

EXHIBIT 15-C

Quarterly Water Supply Strategy and Budget Report California American Water Main Water Distribution System: April- June 2016

1. Management Objectives

The Monterey Peninsula Water Management District (District) desires to maximize the long-term production potential and protect the environmental quality of the Carmel River and Seaside Groundwater Basins. In addition, the District desires to maximize the amount of water that can be diverted from the Carmel River Basin and injected into the Seaside Groundwater Basin while complying with the instream flow requirements recommended by the National Marine Fisheries Service (NMFS) to protect the Carmel River steelhead population. To accomplish these goals, a water supply strategy and budget for production within California American Water's (Cal-Am) Main and Laguna Seca Subarea water distribution systems is reviewed quarterly to determine the optimal strategy for operations, given the current hydrologic and system conditions, and legal constraints on the sources and amounts of water to be produced.

2. Quarterly Water Supply Strategy: April - June 2016

On March 10, 2016, staff from the District, Cal-Am, and NMFS met and discussed the proposed water supply strategy and related topics for the April - June 2016 period. Staff from the California Department of Fish and Wildlife (CDFW), United States Fish and Wildlife Service (USFWS), and State Water Resources Control Board's Division of Water Rights (SWRCB-DWR) were unable to attend. Currently, flow in the Carmel River is unregulated and Los Padres Reservoir (LPR) is spilling. LPR was at ~101% of maximum effective storage capacity, i.e., 1,775 AF on February 29, 2016. The LPD spillway notch is still closed to conserve storage, since this year began as a dry water year in an ongoing drought. The flashboard was last placed into the notch during March of Water Year 2014. Given that the new LPD smolt passage facility was built in 2015 and is now operating, it is unlikely the flashboard will ever be removed from the dam spillway notch in the future. Flow in the Carmel River became and remains continuous to the lagoon since January 7, 2016, as a result of multiple storms. The lagoon mouth opened on January 11, 2016, and has remained open the majority of the time since then. Rainfall during Water Year (WY) 2016 through February at San Clemente Dam in the upper watershed has totaled 16.00 inches or 104% of the long-term average to date of 15.41 inches at this site, and 76% of the long-term annual average of 21.10 inches. Further, unimpaired runoff at San Clemente Dam for WY 2016 through February has totaled approximately 30,560 AF or about 97% of the long-term average to date for this site of 32,030 AF, and 45% of the long-term annual average of 67,442 AF, making this a "Normal" Water Year Type, to date.

Carmel River Basin To meet customer demand, Cal-Am would operate its wells in the Lower Carmel Valley in a downstream-to-upstream sequence, as needed. For the quarterly budget, it was agreed that Cal-Am would attempt to produce no groundwater from its wells in the Upper Carmel Valley during April through June 2016. If sufficient flow in the Carmel River at the District's Don Juan Bridge gage in Garland Park, i.e., any day of 20 or more cubic feet per second (cfs), continues to occur to justify operations allowed under the less restrictive high-flow

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period, Cal-Am could operate these wells if needed. In addition, it is projected that Cal-Am would produce approximately 894, 1,091, and 1,109 AF of groundwater from its wells in the Lower Carmel Valley during April, May and June 2016, respectively, for both customer service and Phase 1 and 2 Aquifer Storage and Recovery (ASR) injection to storage. **Table 1** was not included in this month's Staff Note since the wet hydrology to date has precluded the need for the Low Flow MOA. This table will be revised and updated when necessary with ongoing flow and storage data, for the May or June, 2016 Board meeting as a formal part of the Annual Low Flow MOA.

Lastly, it was assumed that a total of 350 AF of water would be diverted from the Carmel River Basin and injected into the Seaside Groundwater Basin at a rate of 250 and 100 AF during April and May, 2016, respectively. Because of the uncertainty in predicting future rainfall and runoff amounts, this assumption is subject to change. A total of 270 AF of water has been injected for storage by Phase 1 and 2 ASR in WY 2016, to date.

Seaside Groundwater Basin It was also agreed that, subject to rainfall and runoff conditions in the Carmel River, Cal-Am would continue production at 100, 125, and 150 AF per month from their wells in the Coastal Subareas, for April, May and June 2016, in addition to the planned 25 AF per month of production from the Sand City Desalination Plant, so as to achieve maximum utilization of the native water available in the basin under the Seaside Basin Adjudication Decision and in compliance with SWRCB Orders 95-10 and 2009-0060. For this budget period, projected Coastal Subarea production could vary from the values shown, depending on whether flows are sufficient to continue Phase 1 and 2 ASR injection operations. These operations may require some minor production from the Seaside wells in April and May to pressurize the delivery system and enable ASR injection. It was also agreed that only 3, 5, and 5 AF of groundwater would be budgeted from Cal-Am's wells in the Laguna Seca Subarea of the Seaside Basin for customers in the Ryan Ranch, Bishop, and Hidden Hills systems during April, May and June 2016, respectively. It is recognized that, based on recent historical use, Cal-Am's actual production from the Laguna Seca Subarea during this period will exceed the proposed monthly targets, which are based on Cal-Am's allocation specified in the Seaside Basin Adjudication Decision. For example, in the April through June 2015 period, Cal-Am produced 26, 26, and 30 AF from the Laguna Seca Subarea to meet customer demand in the Ryan Ranch, Bishop, and Hidden Hills systems. In this context, the production targets represent the maximum monthly production that should occur so that Cal-Am remains within its adjudicated allocation for the Laguna Seca Subarea. Under the amended Seaside Basin Adjudication Decision, Cal-Am is allowed to use production savings in the Coastal Subareas to offset over-production in the Laguna Seca Subarea, but such savings are unlikely to occur in WY 2016, and Cal-Am would instead incur a replenishment fee.