

EXHIBIT 18-A

**California American Water Main Distribution System
Quarterly Water Supply Strategy and Budget: January - March 2014**

Proposed Production Targets by Source in Acre-Feet

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Jan-14	Feb-14	Mar-14	Oct-13 - Nov-13	% of YTD	% of Annual Budget
Source						
Carmel Valley Aquifer						
Upper Subunits (Service)	0	0	0	0	0%	0%
Lower Subunits (Service)	694	634	767	1,221	99%	14%
ASR Diversion	<u>230</u>	<u>320</u>	<u>345</u>	0		
Total	924	954	1,112			
Seaside Groundwater Basin						
Coastal Subareas	100	100	100	632	100%	5%
Phase 1 and 2 ASR Recovery	0	0	0	0	0%	0%
Sand City Desalination	<u>25</u>	<u>25</u>	<u>25</u>	15	29%	5%
Total	125	125	125	647		
Use						
Customer Service	819	759	892	1,868		
Phase 1 and 2 ASR Storage	<u>230</u>	<u>320</u>	<u>345</u>	0		
Total	1,049	1,079	1,237	1,868		

Notes:

1. The budget reflects "Dry" inflow conditions and assumes that the monthly unimpaired inflows at the San Clemente Dam site during the December 2013-March 2014 period will equal the 75% exceedence flows , i.e., 1,016, 2,633, 3,957 and 4,342 AF, respectively. The exceedence values are based on simulated flows for the 1902-2013 period of record.
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 was calculated by multiplying total annual production (12,735 AF) times the average percentage of annual production for January, February and March (6.3%, 6.0%, and 7.0%, respectively). According to District Rule 162, the annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed 2,669 AF and production from Carmel River sources, without adjustments for water produced from water resources projects, would not exceed 10,066 AF in WY 2014. The average production percentages were based on monthly data for customer service from WY 2005 to 2012.
4. Maximum daily production values for "Phase 1 and 2 ASR Storage" are based on an average diversion rate of approximately 3,000 gallons per minute (gpm) or 13.3 AF per day and 1,500 gpm or 6.6 AF per day, respectively, from CAW's sources in the Carmel River Basin. Maximum daily production for Phase 1 and 2 ASR sites is 19.9 AF per day. Total monthly production is estimated by multiplying the maximum daily production by operational days per month for "Normal" flow conditions at San Clemente Dam.
5. The production targets for CAW's wells in the Upper Subunits of the Carmel Valley Aquifer are set at 0, based on CAW's goal to avoid use of these wells, year round. However, production could be higher under existing State water rights and interagency operating agreements.
6. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the assumption that sufficient flow will occur in the Carmel River at the targeted levels, to support ASR injection. It is planned that Coastal Subarea pumping will not occur, or will be proportionally reduced, if ASR injection does not occur at targeted levels.
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 Allocation during WY 2014 to be in compliance with SWRCB WRO No. 95-10.
8. Year to date production numbers are estimated pending finalization of CAW production data.

NOTE: MPWMD staff has acknowledged Board vote at their 1/29/2014 meeting that recognized actual January ASR diversion was 0 AF in place of 230 AF that was projected for this budget.