

## EXHIBIT 3-A

### 2004 MEMORANDUM OF AGREEMENT BETWEEN THE CALIFORNIA-AMERICAN WATER COMPANY, THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT, AND THE STATE OF CALIFORNIA DEPARTMENT OF FISH AND GAME TO RELEASE WATER INTO THE CARMEL RIVER FROM SAN CLEMENTE RESERVOIR

THIS AGREEMENT is made this \_\_\_ day of May, 2004, between the Monterey Peninsula Water Management District, (the "District"), California-American Water Company, ("Cal-Am"), and the California Department of Fish and Game, ("Department"), with respect to the following.

#### RECITALS

- A. The Department is required to conserve and protect the fish and wildlife resources of this state and it is the Department's objective to maximize surface flows in the Carmel River below San Clemente Dam;
- B. Cal-Am supplies water to the citizens of the communities of the Monterey Peninsula, Monterey County in accordance with SWRCB Order No. 95-10, as amended.
- C. The District, through its rules and regulations, establishes a quarterly water supply strategy and budget for the Monterey Peninsula.

#### NOW THEREFORE, IT IS HEREBY AGREED:

#### DEFINITIONS

1. "Minimum pool at Los Padres Reservoir" means a surface water elevation of 980 feet above mean sea level, or 91 acre feet of storage.
2. For operational purposes in 2004, "Minimum pool at San Clemente Reservoir" means a surface water elevation of 515 feet above mean sea level, or 71 acre feet of storage.
3. "Water Release by Cal-Am at San Clemente Dam" into the Carmel River may occur from seepage through the dam, direct release from the discharge ports, spillage over the crest of the dam or gates, leakage around the gates, releases through the fish ladder or any combination thereof.

#### DESIGNATION OF RESPONSIBILITIES

##### CAL-AM

4. Cal-Am shall make water releases into the Carmel River channel beginning June 2004 as follows and summarized in Exhibit A: Cal-Am shall maintain no less than 9 CFS (cubic feet per second) during June, 7 CFS during July, and 5 CFS during August through December, 2004 at the Sleepy Hollow Weir.

5. Cal-Am shall not divert water at the San Clemente Dam during low flow periods except during an emergency, which is defined in ordering Paragraph No. 1 of SWRCB Order WRO 2002-0002 (attached as Exhibit B).

6. The Russell Wells shall be limited to a combined total instantaneous diversion rate of not more than 0.5 cfs during low flow periods as set forth in ordering Paragraph No. 4 of SWRCB Order WRO-2002-0002 (Exhibit B hereto).

7. In the event that a significant change in projected runoff occurs in the basin during the duration of this Agreement, the parties will meet to discuss modifications to the scheduled reservoir releases and diversion.

8. Cal-Am shall limit operation of its wells in the Carmel Valley above the Narrows during low flow periods as set forth in ordering Paragraph No. 2 of SWRCB Order WRO 2002-0002 (Exhibit B hereto). Cal-Am shall notify the District and the Department of its pumping schedule in advance.

9. Cal-Am shall make reasonable efforts to operate the Lower Carmel Valley production wells in the sequence from the most downstream well and progress upstream as wells are needed and available for production. Cal-Am shall notify the District and the Department before operating its Scarlett No. 8 Well.

10. Cal-Am shall provide, upon request by the Department or the District, records of the Carmel Valley Filter Plant operation showing compliance with the provisions of this Agreement.

11. Cal-Am shall notify the District and the Department when the water elevation reaches 990 feet at Los Padres Reservoir or 514 feet at San Clemente Reservoir. Cal-Am shall not draw either reservoir below minimum pool elevation without obtaining specific written approval from the Department.

12. Cal-Am shall make reasonable efforts to operate Los Padres and San Clemente Dams conjunctively to maintain a spill rate of approximately 0.5 CFS at San Clemente Reservoir for the duration of this Agreement.

#### **DISTRICT**

13. The District shall take direct measurements of inflow to Los Padres Reservoir on a monthly basis through the duration of this Agreement.

#### **ALL PARTIES**

14. This Agreement is revocable upon ten days' written notice to all parties signatory to this Agreement.

15. This Agreement is entered into without prejudice to the rights and remedies of any party to the Agreement.

**EFFECTIVE DATE AND TERM OF AGREEMENT**

16. This Agreement shall become effective upon signature by the respective parties and shall remain in force until December 31, 2004. This Agreement may be modified or extended by mutual consent of all the parties.

**EXECUTION**

IN WITNESS WHEREOF, each party hereto has caused this Memorandum of Agreement to be executed by an authorized official on the day and year set forth opposite their signature.

California-American Water Company

By: \_\_\_\_\_  
P.O. Box 951  
Monterey, CA 93942-0951

\_\_\_\_\_  
Date

Monterey Peninsula Water Management  
District

By: \_\_\_\_\_  
P.O. Box 85  
Monterey, CA 93942-0085

\_\_\_\_\_  
Date

California Department of Fish and Game

By: \_\_\_\_\_  
P.O. Box 47  
Yountville, CA 94599

\_\_\_\_\_  
Date