



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

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January 26, 2009

Craig Anthony
General Manager, Central Division
California American Water
511 Forest Lodge Rd., Suite 100
Pacific Grove, CA 93950

Subject: Follow-up on January 21, 2009 MPWMD Board Hearing on Ryan Ranch Supplies

Dear Craig:

This letter is to request your assistance on follow-up items that were discussed at the Monterey Peninsula Water Management District (MPWMD or District) Board hearing conducted on January 21, 2009. Specifically, we have the following items that MPWMD Board members requested clarification on during the proceeding. Where appropriate, the exhibit number, as referenced in the hearing (and as shown on the document), is included below and enclosed with this letter.

1. **Exhibit F-13 (DF-13)** This August 17, 2006 letter (enclosed), from Steve Leonard to Allen Stroh of the Monterey County Health Department, referenced and attached the draft June 27, 2006 report prepared by Martin Feeney. Do you know if that report was finalized, or if that is the most recent version? If there is a final or more recent version, please provide.
2. **Exhibit G-7 (JO-7)** This table (enclosed), listing Ryan Ranch Unit production well data, indicates the well status of each of the Ryan Ranch system wells, as available in District records. In order to clarify our records, please provide dates of well destruction for any of the Ryan Ranch wells that are shown as "retired", if these wells have been destroyed. If any of the "retired" wells have not been destroyed, please indicate their current status, and whether or not they could be brought back into service.
3. **Exhibit G-5 (JO-5)** This table (enclosed), listing a summary of Ryan Ranch Unit annual production data, includes reported system production and deliveries. There were two requests raised regarding the data:

Mr. Craig Anthony

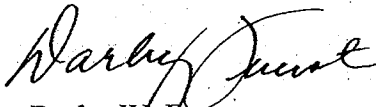
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- (a) Can the discrepancies between total system production and total delivery, i.e., delivered quantities greater than production quantities, be clarified in the periods of RY 1991, 1992, RY 1997 and RY 1999?
 - (b) Can the large UAW use in WY 2002, i.e., 38%, be explained? In particular, what measures were taken by Cal-Am to reduce the UAW use of 35.4 acre-feet (AF) or 38% in WY 2002 to 3.6 AF or 4% in WY 2008?
4. To provide a clearer understanding of the number and demand estimate for current projects in progress, please provide the number of "will serve" letters that Cal-Am has issued to Ryan Ranch customers since January 1, 2008.

If you feel it would be more efficient to discuss responses for these items in a meeting, we would be happy to schedule one with you and your staff in the near future. In any event, we would like to have the information for these items ready prior to the continuation of the hearing, scheduled for February 18, 2009. Please call me at 831.658.5651 if you have any questions. Thank you and your staff for your ongoing cooperation on this matter.

Sincerely,



Darby W. Fuerst
General Manager

enclosures

cc: David Laredo, MPWMD Counsel
Tim Miller, Cal-Am Counsel

August 17, 2006

Allen J. Stroh,
Director, Environmental Health Division
Monterey Co. Health Department
Room 109
1270 Nafividad Road
Salinas, CA 93906

RECEIVED

AUG 21 2006

MPWMD

Re: Compliance Order No. 06-003
Ryan Ranch Water System, ID No. 270-1466

Dear Director Stroh:

This letter follows up on California American Water's ("Cal-Am's") letter to you of May 31, 2006 requesting an extension of time to respond to your letter of April 3, 2006 regarding Ryan Ranch water supply. In this letter we present Cal-Am's plan, as required by Paragraph 1(a) of Compliance Order No.06-003, for ensuring an adequate water supply in the Ryan Ranch system.

We have reviewed your April 3, 2006 letter and Compliance Order regarding California American Water's water system at Ryan Ranch. We believe that we are in compliance with the standards listed in Finding 4 of Compliance Order No. 06-003 since our initial well failures and production reductions by developing and immediately implementing our plan for ensuring an adequate water supply at Ryan Ranch.

Step #1: Activate Carmel/Seaside Interconnection. We have delivered water to Ryan Ranch customers throughout this period of production problems through implementation of the first step in our plan, which is to occasionally use our emergency interconnection with the Carmel/Seaside system. Through this approach we have ensured that there is enough water in emergency storage to ensure the health and safety of the Ryan Ranch customers.

The supply we use to augment the Ryan Ranch production comes from Carmel/Seaside supply of the main Monterey water system through an emergency connection at Ragsdale Drive and Highway 68. The Monterey Peninsula Water Management District requires that we use the connection for emergency purposes and that we record and report the transfers. The State Water Resources Control Board has advised us that we can transfer Carmel River water for this purpose as long as we meet the withdrawal limits in the Carmel Valley set forth by Order 95-10. We have met those requirements.

Step #2: Identification of New Well Sites. We have been actively seeking other water supply resources, in the form of new well sites, since late 2004. As previously reported, we have been working with the City of Monterey, specifically the City Manager, seeking a new well site on the Fort Ord properties. We have not yet been successful in that effort. We met with the MPWMD to ascertain what other local solutions might be investigated. Their hydrogeologist recommended that we drill a test well at the Granite Construction site in Ryan Ranch. We have been in negotiations with Granite for the last four months to set up a test well on their property. We believe that those negotiations will successfully conclude in the next few weeks.

Step #3: Technical Analysis. In parallel to these activities, we commissioned Martin Feeney to conduct a technical analysis of the Ryan Ranch water supply situation and to make recommendations on approaches we can take to augment production. His draft report, which is part of this plan and forms the foundation for future actions under this plan, is enclosed.

¹ In voicemails we exchanged with Ms. Sandoval of your staff, Cal-Am was granted a short additional extension, to Friday, August 19, 2006, to present this plan. We appreciate this courtesy.

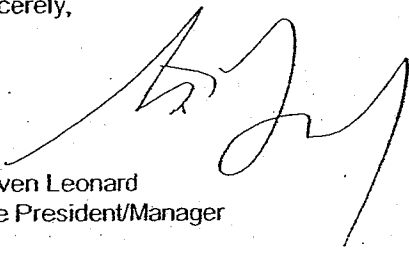
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Based on Mr. Feeney's recommendations, we will pursue a new well site in the Granite properties, and lower the well in Ryan Ranch #7 to try to improve production. As noted above, we are already pursuing the Granite well site. We have reviewed the efficacy of lowering Ryan Ranch #7 well, and I have directed that the Ryan Ranch Well # 7 be lowered to improve production. The well should be reset August 18th 2006.

In conclusion, we acknowledge your concern about water supply reliability in Ryan Ranch and share your desire to ensure a consistent and reliable supply. We have acted to ensure a reliable supply even with declining production and well failures by supplementing the supply as needed, on a very limited basis. Our plan, which we have been actively implementing already, attacks this problem on all fronts including new supply and demand management. We are working with the City and the Water Management District to improve the chances of success.

I look forward to further discussion with your staff on this important issue. Please call me with any questions.

Sincerely,



Steven Leonard
Vice President/Manager

Attachment

cc. Cheryl Sandoval, Supervising Environmental Health Specialist
Richard Le Warne, Assistant Director (w/o attachment)
Jan Sweigart, Cal-DHS
Matt Bogoshian, Deputy District Attorney (w/o attachment)
Patrick McGreal, County Counsel (w/o attachment)
Patricia Lyman, CAW Counsel (w/o attachment)
Ben Lewis, CAW Director Service Delivery (w/o attachment)
David Berger, General Manager, MPWMD
Fred Meurer, City Manager, Monterey

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
 CALIFORNIA AMERICAN WATER
 RYAN RANCH UNIT -- PRODUCTION WELL DATA

Common Name	Well No. ²	Assessor's Parcel Number	Well Status	Date Drilled	DWR Driller's Report Number	MCHD Permit Number	Hole Depth (feet)	Well Depth (feet)	Screened Interval Top (feet)	Screened Interval Bottom (feet)	Reference Point Elevation (feet AMSL)	Elevation of Screen Top (feet AMSL)	Elevation of Screen Bottom (feet AMSL)	Geologic Formation
Ryan Ranch 1	15S01E35J	259041013	destroyed	6/19/1978	O63923	1376	553	350	295	345	245	-50	-100	Tsm
Ryan Ranch 2	15S01E35Ja	259041013	retired	10/19/1978	O74575	W1429	440	420	217	400	245	28.40	-154.60	Tsm
Ryan Ranch 3	16S01E01C	259183001	destroyed	12/7/1978	O71504	W2009	385	300	190	300	226	36	-74	Tsm
Ryan Ranch 4	16S01E01Ca	259031012	retired	2/11/1980	O83930	W2052	415	415	235	415	307	72	-108	Tsm
Ryan Ranch 5	15S01E36Na	259031043	retired	1/10/1981	O82914	W2088	445	430	280	420	270	10	-150	Tsm
Ryan Ranch 6	16S01E02A		destroyed				250							
Ryan Ranch 7	15S01E36Nb	259031011	active	1/17/1981	O82916	W2089	500	480	350	470	294.00	-56.00	-176.00	Tsm
Ryan Ranch 8	16S01E01Cb	259031012	standby	6/16/1981	O82948	W2117	480	450	340	440	306.86	-33.14	-133.14	Tsm
Ryan Ranch 9	15S01E36Nc	259221005	retired	1/16/1989	284241	W5040	480	440	300	430	270	-30	-160	Tsm
Ryan Ranch 10	16S01E01Cc	259031012	retired	1/27/1989	266557	W5040	480	470	330	460	308	-22	-152	Tsm
Ryan Ranch 11	16S0R1E01Cd	259031012	active	8/09/2003				455			303	303	303	Tsm
Ryan Ranch 12	15S01E35Jg	259041016	monitor	11/3/2006				394	184	372	226.43	42.43	-145.57	Tsm

NOTES:

1. Ryan Ranch well data from records on file at MPWMD office.
2. Official State Well Number ends with a numeral, unofficial MPWMD Well Number ends with a small case letter, or blank where uncertain.
3. All Ryan Ranch wells located within the Laguna Seca Subarea of the Seaside Groundwater Basin.
4. Elevation data estimated if no decimal places; surveyed reference points are shown to two decimal places.
5. Tsm = Santa Margarita Sandstone (Tertiary).
6. No DWR or lithologic log is available for RR-6 well; available data from Logan 2/1981 report, Table 2.
7. Well status listed as "destroyed" are based on records prior to CAW annexation of RR WDS in 1989 (destroyed status not confirmed by MPWMD); well status listed as "active", "standby" and "retired" are based on CAW reporting to MPWMD.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

ANNUAL WATER PRODUCTION SUMMARY: RYAN RANCH UNIT OF CALIFORNIA AMERICAN WATER

Year	Well Production												Total RR Well Production cf	Transfer from Main System AF	Total RR System Prod. AF	Total Delivery AF	System UAW %	No. of Active Conn.	Prod. per Conn. AF	Delivery per Conn. AF	
	RR#2 (Lot 26)		RR#7 (Lot 12A)		RR#8 (Lot 12)		RR#9 (Lot 27A)		RR#10 (Lot 12)		RR#11 (Lot 12)										Backwash +/- AF
	cf	AF	cf	AF	cf	AF	cf	AF	cf	AF	cf	AF									
RY 1990	63	0.00	1,154,664	26.51	0	0.00	0.00	0.00	10,982	0.25			1,165,709	26.76	24.55	8	95	0.26	0.26		
RY 1991	0	0.00	644,109	14.79	0	0.00	0.00	20,090	0.46				664,199	15.25	39.68	-160	115	0.13	0.35		
RY 1992	440	0.01	1,510,380	34.67	0	0.00	0.00	202,842	4.65				1,713,462	39.34	51.50	-31	125	0.31	0.41		
RY 1993	0	0.00	1,319,717	30.30	0	0.00	0.00	725,187	16.65				2,044,904	46.94	42.86	9	139	0.34	0.31		
RY 1994	0	0.00	1,209,381	27.76	0	0.00	0.00	878,858	20.18				2,088,239	47.94	50.58	-6	148	0.32	0.34		
RY 1995	105,066	2.41	1,277,085	29.32	0	0.00	4,612	0.11	1,198,170	27.51			2,584,923	59.34	54.88	8	152	0.39	0.36		
RY 1996	2,385	0.05	1,742,188	40.00	109,063	2.50	13,413	0.31	1,270,046	29.16			3,137,095	72.02	57.67	20	170	0.42	0.34		
RY 1997	875	0.02	1,123,345	25.79	194,963	4.48	10,026	0.23	488,963	11.23			1,818,172	41.74	60.91	-46	176	0.24	0.35		
RY 1998	1,192	0.03	1,187,825	27.27	0	0.00	6,712	0.15	1,179,176	27.07			2,374,905	54.52	52.17	4	176	0.31	0.30		
RY 1999	464	0.01	1,461,309	33.55	1,347	0.03	3,629	0.08	998,971	22.93		-1.70	2,465,720	54.91	56.55	-3	184	0.30	0.31		
RY 2000	877	0.02	1,706,355	39.17	271	0.01	7,933	0.18	1,178,159	27.05		-1.26	2,893,595	65.17	58.83	10	194	0.34	0.30		
RY 2001	0	0.00	1,736,668	39.91	1,019	0.02	0	0.00	1,698,164	38.98			3,437,851	78.92	61.24	22	198	0.40	NA		
WY 2002	0	0.00	1,786,271	41.01	0	0.00	0	0.00	2,275,938	52.25			4,062,209	92.07	56.89	38	131	0.70	0.43		
WY 2003	0	0.00	1,336,870	30.69	235,157	5.40	0	0.00	1,352,539	31.05			2,924,566	64.96	65.10	28	135	0.67	0.48		
WY 2004	0.00	0.00	27.40	0.00	0	0.00	0.00	0.00	0.40		45.40		71.90	14.42	68.57	21	137	0.63	0.50		
WY 2005	0	0.00	2,658,564	61.03	0	0.00	0	0.00	retired		356,861	8.19	3,015,415	69.73	63.62	12	141	0.51	0.45		
WY 2006	0	0.00	1,335,098	30.65	0	0.00	0	0.00	retired		772,617	17.74	2,107,715	48.39	66.16	9	148	0.49	0.45		
WY 2007	retired		544,607	12.50	0	0.00	retired	retired	retired		0	0.00	544,607	12.50	66.18	8	152	0.47	0.44		
WY 2008	retired		2,437,042	55.95	0	0.00	retired	retired	retired		996,671	22.88	3,433,713	78.83	78.36	4	159	0.62	0.49		

NOTES:

- Well production, transfer and delivery data are from California American Water (CAW) annual WDS reporting forms, unless indicated otherwise in the notes below.
- Reporting Year (RY) extends from July 1 of the previous year to June 30 of the identified year; Water Year (WY) extends from October 1 of the previous year to September 30 of the identified year. The District switched to WY reporting in 2002 to be consistent with the State Water Resources Control Board and the reporting of other types of hydrologic data.
- System unaccounted water is calculated as the difference between total production and total delivery, as a percentage of total production.
- In RY 1991, CAW reported well production as 15.7 AF, but individual well totals (in cf) are shown here as 15.25 AF.
- In RYs 1995 and 1996, delivery and connections not reported with WDS sheet; values shown are from CAW "Customers & Consumption by Political Jurisdiction & Classification" tables.
- In WY 2001, production and delivery were reported for a 15-month period; reported values for July, Aug and Sep 2001 were subtracted to get 12-month totals shown.
- In WY 2004, CAW reported well production and backwash were corrected by MPWMD.
- In WY 2006, MPWMD corrected No. of Active Connections based on data in CAW "Net Consumption by Region" report (i.e., 213 total - 65 other = 148).
- In WY 2007, backwash (8,204 cf) was not subtracted from total production, consistent with CAW annual report.
- In WY 2008, MPWMD modified the reported No. of Active Conn. (226 to 159 (i.e., 226-67)), based on data in CAW "Cust. & Cons. by Pol. Jur. & Class." 1/7/2009 report.