

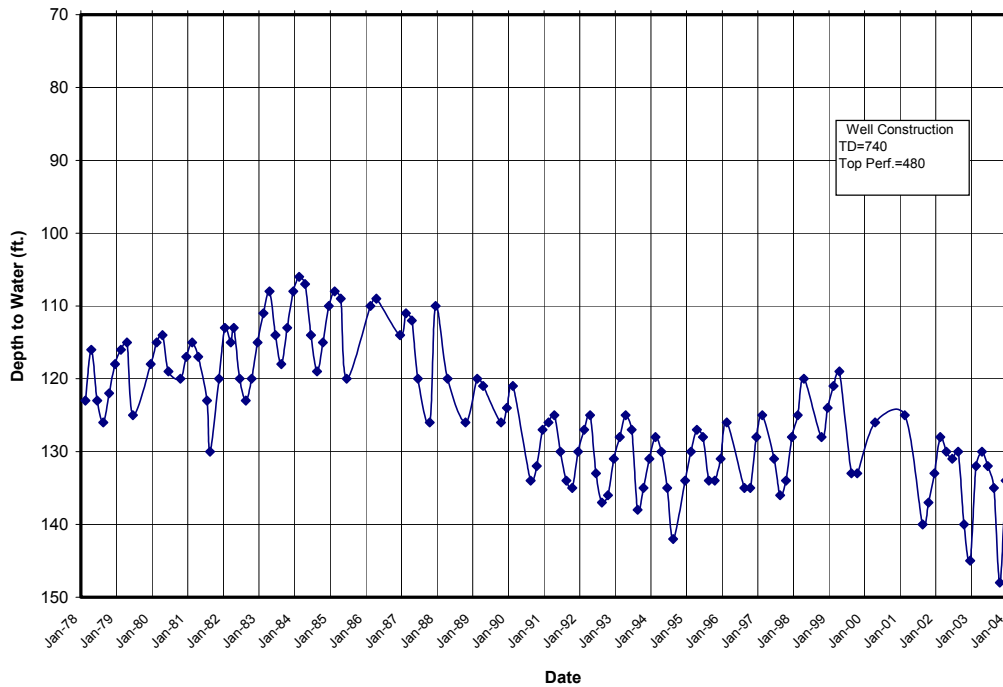
California Water Service (Chico) Sub-Area (Well Numbers 1-04 and 33-01):

Groundwater hydrographs for the California Water Service monitoring wells were developed using static groundwater level data, provided by California Water Service Company. Although the groundwater level measurements presented in the California Water Service hydrographs were collected when the wells were off (static groundwater levels), it should be noted that the effects from the recent pumping of these production wells could result in groundwater level readings that are deeper than stable static conditions. Hydrographs from three representative wells in the California Water Service Sub-area are shown below.

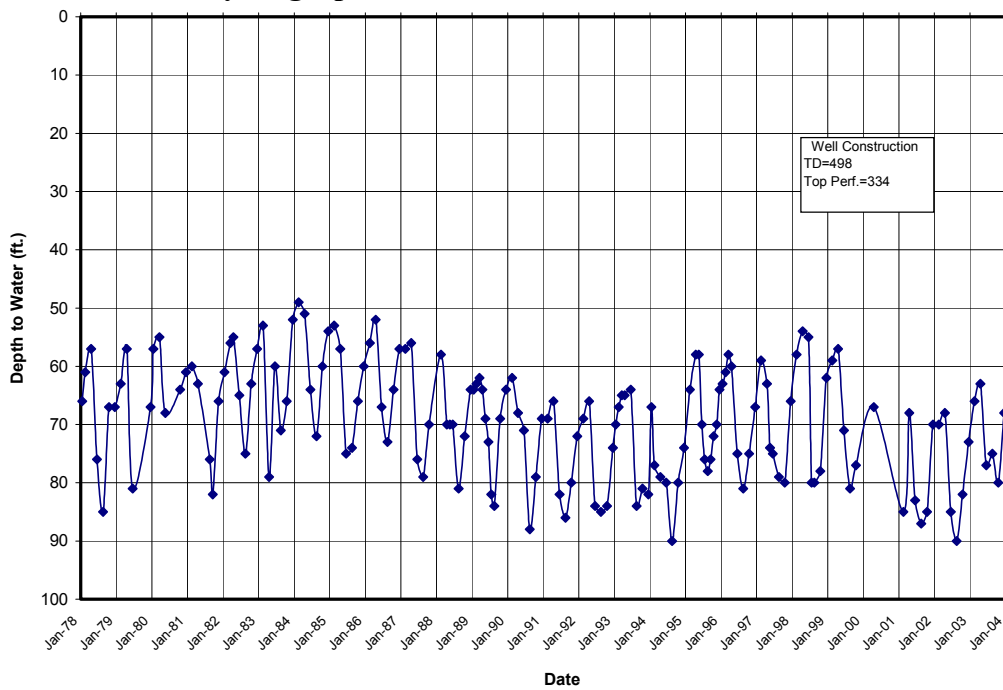
Overall analysis of the seasonal fluctuation of groundwater levels in the California Water Service wells indicates a rather consistent seasonal fluctuation of 15 to 20 feet during normal years. Analysis of seasonal groundwater levels during drought years shows a wide range of fluctuation depending upon the individual well. Many wells show little or no seasonal change between wet, normal and dry years, while other wells show large differences. The wide range of response to seasonal change in normal versus drought years is likely due to the wide range of operational scenarios that can be imposed upon these municipal wells.

Overall analysis of these hydrographs indicate that groundwater levels in the California Water Sub-area have declined an average of 12 feet between 1978 and 2000, with most of the decline occurring during the 1987-1994 drought. Analysis of the hydrographs also indicates that groundwater levels in the California Water Service wells have stabilized since the drought in 1995.

Although the long-term trend of groundwater levels shows a decline in the California Water Sub-area, it does not necessarily mean that groundwater levels will continue to decline into the future. In municipal service areas it is typical for groundwater levels to experience an initial drop as the demand increases or drought conditions occur. After the initial decline, groundwater levels will commonly reach a new equilibrium with the existing production demand, thereby limiting further declines in groundwater levels.



Hydrograph for California Water Service Well 33-01



Hydrograph for California Water Service Well 1-04

Groundwater levels in Well 33-1 have been declining at a rate of about 3½ feet per-year since 1999. Groundwater levels are now below historic low levels. The reason for the decline is probably two fold. First climate is probably partly responsible for the groundwater level decline. Secondly, the well is also influenced by other municipal groundwater extraction that is occurring in the California Water Service area and that

water demand has been increasing annually. Groundwater levels were about five feet lower in 2003 than they were in 2002 in this well.

Groundwater levels in Well 1-04 dropped about 12 feet following the spring of 1999. Since that time groundwater levels have remained relatively stable. In 2003 groundwater levels actually recovered nearly 5 feet from the 2002 levels.