

SAN GABRIEL VALLEY WATER COMPANY

August 21, 2014

Advice Letter 433-A

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby submits one original and four copies of the following proposed changes in tariff sheets applicable to its Los Angeles County division:

CPUC Sheet No.	Title	Canceling	CPUC Sheet No.
		Schedule No.	
2269-W	List of Contracts and Deviations	N/A	2343-W
2270-W	Table of Contents (continued)	N/A	2161-W
2271-W	Table of Contents	N/A	2262-W

Purpose

This supplemental advice letter reflects changes made to the List of Contracts and Deviations as ordered in Resolution W-5006 and Resolution W-4989. Advice Letter 433 was submitted in accordance with General Rule 8.5.6 of General Order No. 96-B for the purpose of modifying San Gabriel's List of Contracts and Deviations to add a recycled water agreement with City of Montebello ("City"). Pursuant to this agreement, San Gabriel will provide recycled water to irrigate City's Grant Rea Park, located partially within San Gabriel's Los Angeles County Division service area. In accordance with Water Industry Rule 7.3.1(3) (compliance with resolution), **this advice letter is recommended as Tier 1.**

Background

San Gabriel currently provides recycled water service in its Los Angeles County division both under a recycled water tariff (Schedule No. LA-6) and under several contracts previously approved by the Commission.

On March 13, 2014, San Gabriel and the City of Montebello ("City") entered into the *Agreement For Recycled Water Service to Grant Rea Park* (the "Agreement", appended hereto as **ATTACHMENT A**) for the purpose of providing City with recycled water service to irrigate landscaping at Grant Rea Park, which the City is currently irrigating with drinking water

(approximately 60 AF/year or 2,178 Ccf/month). Thus, this Agreement conserves a significant quantity of potable drinking water, reduces reliance on imported water, and advances Governor Brown's goal of a 20% reduction in potable water use in response to the recently declared Statewide drought

The Agreement provides that San Gabriel will deliver, through a single metered connection, recycled water at a quantity rate equal to seventy percent (70%) of the general metered rate applicable in its Los Angeles County division (attached hereto as **ATTACHMENT B**) plus the monthly service charges set forth therein. In consideration of the City's long-term commitment to use recycled water and the significant quantity of local drinking water supplies thereby conserved, the contract rate for recycled water delivered is less than San Gabriel's recycled water tariff Schedule LA-6 which is 85% of the Quantity Rate charged by San Gabriel for general metered service (i.e., potable water), attached hereto as **ATTACHMENT C**. The Agreement has an initial term of 10 years.

Before recycled water can be delivered to Grant Rea Park, the City requested and San Gabriel agreed to install one metered recycled water connection, for which the City will fully reimburse San Gabriel for this work not to exceed \$30,000 unless written authorization is provided by the City. The contract rate also provides City with an economic incentive to incur the cost of this recycled water connection, construction of which is anticipated to be completed by June 2014.

In addition to conserving a supply of potable water resulting from San Gabriel's service of recycled water to City, existing San Gabriel customers will benefit from the revenues generated under the Agreement. With a 2-inch metered connection, City will pay a service charge of \$168.10 each month under current rates. City also will receive water service from San Gabriel for potable water needs at the park pursuant to San Gabriel's general metered water service tariff schedule.

The matters addressed in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

Notice and Service

Distribution of this advice letter is being made to the attached service list in accordance with Water Industry Rule 4.1 of General Order No. 96-B. No other parties have requested notification of tariff filings related to the Los Angeles County Division. Since this advice letter does not increase rates or withdraw service, no other notice is required. In accordance with Water Industry Rule 4.3 of General Order 96-B, San Gabriel will also post this advice letter to its website.

August 21, 2014

Very truly yours,

A handwritten signature in blue ink, appearing to read "Daniel A. Dell'Osa", is written over a light blue horizontal line.

Daniel A. Dell'Osa
Director of Rates and Revenue

cc: James Boothe, CPUC – Water and Audits Division
Hani Moussa, CPUC – Water Branch, ORA
Danilo Sanchez, CPUC – Water Branch, ORA
City of Montebello

LIST OF CONTRACTS AND DEVIATIONS

Name & Location of Customer	Type or Class of Service	Execution and Expiration Date	Commission Authorization Number and Date	Most Comparable Regular Tariff	
				Schedule Number	Contract Differences
1. Norman's Nursery	Recycled Water	02/28/94	W-3882 10/12/94	N/A	N/A
2. LA Sanchez Nursery	Recycled Water	5/24/11	06/27/11	N/A	N/A
3. Cemex USA Construction, Inc	Non-Potable Water	11/22/00	01/24/01	N/A	N/A
4. Rose Hills	Recycled Water	05/30/02 06/30/17	09/11/02	N/A	N/A
5. County of Los Angeles Department of Parks and Recreation Amendment No. 1	Recycled Water	06/27/06 06/30/17 Amended 3/2/10	AL346 11/15/06 AL388	N/A	N/A
6. City of Fontana	Recycled Water	04/26/11	D.12-06-002	N/A	N/A
7. City of Montebello	Recycled Water	03/13/14 03/13/24	W-4989	N/A	N/A (N) (N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 433-A

R. W. Nicholson

Date Filed _____

Decision No. _____

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Rule Nos.		
1. Definition	974-W	975-W
2. Description of Service	720-W	
3. Application for Service	394-W	1747-W
4. Contracts	395-W	
5. Special Information Required on Forms	1307-W to 1309-W	
6. Establishment and Re-establishment of Credit	398-W	
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13. Temporary Service	411-W	412-W
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15. Main Externsions	968-W 899-W	900-W
	1240-W 902-W	903-W
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16. Service Connections, Meters and Customer's Facilities	424-W 1243-W	930-W
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19. Service to Separate Premises and Multiple Units, and Resale of Water	1006-W	1007-W
20. Water Conservation	782-W	

(continued)

(To be inserted by utility)

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The following listed tariff sheets contain all effective rates and rules affecting the rates and services of the utility, together with information relating thereto:

<u>Subject Matter of Sheet</u>	<u>C.P.U.C.</u> <u>Sheet No.</u>
Title Page	1559-W
Table of Contents	2271-W 2256-W 2270-W 1563-W 1637-W 2205-W (C)
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Fontana Water Company	1533-W
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Area Maps of Less Than 40 p.s.i.g.	871-W 691-W to 697-W
<u>Rate Schedules</u>	<u>Schedule</u> <u>Number</u>
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Recycled Water Metered Service	FO-6 2224-W 2260-W*
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Construction	FO-9CL 2227-W
California Alternative Rates For Water	FO-CARW 2228-W 2261-W*
Facilities Fees	FO-FF 1875-W 1876-W

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

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Resolution No. _____

**AGREEMENT FOR RECYCLED WATER SERVICE
TO GRANT REA PARK**

This Agreement for recycled water service to Grant Rea Park ("Agreement") is entered into as of the 13 day of March, 2014, between San Gabriel Valley Water Company, a California public utility water corporation subject to the jurisdiction of the California Public Utilities Commission ("Commission"), and the City of Montebello, a municipal corporation and public agency of the State of California ("City"). (San Gabriel Valley Water Company and City are at times referred to herein as "Party" or collectively as "Parties.")

RECITALS

- A. San Gabriel Valley Water Company and the City recognize the environmental benefits of using recycled water when it is available in sufficient quality and quantity. The Parties acknowledge that the California Legislature has declared that the use of potable domestic water for non-potable uses such as irrigating parks and landscaped areas is a waste or an unreasonable use of water within the meaning of Section 2 of Article X of the California Constitution if recycled water is available which meets all of the conditions as determined by the State for use of recycled water.
- B. Grant Rea Park is located in San Gabriel Valley Water Company's service area. Recycled water is now available for non-potable use and San Gabriel Valley Water Company is prepared to provide all water service, including, recycled water service, to Grant Rea Park once work to separate the on-site irrigation system from the potable water system is completed in accordance with regulatory requirements.
- C. San Gabriel Valley Water Company actively promotes the use of recycled water by customers in its service area who are able to put it to beneficial use. San Gabriel Valley Water Company is the largest retail service supplier of recycled water in the San Gabriel Valley. In May 2010, Central Basin Municipal Water District ("Central Basin"), a wholesale water supplier, completed construction of an additional segment of its regional recycled water system that extends a new 30-inch pipeline within the City from which San Gabriel Valley Water Company can deliver recycled water to Grant Rea Park.
- D. Through its Parks and Recreation Division, the City strives to provide rewarding recreational programs and services for the community. Delivery of recycled water to Grant Rea Park directly supports the City's efforts to identify and implement environmentally friendly programs for the benefit of its residents and the greater community at a cost which is lower than the cost of potable water.
- E. San Gabriel Valley Water Company and the City recognize that conserving drinking water supplies is urgently needed to assure the present and future sustainability and

reliability of local water resources in the San Gabriel Valley, and further reduce reliance on imported water. The use of recycled water is a cost effective, reliable method of helping to meet the long term water supply needs of the community.

NOW, THEREFORE, the Parties agree as follows:

Section 1: Quantity of Recycled Water Available to City

Subject to the provisions set forth in this Agreement, San Gabriel Valley Water Company agrees to deliver and sell to the City, and City agrees to purchase from San Gabriel Valley Water Company, recycled water to Grant Rea Park through one metered connection referred to in Section 2 of this Agreement. The maximum daily rate of delivery shall not exceed the rate of delivery of recycled water available from Central Basin.

Section 2: Facilities for Delivery of Recycled Water

San Gabriel Valley Water Company will install one metered connection required to deliver recycled water to Grant Rea Park. City agrees to reimburse San Gabriel Valley Water Company for this work at a cost not to exceed \$30,000 unless written authorization is provided by City.

Section 3: Rates for Service

San Gabriel Valley Water Company will provide recycled water service to City subject to and in accordance with the company's applicable tariff rules and schedules including Tariff Schedule No. LA-6 *except* that in consideration of the City's long-term commitment to use recycled water and the significant quantity of local drinking water supplies thereby conserved, the applicable quantity rate will be equal to seventy percent of the company's General Metered Rate that would otherwise apply to the potable water service.

Section 4: Billing and Payment

San Gabriel Valley Water Company will bill the City monthly for recycled water service which City will pay in accordance with the company's Commission approved billing and payment procedures.

Section 5: Special Conditions

a. City understands and agrees that the recycled water delivered to City is not safe for human or animal consumption and has limited uses. City agrees to use the recycled water only for those uses or purposes that are legally permissible under the laws of the state and the directives of the California Department of Public Health, Los Angeles County Department of Public Health, the Los Angeles Regional Water Quality Control Board, and all other appropriate regulatory agencies.

b. San Gabriel Valley Water Company will supply only such recycled water at such pressure as may be available from time to time from Central Basin. City shall indemnify San Gabriel Valley Water Company and save it harmless against any and all claims arising out of service under this Agreement and shall further agree to make no claims against San Gabriel Valley Water Company for any loss or damage resulting from service under this Agreement.

Section 6: Effective Date and Termination

This Agreement will become effective in accordance with applicable law and requirements from the Commission. This Agreement shall have an initial term of ten years from the effective date of this Agreement and may be renewed by either Party for an additional ten year term by giving written notice to the other Party at least sixty (60) days in advance of the termination date. Thereafter, either party shall have the right to terminate this Agreement at any time by giving sixth (60) days' written notice to the other party.

Section 7: Public Utilities Commission Jurisdiction

This Agreement shall at all times be subject to such changes or modifications by the California Public Utilities Commission as the Commission may, from time to time, direct in the exercise of its jurisdiction.

Section 8: Non-Assignability

This Agreement and any right arising under or by virtue of this Agreement shall not be assigned or transferred by City without the prior written consent of San Gabriel Valley Water Company.

Section 9: Notices

All notices given pursuant to this Agreement shall be in writing and given by personal delivery or by registered or certified mail, delivered as follows or as San Gabriel Valley Water Company and City may hereafter designate in writing:

City of Montebello
City Administrator
1600 West Beverly Boulevard
Montebello, CA 90640
(323) 887-1363

San Gabriel Valley Water Company
President
11142 Garvey Avenue
El Monte, CA 91733
(626) 448-6183

Section 10: Litigation

Should litigation be necessary to enforce or interpret any term or provision of this Agreement or to collect any portion of any amount payable under this Agreement, the

SCHEDULE NO. LA-1
Los Angeles County Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service, except for those Residential customers required to be served under Schedule LA-1C.

TERRITORY

Portions of Arcadia, Baldwin Park, El Monte, City of Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier and vicinity, Los Angeles County.

RATES

Quantity Rates:

For all water delivered, per 100 cu. ft. \$ 2.6432 (I)

Service Charge:

	Per Meter Per Month
For 5/8 x 3/4-inch meter	\$ 21.02
For 3/4-inch meter	31.52
For 1-inch meter	52.52
For 1-1/2-inch meter	105.06
For 2-inch meter	168.10
For 3-inch meter	315.16
For 4-inch meter	525.27
For 6-inch meter	1,047.00
For 8-inch meter	1,673.00
For 10-inch meter	2,418.00
For 12-inch meter	3,465.00
For 14-inch meter	4,620.00

(continued)

(To be inserted by utility)

Advice Letter No. 429

Decision No. _____

Issued by

R. W. Nicholson

NAME

President

TITLE

(To be inserted by Cal. P.U.C.)

Date Filed JUL 25 2013

Effective JUL 25 2012

Resolution No. _____

SCHEDULE NO. LA-1
Los Angeles County Tariff Area
GENERAL METERED SERVICE
(continued)

RATES (continued)

Per Battery
Per Month

For two 2-inch meters.....	\$ 335.00
For three 2-inch meters.....	505.00
For four 2-inch meters.....	673.00
For two 3-inch meters.....	631.00
For three 3-inch meters.....	946.00
For two 4-inch meters.....	1,050.00
For three 4-inch meters.....	1,576.00
For one 8-inch meter, one 2-inch meter.....	1,847.00

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF. (D)
2. A surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 430-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA). (N)
(N)
(N)

(To be inserted by utility)

Advice Letter No. 430-A

Decision No. _____

Issued by

R. W. Nicholson

NAME

President

TITLE

(To be inserted by Cal. P.U.C.)

Date Filed FEB 24 2014

Effective FEB 26 2014

Resolution No.

ATTACHMENT B PAGE 2 OF 2

SCHEDULE NO. LA-6
Los Angeles County Tariff Area
RECYCLED WATER METERED SERVICE

APPLICABILITY

Applicable to all recycled water metered service.

TERRITORY

Portions of Arcadia, Baldwin Park, El Monte, City of Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier and vicinity, Los Angeles County.

RATES

Quantity Rates:

For all water delivered per 100 cu. ft. \$ 2.2467 (I)

Service Charge:

	Per Meter Per Month
For 5/8 x 3/4-inch meter	\$ 21.02
For 3/4-inch meter	31.52
For 1-inch meter	52.52
For 1-1/2-inch meter	105.06
For 2-inch meter	168.10
For 3-inch meter	315.16
For 4-inch meter	525.27
For 6-inch meter	1,047.00
For 8-inch meter	1,673.00
For 10-inch meter	2,418.00
For 12-inch meter	3,465.00
For 14-inch meter	4,620.00

(continued)

(To be inserted by utility)

Advice Letter No. 429

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Issued by

R. W. Nicholson

NAME

President

TITLE

(To be inserted by Cal. P.U.C.)

Date Filed JUL 25 2013

Effective JUL 25 2013

Resolution No. PAGE 1 of 2
ATTACHMENT C.

Cancelling Revised
Revised

Cal. P.U.C. Sheet No. 2254-W*
Cal. P.U.C. Sheet No. 2237-W*

SCHEDULE NO. LA-6
Los Angeles County Tariff Area
RECYCLED WATER METERED SERVICE
(continued)

RATES - (continued)

	Per Battery Per Month
For two 2-inch meters.....	\$ 335.00
For three 2-inch meters.....	505.00
For four 2-inch meters.....	673.00
For two 3-inch meters.....	631.00
For three 3-inch meters.....	946.00
For two 4-inch meters.....	1,050.00
For three 4-inch meters.....	1,576.00
For one 8-inch meter, one 2-inch meter.....	1,847.00

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for reclaimed water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. The Quantity Rate is set at 85% of the Quantity Rate of Schedule No. LA-1.
2. The customer is responsible for compliance with all local, state, and federal rules and regulations that apply to the use of reclaimed water on the customer's premises.
3. The utility will supply only such reclaimed water at such pressure as may be available from time to time from the reclaimed water system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule.
4. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
5. A surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 430-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).

(D)

(N)
(N)
(N)

(To be inserted by utility)

Advice Letter No. 430-A

Decision No. _____

Issued by

R. W. Nicholson

NAME

President

TITLE

(To be inserted by Cal. P.U.C.)

Date Filed FEB 24 2014

Effective FEB 26 2014

Resolution No. _____

DISTRIBUTION LIST
San Gabriel Valley Water Company
Los Angeles County Division
Advice Letter No. 433-A

City of Arcadia
240 West Huntington Drive
Arcadia, CA 91006

City Clerk, City of Rosemead
8838 Valley Boulevard
Rosemead, CA 91770

City Clerk, City of Baldwin Park
14403 East Pacific Avenue
Baldwin Park, CA 91706

City Clerk, City of San Gabriel
425 South Mission Drive
San Gabriel, CA 91778

California-American Water Company
1033 B Ave. Suite 200
Coronado, CA 92118-3439

San Gabriel County Water District
8366 East Grand Avenue
Rosemead, CA 91770

City of El Monte Water Department
11333 Valley Boulevard
El Monte, CA 91734

City of Santa Fe Springs Water Department
Post Office Box 2120
Santa Fe Springs, CA 90670

City of Industry Waterworks System
Post Office Box 3136
La Puente, CA 91744

City Clerk, City of South El Monte
1415 Santa Anita Avenue
South El Monte, CA 91733

City Clerk, City of Irwindale
5050 North Irwindale Avenue
Irwindale, CA 91706

Golden State Water Company
Attn: Ronald Moore, Regulatory Affairs
630 East Foothill Boulevard
San Dimas, CA 91773

City Clerk, City of La Puente
15900 East Main Street
La Puente, CA 91744

Suburban Water Systems
Attn: Bob Kelly
1325 N. Grand Ave., Suite 100
Covina, CA 91724

La Puente Valley County Water District
112 North 1st Street
La Puente, CA 91744

Valley County Water District
14521 East Ramona Boulevard
Baldwin Park, CA 91706

City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640

City of Whittier Water Department
13230 East Penn Street
Whittier, CA 90602

City of Monterey Park Water Department
320 West Newmark Avenue
Monterey Park, CA 91754

California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102-4208

City of Pico Rivera Water Department
6615 Passons Boulevard
Pico Rivera, CA 90660

Kiki Carlson
Suburban Water Systems
kcarlson@swwc.com

Pico Water District
Post Office Box 758
Pico Rivera, CA 90660-0758

City Clerk, City of West Covina
1444 West Garvey Avenue
West Covina, CA 91790