

**EXHIBIT 21-A**

**California American Water Main Distribution System  
Quarterly Water Supply Strategy and Budget: July - September 2011**

**Proposed Production Values by Source in Acre-Feet**

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jul-11	Aug-11	Sep-11	Oct-10 - May-11	% of YTD	% of Annual Target
<b>Source</b>						
San Clemente Reservoir	0	0	0	0	0.0%	--
Carmel Valley Aquifer						
Upper Subunits	0	0	0	329	4.5%	--
Lower Subunits	960	885	753	4,639	63.7%	42.7%
Seaside Groundwater Basin						
Coastal Subareas	500	570	570	1,024	14.1%	32.0%
Phase 1 ASR Recovery	0	0	0	1,111	15.3%	100.0%
Sand City Desalination	25	25	25	179	2.5%	59.7%
<b>Total</b>	1,485	1,480	1,348	7,282		
<b>Use</b>						
Customer Service	1,485	1,480	1,348	6,165	84.7%	45.2%
Phase 1 ASR Storage	0	0	0	1,117	15.3%	121.4%
<b>Total</b>	1,485	1,480	1,348	7,282		

Notes:

1. The budget reflects an expectation of "wet" inflow conditions for the quarter based on actual inflows to date and matching a similar period in the flow recession of WY 2010. It assumes that the monthly unimpaired inflows at the San Clemente Dam site during the June -September 2011 period will equal 2,393, 1,202, 882, and 833 AF, respectively.
2. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
3. Total monthly production for "Customer Service" in CAW's main system is calculated by multiplying total annual production (13,631 AF) times the average percentage of annual production for July, August, and September (10.80%, 10.76%, and 9.80%, respectively). For this last Quarter, an additional 13, 13, and 12 AF were added to the monthly production limits to allow Cal-Am to use up additional Seaside native groundwater carry-over storage from WY 2010 that was approved by the Seaside Watermaster in January, 2011, after the initial annual budget limits had been developed based on lesser levels of assumed carry-over-storage. A similar adjustment was made last Quarter. The annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed the 3,502 AF ( 3,087 AF annual allocation + 115 AF of remaining carry-over from WY 2010 + 300 AF of Sand City Desalination), 1,111 AF has been recovered from ASR Phase 1 for customer service, and production from Carmel River sources for customer service would not exceed 9,018 AF in WY 2011. The average production percentages were based on monthly data for customer service from WY 1998 to 2007.
4. Actual production for "Phase 1 ASR Storage" in WY 2011 was 1,117 AF as the diversion season begins December 1 and ends May 31 of each year. "Total" monthly CAW "Use" includes water for customer service and water for injection into the Seaside Basin.
5. No surface water diversions from San Clemente Reservoir (SCR) are assumed for this period. SCR filled and began spilling on December 22, 2010.
6. The production target for CAW's wells in the Upper Subunits of the Carmel Valley Aquifer is set to 0 AF for July through September based on CAW's goal to avoid use of these wells during this period. However, production could be higher under existing State water rights and interagency operating agreements.
7. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Production Allocation during WY 2011 as well as any remaining carry-over Allocation from WY 2010, in order to be in compliance with SWRCB WRO No. 95-10.