



EXHIBIT 3-B, Attachment 2

**MONTEREY PENINSULA  
WATER MANAGEMENT DISTRICT**

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June 19, 2009

Craig Anthony, General Manager  
California American Water  
P.O. Box 951  
Monterey, CA 93942-0951

**Subject:** Los Padres Dam Modifications


Dear Mr. Anthony:

At its June 15, 2009 meeting, the Monterey Peninsula Water Management District (District) Board received a report on the potential for increasing storage capacity of Los Padres Reservoir. As indicated in the staff report, storage capacity in the reservoir could be increased by (1) increasing the height of the dam, (2) installing facilities such as an inflatable dam or Obermeyer gates to seasonally raise the spillway elevation or (3) dredging the reservoir. A copy of the staff report is available at <http://www.mpwmd.dst.ca.us/asd/board/boardpacket/2009/20090615/26/item26.htm>.

At the meeting, the District Board asked that I contact you regarding California American Water's (Cal-Am's) willingness to make structural changes to Los Padres Dam to increase storage capacity or to allow the District to make structural changes to Los Padres Dam to increase the storage capacity. Please note that District staff is meeting with Division of Safety of Dams (DSOD) staff on June 26, 2009, in Sacramento to discuss this matter and Cal-Am staff has been invited to attend.

In order to proceed with our studies, please confirm in writing whether or not Cal-Am, as owner and operator of Los Padres Dam, is willing to make structural changes to Los Padres Dam to increase storage capacity or whether or not Cal-Am will allow the District to make structural changes to Los Padres Dam to increase the storage capacity. If you have any questions regarding this request, please call District Engineer, Andy Bell, at 658-5620, or me at 658-5651. Thank you for your cooperation.

Sincerely,

  
Darby Fuerst  
General Manager

Cc: MPWMD Board  
David A. Gutierrez, Chief DSOD