



California American Water – Monterey
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January 31, 2013

Barbara Evoy, Division Chief
Division of Water Rights
State Water Resources Control Board
1001 I Street
Sacramento, CA 95812

Re: SWRCB Order WR 2009-0060, 1st Quarterly Report for the 2012-2013 Water Year
Addressing Operations for the Period of October 1, 2012 to December 31, 2012

Dear Ms. Evoy:

Pursuant to Condition Six of Order WR 2009-0060, this letter is California American Water's report for the First Quarter of Water Year 2013 covering the period of October 1, 2012 to December 31, 2012. Each subsection of Condition Six is represented by a separate heading below. For ease of reference, the requirement of each subsection is summarized, followed by the requested information.

Condition 6(a)

Condition 6(a) requires California American to provide monthly summaries of the quantity of water it diverts from the river.

Compliance with Condition 6(a):

Table One summarizes the water diverted from the Carmel River by month, including all water diverted to storage under Permit 20808A and 20808C. This data is compiled from meter readings that are collected daily from California American Water's pumps, either through an employee manually reading each meter, or through an employee reading the data from the Supervisory Control and Data Acquisition ("SCADA") system. A California American Water employee manually enters those daily readings into a spreadsheet that is provided to the Monterey system General Manager. The spreadsheet is designed to automatically calculate the monthly total from the daily readings. At the end of each month, this daily summary is cross-checked against SCADA information that is separately maintained for each well.

Month	Quantity Diverted
Oct 2012	516.85
Nov 2012	475.64
Dec 2012	599.06
Total	1591.55

Condition 6(b)

Condition 6(b) requires California American Water to provide monthly summaries of the quantity of ASR project water diverted from the river under Permit 20808A and stored in the Seaside groundwater basin. The monthly report is to state the quantity of water beneficially used under Permit 20808A and the current balance of water in storage.

Compliance with Condition 6(b):

Table Two summarizes by month the quantity of ASR project water diverted from the Carmel River under Permit 20808A and 20808C. This summary is from a spreadsheet e-mailed to the General Manager for California American Water's Monterey system by a Monterey Peninsula Water Management District employee each business day during the diversion season. This spreadsheet shows the gallons of water injected into each of the two injection wells. California American Water understands that the daily injection data is a manual reading of the meters on the injection pumps by a Monterey Peninsula Water Management District employee. This spreadsheet also contains a formula that estimates the number of acre-feet based on the gallons injected and also totals the daily readings for the month. The information in Table Two is taken directly from this spreadsheet.

The data regarding ASR water recovered is taken from the Quarterly Water Budget developed cooperatively between California American Water, the Monterey Peninsula Water Management District, NOAA Fisheries, and the California Department of Fish and Game, and represents an accounting of water withdrawn from the Seaside Groundwater Basin.

Table Two						
Monthly Water Diverted to Storage Under Permit 20808A and Storage Balance						
Santa Margarita & Seaside Middle School						
Month	Well 1 Diverted to Storage (AF)	Well 2 Diverted to Storage (AF)	Well 3 Diverted to Storage (AF)	Well 4 Diverted to Storage (AF)	ASR Recovery (AF)	Month End Storage Balance (AF)
Oct 2012	0	0	0	N/A	131.27	0
Nov 2012	0	0	0	N/A	0	0
Dec 2012	1.25	94.54	44.64	N/A	0	140.43
First Quarter	1.25	94.54	44.64	N/A	131.27	140.43
WYTD AF	1.25	94.54	44.64	N/A	131.27	140.43

Condition 6(c)

Condition 6(c) requires California American Water to provide monthly summaries of the quantity of water being produced by the Sand City desalination plant. The report is also to identify new service connections within Sand City and report the quantity of water being delivered to the new connections. The monthly report is also to specify the quantity of water used to reduce diversions from the river during the reporting period.

Compliance with Condition 6(c):

Table Three lists the number of new connections in the City of Sand City by month for the reporting period. This information is taken from Attachment One. Attachment One is manually compiled by a California American Water employee from the water connection permits issued by the Monterey Peninsula Water Management District and subsequently provided to California American Water by prospective customers. If a listing on Attachment One has no "Installed Date," the customer has provided California American Water with the water connection permit, but has not requested a meter to be installed.

Table Three New Connections Within the Sand City		
Month	New Connections	Installed Date
Oct 2012	0	n/a
Nov 2012	0	n/a
Dec 2012	0	n/a

Table Four summarizes by month the quantity of water produced by the Sand City desalination plant, the quantity of water used by new connections, and quantity of water used to reduce river diversions.

Table Four Sand City Desalination Facility Monthly Production and Product Allocation			
Month	Sand City Production	Water Used by New Connections	Water Used to Reduce River Diversions
Oct 2012	0.0 AF	0.00078 AF	0.0 AF
Nov 2012	14.97 AF	0.01864 AF	14.97 AF
Dec 2012	19.01 AF	0.00690 AF	19.01 AF

Condition 6(d)

Condition 6(d) requires California American Water to provide monthly summaries of the quantity of water saved by reducing system losses.

Compliance with Condition 6(d):

Water systems typically calculate losses using a 12-month running average to smooth seasonal variations in the data. Table Five lists the 12-month running average for Monterey Main System losses and compares the losses to an October 2008 through September 2009 base period. The 12-month running average is calculated by subtracting the cumulative metered consumption from the production volumes shown in Table One. The cumulative metered consumption is based on the individual monthly meter readings and is obtained from a report generated by our accounting system. The Monterey system General Manager calculates the difference from these two numbers to arrive at the monthly system loss, and then calculates the 12-month running average from the monthly data.

Table Five		
12-Month Running Average of Unaccounted For Water		
12 Month Period	System Losses	Savings Compared to Base Year
Oct 08 - Sep 09	1276 (base year)	NA
Nov 11 - Oct 12	988.06	287.94
Dec 11 – Nov 12	837.30	438.70
Jan 12 - Dec 12	609.00	667.00

It is difficult to identify the actual components of unaccounted-for-water as it is a combination of system leaks and actual water use not captured by meters. A high priority is being given to identifying and repairing leaks, meter replacement, and infrastructure replacement. Table Six presents information on leaks detected and repaired during the reporting period. Each time a leak is detected, a California American Water repair crew responds to repair the leak. The assigned crew leader prepares a "leak report." The information in Table Six is based on a manual count of the leak reports received by the Monterey system General Manager during the reporting period.

Table Six		
Total Main and Service Leak Repairs		
Month	Main Leaks	Service Leaks
Oct 2012	6	45
Nov 2012	16	44
Dec 2012	14	36

Table Seven summarizes service, main, meter, and hydrant replacements during the reporting period. Please note that service, main, meter and hydrant replacements are performed by both California American Water's forces and contractors. Service replacements are tracked via work orders for various purposes, including accounting and system management. The service replacements are calculated by a California American Water Operations supervisor from these work orders. The quantity of water mains and fire hydrants replaced is compiled by a California American Water Operations supervisor from Engineering Department records, which in turn are based on information from contractors. California American Water maintains records regarding meter replacements for various purposes, including reporting to the California Public Utilities Commission and inventory control. The number of meters replaced was compiled by a California American Water Operations supervisor from these records. To the extent that the data in Table Seven includes contractor reports or data from invoices for contract services, this information: (a) is based on the representations made by our contractors; (b) may include field estimates for the lengths of pipe replaced.

Table Seven				
Monthly Totals of Water Service, Main, Meter and Fire Hydrant Replacements				
Month	Service Replacements Number	Main Replacements Feet	Meter Replacements Number	Fire Hydrant Replacements Number
Oct 2012	84	2058	126	1
Nov 2012	29	3228	190	3
Dec 2012	44	2216	59	1

Condition 6(e)

Condition 6(e) requires California American Water to provide monthly summaries of reductions in demand for potable water due to conservation actions such as increased rates, the Monterey Peninsula Water Management District's retrofit program, programs to reduce potable water use for outdoor irrigation, and other demand reduction initiatives.

Compliance with Condition 6(e):

California American Water implemented a new conservation rate structure effective February 1, 2010. The change in the rate structure is shown in Table Eight. The residential tiered conservation rate structure increases were directed at the top tier users and were designed to promote conservation practices and reduce overall water usage.

Tier	Old Rates Per Unit February 2009	Current Rates Per Unit December 2012	Percent Change
1	\$0.1719	\$0.3167	84.24%
2	\$0.3438	\$0.8220	139.09%
3	\$0.5157	\$1.6441	218.81%
4	\$0.6876	\$3.2881	378.20%
5	\$1.3752	\$4.3667	217.53%

A unit of water is equal to 10 cubic feet or 75 gallons.

Table Nine compares the five year historical tier 4 and 5 usage with actual use for the reporting period. Tier 4 and 5 usage is almost exclusive outdoor watering. There are several factors that can affect water consumption; including price, weather, and conservation efforts. California American Water assumes that the changes in consumption shown in Table Nine are, in part, a result of the conservation rates and the other conservation activities. Except for savings estimated by the Monterey Peninsula Water Management District for water appliance retrofitting, California American Water cannot attribute specific portions of reduced consumption to rates, weather, or other conservation efforts.

Month	Historical Usage	2012
Oct 2012	44.7 AF	46.67 AF
Nov 2012	46.2 AF	40.23 AF
Dec 2012	83.4 AF	19.18 AF

Table Ten reports the estimated annual water savings from the Monterey district retrofit program. The monthly rebate costs are dependent on the number and type of water conserving appliances. Examples of rebates include High Efficiency Toilet (\$200), Ultra High Efficiency Toilets (\$250) High efficiency Dishwasher (\$125), High Efficiency Washer (\$500), High Efficiency Urinal (\$200), Zero Waterless Urinals (\$300), Cistern Water Tank (\$25 per 100 gallon storage capacity), Cooling Tower Conductivity Controller (\$1,000), and X-ray Film Processor Recirculation System (\$2,500). This information was specifically requested from the Monterey Peninsula Water Management District by

California American Water's Monterey system General Manager for the purposes of this report. The data provided by the Monterey Peninsula Water Management District and reported in Table Seven included the retrofit expenditures and estimated water savings in acre-feet by month. California American Water and the MPWMD reinstated the rebates program on November 24, 2012 with total funding of \$2,424,671 for years 2012 through 2014.

Month	Cost	Annual Savings
Oct 2012	\$0	0.00 AF
Nov 2012	\$2510	0.17 AF
Dec 2012	\$4125	2.44 AF
Total	\$6635	2.61 AF

The Monterey Peninsula Water Management District and California American Water conduct water conservation audits for homes, businesses and landscape accounts. Table Eleven shows the total number of audits conducted in the reporting period. The information in Table Ten was reported to the Monterey system General Manager by California American Water's local Conservation Manager, who manages the conservation contract with the Monterey Peninsula Water Management District.

Month	Number of Audits
Oct 2012	48
Nov 2012	55
Dec 2012	29
Total	132

Both the Monterey Peninsula Water Management District and California American Water use contractors to perform some audits. Accordingly, the data in Table Eleven is based, in part, on: (a) representations by those contractors as to the work performed; and (b) information provided by the Monterey Peninsula Water Management District.

The Monterey Peninsula Water Management District and California American Water conducted the following conservation programs and workshops during the reporting period:

- California American Water (CAW) in partnership with the Monterey Peninsula Water Management District (MPWMD) participated in the 18th annual Monterey Business Bay Expo hosted by the Monterey Peninsula Chamber of Commerce. The conservation department was on hand to answer question on how to reduce customer's water bills through conservation.
- The Conservation Department also completed 126 Water Wise House Calls (residential audits) mainly due to high bills. The majority of the high bills were the results of toilet and irrigation leaks that were identified by CAW conservation staff. Once the leaks were repaired, customers were given leak adjustments experiencing an approximate reduction of 80% of their high bill.

- California American Water implemented a rain sensor/soil moisture sensor pilot study for La Mesa Village, a residential housing community for military members attending Monterey's Naval Post Graduate School. The project once implemented is projected to save annually 1,080,000 gallons or 3.3 acre feet.
- Residential allotment surveys were mailed to all CAW customers as bill inserts so customers can update their residential allotments to reflect any change of occupants.
- CAW and the MPWMD reinstated the rebate program. Customers were mailed a brochure in December describing the rebate program along with new rebates and an increase in the rebate amounts for washers and toilets.
- CAW completed 7 commercial audits to assist in reducing the usage for the local hotels and coffee houses. The reports provide recommendations, potential water savings, and pay back periods for retrofits.

Condition 6(f)

Condition 6(f) requires California American Water to provide monthly summaries identifying all new service connections. The report is to include the California American Water account number, the service address, the name of each authority granting any approval required for connecting to California American Water's system and the name of each authority granting any approval required before commencing construction; the issuer of each approval and the date of each approval shall be separately listed for each service address.

Compliance with Condition 6(f):

In compliance with Monterey Peninsula Water Management District regulations, California American Water does not connect new customers unless the prospective customer provides California American Water with a water connection permit issued by the Monterey Peninsula Water Management District.

Attachment One is a list of all new connections authorized by the Monterey Peninsula Water Management District. Attachment One is being provided under separate cover as it contains confidential customer account information. California American Water requests the State Water Resources Control Board maintain this information as confidential. As discussed in Section 6(c) above, Attachment One is compiled by California American Water employees from the water connection permits issued by the Monterey Peninsula Water Management District and provided to California American Water by prospective customers. Prospective customers may elect to have a meter installed shortly after presentation of the water connection permit, or may request the meter at a later date. This report includes prospective customers who have presented California American Water with a water connection permit, even if that customer has not requested a meter to be immediately installed. If the customer has provided California American Water with the water connection permit, but has not requested a meter to be installed, the entry on Attachment One has no "Installed Date."

Water Management District and provided to California American Water by prospective customers. Prospective customers may elect to have a meter installed shortly after presentation of the water connection permit, or may request the meter at a later date. This report includes prospective customers who have presented California American Water with a water connection permit, even if that customer has not requested a meter to be immediately installed. If the customer has provided California American Water with the water connection permit, but has not requested a meter to be installed, the entry on Attachment One has no "Installed Date."

The new connection count does not include emergency fire service connections or the splitting of master meter connections into individual accounts, as neither of these activities increases water use.

Condition 6(g)

Condition 6(g) requires California American Water to provide monthly summaries identifying existing service addresses that receive an increased supply of water due to a change in zoning or use. The report is to include the California American Water account number, the service address and the name of each authority authorizing the change of use or zoning and the date of such change.

Compliance with Condition 6(g):

Attachment Two is a list of permits issued by the Monterey Peninsula Water Management District authorizing changes to existing service addresses that will result in an increased use of water through a change in zoning or use. Attachment Two is being provided under separate cover as it contains confidential customer account information. California American Water requests the State Water Resources Control Board maintain this information as confidential. Although not clearly a "change in zoning or use," Attachment Two includes permits issued for additions to, or remodeling of, an existing service address where that addition or remodel has been determined by the Monterey Peninsula Water Management District to result in increased water consumption. California American Water requested this information from the Monterey Peninsula Water Management District specifically for this report. The Monterey Peninsula Water Management District provided a spreadsheet that the data from which is included in Attachment Two. This spreadsheet tracks the information by Assessor's Parcel Number. A California American Water employee correlated California American Water's records to the Monterey Peninsula Water Management District's spreadsheet based on Assessor's Parcel Number to obtain the California American Water account number and service address. Other than California American Water account number and service location, all data in Attachment Two was compiled or calculated by the Monterey Peninsula Water Management District. Where there were clear clerical errors in data entry, California American Water corrected those errors in compiling this report.

Conclusion

This concludes our report for the 1st quarter of Water Year 2013. Should you or your staff have any questions please call me at your earliest convenience at (831) 646-3291.

Compliance with Condition 6(h)

I declare under penalty of perjury, under the laws of the State of California, that all statements contained in this report and any accompanying documents are true and correct, with full knowledge that all statements made in this report are subject to investigation and that any false or dishonest statements may be grounds for prosecution.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Sabolsice', written over a horizontal line.

Eric Sabolsice
General Manager
Central Division
California American Water

Attachments (2)