If the customer has provided California American Water with the water connection permit, but has not requested a meter to be installed, the entry on Attachment One has no "Installed Date."

The new connection count does not include emergency fire service connections or the splitting of master meter connections into individual accounts, as neither of these activities increases water use.

Condition 6(g)

Condition 6(g) requires California American Water to provide monthly summaries identifying existing service addresses that receive an increased supply of water due to a change in zoning or use. The report is to include Cal-Am account number, the service address and the name of each authority authorizing a change of use or of zoning and the date of such change.

Compliance with Condition 6(g):

Attachment Three is a list of permits issued by the Monterey Peninsula Water Management District authorizing changes to existing service addresses that will result in an increased use of water through a change in zoning or use. Attachment Three is being provided under separate cover as it contains confidential customer account information. California American Water requests the State Water Resources Control Board maintain this information as confidential. Although not clearly a “change in zoning or use,” Attachment Three includes permits issued for additions to, or remodeling of, an existing service address where that addition or remodel has been determined by the Monterey Peninsula Water Management District to result in increased water consumption. California American Water requested this information from the Monterey Peninsula Water Management District specifically for this report. The Monterey Peninsula Water Management District provided a spreadsheet that includes the data in Attachment Three. The Monterey Peninsula Water Management District’s spreadsheet tracks the information by Assessor’s Parcel Number. A California American Water employee correlated California American Water’s records to the Monterey Peninsula Water Management District’s spreadsheet based on Assessor’s Parcel Number to obtain the California American Water account number and service address. Other than California American Water account number and service location, all data in Attachment Three was compiled or calculated by the Monterey Peninsula Water Management District.

Conclusion

This concludes our report for the first through four quarters of Water Year 2010. Should you or your staff have any questions please call me at (831) 646-3214.

Compliance with Condition 6(h)

I declare under penalty of perjury, under the laws of the State of California, that all statements contained in this report and any accompanying documents are true and correct, with full knowledge that all statements made in this report are subject to investigation and that any false or dishonest statements may be grounds for prosecution.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig E. Anthony". The signature is written in a cursive style with a long, sweeping tail.

Craig E. Anthony
General Manager
Central Division
California American Water

Attachments:



California American Water – Monterey
511 Forest Lodge Rd, Suite 100
Pacific Grove, CA 93950
amwater.com

State Water Resources Control Board Water Rights Order WR-2009-0060

Report by California American Water
For The Fourth Quarter
Water Year 2010

Attachment Two
Tier Water Use

Attachment Two
Comparison of Tier Historical Use with 2010 Actual Usage



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Month	Tier One		Tier Two		Tier Three		Tier Four		Tier Five	
	Five Year Historical Use	2010 Actual Usage	Five Year Historical Use	2010 Actual Usage	Five Year Historical Use	2010 Actual Usage	Five Year Historical Use	2010 Actual Usage	Five Year Historical Use	2010 Actual Usage
January	547	793	171	215	42	51	18	18	25	31
February	572	471	154	75	34	30	14	7	23	11
March	554	540	153	86	35	35	14	7	18	16
April	620	620	177	112	42	43	18	11	27	21
May	722	631	186	133	46	62	20	13	27	17
June	833	674	237	152	75	79	34	23	50	36
July	871	734	255	183	88	110	42	36	67	50
August	871	756	250	189	86	104	40	34	71	47
September	842	726	255	185	82	107	39	34	59	43
October	797		230		73		35		57	
November	614		195		62		31		61	
December	557		180		51		24		41	