



EXHIBIT 12-B

**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

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December 22, 2005

Steven Leonard
Vice President and Manager, Coastal Division
Californian American Water
Post Office Box 951
Monterey, California 93942-0951

SUBJECT: Request for Additional Information on Cal-Am's Coastal Water Project

Dear Mr. Leonard: *Steve*

I am writing to request additional information regarding Cal-Am's Coastal Water Project. Over the past several years, you and your consultants have provided us a significant amount of information on the project. At its September 8, 2005 Strategic Planning Workshop, the Monterey Peninsula Water Management District (MPWMD) Board of Directors directed staff to conduct a number of activities, including a more detailed evaluation and comparison of three seawater desalination projects: the P/SM project, the Coastal Water Project proposed by California American Water (Cal-Am), and the 8.5 million-gallon-per-day seawater desal plant investigated by MPWMD as recently as early 2004. To this end, I am sending out today Requests for Proposals to engineering consultants to conduct a review of the three projects. (A copy of the RFP is enclosed.)

As you can see in the project schedule (Attachment 2 to the enclosed RFP), there is a very aggressive schedule for the consultant's review and report. We plan to recommend a consultant to the MPWMD Board at their January 26, 2006 meeting, and the final report will be due May 10, 2006. In order for the consultant to have all available information in hand, I would appreciate it if you would send me by mid-February 2006 whatever additional detail about the Coastal Water Project you believe would be useful to our consultant in performing the study.

If you have any questions regarding my request, you may contact me at 658-5620.

Sincerely,

Andy
Andrew M. Bell
District Engineer

Enclosure: RFP for Monterey Peninsula Seawater Desalination Projects Evaluation

cc: David A. Berger, MPWMD General Manager