

**EXHIBIT 27-B**

**California American Water Laguna Seca Subarea Distribution Systems  
Quarterly Water Supply Strategy and Budget: July - September 2010**

**Proposed Production Targets by Source and Projected Use in Acre-Feet**

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jul-10	Aug-10	Sep-10	Oct-09 - May-10	% of YTD	% of Annual Target
<b>Source</b>						
Seaside Groundwater Basin						
Laguna Seca Subarea	30	30	28	230	100.0%	93.6%
Other	<u>0</u>	<u>0</u>	<u>0</u>	0	0.0%	0.0%
<b>Total</b>	<u>30</u>	<u>30</u>	<u>28</u>	230	100.0%	93.6%
<b>Use</b>						
Customer Service	<u>30</u>	<u>30</u>	<u>28</u>	230	100.0%	93.6%
<b>Total</b>	<u>30</u>	<u>30</u>	<u>28</u>			

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
2. Total monthly production for "Customer Service" in CAW's Laguna Seca Subarea systems was calculated by multiplying total annual production (246 AF) times the average percentage of annual production for July, August, and September (12.33%, 12.15%, and 11.49%, respectively). The annual production total was based on the assumption that CAW production from the Laguna Seca Subarea of the Seaside Groundwater Basin would not exceed 246 AF. The average production percentages were based on monthly data for customer service from WY 2000 to 2007. The 246 AF annual production limit is based on procedures specified in the Seaside Basin Adjudication Decision.
3. It should be noted that, based on recent historical use, actual monthly use will likely exceed the proposed monthly production targets. For example, in the July through September 2009 period, CAW produced 62, 61, and 55 AF to meet customer demand in its Laguna Seca Subarea systems. In this context, the production targets represent the maximum monthly production that should occur so that CAW remains within its Standard Production Allocation for the Laguna Seca Subarea specified in the Seaside Decision. However, because the Seaside Decision allows CAW to combine its production in the Coastal Subareas with its production in the Laguna Seca Subarea in determining compliance, CAW may be able to use coincidental production savings in the Coastal Subareas to offset overproduction in the Laguna Seca Subarea, if that water was not fully utilized to reduce Carmel River diversions per WRO No. 95-10. These monthly targets are based on regulatory action by the Seaside Watermaster in December 2009.
4. "Other" production sources refer to supplies transferred to CAW's Laguna Seca Subarea customers from CAW's Carmel River sources, water rights acquired from other producers in the Seaside Basin, or supplies transferred from other systems outside of the Laguna Seca Subarea to produce additional water.