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October 25, 2018

Erik Ekdahl, Deputy Director  
Division of Water Rights  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95812

Re: SWRCB Order WR 2016-0016 / WR 2009-0060, 4th Quarterly Report for the 2017-2018 Water Year Addressing Operations for the Period of July 1, 2018 to September 30, 2018.

Dear Mr. Ekdahl:

Pursuant to Condition Eight of Order WR 2016-0016 and Condition Six of Order WR 2009-0060, this letter is California American Water's report for the 4th quarter of Water Year 2018 covering the period of July 1, 2018 to September 30, 2018. This report has been modified from previous quarterly reports submitted in accordance with Order WR 2016-0016. For ease of reference, the requirement of each subsection is summarized, followed by the requested information.

### **Condition 8(a)**

Condition 8(a) requires California American to provide monthly summaries of the total quantity of water produced from the Carmel River, and other separate sources of water used by Cal-Am within the service area.

#### **Compliance with Condition 8(a):**

Table One summarizes the total quantity of water produced from the Carmel River, and other separate sources of water used by Cal-Am within the service area by month. 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**  
**Total Quantity of Water Produced from Carmel River and other separate sources of water used by Cal-Am within the service area by month**

Month	Carmel Valley Wells <sup>1</sup> (AF)	Eastwood-Cañada Well (AF)	Seaside Wells <sup>2</sup> (AF)	Sand City Desal (AF)	Total Production (AF)
Oct 2017	529.06	2.55	367.69	13.70	912.99
Nov 2017	416.12	6.01	307.12	2.85	732.10
Dec 2017	398.28	0.67	315.00	26.17	740.12
<b>Q1 Total</b>	<b>1,343.46</b>	<b>9.22</b>	<b>989.81</b>	<b>42.72</b>	<b>2,385.21</b>
<b>WYTD</b>	<b>1,343.46</b>	<b>9.22</b>	<b>989.81</b>	<b>42.72</b>	<b>2,385.21</b>
Jan 2018	392.86	7.45	245.45	25.07	670.83
Feb 2018	406.77	6.69	241.90	20.54	675.91
Mar 2018	806.68	6.50	170.36	0.00	983.54
<b>Q2 Total</b>	<b>1,606.32</b>	<b>20.64</b>	<b>657.71</b>	<b>45.61</b>	<b>2,330.28</b>
<b>WYTD</b>	<b>2,949.78</b>	<b>29.87</b>	<b>1,647.52</b>	<b>88.34</b>	<b>4,715.49</b>
Apr 2018	818.75	4.75	71.12	3.11	897.73
May 2018	740.37	0.00	85.16	25.37	850.90
Jun 2018	684.11	7.57	165.56	22.65	879.89
<b>Q3 Total</b>	<b>2,243.24</b>	<b>12.32</b>	<b>321.83</b>	<b>51.13</b>	<b>2,628.53</b>
<b>WYTD</b>	<b>5,193.01</b>	<b>42.19</b>	<b>1,969.35</b>	<b>139.47</b>	<b>7,344.02</b>
Jul 2018	557.58	9.17	360.11	25.78	952.63
Aug 2018	511.23	7.83	414.34	9.86	943.27
Sep 2018	475.48	7.57	392.12	14.44	889.61
<b>Q4 Total</b>	<b>1,544.28</b>	<b>24.57</b>	<b>1,166.57</b>	<b>50.08</b>	<b>2,785.50</b>
<b>WYTD</b>	<b>6,737.29</b>	<b>66.76</b>	<b>3,135.92</b>	<b>189.55</b>	<b>10,129.52</b>

<sup>1</sup>Includes ASR Injection

<sup>2</sup>Includes ASR Recovery

**Condition 8(b)**

Condition 8(b) requires California American Water to provide monthly summaries of the total quantity of ASR project water diverted from the river under water right Permit 20808A and Permit 20808C and stored in the Seaside Groundwater Basin, including the separate accounting of the amounts pumped in excess of 600 afa. The monthly reporting shall also state the quantity of ASR water recovered from aquifer storage and beneficially used, and the current balance of ASR water remaining in storage in the Seaside Groundwater Basin.

Compliance with Condition 8(b):

Table Two summarizes by month the quantity of ASR project water diverted from the Carmel River under Permit 20808A and Permit 20808C, and includes a separate accounting of the amounts pumped in excess of 600 afa. 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 four 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 converts 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 Wildlife, and represents an accounting of water withdrawn from the Seaside Groundwater Basin.

**Table Two  
Monthly Water Diverted to Storage and Storage Balance**

Month	Well 1 Diverted to Storage (AF)		Well 2 Diverted to Storage (AF)		Well 3 Diverted to Storage (AF)		Well 4 Diverted to Storage (AF)		ASR Injection (AF)	ASR Injection Balance in excess of 600 (AF)	ASR Recovery (AF)	Month End ASR Storage Balance (AF)
	Permit 20808A	Permit 20808C	Permit 20808A	Permit 20808C	Permit 20808A	Permit 20808C	Permit 20808A	Permit 20808C				Previous WY (AF) 1148.78
Oct 2017	0	0	0	0	0	0	0	0	0	0	0	1148.78
Nov 2017	0	0	0	0	0	0	0	0	0	0	0	1148.78
Dec 2017	0	0	0	0	0	0	0	0	0	0	0	1148.78
<b>Q1 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>WYTD</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1148.78</b>
Jan 2018	0	0	0	0	0	0	0	0	0	0	0	1148.78
Feb 2018	0	0	0	0	0	0	0	0	0	0	0	1148.78
Mar 2018	0	0	37.17	114.07	37.25	139.59	0	13.16	341.23	0	0	1490.01
<b>Q2 Total</b>	<b>0</b>	<b>0</b>	<b>37.17</b>	<b>114.07</b>	<b>37.25</b>	<b>139.59</b>	<b>0</b>	<b>13.16</b>	<b>341.23</b>	<b>0</b>	<b>0</b>	
<b>WYTD</b>	<b>0</b>	<b>0</b>	<b>37.17</b>	<b>114.07</b>	<b>37.25</b>	<b>139.59</b>	<b>0</b>	<b>13.16</b>	<b>341.23</b>	<b>0</b>	<b>0</b>	<b>1490.01</b>
Apr 2018	0	0	64.88	17.86	80.90	23.50	0.21	1.92	189.26	0	0	1679.27
May 2018	0	0	0	0	0	0	0	0	0	0	0	1679.27
Jun 2018	0	0	0	0	0	0	0	0	0	0	43.15	1636.12
<b>Q3 Total</b>	<b>0</b>	<b>0</b>	<b>64.88</b>	<b>17.86</b>	<b>80.90</b>	<b>23.50</b>	<b>0.21</b>	<b>1.92</b>	<b>189.26</b>	<b>0</b>	<b>43.15</b>	
<b>WYTD</b>	<b>0</b>	<b>0</b>	<b>102.04</b>	<b>131.93</b>	<b>118.15</b>	<b>163.08</b>	<b>0.21</b>	<b>15.08</b>	<b>530.49</b>	<b>0</b>	<b>43.15</b>	<b>1636.12</b>
Jul 2018	0	0	0	0	0	0	0	0	0	0	360.11	1276.01
Aug 2018	0	0	0	0	0	0	0	0	0	0	414.34	861.67
Sep 2018	0	0	0	0	0	0	0	0	0	0	392.12	469.55
<b>Q4 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,166.57</b>	
<b>WYTD</b>	<b>0</b>	<b>0</b>	<b>102.04</b>	<b>131.93</b>	<b>118.15</b>	<b>163.08</b>	<b>0.21</b>	<b>15.08</b>	<b>530.49</b>	<b>0</b>	<b>1,209.72</b>	<b>469.55</b>

**Condition 8(c)**

Condition 8(c) requires California American Water to provide monthly summaries of the quantity of water being supplied by the Malpasos Water Company to Cal-Am and to Malpasos customers supplied using Cal-Am facilities. The reporting shall identify the amount of water used at Cal-Am's existing meter connections and within the Cal-Am service area, and the amounts at new service connections served by Malpasos Water Company. The monthly reports shall specify the quantity of water used to reduce diversions from the river during the reporting period.

Compliance with Condition 8(c):

Table Three summarizes by month the quantity of water supplied by the Malpas Water Company, the quantity of water used by new connections, and quantity of water used to reduce river diversions.

<b>Table Three</b>			
<b>Malpas Water Company Monthly Production and Product Allocation</b>			
<b>Month</b>	<b>Malpas Production (AF)</b>	<b>Use by Malpas Connections* (AF)</b>	<b>Water Used to Reduce Diversions (AF)</b>
Oct 2017	2.55	0.53	2.02
Nov 2017	6.01	0.53	5.48
Dec 2017	0.67	0.53	0.14
Jan 2018	7.45	0.70	6.75
Feb 2018	6.69	0.70	5.99
Mar 2018	6.50	0.70	5.80
Apr 2018	4.75	0.78	3.97
May 2018	0.00	0.78	** -0.78
Jun 2018	7.57	0.78	6.79
Jul 2018	9.17	0.91	8.26
Aug 2018	7.83	0.91	6.92
Sep 2018	7.57	0.91	6.66
<b>Total</b>	<b>66.76</b>	<b>8.75</b>	<b>58.00</b>

\*See Attachment Three and Four

\*\*Note: This negative value due to zero well production for the month and continuous use from Malpas connections.

Condition 8(d)

Condition 8(d) requires California American Water to provide monthly summaries of the quantity of water produced by the City of Pacific Grove, and the quantity of water used to reduce diversions from the river during the reporting period. Cal-Am shall not deliver water produced by the City of Pacific Grove unless such use is consistent with Resolution 2015-0070, paragraph 4.

Compliance with Condition 8(d):

Table Four summarizes by month the quantity of water produced by the City of Pacific Grove, and the quantity of water used to reduce river diversions.

<b>Table Four City of Pacific Grove Monthly Production and Product Allocation</b>		
<b>Month</b>	<b>City of Pacific Grove Production (AF)</b>	<b>Water Used to Reduce River Diversions (AF)</b>
Oct 2017	0	0
Nov 2017	0	0
Dec 2017	0	0
Jan 2018	2.53	0.35
Feb 2018	2.71	0.83
Mar 2018	2.64	1.08
Apr 2018	5.03	4.29
May 2018	13.52	13.38
Jun 2018	15.81	15.90
Jul 2018	17.33	17.30
Aug 2018	16.57	16.45
Sep 2018	13.59	13.56
<b>Total</b>	<b>89.74</b>	<b>83.13</b>

**Condition 8(e)**

Condition 8(e) requires California American Water for the final quarter of each water year to report the quantification and basis of any credits earned and of any amount being carried over for future years.

Compliance with Condition 8(e):

Table Five (a) summarizes the Effective Diversion Limit adjustment calculation, Table Five (b) summarizes the adjusted Carmel Valley Well production calculation, and Table Five (c) summarizes the final quarter quantification and basis of credits earned to be carried over for future years.

<b>Table Five (a)</b> <b>Effective Diversion Limit Adjustment Calculation (AF)</b>	
Effective Diversion Limit	8,310
Penalty for Missed Milestones	(0.00)
Water Produced by Sand City not used by Sand City Customers	(107.09)
Pure Water Monterey Groundwater Replenishment Project Water Recovery	(0.00)
Instream Flow Agreement Carry Over Credit (50%) from previous water year	0.00
<b>Adjusted Effective Diversion Limit</b>	<b>8,202.91</b>

<b>Table Five (b)</b> <b>Adjusted Carmel Valley Well Production Calculation (AF)</b>	
Carmel Valley Well Production (excludes Malpaso Water)	6,737.29
Malpaso Water Produced not served to subscribers	58.00
Water served to Pebble Beach entitlements	(8.38)
ASR Injection in excess of 600AF	(0.00)
<b>Adjusted Carmel Valley Well Production</b>	<b>6,786.92</b>

<b>Table Five (c)</b> <b>*Final Quarter Quantification and Basis of Credits earned and Amount Being Carried Over (AF)</b>	
Adjusted EDL (from Table 5a)	8,202.91
Adjusted Carmel Valley Well Production (from Table 5b)	6,786.92
Production Exceeding Adjusted EDL	0.00
Carryover Credits from Prior Years applied to offset EDL Exceedance (Max 750 AF per year)	0.00
Adjusted Exceedance EDL	0.00
Production Less Than Adjusted EDL (Carryover Credits)	1,415.99
Unused Carryover Credits from Prior Years	2,333.22
<b>Cumulative Carryover credit for Future Years</b>	<b>3,749.21</b>

\* Data in this table only populated in the Final (Fourth) Quarter of the WY.

### **Condition 8(f)**

Condition 8(f) requires California American Water to provide an accounting of the progress towards completion of the Water Supply Project MPWSP Desalination Plant and Pure Water Monterey Project that identifies all progressive steps completed during the previous 12 months and the upcoming 12 month's anticipated progress, and discussion of potential setbacks that may be beyond the Applicant's control.

#### **Compliance with Condition 8(f):**

##### **Progressive Steps Completed During the Previous 12 Months**

Milestone for Water Year 2015-2016 - CPUC approval of (1) the Water Purchase Agreement for Cal-Am's purchase of Pure Water Monterey water, and of (2) construction of the Cal-Am components of the Pure Water Monterey conveyance facilities was achieved on September 22, 2016, when the CPUC issued Decision 16-09-021. The SWRCB was provided notice on 9/27/2016.

Milestone for Water Year 2016-2017 - Start of construction of the Cal-Am components of the Pure Water Monterey project, meaning commencement of physical work after issuance of required regulatory permits and authorizations to begin work must be achieved by September 30, 2017. Cal Am commenced construction of the Monterey pipeline and pump station project as part of the Pure Water Monterey project in October 2016, and commenced installation of the 36-inch pipeline on January 3, 2017. Cal Am has therefore timely achieved this milestone.

Milestone for Water Year 2017-2018 – Issuance of a Certificate of Public Convenience and Necessity to Construct the Monterey Peninsula Water Supply Project Desalination Plant ("MPWSP Desalination Plant") by the California Public Utilities Commission was achieved on September 13, 2018 when the CPUC issued Decision 18-09-017 that certified the MPWSP Final Environmental Impact Report (FEIR) and issued a CPCN to construct the MPWSP 6.4 MGD desalination project. The City of Marina and Marina Coast Water District have each filed Applications with the CPUC for Rehearing of the CPUC's decision, and Petitions for Writ of Review with the California Supreme Court.

##### **Anticipated Progress in the Upcoming 12 Months**

- 2019 – Coastal Development Permit approvals
  - An application for a coastal development permit for those portions of the MPWSP within the City of Marina's coastal zone was submitted to the City of Marina on June 22, 2018. The City has acknowledged that it must approve or deny the application within 180 days after certification of the Final EIR/EIS, which occurred on September 13, 2018.
  - Submission to the Coastal Commission of an application for a coastal development permit for those portions of the MPWSP not within the City of Marina's coastal zone is anticipated in late 2018 or early 2019.
  
- 2019 – Start construction on components of MPWSP

Anticipated actions by the CPUC, the City of Marina, and the Coastal Commission are beyond Cal-Am's control.

### **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):

See Table One, above (compliance with SWRCB Order WR 2016-0016 Condition 8(a)).

**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 Permit 20808C and stored in the Seaside groundwater basin. The monthly report is to state the quantity of water beneficially used under Permit 20808A and Permit 20808C and the current balance of water in storage.

Compliance with Condition 6(b):

Condition 6(b) superseded by SWRCB Order WR 2016-0016 Condition 8(b).

**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 Six lists the number of new connections in the City of Sand City by month. 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.

<b>Table Six</b>		
<b>New Connections Within the Sand City</b>		
<b>Month</b>	<b>New Connections</b>	<b>Installed Date</b>
Oct 2017	0	
Nov 2017	0	
Dec 2017	0	
Jan 2018	0	
Feb 2018	0	
Mar 2018	0	
Apr 2018	0	
May 2018	0	
Jun 2018	0	
Jul 2018	0	
Aug 2018	0	
Sep 2018	0	



Table Seven 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.

<b>Table Seven</b>			
<b>Sand City Desalination Facility Monthly Production and Product Allocation</b>			
<b>Month</b>	<b>Sand City Production (AF)</b>	<b>Water Used by New Connections (AF)</b>	<b>Water Used to Reduce River Diversions (AF)</b>
Oct 2017	13.70	0.034	13.67
Nov 2017	2.85	0.039	2.81
Dec 2017	26.17	0.051	26.12
Jan 2018	25.07	0.061	25.01
Feb 2018	20.54	0.074	20.47
Mar 2018	0.00	0.078	-0.08
Apr 2018	3.11	0.113	3.00
May 2018	25.37	0.086	25.29
Jun 2018	22.65	0.100	22.55
Jul 2018	25.78	0.127	25.65
Aug 2018	9.86	0.104	9.75
Sep 2018	14.44	0.120	14.32
<b>Total</b>	<b>189.55</b>	<b>0.985</b>	<b>188.57</b>

**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 Eight 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 Monterey Main System production volumes which consist of Carmel Valley, Seaside, and Sand City production. 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.

<b>Table Eight</b>		
<b>12-Month Running Average of Unaccounted For Water</b>		
<b>12 Month Period</b>	<b>System Losses (AF)</b>	<b>Savings Compared to Base Year (AF)</b>
Oct 08 - Sep 09	1276 (base year)	NA
Nov 16 - Oct 17	426.29	849.71
Dec 16 – Nov 17	535.93	740.07
Jan 17 - Dec 17	483.78	792.22
Feb 17 – Jan 18	463.79	812.21
Mar 17 – Feb 18	493.35	782.65
Apr 17 – Mar 18	387.22	888.78
May 17 – Apr 18	450.93	825.07
Jun 17 – May 18	398.18	877.82
Jul 17 – Jun 18	415.94	860.06
Aug 17 – Jul 18	428.86	847.14
Sep 17 – Aug 18	581.32	694.68
Oct 17 – Sep 18	442.43	833.57

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 Nine presents information on leaks detected and repaired. 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 Nine is based on a manual count of the leak reports received by the Monterey system General Manager.

<b>Table Nine</b>		
<b>Total Main and Service Leak Repairs</b>		
<b>Month</b>	<b>Main Leaks</b>	<b>Service Leaks</b>
Oct 2017	10	39
Nov 2017	9	29
Dec 2017	18	21
Jan 2018	16	29
Feb 2018	14	25
Mar 2018	15	22
Apr 2018	13	41
May 2018	7	48
Jun 2018	11	52
Jul 2018	12	19
Aug 2018	9	35
Sep 2018	15	26
<b>Total</b>	<b>149</b>	<b>386</b>

Table Ten summarizes service, main, meter, and hydrant replacements. 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 Ten 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.

<b>Table Ten</b>				
<b>Monthly Totals of Water Service, Main, Meter and Fire Hydrant Replacements</b>				
<b>Month</b>	<b>Service Replacements Number</b>	<b>Main Replacements Feet</b>	<b>Meter Replacements Number</b>	<b>Fire Hydrant Replacements Number</b>
Oct 2017	100	4,700	122	1
Nov 2017	9	0	67	2
Dec 2017	27	2,679	119	3
Jan 2018	6	31	568	0
Feb 2018	26	3,008	719	1
Mar 2018	5	8	559	3
Apr 2018	13	483	486	3
May 2018	3	0	487	1
Jun 2018	6	0	590	1
Jul 2018	2	28	505	2
Aug 2018	8	6	565	1
Sep 2018	4	41	450	0
<b>Total</b>	<b>209</b>	<b>10,984</b>	<b>5,237</b>	<b>18</b>

**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 Eleven. 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.

<b>Table Eleven</b>			
<b>Main System Residential Rate Structure Effective</b>			
<b>Tier</b>	<b>Old Rates Per Unit February 2009</b>	<b>Current Rates Per 100 Gallons August 2017</b>	<b>Percent Change</b>
1	\$0.2298	\$0.7287	217.10%
2	\$0.4596	\$1.5039	227.22%
3	\$0.6894	\$3.5091	409.01%
4	\$0.9192	\$6.7606	635.49%
5	\$1.8385	\$8.2645	349.52%

A unit of water is equal to 100 gallons.

Table Twelve compares the five year historical tier 4 and 5 usage with actual use. Tier 4 and 5 usage is almost exclusively outdoor watering. 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 Table Twelve 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.

<b>Table Twelve</b>		
<b>Tier 4 and 5 Average Historical Usage (WY 2005 - WY 2009) compared to WY 2018</b>		
<b>Month</b>	<b>Historical Usage (AF)</b>	<b>WY 17-18 (AF)</b>
Oct	91.3	34.18
Nov	92.4	31.42
Dec	64.7	16.29
Jan	43.1	20.18
Feb	37.0	13.87
Mar	31.5	0.87
Apr	44.7	8.69
May	46.2	13.89
Jun	83.4	26.19
Jul	108.6	36.70
Aug	111.3	43.92
Sep	97.9	38.33

Table Thirteen reports the estimated annual water savings from the Monterey district retrofit program. The monthly rebate costs are dependent on the number and type of water conserving appliances. Examples of rebates include High Efficiency Toilet, High Efficiency Dishwasher, High Efficiency Washer, High Efficiency Urinal, Cistern Water Tank, Cooling Tower Conductivity Controller, and X-ray Film Processor Recirculation System. 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 Thirteen included the retrofit expenditures and estimated water savings in acre-feet by month.

<b>Table Thirteen</b>		
<b>Total Retrofit Rebate Payments and Estimated Water Savings by Month</b>		
<b>Month</b>	<b>Cost (\$)</b>	<b>Annual Savings (AF)</b>
Oct 2017	38,317	1.89
Nov 2017	43,867	2.14
Dec 2017	54,544	2.26
<b>Q1 Total</b>	<b>136,728</b>	<b>6.29</b>
Jan 2018	39,600	2.35
Feb 2018	27,552	0.88
Mar 2018	38,525	1.89
<b>Q2 Total</b>	<b>105,677</b>	<b>5.12</b>
Apr 2018	26,206	0.90
May 2018	22,935	1.11
Jun 2018	22,645	1.01
<b>Q3 Total</b>	<b>71,786</b>	<b>3.02</b>
Jul 2018	16,798	0.76
Aug 2018	24,796	0.60
Sep 2018	21,469	1.61
<b>Q4 Total</b>	<b>63,063</b>	<b>2.97</b>

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

<b>Table Fourteen</b>	
<b>Total Water Conservation Audits By Month</b>	
<b>Month</b>	<b>Number of Audits</b>
Oct 2017	98
Nov 2017	69
Dec 2017	40
<b>Q1 Total</b>	<b>207</b>
Jan 2018	40
Feb 2018	21
Mar 2018	35
<b>Q2 Total</b>	<b>96</b>
Apr 2018	18
May 2018	88
Jun 2018	62
<b>Q3 Total</b>	<b>168</b>
Jul 2018	67
Aug 2018	61
Sep 2018	74
<b>Q4 Total</b>	<b>202</b>

Both the Monterey Peninsula Water Management District and California American Water use contractors to perform some audits. Accordingly, the data in Table Fourteen 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:

California American Water (CAW) in conjunction with the Monterey Peninsula Water Management District (MPWMD), continues to offer and provide conservation programs to its customers, including residential water audits, landscape water audits and water budgets, a rebate program, residential plumbing retrofit program, large landscape workshop program, and a public program.

California American Water Activities:

- 152 Residential Water Audits
- 37 Conservation Inspections
- 13 Irrigation Checks
- 2 Indoor/Outdoor Rate BMP Compliance Inspections
- 1 Conservation Meeting with the MPWMD
- 194 Data Logs – Customer hourly usage reports downloaded from meters
- 3 Meetings with the Monterey County Water Awareness Committee

California American Water Activities:

- Conservation Events
  - Monterey County Fair 8-29-18 to 9-1-18
  - Water Awareness Committee Day – Monterey County Fair 9-1-18

Monterey Peninsula Water Management District Conservation Events:

- Westend Celebration 8-18-18 from 10 am to 6 pm
- MCHA Golf Tournament 8-28-18
- Water Awareness Committee Day – Monterey County Fair 9-1-18

**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 the California American Water account number, the service address and the name of each authority authorizing the change of use or zoning and the date of such change.

Compliance with Condition 6(g):

Attachment Two 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 Two 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 Two 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 the data from which is included in Attachment Two. This 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 Two was compiled or calculated by the Monterey Peninsula Water Management District. Where there were clear clerical errors in data entry, California American Water corrected those errors in compiling this report.

## Conclusion

This concludes our report for the 4th quarter of Water Year 2018. Should you or your staff have any questions please call me at your earliest convenience at (831) 646-3241.

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,



Christopher Cook, PE  
Director, Operations  
Coastal Division  
California American Water

Attachments (4)