

Docket : A.23-01-001  
Exhibit Number : Cal Adv - #  
Commissioner : Genevieve Shiroma  
Administrative Law Judge : Gerald Kelly  
Public Advocates Office  
Witness : Daphne Goldberg



**PUBLIC ADVOCATES OFFICE**  
**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**REPORT AND RECOMMENDATIONS  
ON OPERATIONS AND MAINTENANCE  
EXPENSES, ADMINISTRATIVE AND  
GENERAL EXPENSES, PAYROLL,  
AND CONSERVATION**

**[PUBLIC]**

**Application 23-01-001**

San Francisco, California  
August 14, 2023

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## **MEMORANDUM**

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) examined requests and data presented by Suburban Water Systems (Suburban) in Application (A.) 23-01-001 (Application) to provide the California Public Utilities Commission (Commission) with recommendations that represent the interests of ratepayers for safe and reliable service at the lowest cost. Daphne Goldberg prepared this report under the general supervision of Program Manager Richard Rauschmeier, Program & Project Supervisor Hani Moussa, and Project Lead Suliman Ibrahim. Shanna Foley is Cal Advocates legal counsel.

Although every effort was made to comprehensively review, analyze, and provide the Commission with recommendations on each ratemaking and policy aspect of the requests presented in the Application, the absence from Cal Advocates' testimony of any particular issue does not constitute its endorsement or acceptance of the underlying request, or the methodology or policy position supporting the request.



1 amount of water it purchased from Liberty Utilities and at the same time, increased the  
2 amount of water it purchased from the City of Compton to supply its Sativa customers.<sup>2 3</sup>

3 The Commission should require Suburban to include a market rate of at least  
4 \$146/AF for its forecasted lease of unused water rights.<sup>4</sup> This is the weighted average of  
5 available data on Central Basin leased water rights prices between 2018 and 2021.  
6 Utilizing the market rate for unused water rights leases will increase the credit  
7 Suburban’s ratepayers receive.

8 The Commission should recognize Suburban’s updated 2024 Main San Gabriel  
9 Basin (MSGB) Operating Safe Yield (OSY) as 150,000 AF,<sup>5</sup> which the Main San Gabriel  
10 Basin Watermaster has historically updated each fiscal year, since at least 2018.<sup>6</sup> The  
11 updated OSY saves \$2,666,140<sup>7</sup> by reducing the amount of purchased water needed.

12 The Commission should authorize \$3,746,763<sup>8</sup> for TY 2024 Purchased Power,  
13 which is a 6% increase from Suburban’s requested budget. Differences between

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<sup>2</sup> Between January 2023 and April 2023, Suburban purchased between 34AF and 36AF monthly from Liberty Utilities and small quantities of water monthly from the City of Compton, as needed (0.07AF to 1.04AF). However, in May 2023, Suburban purchased 17.7 AF from the City of Compton and 10AF from Liberty Utilities. Attachment 1-9: See Suburban’s response to Public Advocates Office data request CR8-009 Response #1 - Sativa (updated 6-15-2023). Also see Liberty’s response to Public Advocates Office data request SIB-002.

<sup>3</sup> The Commission should not authorize \$1,850,400 in 2024 for Suburban to purchase 514 acre-feet (AF) of water from Liberty Utilities to supply Suburban’s Sativa customers. A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3404.

<sup>4</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cells O3111.

<sup>5</sup> 2024 OSY calculation:  $(150,000+130,000)/2 = 140,000$ . See <https://www.watermaster.org/reports>

<sup>6</sup> Attachment 1-3: MSGB Watermaster Resolutions

<sup>7</sup> To calculate the savings of \$2,666,140: The updated OSY of 150,000 AF – 130,000 AF = 20,000 AF. The amount of 20,000 AF represents additional water available for Suburban to pump from the MSGB. Suburban’s share is 12.6%. Therefore,  $20,000 \text{ AF} \times 12.6\% = 2,520 \text{ AF}$  of additional water that is available for Suburban to pump from the MSGB instead of purchase. The cost of purchasing Replacement water is \$1,259.30/AF and the cost of pumping Suburban’s owned right is \$201.30/AF. Therefore, the difference is:  $\$1,259.30 - \$201.30 = \$1,058/\text{AF}$ . The resulting savings is  $= 2,520 \text{ AF} \times \$1,058 = \$2,666,160$ . See A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3097 and Cell O3098 for Replacement water cost/AF and Owned Right water cost/AF.

<sup>8</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O1880.



1 Suburban’s requested budgets and Cal Advocate’s budget recommendations are due to  
2 different estimated consumption.<sup>2</sup>

3 The Commission should authorize a 0.14%<sup>10</sup> rate for uncollectible expense for TY  
4 2024, which is the average ratio of uncollectible expense to revenue for the most recently  
5 available five-years of recorded data, 2017-2021.

6 The Commission should authorize \$367,882<sup>11</sup> for Postage in TY 2024, which is a  
7 20% reduction from Suburban’s 2018-2022 average recorded costs, adjusted for  
8 inflation.<sup>12</sup> An estimated 15,000, or 20% of Suburban’s total customers, will be enrolled  
9 in paperless billing by the TY 2024, which will save Suburban postage and mailing costs.

10 The Commission should authorize \$69,477<sup>13</sup> for Billstock Envelopes in TY 2024,  
11 which is a 20% reduction from Suburban’s 2018-2022 average recorded costs, adjusted  
12 for inflation.<sup>14</sup> Similar to Suburban’s forecasted Postage budget, an increase in customer  
13 enrollment in Suburban’s paperless billing program will reduce mailing envelope costs.<sup>15</sup>

14 The Commission should authorize \$319,817<sup>16</sup> annually for Suburban’s forecasted  
15 TY 2024 conservation budget because Suburban has not justified its forecasted budgets

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<sup>2</sup> For a discussion of sales forecasts, see Public Advocates Office “Report on Sales & Operational Revenues, Rate Design and BAMA”.

<sup>10</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O2577

<sup>11</sup> Suburban’s 2024 forecasted Postage budget is in A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cell O2560.

<sup>12</sup> The 2024 recommended Postage amount is based on Suburban’s 2018-2022 recorded Postage costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>13</sup> Suburban’s 2024 forecasted Billstock Envelopes budget is in A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cell O2555.

<sup>14</sup> The 2024 recommended Billstock Envelopes amount is based on Suburban’s 2018-2022 recorded Billstock Envelopes costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>15</sup> A.23-01-001 Suburban’s Results of Operations Report, p. 12-6.

<sup>16</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O2592.

1 for four of its eight proposed conservation programs (two new programs and to continue  
2 two existing ones).

3 The Commission should only allow escalation for attrition-year (2025) expenses  
4 by escalating the expenses with the CPI-U escalation factors as provided by the Rate  
5 Case Plan (RCP).<sup>17</sup>

### 6 **III. ANALYSIS**

#### 7 **A. Sources of Supply:**

8 Suburban’s sources of supply include groundwater pumped from the Main San  
9 Gabriel Basin and the Central Basin and water purchased from wholesalers such as the  
10 Metropolitan Water District, Cal Domestic, Covina Irrigation, and Walnut Valley to  
11 supply its San Jose Hills and Whittier/La Mirada service areas.

#### 12 **1. Purchased Water for Sativa Customers**

13 The Commission should authorize \$691,844<sup>18</sup> in TY 2024 for Suburban to  
14 purchase water from the City of Compton to supply its Sativa customers, which will  
15 result in ratepayer savings of \$1,158,556 in 2024. In May 2023, Suburban reduced the  
16 amount of water it purchased from Liberty Utilities and at the same time, increased the  
17 amount of water it purchased from the City of Compton to supply its Sativa customers.<sup>19</sup>

18 20

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<sup>17</sup> D.07-05-062, *Opinion Adopting Revised Rate Case Plan for Class A Water Utilities*, Appendix A at p.A-19.

<sup>18</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3405.

<sup>19</sup> Between January 2023 and April 2023, Suburban purchased between 34AF and 36AF monthly from Liberty Utilities and small quantities of water monthly from the City of Compton, as needed (0.07AF to 1.04AF). However, in May 2023, Suburban purchased 17.7 AF from the City of Compton and 10AF from Liberty Utilities. Attachment 1-9: See Suburban’s response to Public Advocates Office data request CR8-009 Response #1 - Sativa (updated 6-15-2023). Also see Liberty’s response to Public Advocates Office data request SIB-002.

<sup>20</sup> The Commission should not authorize \$1,850,400 in 2024 for Suburban to purchase 514 acre-feet (AF) of water from Liberty Utilities to supply Suburban’s Sativa customers. A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3404

1           From January 2023 until May 2023, Suburban purchased between 34AF and 36AF  
2 of water monthly from Liberty Utilities to supply its Sativa customers at a rate of  
3 \$3,600/AF. <sup>21</sup> <sup>22</sup> During the same time period, Suburban purchased 1AF or less monthly  
4 from the City of Compton because it did not have an active service connection with the  
5 City of Compton.<sup>23</sup> Suburban increased its purchased water supply from the City of  
6 Compton in May 2023, after the City of Compton city council passed a resolution on  
7 April 25, 2023 to enter into an “active interconnection water supply agreement with  
8 Suburban.”<sup>24</sup> The Sativa system demand can be met by the City of Compton’s well water  
9 supply.<sup>25</sup> In May 2023, Suburban purchased 17.7AF from the City of Compton and  
10 decreased the amount of water purchased from Liberty Utilities to 10AF (from 34AF in  
11 April 2023).<sup>26</sup>

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<sup>21</sup> Between January 2023 and April 2023, Suburban purchased between 34AF and 36AF monthly from Liberty Utilities and small quantities of water monthly from the City of Compton, as needed (0.07AF to 1.04AF). However, in May 2023, Suburban purchased 17.7 AF from the City of Compton and 10AF from Liberty Utilities. Attachment 1-9: See Suburban’s response to Public Advocates Office data request CR8-009 Response #1 - Sativa (updated 6-15-2023). Also see Liberty’s response to Public Advocates Office data request SIB-002.

<sup>22</sup> A.21-08-0111, Suburban Water System, Petition for Modification of D.22-04-010, Attachment E.

<sup>23</sup> Between December 2022 and April 2023, Suburban also purchased small quantities of water monthly from the City of Compton, as needed (0.07AF to 1.81AF). See Suburban’s response to Public Advocates Office data request CR8-009 Response #1 - Sativa (updated 6-15-2023).

<sup>24</sup> See April 25, 2023, City of Compton City Council Meeting, Agenda Item Number 12 and meeting recording. <https://www.comptoncity.org/departments/city-clerk/agendas-meetings-and-minutes/city-council-agenda>

<sup>25</sup> Attachment 1-10: State Water Resources Control Board Division of Drinking Water, Southern California Drinking Water Field Operations Branch, PERMIT AMENDMENT NO. 1910147PA-001 Suburban Water Systems - Sativa, Los Angeles County, System No. 1910147, Section 2.1 Source Water for the City of Compton Interconnection and Section 2.2. City of Compton Interconnection, April 2023, pp.5-6.

<sup>26</sup> Between December 2022 and April 2023, Suburban also purchased small quantities of water monthly from the City of Compton, as needed (0.07AF to 1.81AF). See Suburban’s response to Public Advocates Office data request CR8-009 Response #1 - Sativa (updated 6-15-2023).



1 Suburban chose not to inform the Commission about its purchased water  
2 agreement with the City of Compton, even though it had multiple opportunities to do so.  
3 Suburban did not disclose its pending or approved agreement with the City of Compton  
4 to purchase water regularly in its proposed application filed in November 2022, final  
5 GRC application filed in January 2023;<sup>35</sup> its 2023 petition for modification of decision  
6 regarding its Sativa acquisition<sup>36</sup> dated January 30, 2023; during the March 7-9, 2023 Cal  
7 Advocates’ field visit; or in response to discovery, dated April 5, 2023.<sup>37</sup> In response to  
8 discovery regarding any updates to potential changes to its purchased water forecast,  
9 Suburban stated that it “ is not required to update the RO Model for changes in forecasted  
10 purchased water costs...”<sup>38</sup> It is unclear why Suburban decided not to update the  
11 Commission about its purchased water sources.

12 **ii. Ratepayers Should Not Pay For the Most Expensive**  
13 **Available Water Supply When a More Affordable Supply**  
14 **is Available**

15 Ratepayers should not pay for the most expensive water supply at the same time  
16 Suburban is purchasing an equivalent, cheaper, safe, and reliable water supply.  
17 Suburban’s decision not to inform the Commission of its purchased water supply changes  
18 is concerning. Liberty Utilities’ purchased water rate of \$3,600/AF is sixteen times higher  
19 than the rate for the most affordable, available, safe water supply, \$264/AF (Valencia  
20 Heights)<sup>39</sup>, and approximately 8% greater than MWD’s highest rate of \$2,960/AF for the  
21 Main San Gabriel Basin.<sup>40</sup> Buying water from the City of Compton will result in  
22 ratepayer savings of \$1,158,556 in 2024. Therefore, the Commission should remove

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<sup>35</sup> A.23-01-001, A.21.08-0111, Suburban Water System, Petition for Modification of D.22-04-010.

<sup>36</sup> Suburban’s A.21-08-011, Petition for Modification of D.22-04-010.

<sup>37</sup> Attachment 1-4: Suburban’s response to Public Advocates Office data request DR DG-14, Q.1.

<sup>38</sup> Attachment 1-4: Suburban’s response to Public Advocates Office Data Request DG-14, Q.1.

<sup>39</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell M3260.

<sup>40</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell M3277.

1 \$1,850,400 in TY 2024 from Suburban’s forecasted budget to purchase water from  
2 Liberty Utilities for Suburban’s Sativa customers. Instead, the Commission should  
3 authorize \$691,844 in TY 2024 for Suburban to purchase water from the City of  
4 Compton to supply its Sativa customers.

5 **2. Source of Supply: Pumped Water - Central Basin**  
6 **Unused Water Rights – Compliance with the**  
7 **Commission’s 2021 Decision**

8 Suburban is required to comply with the Commission’s 2021 Decision regarding  
9 notification of unused Central Basin water rights leases and corresponding accounting  
10 treatment.<sup>41</sup> <sup>42</sup> During Suburban’s 2020 GRC proceeding,<sup>43</sup> Suburban had been found to  
11 be leasing out its unused Central Basin water rights, since at least 2004, without notifying  
12 the Commission or crediting ratepayers for the revenues received from the leases.<sup>44</sup> As a  
13 result, the Commission’s 2021 decision included compliance requirements going  
14 forward, such as:<sup>45</sup>

- 15 1) Suburban will file a Tier 1 Advice Letter with the Commission before leasing  
16 its water rights out to other entities, which resolves Cal Advocates’ concerns  
17 with compliance with Public Utilities Code Section 851 going forward.
- 18 2) Beginning with its next GRC period and continuing in subsequent GRC cases,  
19 Suburban will forecast funds for any unused owned water rights during that  
20 GRC period in its RO Model as a reduction to revenue requirement based on  
21 the number of unused acre feet multiplied by the most recent recorded lease  
22 price for the type of unused rights at the time of the GRC filing.

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<sup>41</sup> D.21-10-024, Settlement Agreement, p.30.

<sup>42</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell L2233, Row 2892, and Row 3388. Also see Attachment 1-2: Suburban’s response to Public Advocates Office data request DG-05, Q.1.

<sup>43</sup> A.20-03-001

<sup>44</sup> Central Basin Water Master Reports 2005-2018 <https://www.wrd.org/content/central-basin-watermaster-reports>

<sup>45</sup> D.21-10-024, Settlement Agreement, p.30-31.



1 3) Use new source codes for Central Basin lease-ins and a new source code for  
2 Central Basin lease-outs.

3 After the Commission’s 2021 Decision, Suburban filed multiple Tier 1 Advice  
4 Letters notifying the Commission of Central Basin unused water rights lease  
5 agreements.<sup>46 47</sup>

6 Suburban added new source codes for Central Basin lease-outs<sup>48</sup> in its Results of  
7 Operation Model. In 2021, Suburban credited ratepayers \$118,750 <sup>49 50 51</sup> from its  
8 Central Basin unused water rights lease agreement revenues.<sup>52</sup> Suburban also continues  
9 to forecast ratepayer credits in its GRC application.<sup>53</sup>

10 **i. Central Basin Unused Water Rights Lease Price and**  
11 **Ratepayer Credits**

12 The Commission should require Suburban to include a market rate of at least  
13 \$146/AF for its forecasted lease of unused water rights.<sup>54</sup> This is the weighted average of  
14 available data on Central Basin leased water rights prices between 2018 and 2021.  
15 Suburban’s annual ratepayer credit from unused water right leases is equal to the unused

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<sup>46</sup> Suburban Water’s 2022 Advice Letter Filings: “Water Lease Agreement” Advice Letters  
<https://www.swwc.com/suburban/regulatory-advice-letters/>

<sup>47</sup> A.23-01-001, Suburban’s Vol. II Supporting Documents, p.333-348.

<sup>48</sup> The term “Lease-out” refers to the unused Central Basin water rights Suburban leases to other agencies.

<sup>49</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell L2233.

<sup>50</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Row 3388.

<sup>51</sup> In 2021, Suburban credited its ratepayers the revenues from its 2020/2021 water rights lease of 950 AF at \$125/AF to La Habra Heights County Water District. In 2022, Suburban credited its ratepayers the revenues from its Fiscal Year 2021/2022 water rights leases. See Attachment 1-8: Suburban’s response to Public Advocates Office data request DG-17, Q.1, and Q.2.

<sup>52</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell L2233.

<sup>53</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Row 3388.

<sup>54</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cells O3111.

1 water rights lease revenues. Therefore, the higher the lease rate, the higher the revenues  
 2 and ratepayer credit.

3 **ii. Central Basin Unused Water Rights Lease Price**

4 The Commission should require a rate of \$146/AF for water rights leases.<sup>55</sup>  
 5 Suburban’s customers should be credited for revenues Suburban receives from its Central  
 6 Basin unused water rights leases, according to current market conditions. A rate of  
 7 \$146/AF is the weighted average rate of available water rights lease rates from other  
 8 entities leasing water rights to the Central Basin, as shown in Table 1-1 below.

9 **Table 1-1: Central Basin Water Rights Average Rate (\$/AF)<sup>56</sup>**

Year	Lessor	Lessee	AF	Cost/AF	Total Cost
2021/2022	City of SouthGate	Rockview Dairies, Inc.	50	\$ 190	\$ 9,500
2020/2021	City of SouthGate	City of Cerritos	1,000	\$ 190	\$ 190,000
2020/2021	City of SouthGate	Rockview Dairies, Inc.	100	\$ 190	\$ 19,000
2021/2022	City of Bell Gardens	Liberty Utilities	750	\$ 120	\$ 90,000
2020/2021	City of Bell Gardens	Liberty Utilities	750	\$ 120	\$ 90,000
2020/2021	San Gabriel Valley Water Company	Montebello Land and Water Company	1,000	\$ 140	\$ 140,000
2019	San Gabriel Valley Water Company	Montebello Land and Water Company	400	\$ 140	\$ 56,000
2018/2019	San Gabriel Valley Water Company	Liberty Utilities	20	\$ 50	\$ 1,000
		<b>Total</b>	<b>4,070</b>		<b>\$ 595,500</b>
			<b>2018-2022 Weighted Average Cost/AF</b>		<b>\$ 146.31</b>

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<sup>55</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cells O3111 and P3111.

<sup>56</sup> Attachment 1-6 includes a reference for each lease listed in Table 1-1.

The references for the three City of SouthGate leases:

[https://www.google.com/url?sa=i&ret=j&q=&esrc=s&source=web&cd=&ved=0CDgQw7AJahcKEwjQ2LLFx8OAAxUAAAAAHQAAAAAQAg&url=https%3A%2F%2Fwww.cityofsouthgate.org%2Ffiles%2Fsharedassets%2Fpublic%2Fmeetings%2Fitem-11-report-05102022.pdf&psig=AOvVaw3tPc\\_TUXQ1ai096mGg1Ji6&ust=1691257550347493&opi=89978449](https://www.google.com/url?sa=i&ret=j&q=&esrc=s&source=web&cd=&ved=0CDgQw7AJahcKEwjQ2LLFx8OAAxUAAAAAHQAAAAAQAg&url=https%3A%2F%2Fwww.cityofsouthgate.org%2Ffiles%2Fsharedassets%2Fpublic%2Fmeetings%2Fitem-11-report-05102022.pdf&psig=AOvVaw3tPc_TUXQ1ai096mGg1Ji6&ust=1691257550347493&opi=89978449)

The references for the two City of Bell Gardens-Liberty Utilities leases:

<https://agenda.bellgardens.org/AgendaPublic/CoverSheet.aspx?ItemID=1511&MeetingID=332>

The references for the two San Gabriel Valley Water Company – Montebello Land and Water Company and San Gabriel Valley Water Company-Liberty Utilities leases are included in A.22-01-003, Data Request Response AA9-005, Attachment 1.

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As shown in Table 1-2, for the fiscal year 2021/2022, the City of South Gate (“South Gate”) agreed with Rockview Dairies, Inc. to lease 50 A/F of its Central Basin water rights at a rate of \$190/AF for a one-year term and San Gabriel Valley Water District agreed with Montebello Land and Water Company to lease 1,000 AF at a rate of \$140/AF. For the fiscal year 2018/2019, San Gabriel Valley Water Company entered into an agreement with Liberty Utilities to lease its water rights at a \$50/AF rate. The weighted average rate of \$146.31/AF represents current market conditions.

Suburban currently leases its unused Central Basin water rights at an average rate of \$97.11/AF.<sup>57</sup> However, Suburban should forecast an assumed Central Basin unused water right lease rate of at least \$146/AF in its Results of Operations Model, which is a more reasonable.<sup>58</sup> Therefore, the Commission should require Suburban to assume a rate of \$146/AF to be included in its Results of Operations model.<sup>59</sup>

**iii. Central Basin Unused Water Rights Ratepayer Credit**

Suburban’s ratepayer credit from water rights lease revenues will increase if Suburban forecasts an assumed rate of \$146/AF based on available water right lease rate data.<sup>60</sup> For example, if Suburban leases 100AF of unused Central Basin water rights in a one-year period, the revenues/ratepayer credit at \$97/AF would be \$9,700. In comparison, the revenues/ratepayer credit for 100AF at \$146/AF would be \$14,600, which is approximately 34% higher.

Suburban’s inability to use all its Central Basin water rights harms ratepayers because Suburban must purchase water, which costs more than pumping well water. For example, Suburban purchases water from MWD (Tier One) at a rate of approximately

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<sup>57</sup> A.23-01-001 Suburban’s Workpapers Vol II Confidential (GRC application), p.333 and A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Row 3111.

<sup>58</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3111.

<sup>59</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3111.

<sup>60</sup> Assuming Suburban leases all its unused Central Basin water rights at a rate of \$146/AF.

1 \$1,380/AF,<sup>61</sup> compared to \$400/AF,<sup>62</sup> which is the approximate cost of pumping water  
2 from one of its wells. If Suburban pumped all its Central Basin water rights, the ratepayer  
3 savings would be approximately \$980/AF (\$1,380/AF Purchased Water-\$400/AF  
4 Pumped Water). To mitigate the harm to ratepayers from Suburban’s mismanagement of  
5 its Central Basin water rights, Suburban should credit ratepayers the current market rate  
6 for its unused Central Basin water right leases.<sup>63</sup>

7 In a competitive market, a company could lease its unused water rights at the  
8 highest rate the market allows. Therefore, the Commission should require Suburban to  
9 include an assumed rate of, at least, \$146/AF for its forecasted unused water rights leases  
10 in its Results of Operations Model,<sup>64</sup> which will increase the corresponding ratepayer  
11 credit and minimize the rate impact of additional purchased water cost.

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13 **iv. Main San Gabriel Water Basin 2024 Operating Safe Yield**

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15 The Commission should recognize Suburban’s updated 2024 Main San Gabriel  
16 Basin (MSGB) Operating Safe Yield (OSY) as 150,000 AF,<sup>65</sup> which the Main San  
17 Gabriel Basin Watermaster has historically updated each fiscal year, since at least 2018.<sup>66</sup>  
18 Suburban should use a 2024 MSGB OSY of 150,000 AF,<sup>67</sup> instead of an assumed 2024

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<sup>61</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Row 3287.

<sup>62</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Row 3114.

<sup>63</sup> Attachment 1-12: See A.20-01-003 Workpapers Vol. III-D – Planned Project Descriptions CP-445 – Plant 41-0 Treatment Plant at p.5. Suburban stated “[u]nder producing Suburban’s central basin rights is a lost benefit for Suburban Customers.” A.20-01-003 Workpapers Vol. III-D – Planned Project Descriptions CP-445 – Plant 41-0 Treatment Plant at pp.5-6.

<sup>64</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3111.

<sup>65</sup> 2024 OSY calculation:  $(150,000+130,000)/2=140,000$ . See <https://www.watermaster.org/reports>

<sup>66</sup> Attachment 1-3: MSGB Watermaster Resolutions

<sup>67</sup> Attachment 1-3: MSGB Watermaster Resolutions and see <https://www.watermaster.org/reports>

1 MSGB OSY of 130,000 in its RO model.<sup>68</sup> The MSGB<sup>69</sup> Watermaster establishes the  
2 OSY for the Main San Gabriel Basin for the following fiscal year and estimates for the  
3 next four fiscal years. The OSY is the amount of water that can be pumped in a fiscal  
4 year without replacement water assessments and can fluctuate annually.<sup>70</sup> Historically,  
5 the MSGB Watermaster establishes five fiscal years' OSY per each resolution. However,  
6 the MSGB Watermaster updates the most recently published OSY from 130,000 to  
7 150,000 AF the following fiscal year. For example, the MSGB Watermaster's May 2021  
8 Resolution established the fiscal year 2022/2023 OSY of 130,000 AF<sup>71</sup>, but in its May  
9 2022 Resolution, it updated the fiscal year 2022/2023 OSY to 150,000 AF.<sup>72</sup> Similarly,  
10 the MSGB Watermaster Resolution dated May 2022 established a fiscal year 2023/2024  
11 OSY of 130,000 AF, which it updated to 150,000 AF in its May 2023 Resolution.<sup>73</sup>

12 Suburban's 2024 share of the OSY is approximately 12.6%.<sup>74</sup> The 12.6%  
13 represents the baseline amount of water Suburban can pump from the MSGB without  
14 incurring additional assessments. The higher the OSY, the more water Suburban can  
15 pump from the Main San Gabriel Basin.

16 The Watermaster's most recent resolution includes a 2023/2024 OSY of  
17 150,000AF and 2024/2025 OSY of 130,000 AF. Based on a review of historical MSGB  
18 Watermaster resolutions, the MSGB Watermaster will update the 2024/2025 OSY of

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<sup>68</sup> A.23-01-001 Suburban's Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3111.

<sup>69</sup> The Main San Gabriel Basin Watermaster is an agency charged with administering adjudicated water rights and is devoted to the management and protection of groundwater resources, within the watershed and groundwater basin known as the Main San Gabriel Groundwater Basin in Los Angeles County, California. See <https://www.watermaster.org/>

<sup>70</sup> The Main San Gabriel Basin Watermaster issues Resolutions that include the forecasted annual OSY. Resolution No. <https://www.watermaster.org/resolutions>

<sup>71</sup> MSGB Watermaster Resolution No. 05-21-307

<sup>72</sup> MSGB Watermaster Resolution No. 05-22-312

<sup>73</sup> MSGB Watermaster Report on Final Determination of Operating Safe Yield For 2023-2024 to 2027-2028, p.17, May 3, 2023.

<sup>74</sup> A.23-01-001 Suburban's Workpapers Vol I Confidential (GRC application), tab MODEL, Row 2890.

1 130,000 AF to 150,000 AF when it publishes its next resolution. Therefore, the  
2 Commission should require Suburban to update its 2024 Main San Gabriel Basin  
3 (MSGB) Operating Safe Yield (OSY) to 150,000 AF. The updated OSY saves  
4 \$2,666,140<sup>75</sup> by reducing the amount of purchased water needed.

5  
6 **B. Purchased Power**

7 The Commission should authorize \$3,746,763<sup>76</sup> for TY 2024 Purchased Power,  
8 which is a 6% increase from Suburban’s requested budget. Differences between  
9 Suburban’s requested budgets and Cal Advocate’s budget recommendations are due to  
10 different estimated consumption.<sup>77</sup> Purchased power expense is the cost of electricity and  
11 gas needed to pump and deliver water in both the San Jose Hills and Whittier/La Mirada  
12 districts. Suburban primarily uses power purchased from the Southern California Edison  
13 Company (“SCE”) and a small amount of natural gas purchased from the Southern  
14 California Gas Company (“SCG”). Suburban’s TY 2024 forecast is based on the  
15 estimated amount of water to be produced in TY 2024, the 2021 recorded production  
16 factor or average kilowatt-hour (“kWh”) per unit of production, and SCE’s per kWh rate  
17 as of June 1, 2022. For natural gas, Suburban’s estimate is based on SCG’s average  
18 recorded rate from January 2021 through December 2021.

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<sup>75</sup>To calculate the savings of \$2,666,140: The updated OSY of 150,000 AF – 130,000 AF = 20,000 AF. The amount of 20,000 AF represents additional water available for Suburban to pump from the MSGB. Suburban’s share is 12.6%. Therefore, 20,000 AF\*12.6% = 2,520 AF of additional water that is available for Suburban to pump from the MSGB instead of purchase. The cost of purchasing Replacement water is \$1,259.30/AF and the cost of pumping Suburban’s owned right is \$201.30/AF. Therefore, the difference is: \$1,259.30–\$201.30 = \$1,058/AF. The resulting savings is = 2,520 AF x \$1,058 = \$2,666,160. See A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3097 and Cell O3098 for Replacement water cost/AF and Owned Right water cost/AF.

<sup>76</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O1880.

<sup>77</sup> For a discussion of sales forecasts, see Public Advocates Office “Report on Sales & Operational Revenues, Rate Design and BAMA”.



1 **C. Uncollectible Expense Rate**

2 The Commission should authorize a 0.14%<sup>78</sup> rate for uncollectible expense for TY  
3 2024, which is the average ratio of uncollectible expense to revenue for the most recently  
4 available five-years of recorded data, 2017-2021. The uncollectible expense is based on  
5 the proposed uncollectible rate, multiplied by Suburban’s estimated water service  
6 revenues.

7 Suburban’s estimate of a 0.45%<sup>79</sup> Uncollectible Rate for TY 2024, is unreasonable  
8 because it is approximately three times higher than its recorded five-year average, 2017-  
9 2021 rate of 0.14%.<sup>80</sup>

10 In addition, Suburban’s recorded 2021 Uncollectible Rate was 0.12%, which is  
11 even lower than the Uncollectible Rate of 0.13% included in the Commission’s 2021  
12 decision for Suburban’s prior GRC application.<sup>81</sup> In its prior GRC application,  
13 Suburban’s 2021 proposed Uncollectible Rate of 0.45% was approximately three-times  
14 higher than its recorded five-year, 2014-2018, average of 0.13%.<sup>82</sup> Ultimately, the  
15 Commission’s 2021 decision included a forecasted 2021 TY Uncollectible Rate of 0.13%  
16 for Suburban’s 2019 GRC application.<sup>83 84</sup>

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<sup>78</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O2577

<sup>79</sup> A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cell O2577.

<sup>80</sup> Suburban’s recorded 2017-2021 uncollectible rates are: 2017: 0.11%, 2018: 0.11%, 2019: 0.17%, 2020: 0.18%, 2021: 0.12%. Therefore, the average is 0.14% (rounded). A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cells H2577 to L2577.

<sup>81</sup> A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cell L2577.

<sup>82</sup> .20-03-001 Suburban’s workpapers Vol I, tab Model, Cell O2577.

<sup>83</sup> D.21-10-024, Settlement, p. 13.

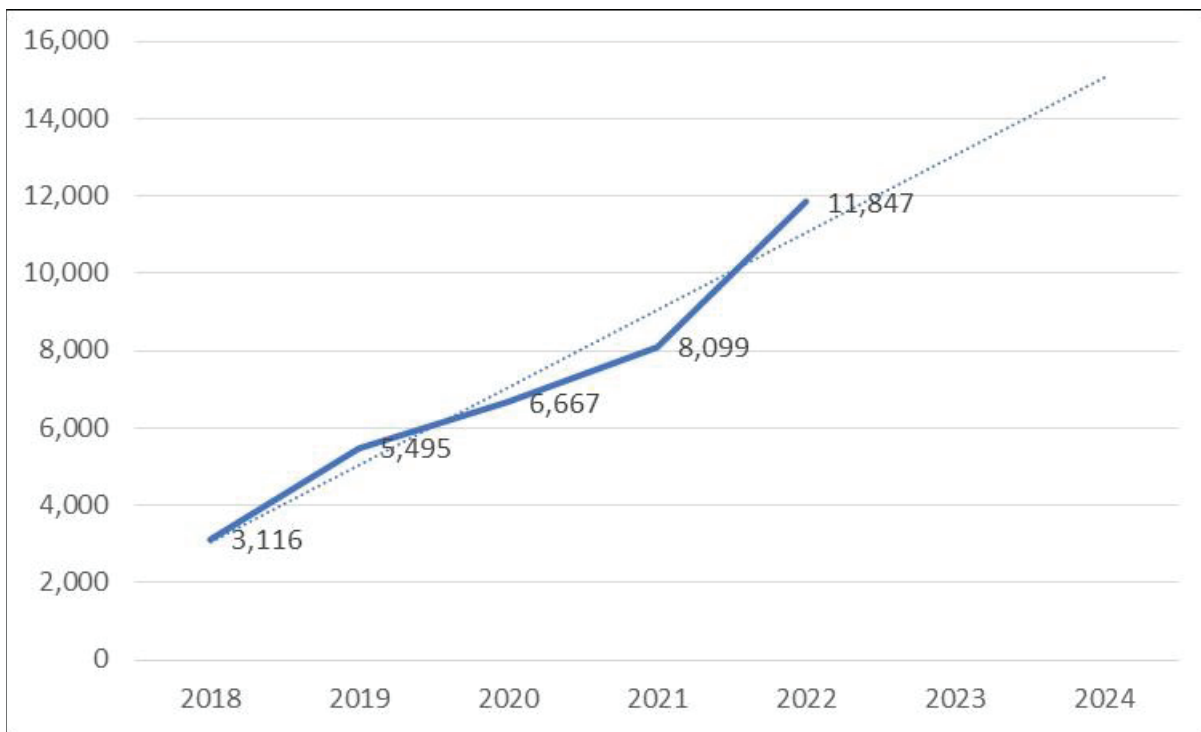
<sup>84</sup> Suburban’s recorded uncollectibles rates during COVID were, 2020: 0.18% and 2021: 0.12%. Commission Resolution R.17-06-024 requires that Class A water utilities file monthly compliance filings reporting the number of customers with unpaid bills for more than 79 days. These customers would face disconnection. Suburban’s most recent filing identified 7,093 customers, which is 45% less than Suburban’s July 2021 to December 2021 estimated average number of customers facing disconnection. Suburban estimated that between July 2021 and December 2021, an average of 12,905 customers would

1           Therefore, the average of the most recently available five-years (2017-2021) is the  
2 most reasonable approach to calculate the uncollectible rate.

3 **D.   Customer Account Expenses: Postage (Subaccount 336)**

4           The Commission should authorize \$367,882<sup>85</sup> for Postage in TY 2024, which is a  
5 20% reduction from Suburban’s 2018-2022 average recorded costs, adjusted for  
6 inflation.<sup>86</sup> An estimated 15,000 Suburban customers will be enrolled in paperless  
7 billing by the TY 2024, as shown by the trend line in Chart 1-1, below.

8           **Chart 1-1: Number of Suburban Customers Enrolled in Paperless Billing**



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face disconnections per month, without customer protections in place. See Attachment 1-11: Suburban’s February 2023 R.17-06-024 Report and Advice Letter 353-W, p.10.

<sup>85</sup> Suburban’s 2024 forecasted Postage budget is in A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cell O2560.

<sup>86</sup> The 2024 recommended Postage amount is based on Suburban’s 2018-2022 recorded Postage costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

1 Suburban encourages its customers to enroll in its paperless billing program.  
2 Increased enrollment in paperless billing saves Suburban both postage and mailing  
3 costs<sup>87</sup> because customers can view their bills online and water usage data using  
4 Suburban's WaterSmart software program.<sup>88</sup> As of 2022, 11,847, or 15%, of Suburban's  
5 customers are enrolled in Suburban's paperless billing service,<sup>89</sup> and an estimated 15,000  
6 customers, or 20% of Suburban's total customers, will be enrolled by 2024. In addition,  
7 34,373 of Suburban's customers are using its WaterSmart software program.<sup>90</sup> Both  
8 programs reduce postage costs since Suburban's customers can receive and view  
9 correspondence online.

10 Suburban's 2024 TY estimate is based on the average of its five-year (2017-  
11 2021) recorded costs. However, postage costs will decrease as additional customers  
12 enroll in paperless billing. Therefore, the Commission should authorize \$367,882, a 20%  
13 reduction from Suburban's 2018-2022 average costs.

14 **E. Customer Account Expenses: Billstock Envelopes (Subaccount**  
15 **230)**

16 The Commission should authorize \$69,477<sup>91</sup> for Billstock Envelopes in TY 2024,  
17 which is a 20% reduction from Suburban's 2018-2022 average recorded costs, adjusted

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<sup>87</sup> A.23-01-001, Results of Operations Report, p.12-6.

<sup>88</sup> Attachment 4-1: Suburban's response to Public Advocates data request DG-02, Q.1.b.

<sup>89</sup> 11,847 customers enrolled in paperless billing/76,656 total customers = 15%. Suburban's response to Public Advocates Office data request KN3-05, Q.1.b. and 1.e.

<sup>90</sup> Attachment 4-1: Suburban's response to Public Advocates data request DG-02, Q.1.c.and 1.d.

<sup>91</sup> Suburban's 2024 forecasted Billstock Envelopes budget is in A.23-01-001 Suburban's workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cell O2555.

1 for inflation.<sup>22</sup> Similar to Suburban’s forecasted Postage budget, an increase in customer  
2 enrollment in Suburban’s paperless billing program will reduce mailing envelope costs.<sup>23</sup>

3 Suburban’s 2024 TY estimate is based on the average of its five-year (2017-2021)  
4 recorded costs. However, to account for increased customer paperless billing enrolment,  
5 the Commission should authorize \$69,477.

6 **F. Water Conservation**

7 A discussion of Suburban’s Water Conservation program is in Chapter 4 of this  
8 report.

9 **G. Suburban Should Not Forecast 2025 Expenses**

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11 The Commission should only allow escalation for attrition-year (2025) expenses  
12 by escalating the expenses with the CPI-U escalation factors as provided by the Rate  
13 Case Plan (RCP).<sup>24</sup> Suburban forecasts some of its 2025 Attrition Year expenses, which  
14 defeats the Commission goal of streamlining the ratemaking process. The Commission  
15 should follow its Class A Water RCP and deny Suburban’s proposals.

16 **IV. CONCLUSION**

17 The Commission should authorize \$691,844<sup>25</sup> in TY 2024 for Suburban to  
18 purchase water from the City of Compton to supply its Sativa customers, which will  
19 result in ratepayer savings of \$1,158,556 in 2024.

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<sup>22</sup> The 2024 recommended Billstock Envelopes amount is based on Suburban’s 2018-2022 recorded Billstock Envelopes costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>23</sup> A.23-01-001 Suburban’s Results of Operations Report, p. 12-6.

<sup>24</sup> D.07-05-062, *Opinion Adopting Revised Rate Case Plan for Class A Water Utilities*, Appendix A at p.A-19.

<sup>25</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3405.

1 The Commission should require Suburban to include a market rate of at least  
2 \$146/AF for its forecasted lease of unused water rights.<sup>96</sup> This is the weighted average of  
3 available data on Central Basin leased water rights prices between 2018 and 2021.  
4 Utilizing the market rate for unused water rights leases will increase the credit  
5 Suburban’s ratepayers receive.

6 The Commission should recognize Suburban’s updated 2024 Main San Gabriel  
7 Basin (MSGB) Operating Safe Yield (OSY) as 150,000 AF,<sup>97</sup> which the Main San  
8 Gabriel Basin Watermaster has historically updated each fiscal year, since at least 2018.<sup>98</sup>  
9 The updated OSY saves \$2,666,140<sup>99</sup> by reducing the amount of purchased water needed.

10 The Commission should authorize \$3,746,763<sup>100</sup> for TY 2024 Purchased Power,  
11 which is a 6% increase from Suburban’s requested budget. Differences between  
12 Suburban’s requested budgets and Cal Advocate’s budget recommendations are due to  
13 different estimated consumption.<sup>101</sup>

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<sup>96</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cells O3111.

<sup>97</sup> 2024 OSY calculation:  $(150,000+130,000)/2=140,000$ . See <https://www.watermaster.org/reports>

<sup>98</sup> Attachment 1-3: MSGB Watermaster Resolutions

<sup>99</sup>To calculate the savings of \$2,666,140: The updated OSY of 150,000 AF – 130,000 AF = 20,000 AF. The amount of 20,000 AF represents additional water available for Suburban to pump from the MSGB. Suburban’s share is 12.6%. Therefore,  $20,000 \text{ AF} \times 12.6\% = 2,520 \text{ AF}$  of additional water that is available for Suburban to pump from the MSGB instead of purchase. The cost of purchasing Replacement water is \$1,259.30/AF and the cost of pumping Suburban’s owned right is \$201.30/AF. Therefore, the difference is:  $\$1,259.30 - \$201.30 = \$1,058/\text{AF}$ . The resulting savings is  $= 2,520 \text{ AF} \times \$1,058 = \$2,666,160$ . See A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O3097 and Cell O3098 for Replacement water cost/AF and Owned Right water cost/AF.

<sup>100</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O1880.

<sup>101</sup> For a discussion of sales forecasts, see Public Advocates Office “Report on Sales & Operational Revenues, Rate Design and BAMA”.

1           The Commission should authorize a 0.14%<sup>102</sup> rate for uncollectible expense for TY  
2 2024, which is the average ratio of uncollectible expense to revenue for the most recently  
3 available five-years of recorded data, 2017-2021.

4           The Commission should authorize \$367,882<sup>103</sup> for Postage in TY 2024, which is a  
5 20% reduction from Suburban’s 2018-2022 average recorded costs, adjusted for  
6 inflation.<sup>104</sup> An estimated 15,000, or 20% of Suburban’s total customers will be enrolled  
7 in paperless billing by the TY 2024, which will save Suburban postage and mailing costs.

8           The Commission should authorize \$69,477<sup>105</sup> for Billstock Envelopes in TY 2024,  
9 which is a 20% reduction from Suburban’s 2018-2022 average recorded costs, adjusted  
10 for inflation.<sup>106</sup> Similar to Suburban’s forecasted Postage budget, an increase in customer  
11 enrollment in Suburban’s paperless billing program will reduce mailing envelope  
12 costs.<sup>107</sup>

13           The Commission should authorize \$319,817<sup>108</sup> annually for Suburban’s forecasted  
14 TY 2024 conservation budget because Suburban has not justified its forecasted budgets  
15 for four of its eight proposed conservation programs (two new programs and to continue  
16 two existing ones).

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<sup>102</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O2577

<sup>103</sup> Suburban’s 2024 forecasted Postage budget is in A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cell O2560.

<sup>104</sup> The 2024 recommended Postage amount is based on Suburban’s 2018-2022 recorded Postage costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>105</sup> Suburban’s 2024 forecasted Billstock Envelopes budget is in A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Cell O2555.

<sup>106</sup> The 2024 recommended Billstock Envelopes amount is based on Suburban’s 2018-2022 recorded Billstock Envelopes costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>107</sup> A.23-01-001 Suburban’s Results of Operations Report, p. 12-6.

<sup>108</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O2592.



1           The Commission should only allow escalation for attrition-year (2025) expenses  
2 by escalating the expenses with the CPI-U escalation factors as provided by the Rate  
3 Case Plan.<sup>109</sup>  
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<sup>109</sup> D.07-05-062, *Opinion Adopting Revised Rate Case Plan for Class A Water Utilities*, Appendix A at p.A-19.

1           **CHAPTER 2 ADMINISTRATIVE AND GENERAL EXPENSES**

2   **I.     INTRODUCTION**

3           Suburban’s requested TY 2024 total A&G budget consists of the following  
4 expenses: office supplies and other expenses, property insurance, insurance, injuries and  
5 damages, employee pension and benefits, franchise requirements, regulatory commission  
6 expenses, outside services employed, miscellaneous general expenses – professional  
7 dues, Affiliated Transaction Rules (ATR) expense, maintenance of general plant, and  
8 parent company allocation. Specifically, this Chapter includes analysis and  
9 recommendations regarding the following Suburban requests that do not offer ratepayer  
10 benefits: 1) An Employee Welfare budget consisting of expensive employee gifts; 2)  
11 Forecasted future claim settlements due to Suburban’s negligence, 3) Office supply  
12 expenses, including forecasts based on a one-year recorded expense, 4) Professional Dues  
13 fees paid to organizations with no direct ratepayer benefit, 5) Participation in a charitable  
14 campaign funded by ratepayers, 6) Employee Education expenses, and 7) Overestimated  
15 regulatory expenses.

16   **II.    SUMMARY OF RECOMMENDATIONS**

17           The Commission should deny Suburban’s forecasted Employee Welfare account,  
18 which is primarily used as an employee gift fund account.

19           The Commission should deny Suburban’s 2024 forecasted Insurance, Injuries and  
20 Damages- Claims Reserve budget. Ratepayers should not pay claim settlement amounts  
21 for which Suburban is at fault; therefore, those expenses should be excluded from rates.

22           The Commission should authorize \$35,723<sup>110</sup> for Suburban’s 2024 TY Meal and  
23 Entertainment budget, which is based on Suburban’s recorded 2018-2022 average

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<sup>110</sup> Suburban’s 2024 forecasted Meals and Entertainment account budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2613.

1 costs,<sup>111</sup> excluding an estimated \$1,300 for “Operation Gobble” expenses, which is a  
2 charitable campaign expense that does not provide a direct benefit to Suburban  
3 ratepayers.<sup>112</sup>

4 The Commission should authorize \$34,313<sup>113</sup> for Suburban’s TY 2024 Postage  
5 budget, which is a 20% reduction from Suburban’s 2018-2022 average recorded costs,  
6 adjusted for inflation.<sup>114</sup> Similar to Suburban’s O&M Postage and Billstock Envelopes  
7 expense forecasted budgets, an increase in use of online portals such as Suburban’s  
8 WaterSmart software, will continue to reduce postage costs, as more data is available  
9 online, rather than in printed format that requires mailing.<sup>115</sup>

10 The Commission should authorize \$86,826<sup>116</sup> for Suburban’s TY 2024 Printing  
11 and Communications budget, which is a 20% reduction from Suburban’s 2018-2022  
12 average recorded costs.<sup>117 118</sup> Similar to Suburban’s Postage expenses forecasted budget,  
13 an increase in customer enrollment in Suburban’s paperless billing program and

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<sup>111</sup> Adjusted for inflation.

<sup>112</sup> Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>113</sup> Suburban’s 2024 forecasted Postage budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2626.

<sup>114</sup> The 2024 forecasted Postage amount is based on Suburban’s 2018-2022 recorded Postage costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>115</sup> A.23-01-001 Suburban’s Results of Operations Report, p. 12-6.

<sup>116</sup> Suburban’s 2024 forecasted Printing and Communications budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2616.

<sup>117</sup> Adjusted for inflation.

<sup>118</sup> The 2024 amount is based on Suburban’s 2018-2022 recorded average. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

1 enrollment in Suburban’s WaterSmart Software program will reduce printing costs, as  
2 customers can view formerly printed correspondence online.<sup>119</sup>

3 The Commission should authorize \$492,310<sup>120</sup> for Suburban’s TY 2024 Computer  
4 Cost Miscellaneous budget, which is based on Suburban’s recorded 2018-2022 average  
5 costs.<sup>121 122</sup>

6 The Commission should authorize \$122,867<sup>123</sup> for Suburban’s TY 2024  
7 Professional Dues budget for the TY 2024, which is based on Suburban’s 2021 dues,  
8 adjusted for inflation. The expenses recorded in this account include membership fees  
9 paid to various organizations.

10 The Commission should authorize \$50,401<sup>124</sup> for Suburban’s TY 2024 Employee  
11 Education budget, which excludes the tuition cost of a Master of Business Administration  
12 (MBA) degree.<sup>125</sup> Ratepayers should not fund a Suburban employee’s MBA degree.<sup>126</sup>

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<sup>119</sup> A.23-01-001, Results of Operations Report, p.12-6.

<sup>120</sup> Suburban’s 2024 forecasted Computer Cost Miscellaneous budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2624.

<sup>121</sup> Adjusted for inflation.

<sup>122</sup> The 2024 forecasted Computer Cost Miscellaneous amount is based on Suburban’s 2018-2022 recorded Computer Cost Miscellaneous costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>123</sup> Suburban’s 2024 forecasted Professional Dues budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2719.

<sup>124</sup> Suburban’s 2024 forecasted Employee Education budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2678.

<sup>125</sup> The 2024 recommended Employee Education amount is based on Suburban’s 2018-2022 recorded Employee Education costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>126</sup> Suburban includes \$24,040 in its 2024 forecasted budget for the MBA program tuition. See A.23-01-001, Volume II Workpapers (Final Application) (p.92 and pp. 140-144.)

1           The Commission should authorize \$393,796<sup>127</sup> for Suburban’s TY 2024 regulatory  
2 expenses budget for TY 2024, the same amount as Suburban’s TY 2021 recorded  
3 amount, adjusted for inflation.

4 **III. ANALYSIS**

5 **A. Expenses That Do Not Provide Any Ratepayer Benefit**

6           The Commission should deny Suburban’s forecasted Employee Welfare account  
7 budgets for Injuries and Damages - Claims Reserve expense budgets. Suburban’s  
8 customers should not pay for expensive employee gifts, as shown in Table 2-1, below, or  
9 settlements due to Suburban’s negligence.

10           Suburban’s application excludes a detailed explanation of its Employee Welfare  
11 and Injuries and Damages expenses. Suburban provided descriptions, explanations,  
12 invoices, and payment receipts to support its account entries in response to discovery.<sup>128</sup>  
13 Expenses recorded in these accounts do not provide ratepayer benefit and should be  
14 excluded from customer rates, as explained below.

15                   **1. Employee Pension and Benefits - Employee Welfare**  
16                   **- Account 795 (Subaccount 416)**

17           The Commission should deny Suburban’s forecasted Employee Welfare account,  
18 which is primarily used as an employee gift fund account.<sup>129</sup> Suburban bases its  
19 forecasted TY 2024 budget on its 2021 expenses. Table 2-1, below, includes some  
20 examples.<sup>130 131</sup>:

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<sup>127</sup> Suburban’s 2024 forecasted Regulatory Commission Expense budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2697.

<sup>128</sup> Attachment 2-1: Suburban’s response to Public Advocates Office data request DR DG-03, Q.3.b. and Q.9.a.

<sup>129</sup> Suburban’s 2024 forecasted Employee Welfare account budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2676.

<sup>130</sup> A.23-01-001 Results of Operations at p. 5-3.

<sup>131</sup> Attachment 2-1: Suburban’s response to Public Advocates Office data request DG-03, Q.9.a.

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**Table 2-1: Examples of Employee Welfare 2021 Recorded Costs**

Item	Cost
Wristwatch	\$3,724.75
Home Improvement Store Gift Cards	\$2,700
Wristwatch	\$2,288.20
Luggage	\$4,479.32
Earrings	\$606.24
Smoker	\$1,346.79
Luggage	\$2,643.16
Wristwatch	\$1,423.74
Blender	\$1,377.05
Handbag	\$1,810.98
Earrings	\$1,844.60
Camping Tent	\$905.25
Television	\$1,596.06

2

3 Historically, Suburban included similar costs to those listed in Table 2-1, in its  
4 account. For example, in its 2020 GRC application, Suburban’s Employee Welfare  
5 account included \$55,857 in 2018, for its annual company picnic at Knotts Berry Farm,  
6 \$44,031, in 2018, for its end of year luncheon at the Pacific Palms Conference Resort,  
7 and \$1,286.16 for Los Angeles Rams tickets.<sup>132</sup>

8 Ratepayers should not pay for Suburban’s employee gifts because there is no  
9 direct benefit to ratepayers. Therefore, the Commission should deny a budget for  
10 Suburban’s Employee Welfare account.

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<sup>132</sup> Attachment 2-5: A.20-03-001, Suburban’s response to Public Advocates Office data request HMC-007, Q.5.

1                   **2. Insurance, Injuries and Damages, Claims Reserve -**  
2                   **Account 794 (Subaccount 233)**

3                   The Commission should deny Suburban’s 2024 forecasted Insurance, Injuries and  
4 Damages – Claims Reserve budget.<sup>133</sup> Ratepayers should not pay claim settlement  
5 amounts for which Suburban is at fault; therefore, those expenses should be excluded  
6 from rates. For example, in 2021, Suburban paid at least \$78,422 for claim settlement  
7 expenses for a vehicle accident caused by a Suburban employee and a personal injury  
8 claim due to an open meter box.<sup>134 135</sup>

9                   Suburban continues to forecast settlement amounts in the current GRC, in its  
10 Claims Reserve account,<sup>136</sup> which indicates that Suburban anticipates new settlements  
11 due to its own negligence. Suburban should not expect ratepayers to continue to pay for  
12 future settlements. Therefore, the Commission should deny Suburban’s forecasted  
13 Insurance, Injuries and Damages – Claims Reserve budget.

14 **B. Additional Administrative and General Expenses**

15                   **1. Office Supplies and Other Expenses-Account 792**

16                   Suburban’s requested TY 2024 Office Supplies and Other Expenses includes  
17 budget for the following five subaccounts: 1) Meals and Entertainment (301), 2) Postage  
18 (337), 3) Printing/Communications (305), and 4) Computer Cost Miscellaneous (332).

19                   Suburban’s forecasted Meals and Entertainment budget includes expenses for a  
20 charitable campaign because there is no direct benefit to ratepayers; its Postage and  
21 Printing/Communications budgets are inconsistent with its own proposal encouraging

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<sup>133</sup> Suburban’s Insurance, Injuries, and Damages Account includes eight additional subaccounts with a forecasted 2024 total budget of \$893,389. A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Rows 2651 to 2659.

<sup>134</sup> Suburban’s response to Public Advocates Office data request JR06-01.1, attachment, General Ledger, Expenses\_detail, tab 2021, Rows 423, 599, and 805.

<sup>135</sup> Attachment 2-3: Suburban’s response to Public Advocates Office data request DG-11, Q.2.

<sup>136</sup> Suburban’s 2024 forecasted Injuries and Damages – Claims Reserve account budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2651.



1 customers to enroll in its paperless billing program;<sup>137</sup> and its Computer Cost  
2 Miscellaneous and Telecommunications budgets are based on one-year (2021) recorded  
3 amount, which does not account for the variability in prior year costs. Since ratepayers  
4 should not pay for expenses that do not provide ratepayer benefit, adjustments to  
5 Suburban’s forecasted budgets are shown in Table 2-2 and described below.

6 **i. Meal and Entertainment – (Subaccount 301)**

7 The Commission should authorize \$35,723<sup>138</sup> for Suburban’s 2024 TY Meal and  
8 Entertainment budget, which is based on Suburban’s recorded 2018-2022 average  
9 costs,<sup>139</sup> excluding an estimated \$1,300 for “Operation Gobble” expenses.<sup>140</sup> Suburban’s  
10 Meal and Entertainment account includes mostly meals for employee training and  
11 department meetings. However, it also includes “Operation Gobble” expenses, a program  
12 coordinated by the California Water Association that delivers turkeys to at-risk families  
13 around California, which does not provide a direct benefit to Suburban ratepayers.

14 Suburban bases its forecasted TY 2024 budget on its five-year (2017-2021)  
15 average recorded amount and includes approximately \$1,300 in 2021 for “Operation  
16 Gobble” expenses.<sup>141 142</sup> Therefore, the Commission should authorize \$35,723 for  
17 Suburban’s forecasted 2024 Meals and Entertainment budget.

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<sup>137</sup> Suburban forecasts an increase in Postage and Printing and Communications expense budgets while also stating that it encourages its customers to enroll in paperless billing, which will continue to decrease postage and printing costs. See A.23-01-001, Results of Operations Report, p.12-6 and workpaper Vol I Confidential (Final Application), tab Model, Rows 4104 and 4114.

<sup>138</sup> Suburban’s 2024 forecasted Meals and Entertainment account budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2613.

<sup>139</sup> Adjusted for inflation.

<sup>140</sup> Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>141</sup> Attachment 2-1: Suburban’s response to Public Advocates Office data request DG-03, Q.3.b., attachment, PDF p.40.

<sup>142</sup> Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

1                                   **ii. Postage-General – (Subaccount 337)**

2           The Commission should authorize \$34,313<sup>143</sup> for Suburban’s TY 2024 Postage  
3 budget, which is a 20% reduction from Suburban’s 2018-2022 average recorded costs,  
4 adjusted for inflation.<sup>144</sup>

5           Suburban’s 2024 TY estimate is based on the average of its five-year (2017-2021)  
6 recorded costs. Similar to Suburban’s O&M Postage and Billstock Envelopes expense  
7 forecasted budgets, an increase in use of online applications such as Suburban’s  
8 WaterSmart software, will continue to reduce postage costs, as more data is available  
9 online, rather than in printed format that requires mailing.<sup>145</sup> For example, between 2019  
10 and 2020, Suburban’s postage cost decreased approximately 50%<sup>146</sup> and between 2020  
11 and 2021, the cost decreased an additional 9%.<sup>147</sup>

12           Therefore, the Commission should reduce the postage budget to \$34,313 for TY  
13 2024.

14                                   **iii. Printing/Communications – (Subaccount 305)**

15           The Commission should authorize \$86,826<sup>148</sup> for Suburban’s TY 2024 Printing  
16 and Communications budget, which is a 20% reduction from Suburban’s 2018-2022

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<sup>143</sup> Suburban’s 2024 forecasted Printing/Communications budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2626.

<sup>144</sup> The 2024 forecasted Postage amount is based on Suburban’s 2018-2022 recorded Postage costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>145</sup> A.23-01-001 Suburban’s Results of Operations Report, p. 12-6.

<sup>146</sup> Suburban’s 2019 Postage cost was \$51,857 and 2020 cost was \$25,804. See A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cells J2626 and K2626.

<sup>147</sup> Suburban’s 2020 Postage cost was \$25,804 and 2021 cost was \$23,519. See A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cells K2626 and L2626.

<sup>148</sup> Suburban’s 2024 forecasted Postage budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2616.

1 average recorded costs.<sup>149</sup> <sup>150</sup> Similar to Suburban’s Postage expenses forecasted budget,  
2 an increase in customer enrollment in Suburban’s online applications, such as its  
3 paperless billing program and enrollment in Suburban’s WaterSmart Software program  
4 will reduce printing costs, as customers can view formerly printed correspondence online.  
5 <sup>151</sup>

6 Suburban states that its 2024 TY estimate is based on its recorded 2021 amount  
7 adjusted for inflation because it is the most current expense.<sup>152</sup> Suburban also included a  
8 budget of \$43,497 to print a customer newsletter in 2024,<sup>153</sup> However, postage costs will  
9 decrease as additional customers enroll in paperless billing and an estimated 20% of  
10 customers will be able to view the customer newsletter online. Therefore, the  
11 Commission should reduce Suburban’s Printing Communications budgets to \$86,826 for  
12 the TY 2024.

13 **iv. Computer Cost Miscellaneous – (Subaccount 332)**

14 The Commission should authorize \$492,310<sup>154</sup> for Suburban’s TY 2024 Computer  
15 Cost Miscellaneous budget, which is based on Suburban’s recorded 2018-2022 average

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<sup>149</sup> Adjusted for inflation.

<sup>150</sup> The 2024 amount is based on Suburban’s 2018-2022 recorded average. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>151</sup> A.23-01-001, Results of Operations Report, p.12-6.

<sup>152</sup> Attachment 2-1: Suburban’s response to Public Advocates Office data request DG-03, Q.15.c.

<sup>153</sup> A.23-01-001 Volume II Workpapers (Final Application), p.91.

<sup>154</sup> Suburban’s 2024 forecasted Computer Cost Miscellaneous budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2624.

1 costs.<sup>155</sup> <sup>156</sup> Suburban records IT related costs in this account.<sup>157</sup> Suburban’s future IT  
2 needs are unknown due to its proposed merger with CORIX. For example, Suburban  
3 states that it plans to operate only one enterprise resource planning (ERP) system, rather  
4 than two separate systems (Suburban’s system and CORIX’s system) if the merger is  
5 authorized.<sup>158</sup> Therefore, it is reasonable to use a five-year average of its 2018-2022  
6 recorded costs to estimate its 2024 budget.

7 Suburban states that it based its 2024 estimate on its recorded 2021 amount  
8 adjusted for inflation because it is the most current expense.<sup>159</sup> Instead, using a five-year  
9 recorded average cost accounts for the variability in IT related costs. Therefore, the  
10 Commission should authorize \$492,310.

11

12 **2. Miscellaneous General Expenses - Professional**  
13 **Dues – Company, Account 799 (Subaccount 330)**

14 The Commission should authorize \$122,867<sup>160</sup> for Suburban’s TY 2024  
15 Professional Dues budget for the TY 2024, which is based on Suburban’s 2021 dues,  
16 adjusted for inflation. The expenses recorded in this account include membership fees  
17 paid to various organizations.

18 Ratepayers do not benefit from Suburban’s membership in organizations such as  
19 business associations, economic partnerships, and chambers of commerce, as well as any

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<sup>155</sup> Adjusted for inflation.

<sup>156</sup> The 2024 forecasted Postage amount is based on Suburban’s 2018-2022 recorded Postage costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>157</sup> A.23-01-001 Volume II Workpapers (Final Application), p.92.

<sup>158</sup> A.21-11-010 Rebuttal Testimony of Brian D. Bahr, pp.5-6.

<sup>159</sup> Attachment 2-1: Suburban’s response to Public Advocates Office data request DG-03, Q.16.a.

<sup>160</sup> Suburban’s 2024 forecasted Professional Dues budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2719.

1 lobbying expenses paid. Therefore, dues paid to such organizations should be excluded  
 2 from ratebase.<sup>161 162 163</sup>

3 A comparison of Suburban’s 2021 recorded expenses and its 2021 dues excluding  
 4 amounts for lobbying, economic partnerships, chambers of commerce, and business  
 5 associations are shown in Table 2-2 below.<sup>164</sup>

6 **Table 2-2: 2021 Professional Dues Paid**

Name of Professional Organization	Suburban’s 2021 Dues Paid (\$)	2021 Dues excluding lobbying, economic partnerships, chambers of commerce, and business associations (\$)
California Water Association	\$139,384	\$52,966
National Association of Water Companies	\$63,420	\$54,541
California Chamber of Commerce	\$16,250	\$0
California Water Efficiency Partnership	\$3,584	\$3,584
San Gabriel Valley Economic Partnership	\$3,000	\$0
Regional Chamber of Commerce SGV	\$750	\$0
Greater West Covina Business Assoc.	\$650	\$0
Glendora Chamber of Commerce	\$632	\$0
Whittier Area Chamber of Commerce	\$520	\$0
Three Valleys Municipal Water	\$500	\$500
Covina Chamber of Commerce	\$425	\$0
La Mirada Chamber of Commerce	\$399	\$0
Central Basin Water Association	\$50	\$50
San Gabriel Valley Protective Association	\$50	\$50

<sup>161</sup> Suburban excludes California Water Association and National Association of Water Companies lobbying fees (total = \$95,927) from its 2021 Professional Dues recorded in ratebase. Attachment 2-2: Suburban’s response to Public Advocates Office data request DG-10, Q.2.a.

<sup>162</sup> CPUC Water Division Standard Practice U-3-SM, (April 2006) at pp. 11-12 (24).

<sup>163</sup> CPUC Water Division Standard Practice U-26, (July 2002) at p. 11 (8b).

<sup>164</sup> In its application, Suburban includes \$134,342 of the total of \$229,639 in 2021 for recorded Professional Dues, which excludes California Water Association (CWA) and National Association of Water Companies (NAWC) lobbying fees (\$86,418 (CWA) + \$8,878.79 (NAWC) = \$95,927). Therefore, \$229,639-\$95,927 = \$134,342. See Attachment 2-2: Suburban’s response to Public Advocates Office data request DG-10, Q.2.a. and Vol I Confidential (Final Application), tab Model, Cell L2719.

San Gabriel Water Association	\$25	\$25
<b>Total Amount</b>	<b>\$229,639</b>	<b>\$111,716</b>

1  
2 Suburban’s TY 2024 budget is based on its five years’ (2017-2021) recorded  
3 amounts, adjusted for inflation. However, the forecasted budget should be based only on  
4 Suburban’s recorded 2021 Professional Dues paid because dues paid five years ago are  
5 not representative of current or future dues. In addition, forecasted dues should exclude  
6 dues for organizations that do not benefit ratepayers. Therefore, the Commission should  
7 authorize \$122,867<sup>165</sup> for TY 2024.

8 **3. Employees' Pension and Benefits – Employee**  
9 **Education, Account 795 (Subaccount 416)**

10 The Commission should authorize \$50,401<sup>166</sup> for Suburban’s TY 2024 Employee  
11 Education budget, which excludes the tuition cost of a Master of Business Administration  
12 (MBA) degree.<sup>167</sup> Ratepayers should not fund a Suburban employee’s MBA degree.<sup>168</sup>  
13 Some of the purposes of an MBA degree include: learning business and investment  
14 management practices,<sup>169</sup> which Suburban’s ratepayers should not fund since the  
15 investment management decisions benefit shareholders, not ratepayers; and marketing  
16 skills used to gain new customers, which are necessary for a company operating in a  
17 competitive environment. In addition, Suburban states that it has already paid MBA

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<sup>165</sup> Adjusted for inflation.

<sup>166</sup> Suburban’s 2024 forecasted Employee Education budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2678.

<sup>167</sup> The 2024 recommended Employee Education amount is based on Suburban’s 2018-2022 recorded Employee Education costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>168</sup> Suburban includes \$24,040 in its 2024 forecasted budget for the MBA program tuition. See A.23-01-001, Volume II Workpapers (Final Application) (p.92 and pp. 140-144.)

<sup>169</sup>

[https://www.investopedia.com/terms/m/mba.asp#:~:text=A%20master%20of%20business%20administration%20\(MBA\)%20is%20a%20graduate%20degree,of%20general%20business%20management%20functions.](https://www.investopedia.com/terms/m/mba.asp#:~:text=A%20master%20of%20business%20administration%20(MBA)%20is%20a%20graduate%20degree,of%20general%20business%20management%20functions.)

1 tuition costs, presumably all funded by ratepayers, for six of its employees.<sup>170</sup> Therefore,  
2 the Commission should deny Suburban’s request for ratepayers to fund an MBA tuition  
3 cost for TY 2024.<sup>171 172</sup>

#### 4 **4. Regulatory Commission Expenses - Account 797**

5 The Commission should authorize \$393,796<sup>173</sup> for Suburban’s TY 2024 regulatory  
6 expenses budget for TY 2024, the same amount as Suburban’s TY 2021 recorded  
7 amount, adjusted for inflation. Suburban overestimates attorney hours for its 2026 GRC  
8 and Cost of Capital proceedings and does not yet have forecasted amounts for other  
9 expenses included in this account.

10 Suburban’s forecasted legal expenses are approximately 59% higher than its TY  
11 2021 recorded amount<sup>174</sup> and are not justified because: 1) Topics included in Suburban’s  
12 GRC application are not new and 2) Suburban’s forecast includes estimates for six  
13 vendors that provide Commission proceeding services, for which Suburban does not yet  
14 have estimated costs. This includes translation services, demand forecasting, and a  
15 depreciation study.<sup>175</sup>

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<sup>170</sup> Attachment 2-1: Suburban’s response to Public Advocates’ Office data request DG-03, Q.6.b.iv.

<sup>171</sup> Suburban’s Employees’ Pension and Benefits budget also consists of 401K employer contribution, medical and dental insurance, medical and dental employer contributions, employee benefits capitalized, auto allowances, employee education, and employee welfare. Differences between Suburban’s requested budgets for the 401K employer contribution, medical and dental insurance, and employee benefits capitalized subaccounts and corresponding budget recommendations are due to adjustments in payroll and plant additions in TY 2024. For discussion of Payroll, see Chapter 3 of this report and for discussion of Plant, see Public Advocates Office Report and Recommendations on Plant.

<sup>172</sup> Suburban uses the following capitalization percentages in its Revenue Requirement calculation: Capitalized Payroll: 7.6% and administrative expense: 9%. Suburban discusses its capitalization percentages in its A.23-01-001, Results of Operations Report, p.5-5. See A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell H1994 and N2190.

<sup>173</sup> Suburban’s 2024 forecasted Regulatory Commission Expense budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2697.

<sup>174</sup> A.23-01-001 Suburban’s workpapers Vol I Confidential (Final Application), Tab Model, Cell L2697.

<sup>175</sup> Attachment 2-1: Suburban’s response to Public Advocates’ Office data request DG-03, Q.8.a.



1           Ratepayers should not have to pay for estimated vendor budgets that are not based  
2 on proposals. Suburban has not provided adequate justification for the expected increase  
3 in legal expenses or explained how such an increase would provide additional benefit to  
4 ratepayers. In addition, Suburban and Cal Advocates litigated only eight areas in the prior  
5 GRC. The Commission’s 2019 decision states that the burden is on Suburban to  
6 demonstrate why such a significant increase in attorney hours is warranted.<sup>176</sup> Therefore,  
7 the Commission should authorize \$393,796, for TY 2024 regulatory commission  
8 expenses.

9 **IV. CONCLUSION**

10           The Commission should deny Suburban’s forecasted Employee Welfare account,  
11 which is primarily used as an employee gift fund account.

12           The Commission should deny Suburban’s 2024 forecasted Insurance, Injuries and  
13 Damages- Claims Reserve budget. Ratepayers should not pay claim settlement amounts  
14 for which Suburban is at fault; therefore, those expenses should be excluded from rates.

15           The Commission should authorize \$35,723<sup>177</sup> for Suburban’s 2024 TY Meal and  
16 Entertainment budget, which is based on Suburban’s recorded 2018-2022 average  
17 costs,<sup>178</sup> excluding an estimated \$1,300 for “Operation Gobble” expenses, which is a  
18 charitable campaign expense that does not provide a direct benefit to Suburban  
19 ratepayers.<sup>179</sup>

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<sup>176</sup> D.19-05-029, *Decision Adopting Settlement Between Suburban Water Systems and Office of Ratepayer Advocates and Determining Unsettled Issues* (June 5, 2019) at p. 22.

<sup>177</sup> Suburban’s 2024 forecasted Meals and Entertainment account budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2613.

<sup>178</sup> Adjusted for inflation.

<sup>179</sup> Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

1           The Commission should authorize \$34,313<sup>180</sup> for Suburban’s TY 2024 Postage  
2 budget, which is a 20% reduction from Suburban’s 2018-2022 average recorded costs,  
3 adjusted for inflation.<sup>181</sup> Similar to Suburban’s O&M Postage and Billstock Envelopes  
4 expense forecasted budgets, an increase in use of online portals such as Suburban’s  
5 WaterSmart software, will continue to reduce postage costs, as more data is available  
6 online, rather than in printed format that requires mailing.<sup>182</sup>

7           The Commission should authorize \$86,826<sup>183</sup> for Suburban’s TY 2024 Printing  
8 and Communications budget, which is a 20% reduction from Suburban’s 2018-2022  
9 average recorded costs.<sup>184 185</sup> Similar to Suburban’s Postage expenses forecasted budget,  
10 an increase in customer enrollment in Suburban’s paperless billing program and  
11 enrollment in Suburban’s WaterSmart Software program will reduce printing costs, as  
12 customers can view formerly printed correspondence online.<sup>186</sup>

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<sup>180</sup> Suburban’s 2024 forecasted Postage budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2626.

<sup>181</sup> The 2024 forecasted Postage amount is based on Suburban’s 2018-2022 recorded Postage costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>182</sup> A.23-01-001 Suburban’s Results of Operations Report, p. 12-6.

<sup>183</sup> Suburban’s 2024 forecasted Printing and Communications budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2616.

<sup>184</sup> Adjusted for inflation.

<sup>185</sup> The 2024 amount is based on Suburban’s 2018-2022 recorded average. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>186</sup> A.23-01-001, Results of Operations Report, p.12-6.

1           The Commission should authorize \$492,310<sup>187</sup> for Suburban’s TY 2024 Computer  
2 Cost Miscellaneous budget, which is based on Suburban’s recorded 2018-2022 average  
3 costs.<sup>188 189</sup>

4           The Commission should authorize \$122,867<sup>190</sup> for Suburban’s TY 2024  
5 Professional Dues budget for the TY 2024, which is based on Suburban’s 2021 dues,  
6 adjusted for inflation. The expenses recorded in this account include membership fees  
7 paid to various organizations.

8           The Commission should authorize \$50,401<sup>191</sup> for Suburban’s TY 2024 Employee  
9 Education budget, which excludes the tuition cost of a Master of Business Administration  
10 (MBA) degree.<sup>192</sup> Ratepayers should not fund a Suburban employee’s MBA degree.<sup>193</sup>

11           The Commission should authorize \$393,796<sup>194</sup> for Suburban’s TY 2024 regulatory  
12 expenses budget for TY 2024, the same amount as Suburban’s TY 2021 recorded  
13 amount, adjusted for inflation.

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<sup>187</sup> Suburban’s 2024 forecasted Computer Cost Miscellaneous budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2624.

<sup>188</sup> Adjusted for inflation.

<sup>189</sup> The 2024 forecasted Computer Cost Miscellaneous amount is based on Suburban’s 2018-2022 recorded Computer Cost Miscellaneous costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>190</sup> Suburban’s 2024 forecasted Professional Dues budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2719.

<sup>191</sup> Suburban’s 2024 forecasted Employee Education budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2678.

<sup>192</sup> The 2024 recommended Employee Education amount is based on Suburban’s 2018-2022 recorded Employee Education costs. Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>193</sup> Suburban includes \$24,040 in its 2024 forecasted budget for the MBA program tuition. See A.23-01-001, Volume II Workpapers (Final Application) (p.92 and pp. 140-144.)

<sup>194</sup> Suburban’s 2024 forecasted Regulatory Commission Expense budget is in A.23-01-001 workpaper Vol I Confidential (Final Application), tab Model, Cell O2697.

1 **CHAPTER 3 Payroll**

2 **I. INTRODUCTION**

3 For TY 2024, Suburban requests 10% more payroll budget than its recorded 2021  
4 payroll amount.<sup>195</sup> Suburban’s requested total payroll budget for TY 2024 consists of  
5 salaries, performance-based compensation, capitalized payroll, expensed payroll,  
6 overtime, vacation and holiday pay, and no meal penalty. Suburban requests two new  
7 positions, an accountant, and an engineer, in 2025 and proposes to capitalize the full  
8 payroll budget related to these two new employees. Suburban also proposes a budget  
9 performance-based compensation for its employees, and an allocation of performance-  
10 based compensation of its parent company (SouthWest Water) employees.

11 **II. SUMMARY OF RECOMMENDATIONS**

12 Suburban’s ratepayers should not pay for new positions because the Commission  
13 should authorize a forecasted TY 2024 plant budget which is 48% lower than the five-  
14 year average (2018-2022) of Suburban’s annual completed plant costs.<sup>196 197</sup> A reduction  
15 in Suburban’s forecasted plant budgets will result in a reduction in project construction  
16 expenditures, rather than growth.

17 The Commission should authorize Suburban’s existing 137<sup>198</sup> employee positions,  
18 which excludes Suburban’s two new proposed positions.

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<sup>195</sup> Suburban requests \$14,913,073 in payroll budget for TY 2024. This amount is \$1,492,494 higher than Suburban’s TY 2021 recorded payroll amount of \$13,420,579.

<sup>196</sup> The recommended 2024 TY plant budget is: \$14,144,922 compared to \$26,980,868, which is the five-year (2018-2022) of Suburban’s recorded plant amounts. A.23-01-001 Workpapers Vol. I CONFIDENTIAL (Final Application), tab Model, Row 4500 and Row 4502. A discussion of the recommended Plant budget is included in Public Advocates Office Report and Recommendations on Plant.

<sup>197</sup> Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>198</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L2004.

1           The Commission should authorize a \$586,240<sup>199</sup> reduction for frictional  
2 unemployment in TY 2024 from Subtotal Regular Payroll, which is based on Suburban’s  
3 most recent 2022 position vacancy data escalated to 2024.

4           The Commission should deny \$4,124,096<sup>200</sup> in 2024 performance-based  
5 compensation (STI/LTI) from Suburban’s forecast of its Parent Company’s (SouthWest  
6 Water) employee compensation that is tied to meeting specific performance targets that  
7 primarily benefit shareholders rather than ratepayers.<sup>201</sup>

8           The Commission should deny \$1,247,373<sup>202</sup> in 2024 performance-based  
9 compensation from Suburban’s forecast of its employee compensation tied to meeting  
10 specific performance targets that primarily benefit shareholders rather than ratepayers.<sup>203</sup>

### 11 **III. ANALYSIS**

#### 12 **A. The Commission Should Not Authorize Suburban’s Request for** 13 **Two New Positions**

14           Suburban’s ratepayers should not pay for new positions because the Commission  
15 should authorize a forecasted TY 2024 plant budget which is 48% lower than the five-  
16 year average (2018-2022) of Suburban’s annual completed plant costs.<sup>204 205</sup> A reduction

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<sup>199</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L1987.

<sup>200</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell O3614.

<sup>201</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.4-8.

<sup>202</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L1992.

<sup>203</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.4-8.

<sup>204</sup> The recommended 2024 TY plant budget is: \$14,144,922 compared to \$26,980,868, which is the five-year (2018-2022) of Suburban’s recorded plant amounts. A.23-01-001 Workpapers Vol. I CONFIDENTIAL (Final Application), tab Model, Row 4500 and Row 4502. A discussion of the recommended Plant budget is included in Public Advocates Office Report and Recommendations on Plant.

<sup>205</sup> Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

1 in Suburban’s forecasted plant budgets will result in a reduction in project construction  
2 expenditures, rather than growth.

3 Suburban states that it requires the requested cost of the two new positions to be  
4 added to rates to support its forecasted capital expenditures. At the same time, Suburban  
5 also states that it does not plan on advertising the positions until 2025, one year after the  
6 2024 TY.<sup>206</sup> By waiting until 2025, Suburban acknowledges that it will be able to  
7 perform all required functions with its current employees until at least 2025. Suburban  
8 did not provide an amount of time for which it advertises a position or the amount of time  
9 to identify and hire a candidate.<sup>207</sup> Since the Commission should authorize a forecasted  
10 TY 2024 plant budget which is 52% lower than the five-year average (2018-2022) of  
11 Suburban’s annual completed plant costs,<sup>208</sup> Suburban’s two requested positions are not  
12 necessary.

13 **B. The Commission Should Authorize Budgets For A Specified**  
14 **Number Of Employee Positions.**

15 The Commission should authorize Suburban’s existing 137<sup>209</sup> employee  
16 positions, which excludes Suburban’s two new proposed positions.

17 **C. Suburban’s 2024 Frictional Unemployment Cost Reduction**  
18 **From Its Subtotal Regular Payroll Amount Should be Increased**

19 The Commission should authorize a \$586,240<sup>210</sup> reduction for frictional  
20 unemployment in TY 2024 from Subtotal Regular Payroll, which is based on Suburban’s

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<sup>206</sup> Attachment 1-1: Suburban’s response to Public Advocates Office Data Request DG-01, Q.3.d. and 3.e.

<sup>207</sup> Attachment 3-1: Suburban’s response to Public Advocates Office Data Request DG-13, Q.2. and 3.

<sup>208</sup> The recommended 2024 TY plant budget is: \$14,144,922 compared to \$26,980,868, which is the five-year (2018-2022) of Suburban’s recorded plant amounts. A.23-01-001 Workpapers Vol. I CONFIDENTIAL (Final Application), tab Model, Row 4500 and Row 4502. A discussion of the recommended Plant budget is included in Public Advocates Office Report and Recommendations on Plant.

<sup>209</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L2004.

<sup>210</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L1987.



1 most recent 2022 position vacancy data escalated to 2024. Frictional unemployment  
2 refers to the cost associated with the time a position is vacant due to an employee  
3 voluntarily transitioning to a new position.<sup>211</sup>

4 Suburban includes a cost reduction from its payroll to account for frictional  
5 unemployment in its 2024 TY payroll amount,<sup>212</sup> however, Suburban’s frictional  
6 unemployment calculation included in its application is outdated. Based on Suburban’s  
7 response to discovery, the cost associated with Suburban’s frictional unemployment  
8 should be \$586,240.<sup>213 214</sup>

9

10 **D. Ratepayers Should Not Pay for Performance-Based**  
11 **Compensation That Primarily Benefits Shareholders.**

12 **1. SouthWest Water Parent Company Employees -**  
13 **Performance-Based Compensation**

14 The Commission should deny \$4,124,096<sup>215</sup> in 2024 performance-based  
15 compensation (STI/LTI) from Suburban’s forecast of its Parent Company’s (SouthWest  
16 Water) employee<sup>216</sup> compensation that is tied to meeting specific performance targets that

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<sup>211</sup> <https://www.indeed.com/career-advice/career-development/frictional-unemployment>

<sup>212</sup> In its A.23-01-001 workpapers, Suburban reduced \$438,000 from its 2024 Subtotal Regular Payroll. See Suburban’s response to Public Advocates Office data request DG-12, Q.1. Also see .23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L1987.

<sup>213</sup> Attachment 3-2: See Suburban’s response to Public Advocates Office data request DG-20, Q.3. attachment

<sup>214</sup> To calculate \$586,240: Cal Advocates’ recommendation is based on 2022 recorded vacancies; therefore, from those jobs filled in 2022, if the vacancy began before 2022, the vacancy start date was changed to 2022. Based on Suburban’s updated data, the 2022 escalated vacancy rate results in a 2024 TY reduction of \$586,240.

<sup>215</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell O3614.

<sup>216</sup> <<BEGIN CONFIDENTIAL>> [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] <<END CONFIDENTIAL>>.



1 primarily benefit shareholders rather than ratepayers.<sup>217</sup> In its application, Suburban  
2 includes a 40.5% allocation of SouthWest Water expenses in TY 2024, of which  
3 employee performance-based compensation is included.<sup>218 219</sup> <<BEGIN  
4 CONFIDENTIAL>> [REDACTED]  
5 [REDACTED]  
6 [REDACTED] <<END CONFIDENTIAL>>. Southwest's  
7 employee compensation projection assumes that all employees who receive performance-  
8 based compensation will meet or exceed the performance criteria, meaning that  
9 ratepayers would still bear the burden of the cost of Suburban's forecasted performance-  
10 based compensation even if the targets were not met.

11 Southwest Water includes in its short-term performance metrics, two categories of  
12 performance targets, Operational and Financial.<sup>222</sup> Two specific Operational metrics are  
13 customer service and safety, for which the utility is required to meet specific regulatory  
14 compliance standards.<sup>223</sup> Ratepayers should not have to pay bonuses for performance  
15 targets that the utility must meet for regulatory compliance.<sup>224</sup> An additional metric,  
16 Environmental, Social and Governance is tied to industry standards. The Financial  
17 category, which includes metrics such as, Financial Burdened SWWC EBITDA &  
18 Annualized EBITDA Growth and Dividend Payment, are primarily tied to shareholder

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<sup>217</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.4-8.

<sup>218</sup> A.23-01-001 Suburban's Workpapers Vol I Confidential (GRC application), tab Model, Row 3558.

<sup>219</sup> For the recommended SouthWest Water allocation percentage, see Public Advocates Office Report and Recommendations on General Office.

<sup>220</sup> A.23-01-001 Suburban's Workpapers Vol I Confidential (GRC application), tab Parent Co. (confidential), Cells L552, L554, N552 and N554.

<sup>221</sup> A.23-01-001 Suburban's Workpapers Vol I Confidential (GRC application), tab Parent Co. (confidential), Cell L556.

<sup>222</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.5.

<sup>223</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.5.

<sup>224</sup> Commission's General Order 103-A, p.32-35 [Microsoft Word - 106867.DOC \(ca.gov\)](#)

1 investment earnings.<sup>225</sup> Southwest Water’s LTI program uses internal rate of return for its  
2 performance measure.<sup>226</sup> Approximately <<BEGIN CONFIDENTIAL>> [REDACTED]  
3 [REDACTED]  
4 [REDACTED] <<END CONFIDENTIAL>> for which  
5 ratepayers should not have to pay through employee bonuses. Therefore, to ensure fair  
6 compensation for Southwest Water’s employees without overburdening ratepayers, the  
7 Commission should deny \$4,124,096<sup>228</sup> of STI or LTI in the rates for Suburban’s TY  
8 2024 compensation expenses.

9 **2. Suburban Employees’ Performance-Based**  
10 **Compensation**

11 The Commission should deny \$1,247,373<sup>229</sup> in 2024 performance-based  
12 compensation from Suburban’s forecast of its employee compensation tied to meeting  
13 specific performance targets that primarily benefit shareholders rather than ratepayers.<sup>230</sup>  
14 Suburban’s 2024 performance-based compensation forecast is based on its recorded  
15 amounts, adjusted for inflation. Suburban’s 2021 performance-based compensation  
16 amount of \$1,163,773<sup>231</sup> included 40% Financial targets (15% Parent Company-Financial  
17 targets, 25% Suburban Financial Targets) and 60% Personal Goals.<sup>232</sup> Suburban’s  
18 employees’ performance-based compensation projection assumes that the same twenty-

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<sup>225</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.5.

<sup>226</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.7.

<sup>227</sup> <<BEGIN CONFIDENTIAL>> [REDACTED]  
[REDACTED]  
<<END CONFIDENTIAL>>

<sup>228</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell O3614.

<sup>229</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L1992.

<sup>230</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.4-8.

<sup>231</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L2688.

<sup>232</sup> Attachment 2-4: Suburban’s response to Public Advocates Office data request DG-06, Q.1.a. and 1.b. (Public Version).

1 four Suburban employees who received 2022 performance-based compensation, will  
2 continue to receive it. Similar to Southwest Water’s executive incentive compensation,  
3 ratepayers would still bear the burden of the cost of Suburban’s forecasted performance-  
4 based compensation even if the targets were not met.

5 Suburban includes in its performance-based compensation, two categories of  
6 performance targets, Financial (both Southwest Water and Suburban) and Personal  
7 Goals<sup>233</sup>. Two specific Personal Goal metrics are customer service and safety, which the  
8 utility is required to meet specific regulatory compliance standards for.<sup>234</sup> Ratepayers  
9 should not have to pay bonuses for performance targets that the utility must meet for  
10 regulatory compliance, nor should they pay for bonuses that primarily benefit  
11 shareholders.<sup>235</sup>

12 Approximately 40% of Suburban’s forecasted 2024 employee compensation is  
13 based on financial performance. Therefore, to ensure fair compensation for Suburban’s  
14 employees without overburdening ratepayers, the Commission should deny \$1,247,373<sup>236</sup>  
15 in 2024 for performance-based compensation in the rates for Suburban’s TY 2024  
16 employee compensation expenses.

#### 17 **IV. CONCLUSION**

18 Suburban’s ratepayers should not pay for new positions because the Commission  
19 should authorize a forecasted TY 2024 plant budget which is 48% lower than the five-

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<sup>233</sup> Attachment 2-4: Suburban’s response to Public Advocates Office data request DG-06, Q.1.a. and 1.b. (Public Version).

<sup>234</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.5.

<sup>235</sup> Commission’s General Order 103-A, p.32-35 [Microsoft Word - 106867.DOC \(ca.gov\)](#)

<sup>236</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L1992.



1 year average (2018-2022) of Suburban’s annual completed plant costs.<sup>237 238</sup> A reduction  
2 in Suburban’s forecasted plant budgets will result in a reduction in project construction  
3 expenditures, rather than growth.

4 The Commission should authorize Suburban’s existing 137<sup>239</sup> employee positions,  
5 which excludes Suburban’s two new proposed positions.

6 The Commission should authorize a \$586,240<sup>240</sup> reduction for frictional  
7 unemployment in TY 2024 from Subtotal Regular Payroll, which is based on Suburban’s  
8 most recent 2022 position vacancy data escalated to 2024.

9 The Commission should deny \$4,124,096<sup>241</sup> in 2024 performance-based  
10 compensation (STI/LTI) from Suburban’s forecast of its Parent Company’s (SouthWest  
11 Water) employee compensation that is tied to meeting specific performance targets that  
12 primarily benefit shareholders rather than ratepayers.<sup>242</sup>

13 The Commission should deny \$1,247,373<sup>243</sup> in 2024 performance-based  
14 compensation from Suburban’s forecast of its employee compensation tied to meeting  
15 specific performance targets that primarily benefit shareholders rather than ratepayers.<sup>244</sup>  
16  
17

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<sup>237</sup> The recommended 2024 TY plant budget is: \$14,144,922 compared to \$26,980,868, which is the five-year (2018-2022) of Suburban’s recorded plant amounts. A.23-01-001 Workpapers Vol. I CONFIDENTIAL (Final Application), tab Model, Row 4500 and Row 4502. A discussion of the recommended Plant budget is included in Public Advocates Office Report and Recommendations on Plant.

<sup>238</sup> Suburban provided 2022 recorded expenses in response to Public Advocates Office data request SIB-003, Q.1. attachment tab SWS Expenses.

<sup>239</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L2004.

<sup>240</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L1987.

<sup>241</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell O3614.

<sup>242</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.4-8.

<sup>243</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab Model, Cell L1992.

<sup>244</sup> A.23-01-001 Direct Testimony of Robert V. Mustich, Schedule RVM-1, p.4-8.

1 **CHAPTER 4 Conservation**

2 **I. INTRODUCTION**

3 For TY 2024, Suburban requests \$450,000, which is approximately equal to  
4 Suburban’s recorded 2021 and 2019 water conservation program costs<sup>245</sup> and equal to the  
5 \$450,000 annual budget authorized by the Commission in Suburban’s 2020 GRC  
6 application.<sup>246 247</sup> Suburban’s requested total Conservation budget for TY 2024 consists  
7 of eight individual programs. Of the eight individual programs, six are programs  
8 Suburban currently offers its customers and two are newly proposed. Suburban requests  
9 to continue the following: 1) Theater, 2) Resource Action, 3) Customer Awareness  
10 Communications, 4) Landscape Workshop Series, 5) Conservation Kits, and 6)  
11 Residential and Homeowners Association Landscape Surveys. Suburban proposes two  
12 new programs: 7) WaterSmart Neighbor Comparison Letters and 8) Customer Plumbing  
13 and Reimbursement. Suburban has not justified its forecasted budgets for four of its eight  
14 conservation programs.

15 **II. SUMMARY OF RECOMMENDATIONS**

16 The Commission should authorize \$319,817<sup>248</sup> for Suburban’s forecasted TY  
17 2024 conservation budget because Suburban has not justified its forecasted budgets for  
18 four of its eight proposed conservation programs, discussed below. In addition, the  
19 Commission should require Suburban to continue tracking its conservation spending and  
20 revenue sources in its existing one-way balancing account with an annual maximum of

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<sup>245</sup> Suburban recorded \$434,176 in 2019 and \$432,504 in 2021. Suburban recorded \$305,336 in 2020. A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cells J2592-L2592.

<sup>246</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O2098.

<sup>247</sup> D.21-10-024, Settlement Agreement, p.16.

<sup>248</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O2592.

1 \$319,817 and include any rebates (e.g., Upper San Gabriel Valley Municipal Water  
2 District) for Suburban’s conservation programs.

3 **III. ANALYSIS**

4 The Commission should authorize \$319,817 for Conservation Expenses for TY  
5 2024. In addition, the Commission should require Suburban to continue tracking its  
6 conservation spending and rebate sources in its existing one-way balancing account with  
7 an annual maximum of \$319,817.<sup>249</sup> The one-way balancing account should include the  
8 Metropolitan Water District of Southern California rebates for Suburban’s conservation  
9 programs. The Commission should require Suburban to record and account for each of its  
10 conservation program’s expenses separately in its “Water Conservation” and one-way  
11 balancing accounts. Currently, Suburban records expenses for all eight programs in its  
12 “Water Conservation” account but does not track costs for each program.<sup>250</sup>

13 **A. WaterSmart Neighbor Comparison Letters**

14 The Commission should authorize \$77,817 annually for Suburban’s WaterSmart  
15 Neighbor Comparison Letters, which is 50% less than Suburban’s proposed budget.<sup>251</sup>  
16 Suburban plans to use the WaterSmart program to generate letters, which will be mailed  
17 twice annually,<sup>252</sup> comparing the water usage of a group of neighbors (both average and  
18 efficient water usage) to motivate customers to reduce water usage.<sup>253</sup> Suburban’s  
19 proposed budget is not justified because Suburban will not need to print and mail

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<sup>249</sup> A one-way balancing account ensures that ratepayers are credited if Suburban does not spend its total \$319,817 annual budget during the GRC period.

<sup>250</sup> A.23-01-001 Suburban’s workpapers Vol I CONFIDENTIAL (Final Application), Tab Model, Row 2592.

<sup>251</sup> Suburban forecasts \$150,000 in 2024. See A.23-01-001, Direct Testimony of Lauren James, p.13.

<sup>253</sup> Attachment 4-1: Suburban’s response to Public Advocates data request DG-02, Q.1.a. and A.23-01-001 Direct Testimony of Lauren James, p.13.

1 Neighbor Comparison Letters to the 34,373 <sup>254</sup> customers already using WaterSmart  
2 software. Instead, those customers can view the Neighbor Comparison Letters online,  
3 which results in a cost savings of \$72,183.<sup>255</sup> WaterSmart is a software program that  
4 primarily provides customers with billing data and monthly water usage accessible  
5 through a web portal.<sup>256</sup> Since 34,373 of Suburban’s customers are using the program,<sup>257</sup>  
6 the Commission should authorize \$77,817 annually.

7 **B. Printed Customer Conservation Materials (Conservation Kits**  
8 **and Customer Awareness Communications)**

9 The Commission should reduce Suburban’s 2024 conservation program budgets  
10 by 20% for two programs which include the distribution of printed materials. An increase  
11 in customer use of online applications such as Suburban’s WaterSmart software and  
12 paperless billing, will continue to reduce postage costs, as more data is available online,  
13 rather than in printed format that requires mailing.<sup>258</sup> For example, an estimated 20% of  
14 Suburban’s customers will enroll in its paperless billing program by 2024,<sup>259</sup> which  
15 means that Suburban can provide conservation materials to its customers electronically,  
16 rather than in printed format. Therefore, the following conservation program budgets  
17 should be reduced by 20%.

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<sup>254</sup> Attachment 4-1: Suburban’s response to Public Advocates data request DG-02, Q.1.c.and 1.d.

<sup>255</sup> Suburban estimates that the cost to mail each Neighbor Comparison Letter is \$1.05. Since 34,373 of Suburban’s customers use WaterSmart software, they will not need to receive a letter in the mail (2x per year). Therefore, Suburban will save \$72,183 (34,373\*1.05\*2) in mailing costs alone. This assumes no additional Suburban customers will use WaterSmart software. Suburban’s response to Public Advocates data request DG-02, Q.1.

<sup>256</sup> Attachment 4-1: Suburban’s response to Public Advocates data request DG-02, Q.1.b.

<sup>257</sup> Attachment 4-1: Suburban’s response to Public Advocates data request DG-02, Q.1.c.and 1.d.

<sup>258</sup> A.23-01-001 Suburban’s Results of Operations Report, p. 12-6.

<sup>259</sup> Refer to discussion of Administrative and General Expenses, Postage Account.



1                   **1.       Materials – Conservation Kits**

2                   The Commission should authorize \$32,000 per year, or a 20% reduction of  
3 Suburban’s forecasted 2024 budget, for Suburban to provide materials such as  
4 conservation kits and coloring books at community events, classes, speaking  
5 engagements, and in Suburban’s customer lobbies.<sup>260</sup> Instead of printing conservation  
6 materials for its customers and displaying them in its lobby, Suburban can offer its  
7 customers that use its online applications, such as paperless billing or WaterSmart  
8 software, the option to receive conservation materials electronically, for example, as a  
9 bill attachment. Suburban can also offer the option to provide conservation materials  
10 electronically for purposes of community events, classes, and speaking engagements,  
11 which will decrease Suburban’s printing costs.

12                   **2.       Customer Awareness Communications**

13                   The Commission should authorize \$40,000 per year, or a 20% reduction of  
14 Suburban’s forecasted 2024 budget for Suburban to provide bill inserts, postcards, flyers,  
15 and educational brochures to its customers.<sup>261</sup> Similar to Suburban’s Materials-  
16 Conservation Kits budget, Suburban can offer its customers the option to receive  
17 customer communications electronically, which will decrease Suburban’s printing costs.

18 **C.       Customer Plumbing Leak Reimbursement Program**

19                   The Commission should deny Suburban’s request for a Customer Plumbing Leak  
20 Reimbursement Program (Special Request 5), which is not discussed in this report.<sup>262</sup>

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<sup>260</sup> A.23-01-001 Direct Testimony of Lauren James, p.12.

<sup>261</sup> A.23-01-001 Direct Testimony of Lauren James, p. 10.

<sup>262</sup> See discussion in Public Advocates Office Report and Recommendations on Special Request 5.

1 **IV. CONCLUSION**

2 The Commission should authorize \$319,817<sup>263</sup> for Suburban’s forecasted TY  
3 2024 conservation budget because Suburban has not justified its forecasted budgets for  
4 four of its eight proposed conservation programs. In addition, the Commission should  
5 require Suburban to continue tracking its conservation spending and revenue sources in  
6 its existing one-way balancing account with an annual maximum of \$319,817 for  
7 Suburban’s conservation programs. Ratepayers should be credited if Suburban does not  
8 spend its total \$319,817 annual budget during the GRC period.

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<sup>263</sup> A.23-01-001 Suburban’s Workpapers Vol I Confidential (GRC application), tab MODEL, Cell O2592.

**Attachment 1-1: Suburban's response to  
Public Advocates Office DR DG-01**

January 24, 2023

To: Jeffrey Roberts  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: Responses to A.23-01-001, Public Advocates Office DR DG-01 (Payroll)

Dear Mr. Roberts et al.,

Attached is the information you requested in writing for Suburban's Total Company General Rate Case.

Sincerely,

*/s/Carmelitha Bordelon*

Carmelitha Bordelon  
Director of Regulatory Affairs

**Responses to A.23-01-001, Public Advocates Office**  
**DR DG-01 (Payroll)**

3. Refer to the following references to respond to the question below regarding SWS employees:

RO Report p.3-5, includes table **“Analysis Of Staffing Position Changes Since The Company’s Last GRC”** includes a list of **“Transferred Position Between Offices”**

RO Report p.3-5, includes table **“Analysis Of Staffing Position Changes Since The Company’s Last GRC”** includes two new employee requests 1) Accountant and 2) Associate Engineer.

d. For the new employee position request of “Accountant”, provide the date the job was first advertised.

Response:

The position has not been advertised in as much as its starting date is not until 2025.

e. For the new employee position request of “Associate Engineer”, provide the date the job was first advertised.

Response:

The position has not been advertised in as much as its starting date is not until 2025.

**Attachment 1-2: Suburban's response to  
Public Advocates Office DR DG-05**



February 10, 2023

To: Jeffrey Roberts  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: Responses to A.23-01-001, Public Advocates Office DR DG-05 (Purchased Water)

Dear Mr. Roberts et al.,

Attached is the information you requested in writing for Suburban's Total Company General Rate Case.

Sincerely,

*/s/Carmelitha Bordelon*

Carmelitha Bordelon  
Director of Regulatory Affairs

**Responses to A.23-01-001, Public Advocates Office  
DR DG-05 (Purchased Water)**

1. Please refer to the following references regarding Suburban’s Water Rights to respond to the following questions:

D.21-10-024, Settlement Agreement (p. 30) states:

RESOLUTION: The Parties agree to resolve this disputed issue in its entirety as follows:

- Suburban will file a Tier 1 Advice Letter with the Commission before leasing its water rights out to other entities.
- Filing Tier 1 Advice Letters resolves Cal Advocates’ concerns with compliance with Public Utilities Code Section 851 going forward.
- Cal Advocates acknowledges that Suburban has cooperated in resolving the issues raised in the Motion for an Order to Show Cause. In light of this cooperation and the overall settlement, Cal Advocates is withdrawing its Motion for an Order to Show Cause and thus does not seek penalties as stated in Section III.
- Suburban will make the following adjustments to the forecasted Pumped and Purchase Water Adjustment:
  - Reduce MWD-CB 160.95 A.F. and Increase 111 CD Shares: \$148,028 revenue requirement reduction.
  - \$155,368 per year (for 2021, 2022, and 2023) to credit cost of purchased water. Beginning with its next GRC period and continuing in subsequent GRC cases, Suburban will forecast funds for any unused owned water rights during that GRC period in its RO Model as a reduction to revenue requirement based on the number of unused acre feet multiplied by the most recent recorded lease price for the type of unused rights at the time of the GRC filing.
- Suburban will make the following adjustments to the manner it reports water rights leases:
  - Use new source codes for Central Basin lease-ins and a new source code for Central Basin lease-outs.

A.23-01-001 “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Worksheet 5-1Q (excerpt)

SUBURBAN WATER SYSTEMS						
TOTAL COMPANY						WORKSHEET 5-1Q
COMPUTATION OF VOLUME RELATED						
Line Number	Description	Estimated Year		Test Year		
		2022	2023	2024	2025	
	CENTRAL BASIN					
24	Suburban's Allowed Pumping Allocation (APA) Owned Rights, Acre Feet	3,721	3,721	3,721	3,721	
25	Sativa APA Owned Rights, Acre Feet		474	474	474	
26		3,721	4,195	4,195	4,195	
27	Suburban Owned Rights, Acre Feet	1,151	1,292	3,542	3,468	
28	Sativa Owned Rights, Acre Feet	0	0	0	460	
29	Lease Water, Acre Feet	0	0	0	0	
30	Carry Over, Acre Feet	0	0	0	0	
31	Over Pump, Acre Feet	0	0	0	0	
32	Total Central Basin for Whittier/ La Mirada Service Area	1,151	1,292	3,542	3,928	
33	Central Basin (WLM) - Unused Rights, Acre Feet	2,570	2,903	653	267	

- a. For each year, 2022, 2023, 2024 and 2025, provide the workpaper tab name and cell(s) in which Suburban forecasts “funds for any unused owned water rights during that GRC period in its RO Model as a reduction to revenue requirement based on the number of unused acre feet multiplied by the most recent recorded lease price for the type of unused rights at the time of the GRC filing,” per the D.21-10-024, Settlement Agreement, in the table below.

Response:

Year	Central Basin (WLM) Unused Water Rights Acre-Foot	Workpaper Tab Name and Cell
2022	2,570	Tab Model, cell K3388
2023	2,903	Tab Model, cell M3388
2024	653	Tab Model, cell O3388
2025	267	Tab Model, cell P3388

- b. Explain how Suburban forecasts its 2023 “Suburban Owned Rights” of 1,292 acre-feet, which is a hardcoded amount in workpapers.

Response:

Suburban has 2 wells in the Central Basin (Well 409 and well 410). Well 410 produces 650 GPM (1,049 AF/year). Well 409 is currently offline due to arsenic but is expected to return to service in Q4 of 2023 at 600 GPM (or 243 AF/year). Adding this production results in a total Central Basin groundwater production forecast of 1,292 AF (1,049 + 243) for 2023.

- c. Explain how Suburban forecasts its 2024 “Suburban Owned Rights” of 3,542 acre-feet, which is a hardcoded amount in workpapers.

Response:

Suburban plans on adding a new Central Basin groundwater well in 2024. The new well is expected to come online Q2 of 2024 at an average flow of 900 GPM (or 1,085 AF/year). Well 410 produces 650 GPM (1,049 AF/year), and Well 409 is expected to run all year at 873 GPM (1,408 AF/year). Adding production from these sources results in a Central Basin forecast of 3,542 AF (1,049 + 1,408 + 1,085) for 2024.

- d. Explain how Suburban forecasts its 2025 “Suburban Owned Rights” of 3,468 acre-feet, which is a hardcoded amount in workpapers.

Response:

The forecast includes 3 wells producing from in the Central Basin groundwater basin in 2025 (Well 409, well 410 and the new well). Well 410 produces 650 GPM (1,049 AF/year), Well 409 is forecasted to operate year round and produce 600 GPM (968 AF/year), and the new well is expected to run year round at 900 GPM (1,451 AF/year). Summing these sources results in an estimated forecast of 3,468 AF (1,049 + 968 + 1,451) for 2025.

- 2. Please refer to Suburban’s “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Worksheet 5-1W (excerpt) to respond to the following questions:

SUBURBAN WATER SYSTEMS										
TOTAL COMPANY									WORKSHEET 5-1W	
PURCHASED WATER RATES, DOLLARS										
Line						Estimated Year			Test Year	
Number					Description	2,022		2,023	2,024	2,025
8					City of Covina, Per Acre Foot	1,127		1,209	1,209	1,209
					Liberty Utilities, Per Acre Foot	3,000		3,600	3,600	3,600

- a. Provide supporting documents, including the lease agreement between Suburban and the City of Covina, for the Estimated 2022 and 2023 City of Covina price per acre foot, which are both hardcoded amounts in workpapers.

Response:

Please see attached file titled “DR DG-05 #2.a Response – SWS and City of Covina.pdf”

- b. Provide supporting documents, including the lease agreement between Suburban and Liberty Utilities for the Estimated 2022 and 2023 Liberty Utilities price per acre foot, which are both hardcoded amounts in workpapers.

Response:

Please see attached file titled “DR DG-05 #2.b Response – SWS and Liberty Utilities.pdf”

- c. Explain why the Liberty Utilities price per acre foot will increase from \$3,000 to \$3,600 between 2022 and 2023.

Response:

Liberty charged Los Angeles County \$3,000/AF according to their service agreement (please see page 396 of Workpapers Vol II). Liberty required Suburban to enter a new contract and set the rate at \$3,600/AF (please see response 2.b.)

- 3. Please refer to Suburban’s “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Worksheet 5-10 (excerpt) to respond to the following questions:

SUBURBAN WATER SYSTEMS		WORKSHEET 5-10			
TOTAL COMPANY					
COMPUTATION OF VOLUME RELATED					
Line		Estimated Year		Test Year	
Number	Description	2022	2023	2024	2025
20	City of Glendora, Acre Feet	109.77	109.77	109.77	109.77
21	Rowland County, Acre Feet	0	0	0	0
22	Walnut Valley - Tier One, Acre Feet	4,041.25	1,961	1,961	1,961
23	Walnut Valley - Tier Two, Acre Feet	0	2,080.25	3,700	3,700
24	Walnut Valley - 100%-115% Tier One Acre Feet	0	0	0	0
25	Walnut Valley - Greater Than 115% Tier One Acre Feet	0	0	0	0
26	Covina Irrigating, Acre Feet	4,446.5	4,240.5	4,240.5	4,240.5
27	City of Covina, Acre Feet	0	0	0	0
28	La Puente Valley Water, Acre Feet	0	0	0	0
29	Valencia Heights, Acre Feet	0	0	0	0
30	Valley County Acre Feet	0	0	0	0
31	MWD Upper Basin - Tier One, Acre Feet	1,428.7	953	953	953
32	MWD Upper Basin - Tier Two, Acre Feet	0	475.72	0	0
33	MWD Upper Basin - WSAP 100%-115% Tier One, Acre Feet	0	0	0	0
34	MWD Upper Basin - WSAP Greater than 115% Tier One, Acre Feet	0	0	0	0
35	Total Potable Water Purchased - San Jose Hills Service Area	10 026	9 820	10 964	10 964
37.	San Gabriel, Acre Feet	1.71	1.71	1.71	1.71
38.	City of Whittier, Acre Feet	0	0	0	0
39.	La Habra Heights, Acre Feet	0	0	0	0
40.	California Domestic, Acre Feet	5,123.34	5,227.74	5,323.44	5,419.14
41.	Liberty Utilities Acre Feet	0	514	514	51
42.	City of Compton, Acre Feet	0	0	0	0
43.	MWD Central Basin - Tier One, Acre Feet	2,393	2,393	941.29	941.29
44.	MWD Central Basin - Tier Two, Acre Feet	0	0	0	0
45.	MWD Central Basin - WSAP 100%-115% Tier One, Acre Feet	0	0	0	0
46.	MWD Central Basin - WSAP Greater than 115% Tier One Acre Feet	0	0	0	0
47.	Total Potable Water Purchased - Whittier/La Mirada Service Area Acre Feet	7 518	8 136	6 780	6 414

- a. In A.20-03-001, “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Cell O2856 Suburban estimated 2021 Walnut Valley Tier One purchased water amount of 1,961 AF for San Jose Hills.

- i. What was the actual 2021 Walnut Valley Tier One amount (AF) Suburban purchased?

Response:

4,658.25 AF.

- ii. In the table above, Suburban estimates Walnut Valley Tier One 2022 amount of 4,041.25 AF. Explain why Suburban estimates double the amount from its 2021 amount of 1,961 AF.

Response:

Suburban estimated lower groundwater well production based on recent historical production. To meet customer demand, Suburban is forecasting using more Walnut Valley Tier one 2022

- b. In A.20-03-001, "Workpapers Vol 1 (CONFIDENTIAL), tab "MODEL", Cell O2865 Suburban estimated 2021 MWD Upper Basin Tier One purchased water amount of 953 AF for San Jose Hills.

- i. What was the actual 2021 MWD Upper Basin Tier One amount (AF) Suburban purchased?

Response:

1.67 AF.

- ii. In the table above, Suburban estimates MWD Upper Basin Tier One 2022 amount of 1,428 AF. Explain why Suburban estimates the increase in demand from its 2021 amount of 953 AF.

Response:

Suburban estimated lower groundwater well production based on recent historical production. To meet customer demand, Suburban is forecasting using more MWD Upper Basin Tier One 2022.

- c. What is the justification for the purchase of 1.71 AF from San Gabriel, where that quantity of water could be purchased from one of the other existing suppliers.

- i. What was the actual 2021 San Gabriel amount (AF) Suburban purchased?

Response:

1.67 AF.



- ii. Could 1.71AF of water that Suburban purchases from San Gabriel be purchased from one of the other suppliers at Tier One pricing? If not, explain why not.

Response:

No, San Gabriel is the only source of water for this portion of Suburban's service area.

- d. What is the justification for the purchase of 109.77 AF from the City of Glendora, where that quantity of water could be purchased from one of the other existing suppliers.

- i. What was the actual 2021 City of Glendora amount (AF) Suburban purchased?

Response:

94.95 AF.

- ii. Could 109.77AF of water that Suburban purchases from San Gabriel be purchased from one of the other suppliers at Tier One pricing? If not, explain why not.

Response:

Question 4 ii. Refers to purchasing water from San Gabriel, which is inconsistent with Question 4 i. that refers to Glendora. The following response assumes the question is asking about Glendora and not San Gabriel.

The Glendora connection is the backup source for Suburban's Glendora service area. Covina Irrigating is the primary source for the Glendora service area; however, this primary source is interruptible due to treatment plant downtime and source limitations beyond Suburban's control requiring the use of the backup source from Glendora.

- e. What are the unique circumstances of 2023 that justify Tier Two purchases from Walnut Valley and MWD Upper Basin?

Response:

Walnut Valley and MWD Upper District charge the Tier Two rate when they exceed their allocation. They in turn charge a purveyor (like Suburban) the Tier Two rate when the purveyor exceeds their Tier One allocation. Walnut Valley and MWD Upper District are member agencies of the Metropolitan Water District of Southern

California (MWD). MWD sources wholesale water from the State Water Project (SWP) and Colorado River Aqueduct (CRA) and sets allocations for member agencies based on the availability of these sources.

Reservoir levels on the CRA are at historically low levels due to increasing demands from the seven western states that depend on this source and continuing historic drought conditions resulting in below average precipitation in the Colorado River watershed.

On 12/14/22 MWD issued an emergency declaration and has indicated that it will use allocation reductions to reduce demand for water. The following is a link to the article.

<https://www.mwdh2o.com/press-releases/regional-drought-emergency-declared-for-all-of-southern-california>

The Federal Government has requested the seven states work together to reduce their demand. To date they have not reached agreement. It is anticipated that all users will be required to reduce demand, and MWD anticipates achieving this conservation using reductions in allocation. The following is a link to an article that discusses the current state of the situation and MWD's plan to enter allocation.

<https://www.latimes.com/environment/story/2023-02-01/california-offers-proposal-on-colorado-river-crisis>

- f. What are the unique circumstances of 2024 that justify a Walnut Valley Tier Two purchase?

Response:

Please see response 3.e.

- g. The 2025 Liberty Utilities purchased water forecast, in the table above (workpaper cell P2814), includes, in its formula, the 2024 forecast divided by 10.

- i. What does the 10 represent?

Response:

We forecast in 2025 that Liberty will supply 10% of the water to the Sativa service area and 90% will be supplied by other sources that are anticipated to be available in 2025.

- ii. Why did Suburban divide the 2024 forecast by 10?

Please see response 3.g.i.

4. Please refer to Suburban’s “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row K2901 (see below) to respond to the following questions:

SUBURBAN WATER SYSTEMS				WORKSHEET 5-1Q			
TOTAL COMPANY				COMPUTATION OF VOLUME RELATED			
Line Number	Description	Estimated Year			Test Year		
		2022	2023	2024	2025		
	ALLOCATION OF MAIN SAN GABRIEL BASIN						
9	San Jose Hills Service Area Owned Rights, Acre Feet	5,361	4,170	2,107	2,107		

- a. The formula for Owned Rights (workpaper Row 2901), years 2022-2025, includes a 0.6 factor.

- i. What does the 0.6 factor represent?

Response:

The 0.6 factor represents 60% of Main basin rights.

- ii. Why is the 0.6 factor necessary in the formula?

Response:

The 0.6 factor is used to allocate 60% of Main Basin ground water rights to Suburban’s San Jose Hills service area, and the balance to Suburban’s Whittier/La Mirada service area.. This allocation is a forecast based on historical production and anticipated production facility availability.

5. Please refer to Suburban’s “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row 2264 (see below) to respond to the following questions:

SUBURBAN WATER SYSTEMS				WORKSHEET 5-1E										
TOTAL COMPANY				OPERATING EXPENSES WORKPAPERS, DOLLARS										
Line Number	CPUC Account Number	Source Code	Description	Recorded Year					Estimated Year		Test Year			
				2017	2018	2019	2020	2021	2022	2023	2024	2025		
34	704	560	Orchard Dale Water	1 200	2 588	24	(54 117)	52 980						

- a. A.23-01-001 includes recorded 2017-2021 Orchard Dale water costs. However, A.20-03-001 “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL” does not include Orchard Dale water (supplier or costs). Explain why Suburban added the Orchard Dale costs in its A.23-01-001.

- i. Provide supporting documents for the annual costs.

Response:

Suburban has an emergency exchange agreement with Orchard Dale. If either party needs an emergency source of water, the other party will provide it and the return the water when operations have returned to normal. If the using party is not able to return the water they are obligated to pay for the water. There were no invoices for these annual costs since parties have been able to return exchanged water.

ii. Why is the 2020 cost entry a reduction?

Response:

Suburban provided Orchard Dale with approximately 40 AF of water in 2020 represented by a negative expense (-\$54,117) with the understanding that they would return it in early 2021 when their system was capable to do so. In 2021, Orchard Dale returned this water to Suburban which is represented as a positive expense (\$52,980) in 2021.

6. Central Basin Water Rights Leases

A.23-01-001 "Volume II Workpapers (Final Application) (PDF p.335) includes a list of water districts that Suburban leased/supplied water to and corresponding lease price.

e. How did Suburban arrive at the pricing for such water?

Response:

Lease pricing is determined by market conditions, specifically, the price a lessee is willing to pay and lessor is willing to accept.

f. How was the amount credited to ratepayers?

Response:

The settlement agreement from the last GRC (Decision 21-10-024) included \$155,68/year (2021, 2022, 2023) of negative expense credit to customers for water rights that are leased out.

- \$155,368 per year (for 2021, 2022, and 2023) to credit cost of purchased water. Beginning with its next GRC period and continuing in subsequent GRC cases, Suburban will forecast funds for any unused owned water rights during that GRC period in its RO Model as a reduction to revenue requirement based on the number of unused acre feet multiplied by the most recent recorded lease price for the type of unused rights at the time of the GRC filing.

g. If ratepayers were not credited the respective allocated amounts, explain why not.

Response:

Please see response 6.b.

**Attachment 1-3: Main San Gabriel Basin  
Watermaster Resolutions (excerpts)**

**ADOPTED OPERATING SAFE YIELD**

On May 3, 2023, Watermaster held a hearing on the preliminary determination of Operating Safe Yield, which was submitted to Watermaster on April 5, 2023, in accordance with Section 43(a) of the Judgment. After review by its Engineer and comments received by those at the hearing, Watermaster approved the establishment of the Operating Safe Yield of the Main San Gabriel Basin at 150,000 acre-feet for fiscal year 2023-24, as shown below.

<b><u>Fiscal Year</u></b>	<b><u>Operating Safe Yield (Acre-feet)</u></b>
2023-24	150,000
2024-25	130,000
2025-26	130,000
2026-27	130,000
2027-28	130,000





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**RESOLUTION NO. 05-21-307**

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN  
WATERMASTER DETERMINING OPERATING SAFE YIELD FOR  
SAID BASIN FOR FISCAL YEAR 2021-22 THROUGH 2025-26**

WHEREAS, Watermaster has caused a report on preliminary determination of the Operating Safe Yield for the Main San Gabriel Basin for Fiscal Years 2021-22 through 2025-26 to be prepared by its Consulting Engineer, and thereafter at its regular meeting of April 7, 2021, received said report; and

WHEREAS, a copy of said report was mailed to all Producers within said Basin, together with an appropriate notice of hearing thereon at 2:30 o'clock p.m. on Wednesday, May 5, 2021 via Zoom Meeting (web-based video conferencing); and

WHEREAS, pursuant to said notice, a hearing was duly and regularly held at said time and place on said report and at which time the engineer submitted updated information, testimony was taken and objections, suggested modifications and comments were solicited and heard; and

WHEREAS, at the close of said hearing, from the evidence presented, it appears appropriate to adopt said report;

NOW, THEREFORE, BE IT RESOLVED BY THE MAIN SAN GABRIEL BASIN WATERMASTER, as follows:

Section 1. The said preliminary report, as updated at the hearing, is hereby adopted as a final report, attached hereto as "Exhibit A," and by this reference incorporated herein and made a part hereof as though here fully set forth at length.

Section 2. It is hereby found and determined that the Operating Safe Yield for the Main San Gabriel Basin for the Fiscal Years 2021-22 through 2025-26 is as follows:

<u>Fiscal Year</u>	<u>Operating Safe Yield (Acre-Feet)</u>
2021-22	150,000
2022-23	130,000
2023-24	130,000
2024-25	130,000
2025-26	130,000



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**RESOLUTION NO. 05-19-295**

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN  
WATERMASTER DETERMINING OPERATING SAFE YIELD FOR  
SAID BASIN FOR FISCAL YEAR 2019-20 THROUGH 2023-24**

WHEREAS, Watermaster has caused a report on preliminary determination of the Operating Safe Yield for the Main San Gabriel Basin for Fiscal Years 2019-20 through 2023-24 to be prepared by its Consulting Engineer, and thereafter at its regular meeting of April 3, 2019, received said report; and

WHEREAS, a copy of said report was mailed to all Producers within said Basin, together with an appropriate notice of hearing thereon at the meeting room of Watermaster at 2:30 o'clock P.M. on Wednesday, May 1, 2019; and

WHEREAS, pursuant to said notice, a hearing was duly and regularly held at said time and place on said report and at which time the engineer submitted updated information, testimony was taken and objections, suggested modifications and comments were solicited and heard; and

WHEREAS, at the close of said hearing, from the evidence presented, it appears appropriate to adopt said report;

NOW, THEREFORE, BE IT RESOLVED BY THE MAIN SAN GABRIEL BASIN WATERMASTER, as follows:

Section 1. The said preliminary report, as updated at the hearing, is hereby adopted as a final report, attached hereto as "Exhibit A," and by this reference incorporated herein and made a part hereof as though here fully set forth at length.

Section 2. It is hereby found and determined that the Operating Safe Yield for the Main San Gabriel Basin for the Fiscal Years 2019-20 through 2023-24 is as follows:

<u>Fiscal Year</u>	<u>Operating Safe Yield (Acre-Feet)</u>
2019-20	150,000
2020-21	130,000
2021-22	130,000
2022-23	130,000
2023-24	130,000

1 **RESOLUTION NO. 05-17-285**

2 **A RESOLUTION OF THE MAIN SAN GABRIEL BASIN**  
3 **WATERMASTER DETERMINING OPERATING SAFE YIELD FOR**  
4 **SAID BASIN FOR FISCAL YEAR 2017-18 THROUGH 2021-22**

5 WHEREAS, Watermaster has caused a report on preliminary determination of the Operating  
6 Safe Yield for the Main San Gabriel Basin for Fiscal Years 2017-18 through 2021-22 to be prepared by  
7 its Consulting Engineer, and thereafter at its regular meeting of April 6, 2016, received said report; and

8 WHEREAS, a copy of said report was mailed to all Producers within said Basin, together with  
9 an appropriate notice of hearing thereon at the meeting room of Watermaster at 2:30 o'clock P.M. on  
10 Wednesday, May 3, 2017; and

11 WHEREAS, pursuant to said notice, a hearing was duly and regularly held at said time and place  
12 on said report and at which time the engineer submitted updated information, testimony was taken and  
13 objections, suggested modifications and comments were solicited and heard; and

14 WHEREAS, at the close of said hearing, from the evidence presented, it appears appropriate to  
15 adopt said report;

16 NOW, THEREFORE, BE IT RESOLVED BY THE MAIN SAN GABRIEL BASIN  
17 WATERMASTER, as follows:

18 Section 1. The said preliminary report, as updated at the hearing, is hereby adopted as a final  
19 report, attached hereto as "Exhibit A," and by this reference incorporated herein and made a part  
20 hereof as though here fully set forth at length.

21 Section 2. It is hereby found and determined that the Operating Safe Yield for the Main San  
22 Gabriel Basin for the Fiscal Years 2017-18 through 2021-22 is as follows:

23

<u>Fiscal Year</u>	<u>Operating Safe Yield</u> <u>(Acre-Feet)</u>
24 2017-18	150,000
25 2018-19	130,000
26 2019-20	130,000
27 2020-21	130,000
28 2021-22	130,000

29

**Attachment 1-4: Suburban's response to  
Public Advocates Office DR DG-14**

April 5, 2023

To: Suliman Ibrahim  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: Response to A.23-01-001, Public Advocates Office DR DG-14 (Purchased Water Sources)

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing for Suburban's Total Company General Rate Case.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon  
Director of Regulatory Affairs



**Response to A.23-01-001, Public Advocates Office**  
**DR DG-14 (Purchased Water Sources)**

1. Since Suburban filed its proposed A.23-01-001, does Suburban have any updates or potential changes to its forecasted purchased water in the RO Model?

Response:

Suburban is not required to update the RO Model for changes in forecasted purchased water costs. Moreover, changes in rates charged by wholesalers is provided for in the purchased water reserve accounts. See D.07-05-062, p.A-9, “Up to 45 days or 100 days after filing, as applicable, more recent recorded data used in the application/testimony may be provided by the utility.” Emphasis added.

2. If the response is Q.1., is yes, provide details of any and all update(s). This includes:
  - a. The name(s) of the entity/entities that Suburban is purchasing water from or forecasts purchasing water from.
  - b. The agreement(s) for purchased water or draft agreement(s) under consideration;
  - c. An explanation for the update or change in forecasted water, including why Suburban plans to enter into an agreement for purchased water.
  - d. The forecasted annual estimated amount of water Suburban plans to purchase from each water supplier in 2023 and 2024.
  - e. The purchased water rate (\$/AF) for which each supplier.
  - f. An explanation for how each water rate (\$/AF) was calculated.

Response a – f:

Not applicable.

**Attachment 1-5: Division of Drinking Water  
Permit Amendment: Suburban Water  
Systems -Sativa**

**WATER PERMIT AMENDMENT NO. 1910147PA-001**

**Suburban Water Systems - Sativa  
Water System**

**Los Angeles County  
System No. 1910147**

**April 2023**



**STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF DRINKING WATER**

STATE OF CALIFORNIA

**AMENDMENT TO THE  
DOMESTIC WATER SUPPLY PERMIT ISSUED TO  
SUBURBAN WATER SYSTEMS - SATIVA**  
Public Water System Number: 1910147

REVISED FULL PERMIT NO. *04-22-22P-007*  
PERMIT AMENDMENT NO. *1910147PA-001*

DATE OF ISSUE: *11/04/2022*  
EFFECTIVE DATE: *04/24/2023*

**WHEREAS:**

- I. The *Suburban Water Systems (hereafter, Suburban WS)* submitted an application to the Division of Drinking Water of the State Water Resources Control Board on *January 25, 2023*, to amend the Domestic Water Supply Permit issued to the *Suburban WS - Sativa* water system on *November 4, 2022*.
- II. The purpose of this amendment, as stated in the application, is to allow *Suburban WS* to make the following modification to the *Sativa* water system:
  - *Change the status of the City of Compton Interconnection from an emergency interconnection to an active water source for Sativa water system.*
- III. The *Suburban WS* has submitted all of the supporting information required to evaluate the application.
- IV. The Division of Drinking Water of the State Water Resources Control Board has evaluated the application and the supporting materials and has determined that the proposed modification complies with all applicable State drinking water requirements.

**THEREFORE:**

- I. The Division of Drinking Water (hereafter, Division) of the State Water Resources Control Board hereby approves the application submitted by the *Suburban WS*. The Domestic Water Supply Permit issued to the *Suburban WS - Sativa* water system on *November 4, 2022*, is hereby amended as follows:

***The City of Compton Interconnection is now an active source of supply for the Suburban WS - Sativa water system.***

II. This permit amendment is subject to the following conditions:

**General**

1. This document amends and adds to the domestic water supply permit (Permit No. 04-22-22P-007) issued to Suburban WS - Sativa by the Division on November 4, 2022. If any condition of this amendment conflicts with the full permit, the conditions of this amendment shall be followed.
2. The Suburban WS shall comply with all the requirements set forth in the California Safe Drinking Water Act, California Health and Safety Code and any regulations, standards, or orders adopted thereunder.
3. The only sources approved for domestic water supply for the Sativa water system are listed in Table 1 and Table 2:

**Table 1. Groundwater Sources**

Source	Primary Station (PS) Code	Status	Capacity (gpm)
Well 3	1910147_002_002	Active	424
Well 5	1910147_005_005	Active	650

**Table 2. Interconnection**

Source	PS Code	Location	Status	Capacity (gpm)
Liberty Utilities – Compton/Willowbrook	1910147_010_010	137 <sup>th</sup> Street & Paulsen Avenue 8" One Way Connection	Active	1,500
City of Compton	1910147_009_009	Oris Street & Willowbrook Avenue 6" One Way Connection	Active	900

4. The only approved treatment facilities for Sativa are those listed in Table 3:

**Table 3. Treatment Facilities**

Treatment Plant	Treatment Processes
Wells 3 and 5 Chlorination Facilities	Chlorination for precautionary purposes with 12.5 percent sodium hypochlorite solution.

5. No additions, changes, or modifications to the sources of water supply or water treatment facilities outlined in Conditions 3 and 4 shall be made without prior receipt of an amended domestic water supply permit from the Division.



### Water Quality

6. All water supplied by the Sativa water system for domestic purposes shall meet all Maximum Contaminant levels (MCLs) established by the Division. If the water quality does not comply with the California Drinking Water Standards, additional treatment shall be provided to meet standards. The plans and specifications for the proposed treatment facilities shall be submitted to the Division for review and approval prior to construction.
7. The Suburban WS shall monitor all groundwater sources listed in Table 1 in accordance with Title 22, Chapter 15, CCR and the Division's most recent Vulnerability Assessment and Monitoring Frequency Guidelines.
8. Except for bacteriological analyses and constituents without chemical storet numbers, all water quality monitoring results obtained at a certified laboratory shall be submitted to the Division by Electronic Data Transfer using the appropriate Primary Station (PS) Codes. Analytical results of all sample analyses completed in a calendar month shall be reported to the Division no later than the tenth day of the following month.
9. The Suburban WS shall notify the governing body of the local agency in which users of the drinking water reside (i.e., city council and county board of supervisors) when a notification level is exceeded in drinking water that is provided to consumers.

### Operator Certifications

10. The distribution system and treatment facilities shall be operated by personnel who have been certified in accordance with Chapter 13, Title 22, CCR, *Operator Certification Regulations*. The chief and shift operator(s) for the Sativa water system's distribution facilities shall have, at minimum, D2 and D1 certifications, respectively. The minimum certification requirements for all disinfection facilities for which no *Giardia* or Virus reduction is required shall either be certified distribution operators or certified treatment operators that have been trained to operate these facilities.

### Cross-connection Control Program

11. The Suburban WS shall comply with Title 17, CCR, to prevent the Sativa water system and its facilities from being contaminated by possible cross-connections. The Suburban WS shall maintain a program for the protection of the domestic water system against backflow from premises having dual or unsafe water systems in accordance with Title 17. All backflow prevention assemblies shall be tested annually.

### Direct Additives

12. The Suburban WS shall only use additives that have been tested and certified as meeting the specifications of NSF International/American National Standard Institute (NSF/ANSI) Standard 60. This requirement shall be met under testing conducted by a product certification organization accredited for this purpose by ANSI.

### Indirect Additives

13. The Suburban WS shall only use chemicals, materials, lubricants, or products that have been tested and certified as meeting the specifications of NSF/ANSI Standard 61 in the production, treatment or distribution of drinking water that will result in its contact with the drinking water, including process media, protection materials (i.e. coating, linings, liners), joining and sealing materials, pipe and related products, and mechanical devices used in treatment/transmission/distribution system, unless conditions listed in Section 64593, Title 22, CCR are met. This requirement shall be met under testing conducted by a product certification organization accredited for this purpose by ANSI.

### Chloramines

14. The Suburban WS shall inform the public served by Sativa water system of the possibility of receiving chloraminated water. The Suburban WS shall reach out to kidney dialysis facilities, if any, and home patients to ensure their treatment units can remove chloramines. The Suburban WS shall answer questions that the general public and dialyses centers may have. If chloraminated water is used, the notification shall be repeated yearly in Sativa's consumer confidence report to the consumers.
15. Liberty Utilities and City of Compton may switch to imported surface water from MWDSC, which contains chloramines, when their respective groundwater sources cannot meet their systems demands. The Suburban WS shall develop and implement a transition plan to address the potential water quality issues in case water imported from Liberty Utilities and City of Compton contains chloramines. If the Sativa water system needs to rely on chloraminated water for an extended period, the Suburban WS shall develop a nitrification monitoring and control plan. Special water quality parameters sampling and lead and copper tap sampling shall be conducted to ensure the switch does not cause adverse impact on lead and copper leaching in the area receiving chloraminated water from the interconnection.
16. The Sativa water system shall comply with the minimum residual requirements of the Surface Water Treatment Rule (SWTR) during the time the water system receives treated surface water.



17. If chloraminated water is provided by either the Liberty Utilities or the City of Compton interconnections, the Sativa water system shall begin submitting the monthly SWTR reports to the Division by the tenth day of the following month.

#### **Minimum Pressure Requirement**

18. The Suburban WS shall continue to evaluate if the current source, storage and pipeline capacities are adequate to meet the fire flow requirement and the minimum system pressure requirement (20 psi) at the same time; if not, more improvement should be planned.

#### **Compton Interconnection**

19. During the start-up of the interconnection, the Suburban WS should flush out the stagnant water in the interconnection and ensure adequate chlorine residuals before discharging the water into the distribution system. The Suburban WS should also collect chlorine residual samples at the adjacent areas shortly after introducing the water to closely monitor any changes in water quality.
20. It is not clear at this time the impact of the new sources to the existing Stage 2 Disinfection Byproduct Rule (DBPR) monitoring. The Suburban WS should monitor closely of the trihalomethanes (TTHM) and haloacetic acids (HAA5) data collected from Sativa distribution system after the Compton Interconnection is placed into service to determine if the existing monitoring sites need to be modified to comply with the sampling location requirements of the Stage 2 DBPR

#### **Consumer Confidence Report**

21. Suburban WS shall prepare Sativa water system's Consumer Confidence Report on an annual basis, which must be distributed to customers and a copy provided to the Division by July 1 of each year.

#### **Annual Reports**

22. The Suburban WS shall submit an electronic Annual Report to the Division each year, documenting Sativa water system information for the prior year. The report shall be in the format specified by the Division.

This amendment shall be appended to and shall be considered to be an integral part of the Domestic Water Supply Permit issued to the **Suburban Water Systems – Sativa** on **November 4, 2022**.

FOR THE DIVISION OF DRINKING WATER,  
STATE WATER RESOURCES CONTROL BOARD

4/24/2023

**Date**

Digitally signed by  
Bill Liang  
Date: 2023.04.24  
10:09:38 -07'00'

**Bill Liang, P.E., District Engineer**  
**Angeles District**  
**Southern California Section**

# **Attachment 1-6: Central Basin Water Lease Agreement References**

MAY 04 2022

9:40 am

**City of South Gate**  
CITY COUNCIL

AGENDA BILL


For the Regular Meeting of: May 10, 2022

Originating Department: Public Works

Department Director:

  
Arturo Cervantes

Interim City Manager:

  
Chris Jeffers

**SUBJECT: GROUNDWATER PUMPING WATER RIGHTS LEASE AGREEMENT WITH ROCKVIEW DAIRIES, INC., FOR THE LEASE OF 50 ACRE-FEET FOR FISCAL YEAR 2021/22**

**PURPOSE:** The City has an Allowed Pumping Allocation (Water Rights) of 11,183 acre-feet (AF) and a water demand of 8,300 AF, leaving an estimated 2,883 AF in unused Water Rights annually. Staff is proposing to lease 50 AF of unused Water Rights to Rockview Dairies, Inc.

**RECOMMENDED ACTIONS:** The City Council will consider:

- a. Approving the Groundwater Pumping Water Rights Lease Agreement with Rockview Dairies, Inc., to lease fifty (50) acre-feet of the City's Fiscal Year 2021/22 Water Rights, without flex, retroactively effective July 1, 2021, in the amount of \$190 per acre-foot, or \$9,500 total; and
- b. Authorizing the Mayor to execute the Agreement in a form acceptable to the City Attorney.

**FISCAL IMPACT:** The proposed lease of 50 AF in Water Rights will generate \$9,500 for the Water Enterprise. The funds will be deposited in Account No. 411-4522 (Water Rights).

**ANALYSIS:** The proposal to lease Water Rights aligns with the annual demand for drinking water from the City's service area. To meet the annual demand, the City must have sufficient Water Rights to produce drinking water. The City must also have a contingency in Water Rights in case the demand for drinking water increases. The City's annual allocation of Water Rights is 11,183 AF. The current annual demand is approximately 8,300 AF. This leaves a contingency of approximately 2,883 AF in excess water rights, annually. Excess Water Rights may carry over to the next fiscal year; however, they will lapse if the balance exceeds 6,209 AF. Historically, the City has leased its excess Water Rights to prevent them from lapsing, as well as to generate revenue for the Water Enterprise. Table "A" on the following page, contains a summary of the current status of the Water Rights. It demonstrates that the proposed lease of excess Water Rights will not negatively impact the City's ability to meet the annual demands of its service area.

**BACKGROUND:** The City owns and operates a municipal water utility that is in an adjudicated water basin, known as the Central Basin. The Court retains jurisdiction of the water basin through a judgment that awarded Water Rights to water producers. Water Rights provide water producers the ability to extract groundwater from the Central Basin. The City has an



annual allocation of 11,183 AF in Water Rights. Excess Water Rights lapse when the balance exceeds 6,209 AF.

There are a few alternatives to program excess Water Rights. For example, the City may lease them, use them to store groundwater or carry them over to the next fiscal year. Given the options and the current annual water demand in the service area, staff is recommending the lease of 50 AF of its Water Rights to Rockview Dairies, Inc.

Rockview Dairies, Inc., needs to lease 50 AF of Water Rights and agreed to lease from the City at \$190 per AF. This rate matches the City's historical groundwater pumping rights lease rate. Comparatively, the City has a lease with the City of Cerritos for Fiscal Year 2020/21. The lease is for 1,000 AF of Water Rights at a rate of \$190 per AF. This lease was approved on September 22, 2020, following a competitive bid process. Further, the City had a lease with Rockview Dairies, Inc., for Fiscal Year 2020/21. The lease was for 100 AF of Water Rights at a rate of \$190 per AF.

The proposed lease is recommended on a sole-source basis. It was not procured through a competitive bid process; however, it offers a competitive rate.

**Table A**  
**Water Rights Summary**

<b>Description</b>	<b>Fiscal Year 2020/21</b>
Total Starting Water Rights Balance on July 1, 2021, including carryover.	14,865 AF
Less: Estimated Water Demand in FY 2020/21 in COSG	(8,300) AF
Less: Stored Water	(500) AF
Total Water Rights Available to be Leased	6,065 AF
Less: Water Rights Previously Leased to the City of Cerritos	(1,000) AF
Less: Water Rights Previously Leased to the City of Compton	(900) AF
Total Water Rights Available to be leased	4,165 AF
Less: Potential Rockview Dairies, Inc. Lease	(50) AF
<b>Water Rights Balance</b>	<b>4,115 AF</b>

**ATTACHMENT:** Proposed Lease Agreement

CC/AA:lc



**CITY OF BELL GARDENS  
OFFICE OF THE CITY MANAGER**

**AGENDA REPORT  
Item 12.**

<b>TO:</b>	Honorable Mayor and City Council Members
<b>FROM:</b>	Michael B. O'Kelly, City Manager
<b>BY:</b>	Chau Vu, Director of Public Works
<b>SUBJECT:</b>	<b>LEASING OF CITY'S CENTRAL BASIN GROUND WATER PUMPING RIGHTS TO LIBERTY UTILITIES</b>
<b>DATE:</b>	July 27, 2020

**RECOMMENDATION:**

It is staff's recommendation that the City Council by motion;

1. Adopt the attached Resolution Awarding a Lease Agreement for the lease of 750 acre feet of Central Basin Groundwater Annual Pumping Rights with flex rights to Liberty Utilities at the rate of \$120 per acre foot for the total of \$90,000 for each year in 2020-2021 and 2021-2022; and
1. Authorize the City Manager to execute the Lease Agreement with Liberty Utilities and have staff file a copy with the Central Basin Watermaster.

**BACKGROUND/DISCUSSION:**

Since 1991 the City has owned a potable water system that has 1,650 connections and serves the northerly portion of the City. The main source of supply since 1997 has been Water Well No. 1. To use the Well, the City has 1,914 acre-feet of Groundwater Pumping Rights in the Central Basin Groundwater Basin pursuant to a Court Adjudication of the Basin.

The City Water System uses approximately 1,140 acre-feet annually of those rights. The City has generally leased out annually the unused rights along with any carryover from the previous year with an outside water agency in the Central Basin Groundwater Basin with revenue going to the City Water Fund. The leasing can only be with other pumpers in the Central Basin.

For water year 2019-2020, the City will have approximately 750-acre feet of unused rights and for water years 2020-2021 and 2021-2022, the City will have approximately 750 acre-feet of unused rights. Staff solicited the leasing rights to thirteen (13) water agencies with pumping rights in the Central Basin Groundwater Basin and received one (1) offer as follows:

- Liberty Utilities – 750 acre-feet for water year 2020-2021 rights at \$120 per acre foot for \$90,000.00 and for water year 2021-2022 750 acre-feet at \$120 per acre foot for a total of \$90,000.00

Staff contacted several agencies that have submitted offers in the past and all pumpers responded that they have surplus water and do not need to purchase additional water rights.

**CONCLUSION:**

Leasing the water rights to Liberty Utilities will generate \$90,000 for this fiscal year and another \$90,000 for the following fiscal year 2021-2022.

**FISCAL IMPACT:**

The leasing of the water rights provides added revenue to the Water Fund for a total of \$180,000 for the two fiscal years.

**ATTACHMENTS:**

[Exhibit 1 - Resolution No. 2020-59](#)

[Exhibit 2 - Lease Agreement](#)

[Exhibit 3 - Liberty Utilities Bid](#)

**APPROVED ELECTRONICALLY BY:**

Michael B. O'Kelly, City Manager  
Stephanie Vasquez, Assistant City Attorney for Rick R. Olivarez, City Attorney  
Will Kaholokula, Director of Finance and Administrative Services

**RESOLUTION NO. 2020-59**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL GARDENS, CALIFORNIA, AWARDED A LEASE AGREEMENT BETWEEN THE CITY OF BELL GARDENS AND LIBERTY UTILITIES CORPORATION FOR GROUNDWATER ANNUAL PUMPING RIGHTS**

**WHEREAS**, in 1991, the City of Bell Gardens (the "City") purchased the City Water System from the Park Water Company;

**WHEREAS**, the main source of supply since 1997 has been Water Well No. 1;

**WHEREAS**, the City has 1,914 acre-feet of Groundwater Pumping Rights in the Central Basin Groundwater Basin pursuant to a Court Adjudication of the Basin;

**WHEREAS**, the City's water system uses approximately 1,140 acre-feet of those annual rights;

**WHEREAS**, staff solicited bids for the leasing rights to thirteen (13) water agencies in the Central Basin Groundwater Basin;

**WHEREAS**, the City received one (1) offer from Liberty Utilities for 750 acre-feet for water year 2020-2021 at \$120 per acre-foot for a total of \$90,000 and for water year 2021-2022 for 750 acre-feet at \$120 per acre foot for a total of \$90,000;

**NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Bell Gardens as follows:**

**SECTION 1.** The City Council hereby finds that the above recitals are true and correct and incorporate them herein by this reference.

**SECTION 2.** The City Council hereby awards the leasing of 750 acre-feet for water year 2020-2021 at \$120 per acre-foot for a total of \$90,000 and for water year 2021-2022 for 750 acre-feet at \$120 per acre foot for a total of \$90,000 to Liberty Utilities;

**SECTION 3.** The City Council hereby authorizes and directs the City Manager to execute the lease agreements for water year 2020-2021 and 2021-2022 to Liberty Utilities in a form approved by the City Attorney and consistent with the Staff Report presented concurrently with this Resolution, and any and all other ancillary documents reasonably necessary to effectuate the intent of this Resolution.

**SECTION 4.** If any part of this Resolution or its application is held to be invalid, the remainder of the Resolution shall not be affected and shall continue in full force and effect;



CENTRAL BASIN WATERMASTER  
ADMINISTRATIVE BODY



August 7, 2019

Montebello Land and Water Company  
P.O. Box 279  
Montebello, CA 90640  
Attn: Kenneth S. Bradbury, General Manager

Dear Mr. Bradbury:

The Administrative Body of the Central Basin Watermaster has received, recorded, and filed your water right lease agreement that includes the information shown below.

Licensee:	San Gabriel Valley Water Company
Licensor:	Montebello Land and Water Company
Lease dated:	July 12, 2019
Date received:	July 29, 2019
Lease amount:	400.00 acre-feet of Allowed Pumping Allocation
Carryover flexibility right:	Remain with Licensor
Applicable for period:	July 1, 2019 through June 30, 2020
Watermaster service area:	Central Basin

Your lease transaction is confirmed. For further assistance regarding this water right lease agreement, please contact me at [tjohnson@wrd.org](mailto:tjohnson@wrd.org) or at (562) 275-4240.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Johnson", is written over a faint, larger signature.

Theodore A. Johnson, PG, CHg  
Assistant General Manager/CAO/Watermaster

cc: San Gabriel Valley Water Company  
P.O. Box 6010  
El Monte, CA 91734  
Attn: Dan Arrighi, Water Resources Manager

0  
1 of 2

MONTEBELLO LAND & WATER COMPANY

23525

LEASE

9/30/19

56,000.00

56,000.00

10/14/19

23525

SAN GRABRIEL VALLEY WATER CO

\$56,000.00

MONTEBELLO LAND & WATER COMPANY  
344 EAST MADISON AVENUE - P.O. BOX 279  
MONTEBELLO, CALIFORNIA 90640  
(323) 722-8654

BANK OF AMERICA  
MONTEBELLO, CALIFORNIA 90640  
16-88/1220

23525

Check Number 23525

Oct 14, 2019 DATE

56,000.00 AMOUNT

Fifty-Six Thousand and 00/100 Dollars

THE  
ORDER  
OF:

SAN GRABRIEL VALLEY WATER CO  
PO BOX 6010  
EL MONTE, CA 91734-1960

*Kevin B. Baskin*  
*Kevin B. Baskin*

⑈023525⑈ ⑆122000661⑆0004288⑈30000⑈

MP

MP

CENTRAL BASIN WATERMASTER  
ADMINISTRATIVE BOARD



September 30, 2020

Montebello Land and Water Company  
P.O. Box 279  
Montebello, CA 90640  
Attn: Kenneth Bradbury, General Manager

Dear Mr. Bradbury:

The Administrative Body of the Central Basin Watermaster has received, recorded, and filed your water right lease agreement that includes the information shown below.

Licensors:	San Gabriel Valley Water Company
Licensee:	Montebello Land and Water Company
Lease dated:	September 14, 2020
Date received:	September 22, 2020
Lease amount:	1,000.00 acre-feet of Allowed Pumping Allocation
Carryover flexibility right:	Shall go to Licensee
Applicable for period:	July 1, 2020 through June 30, 2021
Watermaster service area:	Central Basin

Your lease transaction is confirmed. To view the new balances of your water rights, please log on to our website at <https://rights.wrd.org/> after allowing for approximately one week for processing. If you have any questions regarding this transaction, please contact me at [tjohnson@wrd.org](mailto:tjohnson@wrd.org) or (562) 275-4240.

Sincerely,

Theodore A. Johnson, PG, CHg  
Assistant General Manager/CAO/Watermaster

cc: San Gabriel Valley Water Company  
P.O. Box 6010  
El Monte, CA 91734-2010  
Attn: Dan Arrighi, Water Resources Manager

P  
1 of 2



**MONTEBELLO LAND & WATER COMPANY**

344 E. MADISON AVE. • P.O. BOX 279 • MONTEBELLO, CA 90640

DENNIS P. BURKE  
President

BRUCE JUGAN  
Vice President

ZEKI KAYIRAN  
Treasurer

NORMAN AKASHI  
Secretary

DAVID R. REGO  
Director

KENNETH S. BRADBURY  
General Manager

Telephone  
(323) 722-8654

Fax  
(323) 722-5529

September 9, 2020

Dan Arrighi, Water Resources Manager  
San Gabriel Valley Water Company  
PO Box 5010  
El Monte, CA 91734

Re: WATER RIGHT LICENSE AND AGREEMENT

Dear Mr. Arrighi:

Please find the enclosed forms for the Water Lease Agreement covering the following:

LEASE OF: 1000 Acre Feet "Allowed Pumping Allocation"

WATER YEAR: July 1, 2020 - June 30, 2021

PRICE: \$140.00 per Acre Foot

TOTAL: To be paid within 20 Days after Watermaster Approval.  
(\$140,000.00)

If above terms are agreeable, please sign and return one copy to us for forwarding to the proper agencies. Should you have any questions please do not hesitate to call me at (323) 722- 8654.

Thank you in advance for your prompt attention to this transaction.

Yours truly,



Korey Bradbury  
Assistant General Manager

Attachment

WATER AGREEMENT SGVWC

P  
2 of 2

INVOICE

**SAN GABRIEL VALLEY WATER COMPANY**

11142 Garvey Avenue Post Office Box 6010  
(626) 448-6183 El Monte, CA 91734

**TO:** Liberty Utilities Corporation  
Attention: Gabriel Gomez III  
Post Office Box 7002  
Downey, CA 90241

**DATE:** August 20, 2019

**INVOICE NO.** 19-08255

**TERMS:** Net Due Upon Receipt

Lease of 20 acre-feet (AF) of San Gabriel Valley Water Company's Central Basin allowed pumping allocation for the fiscal year 2018-2019.	\$1,000.00	
20 AF at \$50 per AF	\$1,000.00	
<b>TOTAL AMOUNT DUE</b>		<b>\$1,000.00</b>

COPY

**Attachment 1-7: June 21, 2022 Email from  
Suburban to the City of Compton**



**From:** Gregory Galindo <ggalindo@swwc.com>  
**Sent:** Tuesday, June 21, 2022 5:59 PM  
**To:** Don Nguyen  
**Cc:** Paul DiMaggio  
**Subject:** RE: letter to Setup Suburban as a regular customer  
**Attachments:** WSA Compton SWS Exhibit A.pdf; WSA Compton SWS Exhibit B.pdf; Amended and Restated Emergency Water Supply Agreement Sativa Water System - City of Compton 6.21.2022.docx

Hello Don,

Attached is the draft Water Supply Agreement between the City and Suburban for your review. It is very close in format and terms to the current agreement the City has with the Sativa County Water System. Our General Counsel recommended that we stick with an Emergency Supply Agreement to be approved and then proceed with an addendum to this agreement to allow for non-emergency use of water through the interconnection from when we acquire the system till the completion of the Sativa manganese treatment facility which is 18 to 24 months out. We can walk through the agreement during our lunch next week or I can set up another time. Please let me know if you have any questions in the meantime. Thank you.

Regards,

**Greg B. Galindo**

Vice President Field Operations | Suburban Water Systems

E-mail [ggalindo@swwc.com](mailto:ggalindo@swwc.com)

Cell 626.890.0797





**Attachment 1-8: Suburban's response to  
Public Advocates Office DR DG-17 (excerpt)**

April 26, 2023

To: Suliman Ibrahim  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: Response to A.23-01-001, Public Advocates Office DR DG-17 (2021 Unused  
Water Rights Ratepayer Credit Follow-up)

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing for Suburban's Total Company  
General Rate Case.

Sincerely,

*/s/Carmelitha Bordelon*

Carmelitha Bordelon  
Director of Regulatory Affairs

**Response to A.23-01-001, Public Advocates Office**

**DR DG-17 (2021 Unused Water Rights Ratepayer Credit Follow-up)**

1. In response to DR DG-16, Suburban provided the following 2021 ratepayer credit calculation for Central Basin leased water rights:

6/2021 La Habra Heights County Water District		
<u>AF</u>	<u>Cost/AF</u>	<u>Total</u>
950	\$125	\$118,750

In addition, Suburban filed the following Advice Letters notifying the Commission of unused Central Basin water rights lease-outs in Fiscal Year 2021/2022:

<b>Advice Letter</b>	<b>Agency</b>	<b>AF</b>	<b>Cost/AF</b>	<b>Total</b>
373-W	La Habra Heights	400	\$100	\$40,000
363-W	Montebello Land and Water Company	600	\$125	\$75,000
367-W	Orchard Dale Water District	400	\$100	\$40,000
358-W	City of Whittier	500	\$125	\$62,500
371-W	City of Whittier	700	\$50	\$35,000
374-W	Montebello Land and Water Company	285	?	?
	<b>Total</b>	<b>2,600</b>	<b>-</b>	<b>\$252,500</b>

1. Provide the Advice Letter Number(s) that support Suburban’s 6/2021 La Habra Heights County Water District water rights lease amount of 950AF.

Response:

There was no Advice Letter (AL) filed with the Water Division (WD) related to “6/2021 La Habra Heights County Water District,” because 2020 GRC’s decision no. 21-10-024 was not issued until October 21, 2021 where the decision granted

the Settlement Agreement Between Suburban and the Cal PA related to the filing of Tier 1 Advice Letter by the company before leasing its water rights out to other entities.

Therefore, there is no AL filed with the WD related to the company leasing out its water rights before the issuance date of D.21-10-024.

2. Reconcile the difference between the 2021 ratepayer credit for unused Central Basin water rights lease-outs of \$118,750 and \$252,500 included in the table above.

Response:

The \$118,750 relates to fiscal year July 1, 2020 – June 30, 2021, and the amount was recorded in 2021 as the last day of the relevant fiscal year.

The \$252,500 relates to fiscal year July 1, 2021 – June 30, 2022, and the amount was recorded in 2022 as the last day of the relevant fiscal year.

3. Explain why Suburban credited ratepayers \$118,750, which is less than the Fiscal Year 2021/2022 amount of \$252,500.

Response:

Please see response to question 2 above.

4. Provide the Advice Letter 374-W Cost/AF and total cost for the Central Basin Lease-Out to Montebello Land and Water Company (marked with a “?” in the table above).

Response:

This is a temporary transfer-out of water rights at no cost from Suburban to Montebello. The transfer-in of water rights from Montebello to Suburban was also at no cost, and it can be viewed on the last page of the attached file entitled “DR DG-17 Response #4 – AL 374-W.pdf.”

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 9, 2022

Kiki Carlson  
Regulatory Affairs Manager  
Suburban Water Systems  
1325 N. Grand Ave., Ste. 100  
Covina, CA 91724-4044

Dear Mr. Kelly,

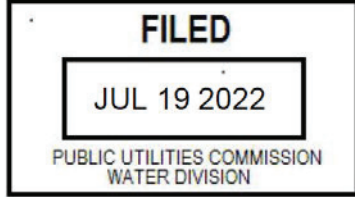
The Water Division of the California Public Utilities Commission has approved Suburban Water Systems' Advice Letter No. 373, filed on July 19, 2022, regarding Information on Suburban's lease-out of Central Basin water production rights, incompliance with D.21-10-024.

Enclosed is a copy of the advice letter with an effective date of June 30, 2022 for the utility's files.

Please contact Eustace Ednacot at [ERE@cpuc.ca.gov](mailto:ERE@cpuc.ca.gov) or 415-703-1492, if you have any questions.

Thank you.

Enclosures



**Suburban Water Systems**  
A SouthWest Water Company

1325 N. Grand Ave. Ste. 100, Covina, CA 91724-4044  
Phone: 626.543.2500, Fax: 626.331.4848  
www.swwc.com

U-339-W

VIA EMAIL

ADVICE LETTER NO. 373-W

July 19, 2022

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Suburban Water Systems (Suburban) submits this Tier 1 Advice Letter to inform the Commission that Suburban proposes to lease out 400 acre feet of Central Basin water production rights to La Habra Heights County Water District through June 30, 2022.

This information is provided to the Commission in compliance with Decision (D.) 21-10-024, Decision Approving and Adopting Settlement Agreement, Resolving Remainder of Disputed Issues and Authorizing Suburban Water Systems' General Rate Increases For 2021, 2022, and 2023 which adopted the settlement agreement.

Ordering Paragraph No. 2 of D.21-10-024 states:

*The joint motion (filed on April 14, 2021) for adoption of the Settlement Agreement is granted, and the Settlement Agreement attached to this decision as Appendix A is approved and adopted.*

Appendix A, Revised Settlement Agreement Between Suburban Water Systems and the Public Advocates Office, section J (Water Rights Leases), first bullet point states:

*Suburban will file a Tier 1 Advice Letter with the Commission before leasing its water rights out to other entities.*

A copy of the "Agreement for Lease of Annual Central Basin Water Production Rights" has been included as Attachment B.

**Tier Designation and Effective Date**

This is a Tier 1 filing – the advice letter is a compliance advice letter. Suburban requests that the advice letter is effective on June 30, 2022, the last day of the fiscal year water production year.

In compliance with Water Industry Rule 4.3 of General Order 96-B, a copy of this advice letter has been mailed or electronically transmitted to all interested and affected parties as detailed in Attachment A.

**Response or Protest**

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds may be based upon the following:

- (1) The utility did not properly serve or give notice of the advice letter; or
  - (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies; or
  - (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- or



- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the Commission).

A protest may not rely on policy objections to an Advice Letter (AL) where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. DWA must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed.

The addresses for submitting a response or protest are:

Email Address:  
Water.Division@cpuc.ca.gov

Mailing Address:  
California Public Utilities Commission  
Division of Water and Audits, 3rd Floor  
505 Van Ness Avenue, San Francisco, CA 94102

On the same date any protest or response is submitted to the Water Division, the respondent or protestant must serve a copy of the protest or response to: Suburban Water Systems, Kiki Carlson, Regulatory Affairs Manager, 1325 N. Grand Ave., Suite 100, Covina, CA 91724-4044, and email [kcarlson@swvc.com](mailto:kcarlson@swvc.com)

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within 5 business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response. If you have not received a reply to your protest within 10 business days, contact Suburban Water Systems at (626) 543-2500.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Sincerely,

/s/Kiki Carlson

Kiki Carlson  
Regulatory Affairs Manager

Enclosures

**WATER RIGHT LICENSE AND AGREEMENT**

**(Central Basin)**

For a valuable consideration, Suburban Water Systems (Licensor) hereby grants to La Habra Heights County Water District (Licensee): a license to extract 400 acre-feet of Licensor's Allowed Pumping Allocation allocated to Licensor (or predecessors in interest) under and pursuant to Judgment dated October 11, 1965, and entered in Los Angeles Superior Court Case No. 786,656 entitled "Central and West Basin Water Replenishment District vs. Charles E. Adams, et al." during the period commencing July 1, 2021 and continuing to and including June 30, 2022.

Said License is granted subject to the following conditions:

1. Licensee shall exercise said right and extract the same on behalf of Licensor during the period above specified and put the same to beneficial use and Licensee shall not by the exercise hereunder of said right acquire any right to extract water independent of the rights of Licensor.
2. Licensee shall pay assessments levied on the pumping of said ground waters by the Water Replenishment District of Southern California (District).
3. Licensee shall notify the District that said pumping was done pursuant to this license and provide the District with a copy of this signed document.
4. Licensee shall note, in any recording of water production for the period of agreement that said pumping was done pursuant to this license.
5. Licensee's Allowed Pumping Allocation shall, with flex (shall, with flex)(shall not, without flex) be increased by the amount hereby leased when computing carryover or allowable overextraction as provided by Part III, Subpart A and B in said Judgment.

Suburban Water Systems warrants that it has 400 acre-feet of Allowed Pumping Allocation and that it has not pumped and will not pump or permit or license any other person to pump any part of said 400 acre-feet during the period of July 1, 2021 through June 30, 2022.

This lease may signed by the parties by facsimile, electronic or digital signature, and such signature shall be deemed valid and binding on the party signing this lease in that manner.

Dated : 07/18/2022

Licensor : Suburban Water Systems

Licensee : La Habra Heights County Water District

Signed By : Jorge Lopez  
C358EF789E57B6933A9C70355C413ECC contractworks

Signed By : Michael Gualtieri  
Digitally signed by Michael Gualtieri Date: 2022.07.15 13:13:23 -07'00'

Title : Vice President, Engineering

Title : General Manager

**Attachment 1-9: Suburban's response to  
Public Advocates Office DR CR8-009 and DR  
SIB-002**

May 25, 2023

To: Suliman Ibrahim  
Project Coordinator

Chris Ronco  
Regulatory Analyst

Shanna Foley  
Attorney for Public Advocates Office

Re.: Response to A.23-01-001, Public Advocates Office DR CR8-009 (Sativa  
Purchased Water)

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing for Suburban's Total Company  
General Rate Case.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon  
Director of Regulatory Affairs

**Response to A.23-01-001, Public Advocates Office**  
**DR CR8-009 (Sativa Purchased Water)**

1. 1. Provide in Excel format the amount of monthly purchased water used to supply Sativa, going back to the month of Sativa’s acquisition to the present. Include the following information: 1) the source of the purchased water associated with each amount; 2) the amount of purchased water by month, broken down by supplier; 3) the price for purchased water per acre-foot; 4) the amount Suburban has paid for each amount of purchased of purchased water by month, broken down by supplier.

Response:

Please see file entitled “DR CR8-009 Response #1 – Sativa.xlsx”

- a. For each month, provide the relevant invoice showing the amount Suburban has paid for purchased water to supply the Sativa system.

Response:

Please see file entitled “DR CR8-009 Response #1.a. – Invoices.pdf”

- b. Provide the balance recorded in a balancing or memorandum account, and account statement showing all recorded expenses, associated with purchased water for the Sativa system (if any).

Response:

With respect to WRD, Suburban has not recorded any amounts in a balancing or memorandum account associated with purchased water for the Sativa system.

Other than WRD, Suburban has not been authorized a balancing or memorandum account associated with purchased water for the Sativa system.

2. In reference to the roughly 1,600 service connections in the Sativa water system, does Suburban foresee a need to obtain any additional sources of water to meet the increase in demand from the system’s acquisition?

Response:

Currently, Suburban does not foresee a need to obtain any additional sources of water to meet Sativa’s customers demand.

a. If yes, what are possible sources Suburban is considering?

Response:

Not applicable.

**Response to DR CR8-009 question #1**  
**Monthly Purchased Water for Sativa system**

Line No.	Total	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
<b>1 City of Compton</b>								
2 Purchased Water (Acre Feet)	20.62	1.81	1.04	-	0.07	-	17.70	
3 Total charge for the month	\$34,843.27	\$5,339.46	\$1,469.83	\$432.70	\$538.83	\$432.70	\$26,629.75	
4 Cost/AF	\$1,689.60							
5 Payments to City of Compton				(\$6,809.29)	(\$432.70)	(\$538.83)	(\$432.70)	
<b>6 Liberty Utilities</b>								
7 Purchased Water (Acre Feet)	158.00	9.00	35.00	34.00	36.00	34.00	10.00	
8 Total charge for the month	\$568,800.00	\$32,400.00	\$126,000.00	\$122,400.00	\$129,600.00	\$122,400.00	\$36,000.00	
9 Cost/AF	\$3,600.00							
10 Payments to Liberty Utilities			(\$32,400.00)	(\$126,000.00)	(\$122,400.00)	(\$129,600.00)	(\$122,400.00)	(\$36,000.00)
<b>11 WRD</b>								
12 Purchased Water (Acre Feet)	0.50	0.14	0.06	0.23	0.07			
13 Total charge for the month	\$205.50	\$57.54	\$24.66	\$94.53	\$28.77			
14 Cost/AF	\$411.00							
15 Payments to WRD				(\$57.54)	(\$24.66)	(\$94.53)	(\$28.77)	





Liberty Utilities (Park Water) Corp.  
9750 Washburn Road  
Downey, CA 90241-7002  
Tel: 562-923-0711  
Fax: 562-861-5902

June 22, 2023

## DATA REQUEST RESPONSE

### LIBERTY UTILITIES (PARK WATER) CORP.

Data Request No.: SIB-002  
Requesting Party: Public Advocates Office  
California Public Utilities Commission  
Originator: Suliman Ibrahim [Suliman.Ibrahim@cpuc.ca.gov](mailto:Suliman.Ibrahim@cpuc.ca.gov)

Liberty Utilities (Park Water) Corp. (“Liberty”) submits the following response to Data Request SIB-002.

#### **REQUEST NO. 1:**

Liberty Utilities sells water to Suburban Water Company through an interconnection with the Sativa System. This purchased water is used to supply Suburban’s customers in its recently acquired Sativa System. Please provide in Excel format the amount of monthly purchased water Liberty sold Suburban, going back to the month of Sativa’s acquisition by Suburban (December, 2022). Be sure to include the cost of the purchased water associated with each amount.

Liberty		
Response to DR SIB-002		
	2022	2023
	(A.F.)	(A.F.)
Jan		35
Feb		34
Mar		36
Apr		34
May		10
Jun		
Jul		
Aug		
Sep		
Oct		
Nov		
Dec	9	
	9	149

**Attachment 1-10: State Water Resources  
Control Board Division of Drinking Water,  
Southern California Drinking Water Field  
Operations Branch, PERMIT  
AMENDMENT NO. 1910147PA-001  
Suburban Water Systems - Sativa, Los  
Angeles County, System No. 1910147  
(excerpt)**

## 2. INVESTIGATION AND FINDINGS

### 2.1. Source Water for the City of Compton Interconnection

The City of Compton water system, System No. 1910026, is operating under the authority of domestic water supply permit issued by the Division on March 2, 1999, and four permit amendments issued on March 27, 2007, August 10, 2007, September 29, 2008, and January 17, 2017. Its current domestic water supply sources come from six active groundwater wells (Wells 11, 13, 15, 17, 18, and 19) with a total combined capacity of about 8,150 gpm, three active connections with the MWDSC with a total combined capacity of 16,900 gpm, and seven emergency connections with neighboring water utilities, including four connections with the City of Lynwood, and one connection each with the City of Long Beach, Park Water Company, and California Water Service Company – Dominguez, with total capacity of about 6,400 gpm. The water system has four storage tanks with a combined capacity of 12 MG. The groundwater wells are equipped with chlorination facilities.

The City of Compton primarily uses groundwater wells to supply its service area. The last time one of the three MWDSC connections was used was in August 2013. Based on the Source Capacity Evaluation from the sanitary survey conducted in February 2020, the groundwater wells are capable of meeting the maximum day demand and peak hour demand in the service area. Water from the wells is treated with 12.5 percent sodium hypochlorite solution and pumped into the distribution system directly before entering the storage tanks. The storage tanks are filled during the time period when the system demand is low.

The sources of supply for the interconnection will be coming from Wells 17, 18 and 19. Well 18 is the closest to interconnection. It is located approximately 0.7 mile east from the interconnection and has a production capacity of about 2,400 gpm. Wells 17 and 19 are located approximately 0.88 mile south and 0.95 mile east, respectively, from the interconnection. The wells are capable of producing about 870 gpm and 2,100 gpm, respectively.

MWDSC water is fluoridated and chloraminated. If it becomes necessary to utilize the connection(s) with MWDSC to address unforeseeable demand during emergencies, or when the well(s) has/have to be removed from service for maintenance or repair work for extended period of time, the City of Compton may provide chloraminated water to the interconnection.

Suburban WS must notify the public served by Sativa water system, including the dialyses centers, if any, the possibility of receiving chloraminated water and have a notification plan in place to inform the public as soon as possible after learning from the City of Compton of the pending conversion to chloraminated water or the presence of chloramines in the water. Suburban WS must answer questions that the general public and dialyses centers may have. Suburban WS must ensure that they are informed in a timely manner by City of Compton of the switching of disinfectant residual from chlorine



to chloramine. Suburban WS must also develop a plan to address the potential water quality issues during the transition period and during the time the system is served with chloraminated water.

## 2.2. City of Compton Interconnection (PS CODE 1910147\_009\_009)

The City of Compton Interconnection (hereafter, Compton Interconnection) is situated along Oris Street approximately 160 feet west of Willowbrook Avenue. The one-way 6-inch metered interconnection is capable of delivering water to Sativa's service area at a maximum flow of 900 gpm and minimum pressure of about 60 psi.

The interconnection consists of a 6-inch water meter and two 6-inch shutoff valves, one on the City of Compton's side and one on Sativa's side. It is housed inside a polymer concrete vault with torsion assist polymer concrete cover and padlock. The vault is below ground surface located within the street right of way. The interconnection is manually operated. The interconnection drawing and layout is attached with this report ([Appendix C](#)).

The interconnection will serve as an active water supply source for Sativa. The City of Compton will provide a reliable and uninterrupted source of water to Sativa, contingent upon meeting the conditions set forth in the Agreement. According to the Agreement, the City of Compton (1) agrees to provide potable water to the Suburban WS on the same terms and conditions as any other commercial customer served by their system; and (2) is not obligated to provide water to Suburban WS, if in their judgment, such service would jeopardize the health, safety and welfare of their residents, or cause damage to their water system. The Sativa water system shall comply with the minimum residual requirements of the Surface Water Treatment Rule during the time the water system receives treated surface water.

Suburban WS will maintain the interconnection. Such maintenance will include periodic testing of water meter to ensure water meter is measuring and recording within 5 percent (plus or minus) accuracy.

During the start-up of the interconnection, the Suburban WS should flush out the stagnant water in the interconnection and ensure adequate chlorine residuals before discharging the water into the distribution system. The Suburban WS should also collect chlorine residual samples at the adjacent areas shortly after introducing the water to closely monitor any changes in water quality.

To reflect the changes in the sources of supply, the Suburban WS has made minor revisions to their previously approved Bacteriological Sample Siting Plan (BSSP). The Groundwater Rule (GWR) Monitoring Plan was also revised and incorporated into the revised BSSP. The revised BSSP was submitted to the Division on March 1, 2023 ([Appendix D](#)).

**Attachment 1-11: Suburban's February 2023  
R.17-06-024 Report**



**Suburban Water Systems**  
**R17-06-024 Guidelines issued 04.28.22**  
**For Month Ending February 28, 2023**

	Single Family CAP	Single Family Non-Cap	Balance of Company*	Total Suburban
1. Number of newly enrolled customers to your CAP	90	-	-	90
2. Number of overall enrolled customers in your CAP	11,692	-	-	11,692
3. Number of customers with unpaid bills 79 days or more after invoice date, disaggregated by:				
a. Number of customers formally engaged in any special payment arrangement and	135	505	22	662
b. Number of customers not engaged in any special payment arrangement to manage their debt	890	5,135	406	6,431
4. Dollar amount of unpaid bills 79 days or more after invoice date, disaggregated by:				
a. Debt in any special payment arrangement	68,785	349,707	35,927	454,419
b. Debt not in any special payment arrangement	179,270	699,580	91,417	970,267
5. Average dollar amount of unpaid bills 79 days or more after invoice date, disaggregated by:				
a. Debt in any special payment arrangement and	510	692	1,633	686
b. Debt not in any special payment arrangement	200	136	227	151
6. Median dollar amount of unpaid bills 79 days or more after invoice date, disaggregated by:				
a. Debt in any special payment arrangement and	354	501	999	1,854
b. Debt not in any special payment arrangement	52	25	23	100
7. Number of customers disconnected for nonpayment, further disaggregated by:				
a. Customers engaged in any special payment arrangement	-	-	-	-
b. Customers not engaged in any special payment arrangements	84	479	-	563
8. Number of customers reconnected after a disconnection for nonpayment, further disaggregated by:				
a. Customers engaged in any special payment arrangement	2	10	-	12
b. Customers not engaged in any special payment arrangements	80	466	-	546
c. Dollars engaged in any special payment arrangement and	1,217	10,713	-	11,930
d. Dollars not engaged in any special payment arrangements	34,785	163,690	-	198,475
9. Number of customers reconnected after a disconnection for nonpayment, further disaggregated by:				
a. Reconnected within 2 days of disconnection and	76	393	-	469
b. Reconnected after 2 days of disconnection	8	86	-	94
10. Total billed water service revenues to be reported no less than quarterly.**				24,323,514

Note: The data presented herein is unaudited and is for information purposes only.

\* Customer categories included in "Balance of Company" includes Business, Industrial, and Public Authority

\*\* Suburban's revenue for the most recent prior quarter.

**Attachment 1-12: A.20-01-003 Workpapers  
Vol. III-D – Planned Project Descriptions CP-  
445 – Plant 41-0 Treatment Plant at pp.5-6.**

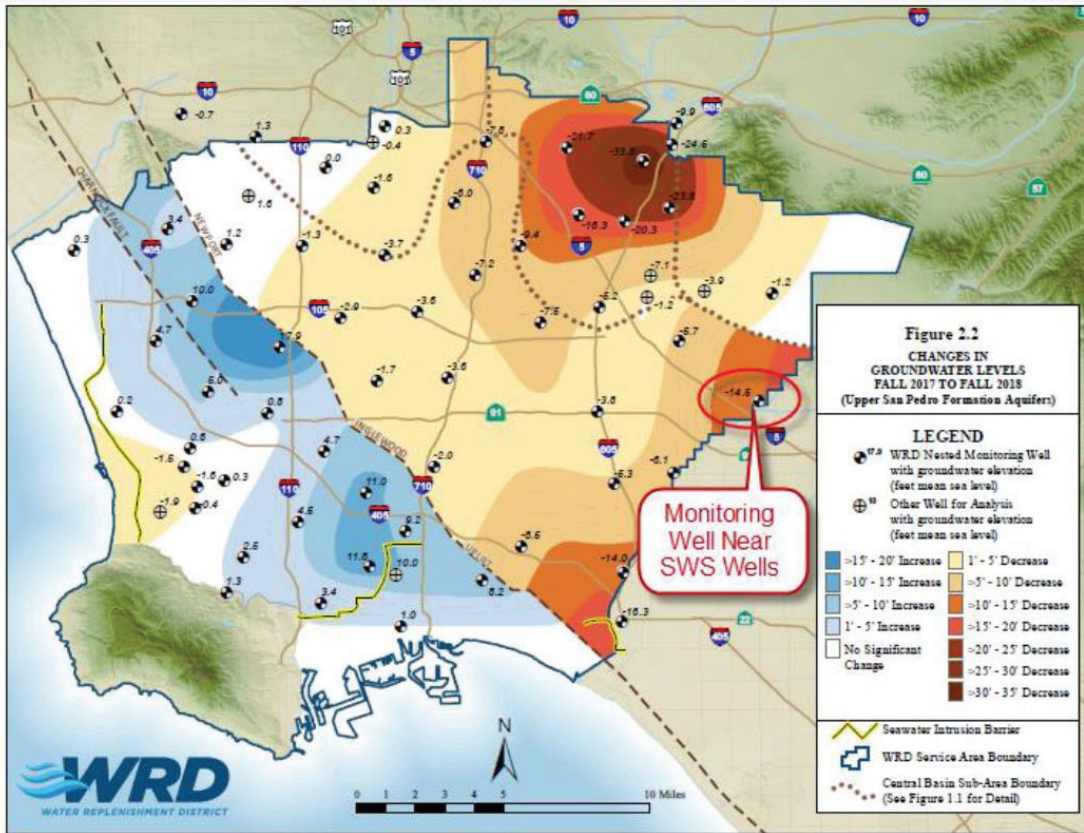
water from CBMWD (by way of Central Basin Municipal Water District). This more costly water would increase the cost of water to Suburban’s customers.

Also, imported water requires significantly more energy to transport from central California or from the Colorado River resulting in a higher imbedded energy demand and resulting carbon footprint. Maximizing production from the Central Basin aquifer is critical for Suburban to minimize its carbon footprint.

It is of vital importance that Suburban maximize its production from the Central Basin groundwater aquifer.

Suburban has annual Central Basin groundwater production rights of 3,721 acre-feet (AFY). The following table summarizes Suburban’s Central Basin groundwater production in the WLM system for the past 10 years since the Plant 409 W-3 well was constructed. The data shows Suburban is under producing its water rights, it is anticipated that Suburban’s Central Basin production will continue to decrease due to continuing lower basin level resulting from many years of drought.

<b>Year</b>	<b>Produced (AFY)</b>	<b>Rights (AFY)</b>	<b>Excess / (Under) Production (AFY)</b>
2009	2,136.58	3,721.00	-1,584.42
2010	2,178.37	3,721.00	-1,542.63
2011	2,558.07	3,721.00	-1,162.93
2012	3,369.19	3,721.00	-351.81
2013	3,413.33	3,721.00	-307.67
2014	3,518.18	3,721.00	-202.82
2015	3,578.04	3,721.00	-142.96
2016	2,924.05	3,721.00	-796.95
2017	2,827.25	3,721.00	-893.75
2018	2,296.88	3,721.00	-1,424.12
Average	2,879.99		-841.01



If the use of Plant 410 W-10 is discontinued due its water quality issues an additional 1,210 AFY of water rights will be under produced, totaling an average of 2,144 AFY. Under producing Suburban’s central basin rights is a lost benefit for Suburban customer, because supplemental water from other more costly sources, including Central Basin Municipal Water District (CBMWD), California Domestic Water Company and company wells producing groundwater from the Main San Gabriel Basin is required to meet demand.

The table below demonstrates the cost to purchase water from CBMWD.

**Attachment 2-1: Suburban's response to  
Public Advocates Office DR DG-03 (excerpt)**

January 31, 2023

To: Jeffrey Roberts  
Project Coordinator

Daphne Goldberg  
Utilities Engineer/Regulatory Analyst

Shanna Foley  
Attorney for Public Advocates Office

Re.: Partial Response #1 to A.23-01-001, Public Advocates Office DR DG-03  
(Expenses)

Dear Mr. Roberts et al.,

Attached is information you requested in writing for Suburban's Total Company General Rate Case.

On February 7, 2023, Suburban will provide responses to questions 1, 3.b, 4.b, 5, 9.a, 15a and 15.b.

On February 10, 2023, Suburban will provide responses to questions 2.a through 2.g.

Sincerely,

*/s/Carmelitha Bordelon*

Carmelitha Bordelon  
Director of Regulatory Affairs



**Responses to A.23-01-001, Public Advocates Office  
DR DG-03 (Expenses)**

3. Please refer to Suburban’s **Meals and Entertainment** costs and forecasted budgets in “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row 2613 to respond to the following questions:
- a. What is included in the “Meals and Entertainment” account? Explain.
  - b. For the year 2021, provide all invoices and receipts exceeding \$500 recorded in “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row 2613.
6. Please refer to Suburban’s **Employee Education** costs and forecasted budgets in “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row 2678, and Suburban’s Volume II Workpapers (Final Application) (PDF document, p.92) to respond to the following questions:
- a. What is included in the “Employee Education” account? Explain.

Response:

Employee education is used to assist employees in increasing their knowledge and skills in areas related to their work or company operations and supports employees pursuing their degrees and certifications. This includes reimbursements to employees for pre-approved education related costs such as tuition, and class books and supplies.

- b. Suburban’s Volume II Workpapers (Final Application) (PDF document, p.92 and pp. 140-144.) states that it includes \$24,040 in 2024 for “MBA Program”. Provide the following information:
  - i. Provide justification for enrollment and payment for the “MBA Program” in the statement, above.

Response:

MBA programs are focused on building leadership skills and learning business principles. Applying the learned skills is helpful to customers, employees and the company.

Suburban employees with graduate degrees are better qualified to be effective managers and lead teams. Effective teams are more productive and provide better service that benefits customers.

Committing to an employee's education also demonstrates a commitment to their growth and development and helps retain employees and avoid costs and time hiring externally. Due to the lack of qualified Engineers, hiring has become more complex and competitive, and retaining employees is more critical now than ever. If this option is not available Suburban employees are less qualified than external candidates.

- ii. Which Suburban employee(s) will benefit from the “MBA Program” (provide the position name(s) and why?)

Response:

The Associate Engineer position (PersNo 50344) possible future line of progression is the Engineering Manager role. The employee has a Civil Engineering degree and will benefit from learning leadership and business principles.

- iii. Why does Suburban forecast the cost for the year 2024 specifically as opposed to a different year in this GRC?

Response:

The Associate Engineer is working on obtaining the Professional Engineering (PE) license. Its anticipated that the employee will pass the PE exam in 2023 and start the MBA program in 2024.

- iv. Has Suburban offered to pay for an employee’s MBA program cost in the past? Explain.

Response:

Yes. Suburban has paid for MBA degrees for the following employee’s PersNo and their current position:

<b>PersNo</b>	<b>Current Position</b>
101288	President, SWS
101254	VP, Engineering
50206	Director, Field Operations
101291	Manager, Regulatory Affairs
50191	Manager, IT
50459	Human Resources Manager

7. Please refer to Suburban's **Regulatory Expenses** costs and forecasted budgets in "Workpapers Vol 1 (CONFIDENTIAL), tabs "MODEL" and "LEGAL-CONFIDENTIAL", to respond to the following questions:

a. Explain why Suburban forecasts an increase in the number of attorney hours since its A.20-03-001 General Rate Case.

Response:

There are a variety of factors that can influence the number of attorney hours for a GRC proceeding, including but not limited to discovery issues, complexity of issues to be considered in the GRC, new legal developments that occur while the GRC is pending, the number of issues that are settled, the need for evidentiary hearings and the extent of briefing.

In A.20-03-001, Suburban was able to reach a settlement with Public Advocates that resolved most of the outstanding issues. The remaining issues were briefed and there were no evidentiary hearings. In Suburban's 2026 GRC, is it possible that there could be no settlement, a settlement with a greater number of disputed issues, and/or evidentiary hearings, all of which would require more attorney hours.

b. For the year 2021, provide invoices and receipts that equal the total recorded amount in "Workpapers Vol 1 (CONFIDENTIAL), tab "MODEL" Cell L2697".

Response:

There are no invoices and receipts for the recorded year 2021 \$382,327, as the amount is based on adopted cost per D.21-10-024. Please see attached document from Appendix C page 1 of 1 of D.21-10-024 titled "DR DG-03 #7.b. Response – TY 2021 Summary of Earnings.pdf"

c. Please explain how Suburban calculated the number of attorney hours to prepare for its 2026 GRC.

Response:

The number of attorney hours was calculated based on past Suburban general rate cases, as well as the experience and professional judgement of Suburban's outside counsel. Suburban's primary outside regulatory counsel, Lori Anne Dolqueist of Nossaman LLP, has been practicing before the Commission for more than two decades, and has extensive experience with water GRC proceedings. In addition to Suburban, Ms. Dolqueist represents other Class A water utilities in their general rate case proceedings.

- d. Please explain how Suburban determined each of the attorney hourly rates included in Suburban’s “Workpapers Vol 1 (CONFIDENTIAL), tab “LEGAL-CONFIDENTIAL”.

Response:

Suburban determined each of the attorney hourly rates based on information from outside counsel. Outside counsel determines its hourly rates based on a variety of factors, including experience of the attorney and the market for legal services.

- e. Please explain how Suburban calculated the number of attorney hours to prepare for its 2026 Cost of Capital Proceeding.

Response:

The number of attorney hours was calculated based on past water cost of capital proceedings, as well as the experience and professional judgement of Suburban’s outside counsel. Suburban’s primary outside regulatory counsel, Lori Anne Dolqueist of Nossaman LLP, has been practicing before the Commission for more than two decades, and has extensive experience with water cost of capital proceedings. In addition to Suburban, Ms. Dolqueist represents other Class A water utilities in their cost of capital proceedings.

8. Please refer to Suburban’s **Regulatory Expenses** costs and forecasted budgets in “Workpapers Vol 1 (CONFIDENTIAL), tab “Regulatory Cost” and Suburban’s Volume II Workpapers (Final Application) (PDF document, pp.145-184), to respond to the following questions:

- a. For each of the vendors below, did Suburban issue a Request for Proposal? Explain.

- i. Attorneys providing legal services for 2026 GRC and Cost of Capital Proceeding
- ii. Peasley Aldinger
- iii. Gannet Fleming
- iv. San Gabriel Valley Newspaper Group
- v. Stetson Engineers, Inc.
- vi. Willis, Towers, Watson
- vii. Customer Notice of Application PPH & Hearing
- viii. Vendor responsible for Corporate Translation

Response i – viii:

Suburban has not issued a request for proposal related to 2026 proceeding as those vendors are listed for the purpose of estimating costs in 2026.

- b. If Suburban issued a Request for Proposal, indicate the number of bids received for each service listed in the “Regulatory Cost” tab. Provide the Request for Proposal.

Response:

N/A.

- c. If Suburban issued a Request for Proposal, state if Suburban chose the lowest (\$) bid proposal. If not, why not?

Response:

N/A.

- 9. Please refer to Suburban’s **Employee Welfare** costs and forecasted budgets in “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row 2676 to respond to the following questions:

- a. For the year 2021, provide invoices and receipts exceeding \$500 each in “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row 2676.

- 11. Please refer to Suburban’s **Professional Dues** costs and forecasted budgets in “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row 2719, Results of Operation Report (p.5-11), and Suburban’s Volume II Workpapers (Final Application) (PDF document, pp.1300-1304) to respond to the following questions:

- a. List all the Professional organizations, corresponding 2021 Dues amounts, and Year Suburban first joined the organization, in the table, below (add rows as necessary).

Name of Professional Organization	2021 Amount Paid for Dues (\$)	Year Suburban Joined Professional Organization

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Response:

Name of Professional Organization	2021 Amount Paid for Dues (\$)	Year Suburban Joined Professional Organization
California Water Association	\$139,384	1941
National Association of Water Companies	\$63,420	1968
California Chamber of Commerce	\$16,250	2018
California Water Efficiency Partnership	\$3,584	2013
San Gabriel Valley Economic Partner	\$3,000	2012
Regional Chamber of Commerce SGV	\$750	2019
Greater West Covina Business Assoc.	\$650	2012
Glendora Chamber of Commerce	\$632	2013
Whittier Area Chamber	\$520	2012
Three Valleys Municipal Water	\$500	2012
Covina Chamber of Commerce	\$425	2012
La Mirada Chamber of Commerce	\$399	2011
Central Basin Water Assoc.	\$50	2012
San Gabriel Valley Protective	\$50	2012
San Gabriel Water Assoc.	\$25	2012
Total Amount	<u>\$229,639</u>	

15. Please refer to Suburban’s **Printing/Communications** costs and forecasted budgets in “Workpapers Vol 1 (CONFIDENTIAL), tab “MODEL”, Row 2616 and Suburban’s Volume II Workpapers (Final Application) (PDF document, p.91), which states “An additional cost of \$43,497 in 2024 (customer newsletter – to inform and educate customers on conservation. LIRA, community involvement, key investments and upgrades, rates explanation)” to respond to the following questions:

- a. Provide the newsletter(s) that Suburban mailed to its customers in 2020 and 2021 that it printed.
- b. Provide the 2020 and 2021 invoices and payment receipts for each newsletter Suburban mailed to its customers.
- c. Explain why Suburban relied on a one-year average with inflation to calculate its “Estimated 2022” amount in Row 2616.



Response:

Year 2021 reflects the most current expense going forward.

16. Please refer to Suburban's **Computer Cost Miscellaneous and Telecommunications** costs and forecasted budgets in "Workpapers Vol 1 (CONFIDENTIAL), tab "MODEL", Rows 2624-2625, to respond to the following questions:

- a. Explain why Suburban relied on a one-year average with inflation to calculate its Computer Cost Miscellaneous "Estimated 2022" amount.

Response:

Year 2021 reflects the most current expense going forward.

- b. Explain why Suburban relied on a one-year average with inflation to calculate its Telecommunication "Estimated 2022" amount.

Response:

Year 2021 reflects the most current expense going forward.

18. Please refer to Suburban's **Postage/A/R Bills** costs and forecasted budgets in "Workpapers Vol 1 (CONFIDENTIAL), tab "MODEL", Row 2560, and Results of Operations Report (p. 12-6), to respond to the following questions:

- a. Explain why Suburban forecasts an increase in 2024 and 2025 Postage/A/R budgets but discusses, in its RO Report, an increase in customer participation in paperless billing, which reduces postage and mailing costs.

Response:

Suburban forecasts an increase in 2024 and 2025 Postage A/R budgets because savings for paperless billing cannot be quantified at this time.

February 7, 2023

To: Jeffrey Roberts  
Project Coordinator

Daphne Goldberg  
Utilities Engineer/Regulatory Analyst

Shanna Foley

Attorney for Public Advocates Office

Re.: Partial Response **#2** to A.23-01-001, Public Advocates Office DR DG-03  
(Expenses)

Dear Mr. Roberts et al.,

Attached is information you requested in writing for Suburban's Total Company General Rate Case, related to data request DG-03, questions 1, 3.b, 4.b, 5, 9.a, 15a, 15.b, and previously provided responses to questions 3.a, 4.a, and 15.c.

On February 10, 2023, Suburban will provide responses to questions 2.a through 2.g, and invoices to question 5.

Sincerely,

*/s/Carmelitha Bordelon*

Carmelitha Bordelon  
Director of Regulatory Affairs

**Responses to A.23-01-001, Public Advocates Office  
DR DG-03 (Expenses), items #s 1, 3 – 5, 9, and 15**

3. Please refer to Suburban's **Meals and Entertainment** costs and forecasted budgets in "Workpapers Vol 1 (CONFIDENTIAL), tab "MODEL", Row 2613 to respond to the following questions:

c. What is included in the "Meals and Entertainment" account? Explain.

Response:

This account includes costs of meals incurred by employees for business purposes including, but not limited to meetings, projects, etc.

d. For the year 2021, provide all invoices and receipts exceeding \$500 recorded in "Workpapers Vol 1 (CONFIDENTIAL), tab "MODEL", Row 2613.

Response:

Please see file titled "DR DG-03\_3b. Meals and Entertainment \$500+.pdf"  
Information related to employee's personal home address, contact number, and personal account or credit card number have been redacted as they are irrelevant to the question.

9. Please refer to Suburban's **Employee Welfare** costs and forecasted budgets in "Workpapers Vol 1 (CONFIDENTIAL), tab "MODEL", Row 2676 to respond to the following questions:
  - a. For the year 2021, provide invoices and receipts exceeding \$500 each in "Workpapers Vol 1 (CONFIDENTIAL), tab "MODEL", Row 2676.

Response:

Please see file titled "DR DG-03\_9a. Employee Welfare \$500+.pdf"  
Information related to employee's personal home address, and personal account or credit card number have been redacted as they are irrelevant to the question.

February 10, 2023

To: Jeffrey Roberts  
Project Coordinator

Daphne Goldberg  
Utilities Engineer/Regulatory Analyst

Shanna Foley  
Attorney for Public Advocates Office

Re.: Partial Response #3 (LAST) to A.23-01-001, Public Advocates Office DR DG-03 (Expenses)

Dear Mr. Roberts et al.,

Attached is information you requested in writing for Suburban's Total Company General Rate Case related to data request DG-03, questions 2.a through 2.g, and 5 (invoices).

Sincerely,

*/s/Carmelitha Bordelon*

Carmelitha Bordelon  
Director of Regulatory Affairs



LOWE'S HOME CENTERS, LLC  
 633 WEST BOKITA AVENUE  
 SAN DINAS, CA 91773 (909) 305-2960

- SALE -

SALES#: S1170HRS 4133892 TRANS#: 60469291 12-02-21

59983 GIFT CARD 3191 1,000.00  
 59985 GIFT CARD 3068 1,000.00  
 59983 GIFT CARD 9276 700.00

SUBTOTAL: 2,700.00  
 TAX: 0.00  
 INVOICE 60371 TOTAL: 2,700.00  
 AMEX: 2,700.00

SWIPED MERCH/GIFT CARD 3191 AUTHCODE 100000  
 BEGIN BAL TRANSACTION AMT ENDING BAL  
 0.00 1,000.00 1,000.00

SWIPED MERCH/GIFT CARD 3068 AUTHCODE 100000  
 BEGIN BAL TRANSACTION AMT ENDING BAL  
 0.00 1,000.00 1,000.00

SWIPED MERCH/GIFT CARD 9276 AUTHCODE 070000  
 BEGIN BAL TRANSACTION AMT ENDING BAL  
 0.00 700.00 700.00

AMEX: AMOUNT: 2,700.00 AUTHCD: 663276  
 CHIP REFID: 117060061994 12/02/21 13:23:37  
 APL: AMERICAN EXPRESS TVR: 0000008000  
 AID: A00000025010801 TSI: E300  
 STORE: 1170 TERMINAL: 60 12/02/21 10:21:31  
**# OF ITEMS PURCHASED: 3**  
 EXCLUDES FEES, SERVICES AND SPECIAL ORDER ITEMS



THANK YOU FOR SHOPPING LOWE'S.  
 FOR DETAILS ON OUR RETURN POLICY, VISIT  
 LOWES.COM/RETURNS  
 A WRITTEN COPY OF THE RETURN POLICY IS AVAILABLE  
 AT OUR CUSTOMER SERVICE DESK

STORE MANAGER: DOUGLAS MOORE

LOWE'S PRICE PROMISE  
 FOR MORE DETAILS, VISIT LOWES.COM/PRICEPROMISE

*ACP*

*Suburban*

025

**Invoice**

Date	Invoice #
7/23/2021	21344

**RECEIVED**

<b>Bill To</b>
SouthWest Water Company 12535 Reed Road Sugar Land, TX 77478

CC 60000039

OCT 8 2021

GL 61143

611040SWWC-FSC-AP

Craig Gott

FE161386726809B3BAA39C0F86235BB0

contractworks

P.O. No.	Terms	Project
R. Roulin	2% 10 Net 30	21-242

Qty	Description	Rate	Amount
110	130th Anniversary - Suburban CA	0.00	0.00T
11	Wireless Earbuds/Mushroom Spkr: Earbuds fullcolor print/Mushroom Speakersingle color print. Pkgd in white box with navy tissue. Anniversary insert, SouthWest Sticker outside of box	40.00	440.00T
22	Bamboo Wireless Charger & Bamboo Power Bank with engraving, packaged in white box with navy tissue, anniversary insert, SouthWest sticker on outside of box	47.00	1,034.00T
10	Cheeseboard with wooden board, glass plate and wooden handle utensils, engraved on top of board	42.00	420.00T
5	Retro Lunch Box with two 10oz stemless wine stainless steel tumblers. Full color decal on outside of lunch box, single color imprint on tumblers.	65.00	325.00T
4	Anniversary t-shirt, navy with 3 color screen printed front, boxed with white and navy tissue. Anniversary insert and SouthWest decal on outside of box	48.00	192.00T
16	Maglight Flashlight Kit with engraving on large flashlight, packaged in gift box with Anniversary insert	65.00	1,040.00T
4	COB Flashlight with 1color, 1 location print, packaged in white box with navy tissue, Anniversary insert, and SouthWest Sticker on outside of box	35.00	140.00T
1	Screwdriver Set with digital pad print, packaged in white box with navy tissue paper, Anniversary insert and SouthWest sticker on outside of box	32.00	32.00T
37	Car Starter Power Bank with one color imprint on bag, packaged in white box with navy tissue paper, Anniversary insert, SouthWest sticker on outside of box	113.00	4,181.00T
	Sales Tax	9.50%	741.38
	It's a pleasure working with you!	<b>Total</b>	\$8,545.38

A late charge of 1.5% monthly is applied to past-due invoices. A \$35 returned check fee applies and all costs associated with collections are client's responsibility.

*Thank you*



# Invoice



O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537

Invoice Number	992382526 CONSOLIDATED
Date	12/31/2020
Client Number	222802
Payment Due By:	01/30/2021

Billing Address

Delivery Address

SouthWest Water Company  
 Tamecka Cooley  
 1325 N. Grand Avenue Ste 100  
 COVINA, CA 91724-4044

Please see Detail Page for Delivery Addresses.

Remit to: LB410023 PO Box 35143 Seattle, WA 98124-5143

Payer Number	1850855		
Billing Location Code	SWWC		
Purchase Order Number		Special Reference Number	
Payment Terms	Net 30	Special Reference Number	
Program	SERVICE		Yearbook Plus

Qty	Level	Sel. Code	Description	Unit Price	Unit GPA	Total
4	1 YEAR	215	Sig. Connect 1 w/Flashlight, and Insert/Cuff Bravo Sig Circ	27.26	0.00	109.04
1	10 YEAR	293	Kluge Rolling Luggage, and Symbolic Pin	659.21	210.60	869.81
2	10 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	125.52
1	15 YEAR	202	LG Hi-Res Audio Sound Bar, and Symbolic Pendant	1,117.80	212.76	1,330.56
2	15 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	125.52
1	15 YEAR	975	Vitamix Explorian Blender, and Symbolic Pin	1,166.45	210.60	1,377.05
1	3 YEAR	198	iLive Bluetooth Radio, and Symbolic Pin	197.50	196.02	393.52
8	3 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	246.16
1	3 YEAR	521	Oster Cutlery Block Set, and Symbolic Pin	189.32	210.60	399.92
1	3 YEAR	876	Roku Streaming Media Stick+, and Symbolic Pin	181.23	210.60	391.83
1	40 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
2	5 YEAR	397	RCA Home Theater Sound Bar, and Symbolic Pin	321.29	210.60	1,063.78
7	5 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	215.39
1	5 YEAR	942	Topi Hydration Pack, and Symbolic Pin	332.19	210.60	542.79
1	50 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
Total Quantity		34				
Total GPA					1.882.98	
Product Total (includes GPA)						7,316.41
Tax Summary						
Alabama Tax						29.58
California Tax						249.45
South Carolina Tax						19.06



# Invoice



O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537

Invoice Number	992399778 CONSOLIDATED
Date	02/28/2021
Client Number	222802
Payment Due By:	03/30/2021

Billing Address

Delivery Address

SouthWest Water Company  
 Tamecka Cooley  
 1325 N. Grand Avenue Ste 100  
 COVINA, CA 91724-4044

Please see Detail Page for Delivery Addresses.

Remit to: LB410023 PO Box 35143 Seattle, WA 98124-5143

Payer Number	1850855		
Billing Location Code	SWWC		
Purchase Order Number		Special Reference Number	
Payment Terms	Net 30	Special Reference Number	
Program	SERVICE		Yearbook Plus

Qty	Level	Sel. Code	Description	Unit Price	Unit GPA	Total
4	1 YEAR	215	Sig. Connect 1 w/Flashlight, and Insert/Cuff Bravo Sig Circ	27.26	0.00	109.04
1	10 YEAR	610	Eleganza Diamond Necklace, and Symbolic Pendant	731.57	212.76	944.33
1	10 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
2	20 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	125.52
1	25 YEAR	115	Apple Watch 6 GPS 40mm Silver, and Symbolic Pin	1,876.73	212.76	2,089.49
6	3 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	184.62
1	3 YEAR	616	Barebones Living Beacon, and Symbolic Pin	188.62	212.76	401.38
1	30 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
1	5 YEAR	197	Apollo 79-Piece Tool Kit, and Symbolic Pin	322.53	212.76	535.29
1	5 YEAR	242	Epoch Swarovski Bracelet, and Symbolic Pin	326.44	212.76	539.20
1	5 YEAR	267	JVC On-Ear Headphones, and Symbolic Pin	330.70	212.76	543.46
11	5 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	338.47
1	5 YEAR	813	RCA Go Android 10 Tablet, and Symbolic Pendant	328.47	209.52	537.99
2	5 YEAR	861	Camp Chef 10" Dutch Oven, and Symbolic Pin	329.85	212.76	1,085.22
2	5 YEAR	870	Topi Luggage Set, and Symbolic Pin	333.22	212.76	1,091.96
Total Quantity		36				
Total GPA					2,337.12	
Product Total (includes GPA)						8,651.49
Tax Summary						
Alabama Tax						2.35
California Tax						225.21
California eWaste Fee						4.00
South Carolina Tax						315.05

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



**INVOICE NUMBER:** 992399778/948264555

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 839036259</b>									
Delivery to:									
Location Code: ONETIME		Ship Date: 02/03/2021		Ship Method: BEST WAY		Tracking Number: 973800864325			
151524235-001000	1	25 YEAR	115	Apple Watch 6 GPS 40mm Silver, and Symbolic Pin	Kelly, Robert	100200	1,876.73	212.78	2,089.49
					08/14/2020	<b>60000902</b>			

Sub-Total (including GPA)	212.78	2,089.49
Shipping & Handling		34.12
Net Taxable		2,123.61
California Tax	7.750 %	164.59
<b>Delivery Totals</b>		<b>2,288.20</b>

Product and GPA Totals	2,089.49
Shipping & Handling	34.12
Total Taxes	164.59

**Total** **USD** **2,288.20**



# Invoice



O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537

Invoice Number	992409358 CONSOLIDATED
Date	03/31/2021
Client Number	222802
Payment Due By:	04/30/2021

Billing Address

Delivery Address

SouthWest Water Company  
 Tamecka Cooley  
 1325 N. Grand Avenue Ste 100  
 COVINA, CA 91724-4044

Please see Detail Page for Delivery Addresses.

Remit to: LB410023 PO Box 35143 Seattle, WA 98124-5143

Payer Number	1850855		
Billing Location Code	SWWC		
Purchase Order Number		Special Reference Number	
Payment Terms	Net 30	Special Reference Number	
Program	SERVICE		Yearbook Plus

Qty	Level	Scl. Code	Description	Unit Price	Unit GPA	Total
2	1 YEAR	215	Sig. Connect 1 w/Flashlight, and Insert/Cuff Bravo Sig Circ	27.26	0.00	54.52
1	10 YEAR	456	Amana 25-Bottle Wine Cooler, and Symbolic Pin	809.11	193.32	1,002.43
1	15 YEAR	722	Bushnell Digital Monocular, and Symbolic Pendant	1,171.04	209.52	1,380.56
1	20 YEAR	195	LG 55" 4K UHD Smart TV, and Symbolic Pendant	1,401.53	209.52	1,611.05
1	20 YEAR	195	LG 55" 4K UHD Smart TV, and Symbolic Pin	1,402.74	193.32	1,596.06
1	3 YEAR	225	Caravelle Classic Men's Watch, and Symbolic Pin	192.44	193.32	385.76
2	3 YEAR	261	PremiumBag 22" Carry-on, and Symbolic Pin	196.15	209.52	811.34
3	3 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	92.31
1	3 YEAR	520	Hamilton Beach Juice Extractor, and Symbolic Pendant	190.31	193.32	383.63
1	3 YEAR	728	Coleman Tabletop Cooler, and Symbolic Pin	181.24	193.32	374.56
1	3 YEAR	939	Samsonite Andante 2 Duffel, and Symbolic Pendant	206.14	193.32	399.46
1	40 YEAR	677	Tag Heuer Men's Watch, and Symbolic Pin	3,144.04	209.52	3,353.56
1	5 YEAR	197	Apollo 79-Piece Tool Kit, and Symbolic Pendant	321.32	193.32	514.64
1	5 YEAR	200	Kendra Scott Elisa Necklace, and Symbolic Pin	327.82	209.52	537.34
1	5 YEAR	267	JVC On-Ear Headphones, and Symbolic Pin	330.70	209.52	540.22
1	5 YEAR	335	Polaroid Waterproof Camera, and Symbolic Pendant	312.02	193.32	505.34
2	5 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	61.54
1	5 YEAR	503	Bushnell Discoverer Binoculars, and Symbolic Pendant	304.15	209.52	513.67
1	5 YEAR	534	Pearl and White Topaz Earrings, and Symbolic Pin	347.17	193.32	540.49
1	5 YEAR	813	RCA Go Android 10 Tablet, and Symbolic Pin	329.68	193.32	523.00
1	5 YEAR	813	RCA Go Android 10 Tablet, and Symbolic Pin	329.68	209.52	539.20
1	5 YEAR	870	Topi Luggage Set, and Symbolic Pin	333.22	209.52	542.74
1	5 YEAR	917	Vivitar 2.1 Speaker System, and Symbolic Pin	307.29	209.52	516.81
1	5 YEAR	981	iLive Tailgate Speaker, and Symbolic Pendant	315.53	209.52	525.05
1	50 YEAR	481	Tumi Arrive Luggage, and Symbolic Pin	4,269.80	209.52	4,479.32
Total Quantity		30				
Total GPA					4,658.96	
Product Total (includes GPA)						21,784.60

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



**INVOICE NUMBER:** 992409358/948651678

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 839248125</b>									
Delivery to:									
Location Code: ONETIME		Ship Date: 03/09/2021		Ship Method: BEST WAY		Tracking Number:74892700221285622453			
Location Code: ONETIME		Ship Date: 03/08/2021		Ship Method: BEST WAY		Tracking Number:988011797300			
151870123-001000	1	3 YEAR	281	PremiumBag 22" Carry-on, and Symbolic Pin	Martinez, Raymond	50440	196.15	209.52	405.67

Sub-Total (Including GPA)	209.52	405.67
Shipping & Handling		36.57
Net Taxable		442.24
California Tax	9.500 %	42.01
<b>Delivery Totals</b>		<b>484.25</b>

Product and GPA Totals		405.67
Shipping & Handling		36.57
Total Taxes		42.01

**Total USD 484.25**

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



**INVOICE NUMBER:** 992409358/948668309

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 839228774</b>									
Delivery to:									
Location Code: ONETIME		Ship Date: 03/09/2021		Ship Method: BEST WAY		Tracking Number:61292700221285649546			
151868846-001000	1	40 YEAR	677	Tag Heuer Men's Watch, and Symbolic Pin	Medina, Tom	101095	3,144.04	209.52	3,353.56

Sub-Total (Including GPA)	209.52	3,353.56
Shipping & Handling		48.04
Net Taxable		3,401.60
California Tax	9.500 %	323.15
<b>Delivery Totals</b>		<b>3,724.75</b>

Product and GPA Totals		3,353.56
Shipping & Handling		48.04
Total Taxes		323.15

**Total USD 3,724.75**

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



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**INVOICE NUMBER:** 992409358/948850054

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 839374314</b>									
Delivery to:									
Location Code:		ONETIME	Ship Date:	03/24/2021	Ship Method:	BEST WAY	Tracking Number:74892700221285926322		
15218363-001000	1	5 YEAR	534	Pearl and White Topaz Earrings, and Symbolic Pin	Hernandez, Daniel	50307	347.17	193.32	540.48
						01/11/2021			

Sub-Total (Including GPA)	193.32	540.48
Shipping & Handling		13.15
Net Taxable		553.64
California Tax	8.500 %	52.80
<b>Delivery Totals</b>		<b>606.24</b>

Product and GPA Totals		540.48
Shipping & Handling		13.15
Total Taxes		52.80

**Total** **USD 606.24**



# Invoice



O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537

Invoice Number	992417893 CONSOLIDATED
Date	04/30/2021
Client Number	222802
Payment Due By:	05/30/2021

Billing Address

Delivery Address

SouthWest Water Company  
 Tamecka Cooley  
 1325 N. Grand Avenue Ste 100  
 COVINA, CA 91724-4044

Please see Detail Page for Delivery Addresses.

Remit to: LB410023 PO Box 35143 Seattle, WA 98124-5143

Payer Number	1850855		
Billing Location Code	SWWC		
Purchase Order Number		Special Reference Number	
Payment Terms	Net 30	Special Reference Number	
Program	SERVICE		Yearbook Plus

Qty	Level	Sel. Code	Description	Unit Price	Unit GPA	Total
3	1 YEAR	215	Sig. Connect 1 w/Flashlight, and Insert/Cuff Bravo Sig Circ	27.26	0.00	81.78
1	10 YEAR	222	Bushnell Reflector Telescope, and Symbolic Pin	647.63	186.30	833.93
1	10 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
1	10 YEAR	8295	Stanley Jump Starter, and Symbolic Pendant	726.86	186.30	913.16
1	15 YEAR	552	Camp Chef Vault 24" Smoker, and Symbolic Pin	1,160.49	186.30	1,346.79
1	3 YEAR	183	Body-Solid Deluxe Push-Up Bars, and Symbolic Pin	171.46	186.30	357.76
1	3 YEAR	261	PremiumBag 22" Carry-on, and Symbolic Pendant	194.94	186.30	381.24
1	3 YEAR	261	PremiumBag 22" Carry-on, and Symbolic Pin	196.15	186.30	382.45
1	3 YEAR	368	Barebones Living Garden Tool, and Symbolic Pin	169.26	186.30	355.56
5	3 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	153.85
1	3 YEAR	504	Digi Power Smart Charging Pad, and Symbolic Pin	180.98	186.30	367.28
1	3 YEAR	520	Hamilton Beach Juice Extractor, and Symbolic Pin	191.52	186.30	377.82
1	3 YEAR	521	Oster Cutlery Block Set, and Symbolic Pin	189.32	186.30	375.62
1	30 YEAR	266	Briggs & Riley Luggage Set, and Symbolic Pendant	2,456.86	186.30	2,643.16
1	5 YEAR	267	JVC On-Ear Headphones, and Symbolic Pin	330.70	186.30	517.00
3	5 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	92.31
1	5 YEAR	813	RCA Go Android 10 Tablet, and Symbolic Pin	329.68	186.30	515.98
1	5 YEAR	981	iLive Tailgate Speaker, and Symbolic Pin	316.74	186.30	503.04
Total Quantity		26				
Total GPA					2,608.20	
Product Total (includes GPA)						10,261.49
Tax Summary						
California Tax						522.26
Illinois Tax						1.92
South Carolina Tax						176.55

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



**INVOICE NUMBER:** 992417893/949138987

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 839525586</b>									
Delivery to:									
Location Code: ONETIME		Ship Date: 04/16/2021		Ship Method: BEST WAY		Tracking Number:505934759293			
Location Code: ONETIME		Ship Date: 04/16/2021		Ship Method: BEST WAY		Tracking Number:74892700221286327616			
152430732-001000	1	10 YEAR	0295	Stanley Jump Starter, and Symbolic Pendant	Alvarez, Steven	102232	726.86	186.30	913.16
								01/04/2021	
								60000902	

Sub-Total (including GPA)	186.30	913.16
Shipping & Handling		38.75
Net Taxable		951.91
California Tax	10.250 %	97.57
<b>Delivery Totals</b>		<b>1,049.48</b>

Product and GPA Totals		913.16
Shipping & Handling		38.75
Total Taxes		97.57
<b>Total</b>	<b>USD</b>	<b>1,049.48</b>

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



**INVOICE NUMBER:** 992417893/949286881

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 839609053</b>									
Delivery to:									
Location Code: ONETIME		Ship Date: 04/28/2021		Ship Method: BEST WAY		Tracking Number:506063872431			
Location Code: ONETIME		Ship Date: 04/28/2021		Ship Method: BEST WAY		Tracking Number:61292700221286525689			
Location Code: ONETIME		Ship Date: 04/28/2021		Ship Method: BEST WAY		Tracking Number:74892700221286525579			
152564596-001000	1	15 YEAR	552	Camp Chef Vault 24" Smoker, and Symbolic Pin	Ochoa, Omar	101055	1,160.49	186.30	1,346.79
								05/02/2020	
								60000902	

Sub-Total (Including GPA)	186.30	1,346.79
Shipping & Handling		133.04
Net Taxable		1,479.83
California Tax	9.500 %	140.59
<b>Delivery Totals</b>		<b>1,620.42</b>

Product and GPA Totals		1,346.79
Shipping & Handling		133.04
Total Taxes		140.59
<b>Total</b>	<b>USD</b>	<b>1,620.42</b>

# Invoice



O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537

Invoice Number	992442909 CONSOLIDATED
Date	07/31/2021
Client Number	222802
Payment Due By:	08/30/2021

Billing Address

Delivery Address

  
 SouthWest Water Company  
 Tamecka Cooley  
 1325 N. Grand Avenue Ste 100  
 COVINA, CA 91724-4044

Please see Detail Page for Delivery Addresses.

Remit to: LB410023 PO Box 35143 Seattle, WA 98124-5143

Payer Number	1850855		
Billing Location Code	SWWC		
Purchase Order Number		Special Reference Number	
Payment Terms	Net 30	Special Reference Number	
Program	SERVICE		Yearbook Plus

Qty	Level	Sel. Code	Description	Unit Price	Unit GPA	Total
1	10 YEAR	675	Henckels Knife Block Set, and Symbolic Pin	702.18	214.38	916.56
1	10 YEAR	706	Howard Miller Gallery Clock, and Symbolic Pin	645.68	214.38	860.06
2	10 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	125.52
1	15 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
1	20 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
6	3 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	184.62
1	3 YEAR	7926	Jensen Bluetooth Speaker, and Symbolic Pendant	216.04	196.02	412.06
1	5 YEAR	397	RCA Home Theater Sound Bar, and Symbolic Pin	321.29	214.38	535.67
4	5 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	30.77	0.00	123.08
1	5 YEAR	813	RCA Go Android 10 Tablet, and Symbolic Pendant	328.47	214.38	542.85
Total Quantity		19				
Total GPA					1,053.54	
Product Total (includes GPA)						3,825.94
Tax Summary						
Alabama Tax						4.17
California Tax						158.65
South Carolina Tax						105.38
Shipping & Handling						428.15



# Invoice



O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537

Invoice Number	992452311 CONSOLIDATED
Date	08/31/2021
Client Number	222802
Payment Due By:	09/30/2021

Billing Address

Delivery Address

SouthWest Water Company  
 Tamecka Cooley  
 1325 N GRAND AVE STE 100  
 COVINA, CA 91724-4044

Please see Detail Page for Delivery Addresses.

Remit to: LB410023 PO Box 35143 Seattle, WA 98124-5143

Payer Number	1850855		
Billing Location Code	SWWC		
Purchase Order Number		Special Reference Number	
Payment Terms	Net 30	Special Reference Number	
Program	SERVICE		Yearbook Plus

Qty	Level	Sel. Code	Description	Unit Price	Unit GPA	Total
8	1 YEAR	215	Sig. Connect 1 w/Flashlight, and Insert/Cuff Bravo Sig Circ	27.26	0.00	218.08
1	10 YEAR	228	Wenzel Klondike 8-Person Tent, and Symbolic Pin	709.23	196.02	905.25
1	10 YEAR	254	Ray-Ban Classic Sunglasses, and Symbolic Pin	722.44	196.02	918.46
1	10 YEAR	351	Ray-Ban Aviator Sunglasses, and Symbolic Pin	670.31	204.66	874.97
2	10 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	125.52
2	15 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	125.52
1	15 YEAR	975	Vitamix Explorian Blender, and Symbolic Pin	1,184.40	204.66	1,389.06
1	20 YEAR	156	14K Gold Diamond Earrings, and Symbolic Pendant	1,448.58	196.02	1,644.60
1	20 YEAR	631	Kate Spade Handbag/Backpack, and Symbolic Pendant	1,606.32	204.66	1,810.98
2	3 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	31.77	0.00	63.54
1	3 YEAR	521	Oster Cutlery Block Set, and Symbolic Pin	192.41	204.66	397.07
1	5 YEAR	267	JVC On-Ear Headphones, and Symbolic Pin	334.31	204.66	538.97
6	5 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	31.77	0.00	190.62
1	5 YEAR	507	Bulova Keepsake Clock, and Symbolic Pendant	306.02	196.02	502.04
1	5 YEAR	813	RCA Go Android 10 Tablet, and Symbolic Pin	333.28	204.66	537.94
1	5 YEAR	870	Topi Luggage Set, and Symbolic Pin	333.22	196.02	529.24
Total Quantity		31				
Total GPA					2,208.06	
Product Total (includes GPA)						10,771.86
Tax Summary						
California Tax						237.41
South Carolina Tax						151.42
West Virginia Tax						1.64

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



INVOICE NUMBER: 992452311/950969005

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 840415269</b>									
Delivery to: 1325 N Grand Ave. Ste 100 Covina, California 91724-4044									
Location Code: ONETIME		Ship Date: 08/24/2021		Ship Method: BEST WAY		Tracking Number: 532098312695			
153683311-001000	1	20 YEAR	156	14K Gold Diamond Earrings, and Symbolic Pendant	Miao, Hilary	101276	1,448.58	196.02	1,644.60
07/23/2021									

Sub-Total (Including GPA)	196.02	1,644.60
Shipping & Handling		28.38
Net Taxable		1,672.98
California Tax	10.250 %	171.48
<b>Delivery Totals</b>		<b>1,844.46</b>

Product and GPA Totals		1,644.60
Shipping & Handling		28.38
Total Taxes		171.48

**Total** USD **1,844.46**

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



INVOICE NUMBER: 992452311/950986670

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 840415268</b>									
Delivery to:									
Location Code: ONETIME		Ship Date: 09/24/2021		Ship Method: BEST WAY		Tracking Number: 532098321998			
Location Code: ONETIME		Ship Date: 09/24/2021		Ship Method: BEST WAY		Tracking Number: 74892700221225497219			
153642589-001000	1	5 YEAR	870	Topi Luggage Set, and Symbolic Pin	Olivares, Jacqueline	50344	333.22	196.02	529.24
06/27/2021									

Sub-Total (Including GPA)	196.02	529.24
Shipping & Handling		36.51
Net Taxable		564.75
California Tax	10.250 %	57.89
<b>Delivery Totals</b>		<b>622.64</b>

Product and GPA Totals		529.24
Shipping & Handling		36.51
Total Taxes		57.89

**Total** USD **622.64**

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84116 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



**INVOICE NUMBER:** 992452311/951020232

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #: 840438694</b>									
Delivery to: [Redacted]									
Location Code: ONETIME      Ship Date: 09/27/2021      Ship Method: BEST WAY      Tracking Number: 61292700221225556248									
207613385-001000	1	10 YEAR	757	Sig Ensemble YB w/Pewter Pen, and Cert Dsgn, Cal. Words 1x6	Prociado, Luis	102241	62.76	0.00	62.76
09/27/2021									

Sub-Total (including GPA)	0.00	62.76
Shipping & Handling		15.71
Net Taxable		78.47
California Tax	10.250 %	8.04
<b>Delivery Totals</b>		<b>86.51</b>

Product and GPA Totals		62.76
Shipping & Handling		15.71
Total Taxes		8.04

**Total**      **USD 86.51**



# Invoice



O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537

Invoice Number	992459894 CONSOLIDATED
Date	09/30/2021
Client Number	222802
Payment Due By:	10/30/2021

089

Billing Address

Delivery Address

SouthWest Water Company  
 Tamecka Cooley  
 1325 N GRAND AVE STE 100  
 COVINA, CA 91724-4044

Please see Detail Page for Delivery Addresses.

Remit to: LB410023 PO Box 35143 Seattle, WA 98124-5143

Payer Number	1850855		
Billing Location Code	SWWC		
Purchase Order Number		Special Reference Number	
Payment Terms	Net 30	Special Reference Number	
Program	SERVICE		Yearbook Plus

Qty	Level	Sel. Code	Description	Unit Price	Unit GPA	Total
1	10 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
1	15 YEAR	202	LG Hi-Res Audio Sound Bar, and Symbolic Pin	1,177.14	203.04	1,380.18
1	15 YEAR	284	Tissot Bridgeport Men's Watch, and Symbolic Pin	1,220.70	203.04	1,423.74
1	20 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
1	25 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words	62.76	0.00	62.76
1	3 YEAR	454	Squish 14-Piece Knife Set, and Symbolic Pin	165.81	204.66	370.47
2	3 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	31.77	0.00	63.54
1	3 YEAR	504	Digi Power Smart Charging Pad, and Symbolic Pin	183.81	203.04	386.85
1	3 YEAR	939	Samsonite Andante 2 Duffel, and Symbolic Pendant	214.07	204.66	418.73
2	3 YEAR	939	Samsonite Andante 2 Duffel, and Symbolic Pin	215.31	204.66	839.94
1	3 YEAR	9893	Cuisinart Waffle Maker, and Symbolic Pin	196.29	204.66	400.95
1	5 YEAR	200	Kendra Scott Elisa Necklace, and Symbolic Pin	333.70	204.66	538.36
1	5 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	31.77	0.00	31.77
1	5 YEAR	503	Bushnell 10x32 Binoculars, and Symbolic Pin	308.51	204.66	513.17
1	5 YEAR	566	Topi Portable Folding Cooler, and Symbolic Pin	318.31	204.66	522.97
1	5 YEAR	6917	Leatherman FREE T2 Multi-Tool, and Symbolic Pendant	334.89	204.66	539.55
1	5 YEAR	813	RCA Go Android 10 Tablet, and Symbolic Pin	333.28	204.66	537.94
1	5 YEAR	870	Topi Luggage Set, and Symbolic Pin	336.88	203.04	539.92
1	5 YEAR	870	Topi Luggage Set, and Symbolic Pin	336.88	204.66	541.54
Total Quantity		21				
Total GPA					3,063.42	
Product Total (includes GPA)						9,237.90
Tax Summary						
Alabama Tax						65.62
California Tax						148.33
South Carolina Tax						112.95

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



091

**INVOICE NUMBER:** 992459894/951183750

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #:</b> 840514604									
Delivery to:									
154129893-001000	1	3 YEAR	454	Squish 14-Piece Knife Set, and Symbolic Pin	Gabrovski, Jessica	50459	165.81	204.66	370.47
					04/30/2021				60000902

Sub-Total (Including GPA)	204.66	370.47
Shipping & Handling		24.85
Net Taxable		395.32
California Tax	9.000 %	35.58
<b>Delivery Totals</b>		<b>430.90</b>

Product and GPA Totals		370.47
Shipping & Handling		24.85
Total Taxes		35.58

**Total** USD **430.90**

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



092

**INVOICE NUMBER:** 992459894/951241022

Sales Order /Line #	Qty.	Level	Select Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY #:</b> 840540371									
Delivery to:									
153975342-001000	1	5 YEAR	200	Kendra Scott Elisa Necklace, and Symbolic Pin	Reyes, Frank	50346	333.70	294.86	538.36
					07/05/2021				60000902

Sub-Total (Including GPA)	204.66	538.36
Shipping & Handling		12.79
Net Taxable		551.15
California Tax	8.250 %	45.46
<b>Delivery Totals</b>		<b>596.61</b>

Product and GPA Totals		538.36
Shipping & Handling		12.79
Total Taxes		45.46

**Total** USD **596.61**

# Invoice



O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537

Invoice Number	992469134 CONSOLIDATED
Date	10/31/2021
Client Number	222802
Payment Due By:	11/30/2021



**Billing Address**

SouthWest Water Company  
 Tamecka Cooley  
 1325 N. Grand Avenue Ste 100  
 COVINA, CA 91724-4044  
 USA

Remit to: LB410023 PO Box 35143 Seattle, WA 98124-5143

Payer Number	1850855		
Billing Location Code	SWWC		
Purchase Order Number		Special Reference Number	
Payment Terms	Net 30	Special Reference Number	
Program	SERVICE		Yearbook Plus

Qty	Level	Sel Code	Description	Unit Price	Unit GPA	Total
12	1 YEAR	215	Sig. Connect 1 w/Flashlight, and Insert/Cuff Bravo Sig Circ Cnc	27.55	0.00	330.60
2	10 YEAR	218	Men's Right Hand, and Symbolic Pin	772.06	203.04	1,950.20
2	10 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words 4x6	62.76	0.00	125.52
1	15 YEAR	302	Kate Spade Satchel/Laptop Bag, and Symbolic Pin	1,141.77	203.04	1,344.81
1	20 YEAR	156	14K Gold Diamond Earrings, and Symbolic Pendant	1,480.23	203.04	1,683.27
1	20 YEAR	757	Sigl Ensemble YB w/Pewter Pen, and Cert Dsgn. Col. Words 4x6	62.76	0.00	62.76
1	25 YEAR	709	TCL 65" 5-Series Roku Smart TV, and Symbolic Pin	1,906.47	203.04	2,109.51
4	3 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	31.77	0.00	127.08
1	3 YEAR	959	Alex and Ani Charm Bangle, and Symbolic Pendant	187.06	203.04	390.10
4	5 YEAR	476	Signature Celebrate YB, and Cert Dsgn. Col. Words 4x6	31.77	0.00	127.08
Total Quantity		29				
Total GPA					1,218.24	
Product Total (includes GPA)						8,250.93
Shipping and Handling						754.33
Alabama Tax						12.98
California Tax						465.00
California eWaste Fee						6.00
Pennsylvania Tax						2.20
South Carolina Tax						33.75
Total Invoice			Please pay this amount —>		USD	9,525.19

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



100

INVOICE NUMBER: 992469134/951553005

Sales Order /Line #	Qty	Level	Sel Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY#: 840684097</b>									
Delivery to: [REDACTED]									
Location Code: : ONETIME Ship Date: 10/06/2021 Ship Method: PILOT Tracking Number: : 306195604									
Location Code: : ONETIME Ship Date: 10/06/2021 Ship Method: PILOT Tracking Number: : 541109134391									
154409595-001000	1	25 YEAR	709	TCL 65" 5-Series Roku Smart TV, and Symbolic Pin	Monette, Rolshun	101120	1,906.47	203.04	2,109.51
						10/03/2021			

60000902

Sub-Total (Including GPA)	203.04	2,109.51
Shipping & Handling		218.12
California Tax	8.750 %	203.67
California eWaste Fee		6.00
Delivery Totals		2,537.30

Product and GPA Totals		2,109.51
Shipping & Handling		218.12
Total Taxes		203.67

Total USD 2,537.30

100

O.C. Tanner Recognition Company  
 1930 South State Street SALT LAKE CITY, UT 84115 USA  
 888-708-7080 FEDERAL ID # 870440228  
 Payment Inquiries - 877-577-9537



INVOICE NUMBER: 992469134/951631826

Sales Order /Line #	Qty	Level	Sel Code	Description	Name/Label Info	ID Number	Unit Price	GPA	Total
<b>DELIVERY#: 840771852</b>									
Delivery to: [REDACTED]									
Location Code: : ONETIME Ship Date: 10/12/2021 Ship Method: BEST WAY Tracking Number: : 541374509391									
154472460-001000	1	15 YEAR	302	Kate Spade Satchel/Laptop Bag, and Symbolic Pin	Lopez, Jorge	101254	1,141.77	203.04	1,344.81
						07/17/2021			

60000902

Sub-Total (Including GPA)	203.04	1,344.81
Shipping & Handling		34.66
California Tax	9.500 %	131.06
Delivery Totals		1,510.53

Product and GPA Totals		1,344.81
Shipping & Handling		34.66
Total Taxes		131.06

Total USD 1,510.53



**NOVEMBER 2021 Corporate P-Card - Due to Germaine Harris by End of Business Day December 9th**

		Posting Date	Transaction Date	Merchant	Amount	GL Coding	Business Justification
Lauren	James	10/29/2021	10/28/2021	AIRBNB HM9TEFS4C4	772.80	60-912-610030	Hotel for CWA Conference
Lauren	James	11/1/2021	10/29/2021	WPY CALIFORNIA WATER ASSO	(600.00)	60-912/ 613050	Refund from CWA Fall Conference They charged me twice.
Lauren	James	11/3/2021	11/1/2021	SHELL OIL 57444469308	80.36	60-912/610070	Gas for travel to CWA Conference
Lauren	James	11/4/2021	11/3/2021	CHEVRON 0371158	103.15	60-912/ 610070	Gas for travel to CWA Conference
Lauren	James	11/17/2021	11/16/2021	SMART AND FINAL 942	27.54	60-912- 610060	Drinks for Salive Food Distribution
Lauren	James	11/18/2021	11/17/2021	DOLLAR TREE	3.92	60-912- 610060	Decorations/utensils for Operation Gob
Lauren	James	11/18/2021	11/17/2021	99 CENTS ONLY STORES #420	17.60	60-912- 610060	Decorations/utensils for Operation Gob
Lauren	James	11/22/2021	11/21/2021	SMART AND FINAL 842	50.76	60-912- 610060	Drinks for Operation Gobble
Lauren	James	11/23/2021	11/23/2021	PANERA BREAD #601057 O	387.64	60-912- 610060	Breakfast for Operation Gobble
Lauren	James	11/23/2021	11/22/2021	SG JERRY'S TACOS & CATER	748.65	60-912- 610060	Lunch for Operation Gobble
					<u>1,598.22</u>		

*Lauren James*

12/13/2021

3FC00B825B4DB34B7CA2847067D3440 contractworks  
 Cardholder Signature Date  
*Craig Boss* 12/02/2021  
 FE15100000000000000000000000000000 contractworks

**Attachment 2-2: Suburban's response to  
Public Advocates Office DR DG-10**



March 7, 2023

To: Suliman Ibrahim  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: Response to A.23-01-001, Public Advocates Office DR DG-10 (Landscape  
Survey and Professional Dues)

Dear Mr. Roberts et al.,

Attached is the information you requested in writing for Suburban's Total Company  
General Rate Case.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon  
Director of Regulatory Affairs

**Response to A.23-01-001, Public Advocates Office  
DR DG-10 (Landscape Survey and Professional Dues)**

2. Suburban’s workpapers, Vol I Confidential (Final Application), tab Model, Row 2719, Professional Dues, includes a 2021 recorded amount of **\$134,342**. In response to DR DG-03, Q.11.a., Suburban provided the following response:

Name of Professional Organization	2021 Amount Paid for Dues (\$)	Year Suburban Joined Professional Organization
California Water Association	\$139,384	1941
National Association of Water Companies	\$63,420	1968
California Chamber of Commerce	\$16,250	2018
California Water Efficiency Partnership	\$3,584	2013
San Gabriel Valley Economic Partner	\$3,000	2012
Regional Chamber of Commerce SGV	\$750	2019
Greater West Covina Business Assoc.	\$650	2012
Glendora Chamber of Commerce	\$632	2013
Whittier Area Chamber	\$520	2012
Three Valleys Municipal Water	\$500	2012
Covina Chamber of Commerce	\$425	2012
La Mirada Chamber of Commerce	\$399	2011
Central Basin Water Assoc.	\$50	2012
San Gabriel Valley Protective	\$50	2012
San Gabriel Water Assoc.	\$25	2012
<b>Total Amount</b>	<b>\$229,639</b>	

- a. Reconcile the total 2021 professional dues paid amount of \$229,639 with the 2021 amount of \$134,342 included in Suburban’s workpapers. Explain why there is a difference in the amounts.

Response:

The difference between \$229,639 and \$134,342 is \$95,297, which comprised of:

- Suburban allocated 38% of CWA dues recorded in this account for ratemaking purposes, pursuant to June 24, 1994 Memorandum of Understanding (MOU) with California Advocates. The 2021 CWA dues recorded in account Professional Dues was \$139,384. The adjustment was  $\$139,384 \times -62\% = -\$86,418$ .

- Suburban allocated 86% of NAWC dues in this GRC for purposes of ratemaking. The 2021 NAWC dues recorded in account Professional Dues was \$63,419.96. The adjustment was  $\$63,419.96 \times -14\% = -\$8,878.79$ .

Please see attached file titled “DR DG-10 #2.a Response.pdf” for the supporting documents.

- b. Provide the annual 2017-2022 Suburban dues paid to California Water Association in the table below:

2017	2018	2019	2020	2021	2022

Response:

2017	2018	2019	2020	2021	2022
\$138,152	\$138,848	\$160,010	\$147,184	\$147,188	\$151,316

- c. If an annual dues increase of more than 10% occurred between any of the years above, explain why.

Response:

In 2019 there was an additional cost pertaining to the CWA regulatory committee expense. This assessment was attributed to SWS’ portion related to various CPUC policy proceedings open, and CWA was actively involved with.



CALIFORNIA WATER SERVICE COMPANY  
1720 NORTH FIRST STREET • P.O. BOX 1150 • SAN JOSE, CA 95108 • (408) 451-8200

June 24, 1994

RECEIVED  
JUN 28 1994  
DANIEL CONWAY

TO ALL CLASS A WATER COMPANIES:

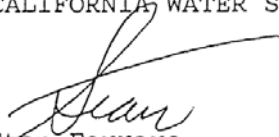
Enclosed is a MEMORANDUM OF UNDERSTANDING (MOU) with DRA concerning the exclusion of lobbying expenses for ratemaking.

The MOU provides for 38% of CWA's dues to be allowable for ratemaking. This adjustment addresses the Commission's policy with respect to lobbying expenses as expressed in D.67369 and D.93-12-043 (copies attached). To participate in the MOU each water company must send a signed copy of the MOU to Han Ong, Supervising Engineer, Division of Ratepayer Advocates, Energy/Water Operational Cost Branch.

I believe this is a fair resolution of this matter and I urge each Class A water company to sign the MOU.

Very truly yours,

CALIFORNIA WATER SERVICE COMPANY

  
Stan Ferraro  
Vice President

SF:dw

Enclosures

MEMORANDUM OF UNDERSTANDING

The Division of Ratepayer Advocates (DRA) and the undersigned Water Companies (Companies) desiring to minimize the expense, inconvenience and uncertainty attendant to litigation have reached an understanding about the ratemaking treatment which should be afforded to dues paid to California Water Association (CWA) and other groups, and the Companies' expenses of participating in those groups' activities.

Recently, DRA introduced a report in California Water Service Company's (Cal Water) general rate application A.93-09-007 which contained DRA's recommended ratemaking treatment for CWA dues. In that proceeding Cal Water and DRA stipulated to meet and discuss the exclusion of lobbying expenses consistent with D.67369 and D.93-12-043. Representatives of DRA and the Companies met on April 13, 1994 in San Francisco and again on May 2, 1994 in Sacramento and discussed this matter.

At the May 2, 1994 meeting the following understanding was reached: 38% of CWA dues should be allowable for ratemaking. Accordingly 38% of each of the Companies' shares of CWA's most recent annual budget should be allowable for ratemaking. The adjustment to CWA dues addresses the Commission's policy with respect to lobbying expenses as expressed in D.67369 and D.93-12-043. This



Agreement shall remain in effect unless there is a significant change in CWA's annual budget. CWA or DRA may reopen discussions concerning this understanding if such a significant change in CWA's annual budget occurs.

DRA and the undersigned Companies believe that this understanding is reasonable, consistent with the law, and in the public interest.

DIVISION OF RATEPAYER  
ADVOCATES

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: June \_\_\_\_\_, 1994

WATER COMPANY:

COMPANY: Suburban Water Systems

By: David McHenry

Title V.P. Revenue Requirements

September  
Date: ~~June~~ 9, 1994



**Company Name:**

**Main Company Address:**

**City & State of Physical Water Utility:**

**Primary Contact/Official Representative:**

**Primary Contact E-mail:**

**Billing Contact:**

**Billing Contact E-mail:**

**Telephone:**

Questionnaire Form

**Parent or Holding Company:**

NAWC dues are based on member companies' operating revenues. Please provide a copy of the source -- such as an Annual Report or a report to regulators -- of the operating revenues figure provided.

2020 Operating Revenues: \_\_\_\_\_ No. of Customers (12/31/2020): \_\_\_\_\_

2021 NAWC Dues: \_\_\_\_\_ Population Served (12/31/2020): \_\_\_\_\_

No. of Employees (12/31/2020): \_\_\_\_\_

Zip Codes Served: \_\_\_\_\_

**2021 Dues Schedule**

Please note that NAWC's bylaws state that dues and fees are to be paid in full by all members within 30 days of receipt of an invoice. An invoice will be sent after this form is completed and returned.

**Please return your completed GWR by April 2, 2021.**

GWR	Dues
Under \$1M	\$2,500 plus 0.075% of GWR
\$1M - \$10M	\$3,250 plus 0.074% in excess of \$1M
\$10M - \$50M	\$9,910 plus 0.072% in excess of \$10M
\$50M - \$100M	\$38,710 plus 0.068% in excess of \$50M
\$100M - \$500M	\$72,710 plus 0.063% in excess of \$100M
Over \$500M	\$324,710 plus 0.060% in excess of \$500M

Under the Omnibus Budget Reconciliation Act of 1993, expenditures paid or incurred in connection with "lobbying" activities no longer qualify as deductible business expenses for tax purposes. NAWC is required to provide you with an estimate of that portion of your 2021 NAWC dues that will not be deductible because of this law. That figure is 9% of your 2021 dues. The actual lobbying percentage for 2019, the most recent year for which this percentage was filed publicly with the IRS through the 2019 Form 990 (see Schedule C, Part III-B), was 14%.

\* Contributions or gifts to NAWC are not tax deductible as charitable contributions for income tax purposes. However, they may be tax deductible as ordinary and necessary business expenses subject to restrictions imposed as a result of the Association's lobbying activities.

Please e-mail the completed form to Sara@nawc.com, or mail to NAWC, Two Liberty, 50 South 16<sup>th</sup> St., Ste. 2725, Philadelphia, PA 19102

**Attachment 2-3: Suburban's response to  
Public Advocates Office DR DG-11**

March 8, 2023

To: Suliman Ibrahim  
Project Coordinator

Daphne Goldberg  
Regulatory Analyst

Shanna Foley  
Attorney for Public Advocates Office

Re.: Response to A.23-01-001, Public Advocates Office DR DG-11 (General Ledger)

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing for Suburban's Total Company General Rate Case.

Sincerely,

*/s/Carmelitha Bordelon*

Carmelitha Bordelon  
Director of Regulatory Affairs

**Responses to A.23-01-001, Public Advocates Office  
DR DG-11 (General Ledger)**

Please refer to Suburban’s response to DR JR06-01\_1 Expenses Detail (Excel file) to respond the questions below:

10. Uncollectibles

- h. Tab 2021, Row 73125-Row 73136 include text and a corresponding entry of \$9,500. For example, the January 2021 text is “JE 1-34-1 Rev Doubtful Acct. 100% over 60 days”. Explain what the text means for each month in 2021.

Response:

The text described the monthly Journal Entry for Reserve for Doubtful Accounts related to Accounts Receivable aging for Suburban’s customers’ with account balances of 60 days and over.

- i. Does each monthly entry of \$9,500 represent the **actual** recorded monthly uncollectible amount (\$)? Explain.

If \$9,500 does not represent the **actual** recorded 2021 monthly uncollectible amount. Provide the **actual** recorded monthly uncollectible amount for each month of 2021 in the table below:

<b>Month</b>	<b>Recorded Uncollectible Amount (\$)</b>
January 2021	
February 2021	
March 2021	
April 2021	
May 2021	
June 2021	
July 2021	
August 2021	
September 2021	
October 2021	
November 2021	
December 2021	

Response:

No, \$9,500 represents bad debt expense. The following table represents actual gross uncollectible amount incurred.

<b>Month</b>	<b>Recorded Uncollectible Amount (\$)</b>
January 2021	280,356.32
February 2021	-26,411.44

March 2021	171,736.50
April 2021	-149,610.44
May 2021	237,879.76
June 2021	-94,311.38
July 2021	202,600.73
August 2021	-8,489.45
September 2021	26,387.04
October 2021	233,467.93
November 2021	43,884.71
December 2021	322,469.94

## 11. Injuries and Damages

- a. Tab 2021, Row 79674 includes text "JE 4-45 (JuneM) Accrue Claim settlement -C.Terry(M)". Explain what this means.

Response:

The Journal Entry 4-45 was entered by June M. for the accrual of settlement for claim related to plaintiff C. Terry, and the location of the incident starts with a letter M.

- b. Tab 2021, Row 79722 includes text "JE 7-45-2 (JuneM) Accrue legal costs - C.Terry Moc". Explain what this means.

Response:

The Journal Entry 7-45-2 was entered by June M. for the accrual of estimated additional legal costs for claim matter related to plaintiff C. Terry, and the word "Moc" denotes the abbreviated location of the incident.

- c. Tab 2021, Row 79721 includes text "JE 7-45 (JuneM) Accrue Claim settlement -Vehicle S". Explain what this means.

Response:

The Journal Entry 7-45 was entered by June M. for the accrual of settlement for claim matter related to vehicle with the plaintiff's last name starts with a letter "S."

- d. Tab 2021, Rows 79674-79768 includes various insurance entries. Explain why insurance accrual entries are included even though insurance is allocated from Suburban's Parent Company.



Response:

These monthly insurance accrual entries represent the allocated portion of Suburban, which were calculated and entered by Suburban's Parent Company.

## 12. Outside Services Employed

- a. Tab 2021, Row 83467 - Row 83470 and Row 83540- Row 83541 include amounts for PWC audit fees. Are the PWC audit fees included the same as the PWC audit fee entries included in Suburban's response to JR6-01\_2 Parent Company Detail, Tab 2021, Rows 287-298? Explain.

Response:

The PwC audit fees in Suburban's book was services related directly to Suburban's audit. The PwC audit fees in JR6-01\_2 Parent Company Detail are Suburban's allocated portion of Parent Company audit fees.

## 13. Employee Pension and Benefits

- a. Tab 2021, Row 81738, Training/Seminars, includes the text "101254/6910/Staff Awards/Incentives". Explain what this means.

Response:

The amount represents the management team appreciation, and to recognize the field team employees for their effort and hard work in providing quality service during the COVID-19 pandemic challenging time by making sure that Suburban's water customers continue to receive high quality water and reliable service.

- b. Explain how Suburban calculated the corresponding entry of \$2,072.88.

Response:

The amount was based on the receipt, and the detail of the amount was included in Suburban's response to DR DG-03, page 190 from file titled "DR DG-03 #5 Response – 2021 Training and Seminar Invoices.pdf"

- c. Explain why awards and incentives are included in Training/Seminars.

Response:

Please see Suburban's response to DR question 5 which was provided to Public Advocates on February 7, 2023; the amount was erroneously included

in this account. This expense should have been included in account Employee Welfare, CPUC account 795, source code 416.

#### 14. Customer Records and Collection Expenses

- a. Tab 2021, Row 72427-Row 72428 includes text “I took my lunch at 11:30 to 12:00”. Explain what this means.

Response:

The text denotes that the employee took 30 minutes lunch between 11:30 and 12:00. This line item represents direct labor cost as indicated in column I “Cost Element Description”

- b. Both Row 72427 and Row 72428 have corresponding entries of \$96.53. Explain what this represents.

Response:

Row 72427 and row 72428 represent the total Direct Labor expense charged by the employee for hours worked totaling \$96.53.

- c. Included in Tab 2021, Rows 72427-72442 are multiple entries of \$96.53. Explain what these represent.

Response:

Please see response 5.b.

March 27, 2023

To: Suliman Ibrahim  
Project Coordinator

Daphne Goldberg  
Regulatory Analyst

Shanna Foley  
Attorney for Public Advocates Office

Re.: Clarification Response to A.23-01-001, Public Advocates Office DR DG-11 (General Ledger), question 2, a through c.

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing via email dated March 22, 2023 from Ms. Foley to Ms. Dolqueist pertaining to Suburban's response to DR DG-11 question 2 items a through c, for Suburban's Total Company General Rate Case.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon  
Director of Regulatory Affairs

**Clarification Response to A.23-01-001, Public Advocates Office  
DR DG-11 (General Ledger), question 2, a through c**

15. Injuries and Damages

- a. Tab 2021, Row 79674 includes text “JE 4-45 (JuneM) Accrue Claim settlement -C.Terry(M)”. Explain what this means.

Response:

- The Christopher Terry matter involves a personal injury claim wherein Mr. Terry sued Suburban in Los Angeles County Superior Court claiming that he fell in an open meter box, resulting in injuries that required first responders to tend to the initial incident, as well as subsequent medical attention. Suburban referred this matter to insurance defense counsel. After investigating the claim, it was determined that questions of fact existed relating to Suburban's liability and the extent of Mr. Terry's fault in the incident. On advice of counsel, Suburban settled this matter for less than Suburban's deductible under the applicable insurance policies as the settlement was less than the estimated fees and costs to take the matter to trial.
- The accounting entry relates to the accrual of the settlement.

- b. Tab 2021, Row 79722 includes text “JE 7-45-2 (JuneM) Accrue legal costs - C.Terry Moc”. Explain what this means.

Response:

Please see first bullet point response to question 2.a.

The accounting entry relates to the accrual of estimated additional legal costs.

- c. Tab 2021, Row 79721 includes text “JE 7-45 (JuneM) Accrue Claim settlement -Vehicle S”. Explain what this means.

Response:

Ms. Solis was rear-ended by a Suburban employee driving a Suburban-owned vehicle. This was tendered to our insurance carrier. There was no reasonable dispute as to liability. Ms. Solis made claims for property damage to her car, and personal injuries sustained during the accident.

The accounting entry relates to the accrual of settlement for the claim.

**Attachment 2-4: Suburban's response to  
Public Advocates Office DR DG-06 Q.1.a.  
and Q.1.b.**

February 22, 2023

To: Suliman Ibrahim  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: PARTIAL Responses #2 to A.23-01-001, Public Advocates Office DR DG-06  
(Payroll and Conservation), questions 1.a., 1.b., and 1.e.

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing for Suburban's Total Company  
General Rate Case pertaining to questions 1.a., 1.b., and 1.e.

On February 23, 2023, Suburban will provide responses to questions 1.c and 1.d.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon  
Director of Regulatory Affairs



**Response to A.23-01-001, Public Advocates Office**  
**DR DG-06 (Payroll and Conservation) for Questions 1.a. and 1.b.**

1. Please refer to the following reference regarding Suburban's payroll to respond to the following questions:

A.23-01-001 "Workpapers Vol II Compensation Final Application (CONFIDENTIAL), tab "Risk Comp. (Confidential)"

A.23-01-001 "Workpapers Vol I Confidential (Final Application) tab "Model" Rows 1992 and 2688

- a. Suburban includes hard-coded recorded 2017-2021 "Risk Compensation" amounts in its workpaper, Row 2688. Input all formulas Suburban used to calculate each of the total 2017-2021 amounts in the attached Excel file, tab Q.1.a. and Q.1.b., in Columns F-J. Note that the attached Excel file includes confidential information. Provide supporting documents, as needed.

Response:

Please see excel file "DR DG-06 #1.a. and 1.b. Response.xlsx"

1.b. Suburban includes hard-coded recorded 2017-2021 "Risk Compensation" amounts in its workpaper, Row 2688. For each year, 2017-2021, explain all components of the formulas Suburban used to calculate the total amounts in the attached Excel file, tab Q.1.a. and Q.1.b. Provide supporting documents, as needed.

Response:

Please see excel file "DR DG-06 #1.a. and 1.b. Response.xlsx"

SUBURBAN WATER SYSTEMS  
TOTAL COMPANY  
OPERATING EXPENSES WORKPAPERS, DOLLARS (Row 2688)

Line	CPUC	Source	Description	Recorded Year					Explanation of formula used in Column F, including factors	Explanation of formula used in Column G, including factors	Explanation of formula used in Column H, including factors	Explanation of formula used in Column I, including factors	Explanation of formula used in Column J, including factors
				2017	2018	2019	2020	2021					
Number	Account	Code											
	Number	Number											
34	795	820	Risk Compensation	\$ 491,569	\$ 652,820	\$ 591,080	\$ 681,502	\$ 1,163,773	(a), (d)	(a), (d)	(a), (d)	(b), (d)	(c), (d)

(a) Employee Salary x Allowed Risk Compensation Rate x Goal Category Completion % = Payout

GOAL CATEGORIES

25% Parent Financial Target

50% Suburban Financial Target

25% Personal Goals related to employee's role. This may include, but is not limited to, goals related to Safety, Continuing Education, Employee Success, Customer Service, and other similar goals that promote the continued success and excellent customer service provided by Suburban.

(b) Employee Salary x Allowed Risk Compensation Rate x Goal Category Completion % = Payout

GOAL CATEGORIES

20% Parent Financial Target

30% Suburban Financial Target

50% Personal Goals related to employee's role. This may include, but is not limited to, goals related to Safety, Continuing Education, Employee Success, Customer Service, and other similar goals that promote the continued success and excellent customer service provided by Suburban.

(c) Employee Salary x Allowed Risk Compensation Rate x Goal Category Completion % = Payout

GOAL CATEGORIES\*

15% Parent Financial Target

25% Suburban Financial Target

60% Personal Goals related to employee's role. This may include, but is not limited to, goals related to Safety, Continuing Education, Employee Success, Customer Service, and other similar goals that promote the continued success and excellent customer service provided by Suburban.

\*For each goal, the employee can earn at the Threshold (50%), Target (100%), or Max (150%).

(d) The formula for determining Spot bonus is not based on numerical criteria. Instead it is based on the following:

PURPOSE The spot bonus award program provides management with the opportunity to reward the outstanding achievements of employees.

GUIDELI The Spot Bonus Award Program should recognize/reward outstanding individual or team achievements that significantly exceed the typical normal scope of responsibilities.

Managers may recommend an award for an employee or a team at any time throughout the fiscal year.

Awards must be based on defined, identifiable and specific events.

**Attachment 2-5: Suburban's response to  
Public Advocates Office DR HMC-007**

**(A.20-03-001)**

June 3, 2020

To: Cortney Sorensen, P.E.  
Project Coordinator

Herbert Merida  
Public Utilities Regulatory Analyst

Shanna Foley  
Attorney for Public Advocates Office

Catherine Rucker  
Attorney for Public Advocates Office

Re.: Response to A.20-03-001, Public Advocates Office DR HMC-007 (Expenses)

Dear Mr. Sorensen et al.,

Attached is the information you requested in writing for Suburban's Total Company General Rate Case.

Sincerely,

*/s/Robert L. Kelly*

Robert L. Kelly  
Vice President, Regulatory Affairs

**Response to A.20-03-001, Public Advocates Office  
DR HMC-007 (Expenses)**

5. Regarding Employees' Pension and Benefits Employee Welfare (Account 795-416), please provide the breakdown for the recorded 2018 amount in the format below. Provide workpapers, an electronic Excel spreadsheet of calculations, including links, and all supporting documents for these amounts.

Item	Amount	Description/Justification

Response:

Please see attached excel file "DR HMC-007 Response 2-5..xlsx" tab Acct 795-416 (#5).

SUBURBAN WATER SYSTEMS  
PUC ACCOUNT 795-416  
EMPLOYEES' PENSION AND BENEFITS EMPLOYEE WELFARE  
AS OF 12/31/18

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Ambulance Services	Rcl Care Ambulance Services	\$ 308.77
<b>Ambulance Services Total</b>		<b>\$ 308.77</b>
Anniversary Gift	O C TANNER RECOGNITION CO	\$ 11,864.27
	O.C. TANNER SALES COMPANY	\$ 22,112.74
<b>Anniversary Gift Total</b>		<b>\$ 33,977.01</b>
Cards for employee	P-Card Before Cut-Off-Baudville Inc.	\$ 512.97
<b>Cards for employee Total</b>		<b>\$ 512.97</b>
Cell Phone Allowance	Angela Lopez	\$ 1,320.00
	ANTHONY STEVENS	\$ 1,440.00
	CARLOS TEVES	\$ 1,440.00
	GERALDINE BAKER	\$ 1,440.00
	JESSICA GABROVSKI	\$ 960.00
	Jocelyn Padilla	\$ 480.00
	Jose Camarillo	\$ 1,320.00
	Kelly Silk	\$ 1,320.00
	RICHARD RICH	\$ 22.99
	Timothy Tillery	\$ 1,440.00
	Year End AP Accrual-	\$ 1,200.00
<b>Cell Phone Allowance Total</b>		<b>\$ 12,382.99</b>
Certif Bonus	Certi Bonus Jan 18 Reclass	\$ 850.00
	Certif Bonus recl-Nov 18	\$ 850.00
	Certif Bonus recl-Oct 18	\$ 1,500.00
	Certif Bonus-Jul 18	\$ 1,600.00
	Certif bonus-Jun 18	\$ 250.00
	Certificate Reclass	\$ 250.00
<b>Certif Bonus Total</b>		<b>\$ 5,300.00</b>
Drug Test	DISA GLOBAL SOLUTIONS INC	\$ 247.00



	IRWINDALE INDUSTRIAL CLINIC	\$ 455.00
<b>Drug Test Total</b>		<b>\$ 702.00</b>
<b>Employee Function</b>	AMERICAN GOLF CORPORATION-Qtr breakfast	\$ 4,218.35
	Angela Lopez-Relay for life	\$ 281.21
	Angela Lopez-Relay for life penny war	\$ 43.89
	BERNAL'S TACOS & CATERING (DBA)	\$ 350.00
	COURTYARD BY MARRIOTT (DBA)	\$ 4,185.43
	JE 02-45 Flick Football	\$ 170.00
	JE 05-45 Lap Bead Challenge	\$ 85.00
	JE 05-45 Raffle	\$ 400.00
	JE 07-45 BIG Meeting	\$ 10.00
	JE 08-45 Raffle	\$ 150.00
	JE 12-45 Step Challenge	\$ 300.00
	Jocelyn Padilla-Relay for life	\$ 98.65
	NATHAN AU-Team Building Event	\$ 177.50
	ONTARIO REIGN	\$ 1,205.00
	P-Card Before Cut-Off -4imprint(power bank for employee)	\$ 3,623.64
	P-Card Before Cut-Off-Bigleaguedreams:w.Cvna-P	\$ 54.00
<b>Employee Function Total</b>		<b>\$ 15,352.67</b>
<b>Engagement Meeting</b>	Angela Lopez	\$ 111.78
<b>Engagement Meeting Total</b>		<b>\$ 111.78</b>
<b>FirstAid kit for employee</b>	Angela Lopez	\$ 210.54
<b>FirstAid kit for employee Total</b>		<b>\$ 210.54</b>
<b>Florist</b>	Angela Lopez	\$ 692.03
	GRAND FLORIST	\$ 2,412.00
	P-Card Before Cut-Off -Samuels Florist	\$ 122.31
	P-Card Before Cutt-OffTlf*grand Florist	\$ 131.39
<b>Florist Total</b>		<b>\$ 3,357.73</b>
<b>Gift Card</b>	JE 45 2017/18 Gift Card Adjustment	\$ (1,655.02)
	JE 45 Gift Card Adjustment	\$ (270.00)
<b>Gift Card Total</b>		<b>\$ (1,925.02)</b>
<b>Ham</b>	Angela Lopez	\$ 156.22
	Jocelyn Padilla	\$ 10,686.85
	P-Card Before Cut-Off -Honeybaked Ham #0099	\$ 87.90

	P-Card Before Cut-Off -Honeybaked Ham #0099-Call	\$ 2,007.23
<b>Ham Total</b>		<b>\$ 12,938.20</b>
<b>Healthcare BalAcct</b>	JE 12-45-3 Record Healthcare BalAcct Misc costs 20	\$ 2,099.11
<b>Healthcare BalAcct Total</b>		<b>\$ 2,099.11</b>
<b>HR Library</b>	P-Card Before Cut-Off-Walmart.Com	\$ 97.46
<b>HR Library Total</b>		<b>\$ 97.46</b>
<b>Liability Clearing - Ancillary</b>	Q1 Liability Clearing - Ancillary	\$ 17,872.74
	Q2 Liability Clearing - Ancillary	\$ 20,152.59
	Q3 Liability Clearing - Ancillary	\$ 19,527.51
	Q4 Liability Clearing - Ancillary	\$ 21,793.54
<b>Liability Clearing - Ancillary Total</b>		<b>\$ 79,346.38</b>
<b>Lost Meter incentive</b>	JE 03-45 Lost Meter	\$ 125.00
	JE 08-45 Lost Meter	\$ 250.00
	JE 09-45 Lost Meter	\$ 25.00
<b>Lost Meter incentive Total</b>		<b>\$ 400.00</b>
<b>Medical Group Insurance IBNR</b>	Whittier Hospital #CK020518	\$ 250.00
<b>Medical Group Insurance IBNR Total</b>		<b>\$ 250.00</b>
<b>Membership</b>	COSTCO	\$ 420.00
	SAM'S CLUB	\$ 220.00
<b>Membership Total</b>		<b>\$ 640.00</b>
<b>Misc Exp</b>	11-5B True Up Ticket Per Physical	\$ 23.25
	12-5B True Up Ticket Per Physical	\$ 3.50
	5-10B SPGGC #275580- RCLSS SHIPPING+HANDLING	\$ 289.74
	6-5B True Up Ticket Per Physical	\$ 21.25
	JESSICA GABROVSKI	\$ 52.53
	Jocelyn Padilla-Blender	\$ 131.06
	MONOGRAMS OF DISTINCTION	\$ 51.45
	S.V.M., L.P.-shipping	\$ 21.90
<b>Misc Exp Total</b>		<b>\$ 594.68</b>
<b>Nettime Application</b>	P-Card Before Cut-Off-Nettime	\$ 1,500.00
<b>Nettime Application Total</b>		<b>\$ 1,500.00</b>
<b>Newsplash</b>	JE 02-45 Newsplash	\$ 45.00
	JE 03-45 Newsplash	\$ 45.00
	JE 04-45 Newsplash	\$ 45.00

	JE 05-45 Newsplash	\$	45.00
	JE 07-45 Newsplash	\$	90.00
	JE 09-45 Newsplash	\$	75.00
	JE 10-45 Newsplash	\$	45.00
	JE 11-45 Newsplash	\$	45.00
	JE 12-45 Newsplash	\$	45.00
	JE 1-45 Newsplash	\$	45.00
	Jocelyn Padilla	\$	45.00
<b>Newsplash Total</b>		<b>\$</b>	<b>570.00</b>
<b>Picnic</b>	12-5B Exp picnic scavngr hunt see's	\$	172.50
	12-5B Exp picnic scavngr hunt tickets	\$	414.00
	David Button	\$	716.00
	Dominic Luevano	\$	180.00
	GREG CORY	\$	72.00
	JE 03-45 Scavenger Hunt	\$	25.00
	JE 10-1MO Company Picnic	\$	(1,566.00)
	JE 10-45 Company Picnic 2017	\$	250.00
	JE 11-1MO Company Picnic	\$	(268.00)
	JE 11-45 Company Picnic	\$	3,575.00
	JE3-5B Exp Picnic Scavenger movie ticket	\$	(7.20)
	Jocelyn Padilla	\$	5,532.57
	KNOTT'S BERRY FARM	\$	37,023.37
	Nicholas Cafagno	\$	180.00
	PATRICIO MONTOYA	\$	1,780.00
	P-Card Before Cut-Off -Knotts Berry Farm Admiss	\$	8,000.00
	Reclass picnic purchases from employees	\$	(294.00)
	SUZAN ROLSHUN MONETTE	\$	72.00
<b>Picnic Total</b>		<b>\$</b>	<b>55,857.24</b>
<b>Pre-employment Med</b>	AP Accrual-Irwindale Industrical Clinic#179632-854	\$	240.00
	DISA GLOBAL SOLUTIONS INC	\$	629.00
	IRWINDALE INDUSTRIAL CLINIC	\$	1,265.00
	KIMCO STAFFING SERVICES INC	\$	120.00
	MARQUE URGENT CARE DBA	\$	45.00
	OCCUPATIONAL HEALTH CENTERS	\$	871.00

	PROSCREENING LLC	\$ 1,065.95
	RAMIRO GARCIA	\$ 62.08
	U S HEALTHWORKS	\$ 135.00
<b>Pre-employment Med Total</b>		<b>\$ 4,433.03</b>
Rams Ticket	Jocelyn Padilla-Rams Ticket	\$ 1,286.16
<b>Rams Ticket Total</b>		<b>\$ 1,286.16</b>
recruitment for HR director	P-Card Before Cut-Off-Applicantpro.Com	\$ 175.00
<b>recruitment for HR director Total</b>		<b>\$ 175.00</b>
Referral Bonus	Referral Bonus Jan 18 Reclass	\$ 125.00
	Referral Bonus recl-Nov 18	\$ 125.00
	Referral Bonus recl-Oct 18	\$ 250.00
	Referral Bonus-Apr 18	\$ 500.00
	Referral Bonus-Jul 18	\$ 250.00
	Referral bonus-Jun 18	\$ 125.00
<b>Referral Bonus Total</b>		<b>\$ 1,375.00</b>
Retirement Funtion	Angela Lopez	\$ 69.71
	JESSICA GABROVSKI	\$ 424.63
<b>Retirement Funtion Total</b>		<b>\$ 494.34</b>
Retirement Gift	Angela Lopez	\$ 1,034.22
	Jorge Lopez	\$ 1,057.37
	VERONICA DE LA SANTO	\$ 53.66
<b>Retirement Gift Total</b>		<b>\$ 2,145.25</b>
Retirement Git	POWELL CAMERA SHOP (DBA)	\$ 1,854.61
<b>Retirement Git Total</b>		<b>\$ 1,854.61</b>
S/B - Meals	GERALDINE BAKER	\$ 487.04
<b>S/B - Meals Total</b>		<b>\$ 487.04</b>
Volunteer Recognition	JE 06-45 Volunteer Recognition	\$ 395.00
<b>Volunteer Recognition Total</b>		<b>\$ 395.00</b>
Wellness Reimb	Alejandro Rangel	\$ 98.50
	ALFONSO ARTEAGA	\$ 150.00
	ANTHONY STEVENS	\$ 49.00
	AP Accrual	\$ 750.00
	ARTURO JAUREGUI	\$ 150.00
	Beatriz Reviere	\$ 142.28

Brenda Zuniga	\$	142.22
BRIAN INMAN	\$	150.00
CARLOS FARFAN	\$	29.99
CARLOS TEVES	\$	150.00
DAMON BINGLE	\$	150.00
Daniel Gonzalez	\$	150.00
DANNY PINEDO	\$	150.00
Darrin Carbajal	\$	150.00
David Button	\$	150.00
DAVID ISLAS	\$	150.00
Dominica Saldana	\$	150.00
FABIOLA PEREZ	\$	150.00
FRANCISCO GARCIA	\$	150.00
HENRY ALFARO	\$	150.00
Hilary Miao	\$	150.00
Irene Standi	\$	194.75
JACQUELINE OLIVARES	\$	150.00
JAIME GONZALEZ	\$	149.00
JAVIER TRIPODI	\$	150.00
JESSICA GABROVSKI	\$	150.00
JOHN BRETTL	\$	150.00
Jorge Lopez	\$	150.00
Jorge Ramos	\$	150.00
Jose Camarillo	\$	150.00
JUNE MURAKAMI	\$	150.00
Kristie Sanchez	\$	150.00
LAURA SAINZ	\$	150.00
LAUREN JAMES	\$	144.38
LETICIA PINON	\$	122.00
Luis Preciado	\$	150.00
MARGARET GARDEA	\$	60.00
Maria Salas	\$	150.00
MARTIN CEVALLOS	\$	150.00
Merriam Rials	\$	150.00



MICHAEL CHIRAULO		\$	150.00
MIGUEL JIMENEZ		\$	150.00
Miriam Lopez		\$	129.29
MYLA DECASTRO		\$	150.00
NATHAN AU		\$	99.00
Nicholas Cafagno		\$	150.00
Norris Fulfer		\$	150.00
OCTAVIO FLORES		\$	150.00
PATRICIO MONTOYA		\$	150.00
Patrick Pooler		\$	150.00
PAUL DIMAGGIO		\$	150.00
Paula Hall		\$	140.02
RAMIRO GARCIA		\$	150.00
RICHARD RICH		\$	960.00
Rosalba Magana		\$	150.00
Rosi Mercieca		\$	150.00
RYAN BATISTA		\$	150.00
Sandy Sin Wong		\$	149.00
SATHIS SADANANDAM		\$	150.00
SUSANA TAPIA		\$	150.00
SUZAN ROLSHUN MONETTE		\$	150.00
Tulinh Cao		\$	150.00
VANESSA CALDERON		\$	(149.27)
VERONICA DE LA SANTO		\$	150.00
WILLIAM PULIDO		\$	150.00
ZHAOHUI SUN		\$	150.00
<b>Wellness Reimb Total</b>		<b>\$</b>	<b>10,560.16</b>
<b>YE Function</b>	12-10B Jocelyn Padilla #ER112918	\$	6,000.00
	AP Accrual-Jocelyn Padilla#ER011819	\$	6,081.06
	JE 45 2017 Gift Card Adj. YE Function	\$	2,824.42
	Jocelyn Padilla	\$	1,506.54
	PACIFIC PALMS CONFERENCE RESORT (DB	\$	21,454.32
	Pacific Palms Report-Ck 110206-Refund	\$	(1,068.07)
	P-Card Before Cut-Off -Simon Gc Volume 0000	\$	7,232.34
<b>YE Function Total</b>		<b>\$</b>	<b>44,030.61</b>
<b>Grand Total</b>		<b>\$</b>	<b>291,820.71</b>



**Attachment 3-1: Suburban's response to  
Public Advocates Office DR DG-13**

April 4, 2023

To: Suliman Ibrahim  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: Response to A.23-01-001, Public Advocates Office DR DG-13 (Uncollectible  
Rate and New Positions)

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing for Suburban's Total Company  
General Rate Case.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon  
Director of Regulatory Affairs

**Response to A.23-01-001, Public Advocates Office  
DR DG-13 (Uncollectible Rate and New Positions)**

1. Please refer to Suburban's Workpapers Vol I CONFIDENTIAL (Final Application), tab Expense Supports and Other, Rows 191-228, to respond to the following questions.

a. Explain why Suburban uses 2018 data to calculate its forecasted Uncollectible Rate in the current GRC.

Response:

Recorded year 2021 is not utilized because the company did not disconnect any customers for non-payment due to compliance with the moratorium related to the COVID-19 pandemic.

Suburban utilizes 2018 data to calculate its forecasted Uncollectible Rate in the current GRC because year 2018 represents the median among years 2018, 2019, and 2020.

b. Explain why Suburban equates its 2018 data to its 2022 data (see row 213) to calculate the Uncollectible Rate.

Response:

Suburban uses year 2018 to normalize year 2022 as year 2022 was heavily impacted by the COVID-19 pandemic because the company did not disconnect any customers for non-payment in compliance with the required moratorium on disconnections.

2. On average, within the past 10 years, for how long does Suburban advertise a new job posting?

Response:

Information is not available.

3. On average, within the past 10 years, how long does it take Suburban to fill a position after it has identified potential candidates?

Response:

Information is not available. Even though potential candidates may have been identified, none of the identified candidates may in fact ultimately fill the position.

**Attachment 3-2: Suburban's response to  
Public Advocates Office DR DG-20 (excerpt)**

June 12, 2023

To: Suliman Ibrahim  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: Response to A.23-01-001, Public Advocates Office DR DG-20 (Employee Positions), questions 1 and 3

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing for Suburban's Total Company General Rate Case.

The response to this data request includes previously provided response to question no. 2 on June 9, 2023.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon  
Director of Regulatory Affairs

3. If there were any time periods in which a position for Suburban was vacant between 2017 to 2022, please indicate the position title for the vacant position, the location in the RO model of the position, the estimated payroll for the position, and the days vacant, as in the below format.

Vacancy Title/Position	Vacancy Start Date	Vacancy End Date	Days Vacant	Location in RO Model	Annual Salary

Response:

Please see attached file entitled "DR DG-20 Response #3 – Employee Vacancies.xlsx"

**<<BEGIN CONFIDENTIAL>>**









**<<END CONFIDENTIAL>>**

**Attachment 4-1: Suburban's response to  
Public Advocates Office DR DG-02 (excerpt)**

January 24, 2023

To: Jeffrey Roberts  
Project Coordinator

Daphne Goldberg  
Utilities Engineer

Shanna Foley  
Attorney for Public Advocates Office

Re.: Responses to A.23-01-001, Public Advocates Office DR DG-02 (Conservation)

Dear Mr. Roberts et al.,

Attached is the information you requested in writing for Suburban's Total Company General Rate Case.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon  
Director of Regulatory Affairs

**Responses to A.23-01-001, Public Advocates Office**  
**DR DG-02 (Conservation)**

1. Please refer to the following references regarding Suburban’s WaterSmart Software to respond to the following questions:

A.23-01-001, Direct Testimony of Lauren James (pp. 13-14) states:

“Suburban requests \$150,000 yearly for WaterSmart Neighbor Comparison letters. These letters provide customers information about their water usage and compare it to average and water-efficient neighbors to motivate behavior change to reduce water usage...The customer interface portal provides customers access to data collected by their AMR/AMI meter. Suburban will leverage WaterSmart’s platform and software to help customers understand their usage, alert them of leaks, and communicate our conservation goals.

- a. Explain how Suburban calculated the total budgeted yearly amount of \$150,000, referenced above. Please provide detailed calculations supporting this budget.

Response:

WaterSmart charges are based on approximately 75,000 residential customers at a total cost of \$150,000, mailed twice annually at an approximate cost of \$1.05 per report to be mailed.

- b. Does Suburban currently have WaterSmart software installed and in-use? Explain.

Response:

Yes.

The WaterSmart software improves customer service and increase conservation by providing customers dynamic access to information about their accounts and usage through a web portal. Some of the features are as follows:

- Account Summary

- Account details – name, mailing list, phone number, account number, mailing and service address
- Billing summary – amount paid, current amount, total balance
- Interactive tool to compare monthly usage and temperatures
- GPCD water score – comparison of GPCD to cohort
- Service options (check a high bill, check if have a leak, learn where I used the most water, change payment options)
- Billing
  - Billing chart showing usage in different tiers, set alerts and notification
  - Usage analytics – understanding how they use water
- Update my info:
  - Further customer data to their usage profile
  - Manage notification (leak alerts, high use notifications, bill forecast notifications, unplanned use notifications)

c. If the response to Q.1.b., is “yes”, provide the date Suburban first started using WaterSmart software.

Response:

August 15, 2022.

d. If the response to Q.1.b., is “yes”, provide the following data:

Response:

Number of Customers using WaterSmart software in the San Jose Hills service area in 2021	0
Number of Customers using WaterSmart software in the Whittier/La Mirada service area in 2021	0
Total	0

The 2022 number of customers using WaterSmart software in the San Jose Hills and Whittier/La Mirada service area were 18,599 and 15,674, respectively, totaling 34,273.

- e. Provide a sample WaterSmart Neighbor Comparison letter.

Response:

Please see attached file titled “DR DG-02 #1.e. Response - WaterSmart.pdf”

- f. If Suburban does not currently have WaterSmart software in use, provide a vendor quote Suburban received for WaterSmart software.

Response:

N/A.

- g. If Suburban does not currently have WaterSmart software in use, explain if Suburban plans to use any other of WaterSmart software’s capabilities or just the Neighbor Comparison letter capability.

Response:

N/A.

- 4. Please refer to the following references regarding Suburban’s “Materials” to respond to the following question:

A.20-03-001, Direct Testimony of Darlene Phares (p. 8) states:

“Suburban is requesting \$17,000 per year for materials.”

A.23-01-001, Direct Testimony of Lauren James (p. 12) states:

“Suburban requests \$40,000 per year for conservation kits.”

- a. Justify Suburban’s \$23,000 budget increase for Materials from its A.20-03-001 request.



Response:

Each year Suburban provides conservation kits at community events, classes, speaking engagements, and in our customer lobbies. Suburban Conservation Kits Distribution has increased significantly during this severe drought from 600 to over 1,000 kits per year. Customers utilize the kit's materials to improve water usage, comply with state-prohibited wasteful use mandates, and locate leaks.

The kits are utilized as incentives for customers to conserve water, attend our landscape workshops and webinars, and distributed to customers who receive water enforcement violation letters.

5. Please refer to the following references regarding Suburban's "Theater Program" to respond to the following question:

A.20-03-001, Direct Testimony of Darlene Phares (p. 6) states:

"Suburban is requesting \$25,000 per year for the school theater program."

A.23-01-001, Direct Testimony of Lauren James (p. 8) states:

"Suburban requests \$30,000 per year for the school theater program."

- h. Justify Suburban's \$5,000 budget increase for the school Theater Program from its A.20-03-001 request.

Response:

The cost of the program has increased due to inflation, labor costs, and the pandemic. We are now offering in-person and virtual plays for students and classrooms, as previously we only offered in-person program.



Suburban Water Systems  
1325 N. Grand Avenue  
Suite 100  
Covina, CA 91724

Tel 877-405-1710    suburbancustomer@swwc.com

## YOUR HOME WATER REPORT

THIS IS AN INFORMATIONAL REPORT AND NOT A BILL.


SERVICE ADDRESS: 20 CALIFORNIA ST, SUITE 200  
ACCOUNT NUMBER: 123-4567-89

GO PAPERLESS. SEE ALL INFORMATION AT:  
[myaccount.swwc.com](http://myaccount.swwc.com)

<RecipientID>swwcsws393661</RecipientID>

### Your WaterScore

AUG 2 TO AUG 30, 2022



**Nice work, WaterSaver.  
Continue to use water wisely.**

---

**Gallons Per Day (GPD)**  
23 CCF = 593 GPD

Most Efficient	464 GPD
<b>You</b>	<b>593 GPD</b>
Average Households	748 GPD

Your water use is compared to homes in Covina, Ca with 5+ occupants and a similar yard size.

### Sign Up for LifeLine Today!

The outside water line from your residence to Suburban's water meter is your responsibility. For under \$6 a month, the LifeLine™ Maintenance Plan will cover the repair or replacement of damaged outside water lines. Only single-family dwellings can apply. **Save water and let Suburban fix your leak!** Sign up at [swwc.com/suburban/lifeline-maintenance-plan/](http://swwc.com/suburban/lifeline-maintenance-plan/).

### Rebates Available To You

- High-efficiency clothes washers and toilets
  - Rotating sprinkler nozzles minimum of 15
  - Weather-based irrigation or smart controllers
  - Soil Moisture Sensors and Rain Barrels (max 4)
  - TURF Removal Rebate
- Get more info at [www.socalwatersmart.com](http://www.socalwatersmart.com).

### Your personalized plan

Selected based on your household characteristics, yard size, and historical water use.

[Log on to update your profile](#)

Save money and protect your home with the following actions:

 <p>Choose low water-use plants</p> <p><b>182</b> GALLONS PER DAY</p> <p><b>\$638</b> DOLLARS PER YEAR</p>	 <p>Check shallow-rooted plants</p> <p>Avoid soaking trunks by building basins around them; deeply water once monthly.</p>	 <p>Rinse food in a pot</p> <p>Clean your fruits and vegetables in a pot of water instead of under running water.</p>
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### Log on

Get your full list of recommended actions, and see:

- Where you're using the most
- Your progress over time
- Efficient products for purchase

[MYACCOUNT.SWWC.COM](http://MYACCOUNT.SWWC.COM)

A **free** service offered by your water utility and powered by WaterSmart Software® ©2022.

# **Attachment 4-2: Qualifications of Witness**

**STATEMENT OF QUALIFICATIONS – DAPHNE GOLDBERG**

Q1. Please state your name, business address, and position with the California Public Utilities Commission (“Commission”).

A1. My name is Daphne Goldberg, and my business address is 505 Van Ness Avenue, San Francisco, California 94102. I am a Utilities Engineer in the Water Branch of the Public Advocates Office.

Q2. Please summarize your education background and professional experience.

A2. I received a Bachelor of Science Degree in Civil Engineering from Santa Clara University, a Master of Business Administration Degree from San Francisco State University, and a Master’s in Civil/Environmental Engineering from University of California, Davis. I received my Engineer-in-Training Certification in the State of California, Certificate #141820.

My professional experience in my role as a Utilities Engineer includes work on several General Rate Cases, water system acquisitions, and the review of Advice Letters. Prior to joining the Public Advocates Office, my professional experience includes work as a Staff Engineer at URS Corporation in the Civil Engineering Group where I assisted the civil engineers and planners in infrastructure design projects, development of project schedules and budgets and preparation of new project proposals; and a position as a Design Trainee at the San Francisco Public Utilities Commission where I worked on the Water System Improvement Program in the Project Management Bureau on performance reporting documents related to water resources planning, scheduling, risk management and operations.

Q3. What is your responsibility in this proceeding?

A3. I am responsible for the preparation of the Report and Recommendations on Operations and Maintenance Expenses, Administrative and General Expenses, Payroll, and Conservation of Suburban’s A.23-01-001.

Q4. Does this conclude your prepared direct testimony?

A4. Yes, it does.