

EXHIBIT 3-B, Attachment 3



CALIFORNIA
AMERICAN WATER

California American Water - Monterey
511 Forest Lodge Rd, Suite 100
Pacific Grove, CA 93950
amwater.com

October 5, 2009

Mr. Darby Fuerst
General Manager
Monterey Peninsula Water Management District
5 Harris Court, Bldg G.
Post Office Box 85
Monterey, CA 93940

RECEIVED

OCT - 5 2009

MPWMD

Subject: Los Padres Dam Modifications

Dear Mr. Fuerst,

On June 19, 2009, California American Water (CAW) received a letter from the Monterey Peninsula Water Management District (District), asking if CAW is willing to increase the storage capacity of the Los Padres Reservoir, at the District's expense.

CAW's main interest at the Los Padres Reservoir and other segments of the Carmel River, is improving fish passage. CAW is currently working to provide a temporary fish ladder at the Los Padres Reservoir. Also, CAW is examining long-term solutions for fish passage in the Los Padres Reservoir area, including a permanent fish ladder or the removal of the Los Padres Dam.

Currently, CAW has no interest in increasing the dam height or making other Los Padres Reservoir modifications.

I can be contacted at 831-646-3214, if you have any questions.

Sincerely,

Craig E. Anthony
General Manager
Central Division