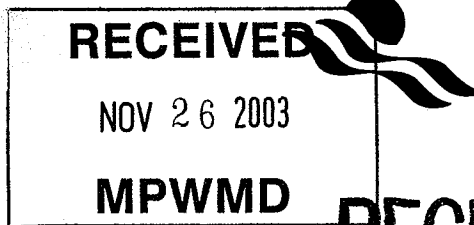


November 21, 2003



California
American Water

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MPWMD

Ms. Fran Farina, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Building G
P.O. Box 85
Monterey, CA 93942-0085

Subject: Expanded Water Conservation and Standby Rationing Plan

Dear Fran:

In response to your letter dated October 23, 2003, California American Company (Cal Am) had a system delivery of 1,425.2 acre feet (AF) for the year to date and month of October. The water year to date (WYTD) target for the month of October was 1,379.5 AF, which results in being 3.31% over the target for the WYTD. Enclosed is a spreadsheet detailing the daily system delivery for your information.

The questions you asked in your letter dated October 23, 2003 are listed below with responses provided.

1. *Provide a written statement as to the percentage of Cal Am's unaccounted water produced from the Monterey Peninsula Resources System (MPWRS) for the most recent twelve-month period.*

The 12-month rolling unaccounted for water ending September 30, 2003 was 9.3% or 1371.4 acre feet per year or 3.76 acre feet per day.

2. *Provide Cal Am's plan to reduce unaccounted for water use to less than seven (7) percent.*

The industry standard is to have unaccounted for water at or below 15%; therefore, the 7% target being utilized is very aggressive. The Company will

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California American Water

conduct an additional leak detection survey of the system and continue to calibrate production and large meters in an attempt to reduce unaccounted for water below the 7.0% target.

3. *Confirm the number of Cal Am's landscape water budgets that have been completed for all large water users (all dedicated irrigation meters, large irrigated areas over three acres, and large residential water users), and confirm the number of audits that still need to be completed under this effort.*

See enclosed summary sheet and detailed breakdown by customer. Of the 293 residential high users, we have made multiple contacts to the 186 customers who have not responded to our making the audit available to them. Of the 203 dedicated irrigation meters to be audited, we have made multiple contacts to the 108 customers who have not responded to our making the audit available to them.

4. *Confirm the status of Cal Am's annual review of water use records to identify new water users that may need a landscape water budget, and state the number of audits that still need to be completed under this effort.*

See enclosed list for October 1, 2002 to September 30, 2003 water year.

5. *Confirm Cal Am's compliance with its requirement to provide quarterly compliance notices to each water user working under a landscape water budget.*

As we proceed with the expanded water conservation and standby rationing plan, the Company will be monitoring accounts and sending notices to water users.

6. *Confirm Cal Am's effort to compile and submit quarterly reports to the Water Management District to compare individual landscape water budgets with actual consumption.*

As we proceed with the expanded water conservation and standby rationing plan, the Company will provide the Water Management District with quarterly reports comparing individual landscape water budgets with actual consumption.

7. *Confirm Cal Am is actively preserving water use records throughout the Expanded Water Conservation and Standby Rationing Plan.*



Ms. Fran Farina - MPWMD

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As we proceed with the expanded water conservation and standby rationing plan, the Company will maintain water use records for five years.

If you have any questions or require any additional information, please call me at 646-3214.

Sincerely,

Steve Leonard
Vice President & Division Manager

Enclosures

cc: J. Almond
C. Kemp
L. Silva
K. Tilden

CALIFORNIA AMERICAN WATER
 Monterey Division
Carmel Valley & Seaside Production
 October 2003

Monthly Target (AF) 1,379.0
 Days in Month 31
 Daily Target (AF) 44.5

	Target Daily	Actual Daily	Target WYTD	Actual WYTD	Target 12 Mos.	Actual 12 Mos.
10/01/03	44.5	47.9	44.5	47.9	15,285.0	14,140.9
10/02/03	44.5	44.9	89.0	92.8	15,285.0	14,138.9
10/03/03	44.5	42.9	133.5	135.7	15,285.0	14,135.4
10/04/03	44.5	42.2	178.0	177.9	15,285.0	14,129.8
10/05/03	44.5	41.5	222.5	219.3	15,285.0	14,124.4
10/06/03	44.5	47.5	267.0	266.8	15,285.0	14,125.1
10/07/03	44.5	45.7	311.5	312.5	15,285.0	14,121.0
10/08/03	44.5	41.9	356.0	354.4	15,285.0	14,114.6
10/09/03	44.5	46.8	400.5	401.2	15,285.0	14,115.4
10/10/03	44.5	44.6	445.0	445.8	15,285.0	14,114.3
10/11/03	44.5	45.5	489.5	491.3	15,285.0	14,113.2
10/12/03	44.5	41.0	534.0	532.3	15,285.0	14,109.7
10/13/03	44.5	47.5	578.5	579.8	15,285.0	14,113.2
10/14/03	44.5	45.7	623.0	625.5	15,285.0	14,113.7
10/15/03	44.5	47.7	667.5	673.2	15,285.0	14,118.8
10/16/03	44.5	46.9	712.0	720.1	15,285.0	14,122.2
10/17/03	44.5	49.4	756.5	769.4	15,285.0	14,127.3
10/18/03	44.5	49.0	801.0	818.5	15,285.0	14,130.7
10/19/03	44.5	46.7	845.5	865.2	15,285.0	14,132.7
10/20/03	44.5	48.9	890.0	914.1	15,285.0	14,137.3
10/21/03	44.5	48.0	934.5	962.1	15,285.0	14,138.9
10/22/03	44.5	44.9	979.0	1,006.9	15,285.0	14,139.5
10/23/03	44.5	38.8	1,023.5	1,045.8	15,285.0	14,135.2
10/24/03	44.5	43.1	1,068.0	1,088.9	15,285.0	14,141.5
10/25/03	44.5	44.4	1,112.5	1,133.3	15,285.0	14,144.0
10/26/03	44.5	47.0	1,157.0	1,180.3	15,285.0	14,149.5
10/27/03	44.5	48.0	1,201.5	1,228.4	15,285.0	14,160.6
10/28/03	44.5	52.0	1,246.0	1,280.4	15,285.0	14,170.6
10/29/03	44.5	52.0	1,290.5	1,332.4	15,285.0	14,180.0
10/30/03	44.5	50.3	1,335.0	1,382.7	15,285.0	14,191.3
10/31/03	44.5	42.5	1,379.5	1,425.2	15,285.0	14,196.4
			0.0	0.0	15,285.0	0.0
Monthly Total (AF)	1,379.5	1,425.2	1,379.5	1,425.2		
AF Over/Under Target		45.7		45.7		
% Over/Under Target		3.31%		3.31%		

	SC Dam & CV Wells	SC Dam & CV Wells	Seaside Wells	Seaside Wells	Total	Total
	Actual	Actual WYTD	Actual	Actual WYTD	Daily	WYTD
10/01/03	29.6	29.6	18.3	18.3	47.9	47.9
10/02/03	26.6	56.2	18.3	36.6	44.9	92.8
10/03/03	24.5	80.7	18.4	55.0	42.9	135.7
10/04/03	24.9	105.6	17.3	72.3	42.2	177.9
10/05/03	22.6	128.2	18.8	91.1	41.5	219.3
10/06/03	29.2	157.5	18.3	109.4	47.5	266.8
10/07/03	28.7	186.1	17.0	126.3	45.7	312.5
10/08/03	23.3	209.4	18.6	145.0	41.9	354.4
10/09/03	28.2	237.6	18.6	163.6	46.8	401.2
10/10/03	26.4	264.1	18.2	181.7	44.6	445.8
10/11/03	27.4	291.5	18.1	199.9	45.5	491.3
10/12/03	22.8	314.3	18.2	218.0	41.0	532.3
10/13/03	29.6	343.8	17.9	236.0	47.5	579.8
10/14/03	27.6	371.5	18.1	254.1	45.7	625.5
10/15/03	29.6	401.1	18.1	272.1	47.7	673.2
10/16/03	28.8	429.9	18.1	290.2	46.9	720.1
10/17/03	31.3	461.2	18.1	308.3	49.4	769.4
10/18/03	30.9	492.1	18.1	326.4	49.0	818.5
10/19/03	30.1	522.1	16.6	343.1	46.7	865.2
10/20/03	35.6	557.7	13.3	356.4	48.9	914.1
10/21/03	29.8	587.5	18.2	374.6	48.0	962.1
10/22/03	26.5	614.0	18.4	393.0	44.9	1,006.9
10/23/03	20.3	634.3	18.5	411.5	38.8	1,045.8
10/24/03	25.4	659.7	17.8	429.2	43.1	1,088.9
10/25/03	27.5	687.2	16.9	446.1	44.4	1,133.3
10/26/03	30.8	718.0	16.3	462.3	47.0	1,180.3
10/27/03	33.2	751.2	14.8	477.2	48.0	1,228.4
10/28/03	36.4	787.6	15.6	492.8	52.0	1,280.4
10/29/03	36.2	823.8	15.9	508.6	52.0	1,332.4
10/30/03	34.1	857.8	16.2	524.8	50.3	1,382.7
10/31/03	27.7	885.5	14.8	539.6	42.5	1,425.2
Monthly Total (AF)	885.5	885.5	539.6	539.6	0.0	0.0

S. C. DAM & CARMEL VALLEY WELLS

SEASIDE WELLS

	Target	Target	Actual	MPWMD Target	Actual
Oct	903	903	885.5	550	539.6
Nov	677				
Dec	677				
Jan	790				
Feb	677				
Mar	790				
Apr	790				
May	1,129				
Jun	1,241				
Jul	1,241				
Aug	1,241				
Sep	1,129				
Total (AF)	11,285	903.0	885.5	550.0	539.6
		-1.94%		-1.89%	

	Target	Actual	Target Cum.	Actual Cum.
Oct	1,379	1,425.2	1,379.0	1,425.2
Nov	1,113		2,492.0	1,425.2
Dec	984		3,476.0	1,425.2
Jan	958		4,434.0	1,425.2
Feb	894		5,328.0	1,425.2
Mar	1,047		6,375.0	1,425.2
Apr	1,209		7,584.0	1,425.2
May	1,405		8,989.0	1,425.2
Jun	1,527		10,516.0	1,425.2
Jul	1,628		12,144.0	1,425.2
Aug	1,649		13,793.0	1,425.2
Sep	1,492		15,285.0	1,425.2
Total (AF)	15,285.0	1,425.2		

2003 RESIDENTIAL/LANDSCAPE/IRRIGATION UPDATE

RESIDENTIAL HIGH USERS REQUIRED TO BE AUDITED: 293

Completed Audits	106
Customers Using Outside Company	1
Non Respondents	186

DEDICATED IRRIGATION METERS TO BE AUDITED: 203

Completed Audits	95
Non Respondents	108

CUSTOMERS WITH 3 ACRES OR GREATER: 37

Completed Audits	37
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