

EXHIBIT 10-A

**2013 MEMORANDUM OF AGREEMENT
AMONG THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE,
CALIFORNIA AMERICAN WATER, AND MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT TO RELEASE WATER INTO THE CARMEL RIVER
FROM SAN CLEMENTE RESERVOIR**

THIS AGREEMENT is made this 7th day of May, 2013, among the California Department of Fish and Wildlife, ("Department"), California American Water, ("Cal-Am"), and the Monterey Peninsula Water Management District, (the "District"), with respect to the following.

RECITALS

A. The Department is required to conserve and protect the fish and wildlife resources of this state and it is the Department's objective to maximize surface flows in the Carmel River below San Clemente Dam;

B. Cal-Am supplies water to the citizens of the communities of the Monterey Peninsula, Monterey County in accordance with SWRCB Order No. 95-10, as amended.

C. The District, through its rules and regulations, establishes a quarterly water supply strategy and budget for the Monterey Peninsula.

NOW THEREFORE, IT IS HEREBY AGREED:

DEFINITIONS

1. "Minimum pool at Los Padres Reservoir" means a surface water elevation of 980 feet above mean sea level, or 105 acre feet of storage.

2. For operational purposes in 2013, "Minimum pool at San Clemente Reservoir" means a surface water elevation of 515 feet above mean sea level, or 71 acre feet of storage.

3. "Water Release by Cal-Am at San Clemente Dam" into the Carmel River may occur from seepage through the dam, direct release from the discharge ports, spillage over the crest of the dam or gates, leakage around the gates, releases through the fish ladder or any combination thereof.

DESIGNATION OF RESPONSIBILITIES

4. Cal-Am shall make water releases into the Carmel River channel beginning July 2013 as follows and summarized in **Exhibit A**: Cal-Am shall maintain no less than 5 CFS (cubic feet per second) during June through December, 2013 at the Sleepy Hollow Weir.

5. Cal-Am shall not divert water at the San Clemente Dam during low-flow periods except during an emergency, which is defined in ordering Paragraph No. 1 of SWRCB Order WRO 2002-0002 (attached as **Exhibit B**).

6. The Russell Wells shall be limited to a combined total instantaneous diversion rate of not more than 0.5 cfs during low-flow periods as set forth in ordering Paragraph No. 4 of SWRCB Order WRO-2002-0002 (**Exhibit B** hereto).

7. In the event that a significant change in projected runoff occurs in the basin during the duration of this Agreement, the parties will meet to discuss modifications to the scheduled reservoir releases and diversion.

8. Cal-Am shall limit operation of its wells in the Carmel Valley above the Narrows during low-flow periods as set forth in ordering Paragraph No. 2 of SWRCB Order WRO 2002-0002 (**Exhibit B** hereto). Cal-Am shall notify the District and the Department of its maintenance pumping schedule in advance.

9. Cal-Am shall make reasonable efforts to operate the Lower Carmel Valley production wells in the sequence from the most downstream well and progress upstream as wells are needed and available for production. Cal-Am shall notify the District and the Department before operating its Scarlett No. 8 Well.

10. Cal-Am shall provide, upon request by the Department or the District, records of the Carmel Valley Filter Plant operation showing compliance with the provisions of this Agreement.

11. Cal-Am shall notify the District and the Department when the water elevation reaches 990 feet at Los Padres Reservoir or 520 feet at San Clemente Reservoir. Cal-Am shall not draw either reservoir below minimum-pool elevation without obtaining specific written approval from the Department. This requirement does not apply to annual drawdown at San Clemente Reservoir performed as part of Interim Safety Measures mandated by the California Division of Safety of Dams.

12. In the event that Cal-Am has not exceeded its annual production limit from both the Coastal Subareas of the Seaside Groundwater Basin and Carmel River sources, Cal-Am shall make every reasonable effort to produce water from the Coastal Subareas of the Seaside Basin before producing water from its Carmel River sources to preserve streamflow and instream habitat in the Carmel River for listed species, consistent with the production amounts specified in the Quarterly Water Supply Strategy and Budget for Cal-Am's main distribution system.

DISTRICT

13. The District shall take direct measurements of inflow to Los Padres Reservoir on a monthly basis through the duration of this Agreement.

ALL PARTIES

14. This Agreement is revocable upon ten days' written notice to all parties signatory to this Agreement.

15. This Agreement is entered into without prejudice to the rights and remedies of any party to the Agreement.

EFFECTIVE DATE AND TERM OF AGREEMENT

16. This Agreement is effective June 1, 2013 and shall remain in force until December 31, 2013. This Agreement may be modified or extended by mutual consent of all the parties.

EXECUTION

IN WITNESS WHEREOF, each party hereto has caused this Memorandum of Agreement to be executed by an authorized official on the day and year set forth opposite their signature.

California American Water

By: _____ Date _____
P.O. Box 951
Monterey, CA 93942-0951

Monterey Peninsula Water Management District

By: _____ Date _____
P.O. Box 85
Monterey, CA 93942-0085

California Department of Fish and Wildlife

By: _____ Date _____
1234 East Shaw Avenue
Fresno, CA 93710

EXHIBIT A, TABLE 1 [Version 2]

2013 [Final Draft] Low Flow Memorandum of Agreement & Quarterly Water Budget

Carmel River Reservoirs: Diversion and Release Schedule (All Values in Acre-Feet, except as indicated)

Assuming Critically Dry Water Year Inflow Conditions [May-December 2013] & LPR Drawdown to 995' Elevation = 315 AF

Month Represents Water Year Type of:	Normal	Dry	Wet	Below N.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	Crit. D.	WY 2013
	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-12	Sep-13	Oct-13	Nov-13	Dec-13		
Los Padres Reservoir																	
Inflow	186	523	10,433	4,703	1,895	1,434	1,003	658	316	75	61	47	52	189	483	21,334	
Outflow																	
Evaporation	18	6	2	18	13	30	31	36	50	57	60	44	19	11	5	365	
Spillage	0	0	8,962	4,070	1,307	789	426	8	0	0	0	0	0	0	0	15,562	
Release (Fish Ladder)	322	292	615	615	575	615	595	615	266	320	320	306	305	258	478	5,455	
Release (Outlet)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release (Notch)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Storage																	
Beginning of Month	806	652	877	1,731	1,731	1,731	1,731	1,682	1,682	1,682	1,380	1,061	758	486	406		
End of Month	652	877	1,731	1,731	1,731	1,731	1,682	1,682	1,682	1,380	1,061	758	486	406	406		
Between Reservoirs																	
Inflow	0	134	2,494	1,544	812	771	456	223	138	80	66	60	50	67	138	6,778	
Outflow																	
Evapotranspiration	4	21	16	21	20	37	53	61	63	68	58	53	37	21	16	474	
Private Usage	5	2	2	2	2	2	5	7	8	8	8	6	5	2	2	58	
San Clemente Reservoir																	
Inflow	313	403	12,052	6,206	2,672	2,136	1,419	778	333	323	320	308	313	302	598	27,263	
Outflow																	
Evaporation	4	0	2	4	2	5	7	11	16	14	11	9	4	3	4	85	
Spillage	0	0	11,311	5,526	2,037	1,455	758	91	0	0	0	0	0	0	0	21,178	
Diversion (Filter Plant)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release (Valve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release (Six Ports)	249	341	0	0	0	0	0	0	323	248	247	239	248	239	532	1,647	
Release (Fish Ladder)	0	0	615	615	575	615	595	615	0	0	0	0	0	0	0	3,629	
Leakage	61	59	61	61	58	61	59	61	59	61	61	59	61	59	61	725	
Total Storage																	
Beginning of Month	72	71	73	137	137	137	137	137	137	71	71	71	71	71	71		
End of Month	71	73	137	137	137	137	137	137	71	71	71	71	71	71	71		
Total Release	310	400	11,987	6,202	2,670	2,131	1,412	767	383	309	309	299	309	299	594	27,179	
Mean Daily Release in cfs	5.0	6.7	195.0	100.9	46.4	34.7	23.7	12.5	6.4	5.0	5.0	5.0	5.0	5.0	9.7		
Mean Daily Diversion in cfs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Mean Daily Diversion in cfs (Russell Wells)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Notes:

- The minimum pool requirements at Los Padres and San Clemente Reservoirs are 105 acre-feet at elevation 980 ft and 71 acre-feet at elevation 515 ft, respectively.
- Projected inflows for the May through December 2013 period are based on the expectation that unimpaired flows at San Clemente Dam will represent median flows for a "Critically Dry" Water Year Type or 87.5% exceedance values for reconstructed unimpaired monthly historical flows (WY 1902-2012).
- Projected inflow to San Clemente Reservoir is distributed 80% above Los Padres Dam and 20% between Los Padres and San Clemente Dams.
- Estimated evaporation from LPR/SCR is based on average monthly reservoir surface area and gross monthly evaporation rates developed by the US Army Corps of Engineers (1981).
- Releases and diversions are consistent with terms of the 2001 and 2006 Conservation Agreements between the NMFS and Cal-Am and with the conditions in SWRCB Order Nos. 95-10, 98-04, 2002-0002, and 2009-0060.
- Numbers in **Bold** type are final reported numbers, and those in *Italics* are future estimates.

Excerpt: Condition No. 1

STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD

ORDER WRO 2002 – 0002

In the Matter of Reconsideration of WR Order 2001-04-DWR
Implementing Condition 6 of Order WR 95-10 as Modified by
Order WR 98-04 Regarding Diversions by
California-American Water Company

SOURCE: Carmel River

COUNTY: Monterey

ORDER RECONSIDERING WR ORDER 2001-04-DWR

IT IS FURTHER ORDERED that Cal-Am shall comply with Condition 6 of Order WR 95-10, as modified by Order WR 98-04 as follows:

1. Cal-Am shall immediately upon issuance of this order cease withdrawal of water from the San Clemente Dam during low flow periods except during an emergency. "Emergency" means a system failure such as a pump failure, main breaks or fires, that jeopardizes the public health and safety. Hot weather demand alone shall not *per se* be an "emergency," but it is recognized that after taking appropriate conservation measures, if levels in the Clear Well fall below nine feet from the bottom of the tank, an emergency may exist and diversions at San Clemente or the utilization of other facilities may be necessary. Nine feet from the bottom of the tank is a minimum requirement established by California Department of Health Services regulations. In all cases, diversions at San Clemente Dam or the utilization of other facilities shall be undertaken in a manner that is least damaging to the fishery resources, and these emergency operations shall be for the shortest practicable time. Cal-Am shall notify and consult with NMFS, FWS, DFG, and the District prior to implementation of emergency operations. If there is no time for consultation, Cal-Am shall notify NMFS, FWS, DFG, and the District of its emergency operation as early as practicable within eight (8) hours after Cal-Am first becomes aware of the emergency. Cal-Am shall notify, by telephone or telefax, the Chief of the Division of Water Rights within 24 hours of the emergency or by noon of the first business day following the incident. For the purpose of this Order, "low flow periods" are defined as times when stream flow in the Carmel River at the Don Juan Bridge (RM 10.8) gage is less than 20 cfs for five consecutive days. Pursuant to its continuing authority over the public trust, the SWRCB may amend this order to modify the definition of "low flow periods" or to add additional flow requirements to protect steelhead in the Carmel River. The Chief of the Division of Water Rights (Chief) is delegated the authority to modify the definition of "low flow periods" and the authority to add flow requirements based on new information, after finding that any proposed change to the order would better protect steelhead in the Carmel River. The Chief is also delegated the authority to modify the flow requirements of this order, in response to any changes in the requirements imposed under the Endangered Species Act, as necessary to prevent this order from being in violation of the Endangered Species Act or unreasonably interfering with efforts to comply with the Endangered Species Act. Prior to making the finding and prior to making any change to the order, the Chief shall provide notice to the parties to this hearing and give them an opportunity to comment on the proposed change.