

EXHIBIT 14-B

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
WATER DISTRIBUTION SYSTEM REPORT - WATER YEAR 2006
OCTOBER 1, 2005- SEPTEMBER 30, 2006**

SYSTEM	REPORTING METHOD	PRODUCTION (AF)	DELIVERY (AF)	UNACCOUNTED (%)	CONNECTIONS				SOURCE AREA
					ACTIVE	AVG. PROD./ CONNECTION (AF)	AVG. DEL./ CONNECTION (AF)	NEW	
CAW (CAL-AM) Main System	WM	14,218.96	12,419.0	12.7%	38,230	0.37	0.32	784	AS1-4, SCS
SEASIDE MUNI	WM	332.27	N.A.	N.A.	788	0.42	N.A.	0	SCS
MESSENGER/MELNICK	WM	0.00	0.0	0.0%	0	0.00	0.0	0	SCS
ABADIR (A)	WM	0.00	N.A.	N.A.	0	0.00	N.A.	0	AS2
ABADIR (C)	WM	0.20	N.A.	N.A.	1	0.20	N.A.	0	AS2
ANIMAL FARM	WM	0.99	N.A.	N.A.	1	0.99	N.A.	N.A.	AS2
CARMEL VALLEY ROAD II	WM	2.92	N.A.	N.A.	4	0.73	N.A.	0	AS2
CHANEY/SCHAFFER	LU	0.40	N.A.	N.A.	2	0.20	N.A.	0	AS2
CHUGACH WELL #2	WM	0.00	N.A.	N.A.	0	N.A.	N.A.	N.A.	AS2
FAIR WEATHER	LU	0.73	N.A.	N.A.	2	0.37	N.A.	0	AS2
GOOD NEIGHBOR	LU	2.78	N.A.	N.A.	2	1.39	N.A.	0	AS2
JONES	LU	0.14	N.A.	N.A.	1	0.14	N.A.	N.A.	AS2
RANCHO SAN CARLOS ROAD	WM	2.35	N.A.	N.A.	3	0.78	N.A.	0	AS3
RIVERSIDE RV PARK	WM	3.49	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	AS3
SCHUT/JONES	LU	2.20	N.A.	N.A.	2	1.10	N.A.	0	AS3
SELLE	LU	0.70	N.A.	N.A.	2	0.35	N.A.	0	AS3
SAN MARCO	WM	N.R.	N.R.	N.R.	2	N.R.	N.R.	N.R.	AS3
CANADA WOODS ALLUVIAL	WM	77.97	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	AS3
AIELLO	WM	0.75	N.A.	N.A.	1	0.75	N.A.	1	AS3
BARDIS	WM	1.07	N.A.	N.A.	1	1.07	N.A.	0	AS3
ALLDAWELL	WM	1.00	N.A.	N.A.	2	0.50	N.A.	0	AS3
CARMEL GREENS	WM	0.01	N.A.	N.A.	2	0.01	N.A.	0	AS4
CLARK/WELLS FARGO	WM	2.89	N.A.	N.A.	3	0.96	N.A.	0	AS4
CACHAGUA RD. 1	WM	0.50	N.A.	N.A.	3	0.17	N.A.	0	CAC
CACHAGUA RD. 2	LU	1.58	N.A.	N.A.	9	0.18	N.A.	0	CAC
JENSEN MOBILE HOME	WM	4.63	N.A.	N.A.	24	0.19	N.A.	0	CAC
NASON ROAD	LU	1.40	N.A.	N.A.	4	0.35	N.A.	0	CAC
PRINCES CAMP	WM	16.22	N.A.	N.A.	50	0.32	N.A.	8	CAC
AGUA FRESCA	WM	1.26	N.A.	N.A.	2	0.63	N.A.	0	CVU
BOOTH	WM	0.23	N.A.	N.A.	1	0.23	N.A.	N.A.	CVU
BOSSO	LU	4.00	N.A.	N.A.	2	2.00	N.A.	0	CVU
CANADA WOODS UPLAND	WM	118.56	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	CVU
COUNTRY CLUB ROAD	LU	N.R.	N.R.	N.R.	5	N.R.	N.R.	N.R.	CVU
DOLLASE	WM	2.72	N.A.	N.A.	4	0.68	N.A.	0	CVU
HYLES	WM	0.01	N.A.	N.A.	1	0.01	N.A.	0	CVU
LOS ROBLES ROAD	WM	16.92	N.A.	N.A.	6	2.82	N.A.	3	CVU
P&M RANCH	WM	14.34	3.4	N.A.	6	N.A.	N.A.	1	CVU
PELIO	WM	13.23	N.A.	N.A.	1	13.23	13.23	0	CVU
RANCHO DE ROBLEDEO	WM	0.00	0.0	0.0%	0	0.00	0.00	0	CVU
SADDLE MOUNTAIN	LU	N.R.	N.R.	N.R.	26	N.R.	N.R.	N.R.	CVU
SCHULTE ROAD	WM	2.68	N.A.	N.A.	5	0.54	N.A.	0	CVU
SLEEPY HOLLOW	WM	N.R.	N.R.	N.R.	17	N.R.	N.R.	N.R.	CVU
TAO WOODS MUTUAL	WM	0.43	N.A.	N.A.	4	0.11	N.A.	N.A.	CVU
TOBEY-WAGNER WDS	WM	0.68	N.A.	N.A.	1	0.68	N.A.	0	CVU
CARDINALI WDS	WM	0.00	0.0	0.0%	0	0.00	0.00	0	CVU
CASS WDS	WM	0.82	N.A.	N.A.	1	0.82	N.A.	0	CVU
EVANS WDS	WM	0.50	N.A.	N.A.	1	0.50	N.A.	0	CVU
GOODRICH-POTRERO	WM	3.95	N.A.	N.A.	N.A.	N.A.	N.A.	0	CVU
GRANITE WDS (was GRACHEK)	WM	0.00	0.0	0.0%	0	0.00	0.00	0	CVU
GREENWALL-KING	WM	0.09	N.A.	N.A.	1	0.09	N.A.	0	CVU
LYON WDS	WM	0.00	N.A.	N.A.	0	0.00	0.00	0	CVU
PAGE/BOUC WDS	WM	3.14	N.A.	N.A.	2	1.57	N.A.	0	CVU
POSPISHIL WDS	WM	0.00	N.A.	0.0%	1	0.00	N.A.	0	CVU
PREW WDS	WM	0.00	N.A.	0.0%	1	0.00	N.A.	0	CVU
R. JONES	WM	0.00	N.A.	0.0%	1	0.00	N.A.	0	CVU
CAW BISHOP UNIT	WM	191.17	193.6	-1.3%	360	0.53	0.54	32	LSS
CAW HIDDEN HILLS UNIT	WM	206.35	179.7	12.9%	431	0.48	0.42	4	LSS
CAW RYAN RANCH UNIT	WM	48.39	66.2	-36.7%	213	0.23	0.31	5	LSS
SPCA	WM	8.78	N.A.	N.A.	2	4.39	N.A.	0	LSS
CASANOVA WDS	WM	0.31	N.A.	N.A.	1	0.31	N.A.	0	MIS
AGUAJITO ROAD	WM	7.55	N.A.	N.A.	4	1.89	N.A.	0	MIS
FLAGG HILL	WM	0.35	N.A.	N.A.	2	0.00	0.0%	0	MIS
HIDDEN MESA	WM	0.01	N.A.	N.A.	3	0.00	N.A.	0	MIS
MONTEERRA RANCH	WM	90.03	39.4	13.1%	91	0.99	N.A.	N.A.	MIS
PT.LOBOS RANCH	LU	18.79	N.A.	N.A.	8	2.35	N.A.	0	MIS
RILEY RANCH	WM	1.26	N.A.	N.A.	1	1.26	N.A.	0	MIS
RANCHITOS DE AGUAJITO	WM	0.28	N.A.	N.A.	10	0.03	N.A.	0	MIS
TOTALS:		15,432.98			40,354			838	

WATER DISTRIBUTION SYSTEM REPORT – WATER YEAR 2006

Notes:

1. Information shown is as provided by system owners and operators unless otherwise noted.
2. Methods for reporting production are either Land Use (LU) or Water Meter (WM).
3. The source areas are as follows:
 - AS1 – Upper Carmel Valley – San Clemente Dam to Esquiline Bridge
 - AS2 – Mid Carmel Valley – Esquiline Bridge to Narrows
 - AS3 – Lower Carmel Valley – Narrow to Via Mallorca Bridge
 - AS4 – Via Mallorca Bridge to Lagoon
 - SCS – Seaside Coastal Subareas
 - CAC – Cachagua
 - CVU – Carmel Valley Upland
 - LSS – Laguna Seca Subarea
 - MIS – Peninsula, Carmel Highlands and San Jose Creek areas
4. California American Water (CAW) main system production includes 3,264.1 AF from Seaside wells and 10,954.9 AF from Carmel Valley wells. No water was provided to CAW from the District's Santa Margarita Test Injection Well. The production values also include water that was produced and used for backwash. There was no water produced by the former Water West wells in Water Year 2006 and no water was diverted from San Clemente Reservoir.
5. CAW's main system deliveries total 12,418.99 AF. This total includes 11,980.49 AF for customer service in the main system, including 11.09 AF for customer service in the former Rancho Fiesta Mutual area, and 143.07 AF for customer service in the former Water West area. The total also includes 1.50 AF for backwash, 411.35 AF for the District's Santa Margarita injection well, 1.49 AF for irrigation around CAW's wells in Carmel Valley, and 24.16 AF that was provided to CAW's Ryan Ranch Unit in WY 2006. The total for CAW's main system customers (11,980.49 AF) includes 53.49 AF for non-revenue metered use and 12.18 AF for customers in the Pebble Beach LCP (McComber Estates). CAW's active connections for the main system include 21 connections for Rancho Fiesta and 428 Water West customers.
6. N.A. refers to data that are not available and N.R. refers to systems that did not report.
7. The Goodrich/Portrero, Lyon, Prew, Pospishil, R. Jones, Messenger/Melnick and Alldawell Water Distribution Systems were added in Water Year 2006. Also, the Monterra Ranch, Cañada Woods North (Upland) and Cañada Woods (Alluvial) Water Distribution Systems were combined to form the *Cañada Woods Water Company WDS* in 2005, although they are reported separately here to facilitate historical comparisons. The Bardis, Greenwall LLC, Aiello, Evans, Granite, and Cass Water Distribution Systems were added during WY 2005. The Tobey, Pelio, Casanova, and Flagg Hill Water Distribution Systems were added during WY 2004. The Animal Farm, Hyles, and Chugach Well #2 Water Distribution Systems were added during WY 2003. Abadir (A), Abadir (C), Booth, and Hidden Mesa were added in WY 2002.
8. The names of Cachagua Road #1 and #2 were switched in Reporting Year 1999 to agree with records of the Monterey County Department of Health. Older District records have the names of these two systems reversed.
9. Bishop Unit is operated by CAW, acquired July 1999.
10. Rancho Fiesta is operated by CAW. The delivered amount (11.09 AF) was all produced by the main CAW system, so that amount has been accounted for in CAW system deliveries. The source of production was AS1 – AS4.
11. Hidden Hills was formerly referred to as Carmel Valley Mutual; annexed to CAW in 1993.
12. The Ryan Ranch Unit is owned and operated by CAW. 24.16 AF of water produced by wells in the CAW main system was delivered to the Ryan Ranch Unit in WY 2006. When that is added to the 48.39 AF produced by wells in the Ryan Ranch Unit, the percentage of unaccounted for water in the Ryan Ranch Unit for WY 2006 drops to 8.8%.
13. Production from the Monterra Ranch desalination plant was 39.43 AF in WY 2006, but this production was not reported separately as it was originally produced from wells that have been accounted for. However, Monterra Ranch reported consumption (delivery) of 34.27 AF. The difference (50.60 AF) between reported production from wells (90.03 AF) and reported production through the desalination plant (39.43 AF) in WY 2006 represents non-potable water used for construction.