



California-American Water Company

RECEIVEDMonterey Division
50 Ragsdale Dr., Suite 100, P.O. Box 951 • Monterey, CA 93942-0951

JUN 16 2003

June 13, 2003

MPWMD

Ms. Fran Farina, Esq.
General Manager
Monterey Peninsula Water Management Agency
P.O. Box 85
Monterey, CA 93940

Dear Ms. Farina,

I am writing to follow up our conversation of June 9th concerning the Ryan Ranch Well #10 failure and the measures Cal-Am was initiating to ensure water supply and replacement of the water supply. I can now update you with specifics.

The Ryan Ranch (RR) area is a stand-alone water district that is served by a number of wells within the area. During the week of June 2nd, our operators noticed an eighty-percent drop in production at Ryan Ranch Well #10. This drop in production during the week resulted in unacceptable tank storage levels. Our inability to keep production in line with demand and fire protection water availability and other safety concerns persuaded us to supplement the supply from a connection with the Monterey-Seaside system. We plan to continue this practice as needed to prevent water supply interruptions, water quality episodes and a loss of pressure for fire fighting.

Our plan for ensuring water supply to the Ryan Ranch customers, encompasses the following steps:

1. We have engaged the services of Martin Feeney, a licensed hydro geologist, to investigate the RR well production problems. His initial report (which is attached) states that low production is due to the cave-in of the well. Martin recommends that for the short-term solution Cal-Am should drill a new well at the existing site to replace Ryan Ranch #10. As a long-term solution, he recommends that Cal-Am look for another well site that is closer to the water-bearing region of the aquifer. We are currently investigating Martin's recommendations.
2. As the short-term solution, we are supplementing the RR system from the Monterey-Seaside system, as needed.
3. The volume of water transferred from the Monterey-Seaside system to RR system is being logged on the production sheets that we routinely distribute to MPWMD.

Ms. Fran Farina, Esq.

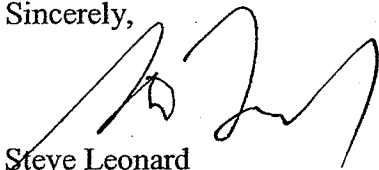
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June 13, 2003

4. We have discussed the Order 95-10 implications relative to transferring water from the Seaside-Monterey System to RR with Ms. Kathy Mrowka of the State Water Resources Control Board. She stated that their concerns focus on the net production from the Carmel River. We believe that we will not have any problems meeting our commitments to the Order.
5. The Cal-Am operations staff has initiated cleaning of the other smaller Ryan Ranch wells to enhance their production in the short term. However, these actions will lead to only a modest improvement in the supply.
6. Finally, we will diligently peruse a new well at the existing site (short-term solution), and we will initiate investigations for a new well site that provides a long-term solution for RR's water supply problems. We will consult with your staff in the effort to find a suitable well location.

We plan to update the MPWMD on our progress relative to this matter on a regular basis. In the mean time, please feel free to call Mr. Fred Feizollahi of our Engineering staff at 831/646-3261, or myself at 831/646-324 to obtain any information on the above matter.

Sincerely,



Steve Leonard

Vice President & Manager—Coastal Division

Enclosure

SL/ce

cc: Kathy Mrowka, SWRCB
Judy Almond, VP Operations
Jan Driscoll, Esq.
Patricia Lyman, Esq.



California
American Water

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MAY 27 2004

RIPWMLD

May 27, 2004

Dear Ryan Ranch Neighbors:

I am writing to you to advise you of a water supply problem that could impact your operation and ask for your help

Ryan Ranch is served by three wells located above Upper Ragsdale Drive. We are experiencing a significant drop in production in our newest well and are not certain that we can maintain adequate water supply to Ryan Ranch. I am asking that you immediately reduce your irrigation and cease non-essential water use until further notice.

We are working at solutions to the production problem but unless we get significant supply reductions now we may face water outages in Ryan Ranch.

Thank you in advance for your cooperation. Together we can reduce the chance of a system outage.

Please call 831-646-3215 with questions.

Sincerely,

Steven Leonard
Manager



California
American Water

May 27, 2004

Monterey Peninsula
Water Management District
5 Harris Court, Bldg G
P.O. Box 85
Monterey, CA 93942-0085

RECEIVED

MAY 27 2004

WIPWMD

Attn: Stephanie Pintaur, Water Demand Manager

Dear Stephanie,

This letter is to notify the District that we are experiencing production problems in Ryan Ranch and are not certain we can maintain adequate water supply to the Ryan Ranch area. Present water demand is exceeding our production capacity.

Specifically, Ryan Ranch is served by three wells located above Upper Ragsdale Drive. We are experiencing a significant drop in production in our newest well causing part of the problem. We have noticed high levels of landscape irrigations in recent days.

Consequently, to prevent water outages through the Memorial Day weekend we are doing the following:

1. We are hand delivering a letter today from Steve Leonard. The letter asks that all customers in Ryan Ranch area reduce irrigation and stop non-essential water use.
2. We are filling the Ryan Ranch tank from the emergency intertie to maintain operational integrity until we can reduce demand to match production capacity of the system.

I have attached a copy of the letter for your information.

Charles W. Kemp
Operations Manager, California American Water

California American Water
Coastal Division

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Monterey, CA 93942-0951

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California
American Water

HAND
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JUN 08 2004

MPW#10

June 7, 2004

Dear Ryan Ranch Neighbors:

I am writing to you to advise you that the Ryan Ranch wells have been restored to their previous production levels and that the water system has returned to normal operation.

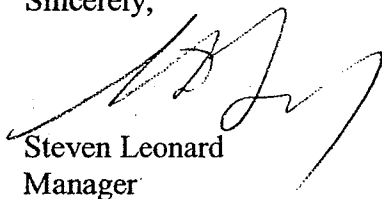
Let me extend my thanks to those of you who worked to reduce their water use during the supply interruption.

While the service has been restored, this incident again raises questions about long-term water production at Ryan Ranch. Let me assure you that California American Water is continuing our efforts to identify another well site and to conduct the ground water studies that will ensure water supply reliability into the future.

Let me offer a note of clarification. The Ryan Ranch water system is a well system separate system from the larger Monterey water system which is supplied from the Carmel Valley and Seaside Wells. Our current well publicized conservation efforts are directed at the larger system and not at Ryan Ranch. However, on the Monterey Peninsula it is always prudent to be conservative with water.

Thanks again for your cooperation and please don't call with questions.

Sincerely,



Steven Leonard
Manager

Cc Fred Meurer, City of Monterey
Fran Farina, Monterey Peninsula Water Management District