EXHIBIT 28-C

Quarterly Water Supply Strategy and Budget Report
California American Water
Main Water Distribution System: July - September 2017

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 2017

Currently, flow in the Carmel River is not yet regulated by Los Padres Reservoir (LPR) storage releases, and LPR is still spilling. LPR is currently at ~101% of maximum effective storage capacity, i.e., 1,774.5 AF with the flashboard placed in the notch on the dam spillway crest. Due to the installation of the new Smolt Emigration Facility at LPD, it is unlikely that the LPD notch flashboard will ever be removed in the future, so as to maximize any potential annual storage for allocation to sustaining minimum flows in the river over the summer and fall. Flow in the Carmel River is continuous to the lagoon at 75 CFS. Some of the tributaries from Hitchcock Creek to the river mouth have begun to dewater and their pools are becoming isolated. Rainfall during Water Year (WY) 2017 through May at River Mile (RM) 18.61 (the prior San Clemente Dam site) in the upper watershed has totaled 32.19 inches or 155% of the long-term average to date of 20.81 inches at this site, and 153% of the long-term annual average of 21.10 inches. Further, unimpaired runoff at RM 18.61 for WY 2017 through May has totaled approximately 189,743 AF or about 293% of the long-term average to date for this site of 64,800 AF, and 282% of the long-term annual average of 67,246 AF, making this an "Extremely Wet" Water Year Type, to date. We expect the additional flows this coming quarter will keep WY 2017 within the "Extremely Wet" WYT.

Carmel River Basin Given these conditions, and runoff to date appearing to be most similar to Water Year (WY) 2011 accelerated by 14 days, it was agreed that "Wet" year inflows analogous to WY 2011 would be initially assumed to assess Cal-Am's operations during the July through September 2017 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 July through September 2017. If sufficient flow in the Carmel River at the District's

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Don Juan Bridge gage in Garland Park, i.e., any day of 20 or more cubic feet per second (cfs), continues to occur to justify operations allowed under the less restrictive high-flow period, Cal-Am could operate these wells if needed. In addition, it is projected that Cal-Am would produce approximately 905, 913, and 815 AF of groundwater from its wells in the Lower Carmel Valley during July, August and September 2017, respectively, for customer service. The usual **Table 1** is not included in this month's staff note, since the 2017 Low Flow Memorandum of Agreement (MOA) has not yet been negotiated. The regulatory agencies intend to meet to negotiate it on July 6, 2017. This table will then be revised and updated monthly with new flow and storage data, for each succeeding Board meeting through December 2017 as a formal part of the Annual Low Flow MOA process.

Seaside Groundwater Basin It was also agreed that, subject to rainfall and runoff conditions in the Carmel River, Cal-Am would continue production at 190, 190, and 200 AF of native groundwater each month in July, August, and September 2017, respectively, from the Coastal Subareas of the Seaside Basin, in addition to 25 AF per month from the Sand City Desalination Plant, and 300 AF per month of stored water from Phase 1 & 2 Aquifer Storage and Recovery (ASR), during this period. This approach achieves maximum utilization of the native water available in the basin under the Seaside Basin Adjudication Decision and in compliance with SWRCB Orders 95-10, 98-04, 2002-0002, and 2016-0016. It was also agreed that only 5 AF per month 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 2017, 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. For example, in the July through September 2016 period, Cal-Am produced 35, 34, and 32 AF per month, respectively, from the Laguna Seca Subarea to meet customer demand in the Ryan Ranch, Bishop, and Hidden Hills systems. 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.