

EXHIBIT 14-B

**California American Water Highway 68 Distribution Systems
Quarterly Water Supply Strategy and Budget: January - March 2017
Proposed Production Targets by Source and Projected Use in Acre-Feet**

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jan-17	Feb-17	Mar-17	Oct-16 - Nov-16	% of YTD	% of Annual Budget
<u>Source</u>						
Seaside Groundwater Basin						
Laguna Seca Subarea	3	3	3	47	590.1%	98.4%
Other	0	0	0	0		
<u>Use</u>						
Customer Service	3	3	3			
Total	3	3	3	47		

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
2. Total monthly production for "Customer Service" in CAW's Highway 68 systems was calculated by multiplying total annual production (48 AF) times the average percentage of annual production for January, February, and March (6.8%, 5.5%, and 7.0%, respectively). The annual production total was based on the assumption that production from the Laguna Seca Subarea of the Seaside Groundwater Basin would not exceed 48 AF. The average production percentages were based on monthly data for customer service from WY 2012 to 2015. The 48 AF annual production limit is based on procedures specified in the Seaside Basin Adjudication Decision.
3. It should be noted that, based on recent historical use, actual monthly use will likely exceed the proposed monthly production targets. In this context, the production targets represent the maximum monthly production that should occur so that CAW remains within its Standard Production Allocation for the Laguna Seca Subarea specified in the Seaside Decision. Accordingly, actual production beyond these production targets will be subject to replenishment assessment by the Seaside Basin Watermaster.
4. "Other" production sources refer to supplies transferred to Highway 68 customers from CAW's Carmel River sources, water rights acquired from other producers in the Seaside Basin, or supplies transferred from other systems outside of the Laguna Seca Subarea to produce additional water.
5. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation during WY 2017 to be in compliance with SWRCB WRO No. 95-10.
6. Year to date production numbers are estimated pending finalization of CAW production data.
7. As approved by MPWMD Board on 8/17/2015, an allocation of 3.41 AF production (3.17 AF metered sales) is transferred to CHOMP within the Ryan Ranch Unit of CalAm (in the Laguna Seca Sub-Area) from Cypress Pacific Standard Producer in the Coastal Sub-Area.