MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT

5 HARRIS COURT, BLDG. G
POST OFFICE BOX 85
MONTEREY, CA 93942-0085 • (831) 658-5600
FAX (831) 644-9560 • http://www.mpwmd.dst.ca.us

March 30, 2007

Dewey D. Evans
Chief Executive Officer
Seaside Basin Watermaster
2600 Garden Road, Suite 228
Monterey, California 93940

Subject: Water Year 2006 Diversions from the California American Water Distribution System to Injection in the Seaside Groundwater Basin

Dear Mr. Evans:

This letter is to provide written verification of the amount of water diverted from the Carmel River portion of the California American Water (CAW) distribution system for injection and storage in the Seaside Groundwater Basin during Water Year (WY) 2006. During the **WY 2006** recharge season from January through May 2006, a total of **411.35 acre-feet** was diverted for injection at the Monterey Peninsula Water Management District's (MPWMD's) Santa Margarita Test Injection Well #1, located near the intersection of General Jim Moore Boulevard and Eucalyptus Road in Seaside. The water diversion to the Seaside Basin in WY 2006 was part of an Aquifer Storage and Recovery (ASR) test program conducted jointly by the MPWMD and CAW, under a temporary water right permit issued to the MPWMD by the State Water Resources Control Board. The quantity diverted was measured by the MPWMD via an approved water meter flow measurement device located at the ASR test facility. Please do not hesitate to call me at (831) 658-5640 with any questions or if additional information is needed.

Sincerely,

Joseph W. Oliver, PG, CHg
Senior Hydrogeologist

U:\Joe\wp\SBWatermaster\2007\CAW_WY2006_diversion_30mar07.doc

March 5, 2008

Dewey D. Evans,
Chief Executive Officer
Seaside Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940

California American Water®

RE: Credit Toward Replenishment Assessment

Dear Dewey,

California American Water is requesting a credit toward the replenishment assessment fees owed through December 31, 2007.

This credit claim is for the expenditures for the Coastal Water Project that we have expended through December 31, 2007 in the amount of $13,469,120.00. This project once constructed will eliminate the need for California American Water to pump water above its natural safe yield amount and therefore, is classified as replenishment water. A complete detailed cost analysis is available for your inspection. Please indicate what information you would want to review. Currently, all the information resides in our Los Angeles office.

California American Water is requesting this credit as per the Seaside Basin Adjudication Decision, Case No. M66343 which states:

Credit Toward Replenishment Assessment:

> *California American's expenditures for water supply augmentation may also provide replenishment water for the Basin. Accordingly, on an annual basis, California American will provide the Watermaster with an accounting of all expenditures it has made for water supply augmentation that it contends has or will result in replenishment of the Basin. The Watemaster shall review these expenditures and if it concurs reduce California American's Replenishment Assessment obligation, for that year, by an amount equal to the amount claimed by California American. To the extent that the Watermaster rejects any of the claimed amounts, it shall provide California American with an explanation for the rejection and allow California American an opportunity to meet and confer on the disputed amount. In the event that the Watermaster and California American cannot agree, the mater may be referred to the Court through a request filed by California American.*

Please contact me at (619) 409-7717 if you require any additional information.

Sincerely yours,

Tom Bunosky
Vice President Operations

CC: Tim Miller
Craig Anthony
Jay Burnett

RWE Group

CALIFORNIA
AMERICAN WATER

511 Forest Lodge Road
Suite 100
Pacific Grove, CA 93950
www.amwater.com/caaw

P 831.646.3241
F 831.375.4367

December 18, 2009

Dewey Evans, Chief Executive Officer
Seaside Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940

SUBJECT: CAW Request for WY 2008/9 Replenishment Assessment Credit

Dear Mr. Evans:

California American Water (CAW) hereby submits its formal claim for a Replenishment Credit in the amount of $3,741,714, which we are requesting be applied to the Seaside Basin Watermaster Year 2008/9 Overproduction Replenishment Assessment against CAW that was transmitted by your November 4, 2009 letter to Craig Anthony. The basis of this Replenishment Credit request is California American Water's actual pre-construction cost incurred in calendar year 2007 for pursuing the Coastal Water Project, which is CAW's proposed replacement water supply to meet its legal obligations under the Seaside Groundwater Basin adjudication decision. The $3,741,714 expenditure amount was audited and approved by the California Public Utilities Commission in its Decision 08-12-034, dated December 18, 2008 (copy attached). Also attached is a spreadsheet that breaks-down this CPUC-approved expenditure amount by category. Detailed documentation of vendor invoices, labor cost, and other expenses corresponding to and supporting this $3,741,714 approved expenditure amount is available, if desired.

As you will likely recall, on December 3, 2008 the Seaside Basin Watermaster board approved an Agreement with California American Water related to this subject, which was subsequently entered into by both parties. Under paragraphs 1 and 2 (b) i. of that Agreement, the Watermaster "shall grant California American Water's request for a Replenishment Credit" for each Water year "based on expenditures for a water supply augmentation project such as the Coastal Water Project..." These referenced paragraphs of the Agreement provide for a non-discretionary approval of California American Water's Replenishment Credit claim. Thus, I am requesting that you provide to CAW an updated Replenishment Assessment Fund statement reflecting the $3,741,714 credit; and we suggest that the Watermaster board subsequently be informed of your administrative action, in accordance with the referenced paragraphs of the Agreement.

Please let me know if you have any questions, or desire additional information, related to this subject.

Sincerely,

David A. Berger
Manager, Coastal Water Projects
CAW Engineering Department

Enclosure (2)

cc: Craig Anthony
Eric Sabolsice
Lori Girard

Summary of Costs Charged to CWP in 2007

CALIFORNIA AMERICAN WATER COMPANY
COASTAL WATER PROJECT
EXHIBIT ON EXPENSES

Line No.	Item	Vendor	2007
	Engineering & Environmental		
1	Consulting, Engineering and PEA/EIR Technical Support	RBF Consulting	1,156,363.88
2	Design Engineering, Conveyance Facilities	Parsons Water & Infastructure, inc.	13,955.18
3	Design Engineering, ASR Facilities	ASR Systems, LLC	309,258.22
4	Environmental Impact Report	California Public Utilities Commission	338,066.19
5	ASR Monitoring & Test Wells Easement	US Treasurer/US Army Corp of Engineers	6,800.00
6	**Subtotal Engineering**		**1,824,443.47**
	Pilot Plant, Construction		
7	Pilot Plant, Laboratory	Williams Scotsman Inc.	17,502.08
8	Pilot Plant, Electric Utility	Pacific Gas & Electric Co	740.62
9	Pilot Plant, Building Permit	Monterey County Building and Planning	4,998.61
10	Cost Estimating, Pilot Plant	Sierra Consulting Group, Inc.	5,130.00
11	Consulting, Pilot Plant	American Water Pridesa LLC	23,202.29
12	Pilot Plant Construction, Civil and Mechanical	Granite Construction Co	800,377.18
13	Pilot Plant Construction, Electrical	Darrel Varni Electrical Inc	266,760.43
14	ASR Monitoring & Test Wells	Bradley & Sons	51,774.00
15	Pilot Plant, Equipment, Materials and Supplies	Various	48,831.88
16	**Subtotal Construction & PP Startup**		**1,219,317.09**
	Legal		
17	Legal, Environmental	Allen Matkins Leck Gamble & Mallory LLP	149,800.52
18	Legal, CPUC Matters	Steefel, Levitt & Weiss, PC	238,786.75
19	Legal, Land Use	Johnson & Moncrief PLC	16,159.30
20	**Subtotal Legal**		**404,746.57**
	Public Outreach & Consulting		
21	Consulting	Bob Nelson Associates	13,380.00
22	**Subtotal Public Outreach**		**13,380.00**
	CAW Labor, Overhead and Miscellaneous Expense		
23	Company Labor & Overhead		145,828.19
24	Employee Pcard Expenses		9,271.21
25	Utility Plant Overhead		36,304.96
26	AWWSC Charges		140,716.13
27	**Subtotal Labor, Expense, Miscellaneous**		**332,120.49**
	Miscellaneous Charges		
28	Waste Water Discharge Fee	State Water Resources Control Board	1,086.00
29	Pilot Plant Employee Relocation Expenses	NEI Global Relocation Co	10,495.68
30	Company Tax	2007 Sabrix Tax Account	402.87
31	**Subtotal Miscellaneous Charges**		**11,984.55**
32	**2007 TOTAL EXPENDITURES**		**3,805,992.17**
33	**2007 TOTAL INTEREST**		**82,838.73**
34	**2007 GRAND TOTAL SUBMITTED TO CPUC FOR RECOVERY**		**3,888,830.90**
35	**2007 TOTAL CPUC RECOVERY ADJUSTMENTS**		**147,117.00**
36	**2007 TOTAL APPROVED RECOVERY**		**3,741,713.90**

Note: Dollars shown above for each year reflect amounts paid to vendor during the year. Work associated with the dollar amounts may have been performed at an earlier date (ie. a January 2007 invoice, paid in 2007, may be for work done in December 2006).

CALIFORNIA
AMERICAN WATER

511 Forest Lodge Road
Suite 100
Pacific Grove, CA 93950
www.amwater.com/caaw

P 831.646.xxxx
F 831.375.4367

January 14, 2011

Dewey Evans, Chief Executive Officer
Seaside Groundwater Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940

SUBJECT: Request for Replenishment Assessment Credit

Dear Mr. Evans:

California American Water hereby submits its formal request for a Replenishment Credit in the amount of $5,095,213. We are requesting this credit be applied to the Seaside Basin Watermaster Year 2010 Overproduction Replenishment Assessment against California American Water that was transmitted by your December 14, 2010 invoice to Craig Anthony.

The basis for this Replenishment Credit request is California American Water's actual expenditures incurred in calendar year 2008 for pursuing the Coastal Water Project. The $5,095,213 expenditure amount was approved by the California Public Utilities Commission ("CPUC") in its Decision 10-08-008, dated August 12, 2010 (copy attached). Also attached is a spreadsheet that breaks down this CPUC-approved expenditure amount by category. Detailed documentation of vendor invoices, labor costs, and other expenses corresponding to and supporting this $5,095,213 approved expenditure amount is available, if desired.

As you will likely recall, in January of 2009 the Seaside Basin Watermaster and California American Water executed a Memorandum of Understanding regarding Replenishment Credits ("MOU"). In accordance with the MOU, California American Water is submitting this request within 40 days of our receipt of the Watermaster's notice of the amount of the Replenishment Assessment. Additionally, the MOU provides that the Watermaster "shall grant" California American Water's request for a Replenishment Credit for years in which Artificial Replenishment Water is not available for purchase. Thus, we are requesting that you place California American Water's request on the agenda for approval at the next Watermaster meeting.

Sincerely,

John Kilpatrick
Project Delivery Manager

Enclosures (2)

cc: Craig Anthony
Eric Sabolsice
Lori Girard

Summary of Costs Charged to CWP in 2008

CALIFORNIA AMERICAN WATER COMPANY
COASTAL WATER PROJECT
EXHIBIT ON 2008 EXPENSES

Line No.	Item	Vendor	2008
	Engineering & Environmental		
1	Consulting, Engineering and PEA/EIR Technical Support	RBF Consulting	939,241.98
2	Design Engineering, Conveyance Facilities	Parsons Water & Infastructure, Inc.	33,222.45
3	Design Engineering, ASR Facilities	ASR Systems, LLC	33,248.68
4	Environmental Impact Report	California Public Utilities Commission	819,119.71
5	Desalination Study	RMC Water & Environmental	1,065,382.27
6	Geohyrdrologic Study	Geoscience	185,012.00
7	**Subtotal Engineering**		**3,075,227.09**
8	***Excluded from recovery***		*0.00*
9	**Final Subtotal**		**3,075,227.09**
	Pilot Plant, Construction		
10	Pilot Plant, Laboratory	Williams Scotsman Inc.	15,414.06
11	Pilot Plant, Electric Utility	Pacific Gas & Electric Co	24,800.15
12	Pilot Plant Equipment	American Water Pridesa LLC	397,911.55
13	Consulting, Pilot Plant	American Water Pridesa LLC	351,476.81
14	Pilot Plant Construction, Civil and Mechanical	Granite Construction Co	164,533.51
15	Pilot Plant Construction, Electrical	Darrel Varni Electrical Inc / LS & G Electrical	29,467.98
16	Pilot Plant Consultant Support	MWH Americas, Inc	126,792.32
17	Pilot Plant, Equipment, Materials and Supplies	Various	255,546.73
18	**Subtotal Construction & PP Startup**		**1,365,943.11**
19	***Excluded from recovery***		***0.00***
20	**Final Subtotal**		**1,365,943.11**
	Legal		
21	Legal, Environmental	Allen Matkins Leck Gamble & Mallory LLP	4,867.00
22	Legal, CPUC Matters	Steefel, Levitt & Weiss / Manatt, Phelps & Phillips LL	151,729.90
23	**Subtotal Legal**		**156,596.90**
24	***Excluded from recovery***		*-6,430.94*
25	**Final Subtotal**		**150,165.96**
	CAW Labor, Overhead and Miscellaneous Expense		
26	Company Labor & Overhead		323,869.61
27	Employee Pcard Expenses		84,592.22
28	Utility Plant Overhead		21,716.95
29	AWWSC Charges		12,175.13
30	**Subtotal Labor, Expense, Miscellaneous**		**442,353.91**
31	***Excluded from recovery***		*0.00*
32	**Final Subtotal**		**442,353.91**
	Miscellaneous Charges		
33	Waste Water Discharge Fee	State Water Resources Control Board	1,452.00
34	Company Tax	2008 Sabrix Tax Account	1,236.29
35	**Subtotal Miscellaneous Charges**		**2,688.29**
36	***Excluded from recovery***		*0.00*
37	**Final Subtotal**		**2,688.29**
38	**GRAND TOTAL BEFORE EXCLUSION**		**5,042,809.30**
39	**GRAND TOTAL EXCLUDED**	(see Box A below for additional details)	0.00
	GRAND TOTAL INTEREST		52,402.87
40	**GRAND TOTAL REQUESTED**		**5,095,212.17**

Please note that the Final Subtotals reflected above do not include the specific costs from vendors that California American Water removed from its recovery request. A summary of these vendors and associated costs are reflected below:

Note: Dollars shown above for each year reflect amounts paid to vendor during the year. Work associated with the dollar amounts may have been performed at an earlier date (ie. a January 2008 invoice, paid in 2008, may be for work done in 2007).

Box A

41			
42			
43	**Subtotal Exclusions**	*Subtotal*	*0.00*

Exhibit A

CALIFORNIA
AMERICAN WATER

511 Forest Lodge Road
Suite 100
Pacific Grove, CA 93950
www.amwater.com/caaw

P 831.646.3241
F 831.375.4367

January 13, 2012

Dewey Evans, Chief Executive Officer
Seaside Groundwater Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940

SUBJECT: Request for Replenishment Assessment Credit

Dear Mr. Evans:

California American Water hereby submits its formal request for a Replenishment Credit in the amount of $5,425,799. We are requesting this credit be applied to the Seaside Basin Watermaster Year 2011 Overproduction Replenishment Assessment against California American Water that was transmitted by your January 10, 2012 invoice to California American Water.

The basis for this Replenishment Credit request is California American Water's actual expenditures incurred in calendar year 2009 for pursuing the Coastal Water Project. The $5,425,799 expenditure amount was approved by the California Public Utilities Commission ("CPUC") in its Decision 11-03-008, dated March 10, 2011 (copy attached). Also attached is a spreadsheet that breaks down this CPUC-approved expenditure amount by category. Detailed documentation of vendor invoices, labor costs, and other expenses corresponding to and supporting this $5,425,799 approved expenditure amount is available, if desired.

As you will likely recall, in January of 2009 the Seaside Basin Watermaster and California American Water executed a Memorandum of Understanding regarding Replenishment Credits ("MOU"). In accordance with the MOU, California American Water is submitting this request within 40 days of our receipt of the Watermaster's notice of the amount of the Replenishment Assessment. Additionally, the MOU provides that the Watermaster "shall grant" California American Water's request for a Replenishment Credit for years in which Artificial Replenishment Water is not available for purchase. Thus, we are requesting that you place California American Water's request on the agenda for approval at the next Watermaster meeting.

Sincerely,

John Kilpatrick
Project Delivery Manager

Enclosures (2)

cc: Eric Sabolsice
Lori Girard

Summary of CPUC Approved Costs Charged to CWP in 2009

CALIFORNIA AMERICAN WATER COMPANY
COASTAL WATER PROJECT
EXHIBIT ON 2009 EXPENSES

Line No.	Item	Vendor	2009
	Engineering & Environmental		
1	Consulting, Engineering and PEA/EIR Technical Support	RBF Consulting	1,048,389.44
2	Design Engineering, Conveyance Facilities	Parsons Water & Infastructure, Inc.	36,975.33
3	Design Engineering, ASR Facilities	ASR Systems, LLC	182,626.43
4	Environmental Impact Report	California Public Utilities Commission	1,080,324.03
5	Desalination Study	RMC Water & Environmental	109,201.73
6	**Subtotal Engineering**		**2,457,516.96**
7	***Excluded from recovery***		***0.00***
8	**Final Subtotal**		**2,457,516.96**
	Pilot Plant, O & M		
9	Pilot Plant, Laboratory	Williams Scotsman Inc.	15,985.69
10	Pilot Plant, Electric Utility	Pacific Gas & Electric Co	41,170.97
11	Consulting, Pilot Plant	American Water Pridesa LLC	627,274.78
12	Pilot Plant Construction, Mechanical & Electrical	Granite Construction, Darrel Varni Electric, L S & G Electric, Monterey Penisula Engineering	71,144.22
13	Pilot Plant Consultant Support	MWH Americas, Inc	131,468.04
14	Consulting, Water Quality Testing	Test America	629,670.70
15	Pilot Plant, Materials and Supplies	Various	358,268.65
16	**Subtotal Construction & PP Startup**		**1,874,983.05**
17	***Excluded from recovery***		***0.00***
18	**Final Subtotal**		**1,874,983.05**
	Legal		
19	Legal, Environmental	Allen Matkins Leck Gamble & Mallory LLP	120,254.01
20	Legal, CPUC Matters	Manatt, Phelps & Phillips LLP	352,572.37
21	**Subtotal Legal**		**472,826.38**
22	***Excluded from recovery***		***0.00***
23	**Final Subtotal**		**472,826.38**
	Public Outreach & Consulting		
24	Consulting	Bob Nelson Associates	25,941.18
25	**Subtotal Public Outreach**		**25,941.18**
26	***Excluded from recovery***		***0.00***
27	**Final Subtotal**		**25,941.18**
	CAW Labor, Overhead and Miscellaneous Expense		
28	Company Labor & Overhead		480,837.25
29	Employee Expenses		32,525.47
30	P-Card Expenditures		26,336.51
31	Utility Plant Overhead		23,752.26
32	Reclassed Charges		(20,996.86)
33	AFUDC		28,280.41
34	AWWSC Charges		10,101.86
35	**Subtotal Labor, Expense, Miscellaneous**		**580,836.90**
36	***Excluded from recovery***		***(16,435.27)***
37	**Final Subtotal**		**564,401.63**
	Miscellaneous Charges		
38	California Coastal Commission (Permit)		1,000.00
39	Monterey County Health Department (Permit)		747.00
40	Marina Coast Water District		(17,883.75)
41	Backtrack Employment Screening		207.00
42	First Advantage OHS		57.00
43	CIO Partners of Atlanta		22,500.00
44	NEI Global Relocation		22,091.77
	DRA Recommended Reduction to Line 44		**(6,421.00)**
45	Company Tax	2009 Sabrix Tax Account	983.97
46	**Subtotal Miscellaneous Charges**		**23,281.99**
47	***Excluded from recovery***		***0.00***
48	**Final Subtotal**		**23,281.99**
49	**GRAND TOTAL BEFORE EXCLUSION**		**5,435,386.46**
50	**GRAND TOTAL EXCLUDED**	(see Box A below for additional details)	(16,435.27)
	GRAND TOTAL INTEREST		6,848.69
51	**GRAND TOTAL APPROVED**		**5,425,799.87**

Please note that the Final Subtotals reflected above do not include the specific costs from vendors that California American Water removed from its recovery request. A summary of these vendors and associated costs are reflected below: N/A

Note: Dollars shown above for each year reflect amounts paid to vendor during the year. Work associated with the dollar amounts may have been performed at an earlier date (ie. a January 2009 invoice, paid in 2009, may be for work done in 2008).

		Box A		
	Company Labor Exclusions			
52	Company Labor & OH	1		16,435.27
53	**Subtotal Exclusions**		*Subtotal*	*16,435.27*

CALIFORNIA
AMERICAN WATER

California American Water – Monterey
511 Forest Lodge Rd, Suite 100
Pacific Grove, CA 93950
amwater.com

April 1, 2013

Dewey Evans, Chief Executive Officer
Seaside Groundwater Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940

SUBJECT: Request for Replenishment Assessment Credit

Dear Mr. Evans:

California American Water hereby submits its formal request for a Replenishment Credit in the amount of $5,111,413. We are requesting this credit be applied to the Seaside Basin Watermaster Year 2012 Overproduction Replenishment Assessment against California American Water that was transmitted by your December 12, 2012 invoice.

The basis for this Replenishment Credit request is California American Water's actual expenditures incurred in calendar year 2010 for pursuing the Coastal Water Project. The $5,111,413 expenditure amount was approved by the California Public Utilities Commission ("CPUC") in its Decision 12-08-012, dated August 2, 2012 (copy attached). However, in approving Decision 12-08-012, we believe that the CPUC has made a typographical error and stated $5,111,493, which is $80.00 higher than we calculate. We are therefore requesting the smaller, calculated amount. Attached is a spreadsheet that breaks down the CPUC-approved expenditure amount by category. Detailed documentation of vendor invoices, labor costs, and other expenses corresponding to and supporting the $5,111,413 approved expenditure amount is available, if desired.

As you will likely recall, in January of 2009 the Seaside Basin Watermaster and California American Water executed a Memorandum of Understanding regarding Replenishment Credits ("MOU"). In accordance with the MOU, California American Water is submitting this request following receipt of the Watermaster's notice of the amount of the Replenishment Assessment. Additionally, the MOU provides that the Watermaster "shall grant" California American Water's request for a Replenishment Credit for years in which Artificial Replenishment Water is not available for purchase. Thus, we are requesting that you place California American Water's request on the agenda for approval at the next Watermaster meeting.

Sincerely,

John Kilpatrick
Project Delivery Manager

Enclosures (2)

cc: Eric Sabolsice
Lori Girard

Summary of Costs Charged to CWP in 2010-11

CALIFORNIA AMERICAN WATER COMPANY
COASTAL WATER PROJECT
EXHIBIT ON 2010-11 EXPENSES

Line No.	Item	Vendor	2010-11
	Engineering & Environmental		
1	Consulting, Engineering and PEA/EIR Technical Support	RBF Consulting Engineers	1,531,306.45
2	Design Engineering, Conveyance Facilities	Parsons Water & Infastructure, Inc.	184,177.95
3	Design Engineering, ASR Facilities	ASR Systems, LLC	24,523.50
4	Consulting ASR Phase 1	Creegan & D'Angelo	14,000.00
5	Environmental Impact Report	California Public Utilities Commission	731,241.18
6	Desalination Study	RMC Water & Environmental	182,735.75
7	**Subtotal Engineering**		**2,667,984.83**
8	***Excluded from recovery***		***(1,838.75)***
9	**Final Subtotal**		**2,666,146.08**
	Pilot Plant, O & M		
10	Pilot Plant, Laboratory	Williams Scotsman Inc.	9,156.56
11	Pilot Plant, Electric Utility	Pacific Gas & Electric Co	5,042.68
12	Consulting, Pilot Plant	American Water Pridesa LLC	116,086.59
13	Pilot Plant Construction, Mechanical & Electrical	Granite Construction, L S & G Electric, Layne Christensen	201,687.73
14	Pilot Plant Consultant Support	MWH Americas, Inc	115,821.71
15	Consulting, Water Quality Testing	Test America	236,054.60
16	Pilot Plant, Materials and Supplies	Various	93,087.41
17	**Subtotal Construction & PP Startup**		**776,937.28**
18	***Excluded from recovery***		***0.00***
19	**Final Subtotal**		**776,937.28**
	ASR Pipeline		
20	Pipeline Installation	Monterey Peninsula Engineers	325,025.00
23	**Subtotal ASR Pipeline**		**325,025.00**
24	***Excluded from recovery***		***0.00***
25	**Final Subtotal**		**325,025.00**
	Legal		
26	Legal, Environmental	Allen Matkins Leck Gamble & Mallory LLP, Nossaman LLP	598,739.15
27	Legal, CPUC Matters	Manatt, Phelps & Phillips LLP	611,053.65
28	**Subtotal Legal**		**1,209,792.80**
29	***Excluded from recovery***		***(209,792.80)***
30	**Final Subtotal**		**1,000,000.00**
	Public Outreach & Consulting		
31	Consulting	BNA Communications	63,156.41
32	**Subtotal Public Outreach**		**63,156.41**
33	***Excluded from recovery***		***(28,156.41)***
34	**Final Subtotal**		**35,000.00**
	CAW Labor, Overhead and Miscellaneous Expense		
35	Company Labor & Overhead		242,000.81
36	Employee Expenses		5,421.15
37	P-Card Expenditures		3,930.92
38	Utility Plant Overhead		19,349.89
39	Reclassed Charges		7,476.55
40	AFUDC		50,135.14
41	AWWSC Charges		2,151.45
42	**Subtotal Labor, Expense, Miscellaneous**		**330,465.91**
43	***Excluded from recovery***		***(41,269.20)***
44	**Final Subtotal**		**289,196.71**
	Miscellaneous Charges		
45	SWRCB Accounting Office	Waste Discharge Fee	1,452.00
46	Monterey County	Pilot Plant Demolition Permit Fee	2,709.31
47	Company Tax	2010-11 Sabrix Tax Account	1,977.84
48	**Subtotal Miscellaneous Charges**		**6,139.15**
49	***Excluded from recovery***		***0.00***
50	**Final Subtotal**		**6,139.15**
51	**GRAND TOTAL BEFORE EXCLUSION**		**5,379,501.38**
52	**GRAND TOTAL EXCLUDED**		(281,057.16)
	GRAND TOTAL INTEREST		12,968.74
53	**GRAND TOTAL REQUESTED**		**5,111,412.96**

Please note that the Final Subtotals reflected above do not include the specific costs from vendors that California American Water removed from its recovery request. A summary of these vendors and associated costs are reflected below:

Note: Dollars shown above for each year reflect amounts paid to vendor during the year. Work associated with the dollar amounts may have been performed at an earlier date (ie. a January 2011 invoice, paid in 2011, may be for work done in 2010).

CALIFORNIA
AMERICAN WATER

511 Forest Lodge Road
Suite 100
Pacific Grove, CA 93950
www.californiaamwater.com

February 8, 2019

Laura Paxton, Administrative Officer
Seaside Groundwater Basin Watermaster
PO Box 51502
Pacific Grove, CA 93950

SUBJECT: Request for Replenishment Assessment Credit

Dear Ms. Paxton:

California American Water hereby submits its formal request for a Replenishment Credit in the amount of $49,382,196. We are requesting this credit be applied to the Seaside Basin Watermaster Water Year 2018 Overproduction Replenishment Assessment against California American Water that was transmitted by your December 17, 2018 invoice.

This amount was incurred by California American Water during the period from October 2016 through January 2019 for the Monterey Pipeline and Pump Station. This project was approved by the California Public Utilities Commission ("CPUC") in Decision D.16-09-021 dated September 15, 2016[1]. Attached is a spreadsheet that breaks down the actual expenditures by category. Please note this amount does not include expenditures incurred by California American Water for the desalination plant and other related infrastructure that is also part of the overall Monterey Peninsula Water Supply Project ("Project")[2].

As you will likely recall, in January of 2009 the Seaside Basin Watermaster and California American Water executed a Memorandum of Understanding regarding Replenishment Credits ("MOU"). In accordance with the MOU, California American Water is submitting this request following receipt of the Watermaster's notice of the amount of the Replenishment Assessment. Additionally, the MOU provides that the Watermaster "shall grant" California American Water's request for a Replenishment Credit for years in which Artificial Replenishment Water is not available for purchase. Thus, we are requesting that you place California American Water's request on the agenda for approval at the next Watermaster meeting.

Sincerely,

Christopher Cook
Director of Operations

Attachment
cc: Ian Crooks
Lori Girard

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[1] CPUC Decision D.16-09-021, September 15, 2016, Decision on California-American Water Company's Application for Approval of the Monterey Peninsula Water Supply Project Specifically in Regards to Phase 2, *available at:* http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=167189425, or upon request.

[2] The overall Project was approved in CPUC Decision D.18-09-017, September 13, 2018, Decision Approving a Modified Monterey Peninsula Water Supply Project, Adopting Settlement Agreement, Issuing Certificate of Public Convenience and Necessity and Certifying Combined Environmental Report, *available at*: http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=229424336, or upon request.

Monterey Pipeline and Pump Station

Item	Actual To-Date
Construction	
Construction	$ 47,156,476
Inspections	$ 485,880
Miscellaneous Exps	$ 2,000
Internal	
Labor, Expenses, and Overhead	$ 1,737,840
Total	$ 49,382,196
CPUC Total Authorized Amount	$ 50,331,541

[Approved by Watermaster Board on 10/23/08 with Redline Showing Changes Requested by the Board]

MEMORANDUM OF UNDERSTANDING BETWEEN SEASIDE BASIN WATERMASTER AND CALIFORNIA AMERICAN WATER

This Memorandum of Understanding between the Seaside Basin Watermaster (Watermaster) and California American Water (CAW) is entered into pursuant to a motion passsed by Watermaster on December 3, 2008 with respect to the following:

RECITALS

A. The Amended Decision in Case No. M66343 filed February 9, 2007 (Decision) provides that Standard Producers that exceed their allocation of Natural Safe Yield are subject to a Replenishment Assessment for each acre foot of Over-Production for each Water Year. Under Section III.M1.d of the Decision, CAW has the right to claim a credit against its Replenishment Assessment (Replenishment Credit) for costs incurred for water supply augmentation that has or will result in replenishment of the Basin.

B. Wastermaster has calculated the Replenishment Assessments for CAW for Fiscal Year 2006 (Water Year 05/06), Fiscal Year 2007 (Water Year 06/07) and Fiscal Year 2008 (Water Year 07/08) in the total amount of $10,166,640. Pursuant to Section III.M.1.d of the Decision, CAW applied for a Replenishment Credit for expenditures totaling $12,305,924.00 that CAW has made through calendar year 2006 for water supply augmentation associated with pre-construction expenses for the Coastal Water Project. The request was made on March 5, 2008 and supplemented with further information on May 2, 2008.

C. Watermaster approved CAW's request for a Replenishment Credit in the amount of $12,305,924.00, subject to conditions set forth in the motion which provide that CAW will ensure replenishment of the Basin with water from the Coastal Water Project, or a comparable alternative project, at no cost to Watermaster, in an amount equivalent to the quantity of water that CAW has overproduced, and thus incurred a Replenishment Assessment obligation for Fiscal Years 2006, 2007 and 2008.

D. Watermaster and CAW desire to enter into this Memorandum of Understanding regarding future CAW requests pursuant to Section III.M.1.d of the Decision for Replenishment Credits against future Replenishment Assessment obligations.

AGREEMENT

Watermaster and CAW agree as follows:

1. At the end of each Water Year, Watermaster shall determine the Replenishment Assessments in accord with Section III.L.3.j.iii of the Decision. Within 40 days of CAW's receipt of Watermaster's notice of Replenishment Assessment against CAW for the preceding Water Year, CAW shall provide Watermaster any claim for a Replenishment Credit pursuant to Section III.M.1.d of the Decision. Such claim shall be based upon expenditures for a water supply augmentation project (such as the Coastal Water Project and/or other projects that produce water that can be used to replenish the Seaside Basin (hereinafter "Project(s)")) that CAW contends has or will result in replenishment of the Basin.

2. Watermaster agrees that the Project will result in replenishment of the Basin, and therefore:

(a) Watermaster hereby grants CAW's current request for a Replenishment Credit in the amount of $12,305,924.00. Such Credit shall be immediately applied to CAW's Replenishment Assessments for Fiscal 2006 (Water Year 05/06), Fiscal Year 2007 (Water Year 06/07) and Fiscal Year 2008 (Water Year 07/08), which total $10,166,640, subject to the condition that, upon completion and implementation of a water supply augmentation Project, CAW shall provide Watermaster, at no cost to Watermaster, and on a schedule that is Feasible either (1) water for Artificial Replenishment through direct replenishment and/or (2) cause in-lieu replenishment of the Basin by forbearing to produce water to which CAW is entitled as CAW's share of the Native Safe Yield, in an amount equal to CAW's total acre feet of Over-Production for the Water Years 05-06, 06-07, and 07-08, which total is 6,390.1acre feet. Future CAW requests for Replenishment Credit shall be granted subject to the same conditions set forth in this Section 2 (a).

(b) In future Water years Watermaster shall address future requests by CAW for a Replenishment Credit as follows:

i. For years in which Watermaster declares that water for Artificial Replenishment is not available, Watermaster shall grant CAW's request for a Replenishment Credit for that Water year, subject to CAW's obligation to provide future Artificial Replenishment as set forth in Section 2(a) herein.

ii. For years in which Watermaster declares that water for Artificial Replenishment is available from sources other than a CAW water supply augmentation Project, Watermaster shall have the option of either: (i) requiring CAW to pay all or part of CAW's Replenishment Assessment for that Water Year for the purpose of providing Watermaster with funds to obtain Artificial Replenishment in sufficient quantities to replenish that quantity of Over-Production for which CAW pays a Replenishment Assessment; or (ii) granting CAW's request for a Replenishment Credit subject to CAW's obligation to provide future Artificial Replenishment as provided for in section 2(a) herein. . If Watermaster is unable to purchase Replenishment Water equal to CAW's total Over-Production for that Water Year,

the Watermaster shall grant CAW a Replenishment Credit for the balance of CAW's Over-Production for that Water year, subject to CAW's obligation to provide future Artificial Replenishment as set forth in Section 2(a) herein.

3. The sum of the acre feet of water to be provided to Watermaster for replenishment either by direct replenishment and/or in-lieu replenishment for each Water Year shall equal the number of acre feet for which CAW is assessed a Replenishment Assessment for the Water Year at issue. In no event shall the total amount of direct replenishment and/or forbearance by CAW be greater than the cumulative total of acre feet of CAW's Over-Production for all Water Years for which CAW is granted Replenishment Credits.

4. Upon completion and implementation of the Project(s), at any stage in CAW's direct replenishment and/or in-lieu replenishment pursuant to conditions set by Watermaster upon granting of Replenishment Credits, CAW shall have the right to request that the Court determine that, based upon principles of the physical solution set forth in the Decision, the Basin has been replenished in an amount sufficient to prevent seawater intrusion or the Basin has been protected by alternative seawater intrusion preventive measures. Upon such determination by the Court, CAW's obligations under conditions set by Watermaster upon granting of Replenishment Credits and any obligation under this Memorandum of Understanding to provide direct replenishment water and/or in-lieu replenishment at no cost to Watermaster shall be deemed fully satisfied.

5. All terms used in this Memorandum of Understanding that are defined terms in the Decision shall be defined herein as set forth in Section III.A of the Decision.

IN WITNESS WHEREOF the Parties hereby agree to the full performance of the terms set forth herein.

SEASIDE BASIN WATERMASTER	CALIFORNIA AMERICAN WATER
Chair, Seaside Basin Watermaster	President, California American Water
Date: January 21, 2009	Date: 1-29-2009