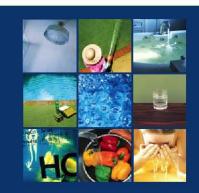


## The Weekly Wrap



### March 2, 2012

No. 2012-9

TO: CWA Member Companies

FROM: Jack Hawks, Executive Director

SUBJECT: Highlights for the Week Ending March 2, 2012

#### Sterba Testifies Before House Panel on Innovative Financing Approaches—

Representing his company and the National Association of Water Companies (NAWC), American Water President and CEO Jeff Sterba testified before the Water Resources & Environment Subcommittee of the House Transportation and Infrastructure Committee Feb. 28<sup>th</sup> on the topic, "A Review of Innovative Financing Approaches for Community Water Infrastructure Projects".

Given the difficult situation public water agencies have in financing and in accessing either federal or state grants and loans, Jeff's message was quite salient: Since the nation's water and wastewater infrastructure is in critical need of repair, it has become increasingly important for public water utilities to gain access to private funds for financing upgrades to their pipes, pumps and plants.

"I am pleased to present actions we can take together as a nation to unleash more tools for the financing toolbox, through innovation and by embracing the powerful combination of public service and private enterprise to build the water infrastructure our communities need to thrive and to be healthy," Sterba said. "The challenges we face in this country to protect and maintain our water and wastewater systems and make the investments needed for continuing growth seem vast, but they need not paralyze us. The tools I am proposing will help attract additional private capital for the long-term, reliable investments that well-run water utilities provide. These tools will also provide municipalities with additional flexibility to deliver the most cost-effective and sustainable solutions in addressing their water and wastewater system and for improving their overall fiscal health."

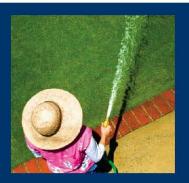




In his testimony, Jeff said that there are approximately 240,000 main breaks annually – about 650 every day – that lose roughly 7 billion gallons of high-quality treated water daily. He presented four viable financing solutions to help water service providers nationwide repair and replace aging water and wastewater systems:

- Increase the use of private capital investment in public water systems (e.g., public-private partnerships, or P3s) Jeff said existing IRS rules and interpretations of those rules are preventing governmental entities from pursuing private capital and operational expertise because they must retire a certain portion of their public debt before accessing private capital. Requiring this "defeasance" of debt, he said, is a major impediment to an attractive financing tool. For P3s, when the public entity and the private partner have the private partner lease and operate the system on a long-term basis, and the parties' arm's-length negotiations do not include any consideration that the governmental entity financed the system with tax-exempt debt, the private entity is not benefitting from the tax-exempt financing. Accordingly, Jeff said, the IRS ought to be indifferent to the transaction. Such IRS rules and interpretations are punitive and should be eliminated.
- **Private activity bond reform** The next tool Jeff offered in his testimony that water and wastewater systems need is greater access to private activity bonds (PABs) for all public-purpose drinking water and wastewater projects. He said H.R. 1802, the Sustainable Water Infrastructure Investment Act, would do just that by removing water projects from state volume caps for private activity bonds. Some experts say H.R. 1802 would generate at least \$2 billion translating into 60,000 jobs in new investment each of the first few years and grow to several times that as the market opens up.
- The Water Infrastructure Finance and Innovation Authority Jeff commended the American Water Works Association, the Water Environment Federation and the Association of Metropolitan Water Agencies on their proposal to create a Water Infrastructure Finance and Innovation Authority (WIFIA), noting that NAWC generally supports the objectives and the principles of WIFIA, which would 1) offer loans, loan guarantees, and other credit support for large water infrastructure projects and those with national or regional importance;





- and 2) reduce the cost of leveraging for State Revolving Fund (SRF) programs by lending to them directly at Treasury bond rates. He cautioned that WIFIA should not be limited just to large and complex projects, but rather affirmatively promote private-sector involvement so that new investment (not just replacement infrastructure) will be stimulated for all project types.
- WIFIA and State Revolving Fund Eligibility Jeff concluded with a plea to use the WIFIA proposal to redress the oversight in the Clean Water Act that precludes private water utility eligibility from the Clean Water SRF. He further noted that while the Safe Drinking Water Act gives states the option to make private water utilities eligible for the Drinking Water SRF, nearly half the states have not done so. He said the part of WIFIA that helps leverage SRF funds would provide little benefit to the millions of American taxpayers who are customers of NAWC member companies. Existing federal financing assistance programs, such as the SRFs, and any new federal programs such as WIFIA, should benefit all taxpayers, including private water company customers.

Congratulations and thanks to Jeff on his testimony and on representing the private water industry so effectively before Congress. I think it will be a great reference point for those in the industry who are participating in the Congressional Fly-In next week in Washington, DC. We will have some "meaty" points to make in our visits with the California Congressional delegation and their staff members. Jeff's written testimony can be accessed at <a href="http://pr.amwater.com/PressResources/resources.cfm">http://pr.amwater.com/PressResources/resources.cfm</a>.

AWWA: Water Infrastructure Bill to Top \$1 Trillion—Between the U.S. Environmental Protection Agency's periodic water infrastructure "needs assessment" and other sources like the American Water Works Association (AWWA), there is no shortage of publicity on the chronic and growing gap between current infrastructure capital deployment and what is needed. On Feb. 27<sup>th</sup>, AWWA released a new report, Buried No Longer: Confronting America's Water Infrastructure Challenge, which says the cost of repairing and expanding U.S. drinking water infrastructure will top \$1 trillion in the next 25 years. Significantly, the report further said that the expenditure challenge will not be met through government subsidies, but "primarily through higher water bills and local fees."





Buried No Longer, which is available at <a href="http://www.awwa.org/infrastructure">http://www.awwa.org/infrastructure</a>, analyzes many factors, including timing of water main installation and life expectancy, materials used, replacement costs and shifting demographics. Nationally, the report notes that infrastructure needs are almost evenly divided between replacement and expansion. Nonetheless, cities will be affected in different ways depending on their sizes and geography. Specifically, many small communities face the greatest challenges because they have smaller populations across whom to spread the expenses.

"Because pipe assets last a long time, water systems that were built in the latter part of the 19th century and throughout much of the 20th century have, for the most part, never experienced the need for pipe replacement on a large scale," the report states. "The dawn of an era in which the assets will need to be replaced puts a growing stress on communities that will continue to increase for decades to come."

Among the key findings from the AWWA study are:

- Investment needs for buried drinking water infrastructure total more than \$1 trillion nationwide over the next 25 years (between 2011 and 2035), if pipes are replaced at the end of their useful lives. Over the coming 40-year period, through 2050, these needs exceed \$1.7 trillion. Replacement needs account for about 54% of the national total, with the balance (about 46%) attributable to population changes over that period.
- Pipe replacement expenses account for more than 84% of the \$278 billion need in the Northeast and Midwest regions through 2035. Meanwhile, expansion to meet the growing population in the South and West amounts to about 62% of the projected need of \$277 billion in that same time period. Replacementrelated needs are a less important factor in these regions.
- The required national-level investment will double from roughly \$13 billion a year today to almost \$30 billion annually by the 2040s. This level of investment must then be sustained for many years if current levels of water system performance and service are to be maintained.
- The amount that household water bills will rise will vary depending on past investment, community size and geographic region, but in some communities the infrastructure costs alone could triple the size of a typical family's bill.





- The study suggests that the most affected households (e.g., small, rural communities) could see their drinking water bills increase between \$300 and \$550 per year above current levels to address infrastructure needs.
- Postponing infrastructure investment in the near-term raises the overall cost and increases the likelihood of water main breaks and other infrastructure failures. However, the \$1 trillion investment necessary through 2035 does not have to be made all at once. There is time to implement asset management plans and set rates that more closely reflect the cost of water service.

"The needs uncovered in 'Buried No Longer' are large, but they are not insurmountable," said AWWA Executive Director David LaFrance in the announcement. "When you consider everything that tap water delivers -- public health protection, fire protection, support for the economy, the quality of life we enjoy – we owe it to future generations to confront the infrastructure challenge today.

<u>U.S. Water Systems Face Credit Stress, S&P Says</u>—Not to be outdone by AWWA's announcement, Standard & Poor's (S&P), one of the nation's leading financial services companies, also released a report Feb. 27<sup>th</sup>. This one was titled *Is The U.S. Water Sector Approaching A Tipping Point?*, and it concludes that U.S. public-water systems, including investor-owned water companies (IOWCs), face credit risks from two perspectives: (1) as costs rise from a failure to invest in infrastructure; and (2) as demand outpaces supply.

Of the 52,873 community water systems in the United States, "Many municipalities have not initiated financing for the upkeep of their facilities because of deteriorating balance sheets and burgeoning deficits," Aneesh Prabhu and Manish Consul, New Yorkbased S&P analysts, said in the report. "Given the currently low interest rates, we think deferring such spending is a lost opportunity," said the analysts, who characterized water systems as "cash cows" for municipalities. They noted that yields on 20-year general-obligation municipal bonds touched 3.6 percent during the week that ended Jan. 19<sup>th</sup>, making them the lowest since 1967.





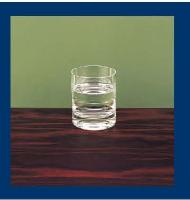
On the supply side, the report said water systems facing the most imbalance between supply and demand are in the Colorado River region, plus California, Nevada and Texas. The latter had a record drought last year, S&P said. Scarcity forces utilities to seek more expensive sources, such as desalination and wastewater reuse, the analysts said. That means higher prices so revenue covers costs, they said. "Evidence is mounting that water stress is increasing," the analysts wrote. "Water prices in the U.S. will inevitably have to rise."

Globally, the report said that based on current projections of population and economic growth, water use will be 40 percent greater in 2030 than the current sustainable supply, and a third of the world's population—mostly in developing countries—will face a deficit larger than 50 percent. It further said that such a projected supply gap would be alarming under any conditions, but it is even more so considering that the water utility sector has historically been afflicted with insufficient planning, underinvestment, and inefficient markets.

From a credit perspective, the analysts said the U.S. investor-owned water utility industry is one of the most stable and highly rated sectors among U.S. industrials. Yet, they expect to see plenty of ripples in the overall water sector as it grapples with its considerable challenges. They said water departments have been cash cows for municipalities and cities, and financing to fund capital spending programs was readily available. Now, repair and maintenance expenditures are increasing as water systems age and become less compliant with EPA regulations, and many municipalities have not initiated financing for the upkeep of their facilities because of deteriorating balance sheets and burgeoning deficits.

For the investor-owned community, the analysts consider the state regulatory environment to be the most significant credit variable. Among the factors they said were critical to their evaluation of a water utility's regulatory risk are the timeliness of rate orders, the use of forward-looking financial measures, and the application of various cost and investment tracking mechanisms.





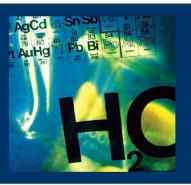
The report is available to subscribers of RatingsDirect on the Global Credit Portal at <a href="www.globalcreditportal.com">www.globalcreditportal.com</a>. Non-subscribers can purchase a copy by sending an e-mail to <a href="mailto:research\_request@standardandpoors.com">research\_request@standardandpoors.com</a>.

<u>DWR's Third Snow Survey of 2012 Shows Continuing Dry Conditions</u>—There was lots of hand-wringing in the statewide press this week when the Department of Water Resources (DWR) announced Feb. 28<sup>th</sup> that California's mountain snowpack water content is only 30 percent of historic readings for the date. As DWR noted in its news release, that is a "mere 26 percent" of the average April 1 measurement, when the snowpack is normally at its peak before it begins to melt with rising spring temperatures. Of course, this survey took place the day before a significant storm dropped about three feet in the northern and central Sierras.

DWR Director Mark Cowin put a good face on the results, saying "The weather news so far this winter has not been good. We still have good reservoir storage due to last winter's storms, but we would like to see more rain and snow this season." It looks like he got his wish, at least for March 1<sup>st</sup> and 2<sup>nd</sup>. We'll see if it continues. Due to the persistent dry weather, DWR on Feb. 22<sup>nd</sup> dropped its estimate of the amount of water the State Water Project (SWP) will deliver this year by 10 percent. The delivery allocation was reduced from 60 percent to 50 percent of the slightly more than 4 million acre-feet of water requested by the 29 state water contractors. DWR was quick to point out that the 50 percent allocation "is not severely low," and could be increased if late season storms significantly improve hydrologic conditions.

Electronic readings from remote sensors indicate that snowpack water content in the northern mountain ranges is 31 percent of normal for the date and 28 percent of the April 1 seasonal average. The readings for the central Sierra show 26 percent of normal for the date and 23 percent of the April 1 average. The numbers for the southern Sierra are 33 percent of average for the date and 28 percent of the April 1 average. Taken together, the readings statewide indicate the 30 percent of normal and 26 percent of the April 1 average indicated earlier.





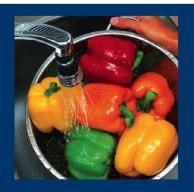
Regarding the reservoir storage Cowin referenced, Lake Oroville (the State Water Project's principal storage reservoir) is at 100 percent of average for the date (71 percent of its 3.5 million acre-foot capacity), and Lake Shasta (the federal Central Valley Project's largest reservoir with a capacity of 4.5 million acre-feet) is at 94 percent of its normal storage level for the date (69 percent of capacity). San Luis Reservoir south of the Delta is at 99 percent of average for the date (85 percent of its capacity of 2.03 million acre-feet). Statewide, reservoir storage is 110 percent of normal for the date.

To me, nothing confirms the long-term, institutional impact that customer conservation and overall water-use efficiency has had on the state's supply than the storage situation. The last time we were in this situation was the beginning of 2007. We came out 2006 with record storage levels, just as last year. But by the end of the summer in 2007, the reservoir levels had dropped dramatically. This doesn't appear to be the case this time around, and the difference must be conservation (especially since the California economy of 2012 is not that much different from 2007).

The electronic snowpack readings are available on the Internet at: <a href="http://cdec.water.ca.gov/cgi-progs/snow/DLYSWEQ">http://cdec.water.ca.gov/cgi-progs/snow/DLYSWEQ</a>, while the reservoir readings are at: <a href="http://cdec.water.ca.gov/cdecapp/resapp/getResGraphsMain.action">http://cdec.water.ca.gov/cdecapp/resapp/getResGraphsMain.action</a>.

House Passage of H.R. 1837 Crystallizes CA's Water Divisiveness—As you all know, on Feb. 29<sup>th</sup>, the U.S. House of Representatives approved House Resolution (H.R.) 1837, "The Sacramento-San Joaquin Valley Water Reliability Act," a bill that Rep. Devin Nunes (R-Tulare) has been promoting for the past two years. As you've heard, the bill is very controversial, and this phrase that would be added to Sec. 3402 of the Central Valley Project Improvement Act – "(g) to ensure that water dedicated to fish and wildlife purposes by this title is replaced and provided to Central Valley Project water contractors by December 31, 2016, at the lowest cost reasonably achievable and (h) to facilitate and expedite water transfers in accordance with this Act" – has clearly redrawn the battle lines that have long existed between environmental, agricultural and urban water interests.





The press coverage of the bill's passage, mostly a party line vote of 246-175 (although 10 Democrats supported the bill, including Californians Joe Baca of Rialto, Dennis Cardoza of Atwater and Jim Costa of Fresno) predictably said things like the bill "rewrites two decades of water law in California," "wipes out environmental protections," "kills" the San Joaquin River Restoration Settlement, "preempts" California water law, and "guts" the 20-year-old federal law that set aside a large portion of federal irrigation supplies in California for environmental purposes and toughened the terms of federal irrigation contracts.

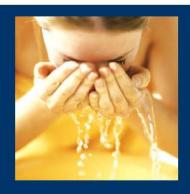
The question for me is the potential impact on urban water supplies if the bill became law. Certainly, there would be a fight to have State Water Project supplies supplant the lost 800,000 acre-feet no longer available under H.R. 1837 (my read of the bill, which could be mistaken), and, presumably, there would be pressure to have that water come from supplies now going to urban water suppliers.

The political wisdom is that this issue is moot because the White House has issued a veto threat, and Democratic Senators Dianne Feinstein and Barbara Boxer have vowed to prevent it from passing in the Democratically-controlled Senate. "It essentially says farmers will get theirs and nothing for anybody else," Feinstein said in one news article. Still, it was pretty obvious that the House Republicans brought it to the floor in order to highlight the differences (environmental regulations versus jobs) between the parties during this election year.

And Nunes himself continued his unabashed criticism of Feinstein and Boxer. "The senators don't understand that they're going to put tens of thousands of people out of work," he was quoted as saying. "If the two senators think they can sit back and do nothing, they've got another thing coming," he said. "Because there's going to be absolute hell to pay."

Other Central Valley Republicans joined in the public debate. House Majority Whip Kevin McCarthy (R-Bakersfield), a co-author of the legislation, and Rep. Tom McClintock (R-Granite Bay) who chairs the House Subcommittee on Water and Power, through which all water policy legislation passes, alluded to the "man-made drought."





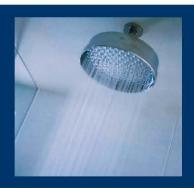
"For too long this man-made drought in California has been ignored," McCarthy said during floor debate. Nunes' staff sent out e-mail blasts during the week listing the 200-plus business, agricultural and other organizations like Westlands Water District that were supporting the bill.

The opponents got their big guns out, too, but their hopes will lie with the U.S. Senate. The *Los Angeles Times* wrote that the Western States Water Council, which has 18 member states, opposed the measure and that California Attorney General Kamala Harris wrote a letter to Members of Congress saying the bill would impose unprecedented federal constraints on California's ability to manage its natural resources and that it would "abrogate long-standing provisions of California law designed to protect" them.

The *Sacramento Bee* published an op-ed on Feb. 29<sup>th</sup> by Rep. John Garamendi (D-Walnut Creek) on H.R. 1837. Among other things, it said, "In addition to a blatant water grab, HR 1837 also creates sweeping exemptions from federal laws protecting our water and pre-emptively prohibits state lawmakers from striking a consensus-driven compromise. It would be more accurate to call HR 1837 the State Water Rights Repeal Act." Garamendi wrote that "Now is not the time to reignite the California water wars of the past. Now is not the time to pit Californians against each other for short-term gain. There is a more constructive way forward for California. We must focus on responsible, science-based water management, with conservation, storage and recycling playing a prominent role – balancing our water needs and creating jobs across the Golden State."

<u>Gleick Admits Ethical Transgressions; Takes Leave of Absence</u>—You may have seen, also, that Pacific Institute President Peter Gleick, the water and climate scientist who is well-known in California for his work on water use efficiency and the impact of climate change on water supply, has taken a leave of absence from the Pacific Institute. The action followed an announcements he made in his blog Feb. 20<sup>th</sup> in the *Huffington Post* that he had obtained documents related to the internal strategy of the Heartland Institute to cast doubt on climate science under a false name.





Specifically, he said he received an anonymous document in January describing what appeared to be details of the Heartland Institute's climate program strategy, including efforts to "muddy public understanding about climate science and policy." Gleick said he attempted to confirm the accuracy of the information and, "in a serious lapse of my own and professional judgment and ethics, I solicited and received additional materials directly from the Heartland Institute under someone else's name."

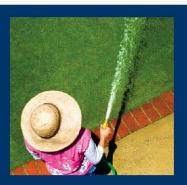
He said the materials confirmed many of the facts in the original document, but that his "judgment was blinded by my frustration with the ongoing efforts — often anonymous, well-funded, and coordinated — to attack climate science and scientists and prevent this debate, and by the lack of transparency of the organizations involved. Nevertheless I deeply regret my own actions in this case. I offer my personal apologies to all those affected."

The damage was done however, and the Pacific Institute posted this statement on its website on Feb. 27<sup>th</sup>: "The Board of Directors of the Pacific Institute is deeply concerned regarding recent events involving its president, Dr. Peter Gleick, and has hired an independent firm to review the allegations. The Board has agreed to Dr. Gleick's request for a temporary leave of absence. Following a distinguished career in energy and environmental policy, Elena Schmid has been appointed as the Acting Executive Director. The Pacific Institute will continue in its vital mission to advance environmental protection, economic development, and social equity."

Agenda Highlights for the March 8<sup>th</sup> California PUC Open Meeting—The California PUC has posted its agenda for Thursday's Open Meeting, which starts at 9:00 a.m. Relevant water agenda items are summarized below. If you want to view any of the related documents, just copy and paste the website link into your Internet browser.

### Consent Agenda





Item 2 – A11-02-002; Revenue Requirements for Test Year 2012 and Post-Test Year Ratemaking Adjustments for 2013 and 2014. Application of Suburban Water Systems for Authority to Increase Rates Charged for Water Service by \$19,234,576 or 35.85% in 2012, by \$3,032,827 or 4.18% in 2013, and by \$1,973,200 or 2.61% in 2014. Proposed outcome: Adopts a partial settlement with the Division of Ratepayer Advocates and resolves all other issues. Estimated cost: Rates will increase by 24.74% in 2012. (Comr Sandoval - ALJ Long) http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=574307

Item 6 – Res W-4908; Valencia Water Company's Request to Permit Payment of Bills Using a Credit or Debit Card. Advice Letter No. 137-W filed on June 9, 2011 - Related matters. Proposed outcome:

- Rejects the utility's request to permit payment of water bills using a credit or debit card, finding that the convenience fee of \$3.75 per transaction is unreasonable.
- Permits the utility to modify its Rule 9 by filing a Tier 1 advice letter to offer customers the option to receive their water bills electronically at no extra charge.

Estimated cost: None.

http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=573488

Item 12 – A11-11-010; East Pasadena Water Company to Issue up to \$1.15 Million of New Long-Term Debt Securities. Application of East Pasadena Water Company to Borrow \$1,150,000 and issue two notes under Sections 816 - 830 of the Public Utilities Code, and to encumber utility property under Section 851 of the Public Utilities Code. Proposed outcome:

- Grants East Pasadena Water Company (East Pasadena) the authority to issue up to \$1.15 million of long-term notes, consisting of a loan of \$900,000 from its parent company, California Michigan Land and Water Company and a loan of \$250,000 from Professional Business Bank.
- Authorizes East Pasadena to encumber utility property subject to the conditions enumerated in orders of this decision.
- Closes the proceeding.





Estimated cost: None. (Comr Sandoval - ALJ Wilson)
<a href="http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=573752">http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=573752</a>

Item 15 – A09-09-005; Patricia Heimer for a Certificate of Public Convenience and Necessity. Application of Patricia Heimer, doing business as Redwood Lodge Water Company for a Certificate of Public Convenience and Necessity to operate as a Water Public Utility within the meaning of Public Utilities Code Section 2701 et seq., in Santa Cruz County near Los Gatos; and to establish Water Rates. Proposed outcome:

- Grants Certificate of Public Convenience and Necessity to Patricia Heimer doing business as Redwood Lodge Water Company to operate as a public utility.
- Closes the proceeding.

Estimated cost: None. (Comr Sandoval - ALJ Bushey)
<a href="http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=E54921">http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=E54921</a>

Item 19 – A10-02-006; Modification of Decision 11-09-040. In the matter of the application of Alco Water Service, (Alco) a California Corporation, for an order 1) authorizing it to increase rates for water service by \$3,709,633 or 62.6% in test year 2010; 2) authorizing it to increase rates on July 1, 2011 by \$1,752,844 or 18.2% and July 1, 2012 by \$1,016,639 or 8.9% in accordance with Decision 08-11-035, and 3) adopting other related rulings and relief necessary to implement the Commission's ratemaking policies. Proposed outcome:

- Clarifies the process where Alco Water Service must file a Tier 3 Advice Letter for certain transactions.
- Closes the proceeding.

Estimated cost: No change in rates or service. (Comr Peevey - ALJ Long) <a href="http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=E55082">http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=E55082</a>

Item 30 – C11-03-020; Order Extending Statutory Deadline. Wendy Wood and Robert F. Spohr vs. Tahoe Park Water Company. Proposed outcome: Extends the statutory deadline for this proceeding until September 25, 2012. Estimated cost: None. (Comr Ferron - ALJ Colbert)

http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\_ID=575858





#### Regular Agenda - Water/Sewer Orders

Item 43 – A.11-08-019; New Order Instituting Investigation and Order to Show Cause. In the Matter of the Application of Golden Hills Sanitation Company for Authority to Increase Rates Charged for Sewer Service by \$148,076 or 120% in January 2012, \$148,076 or 54% in January 2013, and \$148,076 or 35% in January 2014, and I.\_\_\_\_\_\_\_ Order Instituting Investigation on the Commission's own motion into the operations and practices of Golden Hills Sanitation Company, and Order to Show Cause why it should not be permanently enjoined from abandoning service pursuant to Public Utilities Code Section 855. Proposed outcome:

- Opens a new Order Instituting Investigation (OII) into the operations and practices of Golden Hills Sanitation Company (Golden Hills) and Order to Show Cause (OSC) why Golden Hills should not be enjoined from abandoning service.
- Confirms Temporary Restraining Order issued by Assigned Commissioner Ruling.
- The Commission consolidates Application 11-08-019 and the OII/OSC. Estimated cost: None. (Comr Florio ALJ Wilson)

### **Upcoming Industry Meetings/Conferences/Events:**

- March 5, 2012 NAWC Government Relations Committee Meeting (10:30a 2:30p; Hotel George, Washington, DC); J. Hawks will attend.
- March 6-7, 2012 NAWC/CWA Annual Congressional Fly-In; Capitol Hill, Washington, DC; J. Hawks will participate.
- March 8, 2012 California PUC Open Meeting (9: 00a 12:00p; 505 Van Ness Ave., San Francisco 94102)
- March 8-9, 2012 Annual California Water Policy Conference "From Water Woes to Water Wise" (Westin Hotel – LAX; 5400 West Century Blvd., Los Angeles, CA 90045
- March 12, 2012 CWA Legislative Committee Meeting (10:00a-3:00p; Nossaman Office 915 L St., Suite 1000, Sacramento 95814); J. Hawks will attend.





- March 14, 2012 California Urban Water Conservation Council Plenary Meeting (9:30a-3:00p; SF State University; 865 Market St., San Francisco 94102); J. Hawks will attend.
- March 15, 2012 CWA Directors Meeting (9:30a-2:30p; Manhattan Beach Country Club; 1330 Parkview Ave., Manhattan Beach 90266)
- March 22, 2012 California PUC Open Meeting (9: 00a 12:00p; 505 Van Ness Ave., San Francisco 94102)
- March 25-27, 2012 Water Reuse Association 2012 WateReuse California Annual Conference (Sheraton Grand Hotel; 1230 J St., Sacramento 95814).
- March 26, 2012 Annual Report of CPUC President Peevey to Assembly Utilities
   Communications Committee (3:00p-5:00p; Room 437, State Capitol, Sacramento); J. Hawks will attend.
- March 27-28, 2012 Water Education Foundation 29<sup>th</sup> Annual Executive Briefing (8:30a-4:30p; Doubletree Hotel; 2001 Point West Way; Sacramento);
   J. Hawks will attend.
- March 28, 2012 California Urban Water Conservation Council CII Task Force Meeting (9:30a – 3:30p; 815 S St., Sacramento 95814); J. Hawks will attend.
- April 3, 2012 California PUC Water Recycling Workshop (9:00a 4:00p; 505 Van Ness Ave., San Francisco 94102); J. Hawks will attend.
- April 4, 2012 Department of Water Resources Water Plan Update 2013 Public Advisory Committee (9:00a – 4:30p; Cal EPA Building, 1001 I St., Sacramento 95814); J. Hawks will attend.
- April 19, 2012 California PUC Open Meeting (9: 00a 12:00p; 505 Van Ness Ave., San Francisco 94102).

-CWA-