

EXHIBIT 19-A

**California American Water Main Distribution System
Quarterly Water Supply Strategy and Budget: October - December 2011**

Proposed Production Values by Source in Acre-Feet

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Oct-11	Nov-11	Dec-11	Oct-10 - Aug-11	% of YTD	% of Annual Target
<u>Source</u>						
San Clemente Reservoir	0	0	0	0	0.0%	--
Carmel Valley Aquifer						
Upper Subunits	0	0	0	329	3.1%	--
Lower Subunits	588	367	408	7,627	60.6%	75.8%
Seaside Groundwater Basin						
Coastal Subareas	177	178	178	2,528	23.5%	79.0%
Phase 1 ASR Recovery	373	372	372	1,111	10.3%	100.0%
Sand City Desalination	25	25	25	257	2.4%	85.5%
Total	1,163	942	983	11,852		
<u>Use</u>						
Customer Service	1,163	942	843	10,735	90.6%	78.8%
Phase 1 ASR Storage	0	0	140	1,117	9.4%	121.4%
Total	1,163	942	983	11,852		

Notes:

1. The budget conservatively reflects a transition from "above normal" monthly inflow conditions through November down to "normal" monthly inflow conditions for December, and assumes that the monthly unimpaired inflows at the San Clemente Dam site during the September 2011 - December 2011 period will equal 1,063, 1,049, 987, and 1,807 AF, respectively, based on following the flow recession seen in 2010 at SCD through November and using the median historic inflows from 1902-2010 for December.
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 the California American Water (Cal-Am) main system was calculated by multiplying total annual production (12,977 AF) times the average percentage of annual production for October, November, and December (8.96%, 7.25%, and 6.49%, respectively). The annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed the 2,999 AF (2,669 AF annual allocation + 0 AF of remaining carryover from WY 2011 + 300 AF of Sand City Desalination), 1,117 AF would be recovered from ASR Phase 1 for customer service, and production from Carmel River sources for customer service would not exceed 8,891 AF in WY 2012. The average production percentages were based on monthly data for customer service from WY 2001 to 2010.
4. Anticipated production for "Phase 1 ASR Storage" will be '140' as the diversion season ends May 31 of each year, and does not resume until the following December. "Total" monthly Cal-Am "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 is currently drawn down as of August 26, 2011, and the pipeline from SCR to the Carmel Valley Filter Plant is not currently operable.
6. The production target for Cal-Am's wells in the Upper Subunits of the Carmel Valley Aquifer is set to 0 AF for October through December based on Cal-Am'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 Cal-Am's wells in the Seaside Coastal Subareas are based on the need for Cal-Am to produce its full Standard Production Allocation during WY 2012 to be in compliance with SWRCB WRO No. 95-10.