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The Weekly Wrap



April 13, 2012

No. 2012-15

TO: CWA Member Companies
FROM: Jack Hawks, Executive Director
SUBJECT: Highlights for the Week Ending April 13, 2012

Hearings on Water-Related Legislation Begin in Earnest—Much of the pertinent activity for CWA members this past week occurred in Sacramento as the many water and California PUC-related bills introduced in late February began their sojourns through their respective policy committees in the California Assembly and Senate. CWA Legislative Advocate Meg Catzen-Brown of Nossaman LLP presented her monthly report to CWA's Board of Directors on April 12th, and what follows is a distillation of that comprehensive update.

The state legislators returned from spring recess on April 9th, and the first policy committee deadline (April 27, by which all fiscal bills must clear policy committees) looms in three short weeks. Legislative procedure requires that newly introduced bills be in print for 30 days before they can be amended, so hundreds of bills were amended in the last week of March and the first of April, enabling them to be heard in their respective policy committees. The vast majority of the bills being tracked by CWA begin that hearing process this week and next.

Of greatest concern continues to be **SB 1364 (Huff)**, which, as previously reported, imposes a number of unnecessary burdens and costs on water utilities and their customers involving affiliate transactions, advice letter filings and customer notices, judicial review of CPUC decisions and intervenor compensation. The bill is scheduled for hearing in the Senate Energy, Utilities & Communications (EU&C) Committee on Tuesday, April 24. Discussions with the author's office and the bill's proponents are on-going, in hopes that an agreement on amendments may be reached prior to the date of the hearing. CWA's Legislative Committee has been "meeting" regularly by phone and email on the bill, and will decide on its final position by April 18th.#

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The PG&E San Bruno disaster of 2010 and last year's weather-related massive power outages have given rise to a number of bills that would give more direction to the CPUC on utility safety issues. Those bills include **AB 1650 (Portantino)**, which as introduced would have required gas and electric utilities to file emergency response plans with the CPUC. The bill was amended April 9th in Assembly Utilities & Commerce Committee (U&C) to include water utilities among those subject to the bill's provisions. CWA articulated its objection to this requirement, noting that water suppliers are required to submit and update emergency response plans to a plethora of government agencies, but the U&C Committee was not sympathetic and left water utilities in the bill.

However, Assemblymember Portantino has agreed to work with us to explore the possibility of deeming water companies in compliance by virtue of these other filings. The bill passed U&C on a unanimous vote and will next be heard in the Assembly Appropriations Committee.

Other safety related bills include **AB 1843 (Hill)**, which would require the CPUC to establish a "whistleblower protection program" to protect public utility employees, former employees, contractors and subcontractors from retaliation for disclosing information pertaining to public safety to the CPUC or any other government agency; this bill passed the Assembly Judiciary Committee April 11th and will next be heard in Assembly Appropriations Committee. CWA is also supporting **AB 838 (Hill)**, which would require the CPUC to appoint an assistant executive director for public safety, whose job would be to "coordinate all actions of all divisions of the Commission to ensure public safety is a primary goal in all proceedings held by the Commission." This is a two-year bill that is pending action in the Senate.

On April 9th, Assembly U&C heard and approved **AB 1541 (Dickinson)**, which would subject the CPUC to the state's Public Records Act (PRA). The practical effect of this bill would be to require the CPUC to make certain determinations before any documents or records submitted to the Commission by a utility could be protected as confidential.

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As amended, the bill includes an automatic exemption for security-related information, market-sensitive information, proprietary business information, and personally identifiable information of customers or employees. It also maintains the misdemeanor penalty for employees or officers of the Commission who disclose exempt information (which makes the bill a bit more palatable; in fact, nearly all of the utilities removed their opposition to the bill upon adoption of the amendments).

The other Public Records Act bill, **SB 1000 (Yee)**, is similar to the Dickinson bill, but does not provide for automatic exemptions from the PRA. Instead, it directs the Commission to modify its existing rules governing disclosure of public records to provide guidance on the showing necessary to justify a commission decision to withhold disclosure of certain categories of information. It also repeals the provision in Section 583 that imposes the misdemeanor penalty for disclosure of exempt information, creating a conflict with AB 1541. SB 1000 is set for hearing in Senate EU&C on April 17th.

Other bills that would “reform” practices at the CPUC include **AB 1456 (Hill)**, which originally would have required the Commission to consider the safety performance of a gas corporation in determining what constitutes a just and reasonable *rate of return*. The bill was amended in U&C on Monday, so that it now requires the Commission to perform an analysis of benchmark data and adopt performance standards for pipeline safety and reliability, and evaluate rate incentives and penalties every three years after the benchmarking study is complete. The bill passed the Committee and now goes to Assembly Appropriations Committee.

Assemblymember Hill’s other reform measure, **AB 1703**, which would require a public utility to file a report with the CPUC within 30 days of any final judgment, arbitration, award, compromise, or settlement in excess of \$50,000 in any civil action brought by an employee, former employee, contractor or subcontractor of the utility against the utility regarding safety issues. It will be heard on April 23rd. **SB 1403 (Yee)** would strip the power to direct CPUC executive staff from the Commission’s President and grant it to the full Commission. This bill, which is set for hearing in the EU&C Committee on April 24th, has been introduced in prior sessions.

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Senator Yee is also the author of a CPUC “revolving door” measure, **SB 981**, CWA has already opposed unless it is amended to include other parties practicing before the Commission other than the regulated utilities and their law firms/consultants. This bill would prohibit a commissioner or executive employee of the Commission from becoming a paid employee of or consultant to a regulated utility for 2 years after leaving Commission employment. Similarly, the bill would prohibit the Commission from hiring an executive employee who, in the previous two years, was a paid employee of or consultant to a regulated utility, and would extend this prohibition to preclude a former employee or consultant from taking office as a Commissioner. This bill is set for hearing in EU&C on April 17th.

The Senate Natural Resources & Water Committee (NR&W) and Assembly Water, Parks & Wildlife Committee (WP&W) both met April 11th, and they acted on a handful of bills of interest to CWA. Among those was Senator Pavley’s well log disclosure bill, **SB 1146**. The bill is somewhat softened from **SB 263**, the 2011 version she introduced last year; in that it requires the Department of Water Resources (DWR) to record the name and address of the requesting party, as well as the purpose for which the document is being requested. It also requires DWR to redact certain information pertaining to the well owner. The measure passed on a partisan vote and moves on to the Senate Environmental Quality Committee (EQ).

The Assembly WP&W Committee heard and approved **AB 2398 (Hueso)**, the WaterReuse Association-sponsored bill that recasts and reorganizes all existing state law pertaining to recycled water into a single water recycling statute. Also approved was **AB 2595 (Hall)**, which would create a task force to look at streamlining the permitting process necessary for an ocean water desalination facility. AB 2398 moves to the Assembly Environmental Safety & Toxic Materials (EST&M) Committee for a yet-to-be scheduled hearing, while AB 2595 has been referred to the Assembly Natural Resources Committee.

Other bills of interest to CWA that still await their first policy committee hearings include:

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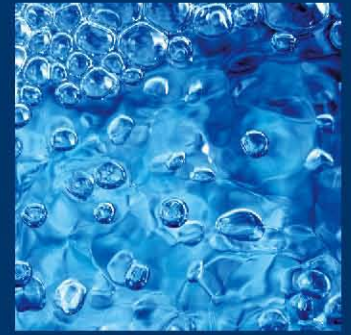


- **AB 2208** and **AB 2238**, both introduced by Assemblymember Henry Perea (D-Fresno), pertaining to small, underperforming water system consolidation. AB 2208 has been referred to ES&TM; AB 2238 has been double-referred to Assembly Local Government and ES&TM.
- **SB 1498 (Emmerson)**, which would allow public agencies to provide water and/or wastewater service outside their spheres of influence if the public agency can “document” a “threat to the health and safety of the public or the affected residents.” The bill is vague as to what sort of documentation might be necessary or acceptable, and appears to permit public agencies to serve within a water company’s certificated service territory. CWA will be working with the bill’s sponsor – the League of California Cities - to address this problem. It will be heard April 18th in the Senate Governance & Finance Committee.
- **AB 1514 (B. Lowenthal)**, would increase the maximum penalties for knowing, willful, or negligent violation of the state’s excavation laws. It would require the CPUC to adopt rules and procedures for obtaining information from utilities that have sub-surface facilities and installations. This bill is set for hearing in the Assembly U&C Committee on April 16th.
- **AB 2056 (Chesbro)**, **AB 2539 (Nielsen)** and **SB 962 (Anderson)** all pertain to the use of point-of-entry and point-of-use water treatment devices. AB 2056 has been referred to ES&TM; AB 2539 will be heard April 17th in the Assembly Health Committee on April 17th, and SB 962 will be heard in Senate EQ on April 16th.

Over the next month, CWA will continue reviewing amended bills, meeting with legislators and staff to advance CWA’s interests on all of the many important bills CWA has taken a position on this year, and attending committee hearings as those bills begin to move forward. Feel free to contact Meg or me if you have any questions or need additional information on any of the bills.

Suburban Water Celebrates Recycled Water Plant Dedication—I was delighted to represent CWA on April 13th at a special dedication of the San Gabriel Valley Water Recycling Project, hosted by the Upper San Gabriel Valley Municipal Water District, which celebrated the delivery of recycled water to the City of West Covina. Like a similar dedication in Rosemead in February, also hosted by the Upper District,

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this event featured remarks from a number of prominent public officials, including: Members of Congress Grace Napolitano (D-Santa Fe Springs) and Judy Chu (D-El Monte); State Senator Ed Hernandez (D-Los Angeles); Michael Connor, Commissioner of the U.S. Bureau of Reclamation (USBR); Fran Spivey-Weber, Vice-Chair of the State Water Resources Control Board (SWRCB); and West Covina Mayor Mike Tuohey.

Joining this illustrious lineup at the podium was Craig Gott, Vice President of Engineering for Suburban Water Systems, who thanked the engineers, contractors and employees that worked on the project, especially for their flexibility in dealing with the scheduling vagaries that always accompany a large project like this one. Craig also highlighted the “valuable relationship” Suburban has with the City of West Covina, and he noted the supply, conservation and economic benefits that Suburban’s customers will enjoy as a result.

The project consists of 14 miles of pipeline, a 2-million gallon reservoir, a pump station and a pressure-reducing station. The \$33.5 million project cost consisted of a \$5 million grant and \$23.6 million zero-interest loan from the SWRCB, plus funding from USBR, Metropolitan Water District and Upper District. It will produce more than 440 million gallons of recycled water per year (1,400 af) and will save enough drinking water per year to supply approximately 2,700 homes.

All of the project participants, including Suburban, received resolutions and certificates of appreciation from Congress, the State Senate and West Covina. Congratulations to Suburban on the project. We will highlight it in the April issue of *On Tap*.

Work Begins in Earnest on the CA Water Plan Update for 2013—The Dept. of Water Resources (DWR) hosted a Water Plan Update (WPU) 2013 Public Advisory Committee (PAC) meeting on April 4th, at which the PAC was treated to a DWR staff update on the WPU activities, the production schedule and the draft Assumptions & Estimates Report (a separate Water Code requirement). Additionally, there were briefings on the Central Valley Flood Protection Plan, the Governor’s Environmental Goals and Policy Report and DWR’s Integrated Water Management Programs.

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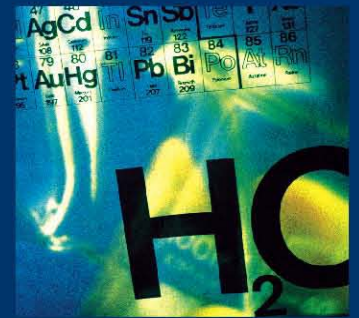


The bulk of the meeting, however, was devoted to the revisions that will be made to Chapter 4 of the WPU, “California Water Today.” Much of the narrative in this chapter remains constant from one water plan to the next WPU, with of course, the requisite numerical updates to supply, demand and the state’s water balance. The chapter sections encompass resources available to the various hydrologic regions, land use and development patterns, and water conditions (i.e., environmental water, water supplies and uses, water quality, project operation and reoperation, water governance and flood management). The PAC members looked at each of these areas and considered a number of discussion questions, including the key messages sought by each interest group, what sections should be deleted from or added to the 2013 update, and what graphics should accompany those sections.

DWR extended this approach to all of the critical challenges that are covered in this chapter: drought conditions; floods; ecosystem deterioration; climate change; water and energy interdependencies; groundwater and surface water contamination; Delta vulnerabilities; deferred maintenance and aging infrastructure; catastrophic events and emergency response; data gathering and sharing; disadvantaged communities; and funding. As you can see, the PAC compiled a lot of information, which DWR staff is going to organize for future review. I’ll keep you posted, as always.

NRDC Report: 29 States Unprepared for Growing Water Threats—In a report released April 5th, the Natural Resources Defense Council (NRDC) said only nine states have taken comprehensive steps to address their vulnerabilities to the water-related impacts of climate change. Conversely, 29 states are unprepared for growing water threats to their economies and public health, according to a detailed state-by-state analysis of water readiness released by NRDC. The report ranks all 50 states on their climate preparedness planning, and includes an interactive online map showing the threats every state faces.

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The report, *Ready or Not: An Evaluation of State Climate and Water Preparedness Planning*, outlines four preparedness categories to differentiate between the nine best-prepared and most engaged states with comprehensive adaptation plans (including California, Maryland, New York, Pennsylvania, and Wisconsin), from those states that are least prepared and lagging farthest behind (including Florida, New Mexico, Ohio, Virginia, and Texas).

The report focuses on how state governments across the nation are planning and preparing for the water-related impacts of climate change. These impacts include more severe and frequent storms, intense rainfall, sea-level rise, warmer water temperatures, and drought events. Key findings include:

- Nearly nine out of 10 states are poised for more frequent and intense storm events and/or increased flooding.
- While at least 36 states are facing possible water supply challenges, only six of those have comprehensive adaptation plans.
- The majority of states – 29 or nearly 60 percent - have done either nothing at all or very little to prepare for water-related climate impacts.
- Six states – Alabama, Indiana, Kansas, North Dakota, Ohio, and South Dakota – have done virtually nothing to address climate pollution or prepare for climate change in the face of growing water risks.
- Water preparedness activities appear to have “slowed or stalled” in four of the nine best prepared states – Alaska, Oregon, Pennsylvania and Wisconsin.
- Only 22 states have developed plans and formally adopted targets or goals to cut the pollution that causes climate change, which comes mainly from power plants and vehicles.

NRDC’s report encourages all states to undertake the following key actions:

- Enact plans to cut emissions from power plants, vehicles and other major sources of heat-trapping pollution; coupled with increased investment in energy efficiency and renewable energy.

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- Conduct a statewide vulnerability assessment to determine potential climate change impacts.
- Develop a comprehensive adaptation plan to address climate risks in all relevant sectors.
- Prioritize and support implementation of the adaptation plan.
- Measure progress regularly and update the adaptation plan as needed.

You can access the report at <http://www.nrdc.org/water/readiness>.

Food & Water Watch Rails Against 'Financialization of Nature'—Under the questioning headline, “Trading Away Our Human Right to Water?”, the anti-private sector group Food & Water Watch announced a new “Common Resources” program April 11th that is designed “to scrutinize the largely unchallenged claims that market-based schemes like pollution trading, water markets, privatization and commodification of common resources will help reduce pollution and manage our water resources.”

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Decrying the market-based approach to air pollution credits and offsets, and accusing “powerful financial interests” like the banking industry of touting the “green economy,” F&WW said these entities are defining nature in terms of capital, prices, profits and markets. Worse, F&WW said, “This ‘financialization of nature’ reduces the value of water and other life-giving resources to exchangeable financial instruments.”

F&WW asserted that market-based schemes “are largely voluntary and entirely unregulated, representing a drastic departure from the regulation of pollution that helped clean our air and water in the latter half of the 20th century.” Expanding well beyond its usual criticism of private-sector water management, F&WW drew the energy, housing and finance sectors into its line of fire with a new report, *Bad Credit: How Pollution Trading Fails the Environment*.

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The report parrots the usual arguments against market-based methods for pollution reduction, saying that cap-and-trade programs rely “on unverifiable offsets and a permit allocation scheme that benefits current polluters at the expense of everyone else. Furthermore, the price volatility of pollution credits fails to incentivize companies to actually change their operations to limit pollution.” Not surprisingly, F&WW misses the point completely on cap-and-trade, which is a zero-sum arrangement designed precisely to incent new entrants to an industry to have the means (i.e., the necessary pollution credits) to replace old, inefficient, polluting-equipment with modern new plants or to add new plants that will serve growing demand.

The following quote provides insight into what the targeted industries will have to deal with. Mitch Jones, Director of F&WW’s Common Resources Program, said, “These schemes are a smokescreen, giving the appearance of regulation and action while at the same time giving industries carte blanche to continue using and abusing our precious resources — and letting the banking industry profit from it.”

After F&WW completed its diatribe against cap-and-trade, it returned to water with these three examples on which the Common Resources program will focus:

- **Water Quality Trading:** F&WW says is a type of cap-and-trade scheme that does not effectively address the issue of agricultural run-off or industrial pollution, but which is being promoted by the U.S. Department of Agriculture and the U.S. Environmental Protection Agency in places like the Ohio River Basin and the Chesapeake Bay.
- **Water Markets:** According to F&WW, water markets are another step in the privatization of public resources. It says that “pricing water like a widget is inappropriate and inhumane, subjecting the essential human need for water to the indifference of the marketplace. At the most extreme, companies cornering the water market will price out the poor.”
- **Public-Public Partnerships:** Here, F&WW appears to falsely equate public-private partnerships to privatization and then erroneously asserts that PPPs have failed to increase investment in water services or improve efficiency (“leading to deteriorating infrastructure, service disruptions and higher prices

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for poorer service”). It then asserts that a different model, called public-public partnerships (PUPs), can be a more effective method for providing services. “PUPs bring together public officials, workers and communities to provide better service for all users more efficiently.” It doesn’t say where the money for PUPs will come from, but one source obviously will be the private-sector’s tax revenues.

For more information on what F&WW is espousing, you can access its website at <http://www.foodandwaterwatch.org>.

Agenda Highlights for the April 19th 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=576892

Item 4 - 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: Order approving in part, with conditions, Valencia’s request to permit payment of water bills using a credit or debit card; and allowing Valencia’s request to permit customers to receive their billing statements electronically. Estimated cost: None.
http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=578070

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Item 23 – A11-12-006; Angel M. Gonzales of Central Water System to Sell to Plainview Mutual Water Company. Joint Application of Central Water System, a Sole Proprietorship, for Authority to Sell and Plainview Mutual Water Company, a Nonprofit Mutual Benefit Corporation, for Authority to Buy the Central Water System in Tulare County. Proposed outcome: Grants authority, pursuant to Public Utilities Code §§ 851-854, to Angel M. Gonzales, sole owner of Central Water System to sell and Plainview Mutual Water Company to buy Central Water System in Tulare County, which serves a total of approximately 42 connections. Closes the proceeding.

Estimated cost: None. (Comr Sandoval - ALJ Wilson)

http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=579444

Item 42 – Res W-4912; California-American Water Company's Recovery of \$2.2 Million Plus Interest for its Payment to the California Department of Fish and Game. Advice Letter 929 filed on January 27, 2012 - Related matters. Proposed outcome:

- Authorizes California-American Water Company (Cal Am) to transfer the \$2.2 million balance plus interest in the National Oceanic and Atmospheric Administration/Endangered Species Acts Memorandum Account (NOAA/ESAMA) to an expense balancing account for recovery in rates.
- Recovers \$2.2 million plus accrued interest of \$6,873 for its payment to the California Department of Fish and Game (CDFG) through a volumetric surcharge across all tiers over 24 months starting May 1, 2012 from customers in the Monterey main system only.
- Approves attached tariff sheets to Advice Letter 929 effective May 1, 2012.
- Orders Cal Am as a condition of any future amortization of the NOAA/ESAMA to submit a funds utilization report with its next amortization request that lists how all funds paid to the CDFG have been used for mitigation of the environmental impact on the Carmel River from Cal Am's operations.

Estimated cost: \$2.2 million plus interest of \$6,873.

http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=578431

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Item 43 – (ECP) C11-10-025; Relief in Part of Case 11-10-025. Glen and Rebecca Robinson vs. Golden State Water Company. Proposed outcome: Granting relief in part and cost to complainant reduced by 75%. Closes the proceeding. Estimated cost: \$3,000 to Golden State Water Company. (Comr Sandoval - ALJ Colbert) http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=576555

Item 45 – Res W-4913, California-American Water Company to Clarify and Designate the Highland Avenue Tank Project. Advice Letter No.922 filed on November 4, 2011 - Related matters. Proposed outcome: Approves Advice Letter 922 authorizing California-American Water Company to modify the Preliminary Statement in its tariff specifying Highland Avenue Tank Project as the new location for the Pressure Reducing Valve Modernization and Energy Recovery Memorandum Account authorized by Resolution W-4854. Estimated cost: None.
http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=578583

Item 49 – C08-03-018; Order Extending Statutory Deadline. Joan E. Richardson, Steve Pegram, Carl J. Meir, Kathleen Thayer, Tracey Raybon, John L. Barnes, Donald H. Dawson, Patricia O. King, Jerry Amiss, James H. Pelley, Dorothy Reed, James Vitale, and others similarly situated vs. Phillip and Linda Shuey, doing business as Shell Canyon Water Company, an unregulated water company. Proposed outcome: Extends the statutory deadline until April 20, 2013. Estimated cost: None. (Comr Ferron - ALJ Barnett).
http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=578616

Item 53 – I07-01-022; Compensation to National Consumer Law Center. A06-09-006, A06-10-026, A06-11-009, A06-11-010, A07-03-019 - Related matters. Order Instituting Investigation to Consider Policies to Achieve the Commission's Conservation Objectives for Class A Water Utilities. Proposed outcome: Awards National Consumer Law Center \$22,485.80 for substantial contribution to Decision 11-05-004. Estimated cost: The ratepayers of Golden State Water Company, California Water Company, California Water Service Company, Park Water Company, Suburban Water Systems, San Jose Water Company, Great Oaks Water Company, Valencia

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Water Company, San Gabriel Valley Water Company, and Apple Valley Ranchos Water Company will pay \$22,485.80, plus interest. (Comr Florio - ALJ Mason)

http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=575827

Item 54 – R09-12-017; Compensation to The National Consumer Law Center.

Order Instituting Rulemaking on the Commission’s Own Motion to Determine Whether Sharing of Customer Information Between Regulated Water Utilities and Regulated Energy Utilities/Municipal Energy Providers Should be Required; and if so, to Develop the Rules and Procedures Governing Such Sharing. Proposed outcome: Awards The National Consumer Law Center \$9,992.10 for substantial contribution to Decision 11-05-020. Estimated cost: The ratepayers of San Diego Gas and Electric Company, Southern California Gas Company, Southern California Edison Company, Pacific Gas and Electric Company, California Water Service Company, Great Oaks Water Company, Suburban Water Systems, Valencia Water Company, Park Water Company, California-American Water Company, Golden State Water Company, San Jose Water Company, San Gabriel Valley Water Company and Apple Valley Ranchos Water Company will pay \$9,992.10, plus interest. The award shall be based on the California jurisdictional gas and electric or water revenues for the 2011 calendar year.

(Comr Peevey - ALJ Division)

http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=576283

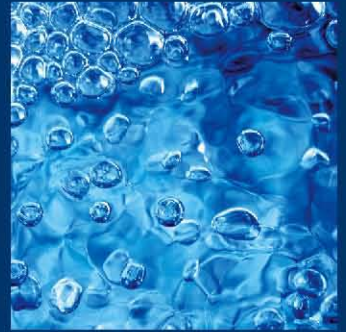
Regular Agenda - Water/Sewer Orders

Item 70 – A10-09-018 ; Approval to Implement the Carmel River Reroute and San Clemente Dam Removal Project.

Application of California-American Water Company for Authorization to Implement the Carmel River reroute and San Clemente Dam Removal Project and to Recover the Costs Associated with the Project in Rates. Proposed outcome:

- Approves California-American Water Company’s (Cal-Am) request to implement the Carmel River Reroute and San Clemente Dam Removal Project (Project) in partnership with the California State Coastal Conservancy and the National Marine Fisheries Service.

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- Authorizes ratepayer recovery of Cal-Am's funding portion of the Project, \$49 million, to be paid through a volumetric surcharge on customers' bills over the next 20 years.
- Opens an adjudicatory phase of this proceeding to consider an order to show cause as to why applicant should not be fined or otherwise sanctioned for a failure to comply with Rule 1.1 of the Commission's Rules of Practice and Procedure, and Sections 2107 and 2108 of the Public Utilities Code.

Estimated cost: \$49 million. (Comr Peevey - ALJ Walwyn)

http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=575453

Item 71 – A10-09-017; Modification to Decisions (D) 08-02-036, D08-06-002, D08-08-030, and D09-05-005. Application of California-American Water Company, California Water Service Company, Golden State Water Company, Park Water Company and Apple Valley Ranchos Water Company to Modify D.08-02-036, D.08-06-002, D.08-08-030, D.08-09-026, D.08-11-023, D.09-05-005, D.09-07-021, and D.10-06-038 regarding the Amortization of WRAM-related Accounts. Proposed outcome:

- Addresses the schedule and process that Apple Valley Ranchos Water Company, California Water Service Company, Golden State Water Company and Park Water Company (applicants) use to recover from customers, or refund to customers, the annual net balance in their Water Revenue Adjustment Mechanisms and Modified Cost Balancing Accounts and grants, in part, requested modifications to Decisions (D) 08-02-036, D08-06-002, D08-08-030, D08-09-026, and D09-05-005.
- Grants the June 23, 2011 request of California-American Water Company to withdraw from this proceeding in order to avoid a conflict with similar proposals in its pending General Rate Case, Application 10-07-007.
- Closes the proceeding.

Estimated cost: None. (Comr Peevey - ALJ Walwyn)

http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=E56903

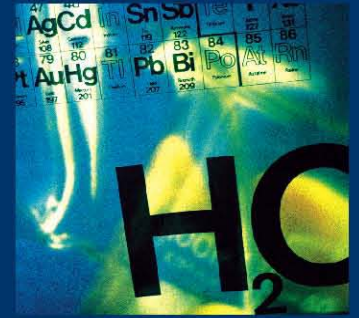
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Upcoming Industry Meetings/Conferences/Events:

- April 12, 2012 - CWA Directors Meeting (9:30a-2:30p; Golden State Water; 2143 Convention Center Dr., Suite 110, Ontario, CA 91764); J. Hawks will attend.
- April 12-13, 2012 – Water Resources Investor Event – American Water Intelligence/West Water Research (8:00a – 5:30p; Bacara Resort; 8301 Hollister Ave., Santa Barbara, 93117; 877.422.4245); J. Hawks would like to attend - ☺.
- April 13, 2012 – Upper District-Suburban Water Systems Recycled Water Dedication (9:00a – 11:00a; 2100 S. Azusa Ave., West Covina, CA 91792); J. Hawks will attend.
- April 17, 2012 – SB 1364 (Huff), SB 981 (Yee), SB 1000 (Yee), SB 1403 (Yee) Hearings (9:30a – 1:30p; State Capitol-Room3191; Sacramento; J. Hawks will attend and CWA will testify.
- April 19, 2012 – Ventura 20th Annual Water Symposium (8:00a – 2:00p; Marriott Courtyard; 600 E. Esplanade Dr., Oxnard, CA 93036); J. Hawks is a panelist.
- April 19, 2012 – California PUC Open Meeting (9:00a – 12:00p; 505 Van Ness Ave., San Francisco 94102).
- April 25, 2012 – Groundwater Resources Association – Annual Legislative Symposium and Lobby Day (8:00a – 4:30p; Citizen Hotel; 926 J St., Sacramento 95814); J. Hawks may attend.
- April 27, 2012 – CA Water Plan Update 2013 Groundwater Caucus (9:30a – 4:00p; Cal EPA Building, 1001 I St., Sacramento 95814); J. Hawks will attend.
- May 8-11, 2012 – Association of California Water Agencies – Spring Conference & Exposition (Portola and Marriott Hotels, Monterey, CA); J. Hawks will attend.
- May 10, 2012 – California PUC Open Meeting (9:00a – 12:00p; 505 Van Ness Ave., San Francisco 94102)
- May 13-18, 2012 – Center for Public Utilities Advanced Regulatory Training for Water and Wastewater Utilities (8:00a – 5:00p each day; Sheraton Uptown Hotel; 2600 Louisiana NE, Albuquerque, NM).
- May 15, 2012 – CWA Directors Meeting (9:30a-2:30p; Valencia Water; 24631 Avenue Rockefeller, Valencia, CA 91355); J. Hawks will attend.

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- May 16, 2012 – California Urban Water Conservation Council Board of Directors Meeting (9:30a – 3:00p; Kennedy Jenks, 2775 Ventura Blvd., Suite 100, Oxnard, CA 93036; J. Hawks will attend.
- May 24, 2012 – California PUC Open Meeting (9:00a – 12:00p; 505 Van Ness Ave., San Francisco 94102)
- May 30-31, 2012 – CUWCC NorCal Water Conservation Coordinator I/Water Use Efficiency I Workshop (9:00a–3:00p; San Francisco PUC; 1000 El Camino Real, Millbrae 94030); <http://www.cuwcc.org/WorkArea/showcontent.aspx?id=18714>.
- June 6-8, 2012 – CWA Annual Spring Conference/Regulatory, Small Company Seminar/Directors Meeting (1:00p on June 6; adjourns at 11:00a on June 8; Citizen Hotel; 926 J St., Sacramento 95814)
- June 11-13, 2012 – Western Conference of Public Service Commissioners Annual Meeting (8:00a – 5:00p; Sunriver Resort; 17600 Center Dr., Sunriver, OR 97707); J. Hawks will attend.
- June 19, 2012 – California Urban Water Conservation Council Advanced Metering Infrastructure Symposium (8:30a – 4:30p; LA Dept. of Water & Power; 1350 S. Wall St., Los Angeles, CA 90021); J. Hawks may attend.
- June 20, 2012 – CUWCC Plenary Meeting (9:30a – 3:00p; LA Dept. of Water & Power; 1350 S. Wall St., Los Angeles, CA 90021); J. Hawks will attend.
- June 28, 2012 – California Water Association Annual Northern California Contractors-Vendors Meeting (7:30a – 11:30a; location TBD).

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