EXHIBIT 22-C

Quarterly Water Supply Strategy and Budget Report
California American Water
Main Water Distribution System: July - September 2013

1. Management Objectives

The Monterey Peninsula Water Management District (District) desires to maximize the long-term production potential and protect the environmental quality of the Carmel River and Seaside Groundwater Basins. In addition, the District desires to maximize the amount of water that can be diverted from the Carmel River Basin and injected into the Seaside Groundwater Basin while complying with the instream flow requirements recommended by the National Marine Fisheries Service (NMFS) to protect the Carmel River steelhead population. To accomplish these goals, a water supply strategy and budget for production within California American Water's (Cal-Am) Main and Laguna Seca Subarea water distribution systems is reviewed quarterly to determine the optimal strategy for operations, given the current hydrologic and system conditions, and legal constraints on the sources and amounts of water to be produced.

2. Quarterly Water Supply Strategy: July - September 2013

On June 11, 2013, staff from the District, Cal-Am, the California Department of Fish and Game (CDFG), NMFS, and met and discussed the proposed water supply strategy and related topics for the July - September 2013 period. The United States Fish and Wildlife Service (USFWS) was unable to attend, but staff from the State Water resources Control Board's, Division of Water Rights participated by conference call. Currently (as of June 1), flow in the Carmel River is regulated and Los Padres Reservoir (LPR) is below spill level. LPR is currently at ~96% of maximum effective storage capacity, i.e., 1,731 AF that occurs with the Los Padres Dam (LPD) spillway's notch flashboard removed, or 94% of the 1,775 AF of storage capacity achieved when the notch's flashboard is back in place. This is done in order to maximize any potential storage that can be gained each year, so that it can be allocated to sustaining minimum flows in the river over the summer and fall. Flow in the Carmel River is not continuous to the lagoon, and the lagoon mouth is closed. Rainfall during Water Year (WY) 2013 to date at San Clemente Dam in the upper watershed has totaled 14.47 inches or 70% of the long-term average to date at this site, and 68% of the long-term annual average of 21.37 inches. Further, unimpaired runoff at San Clemente Dam for WY 2013 through May has totaled approximately 26,898 AF or about 39% of the long-term annual average of 68,756 AF, making this a "Dry" Water Year Type, to date. However, it is projected that runoff during the fourth quarter of WY 2013 will be similar to a "Critically Dry" water year.

Carmel River Basin Given these conditions, and runoff to date, it was agreed that "Critically Dry" year inflows would be assumed to assess Cal-Am's operations during the July through September 2013 period. To meet customer demand, Cal-Am would operate its wells in the Lower Carmel Valley in a downstream-to-upstream sequence, as needed. For the quarterly budget, it was agreed that Cal-Am would attempt to produce no groundwater from its wells in the Upper Carmel Valley during this period. In addition, it is projected that Cal-Am would produce approximately 1,078, 1,055, and 961 AF of groundwater from its wells in the Lower Carmel Valley during July, August and September 2013, respectively. Minor changes in these

projected target values from those prepared for the June 11 meeting are due to incorporation of the most recent actual production data available from Cal-Am monthly reports. The table shown as **Table 1** of Exhibit 10-A in the June 17, 2013 Board packet shows actual (bold type) and projected (italics) monthly releases and diversions from Los Padres and San Clemente Reservoirs for the October 2012 through April 2013 period. This table will be revised and updated as additional data are available through the end of WY 2013, so values in italics should be considered preliminary at this time.

Seaside Groundwater Basin It was also agreed that Cal-Am would target production at 250 and 500 AF of native production from their wells in the Coastal Subareas, for July and August, in addition to the planned 25 AF per month of production from the Sand City Desalination Plant, so as to achieve maximum utilization of the native water available in the basin under the Seaside Basin Adjudication Decision and in compliance with SWRCB Orders 95-10 and 2002-0060. Lastly, it was assumed that the remaining ASR recovery amounts of 13 and 500 AF of water would be recovered from the Seaside Basin in August and September, respectively. This amount is comprised of 295 AF of WY 2013 injection and 218 AF of pre-permanent water rights injection water during the 10-year injection testing period (295 + 218 = 513 AF).

It was also agreed that only 18, 18, and17 AF of groundwater would be budgeted from Cal-Am's wells in the Laguna Seca Subarea of the Seaside Basin for customers in the Ryan Ranch, Bishop, and Hidden Hills systems during July, August and September 2013, respectively. It is recognized that, based on recent historical use, Cal-Am's actual production from the Laguna Seca Subarea during this period will likely exceed the proposed monthly targets, which are based on Cal-Am's allocation specified in the Seaside Basin Adjudication Decision. In this context, the production targets represent the maximum monthly production that should occur so that Cal-Am remains within its adjudicated allocation for the Laguna Seca Subarea. Under the amended Seaside Basin Adjudication Decision, Cal-Am is allowed to use production savings in the Coastal Subareas to offset over-production in the Laguna Seca Subarea.