

Docket: : A.13-07-002  
Exhibit Number : \_\_\_\_\_  
Commissioner : C.J. Peterman  
Admin. Law Judge : W.A. Colbert  
ORA Witness(es) : Justin Menda  
: Alex Lau



**OFFICE OF RATEPAYER ADVOCATES**  
**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**ORA Analysis and Recommendations on**  
**Utility Plant in Service**  
**of**  
**California American Water Company**  
**Application 13-07-002**

**PUBLIC VERSION**

San Francisco, California  
March 28, 2014

## MEMORANDUM

This report is prepared by the Office of Ratepayer Advocates. Senior Utilities Engineer Terence Shia served as the project coordinator, under the supervision of Program and Project Supervisor Richard Rauschmeier and Program and Project Manager Danilo Sanchez. Shanna Foley and John Reynolds serve as ORA legal counsels in this general rate case. Listed below are ORA witnesses and their contributions to this report.

Chapter	Discussion Issue	Description	ORA Witness
1	1	General Plant Issues- ORA's Treatment of 2017 Proposed Plant Projects	Justin Menda
	2	General Plant Issues-Safety and Security	Justin Menda
	3	General Plant Issues- Comprehensive Planning Study and System Map Maintenance	Justin Menda
	4	General Plant Issues-Recurring Project Budget	Alex Lau
	5	General Plant Issues-Escalation, Overhead and Contingency	Alex Lau
	6	General Plant Issues-GO 103-A Compliance	Alex Lau
	7	General Plant Issues- Water Quality (Sacramento, Larkfield, Monterey, Toro, and Garrapata)	Alex Lau
	7	General Plant Issues- Water Quality(Monterey Wastewater, Los Angeles, San Diego, and Ventura)	Justin Menda
2		Los Angeles County District	Justin Menda
3		San Diego County District	Justin Menda
4		Ventura County District	Justin Menda
5		Monterey County District	Alex Lau
6		Toro District	Alex Lau
7		Garrapata District	Alex Lau
8		Monterey Wastewater District	Justin Menda
9		Sacramento District	Alex Lau
10		Sonoma (Larkfield) District	Alex Lau

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- 9 17. Attachment 17: Cal Am's response to data request ORA-A.13-07-  
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- 17 21. Attachment 21: Cal Am's response to data request ORA-A.13-07-  
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- 19 22. Attachment 22: Cal Am's response to data request ORA-A.13-07-  
20 002.JMI002, Attachment 1
- 21 23. Attachment 23: Direct Testimony of F. Mark Schubert, pg. 39, dated  
22 July 1, 2010
- 23 24. Attachment 24: Direct Testimony of F. Mark Schubert, pg. 74 and 82,  
24 dated July 1, 2010
- 25 25. Attachment 25: Cal Am's response to data request ORA-A.13-07-  
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- 1 27. **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
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3 [REDACTED] **END CONFIDENTIAL\*\*\***
- 4 28. Attachment 28: Cal Am's response to data request ORA-A.13-07-  
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- 14 33. **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
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1 38.\*\*\*BEGIN CONFIDENTIAL [REDACTED]

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3 [REDACTED] END CONFIDENTIAL\*\*\*

4 39.Attachment 39: Cal Am’s response to data request ORA-A.13-07-  
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6 40. Attachment 40: Cal Am’s response to data request ORA-A.13-07-  
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8 41. Attachment 41: Cal Am’s response to data request ORA-A.13-07-  
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10 42. Attachment 42: Cal Am’s response to data request ORA-A.13-07-  
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**CHAPTER 1: GENERAL PLANT ISSUES**

**A. INTRODUCTION**

This section discusses general topics that apply to all of California American Water Company’s (“Cal Am’s”) districts. ORA discusses the following topics in this section: ORA’s treatment of 2017 proposed plant additions, safety and security, comprehensive planning study and system map maintenance budgets, recurring project budgets, escalation, overhead and contingency, General Order 103-A(“GO 103-A”) compliance, and water quality.

**B. SUMMARY OF RECOMMENDATIONS**

ORA makes the following recommendations:

1. ORA forecasts 2015 and 2016 as the test years and 2017 as the attrition year. ORA’s recommendations pertaining to CWIP amounts to be included in ratebase are presented separately in the respective ratebase chapters for each district. For projects that neither Cal Am nor ORA anticipate to be completed prior to 2017, recovery of all prudent and reasonable costs should be authorized and begin in the next general rate case (“GRC”).
2. ORA concludes that Cal Am is being proactive in providing a safe and secure work environment for all of their districts.
3. Cal Am is requesting a total of \$1,471,060 in 2015 and \$1,515,517 in 2016 for the comprehensive planning study and system map maintenance budgets. ORA recommends a total budget of \$1,471,060 for 2015 and \$1,504,895 for 2016.
4. Cal Am is requesting a total of \$14,360,898 in 2015 and \$14,488,069 in 2016 for the recurring project budget for all of the districts. ORA

1 recommends a total budget of \$10,517,642 in 2015 and \$10,594,396 in  
2 2016.

3 5. Cal Am proposed a set of escalation factors to raise the capital investment  
4 project cost estimate to 2015 or 2016 dollars of 2% and 2.3%, respectively  
5 for all of the districts. Cal Am proposed a set of contingency factors based  
6 on the proposed type of project.<sup>1</sup> Cal Am proposed an overhead factor of  
7 8.3% which is applied to all of the districts. ORA finds the proposed  
8 escalation factors and overhead factors reasonable. ORA does not agree  
9 with the generalization of the project categorization for the contingency  
10 factors and recommends that the contingency factor for each project be  
11 determined on a project by project basis.

12 6. ORA concludes that Cal Am is generally in compliance with General Order  
13 103-A, and that its carryover and proposed projects will ensure that its  
14 system comply.

15 7. Based on the information given by the company and by the California  
16 Department of Public Health (“CDPH”), and the Consumer Confidence  
17 Reports, Cal Am’s Larkfield, Sacramento, Los Angeles, Ventura, and San  
18 Diego districts seem to be in compliance with all applicable water quality  
19 standards and requirements. In addition, the Toro and Garrapata systems  
20 seem to be in compliance with all applicable water quality standards and  
21 requirements. The Monterey district received one citation for the Sand City  
22 Water Treatment Plant from the CDPH. The Monterey Wastewater district  
23 received two citations from the CDPH (one for the Indian Springs system  
24 and one for the Spreckels system). ORA finds that Cal Am is complying to  
25 resolve the CDPH violations and notice of violations.

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<sup>1</sup> Cal Am divided all plant projects into three categories: complex (such as water treatment plant, booster pump stations, and tank design and construction), pipeline, and program projects (such as well rehabilitation, small water main improvements, and tank rehabilitation). Cal Am proposed a contingency factor of twenty percent for complex projects, ten percent for pipeline projects, and ten percent for the program projects.

1 ORA’s recommendations are explained in the discussion section below.

2 **C. DISCUSSION**

3 **1) ORA’s Treatment of 2017 Proposed Plant Projects**

4 In Commission Decision (“D.”) 07-05-062, which adopted the Revised  
5 Rate Case Plan for Class A Water Utilities, the Commission stated that “all rate  
6 base items, including capital additions and depreciation, shall not be escalated but  
7 rather shall be subjected to two test years and an attrition year...”.<sup>2</sup> For utility  
8 plant in service in the current proceeding, ORA forecasts two test years: 2015 and  
9 2016. ORA does not forecast utility plant in service in year 2017 as this year’s  
10 ratebase will be derived by formula in the 2017 attrition advice letter filing.

11 Since Cal Am’s estimates of projects to be completed in 2017 fall outside  
12 of the two ratebase test years, ORA takes no position on the prudence or  
13 reasonableness of these projects. Cal Am should exercise the managerial diligence  
14 necessary in determining the necessity and reasonableness of capital projects. For  
15 projects that neither Cal Am nor ORA anticipate to be completed prior to 2017,  
16 recovery of all prudent and reasonable costs (including capitalized carrying costs)  
17 should be authorized and begin in Cal Am’s next GRC.

18 In the current proceeding, Cal Am has estimated twelve plant additions to  
19 be completed and in service in 2017.<sup>3</sup> However, the only rate impacts associated  
20 with these projects in the current GRC cycle are the estimated amounts of  
21 construction work in progress (“CWIP”). Furthermore, CWIP can only impact  
22 rates in the test years to the extent the Commission allows CWIP to be included in  
23 ratebase for projects that are neither complete nor expected to be used and useful  
24 during the test years. ORA has removed CWIP amounts from the two test years  
25 for all projects Cal Am anticipates being in service after 2016. Removing CWIP

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<sup>2</sup> Appendix A of Decision (“D.”) 07-05-062, page A-19. D.07-05-062 adopted changes to the rate case plan for class water utilities from D.04-06-018 and updated the new schedule for future GRC filings.

<sup>3</sup> The estimation does not take into account program projects, projects with an annual budget, or projects proposed for Corporate.

1 amounts from ratebase for projects that will not be used or useful in the test years  
2 is reasonable. ORA recommends that Cal Am be permitted to capitalize interest at  
3 the company's actual weighted cost of debt during construction on all projects to  
4 be completed after the two test years in A.13-07-002. In Cal Am's next general  
5 rate case and after actual (not forecasted) completion of these projects, Cal Am  
6 should be permitted to place all reasonable and prudent capital costs in ratebase.

7 **2) Safety and Security**

8 In its effort to provide safe and reliable water service, Cal Am has  
9 conducted an assessment of its infrastructure to evaluate a system's vulnerability  
10 to terrorist attacks.<sup>4</sup> The vulnerability assessment conducted by the company  
11 included a risk assessment and an emergency response plan for each system to  
12 provide safe and reliable service. Cal Am reviews and updates its vulnerability  
13 assessment reports every three years. Cal Am's parent company, American Water,  
14 developed its' physical security program to be in compliance with the  
15 Corporations Physical Security Policy.<sup>5</sup> Cal Am's physical security program  
16 includes providing access control to facilities and assets to only authorized  
17 individuals, intrusion detection, alarm assessment in correlation with the intrusion  
18 detection, and physical barrier protection (such as fences, gates, etc.).<sup>6</sup> American  
19 Water's supervisory control and data acquisition ("SCADA") system is designed  
20 based on Department of Homeland Security and industry best practices.

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<sup>4</sup> In the aftermath of the incident that occurred on September 11, 2001, Congress passed the Public Health Security and Bioterrorism Preparedness and Responsive Act of 2002 ("Bioterrorism Act") to enhance security of critical infrastructure in the United States. In Title IV: Drinking Water Security and Safety, the document quotes an amendment to the Safe Drinking Water Act to state in Sec 1433: "each community water system serving a population of greater than 3,300 persons shall conduct an assessment of the vulnerability of the system to a terrorist attack or other intentional acts intended to substantially disrupt the ability of the system to provide safe and reliable supply of drinking water." The vulnerability assessment shall include, but not be limited to, a review of pipes and constructed conveyances, physical barriers, water collection, pretreatment, treatment, storage and distribution facilities, electronic, computer or other automated systems which are utilized by the public water system, the use, storage, or handling of various chemicals, and the operation and maintenance of such system.

<sup>5</sup> The Corporations Physical Security Policy adopts the security standards and best practices of the American Water Works Association and the American Society for Industrial Security.

<sup>6</sup> Direct Testimony of Eric Sabolsice, pg. 17-18.

1 American Water serves a member of the Water Information Sharing and  
2 Analysis Center (“WaterISAC”), Infragard, Homeland Security Information  
3 Network (“HSIN”), and the Industrial Control System Computer Emergency  
4 Response Team (“ICS-CERT”).<sup>7</sup>

5 In addition, Cal Am proposes an annual budget in their total recurring  
6 projects budget to account for unscheduled security projects in each district.<sup>8</sup>  
7 ORA’s recommendation for the recurring project budget for security projects is  
8 discussed later in the recurring projects section. ORA concludes that Cal Am is  
9 being proactive in providing safe and secure work environment for all of their  
10 water services in all of the districts.

11 Cal Am is also requesting to perform an evaluation of potential Arc Flash  
12 hazards in all of its systems in order to be in compliance with the National Fire  
13 Protection Association (“NFPA”) 70E Standards and to ensure a safe work  
14 environment. For discussion of the Arc Flash evaluation, see ORA’s  
15 Administrative and General (“A&G”) expenses report.

16 **3) Comprehensive Planning Study and System Map**  
17 **Maintenance**

18 Cal Am is requesting a total of \$1,471,060 in 2015 and \$1,515,517 in 2016  
19 between all of their districts. A breakdown of Cal Am’s request per district is  
20 shown in Table 1-A below.

21 **Table 1-A. Cal Am’s Proposed Comprehensive Planning Study and**  
22 **System Map Maintenance Budget for 2015 and 2016**

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<sup>7</sup> The WaterISAC is an organization comprised of water sector professionals as a resource for government and private information to help evaluate risk and emergency preparedness for water infrastructure. American Water serves on the Board of Managers. InfraGard is a partnership between the Federal Bureau of Investigation and the private sector to share information in order to prevent hostile attacks against the United States. HSIN is a file sharing network operated by the Department of Homeland Security for information classified as “sensitive but unclassified” for government agencies to share over a secure channel.

<sup>8</sup> In this GRC, Cal Am is proposing a total security RP line item budget (R15-xxM1 or RP-xxxx-M) of \$520,000 in 2015 and \$564,250 in 2016 for all of the districts.

District	2015	2016
Sacramento	\$ 395,200	\$ 405,475
Larkfield	\$ 33,950	\$ 37,850
Monterey	\$ 333,300	\$ 343,325
Monterey Wastewater	\$ 120,100	\$ 125,175
Los Angeles	\$ 235,600	\$ 245,000
Ventura	\$ 174,940	\$ 179,320
San Diego	\$ 177,970	\$ 179,372
Total	\$ 1,471,060	\$ 1,515,517

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The comprehensive planning study section is comprised of the following items: drought management plan, well assessment, emerging need project (“ENP”) evaluations, condition based assessment (“CBA”) reports, strategic capital expenditure plan (“SCEP”), and the 2015 Urban Water Management Plan (“UWMP”). Cal Am references previous Commission decisions to justify the reasonableness of the proposed budgets.<sup>9</sup> Cal Am uses the adopted budget from the 2010 GRC settlement as the 2015 budget and escalates the 2015 budget by three percent to estimate the 2016 budget. ORA finds the estimate for the 2015 budget reasonable, and escalated the 2010 GRC settled budget by 2.3 percent, which is consistent with how Cal Am escalated plant projects to 2016 dollars.<sup>10</sup> The plant escalation factor is appropriate for the planning studies since Cal Am uses the plant escalation factors to estimate plant projects.

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The maintenance of system maps is comprised of the following items: issue updated block map Atlas Books, updating geographic information systems (“GIS”) graphics, scanning and linkage of system maps, field survey and collection of GPS coordinates, any necessary training, and enterprise license agreements (“ELA”). Cal Am is requesting system map maintenance in order to comply with the Commission’s General Order 103-A, Chapter VII, Operations and

<sup>9</sup> Direct Testimony of F. Mark Schubert, pg. 143-144. Cal Am referenced taking into consideration the adopted budgets from the 2008 Monterey GRC, 2009 GRC for Sacramento and Los Angeles and the 2010 GRC.

<sup>10</sup> Cal Am uses historical Construction Cost Index (“CCI”) data, to determine the escalation factors for 2015 and 2016 plant projects.

1 Maintenance, Sections 4A and 4B.<sup>11</sup> ORA understands the need for this item, but  
 2 made adjustments based on escalation. Cal Am itemized the 2015 budget and  
 3 escalated the 2015 budget by three percent to calculate the 2016 budget. ORA  
 4 finds the estimated 2015 budget reasonable, and uses the same methodology in  
 5 estimating the 2016 comprehensive planning study budget by escalating the 2015  
 6 budget by 2.3 percent. ORA’s recommended 2015 and 2016 budgets are shown in  
 7 Table 1-B below.

8 **Table 1-B. ORA’s Recommended 2015 and 2016 Planning Studies and**  
 9 **Maintenance of System Map Budgets**

District	Planning Studies		Maintenance of System Maps		Total Budget	
	2015	2016	2015	2016	2015	2016
Sacramento	\$257,500	\$263,423	\$137,700	\$140,867	\$395,200	\$404,290
Larkfield	\$20,600	\$21,074	\$13,350	\$13,657	\$33,950	\$34,731
Monterey	\$154,500	\$158,054	\$178,800	\$182,912	\$333,300	\$340,966
Monterey Wastewater	\$77,200	\$78,976	\$42,900	\$43,887	\$120,100	\$122,862
Los Angeles	\$154,500	\$158,054	\$81,100	\$82,965	\$235,600	\$241,019
San Diego	\$103,000	\$105,369	\$71,940	\$73,595	\$174,940	\$178,964
Ventura	\$103,000	\$105,369	\$74,970	\$76,694	\$177,970	\$182,063
Total	\$870,300	\$890,317	\$600,760	\$614,577	\$1,471,060	\$1,504,894

10  
 11 **4) Recurring Project (“RP”) Budget (R15-xxA1 to R15-xxR1**  
 12 **or RP-xxxx-A to RP-xxxx-R)**

13 Cal Am requests a total of \$14,360,898 in 2015 and \$14,488,069 in 2016  
 14 for the recurring project budget. A breakdown of the RP budget per district is  
 15 shown in Table 1-C below. Cal Am defines recurring projects as “smaller  
 16 unforeseen operational capital investment tasks and routine every year type of  
 17 projects.”<sup>12</sup> In each district, the recurring project budget is divided into 17

<sup>11</sup>Direct Testimony of F. Mark Schubert, pg. 5 of Attachment 9. Cal Am also states that the system map maintenance will also help compliance with the Waterworks Standards Section 64604 Preparation and Maintenance of Records, which is issued by the Department of Public Health.

<sup>12</sup> Ibid, pg. 23.

1 categories.<sup>13</sup> Cal Am derives its RP budget by taking into consideration the  
 2 inflation adjusted five-year historical average of the specific RP and reviewing the  
 3 2010 GRC settlement agreement for consistency.<sup>14</sup> Cal Am determined the budget  
 4 using an inflated five year adopted RP budget, adjusted per category where Cal  
 5 Am deemed necessary. ORA does not agree with Cal Am’s methodology and  
 6 recommends a budget based on the recorded 2008-2012 RP expenditures.

7 **Table 1-C. Cal Am’s Proposed Total RP Budget per District for 2015 and**  
 8 **2016**

District	2015	2016
Sacramento	\$2,664,141	\$2,723,141
Larkfield	\$377,667	\$369,167
Monterey	\$3,177,000	\$3,283,500
Monterey Wastewater	\$192,000	\$192,000
Toro	\$167,000	\$167,000
Garrapata	\$12,400	\$7,500
Los Angeles	\$3,830,365	\$3,893,665
San Diego	\$1,341,069	\$1,252,000
Ventura	\$2,599,256	\$2,600,096
Total	\$14,360,898	\$14,488,069

9  
 10 ORA calculated the RP budget of each district using the 2008-2012  
 11 recorded, inflation-adjusted five year average expenditures,<sup>15</sup> and escalated it for  
 12 the appropriate year using the method proposed by Cal Am for its capital  
 13 projects.<sup>16</sup> For the ITS Equipment and Systems RP category (“R15-xxK1” or RP-  
 14 xxxx-K), ORA agrees with Cal Am’s proposed budget for R15-xxK1 (or RP-  
 15 xxxx-K) of zero since the scope and budget is already included in R15-10K1, the  
 16 RP line item for the Corporate Office.<sup>17</sup> ORA’s recommendation of relying on the

<sup>13</sup> The recurring project budget is divided by the following categories: new mains, replace/renew mains, unscheduled mains, relocate mains, new hydrants, replace hydrants, new services, replace services, new meters, replace meters, information technology services (“ITS”) equipment, supervisory control and data acquisition (“SCADA”), security, offices and operations center, tools and equipment, plant replacement/additions, and tank rehabilitation.

<sup>14</sup> Direct Testimony of F. Mark Schubert, pg. 23.

<sup>15</sup> Cal Am’s response to data request ORA-A.13-07-002.JMI003, question 1.

<sup>16</sup> Capital Investment Project Cost Estimates, pg. 3.

<sup>17</sup> Direct Testimony of F. Mark Schubert, pg. 29.

1 recorded average instead of the adopted average produces a forecast that is closer  
2 with Cal Am's actual rate of spending in each RP category and produces an  
3 accurate total RP budget for each district. One issue to note is that ORA's  
4 methodology is focused on the total overall RP budget as opposed to the  
5 individual RP categories. In some instances, ORA's methodology might result in  
6 a recommended individual RP category budget to exceed Cal Am's proposed  
7 individual RP category budget, but ORA's estimate results in a lower overall RP  
8 budget than Cal Am's overall RP budget. ORA's methodology is consistent with  
9 the 2010 GRC settlement agreement allowing the company to manage an overall  
10 bottom-line recurring project with the flexibility to allocate different spending  
11 levels to specific recurring project line items where necessary.<sup>18</sup> In addition,  
12 ORA's methodology of forecasting will smooth out the budget for RP categories  
13 that are unforeseen or have a demand that varies from year to year and will ensure  
14 adequate funding for RP categories that are routine or have relatively constant  
15 yearly demands.

16 ORA recommends a total RP budget of \$10,517,642 in 2015 and  
17 \$10,594,396 in 2016. The breakdown of ORA's recommendation per district is  
18 shown in Table 1-D below. ORA's recommended district specific RP budgets per  
19 category will be shown in the individual district's plant chapters.

20 **Table 1-D. ORA's Recommended Total RP Budget per District for**  
21 **2015 and 2016**

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<sup>18</sup> Settlement Agreement Between [Office] of Ratepayer Advocates, The Utility Reform Network, and Cal Am on Revenue Requirement Issues for 2010 Cal Am GRC dated July 28, 2011, pg. 148.

District	2015	2016
Sacramento	\$2,213,965	\$2,264,887
Larkfield	\$316,315	\$323,592
Monterey	\$2,163,878	\$2,170,242
Monterey Wastewater	\$150,917	\$151,361
Toro	\$81,793	\$82,033
Garrapata	\$12,400	\$7,500
Los Angeles	\$2,812,049	\$2,820,320
San Diego	\$834,575	\$837,030
Ventura	\$1,931,750	\$1,937,431
Total	\$10,517,642	\$10,594,396

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**5) Escalation, Overhead and Contingency**

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In order to estimate the projected cost of capital investment projects, Cal Am established a methodology for escalating project cost to a future year, determining a contingency factor, and calculating engineering overhead.

6

Cal Am applied an escalation factor to its capital investment project cost estimates to account for inflation and increases in material and labor costs. Cal Am proposed a set of factors to escalate the project costs to 2015 or 2016 dollars, based on a district’s geographic location.<sup>19</sup> For each geographic region, Cal Am proposed escalation factors of 2.0% for projects scheduled to be placed into service in 2015 and 2.3% for 2016. Cal Am determined these escalation factors by using the historical Construction Cost Index published by McGraw-Hill in the Engineering News Record, a publication related to construction projects.<sup>20</sup> Cal Am’s proposed escalation factors are applied based on expected project bidding date. For example, if a project is estimated to be in service during 2016 in the Sacramento district, an escalation factor of 2.3% would be applied to escalate the

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<sup>19</sup> For the escalation factors, Cal Am divided their districts into three geographic divisions: northern (Sacramento, Larkfield), central (Monterey, Monterey Wastewater, Toro, and Garrapata), and southern (Los Angeles, Ventura, and San Diego).

<sup>20</sup> Capital Investment Project Cost Estimates, pg. 2. The document describes Cal Am’s methodology to calculate contingency allowance, construction overhead, and escalation factors.

1 project cost to 2016 dollars.<sup>21</sup> ORA agrees with Cal Am’s proposed escalation  
2 factors for each geographical division.

3 The engineering overhead factor is used to account for the direct and  
4 indirect overhead costs. Cal Am’s proposed average overhead is based on the  
5 actual engineering overhead and capital expenditure between 2007 and 2012.<sup>22</sup>  
6 ORA finds Cal Am’s methodology to calculate the engineering overhead factor  
7 reasonable.

8 Cal Am uses the contingency factor to account for unknown project costs  
9 caused by “unforeseen issues that will arise during preliminary engineering,  
10 design, permitting and construction of a project.”<sup>23</sup> Cal Am categorizes the  
11 investment plant projects into three categories: complex, pipeline, and program  
12 projects. The company proposes the contingency factors of twenty percent for  
13 complex projects (such as water treatment plant, booster pump stations, and tank  
14 design and construction) and ten percent for pipeline and program (such as well  
15 rehabilitation, small water main improvements, and tank rehabilitation) projects.<sup>24</sup>  
16 ORA does not agree with Cal Am’s generalization of project classification since it  
17 does not take into account the individual challenge of each project and  
18 recommends the contingency factor for each project be determined on a case by  
19 case basis. Project contingency factors will be further discussed on a project by  
20 project basis in each service district if ORA’s contingency methodology differs  
21 from Cal Am’s proposed methodology.

22 **6) GO 103-A Compliance**

23 GO 103-A is a set of rules “to establish minimum standards to be followed  
24 in the design, construction, location, maintenance, and operation of the facilities of

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<sup>21</sup> Ibid, pg. 3-4.

<sup>22</sup> Ibid, pg. 1.

<sup>23</sup> Ibid, pg. 4. According to Cal Am, the contingency factor accounts for uncertainties such as minor design changes, corrections for incorrect assumptions, unanticipated changes in prices, or new or unforeseen regulations, safety requirements, and codes.

<sup>24</sup> Ibid, pg. 5.

1 water and wastewater utilities operating under the jurisdiction of the  
2 Commission.”<sup>25</sup> According to Cal Am, the company is in overall compliance with  
3 GO 103-A, and is working to comply with certain issues such as the quantity of  
4 water and portable system cap, distribution reservoirs, reliability of water  
5 facilities, variations in pressure, and change in existing distribution systems.

6 The portable water system capacity section of GO 103-A discusses a water  
7 system’s ability to meet source capacity requirements based by the Waterworks  
8 Standards.<sup>26</sup> According to Cal Am, the company identified that the Larkfield,  
9 Duarte service area (of the Los Angeles district) and the Monterey County district  
10 have existing supply deficiencies. In the Larkfield district, the Faught Road well  
11 project approved in the 2009 GRC to address the supply deficiency.<sup>27</sup> ORA does  
12 not agree that the Faught Well is necessary in order to address the supply  
13 deficiency. Refer to ORA’s discussion of the Faught Well project in Chapter 10:  
14 Larkfield of this report. Cal Am worked with the CDPH in receiving a waiver on  
15 the maximum day demand, based on short-term supplemental purchased water  
16 supply from the Sonoma County Water Agency.<sup>28</sup> The Faught Road well project  
17 and the supplemental purchased water supply address the supply deficient issue in  
18 the Larkfield district. In the 2008 Los Angeles CPS report, the Duarte system was  
19 identified for having a supply deficiency.<sup>29</sup> In addition, Cal Am anticipates an  
20 increase in the system demand in the future as a result of combining the irrigation  
21 system into the domestic system.<sup>30</sup> Cal Am has two carryover projects from the  
22 2010 GRC to alleviate the supply deficiency in the Duarte system.<sup>31</sup> In the  
23 Monterey district, the Monterey Main system is currently subjected to a

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<sup>25</sup> General Order 103-A, pg. 1.

<sup>26</sup> Ibid, pg. 11.

<sup>27</sup> Direct Testimony of F. Mark Schubert, pg. 16.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid, pg. 17.

<sup>30</sup> In this GRC, Cal Am is proposing a capital investment project to combine the domestic and irrigation system (I15-500037) in Duarte. Cal Am anticipates that the project will be placed into service in 2016.

<sup>31</sup> The two carryover projects approved in the 2010 GRC are the Sante Fe Well replacement project (I15-500009) and Duarte water supply improvement project (I15-500022). Projects I15-500009 and I15-500022 are anticipated to be placed into service in 2016 and 2015, respectively.

1 moratorium ordered by the State Water Resource Control Board on new and  
2 expanded service connections authorized in Commission Decision 11-03-048.  
3 Cal Am is addressing the water supply deficiency through Commission proceeding  
4 A.12-04-019 regarding the Monterey Peninsula Water Supply Project.

5 The distribution reservoirs section of GO 103-A addresses compliance with  
6 the criteria defined in the Department of Public Health’s Waterworks Standards,  
7 California Code of Regulations Title 22, Section 64585.<sup>32</sup> Cal Am is working to  
8 comply with this issue in the Sacramento and Monterey districts. For the Security  
9 Park and Walnut Grove service areas in the Sacramento district, there are capital  
10 projects approved in the 2010 GRC in order to comply with GO 103-A. In the  
11 Monterey district, Cal Am has three advice letter projects in order to comply with  
12 GO 103-A.<sup>33</sup>

13 The reliability of water facilities section of GO 103-A is concerned with  
14 having a redundant water system in order to have a reliable system. Cal Am is  
15 addressing the compliance through capital improvement projects in the  
16 Sacramento district. Cal Am is in process of completing capital investment  
17 projects to fix the issue in the Security Park and Walnut Grove service areas.<sup>34</sup> In  
18 this GRC, Cal Am is proposing two capital improvement projects to address this  
19 issue in the Isleton service area.<sup>35</sup>

20 The variations in pressure portion of GO 103-A sets the operational  
21 pressure of the distribution system during normal, minimum hourly demand, and  
22 peak hour demand for potable water systems. In the Monterey district, Cal Am  
23 has identified 28 low pressure areas where the pressure under normal operating  
24 conditions is less than 40 pounds per square inch (“psi”), or less than 30 psi during

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<sup>32</sup> General Order 103-A, pg.18.

<sup>33</sup> The three advice letters in the Monterey district to comply with GO 103-A are the two 200,000 gallon tanks in Ambler Park (I15-400004), replace Carmel Woods Tank (I15-400034), and the Upper Rimrock Tank (I15-400083).

<sup>34</sup> Direct Testimony of F. Mark Schubert, pg. 18.

<sup>35</sup> Cal Am is proposing the Isleton Distribution System Improvement project (I15-600067) and the Construct New Isleton Distribution Storage Tank and Booster Station project (I15-600077).

1 peak hour demand.<sup>36</sup> Cal Am is addressing this problem through the ongoing  
2 main replacement program project (I15-400089).

3 The change in existing distribution system section set the minimum  
4 operating pressure for each service connection during peak hour demand. Cal Am  
5 identified that it needs to address this issue in the Isleton service area in the  
6 Sacramento district, and is resolving the problem with one capital investment  
7 project that is proposed in this GRC.<sup>37</sup>

8 According to Cal Am, the company is generally in compliance with the  
9 Section III: Standards of Design and Construction, Section VI: Fire Protection  
10 Standards, and Section VII: Operation and Maintenance.<sup>38</sup> Based on Cal Am's  
11 plan to address the aforementioned issues with the capital investment projects  
12 planned and proposed, ORA finds that Cal Am is in compliance with GO 103-A.

### 13 **7) Water Quality**

14 The Rate Case Plan requires water utilities to submit information about  
15 water quality in a GRC application. The CDPH is the primary agency responsible  
16 to ensure that the water provided by the district is safe for public consumption.  
17 ORA reviewed the most recent CDPH inspection reports, California Integrated  
18 Water Quality System ("CIWQS"), and Consumer Confidence Reports available  
19 for each system. Cal Am districts are divided into three geographic divisions: the  
20 northern (Larkfield and Sacramento), central (Monterey, Monterey Wastewater,  
21 Toro, and Garrapata), and southern division (Los Angeles, Ventura, and San  
22 Diego). Water quality will be discussed for each division and each district within  
23 each division.

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<sup>36</sup> Direct Testimony of F. Mark Schubert, pg. 18-19.

<sup>37</sup> Cal Am is proposing the Construct New Isleton Distribution Storage Tank and Booster Station project (I15-600077).

<sup>38</sup> Direct Testimony of F. Mark Schubert, pg. 20-21.

1 a) Northern Division

2 Based on the information given by the company and by the CDPH, Cal  
3 Am's Larkfield and Sacramento districts seem to be in compliance with all  
4 applicable water quality standards and requirements. None of the districts in the  
5 northern division have received any violations from the CDPH since the last  
6 GRC.<sup>39</sup>

7 (i) Larkfield

8 According to Cal Am, water in the Larkfield system does not have any  
9 contaminants that exceed the primary maximum contaminant level ("MCL").

10 (ii) Sacramento

11 According to Cal Am, water in the Sacramento system does not have any  
12 contaminants that exceed the primary maximum contaminant level. The  
13 Sacramento district is comprised of nine subsystems: Antelope, Arden, Isleton,  
14 Lincoln Oaks, Parkway, Security Park, Suburban-Rosemont, Walnut Grove, and  
15 West Placer.

16 In the Arden system, there was one instance where the notification level for  
17 manganese exceeded the notification of 500 micrograms per liter ( $\mu\text{g/L}$ ) on  
18 December 3, 2009. A sample from the Wittkop well showed manganese levels of  
19  $542\ \mu\text{g/L}$ . The company conducted additional testing and found the subsequent  
20 manganese concentrations well below the notification level.<sup>40</sup> Since October  
21 2009, Cal Am continued to operate the well for system pressure requirements  
22 despite the manganese issues until the manganese levels exceeded the MCL. The  
23 Wittkop well was removed from service in July 2010 for structural modification.  
24 In addition, a desanding unit was installed to remove the manganese found in the

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<sup>39</sup> Direct Testimony of Joseph Marcinko, pg. 9.

<sup>40</sup> The notification levels are non-regulatory, health-based advisory levels established by the CDPH for drinking water contaminants that do not have a maximum contaminant level.

1 well water. The Wittkop well was restored and put online in May 2011 and no  
2 further incidents of manganese levels exceeding the MCL have been reported.

3 In the Isleton system, there was on one incident where the average boron  
4 concentration of 1415 parts per billion (“ppb”) exceeded the CDPH notification  
5 level of 1000 ppb.<sup>41</sup> Since the current boron concentration is below the CDPH  
6 threshold for notification and action, Cal Am is in compliance with CDPH  
7 procedures.

8 b) Central Division

9 Based on the information given by the company and by the CDPH,  
10 Consumer Confidence Reports, and CIWQS Cal Am’s Monterey, Toro, Monterey  
11 Wastewater, and Garrapata districts seem to be in compliance with all applicable  
12 water quality standards and requirements.

13 (i) Monterey

14 The Monterey district received one citation (citation number 02-05-12C-  
15 011) from the CDPH on June 12, 2012 for the Sand City Water Treatment Plant.  
16 CDPH cited Cal Am for failing to comply with a monitoring requirement to  
17 collect the turbidity grab samples every four hours after an on-line turbidity  
18 monitor failed between April 7 through 9, 2012.<sup>42</sup> On June 26, 2012, Cal Am sent  
19 a letter to the CDPH to address CDPH’s concerns. In addition, Cal Am sent a  
20 certification for proof of notification to the public to the CDPH and no further  
21 violations have been reported. All of the other systems in the Monterey district  
22 did not receive any citation from the CDPH.

23 (ii) Toro

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<sup>41</sup> 2012 Consumer Confidence Report- Isleton, pg. 5.

<sup>42</sup> MDR II.G.5, pg. 1. CDPH’s citation letter to Cal Am Turbidity Monitoring Violation at the Sand City Treatment Plant for April 2012, dated June 12, 2012. The reported citation violated Section 67657.40(d), Chapter 17, Title 22 of the California Code of Regulations.

1 Cal Am acquired the Toro system in 2008. The 2009 Consumer  
2 Confidence Report for Toro reported that the arsenic level during 2009 to  
3 February 28, 2010 ranged from 10 to 28 ppb, with an average concentration of 14  
4 ppb.<sup>43</sup> This arsenic level exceeds the MCL of 10 ppb. An arsenic removal plant  
5 has been in operation since March 1, 2010 and the average arsenic levels are now  
6 below the MCL.<sup>44</sup>

7 (iii) Monterey Wastewater

8 The Monterey Wastewater system is comprised of eight systems: Carmel  
9 Valley Ranch, Indian Springs, Las Palmas, Pasadera, Oak Hills, Spreckels, Village  
10 Greens, and White Oaks. The Monterey Wastewater discharge limitations are  
11 contained in the Waste Discharge Requirements (“WDR”) and Monitoring  
12 Reporting Requirements.<sup>45</sup> According to Cal Am, the Regional Board staff  
13 conducts type B inspections and documents the results on the CIWQS database.<sup>46</sup>  
14 The Village Green, Oak Hills, and White Oaks systems do not have any issues  
15 regarding WDR or from the type B inspections. The remaining five systems have  
16 an issue with either the type B inspections, exceeding the WDRs, and/or citations  
17 issued by the CDPH.

18 The Carmel Valley Ranch, Las Palmas, and Pasadera systems do not have  
19 any reported violations from the type B inspections since the last GRC, but have  
20 issues regarding WDRs. These systems have routinely exceeded the WDR levels  
21 for total dissolved solids (“TDS”), sodium, and chloride. Cal Am submits reports  
22 to the RWQCB on a monthly, quarterly, and annual basis. The WDR level issues

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<sup>43</sup> MDR II.G.4, pg. 126. 2009 Consumer Confidence Report-Toro.

<sup>44</sup> Ibid.

<sup>45</sup> For the Monterey Wastewater district, the WDRs are established by the Central Coast Regional Water Quality Control Board (“RWQCB”).

<sup>46</sup> Cal Am’s response to data request ORA-A.13-07-002.JMI001, question 1(a). The CIWQS is a computer system by the State and Regional Water Quality Control Board to track information of environmental interest, manage permits and other orders, track inspections, and manage violations and enforcement activities. The report provided in Cal Am’s response is as of January 27, 2013. Type B compliance inspection is a routine inspection conducted by the Regional Water Quality Control Board of a regulated facility which is less intensive than a type A compliance inspection and it usually does not include sampling.

1 were caused by a lack of source control authority for on-site regenerating water  
2 softeners and the evaporative concentration taking place in the storage ponds.<sup>47</sup>

3 The Indian Springs system does not have issues with WDR violations but  
4 has reported violations with the type B inspections and a citation issued by the  
5 CDPH. As of October 2012, there have been four violations reported for  
6 exceeding the total coliform seven day median limit of 23 most probable number  
7 per milliliter (“MPN/mL”). The corrective action is for future sampling to occur  
8 at a normal, more appropriate location. In addition, the Monterey Bay Unified Air  
9 Pollution Control District issued a violation (Notice of Violation 12-040) in  
10 August 2012 for failing to obtain an Authority to Construct Permit and Permit  
11 from minor plant modifications.<sup>48</sup> On October 12, 2012, Cal Am sent a letter to  
12 the Monterey Bay Unified Air Pollution Control addressing the issues raised in  
13 Notice of Violation 12-040.

14 The Spreckels system has issues with the type B inspections, WDR  
15 violations, and citations issued by the CDPH. In 2012, there were four reported  
16 violations. Three of the violations are for exceeding the chloride maximum limit,  
17 sodium total daily maximum limit, and total dissolved solids, of 125 milligrams  
18 per liter (“mg/L”), 125 mg/L, and 600 mg/L, respectively. At this point, no  
19 corrective action has been taken. The last violation involves the biochemical  
20 oxygen demand and settleable solids analyses which the citation alleges was not  
21 performed by someone who is Environmental Laboratory Accreditation Program  
22 (“ELAP”) certified. The company is seeking a retroactive ELAP certification to  
23 correct the violation. The Spreckels system has routinely exceeded the WDR  
24 levels for total dissolved solids (“TDS”), sodium, and chloride. Cal Am submits  
25 reports to the RWQCB on a monthly, quarterly, and annual basis. The WDR level  
26 issues was caused by a lack of source control authority for on-site regenerating

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<sup>47</sup> MDR II.G.1, pg. 1. Compliance with Maximum Contaminant Levels.

<sup>48</sup> MDR II.G.5, pg. 1. Copies of CDPH Citations.

1 water softeners and the evaporative concentration taking place in the storage  
2 ponds.

3 Additionally, the Monterey Bay Unified Air Pollution Control District  
4 issued a notice of violation and Settlement Offer 11-005 for discharging  
5 unpleasant odors in quantities that constituted a nuisance following an upset of the  
6 treatment system caused by the illegal disposal of waste by a third party. Cal Am  
7 sent a letter on August 19, 2011 to the Monterey Bay Unified Air Pollution  
8 Control District, Compliance Division regarding the Settlement Offer 11-005.<sup>49</sup>

9 (iv) Garrapata

10 In D.13-01-033, the Commission approved Cal Am's request to acquire the  
11 Garrapata Water Company. The Monterey County Health Department conducted  
12 an inspection of the water system on August 13, 2013.<sup>50</sup> The Garrapata district is  
13 in general compliance with the CDPH requirements.

14 c) Southern Division

15 Based on the information given by the company and by the CDPH, Cal  
16 Am's Los Angeles, Ventura, and San Diego districts seem to be in compliance  
17 with all applicable water quality standards and requirements. None of the districts  
18 in the southern division received any citations from the CDPH.<sup>51</sup>

19 (i) Los Angeles

20 The Los Angeles district is divided into three subsystems: San Marino,  
21 Duarte, and Baldwin Hills. The San Marino system pumps groundwater from the  
22 Main San Gabriel Basin and Raymond Basin and purchased water from the  
23 Metropolitan Water District ("MWD") and the City of South Pasadena. Currently,  
24 Cal Am has three inactive wells in San Marino's Upper System due to water

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<sup>49</sup> Ibid, pg. 55 of 61.

<sup>50</sup> Cal Am's response to data request ORA.A.13-07-002.JMI009, question 4(d). The inspection report is dated August 19, 2013. .

<sup>51</sup> Direct Testimony of Joseph Marcinko, pg. 12.

1 quality issues.<sup>52</sup> The Oak Knoll Circle Well has been out of service since 2001,  
2 and has traces of nitrates, tetrachloride (“CTC”), tetrachloroethylene (“PCE”), and  
3 trichloroethylene (“TCE”). The Oswego Well was declared inactive due to casing  
4 failure, but has had historical concentrations of TCE, PCE, and nitrates. Cal Am  
5 has scheduled redrilling of the Oswego well as a capital project and is anticipating  
6 the project will be placed into service in 2015. The Roanoke Well was taken out  
7 of service in 2005 due to water quality concerns such as TCE, PCE, perchlorate  
8 and nitrate levels.<sup>53</sup>

9 The Duarte domestic system is supplied with groundwater from the Main  
10 San Gabriel Basin. Cal Am applies chlorination as the only form of treatment.

11 **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED] **END CONFIDENTIAL\*\*\*.**

15 Baldwin Hills relies on both groundwater from the Central Groundwater  
16 Basin and purchased water from the West Basin Municipal Water District.

17 **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

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<sup>52</sup> Cal Am’s response to data request ORA-A.13-07-002.JMI006, question 2. The three inactive wells are the Oak Knoll Circle, Oswego, and Roanoke Well.

<sup>53</sup> Ibid.

<sup>54</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
[REDACTED] **END CONFIDENTIAL\*\*\***

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]

12 **END CONFIDENTIAL\*\*\*.**

13 Cal Am informed ORA that an inspection was conducted by the CDPH on  
14 November 14-15, 2013 for the San Marino system and expects an inspection  
15 report in the first quarter of 2014.<sup>56</sup> In addition, the CDPH conducted an  
16 inspection of the Duarte system on February 20, 2013 and Cal Am expects to  
17 receive an inspection report in the first quarter of 2014.<sup>57</sup>

18 (ii) Ventura

19 According to Cal Am, water in the Ventura system does not have any  
20 contaminants that exceed the primary maximum contaminant level.<sup>58</sup> The last  
21 sanitary survey was conducted on the system on December 5, 2013.<sup>59</sup>

22 (iii) San Diego

23 According to Cal Am, water in the San Diego system does not have any  
24 contaminants that exceed the primary maximum contaminant level.<sup>60</sup> The last

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<sup>55</sup> \*\*\*BEGIN CONFIDENTIAL: [REDACTED] END  
CONFIDENTIAL\*\*\*

<sup>56</sup> Cal Am's response to data request ORA-A.13-07-002.JMI009, question 4(c.ii).

<sup>57</sup> Cal Am's response to data request ORA-A.13-07-002.JMI001, question 1(c).

<sup>58</sup> Direct Testimony of Joseph Marcinko, pg. 11.

<sup>59</sup> Cal Am's response to data request ORA-A.13-07-002.JMI009, question 4 (b.ii).

1 sanitary survey was conducted on the system on September 26, 2013, and the  
2 inspection report was issued on October 28, 2013.<sup>61</sup> CDPH's inspection report  
3 concluded that there were no deficiencies for the distribution system regarding  
4 bacteriological levels, disinfection by-products ("DBP"), and lead and copper  
5 monitoring. The inspection report did request Cal Am to provide a nitrification  
6 action plan to the CDPH before December 1, 2013.

7

8 **D. CONCLUSION**

9 The scope of ORA's analysis for utility plant in service was to forecasting  
10 the two test years 2015 and 2016. In this GRC, ORA is not taking a position on  
11 the prudence or reasonableness of projects not estimated to be placed into service  
12 prior to 2017 since they fall outside the two ratebase test years. ORA's total  
13 recommended RP budget reflects Cal Am's historical expenditure in each district.  
14 Cal Am is being proactive in providing safe and reliable service. The carryover  
15 and proposed capital investment projects ensure that system is complying with GO  
16 103-A. Cal Am's water systems are mostly in compliance with all applicable  
17 water quality standards and requirements and the company is addressing any  
18 citations from the CDPH.

---

<sup>60</sup> Direct Testimony of Joseph Marcinko, pg. 11.

<sup>61</sup> Cal Am's response to data request ORA-A.13-07-002.JMI009, question 4 (c.iii).

1                   **CHAPTER 2: LOS ANGELES COUNTY DISTRICT**

2    **A. INTRODUCTION**

3                   ORA reviewed and analyzed Cal Am’s testimony, application, Minimum  
4 Data Requirements, workpapers, capital project details, estimating methods,  
5 Comprehensive Planning Studies (“CPS”), and responses to various ORA data  
6 requests. ORA also conducted a field investigation of most of the proposed  
7 specific plant additions on September 24-25, 2013 before making its own  
8 independent estimates including adjustments where appropriate. Discrepancies  
9 between ORA’s and Cal Am’s estimates of specific plant additions are listed in  
10 Table 2-B.

11   **B. SUMMARY OF RECOMMENDATIONS**

12                   For the Los Angeles District, Cal Am requests gross plant additions of \$  
13 17,324,934 for 2015 and \$16,885,866 for 2016. ORA recommends \$14,365,618  
14 for 2015 and \$11,150,666 for 2016. The differences between ORA’s and Cal  
15 Am’s recommendations are based on the necessity of projects or their estimated  
16 costs. A summary of the cost adjustments can be seen in Tables 2-A and 2-B.<sup>62</sup>

17                   **Table 2-A. Los Angeles Plant Additions, Including Carryovers and**  
18                   **Recurring Project**

	2013	2014	2015	2016	Annual Average
<b>ORA</b>	\$ 4,988,712	\$ 4,299,263	\$ 14,365,618	\$ 11,150,666	\$ 8,701,065
<b>Cal Am</b>	\$ 8,508,447	\$ 4,650,524	\$ 17,324,934	\$ 16,885,866	\$ 11,842,443
<b>Cal Am &gt; ORA</b>	\$ 3,519,735	\$ 351,261	\$ 2,959,316	\$ 5,735,200	\$ 3,141,378
<b>ORA as % of Cal Am</b>	59%	92%	83%	66%	73%

19  
20                   **Table 2-B. Los Angeles Plant Comparison**

<sup>62</sup>For Tables 2-A and 2-B, these tables only include the cost for plant projects anticipated to be completed in that year.

2013	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-500004	Redrill Richardson Well	\$ -	\$ 1,556,831	\$ 1,556,831	0%
2	I15-500015	Ins 2700' Main in Grand and Bonita	\$ 697,317	\$ 697,317	\$ -	100%
3	I15-500026	Duarte Rail Line Main Relocation	\$ 2,126,043	\$ 3,290,299	\$ 1,164,256	65%
4	R15-50A1 to R15-50Q	Recurring Projects	\$ 2,165,352	\$ 2,964,000	\$ 798,648	73%
<b>Specifics - Total</b>			<b>\$ 697,317</b>	<b>\$ 697,317</b>	<b>\$ -</b>	<b>100%</b>
<b>Recurring Project - Total</b>			<b>\$ 2,165,352</b>	<b>\$ 2,964,000</b>	<b>\$ 798,648</b>	<b>73%</b>
<b>Carry-Overs - Total</b>			<b>\$ -</b>	<b>\$ 1,556,831</b>	<b>\$ 1,556,831</b>	<b>0%</b>
<b>Completed But Not Adopted- Total</b>			<b>\$ 2,126,043</b>	<b>\$ 3,290,299</b>	<b>\$ 1,164,256</b>	<b>65%</b>
<b>TOTAL</b>			<b>\$ 4,988,712</b>	<b>\$ 8,508,447</b>	<b>\$ 3,519,735</b>	<b>59%</b>

1

2014	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-500025	12-14 Tank Rehab	\$ 557,395	\$ 557,395	\$ -	100%
2	I15-500020	Spinks Reservoir Booster Station	\$ 408,500	\$ 408,500	\$ -	100%
3	I15-500044	Baldwin Ave Rail Main Relocation	\$ 503,809	\$ 536,132	\$ 32,323	94%
4	R15-50A1 to R15-50Q	Recurring Projects	\$ 2,829,559	\$ 3,148,497	\$ 318,938	90%
<b>Specifics - Total</b>			<b>\$ 965,895</b>	<b>\$ 965,895</b>	<b>\$ -</b>	<b>100%</b>
<b>Recurring Project - Total</b>			<b>\$ 2,829,559</b>	<b>\$ 3,148,497</b>	<b>\$ 318,938</b>	<b>90%</b>
<b>Carry-Overs - Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Completed But Not Adopted- Total</b>			<b>\$ 503,809</b>	<b>\$ 536,132</b>	<b>\$ 32,323</b>	<b>94%</b>
<b>TOTAL</b>			<b>\$ 4,299,263</b>	<b>\$ 4,650,524</b>	<b>\$ 351,261</b>	<b>92%</b>

2

2015	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-500039	Main Replacement Program	\$ 656,000	\$ 656,000	\$ -	100%
2	I15-500042	Purchase Water Rights Annually	\$ -	\$ 1,395,000	\$ 1,395,000	0%
3	I15-500047	Tier 4 Compliance- Standby Power	\$ -	\$ 546,000	\$ 546,000	0%
4	I15-500045	San Gabriel Blvd. Rail Line Main Relocation	\$ 1,000,000	\$ 1,000,000	\$ -	100%
5	I15-500019	8" Main in Armijo	\$ 784,885	\$ 784,885	\$ -	100%
6	I15-500022	Duarte Water Supply Improvement	\$ 3,847,611	\$ 3,847,611	\$ -	100%
7	I15-500010	Olympiad Booster Station Upgrade	\$ 2,339,015	\$ 2,339,015	\$ -	100%
8	I15-500030	Redrill Oswego Well	\$ 814,484	\$ 814,484	\$ -	100%
9	I15-500032	Redrill Winston Well	\$ 2,111,574	\$ 2,111,574	\$ -	100%
10	R15-50A1 to R15-50Q	Recurring Projects	\$ 2,812,049	\$ 3,830,365	\$ 1,018,316	73%
<b>Specifics - Total</b>			<b>\$ 1,656,000</b>	<b>\$ 3,597,000</b>	\$ 1,941,000	46%
<b>Recurring Project - Total</b>			<b>\$ 2,812,049</b>	<b>\$ 3,830,365</b>	\$ 1,018,316	73%
<b>Carry-Overs - Total</b>			<b>\$ 9,897,569</b>	<b>\$ 9,897,569</b>	\$ -	100%
<b>Completed But Not Adopted- Total</b>			<b>\$ -</b>	<b>\$ -</b>	\$ -	n/a
<b>TOTAL</b>			<b>\$ 14,365,618</b>	<b>\$ 17,324,934</b>	\$ 2,959,316	83%

1

2016	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-500039	Main Replacement Program	\$ 900,000	\$ 900,000	\$ -	100%
2	I15-500042	Purchase Water Rights Annually	\$ -	\$ 1,437,000	\$ 1,437,000	0%
3	I15-500006	Redrill Lamanda Well	\$ 1,500,464	\$ 1,697,543	\$ 197,079	88%
4	I15-500009	Redrill Sante Fe Well	\$ 1,777,658	\$ 1,777,658	\$ -	100%
5	I15-500021	Rosemead Tank Reconstruction	\$ 2,936,640	\$ 3,155,000	\$ 218,360	93%
6	I15-500037	Combine Domestic/Irrigation System	\$ 1,117,601	\$ 3,890,000	\$ 2,772,399	29%
7	I15-500052	Retire Fairfax Tank	\$ 97,983	\$ 135,000	\$ 37,017	73%
8	R15-50A1 to R15-50Q	Recurring Projects	\$ 2,820,320	\$ 3,893,665	\$ 1,073,345	72%
<b>Specifics - Total</b>			<b>\$ 3,893,242</b>	<b>\$ 8,139,658</b>	<b>\$ 4,246,416</b>	<b>48%</b>
<b>Recurring Project - Total</b>			<b>\$ 2,820,320</b>	<b>\$ 3,893,665</b>	<b>\$ 1,073,345</b>	<b>72%</b>
<b>Carry-Overs - Total</b>			<b>\$ 4,437,104</b>	<b>\$ 4,852,543</b>	<b>\$ 415,439</b>	<b>91%</b>
<b>Completed But Not Adopted- Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>TOTAL</b>			<b>\$ 11,150,666</b>	<b>\$ 16,885,866</b>	<b>\$ 5,735,200</b>	<b>66%</b>

1  
2 **C. DISCUSSION**

3 Cal Am’s Los Angeles district is comprised of three systems: San Marino,  
4 Duarte, and Baldwin Hills. The three systems are supplied by groundwater and  
5 purchased water.<sup>63</sup> \*\*\*BEGIN CONFIDENTIAL: [REDACTED]

6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]

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<sup>63</sup> The San Marino system pumps groundwater from the Main San Gabriel Basin and Raymond Basin and purchased water from the Metropolitan Water District (“MWD”) and the City of South Pasadena. The Duarte system extracts groundwater from the MSGB and Canyon Basin and surface water from the San Gabriel River. The Baldwin Hills system obtains groundwater from the Central Basin.

<sup>64</sup> \*\*\*BEGIN CONFIDENTIAL: [REDACTED]  
[REDACTED]  
END CONFIDENTIAL\*\*\*.

1 [REDACTED] **END CONFIDENTIAL\*\*\***. In addition, the potable  
2 water system will also have to supply the irrigation customers after the retirement  
3 of the Bradbury Irrigation System. Cal Am plans for one new well to be placed  
4 into service in 2014, one rehabilitated well to be placed into service in 2015, and  
5 proposes a new well in this GRC in order to supply the irrigation customers.<sup>65</sup>

6 **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
7 [REDACTED]  
8 [REDACTED]

9 [REDACTED] **END CONFIDENTIAL\*\*\*. \*\*\* BEGIN CONFIDENTIAL**  
10 [REDACTED] **END CONFIDENTIAL \*\*\***. Cal Am  
11 is proposing a granular activated carbon treatment project in this GRC to address  
12 the problem.

13 In the last test year, Cal Am had a recorded weighted average utility plant  
14 in service (“UPIS”) of \$104,940,200 or approximately 97 percent of the total last  
15 authorized weighted average utility plant.<sup>67</sup> In addition, Cal Am also underspent  
16 their total recurring project budget for the last test year. A common and repeated  
17 theme in the Los Angeles district and other Cal Am service areas is the  
18 authorization of projects that are not completed as forecasted in the GRC. For  
19 example, the Richardson Well Rehabilitation project (I15-500004) was approved  
20 in the 2009 GRC and originally scheduled to be completed in 2010. In the  
21 settlement of the 2010 GRC, the schedule for the completion of the Richardson  
22 Well was changed to 2012. In the current GRC, this project was projected to be  
23 placed into service in 2013. According to Cal Am, the company started the  
24 preliminary development phase of the project, but the project was not completed.

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<sup>65</sup> The Duarte water supply project (I15-500022) consists of redrilling the Crownhaven well and a new well (“Lemon Well”). In the proposed combine domestic/irrigation system project, part of the scope of the project is for a new supply (approximately 0.82 million gallons per day).

<sup>66</sup> [REDACTED]  
<sup>67</sup> In 2012, Cal Am had an authorized weighted average UPIS of \$108,479,900. Decision (“D.”)12-06-016, pg. F11. The recorded weighted average UPIS comes from Cal Am Exhibit A: Los Angeles District, Chapter 7, Table 7.1- Utility Plant in Service- Recorded.

1 Cal Am anticipates that the well will be drilled and completed in 2014. Based  
2 upon the long history of inaccurately forecasting this project and the repeated  
3 funding for this project in customer rates, ORA removed the forecasted cost of this  
4 project from test year 2015 rates. Cal Am should be permitted to seek recovery  
5 for the cost of this project in the next GRC once the project can be demonstrated to  
6 be providing service. During discovery, Cal Am informed ORA that three projects  
7 originally anticipated to be placed into service in 2014 are now scheduled to be  
8 placed into service in 2015.<sup>68</sup> ORA changed the estimated year in service for the  
9 three projects from 2014 to 2015. In addition, two projects originally scheduled  
10 to be placed into service in 2013 now have an anticipated to be placed into service  
11 in a future year (one project is changed from 2013 to 2014 and one project is  
12 changed from 2013 to 2015).<sup>69</sup>

13 ORA also made adjustments to the 2013 and 2014 recurring project  
14 budgets (“RP”). ORA adjusted the 2013 RP budget to reflect actual 2013 RP  
15 expenditures normalized for a twelve month period and adjusted the forecasted  
16 2014 RP budget based on the five inflation-adjusted five-year average of actual  
17 recorded RP investment.<sup>70</sup> Additional detail supporting ORA’s forecast  
18 methodology for RP budgets, which is consistently applied across all Cal Am  
19 service areas, can be found in recurring projects section of Chapter 1: Statewide  
20 Common Plant Issues of this report.

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<sup>68</sup> Cal Am’s response to data request ORA-A.13-07-002.RRA001, question 1. The three projects that were originally scheduled to be placed into service in 2014 and are now planned to be placed into service in 2015 are the Oswego Well replacement (I15-500030), Winston Well replacement (I15-500032), and the Duarte Water Supply Improvement project (I15-500026).

<sup>69</sup> Ibid. The estimated place into service year for the Olympiad Booster Station project (I15-500010) has been changed from 2013 to 2015. The estimated place into service year for the Spinks Reservoir Booster Station Improvement project (I15-500020) has been changed from 2013 to 2014.

<sup>70</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7015, Attachment 1. Cal Am’s response to the recorded amount spent for each RP category was as of 10/31/2013. ORA normalized the recorded amount to estimate the expenditure for a twelve month spending period.

1           **1) Carryover Projects Adopted in the 2010 GRC**

2           Cal Am has six carryover projects from the previous GRC. ORA made  
3 adjustments to three of the carryover projects which are discussed below.

4           a) Redrill Lamanda Well (I15-500006)

5           Cal Am is requesting approximately \$1,500,000 in this rate case to  
6 complete the replacement of the Lamanda well. ORA understands the need for  
7 the project, but adjusted the cost of the project based on the revised escalation  
8 and the overhead allowance.

9           In Cal Am’s cost estimation, the construction portion of the cost  
10 estimate was escalated by four percent for four years to escalate the estimate  
11 from 2008 to 2012 dollars. ORA does not agree with this methodology to  
12 escalate the construction cost. Cal Am references using the December 2003-  
13 2012 Construction Cost Index (“CCI”) to determine the escalation factors for  
14 2015, 2016, and 2017.<sup>71</sup> In the Capital Investment Project Estimates report,  
15 Cal Am acknowledges that in the past four years (2008-2012) there has been  
16 only a small increase in the CCI. ORA used the change in CCI from 2008 to  
17 2012 to escalate the construction portion cost of the project.<sup>72</sup> In addition,  
18 ORA lowered the construction overhead from 11 to 8.3 percent, which is  
19 consistent with Cal Am’s methodology for engineering project factors for plant  
20 projects.<sup>73</sup> In the Capital Investment Project Cost Estimate document prepared  
21 by Cal Am, the company compared actual recorded engineering overhead and  
22 capital expenditure between the years of 2007 to 2012 to determine the average  
23 overhead of 8.3% for the 2015-2017 period.<sup>74</sup> After the aforementioned

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<sup>71</sup> Capital Investment Project Cost Estimates, pg. 3. The document describes Cal Am’s methodology to calculate contingency allowance, construction overhead, and escalation factors.

<sup>72</sup>From December 2008 to December 2012, the CCI in Los Angeles went from 9411 to 10254. The CCI is published in the Engineering News Record.

<sup>73</sup> Ibid, pg. 5.

<sup>74</sup> Ibid, pg. 3.

1 revisions, ORA recommends a budget of \$1,300,464 for the remainder of the  
2 project not previously approved for a total project cost of \$1,500,464.<sup>75</sup>

3 b) Rosemead Reservoir Reconstruction (I15-500021)

4 Cal Am is requesting \$3,007,750 for the construction phase of the  
5 Rosemead Reservoir reconstruction project.<sup>76</sup> The project development phase  
6 of the project was originally approved in the last rate case for 2014. Cal Am is  
7 requesting funding to complete the implementation phase of the project and  
8 anticipates that the project will be placed into service by the end of 2016.

9 ORA made adjustments to the cost of the implementation phase to reflect the  
10 revised escalation and the overhead allowance.

11 In Cal Am's cost estimation, the construction portion of the cost estimate  
12 was escalated by four percent for four years to escalate the estimate from 2008 to  
13 2012 dollars. ORA does not agree with this methodology to escalate the  
14 construction cost. Cal Am references the December 2003-2012 CCI to determine  
15 the escalation factors for 2015, 2016, and 2017.<sup>77</sup> In the Capital Investment  
16 Project Estimates report, Cal Am acknowledges that in the past four years (2008-  
17 2012) there has been only a small increase in the CCI.<sup>78</sup> ORA used the change in  
18 CCI from 2008 to 2012 to escalate the construction portion cost of the project.<sup>79</sup>  
19 In addition, ORA used the construction overhead from eleven to 8.3 percent,  
20 which is consistent with Cal Am's methodology for calculating engineering  
21 project costs.<sup>80</sup> In the Capital Investment Project Cost Estimate document  
22 prepared by Cal Am, the company compared actual recorded engineering  
23 overhead and capital expenditure between the years of 2007 to 2012 to determine

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<sup>75</sup> For I15-500021, \$200,000 was previously approved in the 2010 GRC.

<sup>76</sup> Cal Am anticipates that the total cost of the project is \$3,155,000. In the 2010 GRC decision, \$147,250 was approved in 2014 for the preliminary development phase of the project.

<sup>77</sup> Cal Am's Capital Investment Project Cost Estimates, pg. 3. The document describes Cal Am's methodology to calculate contingency allowance, construction overhead, and escalation factors.

<sup>78</sup> Ibid.

<sup>79</sup> From December 2008 to December 2012, the CCI in Los Angeles went from 9411 to 10254. The CCI is published in the Engineering News Record.

<sup>80</sup> Cal Am's Capital Investment Project Cost Estimates, pg. 5.

1 the average overhead of 8.3% for the 2015-2017 period.<sup>81</sup> After the  
2 aforementioned adjustments, ORA recommends a budget of \$2,781,526 for this  
3 project.

4 c) Duarte Water Supply Improvement (I15-500022)

5 Cal Am requested \$3,847,611 to rehabilitate the Crownhaven well and to  
6 drill the Lemon well in order to address the reliable source supply and reduce the  
7 reliance of purchased water in the Duarte subarea. ORA does not oppose the need  
8 for, nor the cost of the project, but changed the completion year from 2014 to 2015  
9 based on the change in the scope of the project.

10 In the 2007-2008 period, Cal Am planned to install pump to waste facilities  
11 (Project # 05509853) for the Crownhaven and Sante Fe wells. According to Cal  
12 Am, the company did not construct a pump to waste facility for the Crownhaven  
13 well due to project costs exceeding the proposed budget and easement issues.<sup>82</sup>  
14 The rehabilitation of the Crownhaven well as a component of I15-500022 includes  
15 a pump to waste line. The company anticipates that the installation of a storm  
16 drain line for the pump to waste is planned to be completed in 2015.<sup>83</sup> Based on  
17 the change in the scope of the Crownhaven well, ORA adjusted the completion  
18 year for I15-500022 from 2014 to 2015.

19 **2) Advice Letters**

20 Cal Am does not have any advice letter projects in the Los Angeles district.

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<sup>81</sup> Ibid, pg. 3.

<sup>82</sup> Cal Am's response to data request ORA-A.13-07-002.PR1019, question 1 (a. i). For the Crownhaven well, Cal Am had two design alignment routes (north side of Huntington Drive and alignment to the San Gabriel River). According to Cal Am, the winning bid for the Huntington Drive option exceeded the proposed budget. The San Gabriel River option had two easement issues (one with Brown Grandstands Inc. and Southern California Edison Company), which would require permission with the Army Corp of Engineers. The easement issues between the two options caused the cost of the project to exceed the proposed budget.

<sup>83</sup> Ibid, question 1(a. ii).

1           **3) Completed but Not Adopted**

2           Cal Am planned or completed two main relocation projects in the Los  
3 Angeles district that have not been adopted in a previous GRC.

4           a) Duarte Main Relocation Project at Metro Gold Line (IP-0550-175)

5           In 2013, Cal Am relocated 4,100 feet of main that conflicted with the  
6 Foothill Authority Phase 2A extension of the Metro Gold Line. Cal Am was  
7 responsible for relocating the section of mains in accordance with the  
8 memorandum of understanding (“MOU”) and Metro Gold Line Foothill Extension  
9 Construction Authority (“Authority”) approval at the company’s expense.<sup>84</sup> Cal  
10 Am completed and placed the project into service in September 2013 at the  
11 recorded cost of \$2,126,043, which is \$368,136 over the original budget of  
12 \$1,757,907.<sup>85</sup> The overrun in the cost of the project was a result of including  
13 cathodic protection, costs associated with bore and jack that increased the time to  
14 complete the boring, unexpected changes in design requested by utilities,  
15 construction at night required by the city of Monrovia for the Mountain Avenue  
16 crossing, and including a crossing at Delford Avenue.<sup>86</sup>

17           ORA does not object to the need of the project nor reasonableness of the  
18 cost overruns. However, in Cal Am’s workpapers, the project cost forecasted and  
19 included in test year rates was \$3,290,299.<sup>87</sup> According to Cal Am, the project  
20 was placed into service in 2013 and the final cost was less than the estimate in the  
21 strategic capital expenditures projects (“SCEP”) tab.<sup>88</sup> ORA adjusted the total cost  
22 of the project in the workpapers to reflect the actual recorded cost of \$2,126,043.

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<sup>84</sup> Direct Testimony of F. Mark Schubert, pg. 42-43. Cal Am is responsible for relocating a section of main at the Santa Fe Well outside the Authority right of way and relocating and lowering the perpendicular crossing at Highland Avenue, Buena Vista Avenue, Duarte Road, and Mountain Avenue.

<sup>85</sup> Cal Am’s response to data request ORA-A.13-07-002.JMI007, question 8(b).

<sup>86</sup> Ibid.

<sup>87</sup> In the RB 100 thru 105- Statewide GRC Los Angeles workpapers, the 2012 CWIP Balance was recorded at \$1,677,298 and a project 2013 budget for the project of \$1,613,000 for a total cost of \$3,290,299.

<sup>88</sup> Cal Am’s response to data request ORA-A.13-07-002.JMI008, question 1(b)

1           b) Baldwin Avenue Light Rail Line Main Relocation (I15-500044)

2           Cal Am proposes relocating 1,400 feet of 8-inch diameter main in 2014 due  
3 to the planned Alameda Corridor East (“ACE”) Authority grade separation  
4 project. The current main is located within the City of El Monte’s jurisdiction  
5 within the Lower San Marino System. Cal Am estimates that the project will cost  
6 \$536,132 to complete. ORA does not oppose the need for the project but adjusted  
7 the cost of the project based on a lower contingency allowance. ORA used a ten  
8 percent contingency allowance which is consistent with Cal Am’s methodology  
9 for engineering project factors for pipeline projects.<sup>89</sup> ORA recommends allowing  
10 the project at the adjusted cost of \$503,808.

11           **4) Proposed New Capital Projects**

12           a) Combine Domestic and Irrigation System in Duarte (I15-500037)

13           Cal Am requests \$3,890,000 to connect the irrigation customers in the  
14 Spinks/Bliss Canyon Gradient in the Duarte system to the potable system and  
15 retire the Bradbury Irrigation System. The scope of the project includes the  
16 retirement of the existing irrigation system, new pipe installation, upgrading the  
17 Lemon Booster Station to handle the increased demand, and a new water supply.  
18 Once the project is placed into service, the irrigation customers would be  
19 transferred to commercial tariffs. ORA agrees with the need for the project, but  
20 adjusted Cal Am’s cost estimation based on a lower construction cost, lower  
21 escalation cost, and the need for the new water supply.

22           The construction phase of the project is comprised of four sections:

23           **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
24 [REDACTED]  
25 [REDACTED]  
26 [REDACTED]

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<sup>89</sup> Capital Investment Project Cost Estimates, pg. 5. The document describes Cal Am’s methodology to calculate contingency allowance, construction overhead, and escalation factors.  
[REDACTED]

1 [REDACTED]

2 [REDACTED] **END**

3 **CONFIDENTIAL\*\*\***. However, in Cal Am’s overall cost estimate for the  
4 project, the preliminary phase portion of the budget already has money designated  
5 for preliminary engineering, detailed design, and permitting.<sup>92</sup> In addition, Cal  
6 Am has a portion of the project implementation phase of the project for support  
7 during construction.<sup>93</sup> According to Cal Am, the budget for the preliminary phase  
8 of the project incorporates the entire preliminary phase of the project.<sup>94</sup> ORA  
9 removed the duplicate engineering, permitting, and construction management line  
10 item from the construction portion of the project which is already accounted for in  
11 the overall cost estimation.<sup>95</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED] **END CONFIDENTIAL\*\*\***. ORA removed the duplicate line item in the  
18 retirement irrigation portion of the project, which is already accounted for in the  
19 cost of the preliminary engineering cost.

<sup>91</sup> Ibid

<sup>92</sup> Cal Am’s Proposed New Capital Investment Workpapers- Project I15-500037, pg. 6.

<sup>93</sup> Ibid. The Support During Construction section of the project includes a budget for construction administration, construction inspection, and technical support during construction.

<sup>94</sup> Cal Am’s response to data request ORA A-13.07.002.JMI005, question 1(a). The project development phase of the project includes preliminary engineering, detailed design, permitting, land/easement procurement, bidding, and project administration.

<sup>95</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]

**END CONFIDENTIAL\*\*\***.

<sup>96</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]

**END**

**CONFIDENTIAL\*\*\***.

1 In Cal Am’s cost estimation, the construction portion of the cost estimate  
2 was escalated **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
3 **END CONFIDENTIAL\*\*\*** from 2008 to  
4 2012 dollars. ORA does not agree with this methodology to escalate the  
5 construction cost. Cal Am references using the December 2003-2012 CCI to  
6 determine the escalation factors for 2015, 2016, and 2017.<sup>97</sup> In the Capital  
7 Investment Project Estimates report, Cal Am acknowledges that in the past four  
8 years (2008-2012) there has been only a small increase in the CCI.<sup>98</sup>

9 The well component of the project is to supply the demand from the  
10 irrigation customers. In the last GRC, the Duarte Water Supply Improvements  
11 project (IP-0550-170 or I15-500022) was approved to redrill the Crownhaven well  
12 and to install a new well (the “Lemon Well”) located at the Lemon Reservoir  
13 site.<sup>99</sup> The purpose of the Duarte Water Supply Improvements project is to reduce  
14 the maximum day reliable supply deficiency in the Duarte system. In the IP-0550-  
15 170 project justification report, Cal Am states that

16 *“prior to converting irrigation customers over to the portable system, Cal*  
17 *Am proposes adding additional with the Crownhaven well redrill and either*  
18 *redrilling Wiley well, Bacon well or drilling a new well to recover the production*  
19 *capacity that Cal Am previously had at Mountain View well. For this reason, it is*  
20 *important to regain historical capacity in the existing wells through capital*  
21 *projects and to develop a new well to act as an additional source that Cal Am will*  
22 *use to supplement the additional 1 million gallons per day (“mgd”) demand...”<sup>100</sup>*

23 According to Cal Am, the additional water supply is not necessary because  
24 this demand is already being accounted for in another capital plant project. ORA  
25 removed the cost of the well (**\*\*\*BEGIN CONFIDENTIAL:** [REDACTED] **END**

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<sup>97</sup> Cal Am’s Capital Investment Project Cost Estimates, pg. 3. The document describes Cal Am’s methodology to calculate contingency allowance, construction overhead, and escalation factors.

<sup>98</sup> Ibid.

<sup>99</sup> Cal Am anticipates that project IP-0550-170 would be placed into service in 2014. Project IP-0550-170 is to restore the Crownhaven well to its historical capacity of 1,600 gallons per minute (“gpm”) and the Lemon well is designed to have a capacity of 1,200 gpm.

<sup>100</sup> Cal Am’s Proposed New Capital Investment Workpapers-IP-0550-170 from A.10-07-007, pg. 4.

1 **CONFIDENTIAL**\*\*) from the cost estimate. After the aforementioned  
2 adjustments, ORA recommends a budget of \$1,117,601.

3 b) Retire Fairfax Tank (I15-500052)

4 Cal Am requests \$135,000 in 2016 to retire the Fairfax tank located in the  
5 Baldwin Hills system. ORA does not oppose the need of the project, but  
6 recommends a lower budget to reflect a lower escalation allowance and  
7 construction cost.

8 In Cal Am's cost estimation, the construction portion of the cost estimate  
9 was escalated **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
10 **END CONFIDENTIAL\*\*\*** from 2008 to 2012  
11 dollars. ORA does not agree with this methodology to escalate the construction  
12 cost. Cal Am references using the December 2003-2012 CCI to determine the  
13 escalation factors for 2015, 2016, and 2017.<sup>101</sup> In the Capital Investment Project  
14 Estimates report, Cal Am acknowledges that in the past four years (2008-2012)  
15 there has been a small increase in the CCI.<sup>102</sup> Cal Am's cost estimate to escalate  
16 the construction line item to 2012 dollars is inconsistent with Cal Am's escalation  
17 methodology. **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]

18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]

21 **END CONFIDENTIAL\*\*\*** ORA used the change in CCI from  
22 2008 to 2012 to escalate the construction portion cost of the project.<sup>104</sup>

23 **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
24 [REDACTED]

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<sup>101</sup> Cal Am's Capital Investment Project Cost Estimates, pg. 3. The document describes Cal Am's methodology to calculate contingency allowance, construction overhead, and escalation factors.

<sup>102</sup> Ibid.

<sup>104</sup> From December 2008 to December 2012, the CCI in Los Angeles went from 9411 to 10254. The CCI is published in the Engineering News Record. This results in an 8.96% increase between December 2008 and December 2012.

1 [REDACTED]  
2 [REDACTED] **END CONFIDENTIAL\*\*\***. In Cal Am’s overall  
3 cost estimate for the project, the preliminary phase portion of the budget has  
4 money designated for preliminary engineering, detailed design, and permitting.<sup>106</sup>  
5 In addition, Cal Am has funding for support during construction in the project  
6 implementation phase of the project.<sup>107</sup> According to Cal Am, the budget for the  
7 preliminary phase of the project incorporates the entire preliminary phase of the  
8 project.<sup>108</sup> ORA removed the duplicate engineering, permitting, and construction  
9 management line item from the construction portion of the project which is  
10 already accounted for in the cost estimation. After the aforementioned  
11 corrections, ORA recommends a budget of \$97,983.39 for this project.

12 c) Rehab Longden Well (I15-500036)

13 Cal Am is requesting \$1,964,000 to rehabilitate Longden Well in the San  
14 Marino service area. Since the estimated place into service year for project I15-  
15 500036 falls outside of the two ratebase test years, ORA takes no position on the  
16 prudence or reasonableness of the project. Refer to “ORA’s Treatment of 2017  
17 Proposed Plant Additions” in Chapter 1: Statewide Common Plant Issues of this  
18 report for how ORA is handling this project in this GRC.

19 d) Arlington Well Trichloroethylene (“TCE”) Treatment (I15-500048)

20 Cal Am is requesting to \$1,567,000 for granular activated carbon (“GAC”)  
21 treatment to address the historical TCE concentration levels in the Arlington Well  
22 in the Baldwin Hills service area. Since the estimated place into service year for  
23 project I15-500048 falls outside of the two ratebase test years, ORA takes no

105 [REDACTED]

106 Cal Am’s Proposed New Capital Investment Workpapers- I15-500052, pg. 5.

107 Ibid. The Support During Construction section of the project includes a budget for construction administration, construction inspection, and technical support during construction.

108 Cal Am’s response to data request ORA A-13.07.002.JMI-005, question 1. The project development phase of the project includes preliminary engineering, detailed design, permitting, land/easement procurement, bidding, and project administration.

1 position on the prudence or reasonableness of the project. Refer to “ORA’s  
2 Treatment of 2017 Proposed Plant Additions” in Chapter 1: Statewide Common  
3 Plant Issues of this report for how ORA is handling this project in this GRC.

4 e) Purchase Groundwater Rights (I15-500042)

5 Cal Am proposes \$2,832,000 to purchase the rights to 150 acre-feet per  
6 year (“AFY”) annually for the 2015 to 2016 period.<sup>109</sup> The purpose of the project  
7 is to become less reliant on purchased water from the MWD and have a more  
8 drought resistant water supply. ORA is mindful of potential future cutbacks by  
9 MWD due to impending drought conditions. However, ORA recommends  
10 disallowing the project due to the uncertainty of the cost and feasibility of the  
11 project.

12 Cal Am estimated the purchased water unit cost based on the 2010  
13 historical purchase price, escalated three percent annually to reflect 2015 and 2016  
14 dollars. Due to the volatility of the water rights purchase price, it is difficult to  
15 determine whether the estimated costs are reasonable without basing the costs on  
16 current purchase bids. In the I15-500042 Project Justification document, Cal Am  
17 references historical costs among the different groundwater basins in the Los  
18 Angeles district.<sup>110</sup> Since it is uncertain which groundwater basin the water rights  
19 will be purchased from, it is difficult to determine the reasonableness of Cal Am’s  
20 unit cost estimate.<sup>111</sup> In Mark Schubert’s testimony, he references a bid that costs  
21 \$14,000 per acre-foot (“AF”) for 450 AF, which exceeds Cal Am’s unit cost  
22 estimate requested in this GRC by 50.5 percent or \$4,700 per acre-foot. Cal Am  
23 should not purchase water rights at any unit cost due to the uncertainty on the  
24 amount of groundwater rights that might be available in the future. Another

---

<sup>109</sup> Cal Am is requesting \$1,395,000 in 2015 and \$1,437,000 in 2016 to lease 150AFY.

<sup>110</sup> Cal Am’s proposed New Capital Investment Workpapers- I15-500042, pg. 4. According to the Los Angeles County Assessor’s Office, groundwater rights in the Central Basin were sold for \$7,000 per AF. The San Gabriel Water Company reported in 2012 that groundwater rights in the Main San Gabriel Basin were priced at approximately \$13,000 per AF.

<sup>111</sup> Cal Am estimated the unit cost by escalating the 2010 purchase price of \$8,000 and escalating by three percent annually to estimate the 2015 and 2016 unit costs.

1 concern of ORA’s is whether purchased water rights will be available during the  
2 2015-2016 period. According to Cal Am’s analysis of the recently available  
3 450AF, “[i]t is not unusual for years to pass without seeing this quantity of water  
4 rights offered for sale. Even small quantities of rights are not often sold, and  
5 many times the sale is done without a broad bid solicitation.”<sup>112</sup> One concern is  
6 whether the water rights will be realistically available during this GRC cycle.

7 One issue that is not addressed in Cal Am’s testimony is the quantity of  
8 water rights necessary to provide a more reliable water supply and whether the  
9 benefit exceeds the costs. **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]

10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED] **END CONFIDENTIAL\*\*\*.**

15 Based on the uncertainties mentioned above, ORA recommends against ratepayers  
16 funding this project in advance of completion. However, should unexpected  
17 events transpire in which Cal Am is actually presented the opportunity to acquire  
18 rights under favorable economic terms and where Cal Am can show the benefits  
19 would exceed the costs to ratepayers, ORA would support Cal Am’s request to  
20 recover all prudently incurred costs (including carrying charges) in a subsequent  
21 GRC.

22 f) Tier 4 Compliance Standby Power (I15-500047)

23 Cal Am is requesting \$1,689,000 to purchase eleven permanent standby  
24 generators among the three systems in order to meet the Tier 4 emission  
25 requirements. The Tier 4 standards were established to further reduce the  
26 emissions of particulate matter (“PM”) and nitrogen oxides (NO<sub>x</sub>) by ninety

<sup>112</sup> Direct Testimony of F. Mark Schubert, pg. 85.

<sup>113</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED] **END CONFIDENTIAL\*\*\*.**

1 percent.<sup>114</sup> According to Cal Am, its fleet of generators does not currently comply  
2 with the Tier 4 compliance. Cal Am is requesting permanent standby generators  
3 in order to prevent an operational delay of the system connecting a standby  
4 generator to the system. ORA recommends disallowing the project because there  
5 appears to be a more cost effective solution to comply with the Tier 4 emission  
6 standards and Cal Am’s current generator fleet can adequately power each  
7 gradient of each system.<sup>115</sup>

8 According to the Airborne Toxic Control Measure (“ATCM”), the  
9 weighted PM emission fleet average must comply based on the engine size of the  
10 fleets (measured in grams per break horsepower-hour or g/bhp-hr).<sup>116</sup> However in  
11 the ATCM, it states that portable diesel-fuel engines used solely for emergency  
12 purposes are exempted from the fleet requirement. Certified diesel fueled engines  
13 used solely for emergency purposes need to meet one of the criterion listed in the  
14 ATCM by 2020.<sup>117</sup> Retrofitting the existing generators with Tier-3 certified  
15 technology seems to be a most cost effective solution as opposed to purchasing  
16 new generators.

17 Cal Am shares the standby generators among the three systems.

18 **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED] **END**

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<sup>114</sup> Environmental Protection Agency (“EPA”), Clean Air Nonroad Diesel Rule Regulatory Announcement. Refer to <http://www.epa.gov/otaq/documents/nonroad-diesel/420f04032.pdf>.

<sup>115</sup> Cal Am anticipates spending \$546,000 in 2015 and \$563,000 in 2016.

<sup>116</sup> ATCM for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower (“hp”) or Greater, Final Regulation Order, pg. 12. On January 1, 2017 for engines less than 175 hp, the PM weighted average emission shall not exceed 0.18 g/bhp-hr. For engines between 175 to 750 hp, the PM weighted average emission shall not exceed 0.08 g/bhp-hr. Refer to <http://www.arb.ca.gov/portable/perp/perpatcm.pdf>.

<sup>117</sup> Ibid, pg. 16. The criterion listed in the ATCM include the being certified to Tier 4 emission standards for newly manufactured non-road engines, potable diesel fueled engine is equipped with a functioning level-3 certified technology or an engine is combined with a combination of verified emission control strategies that reduce diesel PM emissions by eighty-five percent.

<sup>118</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
[REDACTED]

1 **CONFIDENTIAL\*\*\***. Therefore, the additional generators would not be  
2 necessary in order to adequately operate each system in the event of a power  
3 outage. For the reasons mentioned above, ORA recommends disallowing the  
4 project. Cal Am can request to recover the cost of the more cost-effective retrofits  
5 in the next GRC once they are completed and are used and useful.

6 g) Upgrade Supervisory Control and Data Acquisition (“SCADA”) (I15-  
7 500041)

8 Cal Am is requesting \$58,000 for the replacement of forty existing  
9 programmable logic controllers (“PLC”) that are being discontinued with new  
10 PLCs and to modify the current SCADA system to accommodate the new PLCs.  
11 Since the estimated place into service year for project I15-500041 falls outside of  
12 the two ratebase test years, ORA takes no position on the prudence or  
13 reasonableness of the project. Refer to “ORA’s Treatment of 2017 Proposed Plant  
14 Additions” in Chapter 1: Statewide Common Plant Issues of this report for how  
15 ORA is handling this project in this GRC.

16 **5) Memorandum Account Projects**

17 Cal Am does not have any memorandum account projects for the Los  
18 Angeles district.

19 **6) Recurring Project Budgets (RA15-50A1 through R15-**  
20 **50R1), 2015 to 2016**

21 Cal Am proposed \$3,830,365 and \$3,893,665, for 2015 and 2016,  
22 respectively for the RP budget. Cal Am utilizes their recurring project for  
23 unscheduled capital investment and routine projects. ORA recommends a total  
24 recurring budget of \$2,812,049 in 2015 and \$2,820,320 in 2016. ORA’s forecast  
25 is derived from using an inflation-adjusted five-year average of actual recorded RP  
26 investment. A breakdown of ORA’s recommended RP budget by project category

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**END CONFIDENTIAL\*\*\***

1 type can be seen in Table 2-C below. Additional detail supporting ORA’s forecast  
 2 methodology for RP budgets, which is consistently applied across all Cal Am  
 3 service areas, can be found in recurring projects section of Chapter 1: Statewide  
 4 Common Plant Issues of this report.

5 **Table 2-C. ORA’s Recommended RP Budget**

Activity	Description	2015	2016
R15-50A1	New Mains	\$16,412	\$16,460
R15-50B1	Replace/Renew Mains	\$291,209	\$292,066
R15-50C1	Unscheduled Mains	\$152,071	\$152,518
R15-50D1	Relocate Mains	\$91,612	\$91,882
R15-50E1	New Hydrants	\$13,446	\$13,486
R15-50F1	Replace Hydrants	\$133,072	\$133,464
R15-50G1	New Services	\$15,046	\$15,090
R15-50H1	Replace Services	\$996,562	\$999,493
R15-50I1	New Meters	\$0	\$0
R15-50J1	Repalce Meters	\$438,885	\$440,176
R15-50K1	ITS Equipment and Systems	\$17,510	\$17,561
R15-50L1	SCADA	\$18,900	\$18,955
R15-50M1	Security	\$26,572	\$26,650
R15-50N1	Offices and Operations Center	\$19,421	\$19,478
R15-50P1	Tools and Equipment	\$43,588	\$43,717
R15-50Q1	Replace/Addition - Plant	\$549,530	\$551,146
R15-50R1	Tank Rehab	\$5,722	\$5,739
Recurring Projects Total		\$2,829,559	\$2,837,881

6  
 7 **D. CONCLUSION**

8 In the Los Angeles district, ORA made adjustments to the escalation of  
 9 project costs to 2012 dollars and removed the duplicate line items from the  
 10 preliminary phase of the projects for which ORA recommends approval. In the  
 11 carryover projects, ORA used an updated overhead factor proposed by Cal Am in  
 12 this GRC of 8.3%, which is based on more recent actual historic engineering  
 13 overhead and annual capital expenditures.

1                   **CHAPTER 3: SAN DIEGO COUNTY DISTRICT**

2   **A. INTRODUCTION**

3                   ORA reviewed and analyzed Cal Am’s testimony, application, Minimum  
4 Data Requirements, workpapers, capital project details, estimating methods,  
5 Comprehensive Planning Studies (“CPS”), and responses to various ORA data  
6 requests. ORA also conducted a field investigation of the San Diego district on  
7 September 26, 2013 before making its own independent estimates including  
8 adjustments where appropriate. Discrepancies between ORA’s and Cal Am’s  
9 estimates of specific plant additions are listed in Table 3-B.

10 **B. SUMMARY OF RECOMMENDATIONS**

11                   For the San Diego District, Cal Am requests gross plant additions of  
12 \$2,160,069 for 2015 and \$1,533,000 for 2016. ORA recommends \$1,076,825 for  
13 2015 and \$1,079,993 for 2016. The differences between ORA’s and Cal Am’s  
14 recommendations are based on the necessity of the projects or the estimated cost  
15 of the projects. A summary of ORA’s adjustments to Cal Am’s requested budget  
16 funding can be seen in Tables 3-A and 3-B.<sup>119</sup>

17                   **Table 3-A. San Diego Plant Additions, Including Carryovers and**  
18                   **Recurring Projects**

	2013	2014	2015	2016	Annual Average
<b>ORA</b>	\$ 1,521,149	\$ 5,599,642	\$ 1,076,825	\$ 1,079,993	\$ 2,319,402
<b>Cal Am</b>	\$ 1,529,912	\$ 6,322,929	\$ 2,160,069	\$ 1,533,000	\$ 2,886,478
<b>Cal Am &gt; ORA</b>	\$ 8,763	\$ 723,287	\$ 1,083,244	\$ 453,008	\$ 567,075
<b>ORA as % of Cal Am</b>	99%	89%	50%	70%	80%

19  
20                   **Table 3-B. San Diego Plant Comparison**

<sup>119</sup> For Tables 3-A and 3-B, these tables only include the cost for plant projects anticipated to be completed in that year.

2013	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-300002	Small Main Replacement Program	\$ 253,762	\$ 253,762	\$ -	100%
4	R15-30A1 to R15-30R1	Recurring Projects	\$ 1,267,387	\$ 1,276,150	\$ 8,763	99%
<b>Specifics - Total</b>			<b>\$ 253,762</b>	<b>\$ 253,762</b>	<b>\$ -</b>	<b>100%</b>
<b>Recurring Project - Total</b>			<b>\$ 1,267,387</b>	<b>\$1,276,150</b>	<b>\$ 8,763</b>	<b>99%</b>
<b>Carry-Overs - Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Completed But Not Adopted- Total</b>					<b>\$ -</b>	<b>n/a</b>
<b>TOTAL</b>			<b>\$ 1,521,149</b>	<b>\$1,529,912</b>	<b>\$ 8,763</b>	<b>99%</b>

1

2014	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-300006	PRV Modernization Program	\$ 1,047,779	\$ 1,047,779	\$ -	100%
2	I15-300004	Phase 3 Hollister Street Main	\$ 2,538,488	\$ 2,538,488	\$ -	100%
3	I15-300007	Phase 2 Hollister St Main Replacement	\$ 1,171,856	\$ 1,171,856	\$ -	100%
4	R15-30A1 to R15-30R1	Recurring Projects	\$ 841,519	\$ 1,564,806	\$ 723,287	54%
<b>Specifics - Total</b>			<b>\$ 3,710,344</b>	<b>\$3,710,344</b>	<b>\$ -</b>	<b>100%</b>
<b>Recurring Project - Total</b>			<b>\$ 841,519</b>	<b>\$1,564,806</b>	<b>\$ 723,287</b>	<b>54%</b>
<b>Carry-Overs - Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Completed But Not Adopted- Total</b>			<b>\$ 1,047,779</b>	<b>\$1,047,779</b>	<b>\$ -</b>	<b>100%</b>
<b>TOTAL</b>			<b>\$ 5,599,642</b>	<b>\$6,322,929</b>	<b>\$ 723,287</b>	<b>89%</b>

2

2015	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-300002	Small Main Replacement Program	\$ 242,250	\$ 273,000	\$ 30,750	89%
2	I15-300008	500 ft of 20" Main Palm Ave.	\$ -	\$ 546,000	\$ 546,000	0%
3	R15-30A1 to R15-30R1	Recurring Projects	\$ 834,575	\$ 1,341,069	\$ 506,494	62%
<b>Specifics - Total</b>			<b>\$ 242,250</b>	<b>\$ 819,000</b>	<b>\$ 576,750</b>	<b>30%</b>
<b>Recurring Project - Total</b>			<b>\$ 834,575</b>	<b>\$1,341,069</b>	<b>\$ 506,494</b>	<b>62%</b>
<b>Carry-Overs - Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Completed But Not Adopted- Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>TOTAL</b>			<b>\$ 1,076,825</b>	<b>\$2,160,069</b>	<b>\$ 1,083,244</b>	<b>50%</b>

3

2016	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-300002	Small Main Replacement Program	\$ 242,963	\$ 281,000	\$ 38,038	86%
2	R15-30A1 to R15-30R1	Recurring Projects	\$ 837,030	\$ 1,252,000	\$ 414,970	67%
<b>Specifics - Total</b>			<b>\$ 242,963</b>	<b>\$ 281,000</b>	<b>\$ 38,038</b>	<b>86%</b>
<b>Recurring Project - Total</b>			<b>\$ 837,030</b>	<b>\$1,252,000</b>	<b>\$ 414,970</b>	<b>67%</b>
<b>Carry-Overs - Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Completed But Not Adopted- Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>TOTAL</b>			<b>\$ 1,079,993</b>	<b>\$1,533,000</b>	<b>\$ 453,008</b>	<b>70%</b>

**C. DISCUSSION**

The San Diego district is supplied solely on purchased water primarily from the San Diego Water Authority (“SDWA”). **\*\*\*BEGIN**

**CONFIDENTIAL:** [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].<sup>120</sup> **END CONFIDENTIAL\*\*\*.**

During the last GRC, Cal Am was authorized a weighted average utility plant of \$30,708,400 for the authorized test year (2012).<sup>121</sup> Cal Am underspent that amount with a recorded weighted average utility plant of \$29,907,400 for 2012.<sup>122</sup> One of the projects being proposed in this GRC is the annual small main replacement program. Over the 2008-2010 period, Cal Am has shown a pattern of underspending its authorized budget for the small main replacement program.<sup>123</sup> Two projects originally scheduled to be place into service in 2013 is now

<sup>120</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED] **END CONFIDENTIAL\*\*\***

<sup>121</sup> Decision (“D.”)12-06-016.

<sup>122</sup> Exhibit A: Chapter 7, Table 7.1- Utility Plant in Service-Recorded.

<sup>123</sup> The approved budget for the 2008-2010 period was \$809,000. According to Cal Am’s response to data request ORA-A.13-07-002.JMI003, the company spent a total of \$766,739 during that time period.

1 scheduled to be placed into service in 2014.<sup>124</sup> ORA adjusted the placement into service  
2 years for the two projects from 2013 to 2014.

3 ORA made adjustments to the 2013 and 2014 recurring project (“RP”)  
4 budgets. ORA adjusted the 2013 RP budget by the recorded 2013 RP  
5 expenditures normalized for a twelve month period and adjusted the forecasted  
6 2014 RP budget based on the inflation-adjusted five-year average of actual  
7 recorded RP investment.<sup>125</sup> Additional detail supporting ORA’s forecast  
8 methodology for RP budgets, which is consistently applied across all Cal Am  
9 service areas, can be found in the recurring projects section of Chapter 1: Statewide  
10 Common Plant Issues of this report.

11 **1) Carryover Projects**

12 Cal Am does not have any carryover projects in the San Diego district.

13 **2) Advice Letters**

14 Cal Am does not have any advice letter projects in the San Diego district.

15 **3) Completed or Planned but Not Adopted**

16 a) Pressure Reducing Valve (“PRV”) Modernization Program (I15-  
17 300006)

18 Cal Am is requesting \$1,047, 779 in 2014 to install a hydroelectric turbine  
19 generator at the Highland Tank PRV to recover the hydraulic energy wasted in  
20 PRVs. This project is an effort to make the water system more energy efficient.  
21 Commission Resolution W-4854 approved Cal Am’s AL 876-A filing, in which  
22 Cal Am requested authorization to establish the Pressure-Reducing Valve  
23 Modernization and Energy Recovery Memorandum Account (“PRVMA”) to  
24 record the costs associated with engineering and design, equipment, installation,

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<sup>124</sup> Cal Am’s response to data request ORA-A.13-07-002.RRA001, Attachment 1. The two projects originally scheduled to be placed into service in 2013 and is now scheduled to be placed into service in 2014 are the Hollister Street Main Replacement phases two (I15-300007) and three (I15-300004).

<sup>125</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7015, Attachment 1. Cal Am’s response to the recorded amount spent for each RP category was as of 10/31/2013. ORA normalized the recorded amount to estimate the expenditure for a twelve month spending period.

1 outside contractors, measurement and verification. Cal Am is allowed to seek  
2 recovery of the PRVMA either in this GRC or through a Tier 3 advice letter filing.  
3 <sup>126</sup> ORA understands the need for the project and finds Cal Am's cost estimate for  
4 this project reasonable. Therefore, ORA recommends allowing the project at the  
5 proposed cost in rates.

6 Cal Am only proposed one PRV modernization project for all of their  
7 districts. The project is scheduled to be placed into service in 2014, before the  
8 start of this general rate case cycle. Since Cal Am is requesting to recover the cost  
9 incurred from the project in rates in this GRC, there is no need for the PRVMA to  
10 remain through the rate case period ending in 2017. ORA recommends the  
11 Commission deny Cal Am's request to continue the current PRVMA through the  
12 rate case period ending in 2017. Cal Am should close its PRVMA and remove  
13 this account from its preliminary statements.

14 b) Leasehold Improvements for New Operation Center (I15-300003)

15 Cal Am is requesting \$420,000 for capital improvements to the new  
16 proposed operations center in order to move into a new operations center located  
17 on Palm Avenue in Imperial Beach.<sup>127</sup> Cal Am plans on leasing the new building  
18 with an annual lease payment of \$140,000, escalating each year based on inflation.  
19 After visiting the existing operations building and proposed location for the new  
20 building during the district tour, ORA concludes that it is reasonable to relocate to  
21 the new location based on the limited space of the existing operations center. \*\*\*

22 BEGIN CONFIDENTIAL [REDACTED]

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<sup>126</sup> Under Resolution W-4854, the Beyer Boulevard PRV was the original proposed location for the modernization project. Cal Am hired Black and Veatch as a consultant, and Black and Veatch determined that the pressure and flow through the Highland Tank PRV would provide a greater recovery potential. Resolution W-4913 approved moving the location of the PRV modernization project to the Highland Tank.

<sup>127</sup> Direct Testimony of F. Mark Schubert, pg. 50. Cal Am is requesting \$420,000 for the leasehold improvements on the proposed operations office located on Palm Avenue. Cal Am anticipates the cost for the improvements to be \$544,000 minus the building owner's contribution of approximately \$124,000 resulting in a net capital cost of \$420,000. According to Cal Am's response to data request ORA-A.13-07-002.JMI009, question 2(a), Cal Am is not making any improvements to the existing operations center on Cherry Avenue.

1 [REDACTED]  
2 END CONFIDENTIAL \*\*\*.<sup>128</sup> ORA recommends allowing the project, \*\*\*  
3 BEGIN CONFIDENTIAL [REDACTED]  
4 END CONFIDENTIAL \*\*\*, once the project is placed into service during the  
5 next GRC.

6 **4) Proposed New Capital Projects**

7 a) Small Main Replacement Program (I15-300002)

8 Cal Am is requesting \$554,000 for the annual program to replace sections  
9 of small undersized main sections during the 2015 to 2017 period. \*\*\*BEGIN

10 CONFIDENTIAL: [REDACTED]  
11 [REDACTED]

12 [REDACTED] END CONFIDENTIAL\*\*\*. ORA does not oppose the need for the  
13 project, but adjusted the cost of project.

14 During discovery, ORA inquired which main sections listed in the CPS  
15 would be replaced during this rate cycle. According to Cal Am, the operations and  
16 engineering have not decided which projects from the list will be constructed  
17 during the 2015-2016 period.<sup>129</sup> Since there is no certainty on which main projects  
18 will be completed during the 2015 to 2016 period, ORA adjusted the cost of the  
19 project based on the annual settled budget of \$237,500 from the previous GRC  
20 settlement between Cal Am and ORA, escalated to 2015 and 2016 dollars. ORA  
21 recommends a total budget of \$485,212.50 for the 2015-2016 period.<sup>130</sup>

128 \*\*\*BEGIN CONFIDENTIAL: [REDACTED]  
[REDACTED]

[REDACTED] END CONFIDENTIAL\*\*\*.

<sup>129</sup> Cal Am's response to data request ORA-A.13-07-002.JMI007, question 1(a).

<sup>130</sup> ORA recommends a budget of \$242,250 and \$242,962.50 for 2015 and 2016, respectively.

1           b) Replace 2,450 feet of 18” Main in Elm Avenue (I15-300008)

2           Cal Am is requesting \$2,020,000 in 2017 to replace a section of main due  
3 to the deterioration of the pipe. Since the estimated place into service year for  
4 project I15-300008 falls outside of the two ratebase test years, ORA takes no  
5 position on the prudence or reasonableness of the project. Refer to “ORA’s  
6 Treatment of 2017 Proposed Plant Additions” in Chapter 1: Statewide Common  
7 Plant Issues of this report for how ORA is handling this project in this GRC.

8           c) Replace 500 feet of 20” Main in Palm Avenue (I15-300009)

9           Cal Am is requesting \$546,000 in 2015 to replace 500 feet of 20 inch main  
10 on Palm Avenue due to the condition of this section of main. Cal Am originally  
11 scheduled this project in 2015 in order to coordinate with the City of Imperial  
12 Beach’s storm drain project located in the same vicinity. The City of Imperial  
13 Beach completed the storm drain project in 2013 and placed a five year  
14 moratorium in the particular main section. According to Cal Am, it is likely the  
15 City of Imperial Beach will not allow the proposed main replacement until after  
16 October 2018.<sup>131</sup> Since Cal Am confirmed that it is unlikely for this project to be  
17 completed during this rate cycle, ORA recommends removing this project from  
18 Cal Am’s forecasted test year capital budget.

19           d) Replace 52,000 feet of 16” Main in Silver Strand (I15-300010)

20           Cal Am is requesting \$232,000 in 2017 for the design portion of the project  
21 to replace 52,000 feet of 16 inch main along Silver Strand due to the condition of  
22 the main section. The construction of the project would be completed over the  
23 course of ten years.<sup>132</sup> Since the estimated place into service year for project  
24 I15-300010 falls outside of the two ratebase test years, ORA takes no position on  
25 the prudence or reasonableness of the project. Refer to “ORA’s Treatment of

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<sup>131</sup> Cal Am’s response to data request ORA-A.13-07.002.JMI009, question 3(b).

<sup>132</sup> Cal Am’s proposed New Capital Investment Workpapers-Project I15-300010. \*\*\*BEGIN

**CONFIDENTIAL:** [REDACTED]  
[REDACTED] **END CONFIDENTIAL**\*\*\*.

1 2017 Proposed Plant Additions” in Chapter 1: Statewide Common Plant Issues of  
2 this report for how ORA is handling this project in this GRC.

3 e) Upgrade Supervisory Control and Data Acquisition (“SCADA”) System  
4 Project (I15-300011)

5 Cal Am is requesting \$1,129,000 in 2017 for the replacement of 14 existing  
6 programmable logic controllers (“PLC”) that are being discontinued with new  
7 PLCs and to modify the current SCADA system to accommodate the new PLCs.  
8 Since the estimated place into service year for project I15-300011 falls outside of  
9 the two ratebase test years, ORA takes no position on the prudence or  
10 reasonableness of the project. Refer to “ORA’s Treatment of 2017 Proposed Plant  
11 Additions” in Chapter 1: Statewide Common Plant Issues of this report for how  
12 ORA is handling this project in this GRC.

13 **5) Memorandum Account Projects**

14 Cal Am does not have any memorandum account projects for the San  
15 Diego district.

16 **6) Recurring Project Budgets (R15-30A1 through R15-**  
17 **30R1), 2015 to 2016**

18 Cal Am proposed \$1,341,069 and \$1,252,000, for 2015 and 2016,  
19 respectively for the RP budget. Cal Am utilizes its recurring project budget for  
20 unscheduled capital investment and routine projects. ORA recommends a total  
21 recurring budget of \$834,575 in 2015 and \$837,030 in 2016. ORA’s forecast is  
22 derived from using an inflation-adjusted five-year average of actual recorded RP  
23 investment. A breakdown of ORA’s recommended RP budget by project category  
24 type can be seen in Table 3-C below. Additional detail supporting ORA’s forecast  
25 methodology for RP budgets, which is consistently applied across all Cal Am  
26 service areas, can be found in recurring projects section of Chapter 1: Statewide  
27 Common Plant Issues of this report.

28 **Table 3-C. ORA’s Recommended RP Budget**

Activity	Description	2015	2016
R15-30A1	New Mains	\$55,400	\$55,563
R15-30B1	Replace/Renew Mains	\$90,423	\$90,689
R15-30C1	Unscheduled Mains	\$65,368	\$65,561
R15-30D1	Relocate Mains	\$8,721	\$8,747
R15-30E1	New Hydrants	\$4,111	\$4,123
R15-30F1	Replace Hydrants	\$39,934	\$40,051
R15-30G1	New Services	\$4,980	\$4,995
R15-30H1	Replace Services	\$254,129	\$254,877
R15-30I1	New Meters	\$7,690	\$7,712
R15-30J1	Repalce Meters	\$202,537	\$203,132
R15-30K1	ITS Equipment and Systems	\$0	\$0
R15-30L1	SCADA	\$22,759	\$22,826
R15-30M1	Security	\$586	\$588
R15-30N1	Offices and Operations Center	\$17,167	\$17,217
R15-30P1	Tools and Equipment	\$28,769	\$28,854
R15-30Q1	Replace/Addition - Plant	\$696	\$699
R15-30R1	Tank Rehab	\$31,305	\$31,397
Recurring Projects Total		\$834,575	\$837,030

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**D. CONCLUSION**

Based upon Cal Am’s demonstrated pattern of underspending the authorized budget for both the RP and the small mains replacement program, ORA adjusted the proposed budgets for both projects. ORA recommends forecasting the RP budgets for the test years 2015 and 2016 based on an inflation-adjusted five year average of actual recorded RP investments. In the small main replacement program, since the specific main replacement sections have not been scheduled for the two test years, ORA escalated the approved budget from the last GRC test year for inflation to derive its recommendation for the test year budget in the current GRC.

1                   **CHAPTER 4: VENTURA COUNTY DISTRICT**

2   **A. INTRODUCTION**

3                   ORA reviewed and analyzed Cal Am’s testimony, application, Minimum  
4 Data Requirements, workpapers, capital project details, estimating methods,  
5 Comprehensive Planning Studies (“CPS”), and responses to various ORA data  
6 requests. ORA also conducted a field investigation of most of the proposed  
7 specific plant additions on September 23, 2013 before making its own independent  
8 estimates including adjustments where appropriate. Discrepancies between  
9 ORA’s and Cal Am’s estimates of specific plant additions are listed in Table 4-B.

10 **B. SUMMARY OF RECOMMENDATIONS**

11                   For the Ventura District, Cal Am requests gross plant additions of  
12 \$13,208,835 for 2015 and \$4,288,096 for 2016. ORA recommends \$12,541,329  
13 for 2015 and \$3,625,431 for 2016. The differences between ORA’s and Cal Am’s  
14 recommendations are based on the necessity of the project or the estimated cost of  
15 the project. A summary of the cost adjustments can be seen in Tables 4-A and 4-  
16 B.<sup>133</sup>

17                   **Table 4-A. Ventura Plant Additions, Including Carryovers and**  
18                   **Recurring Project**

	2013	2014	2015	2016	Annual Average
<b>ORA</b>	\$ 2,385,631	\$ 8,397,433	\$ 12,541,329	\$ 3,625,431	\$ 6,737,456
<b>Cal Am</b>	\$ 2,663,122	\$ 9,082,853	\$ 13,208,835	\$ 4,288,096	\$ 7,310,727
<b>Cal Am &gt; ORA</b>	\$ 277,491	\$ 685,420	\$ 667,506	\$ 662,665	\$ 573,270
<b>ORA as % of Cal Am</b>	90%	92%	95%	85%	92%

19  
20  
21                   **Table 4-B. Ventura Plant Comparisons**  
22

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<sup>133</sup>For Tables 4-A and 4-B, these tables only include the cost for plant projects anticipated to be completed in that year.

2014	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-510003	Replace Los Robles Tank #1	\$ 1,031,369	\$ 1,031,369	\$ -	100%
2	I15-510015	Upsize White Stallion Trans BPS	\$ 590,096	\$ 590,096	\$ -	100%
3	I15-510023	Construct IMG tank @Potrero and Dwy BPS	\$ 1,815,825	\$ 1,815,825	\$ -	100%
4	I15-510018	Calle Yucca Turnout 14" Main	\$ 475,000	\$ 475,000	\$ -	100%
5	I15-510019	Wildwood Tank Rehab	\$ 184,371	\$ 184,371	\$ -	100%
6	I15-510025	Replace Moorpark Booster Station	\$ 1,177,831	\$ 1,318,390	\$ 140,559	89%
7	R15-51A to R15-51Q	Recurring Projects	\$ 1,945,111	\$ 2,349,412	\$ 404,301	83%
<b>Specifics - Total</b>			<b>\$ 5,274,492</b>	<b>\$ 5,415,051</b>	<b>\$ 140,559</b>	<b>97%</b>
<b>Recurring Project - Total</b>			<b>\$ 1,945,111</b>	<b>\$ 2,349,412</b>	<b>\$ 404,301</b>	<b>83%</b>
<b>Carry-Overs - Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Completed But Not Adopted- Total</b>			<b>\$ 1,177,831</b>	<b>\$ 1,318,390</b>	<b>\$ 140,559</b>	<b>n/a</b>
<b>TOTAL</b>			<b>\$ 8,397,433</b>	<b>\$ 9,082,853</b>	<b>\$ 685,420</b>	<b>92%</b>
2013	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-510004	300' of 12" Main in Borchard Road	\$ 202,859	\$ 274,183	\$ 71,324	74%
2	I15-510017	Connect 12" Main Between Hillcrest	\$ 169,000	\$ 169,000	\$ -	100%
3	I15-510014	Improv to CMWD Interconnections	\$ 392,000	\$ 392,000	\$ -	100%
3	R15-51A to R15-51Q	Recurring Projects	\$ 1,621,772	\$ 1,827,939	\$ 206,167	89%
<b>Specifics - Total</b>			<b>\$ 763,859</b>	<b>\$ 835,183</b>	<b>\$ 71,324</b>	<b>91%</b>
<b>Recurring Project - Total</b>			<b>\$ 1,621,772</b>	<b>\$ 1,827,939</b>	<b>\$ 206,167</b>	<b>89%</b>
<b>Carry-Overs - Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Completed But Not Adopted- Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>TOTAL</b>			<b>\$ 2,385,631</b>	<b>\$ 2,663,122</b>	<b>\$ 277,491</b>	<b>90%</b>

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2015	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-510002	Improve Low Pressure in Gainsboroug Zone	\$ 2,850,000	\$ 2,850,000	\$ -	100%
2	I15-510006	Retrofit Moorpark Tank	\$ 2,287,579	\$ 2,287,579	\$ -	100%
3	I15-510016	Pace Reservoir Rehab	\$ 2,497,500	\$ 2,497,500	\$ -	100%
4	I15-510021	1200' Rolling Oaks	\$ 477,000	\$ 477,000	\$ -	100%
5	I15-510016	Potrero Tank Rehab	\$ 2,497,500	\$ 2,497,500	\$ -	100%
6	R15-51A to R15-51Q	Recurring Projects	\$ 1,931,750	\$ 2,599,256	\$ 667,506	74%
<b>Specifics - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Recurring Project - Total</b>			\$ 1,931,750	\$ 2,599,256	\$ 667,506	74%
<b>Carry-Overs - Total</b>			\$ 10,609,579	\$10,609,579	\$ -	100%
<b>Completed But Not Adopted- Total</b>			\$ -	\$ -	\$ -	n/a
<b>TOTAL</b>			\$ 12,541,329	\$13,208,835	\$ 667,506	95%

1

2016	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	I15-510027	Upgrade Mayfield Booster Station	\$ 788,000	\$ 788,000	\$ -	100%
2	I15-510028	1400' Main to Las Posas Tank	\$ 900,000	\$ 900,000	\$ -	100%
3	R15-51A to R15-51Q	Recurring Projects	\$ 1,937,431	\$ 2,600,096	\$ 662,665	75%
<b>Specifics - Total</b>			\$ 1,688,000	\$ 1,688,000	\$ -	100%
<b>Recurring Project - Total</b>			\$ 1,937,431	\$ 2,600,096	\$ 662,665	75%
<b>Carry-Overs - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Completed But Not Adopted- Total</b>			\$ -	\$ -	\$ -	n/a
<b>TOTAL</b>			\$ 3,625,431	\$ 4,288,096	\$ 662,665	85%

2

3

4 **C. DISCUSSION**

5 The Ventura district is supplied solely on purchased water primarily from  
6 the Calleguas Municipal Water District (“CMWD”). \*\*\*BEGIN

7 **CONFIDENTIAL:** [REDACTED]

8 [REDACTED]

1

[REDACTED]

2

[REDACTED]

**END CONFIDENTIAL\*\*\***

3

During the last GRC, Cal Am was authorized a weighted average utility plant of \$16,627,300 for the last authorized test year (2012). Cal Am underspent that amount with a recorded weighted average utility plant of \$16,506,400 for

4

2012.<sup>135</sup> In this GRC, the majority of the projects are for design dollars in 2017

5

for improving existing booster stations. As shown in Table 4-B, the majority of

6

the gross plant additions are from carryover projects. In the year 2013, Cal Am

7

completed one project that was scheduled to be placed into service in 2013. The

8

Borchard Road main replacement project (I15-510004) was booked into utility

9

plant in service in November 2013 at the recorded cost of \$202,859.<sup>136</sup> ORA

10

adjusted the cost of project I15-510004 in the workpapers based on the recorded

11

cost of the project. In addition, the Wildwood Reservoir tank rehabilitation project

12

(I15-510019) which was originally estimated to be placed into service in 2013 is

13

now scheduled to be placed into service in 2014.<sup>137</sup>

14

ORA also made adjustments to the 2013 and 2014 recurring project

15

budgets (“RP”). ORA adjusted the 2013 RP budget by the recorded 2013 RP

16

expenditures normalized for a twelve month period and adjusted the forecasted

17

2014 RP budget based on the five inflation-adjusted five-year average of actual

18

recorded RP investment.<sup>138</sup> Additional detail supporting ORA’s forecast

19

methodology for RP budgets, which is consistently applied across all Cal Am

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service areas, can be found in recurring projects section of Chapter 1 of this report.

<sup>134</sup> \*\*\*BEGIN CONFIDENTIAL:

[REDACTED]

**END**

**CONFIDENTIAL\*\*\*.**

<sup>135</sup> The authorized weighted average UPIS was taken from Exhibit A: Chapter 7, Table 7-2- Utility Plant in Service-Authorized-Proposed. The recorded weighted average UPIS was taken from Exhibit A: Chapter 7, Table 7.1-Utility Plant in Service-Recorded.

<sup>136</sup> Cal Am’s response to ORA-A.13-07-002.PR1021, Attachment 1(b).

<sup>137</sup> Cal Am’s response to ORA-A.13-07-002.RRA001, Attachment 1.

<sup>138</sup> Ibid. Cal Am’s response to the recorded amount spent for each RP category was as of 10/31/2013. ORA normalized the recorded amount to estimate the expenditure for a twelve month spending period.

1           **1) Carryover Projects Adopted in the 2010 GRC**

2           Cal Am has four carryover projects from the last GRC. ORA finds the cost  
3 of the carryover projects reasonable and made no adjustments. A discussion of the  
4 carryover projects where the scope and/or schedule of the project has change are  
5 discussed below.

6           a) Rehab Moorpark Reservoir (IP-0551-18)

7           In the last GRC, Cal Am requested \$2,287,579 in 2012 to replace the  
8 reservoir roof, installing a new liner, and to replace the side screen and panels. In  
9 the previous GRC settlement, ORA and Cal Am agreed to transfer the funds  
10 originally designated for the Shopping Center Reservoir based on the priority of  
11 the Moorpark Reservoir. Cal Am delayed this project since the company is  
12 awaiting the completion of the Moorpark Booster Station, which is discussed in a  
13 later section. The Moorpark Reservoir is now expected to be completed in  
14 2015.<sup>139</sup> Cal Am cost estimate of \$2,287,579 exceeds their original estimate of  
15 \$2,244,000 due to a change in the scope of project to include re-aligning and  
16 extending the storm drain pipe to reduce the risk of property damage to nearby  
17 residential homes. ORA finds the new cost estimate due to the aforementioned  
18 cost overrun reasonable.

19           b) Improve Low Pressure in Gainsborough Gradient (IP-0551-100)

20           In the last GRC, Cal Am requested \$3,610,000 for the construction of a  
21 booster pump station, main installation to connect to the new booster pump  
22 station, and pressure reducing valves to address pressure issues in the  
23 Gainsborough Gradient. According to Cal Am, The New Home Company is  
24 required by the City of Thousand Oaks to construct a booster station for  
25 developing residential homes.<sup>140</sup> Cal Am plans on pursuing easements for the

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<sup>139</sup> Direct Testimony of F. Mark Schubert, pg. 34.

<sup>140</sup> Ibid, pg. 37. The City of Thousand Oaks Council approved the improvements at Tract 5325 for developing twenty residential homes, and part of the approval of the development was to construct the booster station.

1 construction of a water main to connect the Oak View Estates to the new booster  
2 station and retire the Oak View Estates booster station. Due to the change in the  
3 scope of the project, Cal Am estimates that the project will cost \$2,850,000 and  
4 will be completed in 2015.

5 **2) Advice Letters**

6 Cal Am does not have any advice letter projects for the Ventura district.

7 **3) Completed but Not Adopted**

8 Cal Am has proposed one project in the Ventura County district that is  
9 scheduled to be completed in 2014, but has not been adopted in a previous GRC.

10 a) Replace Moorpark Booster Station (I15-510025)

11 Cal Am is requesting \$1,320,000 in 2014 to replace the Moorpark Booster  
12 Station based on the condition of the interior structure and electrical equipment.  
13 ORA does not oppose the need for the project, but recommends a lower cost to  
14 reflect a lower overhead allowance and lower unit costs.

15 Cal Am uses an overhead factor of 12.3% of the subtotal of the  
16 implementation phase to estimate the overhead budget. ORA does not agree with  
17 Cal Am's overhead factor of 12.3%. In the Capital Investment Project Cost  
18 Estimate document prepared by Cal Am, the company compared actual recorded  
19 engineering overhead and capital expenditure between the years of 2007 to 2012  
20 to determine the average overhead of 8.3% for the 2015-2017 period.<sup>141</sup> In the last  
21 GRC, Cal Am used a similar methodology to determine the average overhead (of  
22 approximately eleven percent) for the 2012-2014 period, based on the recorded  
23 engineering overhead and capital expenditure between the years 2004 to 2008.<sup>142</sup>  
24 ORA used an overhead factor of 8.3% since it is based on more recent recorded  
25 overhead and capital expenditure data. In addition, ORA adjusted the cost of the

---

<sup>141</sup> Capital Investment Project Cost Estimates, pg. 3. The document describes Cal Am's methodology to calculate contingency allowance, construction overhead, and escalation factors.

<sup>142</sup> Engineering Overhead Forecast Technical Memorandum, dated October 29, 2009.

1 project based on updated the unit costs Cal Am used in the project preliminary  
2 phase and the support during construction section for new proposed projects.<sup>143</sup>  
3 After the aforementioned adjustments, ORA recommends a budget of  
4 \$1,177,830.56.

5 **4) Proposed New Capital Projects**

6 a) Upgrade Supervisory Control and Data Acquisition (“SCADA”) System  
7 (I15-510034)

8 Cal Am is requesting \$58,000 in 2017 for the design portion of the  
9 replacement of forty existing programmable logic controllers (“PLC”) that are  
10 being discontinued with new PLCs and to modify the current SCADA system to  
11 accommodate the new PLCs. Since the estimated place into service year for  
12 project I15-510034 falls outside of the two ratebase test years, ORA takes no  
13 position on the prudence or reasonableness of the project. Refer to “ORA’s  
14 Treatment of 2017 Proposed Plant Additions” section in Chapter 1: Statewide  
15 Common Plant Issues of this report for how ORA is handling this project in this  
16 GRC.

17 b) Upgrade/Replacement of Booster Stations where Design Portion of the  
18 Project is Scheduled for 2017

19 Cal Am is requesting the following four booster station projects in which  
20 the design portion of the project is scheduled for 2017: Springwood Booster  
21 Station (I15-510030), Wildwood Hydro Booster Station (I15-510031), White  
22 Stallion Domestic Booster Station (I15-510032), and the Wildwood Booster  
23 Station (I15-510033).<sup>144</sup> Since the estimated place into service year for the

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<sup>143</sup> The project preliminary phase includes preliminary engineering, detailed design, surveying, geotechnical, permitting, bidding, project administration, and hydrant flow testing/model calibration. The support during construction section includes construction administration, construction inspection, technical support during construction, and city inspection fees.

<sup>144</sup> Cal Am is requesting \$93,000 for the design portion of the Springwood Booster Station to replace the pump controls, pumps, and motor due to their age and condition. Cal Am is requesting \$104,000 for the design portion of the Wildwood Hydro Booster Station to replace the pumps, existing electrical and motor control center (“MCC”) and electrical upgrades due to age and condition of the booster station. Cal Am is



Activity	Description	2015	2016
R15-51A1	New Mains	\$0	\$0
R15-51B1	Replace/Renew Mains	\$55,551	\$55,715
R15-51C1	Unscheduled Mains	\$22,209	\$22,274
R15-51D1	Relocate Mains	\$0	\$0
R15-51E1	New Hydrants	\$15,060	\$15,104
R15-51F1	Replace Hydrants	\$153,704	\$154,157
R15-51G1	New Services	\$13,221	\$13,260
R15-51H1	Replace Services	\$1,132,941	\$1,136,273
R15-51I1	New Meters	\$16,684	\$16,733
R15-51J1	Repalce Meters	\$383,767	\$384,896
R15-51K1	ITS Equipment and Systems	\$0	\$0
R15-51L1	SCADA	\$4,825	\$4,839
R15-51M1	Security	\$5,965	\$5,982
R15-51N1	Offices and Operations Center	\$1,569	\$1,574
R15-51P1	Tools and Equipment	\$16,506	\$16,555
R15-51Q1	Replace/Addition - Plant	\$91,175	\$91,443
R15-51R1	Tank Rehab	\$18,572	\$18,626
Recurring Projects Total		\$1,931,750	\$1,937,431

1

2 **D. CONCLUSION**

3           The majority of the capital projects proposed in this GRC are for design  
4 dollars in 2017, which falls outside of the two test years of this GRC cycle. Based  
5 upon Cal Am’s demonstrated pattern of underspending authorized RP budgets,  
6 ORA recommends using an inflation-adjusted five-year average of actual recorded  
7 RP investment to forecast a reasonable budget for test years 2015 and 2016.

8



2013	15,898,277	17,293,407	\$1,395,130	92%
2014	4,790,125	16,407,937	\$11,617,812	29%
2015	6,237,073	10,590,816	\$4,353,743	59%
2016	6,237,073	10,240,500	\$4,003,427	61%
<b>Total</b>	<b>\$33,162,548</b>	<b>\$54,532,660</b>	<b>\$21,370,112</b>	<b>61%</b>

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**Table 5-B. Monterey Plant Comparison (2013)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
IP-0540-247	Seaside Main Replacement	\$13,561	\$13,561	\$0	100%
IP-0540-32	Memo Acct -ESA 2008	\$0	\$276,042	\$276,042	0%
IP-0540-33	Memo Acct - ESA 2010	\$0	\$507,007	\$507,007	0%
IP-0540-62	Memo Acct - ESA 2009	\$0	\$76,157	\$76,157	0%
IP-0540-81	Memo Acct - ESA 2011 Project	\$0	\$126,094	\$126,094	0%
IP-0540-93	Fire Protection Upgrades - 2009-11	-\$17,213	-\$17,213	\$0	100%
IP-0540-249	Seaside Main Replacement Phase	\$4,969,712	\$4,420,795	-\$548,918	112%

	II				
IP-0540-201	Replace Poly Serv Prgm 2012-14	\$1,272,791	\$1,463,854	\$191,064	87%
IP-0540-283	Carmel Valley Trans Main Repl	\$914,505	\$1,493,267	\$578,762	61%
IP-0540-131	Well Rehab 2012	\$101,345	\$539,082	\$437,737	19%
IP-0540-135	Hidden Hills Tank @ WTP	\$504,341	\$461,342	-\$42,999	109%
IP-0540-154	MRY - Mainline&Dia Valve Repl - 2012	\$323,381	\$680,772	\$357,391	48%
IP-0540-277	MRY - PRV Stations & Valves Rep 2012	\$51,038	\$50,000	-\$1,038	102%
IP-0540-181	MRY-Booster Station Rehab 2012	\$418,661	\$403,563	-\$15,098	104%
IP-0540-180	MRY-Booster Station Rehab - 2011	-\$3,000	-\$3,000	\$0	100%
IP-0540-107	MRY-Bishop Well #1 & #2 Rehab	\$17,655	\$171,642	\$153,987	10%
RP-0540-A	Mains - New	\$0	\$91,380	\$91,380	0%
RP-0540-B	Mains - Replaced/Restored	\$710,413	\$626,784	-\$83,629	113%
RP-0540-C	Mains - Unscheduled	\$118,262	\$31,897	-\$86,365	371%

RP-0540-D	Mains - Relocated	\$0	\$34,483	\$34,483	0%
RP-0540-E	Hydrants, Valves, and Manholes - New	\$19,062	\$82,759	\$63,697	23%
RP-0540-F	Hydrants, Valves, and Manholes - Replaced	\$196,976	\$111,208	-\$85,768	177%
RP-0540-G	Services and Laterals - New	\$4,377	\$167,243	\$162,866	3%
RP-0540-H	Services and Laterals - Replaced	\$396,600	\$401,728	\$5,128	99%
RP-0540-I	Meters - New	\$0	\$22,414	\$22,414	0%
RP-0540-J	Meters - Replaced	\$456,707	\$634,840	\$178,133	72%
RP-0540-L	SCADA Equipment and Systems	\$67,700	\$33,621	-\$34,079	201%
RP-0540-M	Security Equipment and Systems	\$270,392	\$252,077	-\$18,315	107%
RP-0540-N	Offices and Operations Centers	\$0	\$50,863	\$50,863	0%
RP-0540-P	Tools and Equipment (Distribution)	\$24,637	\$23,598	-\$1,039	104%
RP-0540-Q	Process Plant Facilities and Equipment	\$2,378,987	\$2,005,774	-\$373,213	119%
RP-0540-R	Capitalized Tank	\$594,315	\$742,665	\$148,350	80%

	Rehabilitation				
RP-0540-DV	Projects Funded by Others	\$1,312,102	\$623,658	-\$688,444	210%
IP-0540-82	Memo Acct - ESA 2012	\$0	\$193,451	\$193,451	0%
IP-0540-256	Memo Acct - ESA 2013	\$0	\$500,000	\$500,000	0%
	<b>Total</b>	<b>\$15,117,306</b>	<b>\$17,293,407</b>	<b>\$2,176,100</b>	<b>87%</b>

**Table 5-C. Recurring Projects Estimate Comparison (2014-2016)**

<b>Cal Am's Requested Recurring Projects Budget</b>						
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2014-2017</b>
RP-0540-A	Mains - New	\$87,695	\$0	\$0	\$0	\$87,695
RP-0540-B	Mains - Replaced/Restored	\$275,044	\$470,000	\$474,700	\$479,447	\$1,699,191
RP-0540-C	Mains - Unscheduled	\$31,092	\$0	\$0	\$0	\$31,092
RP-0540-D	Mains - Relocated	\$33,484	\$50,000	\$50,500	\$51,005	\$184,989
RP-0540-E	Hydrants, Valves, and Manholes – New	\$79,723	\$0	\$0	\$0	\$79,723
RP-0540-F	Hydrants, Valves, and Manholes - Replaced	\$107,626	\$100,000	\$105,000	\$110,250	\$422,876
RP-0540-G	Services and Laterals - New	\$161,040	\$0	\$0	\$0	\$161,040
RP-0540-H	Services and Laterals - Replaced	\$385,858	\$250,000	\$262,500	\$275,625	\$1,173,983
RP-0540-I	Meters - New	\$21,525	\$0	\$0	\$0	\$21,525
RP-0540-J	Meters - Replaced	\$656,731	\$380,000	\$418,000	\$459,800	\$1,914,531
RP-0540-L	SCADA Equipment and Systems	\$31,889	\$35,000	\$35,350	\$35,704	\$137,943
RP-0540-M	Security Equipment and	\$140,667	\$120,000	\$135,250	\$120,503	\$516,420

	Systems					
RP-0540-N	Offices and Operations Centers	\$49,428	\$25,000	\$27,500	\$30,250	\$132,178
RP-0540-O	Vehicles	\$0	\$0	\$0	\$0	\$0
RP-0540-P	Tools and Equipment	\$62,981	\$45,000	\$45,000	\$45,000	\$197,981
RP-0540-Q	Process Plant Facilities and Equipment	\$857,817	\$1,300,000	\$1,339,000	\$1,379,170	\$4,875,987
RP-0540-R	Capitalized Tank Rehabilitation	\$462,400	\$497,000	\$500,700	\$709,800	\$2,169,900
<b>Total Recurring Projects, Cal Am</b>		<b>\$3,445,000</b>	<b>\$3,272,000</b>	<b>\$3,393,500</b>	<b>\$3,696,554</b>	<b>\$13,807,053</b>

<b>ORA's Recommended Recurring Project Budget</b>						
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2014-2017</b>
RP-0540-A	Mains - New	0	0	0	0	\$0
RP-0540-B	Mains - Replaced/Restored	\$234,032	\$234,032	\$234,721	\$235,180	\$937,965
RP-0540-C	Mains - Unscheduled	\$157,211	\$157,211	\$157,673	\$157,982	\$630,077
RP-0540-D	Mains - Relocated	\$0	\$0	\$0	\$0	\$0
RP-0540-E	Hydrants, Valves, and Manholes - New	\$72,371	\$72,371	\$72,583	\$72,725	\$290,050
RP-0540-F	Hydrants, Valves, and Manholes - Replaced	\$120,942	\$120,942	\$121,297	\$121,534	\$484,715
RP-0540-G	Services and Laterals - New	\$121,624	\$121,624	\$121,981	\$122,220	\$487,448
RP-0540-H	Services and Laterals - Replaced	\$246,397	\$246,397	\$247,121	\$247,604	\$987,519
RP-0540-I	Meters - New	\$0	\$0	\$0	\$0	\$0
RP-0540-J	Meters - Replaced	\$22,443	\$22,443	\$22,509	\$22,553	\$89,947
RP-0540-L	SCADA Equipment and Systems	\$103,771	\$103,771	\$104,077	\$104,280	\$415,899
RP-0540- M	Security Equipment and Systems	\$161,705	\$161,705	\$162,180	\$162,497	\$648,087

RP-0540-N	Offices and Operations Centers	\$79,118	\$79,118	\$79,351	\$79,506	\$317,092
RP-0540-O	Vehicles	\$0	\$0	\$0	\$0	\$0
RP-0540-P	Tools and Equipment	\$60,109	\$60,109	\$60,286	\$60,403	\$240,907
RP-0540-Q	Process Plant Facilities and Equipment	\$744,802	\$744,802	\$746,993	\$748,453	\$2,985,049
RP-0540-R	Capitalized Tank Rehabilitation	\$39,355	\$39,355	\$39,470	\$39,548	\$157,727
<b>Total Recurring Projects, ORA</b>		<b>\$2,163,878</b>	<b>\$2,163,878</b>	<b>\$2,170,242</b>	<b>\$2,174,485</b>	<b>\$8,672,483</b>
<b>CAW &gt; ORA</b>		<b>\$1,281,122</b>	<b>\$1,108,122</b>	<b>\$1,223,258</b>	<b>\$1,522,068</b>	<b>\$5,134,570</b>
<b>ORA as % of CAW</b>		<b>62.81%</b>	<b>66.13%</b>	<b>63.95%</b>	<b>58.82%</b>	<b>62.81%</b>

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**Table 5-D. Investment Project Plant Additions**

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**Estimate Comparison (2014)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
IP-0540-249	Seaside Main Replacement Phase II	\$436,288	\$1,445,835	\$1,009,547	30%
IP-0540-201	Replace Poly Serv Prgm 2012-14	\$648,000	\$649,940	\$1,940	100%
IP-0540-131	Well Rehab 2012	\$58,918	\$58,918	\$0	100%
IP-0540-154	MRY-Mainline&Dia	\$144,992	\$144,992	\$0	100%

	Valve Repl - 2012				
IP-0540-277	MRY-PRV Stations & Valves Rep 2012	\$50,000	\$50,000	\$0	100%
IP-0540-181	MRY-Booster Station Rehab 2012	\$228,500	\$228,500	\$0	100%
05400509	Advice Letter - Ambler Tank	\$0	\$1,953,000	\$1,953,000	0%
IP-0540-90	Advice Letter - Upper Rimrock Tanks	\$0	\$932,000	\$932,000	0%
IP-0540-101	Advice Letter - Ryan Ranch - Bishop Intertie	\$0	\$266,997	\$266,997	0%
IP-0540-155	Advice Letter - Chualar 150K Gal Tank	\$0	\$990,000	\$990,000	0%
IP-0540-194	Advice Letter - Replace Carmel Woods Tank	\$0	\$782,754	\$782,754	0%
IP-0540-307	Advice Letter - ASR #4 Seaside Middle School	\$0	\$3,960,000	\$3,960,000	0%
IP-0540-258	Memo Acct - MRY ESA 2014	\$0	\$500,000	\$500,000	0%
IP-0540-301	Advice Letter - CDO - Seaside Middle School ASR Well #3	\$0	\$450,000	\$450,000	0%
	<b>Total</b>	<b>\$1,566,698</b>	<b>\$12,412,937</b>	<b>\$10,846,240</b>	<b>13%</b>

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**Table 5-E. Investment Project Plant Additions  
Estimate Comparison (2015)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
I15-400089	MTRY - Main Replacement Program 2015-2017	\$1,725,227	\$1,800,000	\$74,773	96%
I15-400090	MTRY - Booster Station Rehabilitation Program 2015-2017	\$473,982	\$300,000	-\$173,982	158%
I15-400091	MTRY - Service Line Replacement Program 2015-2017	\$648,000	\$650,000	\$2,000	100%
I15-400092	MTRY - Valve and PRV Replacement Program 2015-2017	\$300,000	\$200,000	-\$100,000	150%
I15-400093	MTRY - Well Rehabilitation Program 2015-2017	\$82,542	\$880,000	\$797,458	9%
I15-400095	MTRY - Fire Flow Improvement Program 2015-2017	\$254,872	\$300,000	\$45,128	85%
I15-400096	MTRY - SCADA Upgrade Program 2015-2017	\$216,667	\$150,000	-\$66,667	144%
IP-0540-305	Regional Desal Project - CAW Fac	\$0	\$2,663,816	\$2,663,816	0%
	<b>Total</b>	<b>\$3,701,290</b>	<b>\$6,943,816</b>	<b>\$3,242,526</b>	<b>53%</b>

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**Table 5-F. Investment Project Plant Additions  
Estimate Comparison (2016)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
I15-400089	MTRY - Main Replacement Program 2015-2017	\$1,725,590	\$2,800,000	\$1,074,410	62%
I15-400090	MTRY - Booster Station Rehabilitation Program 2015-2017	\$475,164	\$700,000	\$224,836	68%
I15-400091	MTRY - Service Line Replacement Program 2015-2017	\$648,000	\$950,000	\$302,000	68%
I15-400092	MTRY - Valve and PRV Replacement Program 2015-2017	\$300,000	\$450,000	\$150,000	67%
I15-400093	MTRY - Well Rehabilitation Program 2015-2017	\$82,748	\$872,000	\$789,252	9%
I15-400095	MTRY - Fire Flow Improvement Program 2015-2017	\$255,475	\$350,000	\$94,525	73%
I15-400096	MTRY - SCADA Upgrade Program 2015-2017	\$216,667	\$350,000	\$133,333	62%
	<b>Total</b>	<b>\$3,703,644</b>	<b>\$6,472,000</b>	<b>\$2,768,356</b>	<b>57%</b>

3

1 **C. DISCUSSION**

2 **1) 2013 Plant Additions**

3 2015-2017 ratebase incorporates forecasted plant additions for the years  
4 2013-2014. Cal Am estimated \$17,293,407 for utility plant in service (“UPIS”)  
5 additions.

6 ORA estimated 2013 UPIS additions by normalizing October 31, 2013  
7 recorded plant expenditures,<sup>146</sup> and did not normalize the recorded expenditures  
8 for projects that were indicated as complete and “in service.”<sup>147</sup> The use of 2013  
9 recorded numbers avoids over-estimating the 2013 expenditure and yields a closer  
10 forecast to the actual rate of spending by Cal Am. The recorded years provide the  
11 base year on which the forecast will be built on to develop the future test years.

12 Table 5-B provides a comparison of Cal Am’s 2013 requests compared to  
13 ORA’s 2013 analysis for plant additions by project. ORA recommends that the  
14 Commission adopt ORA’s 2013 forecasted plant addition of \$15,117,306 using  
15 normalized recorded expenditures.

16 **2) Recurring Project Budgets (RP-0540-A through RP-0540-**  
17 **R),2014 to 2016**

18 Cal Am requests a total \$3,445,000 in 2014<sup>148</sup>, \$3,272,000 in 2015, and  
19 \$3,393,400 in 2016<sup>149</sup> for the Monterey District’s recurring projects (“RP”)  
20 budget. ORA recommends the Commission adopt ORA’s forecasted RP budgets  
21 of \$2,163,878 in 2014, \$2,163,878 in 2015, and \$2,170,242 in 2016 for the  
22 Monterey District. ORA’s forecast is derived from using an inflation-adjusted  
23 five-year average of actual recorded RP investment. Additional detail supporting  
24 ORA’s forecast methodology for RP budgets, which is consistently applied across

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<sup>146</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7013, question 1, “Attachment 1\_CAW\_ORA-AL7-013\_Q1(a)”

<sup>147</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7015, question 1, “Attachment 1\_CAW\_ORA-AL7-015\_Q1”

<sup>148</sup> See Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, ” SCEP summary”, Column “O”, sum of rows “36-54” except row “46”

<sup>149</sup> Direct Testimony of F. Mark Schubert, Attachment 7, pg.5.

1 all Cal Am service areas, can be found in recurring projects section of Chapter 1:  
2 Statewide Common Plant Issues of this report. The results of ORA's forecast are  
3 summarized in Table 5-C.

4 **3) In-Progress Projects**

5 a) Seaside Main Replacement Phase II (IP-0540-249)

6 For this project Cal Am recorded expenditures of \$2,974,959 in 2012  
7 CWIP, forecasted \$1,445,835 in 2013, and forecasted \$1,445,835 in 2014<sup>150</sup>. Out  
8 of the requested \$5,866,630, \$4,420,795 was to be recorded in 2013 UPIS addition  
9 and \$1,445,835 in 2014 UPIS addition. This project is a continuation of IP-0540-  
10 247 - Seaside Mains Replacement 2009-2011, and replaces existing four-inch  
11 diameter thin wall steel pipe with new 8-inch diameter polyvinyl chloride pipes in  
12 the Seaside area.<sup>151</sup>

13 In the 2010 GRC, A.10-07-007, the Commission adopted a settlement  
14 authorizing \$5,406,000 in 2012-2014 total expenditure for this project<sup>152</sup>. The  
15 2013 recorded expenditure as of October 31<sup>st</sup> 2013 was \$1,662,294<sup>153</sup>. ORA  
16 normalized this recorded expenditure to produce the forecasted expenditure of  
17 \$1,994,753 for 2013. No support or explanation was provided by Cal Am to  
18 indicate that the increased amount spent in 2012<sup>154</sup> and ORA's projected spending  
19 (through normalization) in 2013<sup>155</sup>, when compared to the settlement agreement,  
20 was not merely the result of accelerated progress and that this project cannot be  
21 completed within the approved budget. Therefore, ORA estimated \$436,288 in  
22 2014 expenditures to bring the total 2012-2014 project expenditure back to the

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<sup>150</sup> Cal Am's Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, "SCEP summary"

<sup>151</sup> Partial Settlement Agreement Between the Division of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), p.194; *see also* D.12-06-016, p.21 (approving settlement).

<sup>152</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), p.195; *see also* D.12-06-016, p.21 (approving settlement).

<sup>153</sup> Cal Am's response to data request ORA-A.13-07-002.AL7013, question 1, Attachment 1

<sup>154</sup> 2012 recorded CWIP of \$2,974,959 vs. 2012 authorized \$1,800,000 (per 2010 settlement agreement)

<sup>155</sup> ORA's forecasted 2013 expenditure of \$1,994,753 vs 2013 authorized \$1,801,000 (per 2010 settlement agreement)

1 authorized budget of \$5,406,000. ORA recommends that the Commission allow  
2 this project to continue for the total 2012-2014 budget of \$5,406,000,<sup>156</sup> and allow  
3 UPIS additions of \$4,969,712 in 2013 and \$436,288 in 2014.

4 b) Bishop Wells # 1 and #2 Rehab (IP-0540-107) and 2012 Well  
5 Rehabilitation (IP-0540-131)

6 For project IP-0540-107 - MRY-Bishop Well #1 & #2 Rehab, Cal Am  
7 recorded \$171,642 in 2012 CWIP. For project IP-0540-131 – 2012 Well Rehab,  
8 Cal Am recorded capital expenditures of \$406,814 in 2012 CWIP, forecasted  
9 \$132,268 in 2013, and \$58,918 in 2014<sup>157</sup>. The total forecasted UPIS addition for  
10 the two projects in 2013 is \$710,724<sup>158</sup> and in 2014 is \$58,918<sup>159</sup>.

11 In D.12-06-016, for the 2010 GRC application A.10-07-007, the  
12 Commission adopted a settlement authorizing capital expenditures of \$178,500 in  
13 2012-2014 or \$59,500 per year for all Monterey District well rehabilitation  
14 projects combined.<sup>160</sup> \$59,500 is 30% of the estimated total yearly well rehab  
15 cost; the remaining 70% was to be recorded as an operations and maintenance  
16 expense.<sup>161</sup> This settlement agreement was consistent with the ruling in D.09-07-  
17 021 for A.08-01-024 where the Commission ordered that only 30% of the well  
18 rehabilitation cost for the Monterey District can be recorded as capital  
19 expenditures<sup>162</sup>.

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<sup>156</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg. 195; *see also* D.12-06-016, pg. 21 (approving settlement).

<sup>157</sup> Cal Am's Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, "SCEP summary"

<sup>158</sup> (IP-0540-107 – MRY Bishop Well #1 and #2 = 2012 CWIP = \$171,642) + (IP-0540-131 – 2012 Well Rehab Program = \$539,083 = 2012 CWIP of \$406,814 + 2013 Forecast of \$132,269) = \$710,724

<sup>159</sup> Cal Am's Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, SCEP summary tab, cell N29

<sup>160</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg. 190; *see also* D.12-06-016, pg. 21 (approving settlement).

<sup>161</sup> *Ibid*, pg.189

<sup>162</sup> D.09-07-021, pg.30.

1 The requested amount to be recorded into UPIS for each year is not  
2 consistent with the 2010 GRC settlement agreement. Therefore, ORA limited the  
3 well rehab cost to be recorded in UPIS, for both IP-0540-131 and IP-0540-107  
4 combined, to the lesser of \$59,500 per year or Cal Am's actual request.

5 ORA recommends that the Commission allow 2013 UPIS addition of  
6 \$17,655 for project IP-0540-107 and \$101,345 for project IP-0540-131 totaling  
7 \$119,000 ( $\$59,500 \times 2 \text{ years} = \$119,000$ ), this amount includes 2012 CWIP and is  
8 in compliance with the adopted settlement agreement in D.12-06-016. Cal Am's  
9 requested 2014 UPIS addition of \$58,918 for project IP-0540-131 is lower than  
10 the authorized \$59,500 for 2014 and should be allowed.

11 **4) Carryover Projects**

12 a) Valley Greens Flow Control Valve (I15-400022 or IP-0540-173)

13 Cal Am is requesting \$147,000 in 2016 and \$195,000 in 2017 for a total of  
14 \$342,000 in this GRC for the Valley Greens Flow Control Valve project. The  
15 intent of the project was to automate the adjustment of a 12-inch gate valve on the  
16 30-inch Carmel Valley Transmission Main so operators can avoid having to enter  
17 the street of Valley Greens Drive.<sup>163</sup>

18 This project was first proposed by Cal Am in the 2008 GRC to be  
19 completed at a cost of \$271,000 in 2009.<sup>164</sup> In the 2010 GRC Cal Am stated the  
20 project to be "in-progress", and asked for an extension at the same budget as in the  
21 2008 GRC with an anticipated project completion date of December 2010.<sup>165</sup> Cal  
22 Am never completed the project. In fact, during the past five years Cal Am has  
23 been earning a rate of return on a project of which only \$32,357<sup>166</sup> of the approved  
24 budget of \$271,000 was spent. For this GRC, Cal Am is not only requesting a

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<sup>163</sup> Direct Testimony of F. Mark Schubert for the 2010 GRC dated July 1, 2010, pg. 39

<sup>164</sup> Cal Am's Carryover Capital Investment Projects Workpapers - I15-400022 Valley Greens Flow Control Valve, pg.1-63

<sup>165</sup> Direct Testimony of F. Mark Schubert for the 2010 GRC dated July 1, 2010, pg. 74 and 82.

<sup>166</sup> Direct Testimony of F. Mark Schubert, pg. 39.

1 higher budget than originally approved, it has also pushed back the project  
2 completion date to 2017.<sup>167</sup> The continued underspending and push back of the  
3 completion date indicates that this project is not a priority for Cal Am and should  
4 not continue to incur ratepayer funding.

5 ORA recommends the Commission exclude this project from the forecasted  
6 rate base.

7 **5) Memorandum Account Projects**

8 a) MRY-ESA 2008 (IP-0540-32), MRYS ESA 2009 (IP-0540-62), MRYS  
9 ESA 2010 (IP-0540-33) , MRYS ESA 2011 (IP-0540-81), MRYS ESA  
10 2012 (IP-0540-82)

11 Cal Am requests all costs incurred related to the federal Endangered  
12 Species Act (“ESA”) for the years of 2008-2012 to be treated as a plant related  
13 cost. The requested amounts to be transferred to Construction Work In Progress  
14 (“CWIP”) are as follows: \$276,042 in 2008, \$76,157 in 2009, \$507,007 in 2010,  
15 \$126,094 in 2011, and \$193,451 in 2012, totaling \$1,178,751.<sup>168</sup> In the 2010 GRC  
16 the Commission adopted a settlement agreement between Cal Am and ORA in  
17 D.12-06-016 stating “that California American Water [can] record \$1,018,090 in  
18 CWIP subject to review of [O]RA plant witness in the next GRC.”<sup>169</sup> The  
19 \$1,018,090 settled balance included all ESA related charges between November  
20 30, 2006<sup>170</sup> and May 31, 2010 to be transferred to CWIP.<sup>171</sup>

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<sup>167</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, SCEP summary tab, cell E64.

<sup>168</sup> Ibid, rows 21, 22, 23, 24, and 66

<sup>169</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), p.317; *see also* D.12-06-016, pg. 21 (approving settlement).

<sup>170</sup> D.06-11-050, pg. 101- Finding of Fact No.16, pg. 108 – Conclusion of Law No.9, approved the setting up of ESA memorandum accounts on November 30, 2006.

<sup>171</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg. 316 and 317; *see also* D.12-06-016, pg. 21 (approving settlement).

1 When asked to provide the recorded costs for the ESA projects, Cal Am  
2 stated that the actual cost transferred to CWIP in 2008-2012 totaled \$786,687 and  
3 that \$63,140 were related to 2006 and 2007 ESA projects.<sup>172</sup> This totals \$846,828  
4 for all memorandum accounts related to the ESA up until January 2013.

5 ORA asked Cal Am to identify all accounts on the Monterey CWIP  
6 spreadsheet corresponding to the \$1,018,088.<sup>173</sup> Cal Am provided a listing of all  
7 ESA projects on Monterey's CWIP spreadsheet totaling \$1,017,877<sup>174</sup> for the end  
8 of year 2012.<sup>175</sup> Cal Am also provided a separate spreadsheet listing all the  
9 Project ID's<sup>176</sup> and supporting work order charges which comprise the  
10 \$1,017,877.<sup>177</sup> ORA reviewed the work order charges corresponding to the ESA  
11 memorandum accounts and found that only \$355,425 was posted to the project  
12 accounts prior to May 31, 2010, the date at which the balance in the ESA  
13 Memorandum Account was last reviewed.<sup>178</sup> The remaining \$662,452<sup>179</sup> in work  
14 order charges were posted after May 31, 2010.<sup>180</sup> In addition, ORA asked Cal Am  
15 to provide all invoices to support the \$1,018,088 recorded to CWIP.<sup>181</sup> \*\*\*

16 **BEGIN CONFIDENTIAL:** [REDACTED]  
17 [REDACTED] **END CONFIDENTIAL**

18 \*\*\*. The inclusion of these invoices is not acceptable support for the \$1,018,088  
19 amount as the settlement specified that these costs had to be incurred between

<sup>172</sup> Cal Am's response to data request ORA-A.13-07-002.AL7012, question 1(a)

<sup>173</sup> Ibid, Question 2 (a. i). The number in the Settlement Agreement is rounded to \$1,018,090. The actual number in the table in the Settlement Agreement is \$1,018,088.

<sup>174</sup> Rounded to nearest dollar

<sup>175</sup> Cal Am's response to data request ORA-A.13-07-002.AL7-012, question 2 (a. i)

<sup>176</sup> Also referred to as work order numbers

<sup>177</sup> Cal Am response to data request ORA-A.13-07-002.AL7012, question 2 (a. i)

<sup>178</sup> Note that the balance in the ESA Memorandum Account was \$1,697,762 on May 31, 2010. \$679,674 in legal expense was already recovered in quantity rate surcharge and \$1,018,088 is the amount contended to be recorded in UPIS subject to ORA's plant witness review in this GRC.

<sup>179</sup> Rounded to nearest dollar

<sup>180</sup> ORA sorted, by project date, the work order charges for each of the 14 projects and the sum of all work order charges posted after May 31, 2010 for the 14 projects is \$662,452.

<sup>181</sup> Cal Am's response to data request ORA-A.13-07-002.AL7-012, question 2 (a. ii)

<sup>182</sup> [REDACTED]

1 November 30, 2006 and May 31, 2010.<sup>183</sup> Therefore, Cal Am has not provided  
2 sufficient evidence in the form of recorded work order charges or invoices to  
3 support the recording of \$1,018,088 to CWIP per the Settlement Agreement  
4 adopted in D.12-06-016.

5 **\*\*\* BEGIN CONFIDENTIAL:** [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED] **END**

9 **CONFIDENTIAL \*\*\*.** Cal Am provided the following description for the ESA  
10 related activities, “[t]he work completed to date includes field work performed by  
11 Jeffrey B. Froke, Califauna and Dawn Reis, Ecological Studies, for CRLF  
12 (California Red Legged Frogs) surveys, rescues and relocations in the Carmel  
13 River Valley required by USFWS and the preparation of the annual report for this  
14 work.”<sup>185</sup> All of the recorded expenses in these accounts were related to ESA  
15 compliance, which are simply costs of business, just like taxes, with no tangible or  
16 intangible plant assets produced. In addition, the activities rendered were not  
17 directly used and useful for the ratepayers, and do not trigger the “plant in service”  
18 requirement in order for the ESA expenses to be recorded in rate base. Cal Am  
19 states “ESA projects will continue in 2015 and beyond until a replacement water  
20 supply (i.e., the regional desalination project) is complete and operational, thereby  
21 replacing the legal diversion allowed from the Carmel River Valley allowed by  
22 SWRCB Order 95-10.”<sup>186</sup> The ESA compliance costs are expected to continue as  
23 long as Cal Am operates on the Carmel River or until the steelhead trout and  
24 California Red Legged Frog are no longer impacted.

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<sup>183</sup> Partial Settlement Agreement Between the Division of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), p.316 and 317; *see also* D.12-06-016, p.21 (approving settlement).

<sup>184</sup> [REDACTED]

<sup>185</sup> Direct Testimony of F. Mark Schubert, pg. 53: 9-12

<sup>186</sup> *Ibid*, pg. 56

1 The Commission should not allow Cal Am's recording of any and all ESA  
2 compliance costs into UPIS. These expenses should be recovered through the  
3 Monterey District's Consolidated Expense Balancing Account. ORA recommends  
4 that the Commission order Cal Am to remove \$1,018,090 from end of year 2012  
5 CWIP and to transfer only \$355,425 to the Monterey Consolidated Expense  
6 Balancing Account for ESA compliance costs incurred prior to May 31, 2010. All  
7 ESA related costs from June 1, 2010 through May 31, 2013 are discussed in  
8 ORA's testimony on Cal Am's Special Request #29 relating to ESA Memorandum  
9 Account by Praneet Row.

10 b) IP-0540-256 – ESA 2013 , IP-0540-258 - ESA 2014 , I15-400098- ESA  
11 2015 , I15-400099- ESA 2016 , I15-400100- ESA 2017

12 Cal Am requests \$500,000<sup>187</sup> per year in 2013-2017 for the ESA  
13 compliance budget.

14 ORA recommends the Commission allow continuation of the ESA  
15 memorandum accounts to track all ESA compliance expenses for each year. See  
16 ORA's testimony by Praneet Row on the ESA Memorandum Account in Cal Am's  
17 Special Request #29. Additionally, ORA recommends the Commission deny Cal  
18 Am's requested budget of \$500,000 per year in 2013-2017 in plant for ESA  
19 compliance expenses due to the reasons mentioned in the above ESA section. Cal  
20 Am should also only recover the ESA compliance expenses incurred and tracked  
21 in the ESA Memorandum Account for each year 2013-2017, subject to  
22 reasonableness review by ORA in subsequent GRCs.

23 **6) Advice Letter Projects**

24 a) Ambler Tank (05400509); Upper Rimrock Tanks (IP-0540-90); Ryan  
25 Ranch - Bishop Intertie (IP-0540-101); - Chualar 150K Gal Tank (IP-  
26 0540-155); Replace Carmel Woods Tank (IP-0540-194); ASR #4

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<sup>187</sup> Cal Am's Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, SCEP summary tab, rows 67 and 68; Direct Testimony of F. Mark Schubert, pg. 52, Table 2

1 Seaside Middle School (IP-0540-307); CDO - Seaside Middle School  
2 ASR Well #3(IP-0540-301)

3 All these projects were authorized as advice letter projects in the 2010 GRC  
4 but have not been completed, with the exception of IP-0540-194 – Carmel Woods  
5 Tank. Cal Am, in this GRC, has included these projects in its rate base estimate  
6 without completing or providing evidence that the projects will be 100% used and  
7 useful within the authorized budget and forecasted timeframes. This can lead to  
8 Cal Am collecting on projects that are not complete or not used and useful. This  
9 also defeats the original intent and settlement between various parties to exclude  
10 these projects from the rate base until the projects are completed and have passed a  
11 reasonableness review by the Commission and ORA.

12 Furthermore, the inclusion of these projects in the forecasted rate base can  
13 lead to double recovery where Cal Am can simultaneously file rate base offset  
14 advice letters while the project is being approved in the GRC. This risk of double  
15 recovery was precisely highlighted with IP-0540-194 – Carmel Woods Tank. Cal  
16 Am included this project in its rate base projection in the GRC and during the  
17 course of this application simultaneously filed an Advice Letter<sup>188</sup> seeking a rate  
18 base offset for the same project. This practice of seeking recovery through  
19 multiple avenues poses a serious threat to the ratepayers and the regulatory  
20 process. Different departments and analysts within the Commission and ORA can  
21 work on different requests for rate base offset of the same project and can  
22 independently approve or reject each request, or can reach differing conclusions.  
23 The Commission must protect ratepayers from this possibility.

24 ORA recommends that the Commission protect ratepayers from continuing  
25 to fund projects that do not get built by excluding these projects from the test  
26 years' ratebase. If the projects are necessary and actually constructed, Cal Am has

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<sup>188</sup> AL 1027, dated November 27, 2013

1 the ability to seek full recovery of all reasonable and prudent costs (including  
2 interest or carrying charges) in a future GRC application.

3 **7) Proposed New Capital Projects**

- 4 a) Service Line Replacement Program 2015-2017 (I15-400091) and  
5 Service Line Replacement Program 2012-2014 (IP-0540-201)

6 Cal Am requests plant additions of \$649,940 in 2014, \$650,000 in 2015,  
7 and \$950,000 in 2016 to continue its polybutylene service connection replacement  
8 program. This program is the continuation of a 10 year program approved by the  
9 Commission<sup>189</sup> to address the failing polybutylene (“PB”) service lines located  
10 throughout the Monterey System. The Commission decision from the 2009 GRC  
11 states “Cal-Am’s average cost per service replacement is \$1,853.71  
12 (\$6,488,000/3500 connections) x 350 connections per year yields \$648,000.00 as  
13 the annual budget.”<sup>190</sup> The Conclusion of Law 13, of D.09-07-021 states that,  
14 “Cal-Am should be authorized to replace an additional 200 polybutylene service  
15 connections per year for the next 10 years at an annual cost not to exceed  
16 \$370,742.”<sup>191</sup> This is in addition to Cal Am’s historical replacement rate of “150  
17 polybutylene connections per year.”<sup>192</sup> The program was intended to replace all  
18 of the approximately 3,500 PB service lines over the ten-year period of 2009-2018  
19 in the Monterey System.<sup>193</sup> The funding level for this program was agreed again  
20 in the settlement agreement authorized by decision D.12-06-016 for the 2010 GRC  
21 application A.10-07-007.<sup>194</sup> In addition, a cathodic protection pilot program was  
22 established to install sacrificial anodes for the new service lines to prolong their

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<sup>189</sup> D.09-07-021, pgs. 40-41

<sup>190</sup> Ibid, pg.42

<sup>191</sup> Ibid, pg.146

<sup>192</sup> Ibid, pg.139, Finding of Fact Item 24

<sup>193</sup> Ibid, pg.40

<sup>194</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg. 193; *see also* D.12-06-016, pg. 21 (approving settlement).

1 service lives.<sup>195</sup> Cal Am has not shown the need for any changes to be made to the  
2 funding or rate of replacement for this program and has not provided a  
3 justification for the widely fluctuating requested budget from year to year in the  
4 current rate case cycle.

5 ORA finds that this budget request and Cal Am's operation of this program  
6 are not in compliance with the Commission's decision D.09-07-021. Between the  
7 years of 2009-2012 Cal Am has spent on average \$677,054<sup>196</sup> per year on this  
8 program. This translates to an over spending of \$29,054 per year or 4.5% above  
9 the authorized budget. Yet, on average only 223<sup>197</sup> service lines per year or a total  
10 of 890 service lines over the four years of 2009-2012 were replaced. This  
11 represents the replacement of only 64%<sup>198</sup> of the 350 service lines required per  
12 year. Since the first year of operating this program in 2009, Cal Am's recorded  
13 average expenditure per service line replacement was \$2,554.96<sup>199</sup> per connection  
14 or 138% above the Commission's approved replacement expenditure of \$1,851.<sup>200</sup>  
15 Cal Am has been increasing the expenditure per connection over the years of  
16 operating this program.<sup>201</sup> At the current rate of replacement, it would take  
17 approximately 16 years<sup>202</sup> to complete the project—originally intended for 10  
18 years, and the total cost of the program would balloon to \$10,650,279.78,<sup>203</sup> or  
19 164%<sup>204</sup> of the authorized budget. At the end of year 2012 Cal Am is behind

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<sup>195</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg. 192; *see also* D.12-06-016, pg. 21 (approving settlement).

<sup>196</sup> Cal Am's response to data request ORA-A.13-07-002.AL7001, question 1 (c), spending per year: 2009 = \$953,000, 2010 = \$337,000, 2011 = \$604,300, and 2012 = \$813,914; Average = \$677,054 spent per year

<sup>197</sup> Cal Am's response to data request ORA-A.13-07-002.AL7001, question 1 (c), service connections replacement per year: 2009 = 373 conn., 2010 = 135 conn., 2011 = 190 conn., and 2012 = 192 conn.; Average = 222.5 connections replaced per year

<sup>198</sup> 223 connections/ 350 connections = 64%

<sup>199</sup> \$953,000 spending in 2009 / 373 connections replaced in 2009 = \$2,554.96 per connection replaced

<sup>200</sup> D.09-07-021, pg.139, Finding of Fact Item 24

<sup>201</sup> Cal Am's response to data request ORA-A.13-07-002.AL7001, question 1(c); Spending per connection replaced in year: 2009 = \$2,554.96, 2010 = \$2496.30, 2011 = \$3180.53, and 2012 = \$4239.14; 2009-2012 average cost per replacement = \$3042.94

<sup>202</sup> 3500 replacements needed / 223 connections actually replaced per year = 16 years

<sup>203</sup> (2009-2012 average cost per replacement = \$3042.94) \* 3500 replacements required = \$10,650,279.78

<sup>204</sup> \$10,650,279.78 / \$6,488,000 = 164%

1 schedule by a total of 510<sup>205</sup> service line replacements. As of October 31, 2013  
2 Cal Am has only spent \$382,396 on this project.<sup>206</sup> By annualizing this recorded  
3 spending, ORA estimates that Cal Am spent approximately \$458,876<sup>207</sup> for 2013  
4 on this project.

5 Cal Am has not requested, nor has it shown any reason, to change the  
6 Commission's authorized 10 year budget and rate of replacement. The \$648,000  
7 per year budget and replacement rate of 350 service connections per year remains  
8 in effect. Cal Am is accountable to the Commission at the end of the 10 year  
9 period to replace all 3,500 service lines at the approved budget. At the current  
10 rate, Cal Am is not going to meet the required rate of replacement. The  
11 expenditure must be decreased to the authorized \$1851 per PB service line  
12 replacement and the rate of replacement should be adjusted to the average 350  
13 service lines per year to comply with D.09-07-021. Per the decision, Cal Am  
14 should have replaced 1,400 PB services lines at a total budget of \$2,592,000 by  
15 end of year 2012. The funding for the current catch up replacement of 510 PB  
16 service lines should come from the shareholders as Cal Am has failed to follow the  
17 Commission's orders. Furthermore, Cal Am has not provided any explanation on  
18 why its expects the spending in this category to fluctuate from \$650,000 in 2015  
19 up to \$950,000 in 2016 but to drop back down to \$350,000 in 2017.<sup>208</sup>

20 The Commission should monitor the replacement progress by requiring Cal  
21 Am to submit an attachment to its annual report to the Commission that discloses  
22 the following information:

23 1) The rate of replacement each year relative to the replacement rate of 350  
24 PB service lines per year.

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<sup>205</sup> 2009-2012 recorded total lines replaced = 890; Number of lines to replace per decision for 2009-2012 = 350\*4 years = 1400; 1400-890 = 510

<sup>206</sup> Cal Am's response to data request ORA-A.13-07-002.AL7013, question 1, Attachment 1

<sup>207</sup> Ibid. Normalizing the recorded expenditure as of October 31, 2013 for this project, \$382,396 \*12/10 = \$458,875.

<sup>208</sup> Cal Am's Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, SCEP summary tab, rows 10

1           2) The progress in catching-up on replacing the 510 PB service lines that  
2 Cal Am has failed to replace up until end of year 2012.

3           3) The actual spending levels relative to the approved annual budget of  
4 \$648,000 per year.

5           ORA also recommends the Commission to order Cal Am’s shareholders be  
6 held responsible for the catch-up cost of PB service line replacement and for Cal  
7 Am to comply with the Commission’s original orders in D.09-07-021. Cal Am  
8 should also be held responsible for installing cathode protection on all service  
9 lines following the procedures outlined in the pilot program established in the  
10 2010 GRC settlement agreement adopted by D.12-06-016.<sup>209</sup>

11           b) Laguna Seca and Monterey Main System Interconnections (I15-400097)

12           Ryan Ranch, Bishop, and Hidden Hills are collectively referred to as the  
13 Laguna Seca area. The main water supply for this area comes from the Laguna  
14 Seca Subarea, and this sub-basin, together with the Coastal Subarea Basin, makes  
15 up the Seaside Basin. Cal Am currently has approximately \*\*\* **BEGIN**

16 **CONFIDENTIAL:** [REDACTED]

17 [REDACTED] **END**

18 **CONFIDENTIAL \*\*\*.**

19           On March 22, 2006 the California Superior Court issued a Decision<sup>211</sup>  
20 adjudicating the recovery and storage of groundwater in the Seaside Groundwater  
21 Basin. According to the Decision, all production from the Seaside Basin shall be  
22 reduced to the natural safe yield of 3,000 afy by 2018.<sup>212</sup> The Seaside Basin

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<sup>209</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg.192; *see also* D.12-06-016, pg. 21 (approving settlement).

<sup>210</sup> [REDACTED]  
<sup>211</sup> Superior Court of the State of California in and for the County of Monterey, Case No. M66343, dated March 22 2006

<sup>212</sup> *Ibid*, pg.13

1 Watermaster<sup>213</sup> determined that Cal Am’s portion of the water rights available  
2 after the adjudication is 1,474 afy.<sup>214</sup>

3 Cal Am anticipates completing this newly proposed advice letter project<sup>215</sup>  
4 in 2017 and is requesting \$250,000 in 2015, \$250,000 in 2016 and \$3,150,000 in  
5 2017.<sup>216</sup> This project intends to interconnect the Ryan Ranch and Bishop systems  
6 to the Main Monterey system through “6000 feet of 8” main” and interconnect the  
7 Hidden Hills system to the Main Monterey system through “1200 feet of 6”  
8 main.”<sup>217</sup> Cal Am states this project is needed because “based on the current  
9 decision regarding the Seaside Basin adjudication, the allocation for the Laguna  
10 Seca Subareas in which these satellite systems are located, will be reduced to zero  
11 in 2018.”<sup>218</sup>

12 ORA recommends the disallowance of this newly proposed advice letter  
13 project and will discuss six issues on why the proposed new interconnections is  
14 not necessary.

15 1. Interconnections from Bishop to Monterey Main is  
16 prohibited by Monterey Peninsula Water Management  
17 District  
18 The Monterey Peninsula Water Management District (“MPWMD”) is an agency  
19 established under the California Water Code, Appendix Chapters 118-1 to 118-  
20 901 in 1978<sup>219</sup> to:

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<sup>213</sup> The Seaside Groundwater Basin Watermaster was created “for the purposes of administering and enforcing the provisions” of the Superior Court’s decision for the adjudication of the Seaside Basin. In total the Watermaster has 13 voting positions held by nine representatives who have an interest in Seaside Groundwater Basin right, including Cal Am

<sup>214</sup> Discussion Paper on the “Adjudication Decision Sections pertaining to water production from the Laguna Seca Subarea” provided in Cal Am’s Proposed New Capital Investment Project Workpapers – I15-400097, pg. 23

<sup>215</sup> Direct Testimony of F. Mark Schubert, pg. 111

<sup>216</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, SCEP summary tab, rows 17

<sup>217</sup> Cal Am’s Proposed New Capital Investment Projects Workpapers - I15-400097 System Interconnections, pg. 3

<sup>218</sup> Ibid.

<sup>219</sup> <http://www.mpwmd.dst.ca.us/whatis/basicsREV20111004.htm>

1 1. Augment the water supply through integrated management of  
2 ground and surface water resources, 2. Promote water conservation,  
3 3. Promote water reuse and reclamation of storm and wastewater,  
4 and 4. Foster the scenic values, environmental quality, native  
5 vegetation, fish and wildlife, and recreation on the Monterey  
6 Peninsula and in the Carmel River basin.<sup>220</sup>

7 **\*\*\* BEGIN CONFIDENTIAL:** [REDACTED]  
8 [REDACTED]  
9 [REDACTED] **END CONFIDENTIAL\*\*\*.**

10 Cal Am’s existing permit of Condition of Approval with the MPWMD  
11 prohibits an interconnection from the Bishop system to the Monterey Main  
12 system. In the Condition of Approval it states “5 b. There shall be no use of  
13 emergency interties to the BWC [Bishop Water Company, the previous owner of  
14 the Bishop system] from the Cal-Am system that draws from the Monterey  
15 Peninsula Water Resources System.”<sup>222</sup>

16 Under the current agreement, even if an intertie is built between the Bishop  
17 and Monterey Main system, it will be not used and useful. Cal Am can try to  
18 modify the Condition of Approval for the Bishop system, but success is not  
19 guaranteed and this proposed advice letter project may remain open and  
20 accumulate expenses for an indefinite amount of time. A more reasonable order of  
21 events would be for Cal Am to first construct their proposed desalination plant,<sup>223</sup>  
22 second modify the Condition of Approval with MPWMD, and then request this  
23 interconnection project in the subsequent next GRC.

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<sup>220</sup> <http://www.mpwmd.dst.ca.us/whatis/function/funcleg.htm>

<sup>221</sup> [REDACTED]

<sup>222</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7007 question 1 (a) – “Attachment 3\_CAW\_DRA-AL7-007\_Q1(a)” - “Conditions of Approval Application for Annexation of Laguna Seca Ranch Subdivision into the Bishop Water Company Service Area”, dated October 21, 1996, pg. 2

<sup>223</sup> Cal Am’s application filing A.12-04-019 for the Monterey Peninsula Water Supply Project



1 shown any proof that this existing interconnection is insufficient in providing  
2 water supply to the Hidden Hills system on a daily basis, if needed.

3 In addition, similar to both Ryan Ranch and Bishop, the current Condition  
4 of Approval for the Hidden Hills system states, “10. There shall be no intertie  
5 between the Hidden Hills Unit WDS [Water Distribution System] and the main  
6 Cal-Am system.”<sup>227</sup> Although the Condition of Approval also states, “11. Any  
7 intensification or expansion of the water distribution system shall require a new  
8 application and permit (MPWMD Rules 22 and 24).”<sup>228</sup> Thus, exceptions to the  
9 Condition of Approval can be granted on a case-by-case basis by the MPWMD.  
10 But, again, obtaining an approval from MPWMD is uncertain, and Cal Am should  
11 first pursue this approval prior to proposing any interconnection project between  
12 the Hidden Hills and Monterey Main system.

13 4. Construction of authorized interconnection between  
14 Ryan Ranch and Bishop has not begun

15 In the 2010 GRC, the Commission adopted a settlement agreement  
16 allowing Cal Am to construct an interconnection between the Ryan Ranch and  
17 Bishop system.<sup>229</sup> It was approved as an advice letter project under the project ID  
18 IP-0540-101 and was anticipated to be completed in 2012.<sup>230</sup> But as of October  
19 31, 2013, \$0 had been spent in 2013 on the project and Cal Am reported the  
20 project status as “On going preparation of MPWMD system interconnection  
21 application.”<sup>231</sup> This delay in constructing the intertie points to likely

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<sup>227</sup> Cal Am’s response to AL7007, question 1 (a) – “Attachment 1\_CAW\_DRA-AL7-007\_Q1(a)” -  
“Conditions of Approval for Amendment to Hidden Hills Unit Water Distribution”, dated April 16, 2001,  
pg. 2

<sup>228</sup> Ibid.

<sup>229</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform  
Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28,  
2011), p.182 and 317; *see also* D.12-06-016, pg. 21 (approving settlement); IP-0540-101 – Ryan Ranch –  
Bishop Intertie

<sup>230</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform  
Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28,  
2011), p.183 and 317; *see also* D.12-06-016, p.21 (approving settlement)

<sup>231</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7015, Attachment\_1\_CAW\_ORA-AL7-  
015\_Q1, “Monterey Water” tab



1 application A.04-09-019 on September 20, 2004 relating to the Regional  
2 Desalination Project, but later withdrew its support for that application on January  
3 17, 2012.<sup>234</sup> Subsequently, Cal Am filed application A.12-04-019 on April 23,  
4 2012 proposing the construction of a Desal Plant under the Monterey Peninsula  
5 Water Supply Project. This proceeding is still currently active and pending  
6 Commission decision. The latest ruling by the Administrative Law Judge sets the  
7 target date for a Commission action in the 1<sup>st</sup> Quarter of 2015 for the  
8 proceeding.<sup>235</sup> This is a postponement from a prior ruling on setting a  
9 Commission action in August 2014.<sup>236</sup> For 11 years this project has ran into  
10 continuous delays and problems, any new construction of interconnections  
11 between the Monterey Main and Laguna Seca systems will not be used and useful  
12 unless the Monterey Peninsula Water Supply Project is fully approved and  
13 constructed.

14 The timeline of construction and the reliability of supply from the Desal  
15 Plant remain very uncertain. Unless the Desal Plant is proven to be used and  
16 useful and reliable, any interconnection between the Monterey Main system and  
17 the Laguna Seca systems will not be used and useful. ORA recommends Cal Am  
18 make any proposal for interconnections after the Desal plant has proven reliable  
19 and used and useful, or at the very least, after the Commission makes a decision  
20 on proceeding A.12-04-019.

21 6. More readily available and lower cost alternatives  
22 Currently the Laguna Seca system draws water from the Laguna Seca  
23 Subarea of the Seaside Basin. As the systems are currently operational, there are  
24 already existing wells and distribution infrastructures to support the daily demand

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<sup>234</sup> D.12-07-008, pg. 1

<sup>235</sup> A.12-04-019 – “Ruling Setting Forth Updated Schedule and Addressing Other Matters”, dated January 27 2014, pg. 2

<sup>236</sup> A.12-04-019 – “Administrative Law Judge’s Ruling Resetting Prehearing Conference Date, Circulating Errata Sheet and Extending Settlement Submission Date”, dated June 28 2013, pg. 3

1 of the areas.<sup>237</sup> No new infrastructure will have to be built if the Laguna Seca area  
2 can continue to use its existing infrastructure to tap into Cal Am’s remaining water  
3 rights post-Seaside Basin Adjudication; this is the lowest cost source of supply for  
4 the area.

5 According to a Discussion Paper on Cal Am’s water allocation rights in the  
6 Laguna Seca Subarea produced by the Seaside Groundwater Basin  
7 Watermaster,<sup>238</sup> Cal Am is allowed to pump its allocation of supply from either the  
8 Coastal Subarea or the Laguna Seca Subarea post-Seaside Basin Adjudication.<sup>239</sup>  
9 The following are excerpts from the discussion paper which states the reduction in  
10 production applies to the whole Seaside Basin and is not limited to the existing  
11 supply allocation of the subareas:

12 [T]he Watermaster has interpreted the water rights impacts of the 10%  
13 Decision mandated triennial pumping reductions as being applied to the  
14 Basin as a whole, not separately by Subareas [emphasis added], using the  
15 3,000 AFY NSY [ natural safe yield] value established in the Decision.”<sup>240</sup>

16 [A]nd Cal Am’s 91.4% share of this would be 1,474 AFY for the  
17 Basin as a whole, with no distinction made between the two  
18 Subareas.

19 Based on this analysis Cal Am would be entitled to pump 1,474  
20 AFY of water from either of the Sub-Basins and still be in  
21 compliance with the Decision.<sup>241</sup>

22 Therefore, the Seaside Basin Adjudication Decision Discussion Paper  
23 implies that, even if the Desal Plant is approved and completed, Cal Am can still  
24 use its Seaside Basin water rights to satisfy the water demand within the Laguna  
25 Seca area. This will allow the Laguna Seca area to continue its use of the lowest

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<sup>237</sup> Cal Am’s Proposed New Capital Investment Projects Workpapers - I15-400097 System Interconnections, pg. 3

<sup>238</sup> The Seaside Groundwater Basin Watermaster was created “for the purposes of administering and enforcing the provisions” of the Superior Court’s decision for the adjudication of the Seaside Basin. In total the Watermaster has 13 voting positions held by nine representatives who have an interest in Seaside Groundwater Basin right, including Cal Am.

<sup>239</sup> Cal Am’s Proposed New Capital Investment Project Workpapers – I15-400097, Discussion Paper on the “Adjudication Decision Sections pertaining to water production from the Laguna Seca Subarea”

<sup>240</sup> Ibid, pg. 22

<sup>241</sup> Ibid, pg. 23

1 cost of supply and eliminate the need for the construction of new interties between  
2 the Monterey Main and Laguna Seca systems.

3 This, of course, will have to be approved by the Seaside Groundwater Basin  
4 Watermaster, MPWMD, and other interested parties. Cal Am revealed on ORA's  
5 site visit tour of the Monterey system that it is currently in active coordination  
6 with the MPWMD and other governing agencies to use its remaining water rights,  
7 post-Seaside Basin Adjudication, for the Laguna Seca systems in lieu of the  
8 interconnection project proposed.

9 ORA recommends that the Commission disallow this proposed advice letter  
10 project of constructing interconnections between the Ryan Ranch plus Bishop and  
11 the Hidden Hills to the Monterey Main for the reasons discussed above. The  
12 Commission is encouraged to dismiss this and any future application for  
13 interconnection between these systems unless the hurdles mentioned are  
14 surmounted. ORA supports Cal Am's efforts to continue pursuing the use of its  
15 remaining Seaside Basin allocation for the Laguna Seca area in lieu of  
16 constructing new interties.

17 c) Regional Desal Project - CAW only facilities (IP-0540-305)

18 Cal Am requests to add \$2,663,816 to plant in service in 2015 for all costs  
19 incurred between January 17, 2012 and December 31, 2013<sup>242</sup> for the Cal Am  
20 only facilities related the Regional Desalination Project. Cal Am argues, "because  
21 it was assumed that all costs for the facilities are used and useful as expended, then  
22 the costs so expended should be allowed to continue as part of base rate as  
23 intended by D.10-12-016."<sup>243</sup> D.10-12-016 adopted a settlement agreement  
24 between Cal Am and various parties for the Cal Am Water Facilities related to the  
25 "Regional Project". On January 17, 2012, the Commission granted Cal Am's

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<sup>242</sup> Direct Testimony of David Stephenson, pg. 64; Cal Am's Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, SCEP summary tab, row 20

<sup>243</sup> Direct Testimony of David Stephenson, pg. 64

1 request to withdraw its support from the Regional Desalination Project<sup>244</sup> and  
2 ordered that Cal Am may no longer put into rate base and rates any of the cost  
3 related to the California American Water-Only Facilities and that these costs “will  
4 be examined in other proceedings.”<sup>245</sup> Subsequently, Cal Am filed A.12-04-019  
5 on April 23, 2012 for the Monterey Peninsula Water Supply Project; this  
6 application is currently still active.

7 The Commission ruled in D.12-07-008 that Cal Am:

8 [S]hould not claim any costs incurred for the California-American  
9 Water Company-only facilities after January 17, 2012, the date  
10 California-American Water Company announced its withdrawal  
11 from the Regional Desalination Project, in connection with the  
12 authorization in D.10-12-016. The recoverability of costs that have  
13 been incurred in Application (A.) 04-09-019 related to the Regional  
14 Desalination Project will be examined in other proceedings.  
15 Nothing herein is intended to prevent California-American Water  
16 Company from incurring reasonable costs related to its current  
17 application A.12-04-019, nor does it limit any more general  
18 authorization California-American Water Company received prior to  
19 the selection of the Regional Desalination Project.<sup>246</sup>

20 The language is clear that Cal Am can seek to recover the costs related to  
21 the Cal Am only facilities in A.12-04-019. Even Cal Am stated in application  
22 A.12-04-019, “[t]he Monterey Peninsula Water Supply Project also incorporates  
23 the California American Water-only facilities that the Commission previously  
24 approved in D.10-12-016.”<sup>247</sup> Therefore, all costs for the Cal Am only facilities  
25 related to the Regional Desalination Project should be addressed in that  
26 proceeding. This was further demonstrated when a joint motion was filed on July  
27 31<sup>st</sup> 2013 to adopt a settlement agreement between Cal Am, ORA, and other  
28 parties on A.12-04-019. Although there has yet been a ruling on the settlement  
29 agreement, the filing clearly states the “The CAW-only Facilities are the same

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<sup>244</sup> D.12-07-008, pg. 25, Ordering Paragraph No. 1

<sup>245</sup> Ibid, Ordering Paragraph No. 2

<sup>246</sup> Ibid

<sup>247</sup> A.12-04-019, pg. 8

1 undertaking the Commission previously approved in D.10-12-016.”<sup>248</sup> Cal Am’s  
2 request to place the costs related to the Cal-Am only facilities into utility plant in  
3 service in this GRC proceeding is inappropriate as the Commission has  
4 determined that these costs are to be addressed in A.12-04-019. Additionally the  
5 Commission Ordered in D.12-11-031 that:

6 1. The request of California American Water Company for a  
7 modification of Decision (D.) 12-07-008 to clarify that Cal-Am  
8 has authorization to track post-2010 Regional Desalination  
9 Project pre-construction costs for potential recovery is denied  
10 because that authority already clearly exists pursuant to D.03-  
11 09-022.<sup>249</sup>

12 3. The request of California American Water Company for a  
13 modification of Decision 12-07-008 to clarify that costs  
14 incurred on or before January 17, 2012 for the California-  
15 American Water Company-only facilities are recoverable is  
16 denied because it is the established practice of the  
17 Commission’s Division of Water and Audits to base pre-  
18 construction costs on the date incurred, not the date paid.

19 4. Any other pending requests and motions are denied.<sup>250</sup>

20 ORA recommends the Commission disallow the request to place  
21 \$2,663,816 into UPIS in 2015, as it is already addressed in another ongoing  
22 Commission proceeding.

23 d) Booster Station Rehabilitation Program 2015-2017 (I15-400090); Fire  
24 Flow Improvement Program 2015-2017 (I15-400095)

25 Cal Am states that it is trying to establish an annual maintenance program  
26 for each of the following proposed projects listed in Table 5-G.

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<sup>248</sup> Motion on A.12-04-019 - Settling Parties’ Motion to Approve Settlement Agreement on Plant Size and Operation - Attachment A, dated July 31 2013, pg. 2, paragraph 1.2(b)

<sup>249</sup> D.12.11-031, pg. 14

<sup>250</sup> Ibid, pg. 17

1 **Table 5-G. Cal Am’s Proposed Annual Maintenance Program Capital Costs**

Project ID	Project Name	Proposed Capital Cost		
		2015	2016	Total
I15-400090	Booster Station Rehabilitation Program	\$300,000	\$700,000	\$1,000,000
I15-400095	Fire Flow Improvement Program	\$300,000	\$350,000	\$650,000

2

3 ORA adjusted the budget allocation of each annual program to reflect the  
4 regular maintenance schedules proposed by Cal Am. Cal Am requests a  
5 disproportionately high amount of funding in the year 2016 when compared to  
6 2015 and 2017. The rate case plan states “The attrition allowance methodology  
7 provides for rate base additions in year 3 by adding the difference between test  
8 year 1 and test year 2 rate base to test year 2 rate base.”<sup>251</sup> Thus, a significant gain  
9 will result in the 2017 attrition year by lowering 2015 budgets and bolstering 2016  
10 budgets. The averaging of capital expense in the years 2015-2017 will prevent the  
11 unfair over-estimating of 2017 capital expense and provide constant funding for  
12 annual maintenance programs.

13 In addition, the application of escalation factors for the Monterey District is  
14 not consistent with Cal Am’s own “Capital Investment Project Cost Estimates”  
15 workpaper, nor is it consistent with the filings of any other districts in this GRC.  
16 Therefore, ORA adjusted the escalation factors as outlined in ORA’s testimony on  
17 Plant Common Issues, Section 6 - Overhead, escalation and contingency.

18 ORA agrees with the need for these programs but disagrees with the cost  
19 allocation and application of escalation factors. ORA recommends Commission  
20 approval of the requested programs at the following budgets:

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<sup>251</sup> D.04-06-018, pg. 15

1 **Table 5-H. ORA’s Recommended Budgets for Annual Maintenance**  
 2 **Programs**

Project ID	Project Name	Recommended Capital Cost		
		2015	2016	Total
I15-400090	Booster Station Rehabilitation Program	\$473,982	\$475,164	\$949,146
I15-400095	Fire Flow Improvement Program	\$257,470	\$258,112	\$515,582

3

4 e) Main Replacement Program (I15-400089)

5 For this project Cal Am is requesting \$1,800,000 in 2015 and \$2,800,000 in  
 6 2016 to replace 7,200 ft. of main in 2015 and 11,000 ft. in 2016 for a total budget  
 7 of \$4,600,000 and total main length of 18,200 ft.<sup>252</sup> Cal Am states this project is  
 8 needed to continue the work on the Seaside South project area and for replacement  
 9 mains in the highest priority areas identified in the 2013 Condition Based  
 10 Assessment.<sup>253</sup>

11 ORA agrees with the need for this program but disagrees with the cost of  
 12 the program, the budget allocation between 2015-2017, and the application of  
 13 escalation factors.

14 Cal Am provided support for the cost of this project for each of the  
 15 replacement lengths in the year 2015-2017.<sup>254</sup> ORA discovered that the proposed  
 16 costs per lineal feet for the project need phase and project implementation phase  
 17 are different for the three years, even though the same materials and installation  
 18 unit cost is the same. For example the cost of detailed design per lineal feet of

<sup>252</sup> Cal Am’s Proposed New Capital Investment Project Workpapers– I15-400089 – Main Replacement Program 2015-2017, pg. 3; Cal Am used 2950ft for the year 2017 in the actual cost estimates, but 3,000 ft. in its capital project workpapers

<sup>253</sup> Direct Testimony of F. Mark Schubert, pg.112

<sup>254</sup> Cal Am’s Proposed New Capital Investment Project Workpapers– I15-400089 – Main Replacement Program 2015-2017, pgs. 8-10

1 pipe was \$1.09<sup>255</sup> in the 2016 but was \$2.03<sup>256</sup> in 2017. Cal Am did not provide  
2 any explanation for the doubling of the price per lineal foot and the discrepancies  
3 found in each cost estimate category for each year.<sup>257</sup> Therefore, ORA used the  
4 lowest cost per lineal feet for each cost estimate category as the basis for the main  
5 replacement in all three years.

6 The purpose of annual capital expenditure programs is to allow Cal Am to  
7 improve its system on a continuous basis and replace its infrastructure at a  
8 constant rate. But Cal Am has requested a disproportionately high budget in 2016  
9 when compared to the 2017 attrition year. As discussed above, this produces an  
10 unfair over-estimate in capital expense for the attrition year 2017. ORA  
11 recommends spreading the proposed expenditure evenly throughout 2015-2017.  
12 Cal Am should also apply the adjustment factors as outlined in ORA's Plant  
13 Common Issues, Section 6 - Overhead, escalation and contingency.

14 ORA recommends the Commission approve this project at the adjusted cost  
15 of \$1,725,227 in Test Year 2015, \$1,725,590 in Test Year 2016 for a total budget  
16 of \$3,450,817.

17 f) Well Rehabilitation Program 2015-2017 (I15-400093)

18 Cal Am requests \$880,000 in 2015 and \$872,000 in 2016 for its well  
19 rehabilitation ("rehab") program. There are 35 active wells in the Monterey  
20 System and Cal Am proposes to rehab 13 wells in the years 2015-2017.<sup>258</sup> Cal  
21 Am identified 8 well rehabs in 2012-2013 at an average rehab cost of \$135,000  
22 per well as the cost basis for this project.<sup>259</sup>

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<sup>255</sup> \$12,000 / 11,000 ft. of main = \$1.09 per ft. of main replacement

<sup>256</sup> \$6,000 / 2,950 ft. of main = \$2.03 per ft. of main replacement

<sup>257</sup> Cal Am's Proposed New Capital Investment Project Workpapers- I15-400089 - Main Replacement Program 2015-2017, pgs. 8-10

<sup>258</sup> Cal Am's Project GRC Workpapers for I15-400093 - Well Rehabilitation Program 2015-2017, pgs. 3-4

<sup>259</sup> Cal Am's Project GRC Workpapers for I15-400093 - Well Rehabilitation Program 2015-2017, pg.4, Table 2

1           ORA agrees with the need of this program but disagrees with the budget  
2 allocation across 2015-2016, the escalation factors used, the cost of the program,  
3 and the percentage of rehabilitation expenses to be including into the plant in  
4 service.

5           First, Cal Am is requesting a disproportionately high amount of funding in  
6 the year 2016 when compared to 2015 and 2017; this was also seen in other  
7 projects for the Monterey District proposed by Cal Am. The expenses in each of  
8 the years should be allocated identically, by taking the average of the 3 years  
9 before escalation factors.

10           Second, the application of escalation factors should be consistent with Cal  
11 Am’s own “Capital Investment Project Cost Estimates.” This is outlined in the  
12 ORA’s testimony on Plant Common Issues, Section 6 - Overhead, escalation and  
13 contingency.

14           Cal Am acknowledges that well rehabs have an “unpredictable nature” and  
15 “each rehabilitation project is unique.”<sup>260</sup> To counter this unpredictability it is  
16 more reasonable to base cost estimates on historical rehab costs by taking the five  
17 year average of all rehabs conducted in 2008-2012 in the Monterey District.  
18 Using the recorded expenses provided by Cal Am,<sup>261</sup> ORA found the average cost  
19 of rehab per well was \$12,244 in 2008, \$38,025 in 2009, \$25,510 in 2010, \$22,525  
20 in 2011, and \$165,596 in 2012. The five year average cost of rehab was \$52,780  
21 per well. ORA then took this recorded 5 year average, multiplied it by the 13  
22 wells proposed for rehab by Cal Am, split it evenly among the three years of 2015-  
23 2017, applied a contingency factor, and escalated it to the appropriate year. The  
24 resulting dollar amount is summarized in table 5-I.

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<sup>260</sup> Cal Am’s Project GRC Workpapers for I15-400093 – Well Rehabilitation Program 2015-2017, pg. 4

<sup>261</sup> Cal Am’s response to data request AL7002, question 1 (c), Attachment 1\_CAW\_DRA-AL7-002\_Q001(c).xls

1 In Cal Am's 2008 GRC, ORA's plant witness proved to the Commission  
2 that the majority of well rehab cost should be recorded as an operations and  
3 maintenance ("O&M") expense. This was also the original intent of account "711.  
4 Maintenance of Wells" under the Uniform System of Accounts for Water Utilities  
5 for Class A Utilities. The description of what shall be included into this operating  
6 expense account was stated to be:

- 7 1. Direct field supervision of well maintenance
- 8 2. Inspecting, testing, and reporting on the condition of wells  
9 specifically to determine the need for repairs, replacements and  
10 changes.
- 11 3. Inspecting and testing the adequacy of repairs which have been  
12 made.
- 13 4. Work performed specifically for the purpose of preventing  
14 failure, restoring serviceability or maintaining life of wells.
- 15 5. Testing for, locating and clearing trouble.
- 16 6. Restoring the condition of wells damaged by storms, floods and  
17 other casualties, providing replacement does not constitute a  
18 retirement unit.
- 19 7. Restoring the conditions of wells and springs damaged by wear  
20 and tear, decay or action of the elements, providing replacement  
21 does not constitute a retirement unit.
- 22 8. Replacing or adding minor items of plant which do not  
23 constitute a retirement unit.<sup>262</sup>

24 In D.09-07-021 for A.08-01-024, Cal Am was ordered by the Commission  
25 to record 70% of its well rehab cost into the O&M expense account and record  
26 30% as a plant in service addition.<sup>263</sup> This 30/70 splitting of well rehab cost was  
27 again adopted in the settlement agreement for the 2010 GRC in D.12-06-016.<sup>264</sup>  
28 The findings in D.09-07-021 should continue to be upheld in this GRC as it was in  
29 the 2010 GRC, and Cal Am should only record 30% of the well rehab cost into the  
30 utility plant in service.

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<sup>262</sup> SP-U 38W "Uniform System of Accounts", page 99  
(<http://docs.cpuc.ca.gov/published/Graphics/83011.PDF>)

<sup>263</sup> D.09-07-021, pg. 30

<sup>264</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg.189; *see also* D.12-06-016, pg. 21 (approving settlement)

1           ORA recommends that the Commission approve this project at the adjusted  
 2 budgets as discussed and allow 30% of these cost to be recorded in the ratebase,  
 3 and 70% as an O&M expense, see table 9 for the cost breakdown:

4       **Table 5-I. ORA’s Recommended Budget for Well Rehabilitation 2015-2016**

Well Rehab – ORA’s Recommended Budget			
Year	2015	2016	Total
Capitalized Cost	\$82,542	\$82,748	\$165,290
O&M Expense	\$192,598	\$193,079	\$385,677
Yearly Budget	\$275,140.57	\$275,826.71	\$550,967

5

6           g) Valve and Pressure Reducing Valve (“PRV”) Replacement Program  
 7           (I15-400092); Supervisory Control and Data Acquisition (“SCADA”)  
 8           Upgrade Program (I15-400096)

9           Cal Am requests \$200,000 in 2015 and \$450,000 in 2016 for a valve and  
 10 pressure reducing valve replacement program.<sup>265</sup> Cal Am has found 96 valves  
 11 inoperable to date, and estimates that an excess of 600 inoperable valves in the  
 12 Monterey system.<sup>266</sup> In the 2010 GRC, the Commission approved a total budget  
 13 of \$450,000 for replacement of mainline distribution valves<sup>267</sup> and \$150,000 for  
 14 pressure regulating and diaphragm valves in 2012-2014.<sup>268</sup>

<sup>265</sup> Cal Am’s Proposed New Capital Investment Project Workpapers– I15-400092 – Valve and PRV Replacement Program, pg. 3

<sup>266</sup> Direct Testimony of F. Mark Schubert, pg. 116:7-10

<sup>267</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg. 191; *see also* D.12-06-016, pg. 21 (approving settlement).

<sup>268</sup> *Ibid*, pg.200

1 In another, separate project request, Cal Am requests \$150,000 in 2015 and  
2 \$350,000 in 2016 for the SCADA upgrade program.<sup>269</sup> Cal Am states that this  
3 program will upgrade the synchronous link control at the Begonia Iron Removal  
4 Plant, Ord Grove Ozone Treatment Plant, district-wide radio network, system-  
5 wide programmable logic controls, and replacement of field devices over 10 years  
6 in age passing their life cycle expectancy.<sup>270</sup>

7 ORA agrees with the need for these two programs, but disagrees with the  
8 budget allocation across 2015-2017. The purpose of forecasting an annual capital  
9 expenditure programs is to allow Cal Am to improve its system on a continuous  
10 basis at a constant pace. Cal Am's budget request for these programs allocates a  
11 disproportionately high amount of funding in the year 2016 when compared to  
12 2015 and 2017, which, again, as with other program requests in the Monterey  
13 District, produces an inflated estimate in capital expense for the attrition year  
14 2017.

15 ORA's recommends a budget of \$300,000 per year in 2015 and 2016 for  
16 the Valve and PRV Replacement program and a budget of \$216,667 per year in  
17 2015 and 2016 for the SCADA Upgrade Program.

18 h) Monterey Billing SAP modifications (IP-Unknown)

19 ORA discovered an addition to 2014 plant in service in the amount of  
20 \$500,000 in Cal Am's workpaper.<sup>271</sup> Cal Am presented no testimony or other  
21 support for this expenditure to be included in the ratebase. ORA recommends that  
22 the Commission disallow the entire amount requested based on insufficient  
23 support.

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<sup>269</sup> Cal Am's Proposed New Capital Investment Project Workpapers – SCADA Upgrade Program, pg. 3

<sup>270</sup> Direct Testimony of F. Mark Schubert, pg.120

<sup>271</sup> Cal Am's Workpaper RB 100 thru 105-2013 Statewide GRC – Monterey Water, "SCEP summary"

1 i) Los Padres Dam Long-Term Plan Project (I15-400101)

2 Cal Am requests \$200,000 in 2015, \$350,000 in 2016, and \$450,000 in 2017 to  
3 conduct a detailed feasibility study “to determine the ultimate fate of the Los  
4 Padres Dam.”<sup>272</sup> Cal Am was advised by National Oceanic and Atmospheric  
5 Administration (“NOAA”) Fisheries to either remove the Dam and restore the  
6 Dam to its original environs or improve the dam with appropriate permanent fish  
7 passage modifications that will allow for unimpeded, safe and effective, upstream  
8 and downstream migration of all life stages of S-CCC steelhead.<sup>273</sup> \*\*\*BEGIN

9 **CONFIDENTIAL** [REDACTED]  
10 [REDACTED] **END CONFIDENTIAL\*\*\***. This

11 Long Term Plan Project will conduct a detailed feasibility study on the ‘issue of  
12 existing “water rights”, and it will result in a detailed cost estimate for either  
13 option [as proposed by NOAA Fisheries].”<sup>275</sup> Since the estimated place into  
14 service year for project I15-400101 falls outside of the two ratebase test years,  
15 ORA takes no position on the prudence or reasonableness of the project. Refer to  
16 “ORA’s Treatment of 2017 Proposed Plant Additions” section in Chapter 1:  
17 Statewide Common Plant Issues of this report for how ORA is handling this  
18 project in this GRC.

19 **D. CONCLUSION**

20 ORA recommends that the Commission adopt its recommendations for  
21 UPIS in the Monterey District. ORA’s recommendations have been incorporated  
22 in the calculations for ORA’s recommended Utility Plant in Service, as shown in  
23 Tables 5-A through 5-F.

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<sup>272</sup> Cal Am’s Proposed New Investment Capital Projects GRC Workpapers – I15-400101 – Los Padres Dam Long-Term Plan, pg. 3

<sup>273</sup> Ibid

<sup>274</sup> [REDACTED]

<sup>275</sup> Cal Am’s Proposed New Investment Capital Projects GRC Workpapers – I15-400101 – Los Padres Dam Long-Term Plan, pg. 4

# CHAPTER 6: TORO DISTRICT

## A. INTRODUCTION

This chapter provides ORA’s assessment of Utility Plant in Service in Cal Am’s Toro District. Cal Am’s and ORA’s estimates for capital investment expenditures for the years 2013, 2014, 2015, and 2016 are located in Tables 6-A and 6-F of this chapter. ORA reviewed Cal Am’s testimony, application, work-papers, minimum data requirements, capital project justifications, Monterey’s Comprehensive Planning Study (“CPS”), Condition Based Assessment of Buried Infrastructure, cost estimates, and responses to ORA’s data requests. ORA conducted a field investigation of the Toro District’s water system on September 19, 2013 before making its independent recommendations. Cal Am’s Toro District serves approximately 240 customers.

## B. SUMMARY OF RECOMMENDATIONS

For the Toro District, Cal Am requests gross plant additions of \$277,000 for 2015 and \$367,000 for 2016. ORA recommends \$176,349 for 2015 and \$240,743 for 2016. The differences between ORA’s and Cal Am’s recommendations are based on the necessity of the project or the estimated cost of the project. A summary of the cost adjustments can be seen in Tables 6-A through 6-E.

**Table 6-A. Toro Additions, Including Carryovers and Recurring Project**

	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
2013	\$380,498	\$267,033	-\$113,465	142%
2014	\$81,793	\$109,000	\$27,207	75%
2015	\$176,349	\$277,000	\$100,651	64%

2016	\$240,743	\$367,000	\$126,257	66%
<b>Total</b>	<b>\$879,383</b>	<b>\$1,020,033</b>	<b>\$140,650</b>	<b>86%</b>

1

2

**Table 6-B. Toro Plant Comparison (2013)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
IP-0548-10	MON-Hydropneumatic Tank Repl	\$49,077	\$102,533	\$53,456	48%
IP-0548-11	TOR-PRV Improvement	\$0	\$59,000	\$59,000	0%
RP-0548-B	Mains - Replaced/Restored	\$158,461	\$10,000	-\$148,461	1585%
RP-0548-F	Hydrants, Valves, and Manholes - Replaced	\$0	\$12,500	\$12,500	0%
RP-0548-H	Services and Laterals - Replaced	\$0	\$31,000	\$31,000	0%
RP-0548-Q	Process Plant Facilities and Equipment	\$172,960	\$52,000	-\$120,960	333%
<b>Total</b>		<b>\$380,498</b>	<b>\$267,033</b>	<b>-\$113,465</b>	<b>142%</b>

3

**Table 6-C. Recurring Projects Estimate Comparison (2014-2016)**

<b>Cal Am's Requested Budget</b>					
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014-2016</b>
RP-0548-B	Mains - Replaced/Restored	\$10,000	\$30,000	\$30,000	\$70,000
RP-0548-F	Hydrants, Valves, and Manholes - Replaced	\$13,000	\$25,000	\$25,000	\$63,000
RP-0548-H	Services and Laterals - Replaced	\$32,000	\$22,000	\$22,000	\$76,000
RP-0548-Q	Process Plant Facilities and Equipment	\$54,000	\$90,000	\$90,000	\$234,000
<b>Total Recurring Projects, Cal Am</b>		<b>\$109,000</b>	<b>\$167,000</b>	<b>\$167,000</b>	<b>\$443,000</b>
<b>ORA's Recommended Budget</b>					
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014-2016</b>
RP-0548-B	Mains - Replaced/Restored	\$9,215	\$9,215	\$9,242	\$27,672
RP-0548-F	Hydrants, Valves, and Manholes - Replaced	\$0	\$0	\$0	\$0
RP-0548-H	Services and Laterals - Replaced	\$0	\$0	\$0	\$0
RP-0548-Q	Process Plant Facilities and Equipment	\$72,578	\$72,578	\$72,791	\$217,947

<b>Total Recurring Projects, ORA</b>	<b>\$81,793</b>	<b>\$81,793</b>	<b>\$82,033</b>	<b>\$245,619</b>
<b>CAW &gt; ORA</b>	<b>\$27,207</b>	<b>\$85,207</b>	<b>\$84,967</b>	<b>\$197,381</b>
<b>ORA as % of CAW</b>	<b>75 %</b>	<b>49%</b>	<b>49%</b>	<b>55%</b>

1

2

**Table 6-D. Investment Project Plant Additions**

3

**Estimate Comparison (2015)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
I15-480006	TORO - Access Road (Vista Dorado Tank)	\$94,556	\$110,000	\$15,444	86%
<b>Total</b>		<b>\$94,556</b>	<b>\$110,000</b>	<b>\$15,444</b>	<b>86%</b>

4

5

**Table 6-E. Investment Project Plant Additions**

6

**Estimate Comparison (2016)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
I15-480007	TORO - Altitude Valve (Corte Cordillera Tank)	\$158,710	\$200,000	\$41,290	79%
<b>Total</b>		<b>\$158,710</b>	<b>\$200,000</b>	<b>\$41,290</b>	<b>79%</b>

7

8

**C. DISCUSSION**

9

**1) 2013 Plant Additions**

10

2015-2017 ratebase incorporates forecasted plant additions for the years

11

2013-2014. Cal Am estimated \$267,003 for 2013 utility plant in service additions.

1           ORA estimated 2013 UPIS additions by normalizing October 31, 2013  
2 recorded plant expenditures,<sup>276</sup> and did not normalize the recorded expenditures  
3 for projects that were indicated as complete and “in service.”<sup>277</sup> The use of 2013  
4 recorded numbers avoids over-estimating the 2013 expenditure and yields a closer  
5 forecast to the actual rate of spending by Cal Am.

6           Table 6-B provides a comparison of Cal Am’s 2013 requests compared to  
7 ORA’s 2013 analysis for plant additions by project. ORA recommends the  
8 Commission adopt ORA’s 2013 plant addition forecast of \$380,657 based on  
9 normalized recorded expenditures. ORA acknowledges this number is higher than  
10 Cal Am’s request, but the use of normalized recorded expenditure is consistent  
11 with ORA’s approach in estimating the 2013 plant addition for all districts.

12           **2) Recurring Project Budgets (RP-0548-B, RP-0548-F, RP-**  
13           **0548-H, RP-0548-Q), 2014 to 2016**

14           Cal Am requests \$109,000 in 2014,<sup>278</sup> \$167,000 in 2015, and \$167,000 in  
15 2016 for recurring project (“RP”) budget in the Toro District.<sup>279</sup> ORA  
16 recommends the Commission adopt ORA’s forecasted RP budget of \$81,793 in  
17 2014, \$81,793 in 2015, and \$82,033 in 2016 for the Toro District. Table 6-F  
18 summarizes the authorized RP budgets<sup>280</sup> versus actual spending<sup>281</sup> in each  
19 category of recurring project:

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<sup>276</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7013, question 1

<sup>277</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7-015, question 1

<sup>278</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Toro, ” SCEP summary”

<sup>279</sup> Direct Testimony of F. Mark Schubert, Attachment 7, pg. 7

<sup>280</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California American Water Company on Revenue Requirement Issues, dated July 28, 2011, pg. 204-208; *see also* D.12-06-016 (approving settlement agreement)

<sup>281</sup> Cal Am’s response to data request ORA-A.13-07-002. JMI002, question 1, Attachment 1\_CAW\_DRA-JMI-002-Q1

1 **Table 6-F. Authorized Budget vs Actual Spending (2011-Oct 31, 2013)**

Project ID	Project Name	2011		2012		2013 Authorized vs 2013 Normalized Recorded as of October 31st 2013	
		Authorized	Actual	Authorized	Actual	Authorized	Actual
RP-0548-B	Mains - Replaced/Restored	\$0	\$0	\$0	\$0	\$0	\$158,461
RP-0548-C	Mains - Unscheduled	\$10,000	\$5,806	\$10,000	\$13,274	\$10,000	\$159
RP-0548-F	Hydrants, Valves, and Manholes - Replaced	\$25,000	\$0	\$25,000	\$0	\$12,500	\$0
RP-0548-G	Services and Laterals - New	\$0	\$3,317	\$0	\$0	\$0	\$0
RP-0548-H	Services and Laterals - Replaced	\$30,750	\$0	\$30,500	\$0	\$31,000	\$0
RP-0548-Q	Process Plant Facilities and Equipment	\$0	\$224,951	\$50,000	\$11,752	\$52,000	\$172,960
<b>Total</b>		<b>\$65,750</b>	<b>\$234,074</b>	<b>\$115,500</b>	<b>\$25,026</b>	<b>\$105,500</b>	<b>\$331,580</b>

2

3 ORA’s forecast is derived from using an inflation-adjusted five-year  
 4 average of actual recorded RP investment. Additional detail supporting ORA’s  
 5 forecast methodology for RP budgets, which is consistently applied across all Cal  
 6 Am service areas, can be found in recurring projects section of Chapter 1:  
 7 Statewide Common Plant Issues of this report. ORA removed budgeting in some

1 categories based on the actual historical spending in the Toro system. The results  
2 are summarized in Table 6-C.

3 **3) Proposed New Capital Projects**

4 a) Vista Dorado Tank Access Road Rehabilitation (I15-480006)

5 For this project Cal Am is requesting \$110,000 in 2015 to rehabilitate a  
6 deteriorated access road to the Vista Dorado tank.

7 ORA agrees with the need for this project but disagrees with the  
8 construction cost, escalation factors used, and the contingency factor.

9 \$50,000 was stated as the construction unit cost in the cost estimate  
10 summary for this project, <sup>but</sup> \$54,000 was used in the actual cost estimate  
11 calculation without any justification for the increase. ORA used \$50,000 as the  
12 construction unit cost in its forecast.<sup>282</sup>

13 The application of escalation factors for the Toro District is not consistent  
14 with Cal Am’s own “Capital Investment Project Cost Estimates” workpaper, nor is  
15 it consistent with the filings of any other districts except Monterey. Therefore,  
16 ORA used the same escalation methodology as outlined in the Plant Common  
17 Issues, Section 6 - Overhead, escalation and contingency.

18 Cal Am used a contingency factor of 20% for this project. Cal Am stated in  
19 its “Capital Investment Project Cost Estimates” workpaper that it uses a  
20 contingency factor of 20% on projects considered “Complex,”<sup>283</sup> including  
21 construction of treatment plant, booster station, and tank design. “Pipeline”  
22 projects, such as main replacement, are assigned a contingency factor of 10%.<sup>284</sup>  
23 Main replacement projects involve the removal of existing pavement and soil,  
24 replacement of pipes, re-grading of soil, and repaving of roadway. This proposed

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<sup>282</sup> Cal Am’s Proposed New Investment Project Workpapers – I15-480006 – Vista Dorado Tank Access Road Rehabilitation, pg. 6

<sup>283</sup> Cal Am’s Capital Investment Project Cost Estimates Workpaper, pg. 5

<sup>284</sup> Ibid.

1 roadway rehabilitation project requires identical procedures as a main replacement  
2 project: removal of existing pavement, compacting and re-grading of underlying  
3 soil, and repaving of the road. The only difference between the two is that this  
4 proposed road rehabilitation project does not require any mains to be replaced,  
5 which makes it even simpler. As such ORA used 10% as the contingency factor  
6 its analysis.

7 ORA recommends the Commission approve this project at a budget of  
8 \$94,556 in 2015.

9 b) Altitude Valve for Corte Cordillera Tank (I15-480007)

10 Cal Am requests \$200,000 in 2016 for the installation of an altitude and  
11 check valve chamber at the Corte Cordillera Tank. An existing 1.5 inch diameter  
12 bypass valve is used to control the flow rate into the tank and prevents the tank  
13 from overflowing. Cal Am states this project is needed in order to remove the  
14 existing bypass line to improve fire protection and water quality.<sup>285</sup>

15 ORA agrees with the need for this project but disagrees with the  
16 construction cost, number of inspection hours, escalation factors, and contingency  
17 factors used in Cal Am's estimate.

18 Similar to the proposed Vista Dorado Tank Access Road Rehabilitation  
19 project, in the cost estimate summary a construction unit cost of \$80,000 was  
20 stated, but, without any justification, \$85,000 was used in the actual construction  
21 cost estimate.<sup>286</sup> ORA used \$80,000 in its analysis.

22 Cal Am used a construction inspection estimate of 160 hours, or 20  
23 working days, or 24% of the construction cost estimate. For a similar valve  
24 replacement project proposed in the Monterey, Cal Am allocated 13.6% of the

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<sup>285</sup> Direct Testimony of F. Mark Schubert, pg. 122-123

<sup>286</sup> Cal Am's Proposed New Investment Project Workpapers – I15-480007 – Altitude Valve for Corte Cordillera Tank, pg. 5.

1 construction cost as the construction inspection budget.<sup>287</sup> That valve replacement  
2 program in Monterey involves replacing 130 valves, whereas this proposed project  
3 involves replacing one valve. ORA assigned 80 hours, or 10 working days, or  
4 12% of the construction cost as the construction inspection budget. 80 hours is  
5 more than adequate to inspect the construction of one valve especially when Cal  
6 Am’s personnel do not have to be onsite continuously, since the construction of  
7 the project will be contracted out to a third party. This percentage of construction  
8 cost is comparable to the construction inspection budget proposed for Cal Am’s  
9 valve replacement program in the Monterey District.

10 The application of escalation factors for the Toro District is not consistent  
11 with Cal Am’s own “Capital Investment Project Cost Estimates” workpaper, or  
12 with the filings of other districts, except Monterey. Therefore, ORA adjusted the  
13 escalation factors as outlined in ORA’s testimony on Plant Common Issues,  
14 Section 6 - Overhead, escalation and contingency.

15 Cal Am used a contingency factor of 20% for this project. Typically 20%  
16 is used on projects that Cal Am considers “Complex” and includes treatment plant,  
17 booster stations and tank design.<sup>288</sup> Another valve replacement program is  
18 proposed in the Monterey District for this GRC and that program is categorized as  
19 a “pipeline” project with a contingency factor of 10%.<sup>289</sup> The Corte Cordillera  
20 altitude valve project proposes the installation of one altitude on an existing  
21 bypass line, therefore it too should have the same contingency assignment as  
22 typical valve replacement programs. ORA used a contingency factor of 10% for  
23 this project in its cost estimate.

24 ORA recommends that the Commission approve this project at the adjusted  
25 project cost of \$158,710 for the reasons mentioned.

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<sup>287</sup> Cal Am’s Proposed New Investment Project Workpapers – I15-400092 – Valve and PRV Replacement Program, pg.5;  $\$93,000/\$684,000 = 13.6\%$

<sup>288</sup> Cal Am’s Capital Investment Project Cost Estimates Workpaper, pg. 5

<sup>289</sup> Ibid.

1 c) Toro Booster Station Upgrades (I15-480005)

2 Cal Am is requesting \$85,000 in 2017 to rehabilitate its booster pumping  
3 stations in the Toro System. Since the estimated place into service year for project  
4 I15-480005 falls outside of the two ratebase test years, ORA takes no position on  
5 the prudence or reasonableness of the project. Refer to “ORA’s Treatment of  
6 2017 Proposed Plant Additions” section in Chapter 1: Statewide Common Plant  
7 Issues of this report for how ORA is handling this project in this GRC.

8 **D. CONCLUSION**

9 ORA recommends that the Commission adopt its recommendations for  
10 UPIS in the Toro District. ORA’s recommendations have been incorporated in the  
11 calculations for ORA’s recommended Utility Plant in Service, as shown in Tables  
12 6-A through 6-F.

1                                   **CHAPTER 7: GARRAPATA DISTRICT**

2    **A. INTRODUCTION**

3                   This chapter provides ORA’s assessment of Utility Plant in Service in Cal  
4    Am’s Garrapata District. In D.13-01-033 the Commission gave authority for Cal  
5    Am to purchase the Garrapata system from the Garrapata Water Company. The  
6    Garrapata system consist of 47 non-metered residential service connections<sup>290</sup>,  
7    with four storage tanks, a new transmission line and a Strainrite bag surface water  
8    treatment system consisting of three sets of pre- and post-filter bags, an influent  
9    and effluent turbidimeter, and a chlorination system for the disinfection and  
10   inactivation of Giardia, Cryptosporidium, and viruses.<sup>291</sup> Cal Am has been in  
11   operation of the system since June 2011.<sup>292</sup> Application 12-05-001 was filed by  
12   Cal Am to acquire the Garrapata system and the Commission authorized Cal Am’s  
13   request in D.13-01-033 dated January 24, 2013. The Garrapata system had an  
14   authorized ratebase of approximately \$100,000 at the time of authorization.<sup>293</sup>

15   **B. SUMMARY OF RECOMMENDATIONS**

16                   For the Garrapata District, Cal Am requests gross plant additions of  
17    \$12,400 for 2015 and \$7,500 for 2016. ORA recommends \$12,400 for 2015 and  
18    \$7,500 for 2016. The differences between ORA’s and Cal Am’s  
19    recommendations are based on the necessity of the project or the estimated cost of  
20    the project. A summary of the cost adjustments can be seen in Tables 7-A through  
21    7-C.

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<sup>290</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7016, question 3( b)

<sup>291</sup> D.13-01-033, pg. 3

<sup>292</sup> Ibid, pg.10, Findings of Fact 4

<sup>293</sup> Ibid, pg. 7

1  
2

**Table 7-A. Garrapata Additions, Including Carryovers and Recurring Project**

	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
<b>2013</b>	\$0	\$50,000	\$50,000	0%
<b>2014</b>	\$25,000	\$25,000	\$0	100%
<b>2015</b>	\$12,400	\$12,400	\$0	100%
<b>2016</b>	\$7,500	\$7,500	\$0	100%
<b>Total</b>	<b>\$44,900</b>	<b>\$94,900</b>	<b>\$50,000</b>	<b>47%</b>

3  
4

**Table 7-B. Garrapata Plant Comparison (2013)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
RP-054X-Q	Process Plant Facilities and Equipment	\$0	\$50,000	\$50,000	0%
<b>Total</b>		<b>\$0</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>0%</b>

5

1

**Table 7-C. Recurring Projects Estimate Comparison (2014-2016)**

<b>Cal Am's Requested Budget</b>					
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014-2016</b>
RP-054X-I	Meters - Installed	\$0	\$12,400	\$0	\$12,400
RP-054X-Q	Process Plant Facilities and Equipment	\$25,000	\$0	\$7,500	\$32,500
<b>Total Recurring Projects, Cal Am</b>		<b>\$25,000</b>	<b>\$12,400</b>	<b>\$7,500</b>	<b>\$44,900</b>
<b>ORA's Recommended Budget</b>					
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014-2016</b>
RP-054X-I	Meters - Installed	\$0	\$12,400	\$0	\$12,400
RP-054X-Q	Process Plant Facilities and Equipment	\$25,000	\$0	\$7,500	\$32,500
<b>Total Recurring Projects, ORA</b>		<b>\$25,000</b>	<b>\$12,400</b>	<b>\$7,500</b>	<b>\$44,900</b>
<b>CAW &gt; ORA</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ORA as % of CAW</b>		<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

2

1 **C. DISCUSSION**

2 **1) 2013 Plant Additions**

3 2015-2017 ratebase incorporates forecasted plant additions for the years  
4 2013-2014. Cal Am estimated \$50,000 for 2013 utility plant in service additions  
5 under RP-054X-Q – Process Plant Facilities and Equipment.<sup>294</sup>

6 Cal Am had only included recurring projects, and no investment projects,  
7 in its filing for the Garrapata system in this GRC. In a data request ORA asked  
8 Cal Am to provide the 2013 end of year (“EOY”) balances for all recurring  
9 projects.<sup>295</sup> Cal Am’s response to the data request stated “No capital expenditures  
10 were recorded for the 2013 EOY balance for recurring projects in Garrapata.”<sup>296</sup>  
11 Therefore ORA used a 2013 forecasted expenditure of \$0 in its estimate to avoid  
12 over-estimating the 2013 expenditure and to reflect the actual rate of spending by  
13 Cal Am.

14 Table 7-B provides a comparison of Cal Am’s 2013 request compared to  
15 ORA’s 2013 analysis for plant additions by project. ORA recommends the  
16 Commission adopt ORA’s 2013 plant addition forecast of \$0 based on Cal Am’s  
17 2013 recorded plant expenditure.

18 **2) Recurring Project Budgets (RP-054X-I, RP-054X-Q),**  
19 **2014 to 2016**

20 Cal Am requests \$50,000 in 2013, \$25,000 in 2014, and \$7,500 in 2016  
21 under RP-054X-Q - Process Plant Facilities and Equipment plus \$12,400 in 2016  
22 under RP-054X-I - Meters – Installed for the Garrapata system.<sup>297</sup> Cal Am states  
23 the requested budget will fund the rehabilitation of a non-functioning well,  
24 implement a SCADA system, install additional pumping equipment and to  
25 purchase an emergency standby generator for the Garrapata District.<sup>298</sup> However,

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<sup>294</sup> Cal Am’s RB 100 thru 105-2013 Statewide GRC-GarrapataV3\_4-9-13(JKEDITS), SCEP Summary

<sup>295</sup> Cal Am’s response to data request ORA-A.13-07-002. AL7-016, question 1(a)

<sup>296</sup> Cal Am’s response to data request ORA-A.13-07-002. AL7-015, question 1

<sup>297</sup> Cal Am’s RB 100 thru 105-2013 Statewide GRC-GarrapataV3\_4-9-13(JKEDITS), SCEP Summary

<sup>298</sup> Direct Testimony of F. Mark Schubert, pg. 124

1 Cal Am states this requested budget is not sufficient to complete all four items and  
2 will prioritize the work accordingly.<sup>299</sup>

3 Garrapata is a newly acquired system and therefore Cal Am was not able to  
4 provide historical UPIS addition records.<sup>300</sup> Without that data ORA was not able  
5 to determine the recurring project budget using the five year recorded average plus  
6 escalation as conducted for other districts in this GRC. ORA then asked Cal Am  
7 to justify the budget request for each recurring project category.<sup>301</sup> Cal Am was  
8 able to give satisfactory explanations for each of the budget requests in 2014-2016  
9 but stated no capital expenditures were recorded for the year 2013.<sup>302</sup> As such, the  
10 budget request of \$50,000 in 2013 under RP-054X-Q - Process Plant Facilities and  
11 Equipment was removed from Cal Am's estimate. The other 2014-2016 recurring  
12 project budget requests are deemed reasonable and necessary to improve the  
13 operating conditions of the newly acquired Garrapata system. The results of  
14 ORA's findings are summarized in Table 7-C.

#### 15 **D. CONCLUSION**

16 ORA recommends that the Commission adopt its recommendations for  
17 UPIS in the Garrapata District. ORA's recommendations have been incorporated  
18 in the calculations for ORA's recommended Utility Plant in Service, as shown in  
19 Tables 7-A through 7-C.

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<sup>299</sup> Ibid., pg. 124

<sup>300</sup> Cal Am's response to data requests ORA-A.13-07-002.AL7-013 and ORA-A.13-07-002.AL7-015

<sup>301</sup> Data request ORA-A.13-07-002.AL7-016

<sup>302</sup> Ibid., Question 1

# CHAPTER 8: MONTEREY WASTEWATER

## A. INTRODUCTION

ORA reviewed and analyzed Cal Am’s testimony, application, Minimum Data Requirements, workpapers, capital project details, estimating methods, Comprehensive Planning Studies (“CPS”), and responses to various ORA data requests. Discrepancies between ORA’s and Cal Am’s estimates of specific plant additions are listed in Table 8-B.

## B. SUMMARY OF RECOMMENDATIONS

For the Monterey Wastewater District, Cal Am requests gross plant additions of \$192,000 for 2015 and \$192,000 for 2016. ORA recommends \$150,917 for 2015 and \$ 151,361for 2016. The differences between ORA’s and Cal Am’s recommendations are based on the necessity of the project or the estimated cost of the project. A summary of the cost adjustments can be seen in Tables 8-A and 8-B.<sup>303</sup>

**Table 8-A. Monterey Wastewater Plant Additions, Including Carryovers and Recurring Projects**

	2013	2014	2015	2016	Annual Average
<b>ORA</b>	\$ 136,579	\$ 150,917	\$ 150,917	\$ 151,361	\$ 147,444
<b>Cal Am</b>	\$ 198,279	\$ 202,993	\$ 192,000	\$ 192,000	\$ 196,318
<b>Cal Am &gt; ORA</b>	\$ 61,700	\$ 52,076	\$ 41,083	\$ 40,639	\$ 48,875
<b>ORA as % of Cal Am</b>	69%	74%	79%	79%	75%

**Table 8-B. Monterey Wastewater Plant Comparison**

<sup>303</sup> For Tables 8-A and 8-B, these tables only include the cost for plant projects anticipated to be completed in that year.

1

2013	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	R15-49B, R15-49L, R15-49P, R15-49Q	Recurring Projects	\$ 136,579	\$ 198,279	\$ 61,700	69%
<b>Specifics - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Recurring Project - Total</b>			\$ 136,579	\$ 198,279	\$ 61,700	69%
<b>Carry-Overs - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Completed But Not Adopted- Total</b>			\$ -	\$ -	\$ -	n/a
<b>TOTAL</b>			\$ 136,579	\$ 198,279	\$ 61,700	69%

2

2014	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	R15-49B, R15-49L, R15-49P, R15-49Q	Recurring Projects	\$ 150,917	\$ 202,993	\$ 52,076	74%
<b>Specifics - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Recurring Project - Total</b>			\$ 150,917	\$ 202,993	\$ 52,076	74%
<b>Carry-Overs - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Completed But Not Adopted- Total</b>			\$ -	\$ -	\$ -	n/a
<b>TOTAL</b>			\$ 150,917	\$ 202,993	\$ 52,076	74%

3

2015	Project #	Project Description	ORA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	R15-49B, R15-49L, R15-49P, R15-49Q	Recurring Projects	\$ 150,917	\$ 192,000	\$ 41,083	79%
<b>Specifics - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Recurring Project - Total</b>			\$ 150,917	\$ 192,000	\$ 41,083	79%
<b>Carry-Overs - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Completed But Not Adopted- Total</b>			\$ -	\$ -	\$ -	n/a
<b>TOTAL</b>			\$ 150,917	\$ 192,000	\$ 41,083	79%

4

2016	Project #	Project Description	DRA	Cal Am	Cal Am > ORA	ORA as % of Cal Am
1	R15-49B, R15-49L, R15-49P, R15-49Q	Recurring Projects	\$ 151,361	\$ 192,000	\$ 40,639	79%
<b>Specifics - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Recurring Project - Total</b>			\$ 151,361	\$ 192,000	\$ 40,639	79%
<b>Carry-Overs - Total</b>			\$ -	\$ -	\$ -	n/a
<b>Completed But Not Adopted- Total</b>			\$ -	\$ -	\$ -	n/a
<b>TOTAL</b>			\$ 151,361	\$ 192,000	\$ 40,639	79%

1 **C. DISCUSSION**

2 **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED] **END CONFIDENTIAL\*\*\*.**

7 During the last GRC, Cal Am was authorized a weighted average utility  
8 plant of \$16,627,300 for the authorized test year (2012).<sup>306</sup> Cal Am underspent  
9 that amount with a recorded weighted average utility plant of \$16,506,400 for  
10 2012.<sup>307</sup> In this GRC, Cal Am is requesting a recurring project (“RP”) budget for  
11 the Monterey Wastewater district. In 2012, Cal Am underspent its authorized and  
12 funded budget in each of the four recurring project categories (replace mains,  
13 Supervisory Control and Data Acquisition (“SCADA”) equipment, Tools and  
14 Equipment, and Process Plant Facilities and Equipment) that Cal Am is requesting  
15 funds. The cumulative variance between Cal Am’s authorized RP budget and its  
16 actual capital spend was approximately \$122,948 or 42% of the total \$293,871  
17 authorized and placed into rates.<sup>308</sup> In the current GRC, Cal Am requests funding  
18 a RP budget of \$192,000 in 2015 and \$192,000 in 2016.

19 ORA made adjustments to the 2013 and 2014 recurring project budgets  
20 (“RP”). ORA adjusted the 2013 RP budget by the recorded 2013 RP expenditures  
21 normalized for a twelve month period and adjusted the forecasted 2014 RP budget  
22 based on the five inflation-adjusted five-year average of actual recorded RP

<sup>304</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED] **END**  
**CONFIDENTIAL\*\*\*.**

<sup>305</sup> **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
**END CONFIDENTIAL\*\*\*.**

<sup>306</sup> Cal Am Exhibit A, Chapter 7 Table 7.2- Utility Plant in Service-Authorized-Proposed.

<sup>307</sup> Ibid, Chapter 7 Table 7-1- Average Utility Plant in Service- Recorded.

<sup>308</sup> Cal Am’s response to data request DRA (“ORA”)-A.13-07-002.JMI003, question 1 at Attachment 1.

1 investment.<sup>309</sup> Additional detail supporting ORA’s forecast methodology for RP  
 2 budgets, which is consistently applied across all Cal Am service areas, can be  
 3 found in recurring projects section of Chapter 1: Statewide Common Plant Issues  
 4 of this report.

5 **1) Recurring Project Budgets (R15-49B, R15-49L, R15-49P,**  
 6 **R15-49Q), 2015 to 2016**

7 Cal Am utilizes their RP budget for unscheduled capital investment and  
 8 routine projects. ORA recommends a total recurring budget of \$150,917 in 2015  
 9 and \$151,631 in 2016. ORA’s forecast is derived from using an inflation-adjusted  
 10 five-year average of actual recorded RP investment. A breakdown of ORA’s  
 11 recommended RP budget by project category type can be seen in Table 8-C below.  
 12 Additional detail supporting ORA’s forecast methodology for RP budgets, which  
 13 is consistently applied across all of Cal Am service areas, can be found in  
 14 recurring projects section of Chapter 1: Statewide Common Plant Issues of this  
 15 report.

16 **Table 8-C. ORA’s Recommended Recurring Project Budget**

Activity	Description	2015	2016
R15-49B	Mains-Replaced	\$1,826	\$1,832
R15-49L	SCADA	\$7,423	\$7,445
R15-49P	Tools and Equipment	\$18,370	\$18,424
R15-49Q	Process Plant Facilities and Equipment	\$123,298	\$123,661
Recurring Projects Total		\$150,917	\$151,361

17

18 **D. CONCLUSION**

19 Based upon Cal Am’s demonstrated pattern of underspending authorized  
 20 RP budgets, ORA recommends using an inflation-adjusted five-year average of  
 21 actual recorded RP investment to forecast a reasonable budget for test years 2015  
 22 and 2016.

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<sup>309</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7015, Attachment 1. Cal Am’s response to the recorded amount spent for each RP category was as of 10/31/2013. ORA normalized the recorded amount to estimate the expenditure for a twelve month spending period.

1       **CHAPTER 9: SACRAMENTO COUNTY DISTRICT**

2       **A. INTRODUCTION**

3               This chapter provides ORA’s assessment of Utility Plant in Service in Cal  
4       Am’s Sacramento District. Cal Am’s and ORA’s estimates for capital investment  
5       expenditures for the years 2013, 2014, 2015, and 2016 are located in Tables 8-A  
6       through 8-G of this chapter. ORA reviewed Cal Am’s testimony, application,  
7       work-papers, minimum data requirements, capital project justifications,  
8       Comprehensive Planning Study (“CPS”), Condition Based Assessment of Buried  
9       Infrastructure, cost estimates, and responses to ORA’s data requests. ORA  
10      conducted a field investigation of the Sacramento District’s water system on  
11      September 20, 2013 before making its recommendations. Cal Am’s Sacramento  
12      District serves approximately 58,000 connections and consists of nine water  
13      systems: Antelope, Arden, Isleton, Lincoln Oaks, Parkway, Security Park,  
14      Suburban-Rosemont, Walnut Grove, and West Placer.<sup>310</sup>

15      **B. SUMMARY OF RECOMMENDATIONS**

16              For the Sacramento District, Cal Am requests gross plant additions of  
17      \$5,464,141 for 2015 and \$8,049,141 for 2016. ORA recommends \$6,895,096 for  
18      2015 and \$7,654,751 for 2016. The differences between ORA’s and Cal Am’s  
19      recommendations are based on the necessity of the project or the estimated cost of  
20      the project. A summary of the cost adjustments can be seen in Tables 9-A through  
21      9-F.

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<sup>310</sup> Cal Am’s 2010 Urban Water Management Plan – Sacramento County District, pg. 2-1

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**Table 9-A. Sacramento Additions, Including Carryovers and Recurring Project**

	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
2013	\$18,989,106	\$24,433,413	\$5,444,307	78%
2014	\$6,187,266	\$22,549,489	\$16,362,223	27%
2015	\$6,895,096	\$5,464,141	-\$1,430,955	126%
2016	\$7,654,751	\$8,049,141	\$394,390	95%
<b>Total</b>	<b>\$39,726,219</b>	<b>\$60,496,183</b>	<b>\$20,769,964</b>	<b>66%</b>

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**Table 9-B. Sacramento Plant Comparison (2013)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
IP-0560-102	SAC-Meter Conversion 2012-2013	\$4,859,252	\$5,689,472	\$830,220	85%
IP-0560-109	SAC-Well Rehabs 2012	\$455,360	\$118,528	-\$336,832	384%
IP-0560-144	Parkway - Emergency Generators	\$187,401	\$578,484	\$391,083	32%
IP-0560-154	Parkway - Franklin/Florin Main Repl	\$2,306,861	\$2,774,026	\$467,165	83%
IP-0560-155	Parkway - Circle Main Replacement	\$1,808,364	\$3,149,890	\$1,341,526	57%
IP-0560-156	Parkway - Center Parkway Main Repla	\$3,145,681	\$3,145,078	-\$603	100%

IP-0560-165	SAC-Water Trtmnt Improv 2012-13	\$1,406,209	\$2,026,557	\$620,348	69%
IP-0560-166	SAC-Wtr Trtmnt Improvs 2013-14	\$42,299	\$400,000	\$357,701	11%
IP-0560-170	SAC-Lincoln Oaks PCE/VOC Study	\$160,172	\$126,043	-\$34,129	127%
IP-0560-176	SAC-Mapping Improvement Project	\$0	\$250,000	\$250,000	0%
IP-0560-179	SAC-SCADA Upgrades 2012-13	\$1,392,459	\$1,200,000	-\$192,459	116%
IP-0560-188	Sacramento Standby Generators 2013	\$84,204	\$475,000	\$390,796	18%
IP-0560-53	Arden Intertie	\$0	\$578,034	\$578,034	0%
IP-0560-71	SAC-Add'l Pump Equipment (Mather)	\$36,816	\$246,816	\$210,000	15%
RP-0560-A	Mains - New	\$22	\$115,000	\$114,978	0%
RP-0560-C	Mains - Unscheduled	\$101,504	\$156,400	\$54,896	65%
RP-0560-D	Mains - Relocated	-\$559	\$16,000	\$16,559	-3%
RP-0560-E	Hydrants, Valves, and Manholes - New	\$74,852	\$71,133	-\$3,719	105%
RP-	Hydrants, Valves, and	\$259,337	\$110,590	-\$148,747	235%

0560-F	Manholes – Replaced				
RP-0560-G	Services and Laterals - New	\$4,943	\$55,099	\$50,156	9%
RP-0560-H	Services and Laterals - Replaced	\$598,472	\$584,611	-\$13,861	102%
RP-0560-I	Meters - New	\$49,215	\$25,000	-\$24,215	197%
RP-0560-J	Meters - Replaced	\$184,881	\$321,000	\$136,119	58%
RP-0560-L	SCADA Equipment and Systems	\$38,564	\$0	-\$38,564	-
RP-0560-N	Offices and Operations Centers	\$438,644	\$305,000	-\$133,644	144%
RP-0560-P	Tools and Equipment	\$9,274	\$79,274	\$70,000	12%
RP-0560-R	Capitalized Tank Rehabilitation/Painting	\$0	\$139,000	\$139,000	0%
IP-	Pump Efficiency Studies	\$42	\$42	\$0	101%
RP-0560-S2	Preliminary Survey Investigations	\$85,923	\$85,923	\$0	100%
RP-0560-M	Security Equipment and Systems	\$7,789	\$42,000	\$34,211	19%
RP-0560-Q	Process Plant Facilities and Equipment	\$1,251,124	\$1,569,412	\$318,288	80%
<b>Total</b>		<b>\$18,989,106</b>	<b>\$24,433,413</b>	<b>\$5,444,307</b>	<b>78%</b>

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**Table 9-C. Recurring Projects Estimate Comparison (2014-2016)**

<b>Cal Am's Requested Budget</b>					
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014-2016</b>
RP-0560-A	Mains - New	\$80,000	\$200,000	\$150,000	\$430,000
RP-0560-C	Mains - Unscheduled	\$181,926	\$150,000	\$150,000	\$481,926
RP-0560-D	Mains - Relocated	\$17,000	\$0	\$0	\$17,000
RP-0560-E	Hydrants, Valves, and Manholes - New	\$10,000	\$11,986	\$11,986	\$33,972
RP-0560-F	Hydrants, Valves, and Manholes - Replaced	\$112,300	\$80,000	\$80,000	\$272,300
RP-0560-G	Services and Laterals - New	\$54,000	\$47,400	\$47,400	\$148,800
RP-0560-H	Services and Laterals - Replaced	\$266,394	\$350,000	\$350,000	\$966,394
RP-0560-I	Meters - New	\$29,198	\$4,000	\$5,000	\$38,198
RP-0560-J	Meters - Replaced	\$278,504	\$101,000	\$104,000	\$483,504
RP-0560-K	ITS Equipment and Systems	\$0	\$40,000	\$40,000	\$80,000
RP-0560-L	SCADA Equipment and Systems	\$0	\$34,755	\$34,755	\$69,509
RP-0560-N	Offices and Operations Centers	\$5,615	\$15,000	\$15,000	\$35,615

RP-0560-P	Tools and Equipment	\$81,979	\$30,000	\$30,000	\$141,979
RP-0560-R	Capitalized Tank Rehabilitation/Painting	\$460,430	\$100,000	\$130,000	\$690,430
RP-0560-M	Security Equipment and Systems	\$84,000	\$150,000	\$175,000	\$409,000
RP-0560-Q	Process Plant Facilities and Equipment	\$1,257,606	\$1,350,000	\$1,400,000	\$4,007,606
<b>Total Recurring Projects, Cal Am</b>		<b>\$2,918,952</b>	<b>\$2,664,141</b>	<b>\$2,723,141</b>	<b>\$8,306,233</b>
<b>ORA's Recommended Budget</b>					
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014-2016</b>
RP-0560-A	Mains - New	\$15,225	\$15,529	\$15,886	\$46,640
RP-0560-C	Mains - Unscheduled	\$13,029	\$13,290	\$13,595	\$39,914
RP-0560-D	Mains - Relocated	\$92,447	\$94,296	\$96,465	\$283,208
RP-0560-E	Hydrants, Valves, and Manholes - New	\$15,960	\$16,279	\$16,654	\$48,893
RP-0560-F	Hydrants, Valves, and Manholes - Replaced	\$114,966	\$117,266	\$119,963	\$352,195
RP-0560-G	Services and Laterals - New	\$25,492	\$26,001	\$26,600	\$78,093
RP-0560-H	Services and Laterals - Replaced	\$514,919	\$525,218	\$537,298	\$1,577,435
RP-0560-I	Meters - New	\$61,671	\$62,904	\$64,351	\$188,926

RP-0560-J	Meters - Replaced	\$255,268	\$260,373	\$266,362	\$782,003
RP-0560-K	ITS Equipment and Systems	\$0	\$0	\$0	\$0
RP-0560-L	SCADA Equipment and Systems	\$20,174	\$20,578	\$21,051	\$61,803
RP-0560-N	Offices and Operations Centers	\$27,094	\$27,636	\$28,272	\$83,002
RP-0560-P	Tools and Equipment	\$33,430	\$34,098	\$34,883	\$102,411
RP-0560-R	Capitalized Tank Rehabilitation/Painting	\$39,686	\$40,480	\$41,411	\$121,577
RP-0560-M	Security Equipment and Systems	\$4,545	\$4,636	\$4,742	\$13,923
RP-0560-Q	Process Plant Facilities and Equipment	\$936,648	\$955,381	\$977,354	\$2,869,383
<b>Total Recurring Projects, ORA</b>		<b>\$2,170,554</b>	<b>\$2,213,965</b>	<b>\$2,264,887</b>	<b>\$6,649,406</b>
<b>CAW &gt; ORA</b>		<b>\$748,398</b>	<b>\$450,176</b>	<b>\$458,254</b>	<b>\$1,656,827</b>
<b>ORA as % of CAW</b>		<b>74%</b>	<b>83%</b>	<b>83%</b>	<b>80%</b>

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**Table 9-D. Investment Project Plant Additions  
Estimate Comparison (2014)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
05600713	SAC-Elverta Road Bridge Water Main	\$0	\$347,728	\$347,728	0%
IP-0560- 132	SAC-Rehab Wells 2013	\$1,172,712	\$1,077,663	-\$95,049	109%
IP-0560- 133	SAC-Water Trtmt Improv 2013	\$800,000	\$800,000	\$0	100%
IP-0560- 139	SAC-Antelope Road Interconnect	\$300,000	\$300,000	\$0	100%
IP-0560- 166	SAC-Wtr Trtmnt Improv 2013-14	\$920,000	\$920,000	\$0	100%
IP-0560- 179	SAC-SCADA Upgrades 2012-13	\$400,000	\$400,000	\$0	100%
IP-0560- 187	Walnut Grove - Permanent Sewer Conn	\$348,000	\$414,774	\$66,774	84%
IP-0560- 190	Sacramento Sewer Connection Fee	\$76,000	\$76,000	\$0	100%
IP-0560-53	Arden Intertie	\$0	\$1,820,000	\$1,820,000	0%
05600304	Advice Letter - West Placer - Walerga Rd Tank, Bstr	\$0	\$4,076,050	\$4,076,050	0%
IP-0560-38	Advice Letter - Walnut Grove- 120,000 Gal	\$0	\$280,000	\$280,000	0%

	Ground ST				
IP-0560-74	Advice Letter - Lincoln Oaks-1.5MG Tank, BPS & Well	\$0	\$8,354,508	\$8,354,508	0%
IP-0560-88	Advice Letter - Crowder Lane Controls	\$0	\$54,849	\$54,849	0%
IP-0560-100	Advice Letter - Walnut Grove - Well 1 Rehab & Raw W	\$0	\$708,965	\$708,965	0%
	<b>Total</b>	<b>\$4,016,712</b>	<b>\$19,630,538</b>	<b>\$15,613,826</b>	<b>20%</b>

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**Table 9-E. Investment Project Plant Additions**

3

**Estimate Comparison (2015)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
115-600063	Walnut Grove Tank-Construction	\$2,701,355	\$2,800,000	\$98,645	96%
I15-600068	SCADA Maintenance Program	\$120,000	\$0	-\$120,000	-
I15-600069	Sacramento - Standby Generators 2015-17	\$100,000	\$0	-\$100,000	-
I15-600071	Well Rehab 2015-17	\$259,776	\$0	-\$259,776	-
I15-600072	Main Improvement Program	\$1,500,000	\$0	-\$1,500,000	-
	<b>Total</b>	<b>\$4,681,131</b>	<b>\$2,800,000</b>	<b>-\$1,881,131</b>	<b>167%</b>

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**Table 9-F. Investment Project Plant Additions  
Estimate Comparison (2016)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
I15-600064	Lincoln Oaks Wellhead Treatment	\$0	\$1,500,000	\$1,500,000	0%
I15-600065	Security Park Pump Station Rehab	\$490,000	\$490,000	\$0	100%
I15-600066	Suburban/Rosemont Rte 50 Pipe Crossing	\$1,425,000	\$1,425,000	\$0	100%
I15-600068	Isleton Levee Pipe Relocation	\$793,440	\$870,000	\$76,560	91%
I15-600069	SCADA Maintenance Program	\$120,000	\$240,000	\$120,000	50%
I15-600072	Well Rehab 2015-17	\$260,424	\$0	-\$260,424	-
I15-600067	Main Improvement Program	\$1,500,000	\$0	-\$1,500,000	-
I15-600074	Sacramento Office Solar Project- Design	\$164,000	\$164,000	\$0	100%
I15-600075	Antelope Backyard Main Replacement	\$375,000	\$375,000	\$0	100%
I15-600076	Isleton Chemical Feed Building	\$262,000	\$262,000	\$0	100%
<b>Total</b>		<b>\$5,389,864</b>	<b>\$5,326,000</b>	<b>-\$63,864</b>	<b>101%</b>

3

1 **C. DISCUSSION**

2 **1) 2013 Plant Additions**

3 2015-2017 ratebase incorporates forecasted plant additions for the years  
4 2013-2014. Cal Am estimated \$24,433,413 for 2013 utility plant in service  
5 additions.

6 ORA estimated 2013 UPIS additions by normalizing October 31, 2013  
7 recorded plant expenditures,<sup>311</sup> and did not normalize the recorded expenditures  
8 for projects that were indicated as complete and “in service.”<sup>312</sup> The use of 2013  
9 recorded numbers avoids over-estimating the 2013 expenditure and yields a closer  
10 forecast to the actual rate of spending by Cal Am. The recorded years provide the  
11 base year on which the forecast will be built on to develop the future test years.

12 Table 8-B provides a comparison of Cal Am’s 2013 requests compared to  
13 ORA’s 2013 analysis for plant additions by project. ORA recommends the  
14 Commission adopt the 2013 forecasted plant addition of \$18,989,106 based on  
15 normalized recorded expenditures.

16 **2) Recurring Project Budgets (RP-0560-A through RP-0560-**  
17 **R), 2014 to 2016**

18 Cal Am requests a total of \$2,918,952 in 2014,<sup>313</sup> \$2,664,141 in 2015, and  
19 \$2,723,141 in 2016 for the Sacramento District’s recurring projects (“RP”)  
20 budget.<sup>314</sup> ORA recommends the Commission adopt ORA’s forecasted RP budget  
21 of \$2,170,554 in 2014, \$2,213,965 in 2015, and \$2,264,887 in 2016 for the  
22 Sacramento District. ORA’s forecast is derived from using an inflation-adjusted  
23 five-year average of actual recorded RP investment. Additional detail supporting  
24 ORA’s forecast methodology for RP budgets, which is consistently applied across  
25 all Cal Am service areas, can be found in recurring projects section of Chapter 1:

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<sup>311</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7013, question 1

<sup>312</sup> Cal Am’s response to data request ORA-A.13-07-002. AL7015, question 1

<sup>313</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Sacramento, ” SCEP summary”

<sup>314</sup> Direct Testimony of F. Mark Schubert, Attachment 7, pg. 9.

1 Statewide Common Plant Issues of this report. The results of ORA’s forecast are  
2 summarized in Table 9-C.

3 **3) In Progress Projects**

4 a) Pump Efficiency Studies (IP-Unknown)

5 ORA discovered plant in service additions of \$500,000 in 2015, and  
6 \$250,000 in 2016 in Cal Am’s workpaper under the project title “Pump Efficiency  
7 Studies”.<sup>315</sup> Cal Am presented no testimony or workpaper to support the inclusion  
8 of this expenditure in the ratebase.

9 Furthermore many of the needed capital studies are already included in the  
10 proposed comprehensive planning study budget. This budget covers  
11 comprehensive planning study reports, the drought management plan, well  
12 assessment, emerging need project (“ENP”) evaluations, condition based  
13 assessment (“CBA”) reports, strategic capital expenditure plan (“SCEP”), and the  
14 2015 Urban Water Management Plan (“UWMP”).<sup>316</sup> For further details on this  
15 budget see ORA’s testimony in the Plant Common Issues Chapter under the  
16 section “Comprehensive Planning Study and System Map Maintenance”.

17 ORA recommends the Commission to disallow the amounts requested  
18 based on insufficient support for the requested pump efficiency studies.

19 b) Walnut Grove - Permanent Sewer Conn. (IP-0560-42 or IP-0560-187)

20 In this GRC, Cal Am recorded \$34,774 in 2012 CWIP and forecasts  
21 \$380,000 to be spent in 2013 for the Walnut Grove Sewer Connection project, a  
22 total of \$414,774 is requested to be recorded in the 2014 UPIS addition. This  
23 project funds the construction of a new sanitary sewer lateral connecting the  
24 Walnut Grove Islandview water treatment plant’s solid waste line to the  
25 Sacramento Area Sewer District’s sanitary sewer collection system.

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<sup>315</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Sacramento, ” SCEP summary”, Line 59

<sup>316</sup> Direct Testimony of F. Mark Schubert, pg. 143.

1 The 2013 recorded expenditure for this project as of October 31, 2013 was  
2 \$120,234.<sup>317</sup> ORA normalized this recorded expenditure to produce the forecasted  
3 expenditure of \$144,280 for 2013. In the 2010 GRC A.10-07-007, the  
4 Commission adopted a settlement authorizing the expenditure of \$348,000 in 2012  
5 for this project.<sup>318</sup> No support or explanation was provided to indicate that this  
6 project could not be completed within the authorized budget. Therefore, ORA  
7 estimated an expenditure of \$168,946<sup>319</sup> in 2014 to bring the total project budget  
8 back to the authorized \$348,000.

9 ORA recommends the Commission to continue allowing this project at the  
10 total budget of \$348,000<sup>320</sup> to be recorded in the 2014 UPIS addition.

#### 11 **4) Carryover Projects**

##### 12 a) SAC-Elverta Road Bridge Water (I15-600007 or 05600713)

13 Cal Am is requesting approximately \$348,000 for the SAC-Elverta Road  
14 Bridge Water project, stating that the project “is currently planned for construction  
15 in 2014.”<sup>321</sup> Cal Am states this project is needed because Sacramento County is  
16 planning to replace the existing bridge on Elverta Road and Cal Am’s existing  
17 main will be demolished with the existing bridge. The existing main will be  
18 temporarily relocated during the replacement and a new main will be constructed  
19 on a cantilever utility support on the south side of the new bridge.<sup>322</sup>

20 This project was first proposed in the 2009 GRC A.09-01-013, and was  
21 approved in D.10-06-038 at a budget of \$306,867 with the expectation that this

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<sup>317</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7-013, question 1

<sup>318</sup> Partial Settlement Agreement Between the Division of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007(July 28, 2011), pg. 246; *see also* D.12-06-016 (approving settlement).

<sup>319</sup> \$348,000 (total authorized budget) - \$34,774 (2012 CWIP) - \$144,280 (ORA’s 2013 forecast) = \$168,946 (ORA’s 2014 forecast)

<sup>320</sup> 2012 CWIP of \$34,774 + 2013 ORA forecast of \$144,280 + 2014 forecast of \$168,946 = \$348,000

<sup>321</sup> Direct Testimony of F. Mark Schubert, pg. 41

<sup>322</sup> *Ibid*, pg. 40

1 project would be used and useful in year 2010.<sup>323</sup> The project was delayed and in  
2 the 2010 GRC A.10-07-007 the Commission adopted a settlement agreement to  
3 allow this project to continue at a budget of \$348,000 with the expectation that it  
4 would be used and useful in 2012.<sup>324</sup> Now, Cal Am’s latest update on the project  
5 is that it is planned for construction in 2014. For the past four years Cal Am has  
6 been earning a return on this capital project that provides no service to customers.

7 ORA recommends the Commission defer allowance of this project based on  
8 past project delays. Cal Am has not provided any new additional evidence in this  
9 GRC that was not already provided in the past two GRCs, to prove to the  
10 Commission that this project will be built in 2014. Given the lack of new  
11 information, this project should not be included in the forecasted rate base in this  
12 GRC cycle. The current amount recorded in CWIP can be allowed to be carried  
13 forward, and Cal Am should seek recovery of this project in a future rate case  
14 cycle after it has shown the new main used and useful.

15 b) Arden Intertie (I15-600051 or IP-0560-53)

16 Cal Am is requesting \$578,034 in 2013 and \$1,820,000 in 2014, for a total  
17 plant addition of \$2,398,034 for the Arden Intertie project in this GRC.<sup>325</sup> Cal Am  
18 states that the “Current MDD [maximum day demand] and Fire Flow, as well as  
19 Peak Hour Demands (“PHD”) exceed available supplies to maintain the minimum  
20 requisite system pressure of 40 psi.”<sup>326</sup> This project proposes to increase Arden’s  
21 system pressure by adding a new intertie connection to the City of Sacramento’s

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<sup>323</sup> D.10-06-038, pg.23; Partial Settlement Agreement Between the [Office] of Ratepayer Advocates and California-American Water Company on Issues Presented in the General Rate Case (dated December 18, 2009), pg. 56.

<sup>324</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007 (July 28, 2011), pg. 245; *see also* D.12-06-016 (approving settlement).

<sup>325</sup> Cal Am’s Workpaper “RB 100 thru 105-2013 Statewide GRC – Sacramento,” SCEP summary tab, Line 26

<sup>326</sup> Direct Testimony of F. Mark Schubert, pg. 41

1 water system and by constructing a booster station with three 350 gpm capacity  
2 pumps.<sup>327</sup>

3 This project was first proposed in the 2009 GRC and the Commission  
4 adopted a settlement approving \$500,000 of partial funding for it.<sup>328</sup> In the 2010  
5 GRC the Commission adopted a settlement agreement through D.12-06-016  
6 authorizing \$29,325 for expenditures incurred prior to 2011, \$500,000 for 2011,  
7 \$697,000 for 2012, and \$1,046,000 for 2013. The total authorized budget was  
8 \$2,272,325 and the project was expected to be completed in 2013.<sup>329</sup> The 2012  
9 recorded CWIP balance was \$78,034<sup>330</sup> and the recorded expenditure for 2013 was  
10 only \$5,865 as of October 31, 2013.<sup>331</sup> Clearly, this project has come to a halt  
11 with Cal Am failing to even acquire the necessary land to construct the project for  
12 more than three years.<sup>332</sup>

13 First, Cal Am through this project has been earning a rate of return on  
14 unspent capital for the past three years. Second, Cal Am has not provided any  
15 evidence or explanation as to why this project has been delayed for so long. ORA  
16 has significant doubt that this project is necessary “to meet the demand of the  
17 system users and comply with the requirements of the CDPH.”<sup>333</sup> Cal Am states  
18 that \*\*\* **BEGIN CONFIDENTIAL:** [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

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<sup>327</sup> Ibid, pg. 42

<sup>328</sup> D.10-06-038, pg. 23; Partial Settlement Agreement Between the [Office] of Ratepayer Advocates and California-American Water Company on Issues Presented in the General Rate Case (dated December 18, 2009), pg. 58.

<sup>329</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007 (July 28, 2011), pg. 247; *see also* D.12-06-016 (approving settlement).

<sup>330</sup> Cal Am’s Workpaper “RB 100 thru 105-2013 Statewide GRC – Sacramento,” SCEP summary tab, Line 26

<sup>331</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7013, question 1

<sup>332</sup> Cal Am’s response to data request ORA-A.13-07-002AL7015, question 1

<sup>333</sup> Direct Testimony of F. Mark Schubert, pg. 42

[REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED] **END CONFIDENTIAL\*\*\*.**

5 It is hard to acknowledge the urgency of this project when the land has not  
6 been acquired after more than three years of project funding. Cal Am should not  
7 earn a rate of return on unspent capital in any future GRC cycles. ORA  
8 recommends that the Commission disallow this project in its entirety, remove the  
9 \$83,899 currently in CWIP and have the shareholders bear the cost of delayed  
10 implementation of this unnecessary project. Cal Am may seek recovery of this  
11 project in a future GRC once it is proven prudent, used, and useful.

12 **5) Advice Letter Projects**

- 13 a) Walnut Grove System Improvements (I15-600040 or IP-0560-100) ;  
14 Lincoln Oaks 1.5MG Tank, Booster Station (I15-600055 or IP-0560-  
15 74), and Well ; Walerga Road Bridge Pipeline Relocation (I 15-600032  
16 or IP-0560-160) ; Crowder Lane Controls (I15-600057 or IP-0560-88) ;  
17 West Placer - Walerga Rd Tank, Booster Station (I15-600002 or  
18 05600304); Security Park-Interconnection w/SCWA (I15-600021 or IP-  
19 0560-127)

20 All the above projects were authorized as advice letter projects in the 2010  
21 GRC but have not been completed. In this GRC, Cal Am has directly included  
22 these projects in its rate base estimate and is seeking capital instead of advice letter  
23 treatment. No evidence has been presented to support that the projects will be  
24 100% used and useful, or will be completed within the authorized budget and  
25 forecasted timeframes. By including these into the forecasted ratebase, Cal Am  
26 may collect on projects that are not complete or not used and useful. This also

[REDACTED]

1 defeats the original intent and settlement between various parties to exclude these  
2 projects from the rate base until the projects are completed and have passed a  
3 reasonableness review conducted by the Commission and ORA.

4 Furthermore, the inclusion of these projects in the forecasted rate base can  
5 lead to double recovery where Cal Am can simultaneously file rate base offset  
6 advice letters while the project is being approved in the GRC proceeding. This  
7 risk of double recovery was precisely highlighted with IP-0540-194 – Carmel  
8 Woods Tank in the Monterey District. Cal Am included this project in its rate  
9 base projection in this GRC and during the course of this application  
10 simultaneously filed an Advice Letter<sup>337</sup> seeking a rate base offset for the same  
11 project. This practice of seeking recovery through multiple avenues poses a  
12 serious threat to the ratepayers and the regulatory process. Different departments  
13 and analysts within the Commission and ORA can work on different requests for  
14 rate base offset of the same project and can independently approve or reject each  
15 request, or can reach differing conclusions. The Commission must protect  
16 ratepayers from this possibility.

17 ORA recommends the Commission protect ratepayers by excluding these  
18 projects in the test years' ratebase and to disallow these projects to continue as  
19 advice letter projects beyond December 31, 2014. If the projects are necessary  
20 and have to be constructed, Cal Am has the ability to seek recovery in future GRC  
21 applications by submitting justifications on the prudence and cost of each project  
22 either prior or after construction.

23 **6) Proposed New Capital Projects**

24 a) Lincoln Oaks Wellhead Treatment (I15-600064)

25 Cal Am requests plant additions of \$1,500,000 in 2016 to design and install  
26 portable treatment equipment, such as granular activated carbon systems, at the  
27 existing Oakberry and Sandalwood well sites to bring those contaminated wells

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<sup>337</sup> AL 1027, dated November 27, 2013

1 back online.<sup>338</sup> This project will impact the operation and maintenance budget as  
2 the treatment tanks will have to be replaced every 10 years.<sup>339</sup> Currently four  
3 wells in the Lincoln Oaks system are in standby mode due to groundwater  
4 contamination. The contaminants include Tetrachloroethylene (“PCE”), iron, and  
5 manganese. PCE is a known carcinogen and was widely used in dry cleaning,  
6 degreasing of metal parts, and paint stripping. Iron comes from natural deposits  
7 and industrial waste. Manganese leeches from natural deposits. The sources of  
8 these contaminants are currently unknown but a study was approved in the 2010  
9 GRC<sup>340</sup> to identify the risks and source of contaminants to develop an overall  
10 mitigation strategy; the study was scheduled to be completed by the end of 2013.

11 Based on 2012 recorded numbers Lincoln Oaks has an average day demand  
12 (“ADD”) of 6.620 mgd,<sup>341</sup> \*\*\* **BEGIN CONFIDENTIAL:** [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED] **END CONFIDENTIAL\*\*\***. The national average  
20 for source capacity is approximately 39% above the MDD.<sup>346</sup> Cal Am’s existing  
21 well and tank water supply is more than adequate to cover Cal Am’s \*\*\* **BEGIN**  
22 **CONFIDENTIAL:** [REDACTED]

<sup>338</sup> Direct Testimony of F. Mark Schubert, pg. 130

<sup>339</sup> Cal Am’s Proposed New Investment Capital Projects GRC Workpapers – I15-600064 – Lincoln Oaks Wellhead Treatment Project, pg. 3

<sup>340</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007 (July 28, 2011), pg. 232-233 (project ID number IP-0560-170); *see also* D.12-06-016 (approving settlement)

<sup>341</sup> Cal Am’s response to data request ORA-A.13-07-002.JMI006, question 1

[REDACTED]

<sup>346</sup> American Water Works Association, Water and Wastewater Survey, pg. 11 Table 5.

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED] **END CONFIDENTIAL \*\*\*.**

9 Nonetheless, even without this additional purchased water, the current well and  
10 tank supply is more than adequate to meet future demands without restoring the  
11 Oakberry and Sandalwood wells.

12 Another justification Cal Am provided for this project was that **\*\*\* BEGIN**  
13 **CONFIDENTIAL:** [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 **END CONFIDENTIAL\*\*\*.** The well age of the Oakberry well is **\*\*\* BEGIN**  
18 **CONFIDENTIAL:** [REDACTED]  
19 [REDACTED]  
20 [REDACTED] **END CONFIDENTIAL\*\*\*.** Therefore

21 even if additional sources of supply are needed for the Lincoln Oaks system,  
22 which the system does not need, new treatment systems and generator equipment  
23 at these two older wells will not be the most beneficial use of ratepayer's funds.

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[REDACTED]

1 Cal Am should also take the approved contaminants study into  
2 consideration prior to the proposal and construction of any treatment projects in  
3 the Lincoln Oaks area, since the proposed treatment methods may prove  
4 unsuitable for the specific well location. Where possible, Cal Am should also  
5 identify the 3<sup>rd</sup> party polluters and pursue compensation to remediate the ground  
6 water contamination plume affecting the water quality in the Lincoln Oaks system.

7 ORA recommends disallowing this project based on sufficient existing  
8 supply to meet the forecasted demand, age of the existing wells proposed for  
9 rehab, and the\*\*\* BEGIN CONFIDENTIAL [REDACTED] END  
10 CONFIDENTIAL \*\*\*. Also, Cal Am should examine and take into consideration  
11 the recommendations of the Lincoln Oaks contaminant study approved in the last  
12 GRC prior to making any sources of supply proposals going forward.

13 b) Antelope Tank (I15-600073)

14 Cal Am is requesting \$500,000 in 2015 and \$500,000 in 2016 for the  
15 design, permitting, and land acquisition for a 1.0 MG tank, 3,000 gpm booster  
16 station, and a 1,500 gpm production well; scheduled to be constructed in 2018-  
17 2020.<sup>353</sup> Cal Am states that this project will help the Antelope system conform to  
18 Title 22 regulations<sup>354</sup> for fire flow supply and to meet projected peak hour  
19 demands.<sup>355</sup>

20 The Antelope system is currently already in compliance with the fire flow  
21 and demand requirements under Title 22 and is forecasted to remain in compliance  
22 in the near future, thus the proposed tank and an upgrade to the system is not  
23 necessary. Title 22 Section 64551.30 defines Maximum Day Demand (“MDD”)  
24 as “the amount of water utilized by consumers during the highest day of use  
25 (midnight to midnight), **excluding fire flow**, as determined pursuant to Section

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<sup>353</sup> Direct Testimony of F. Mark Schubert, pg. 133

<sup>354</sup> Title 22 of the California Code of Regulations (CCR) is a set of regulations on Social Security Issues. Division 4 specifically contains regulations on Environmental Health and the Chapters within contains various Drinking Water Regulations that all water producers in California must follow.

<sup>355</sup> Id, pg. 133

1 64554.”<sup>356</sup> Title 22 Section 64551.35 defines Peak Hour Demand or PHD as “the  
2 amount of water utilized by consumers during the highest hour of use during the  
3 maximum day, **excluding fire flow**, as determined pursuant to Section 64554.”<sup>357</sup>

4 Based on 2012 recorded numbers, the Antelope system has an ADD of 4.64  
5 mgd,<sup>358</sup> \*\*\* **BEGIN CONFIDENTIAL** [REDACTED]

6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED] **END CONFIDENTIAL**\*\*\*.

14 The most stringent fire flow requirement in the Antelope District is for  
15 commercial/industrial properties at a minimum of \*\*\***BEGIN**  
16 **CONFIDENTIAL:** [REDACTED] **END CONFIDENTIAL**\*\*\*. The  
17 existing Antelope system is more than capable of handling the demand even in the  
18 very unlikely situation of commercial/industrial fire flow utilization happening on  
19 the day of MDD, with the system capable of supplying \*\*\***BEGIN**  
20 **CONFIDENTIAL:** [REDACTED] **END CONFIDENTIAL**\*\*\* for a demand of  
21 \*\*\***BEGIN CONFIDENTIAL:** [REDACTED] **END CONFIDENTIAL**\*\*\*. In

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<sup>356</sup> California Regulations Related to Drinking Water, dated June 21, 2012, pg. 202 - 22 CCR, Division 4, Chapter 16, Article 2, Section 64554. New and Existing Source Capacity (emphasis added)

<sup>357</sup> California Regulations Related to Drinking Water, dated June 21, 2012, pg. 202 - 22 CCR, Division 4, Chapter 16, Article 2, Section 64554. New and Existing Source Capacity (emphasis added)

<sup>358</sup> Cal Am’s response to data request ORA-A.13-07-002.JMI006, question 1

[REDACTED]

1 fact, even Cal Am stated in its **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED] **END CONFIDENTIAL\*\*\***. The  
6 existing source of supply is also more than adequate to meet the future MDD  
7 requirements of **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
8 [REDACTED]  
9 [REDACTED] **END CONFIDENTIAL\*\*\***.

10 Due to current and estimated future satisfactory compliance with Title 22 of  
11 the California Regulations Related to Drinking Water, and the ability for the  
12 Antelope system’s existing source capacity to more than adequately meet existing  
13 and future projected system demands, the proposed project to construct a new 1.0  
14 MG tank and related equipment is not necessary and should be dismissed by the  
15 Commission.

16 c) Sacramento Standby Generators (I15-600069)

17 Cal Am is requesting \$300,000 in 2015 and \$400,000 in 2016 to purchase  
18 twelve new portable standby diesel generators (between the 2015 to 2017 period)  
19 and to relocate some of its existing generators in the Sacramento District. Cal  
20 Am’s justifications for this project are that “Many of these existing generators are  
21 coming to the end of their useful life and/or are soon to be out of compliance with  
22 the air quality requirements.”<sup>369</sup> Cal Am’s policy is to “supply at least 100 percent  
23 of the Average Day Demand for each water system during a utility power  
24 outage.”<sup>370</sup> In the 2010 GRC, the Commission adopted a settlement approving a  
25 combined budget of \$250,000 in 2012 and \$475,000 in 2013 for the two projects:

[REDACTED]

<sup>369</sup> Cal Am’s Proposed New Capital Investment Projects Workpapers – I15-600069 – Standby Generators 2015-2017, pg. 3

<sup>370</sup> Ibid

1 Parkway Emergency Generators (IP-0560-144) and Sacramento Standby  
2 Generators 2013 (IP-0560-188) for the replacement of generators in the  
3 Sacramento District.<sup>371</sup>

4 In the Sacramento District, the Sacramento Metropolitan Air Quality  
5 Management District is the local governing authority and the California Air  
6 Resource Board (“CARB”) is the state governing authority for air quality. CARB  
7 has set regulations for diesel-fueled portable engines that Cal Am’s standby  
8 generators must comply with. According to the Airborne Toxic Control Measure  
9 for Diesel-Fueled Portable Engines (“ATCM”), the fleet’s actual weighted diesel  
10 particulate matter emission rate must be compared with the fleet emission standard  
11 to comply with the ATCM. This fleet emission standard is determined based on  
12 the engine size of the fleet (measured in grams per break horsepower-hour or  
13 g/bhp-hr).<sup>372</sup> However in the ATCM, it states that portable diesel-fuel engines  
14 used solely for emergency purposes are exempted from the fleet requirement.  
15 Certified diesel fueled engines used solely for emergency purposes need to meet  
16 one of the criterion listed in the ATCM by 2020.<sup>373</sup>

17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]

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<sup>371</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007 (July 28, 2011) , pg. 229-230; *see also* D.12-06-016

<sup>372</sup> ATCM for diesel particulate matter from portable engines rated at 50 horsepower (“hp”) or greater, final regulation order. On January 1, 2017 for engines less than 175 hp, the PM weighted average emission shall not exceed 0.18 g/bhp-hr. For engines between 175 to 750 hp, the PM weighted average emission shall not exceed 0.08 g/bhp-hr.

<sup>373</sup> The criteria listed in the ATCM include being certified to Tier 4 emission standards for newly manufactured non-road engines, potable diesel fueled engine must be equipped with a functioning level-3 certified technology or an engine is combined with a combination of verified emission control strategies that reduce diesel PM emissions by eighty-five percent.

[REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]

16 **END CONFIDENTIAL\*\*\*** until the year 2019 for ACTM compliance or until  
17 the end of useful life of the unit if it is not in violation of any air quality  
18 regulations. The existing generators also provides sufficient emergency capacity  
19 for the Parkway System, equivalent to \*\*\* **BEGIN CONFIDENTIAL:** [REDACTED]  
20 [REDACTED] **END CONFIDENTIAL\*\*\***. Any premature replacement of generators,  
21 especially if the generator is not in violation of any air quality regulation, will not  
22 be utilizing the full useful service life of the equipment. \*\*\***BEGIN**

23 **CONFIDENTIAL:** [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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[REDACTED]

1 [REDACTED] **END CONFIDENTIAL\*\*\***. ORA does  
2 not oppose these relocations as these generators are readily available as part of the  
3 Commission authorized settlement for the years 2012 and 2013.<sup>378</sup> **\*\*\*BEGIN**

4 **CONFIDENTIAL:** [REDACTED]  
5 [REDACTED] **END CONFIDENTIAL\*\*\***.

6 **\*\*\*BEGIN CONFIDENTIAL:** [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]

12 [REDACTED] **END CONFIDENTIAL\*\*\***. ORA recommends deferral of the  
13 new natural gas generator purchase until 2019 for ACTM compliance or until the  
14 end of useful life of the unit if it is not in violation of any air quality regulations.  
15 Regular maintenance and testing of the existing generator can be conducted  
16 outside of the restricted hours of operation on school days, and currently there are  
17 no restrictions on operating the unit in an emergency situation. The associated  
18 relocation of the to-be-replaced generator should be deferred until the new  
19 generator at the existing site is necessary.

20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]

[REDACTED]

<sup>378</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007 (July 28, 2011), IP-0560-123 pg. 237, and IP-0560-145 pg. 243; *see also* D.12-06-016

[REDACTED]

<sup>382</sup> XXXX, , XX.XX, XXXXX X

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED] **END CONFIDENTIAL\*\*\***. As part of the generator's  
4 permit requirement, regular maintenance and testing has been conducted for all the  
5 standby generators. Standby generators are by nature rarely operated. \*\*\***BEGIN**  
6 **CONFIDENTIAL:** [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED] **END CONFIDENTIAL\*\*\***

10 the recommended generator should be replaced in the year 2019 for ACTM  
11 compliance or until the end of useful life of the unit if the unit will not be in  
12 violation of any air quality regulations. In addition, by collectively replacing units  
13 in the year 2019 or further into the future, Cal Am should be able gain bulk  
14 discounts and negotiate better per unit prices with the generator vendors.

15 Based on ORA's analysis, the Commission should approve \$100,000 in  
16 2014, \$0 in 2015 and \$0 in 2016 for the Sacramento Standby Generator project.

17 d) Walnut Grove Tank Construction (I15-600063 or IP-0560-198 or IP-  
18 0560-38)

19 For this project Cal Am is seeking \$2,800,000 in 2015 to construct a  
20 200,000 gallon tank in its Walnut Grove system. Currently there is no treated  
21 water storage tank in the system, the tank is expected to substitute the existing  
22 hydropneumatic tanks and provide demand equalization plus fire flow storage.

23 ORA agrees with the need for this project but disagrees with the cost of the  
24 project. The 2010 GRC settlement approved IP-0560-38 as an advice letter  
25 project for the amount of \$100,000 in 2010 and \$180,000 for the "preliminary

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[REDACTED]

1 project budget” including “land acquisition, design, and permitting activities” for  
2 the construction of the Walnut Grove Tank.<sup>385</sup> In a data request response, Cal Am  
3 stated that “the project need phase is completed under the Commission’s approved  
4 budget of \$280,000. It should be recognized that the permitting portion of this  
5 project has not yet been completed...”<sup>386</sup> As of September 18, 2013, \$19,130.95  
6 has been spent on preliminary engineering, \$191,454.63 on detailed design, and  
7 \$40,999.74 on land acquisition totaling \$251,585.32.<sup>387</sup> But in Cal Am’s project  
8 cost estimate for the construction of the tank \$10,775 was proposed for the  
9 permitting cost of this project, instead this should be recovered through IP-0560-  
10 38. Cal Am should adhere to the authorized cap of \$280,000 for the preliminary  
11 project budget; this leaves \$28,414.68 as the remaining budget for permitting.

12 In total ORA discovered that Cal Am erroneously included \$55,875<sup>388</sup> for  
13 the project need phase in its construction cost estimate for the Walnut Grove Tank  
14 in this GRC. All costs related to the project need phase of the tank should be  
15 captured under the authorized advice letter project IP-0560-38. Therefore, the  
16 costs related to the project need phase were removed in ORA’s analysis.  
17 Furthermore the construction inspection cost was entered into the cost estimate  
18 simply as a percentage of the total construction cost without any supporting  
19 evidence as to why 5% was used. ORA disagrees with the simple use of 5% for  
20 the construction inspection estimate on a project with a construction cost of  
21 \$2,155,910.<sup>389</sup> Cal Am’s current estimate equates to \$107,796 or an estimate of  
22 1078 hours or 135 working days (approximately 1/3 of the year) for the  
23 construction inspection of this tank. ORA in its analysis used 3% of the total  
24 construction cost yielding \$64,677. This translates to an allowance of 647 hours,

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<sup>385</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007 (July 28, 2011) pg. 257-258; *see also* D.12-06-016 (approving settlement)

<sup>386</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7005, question 1 (c).

<sup>387</sup> *Ibid.*

<sup>388</sup> Cal Am’s Project GRC Workpapers for the Walnut Grove Tank Construction, dated April 2013, pg. 5

<sup>389</sup> *Ibid.*

1 81 working days, or allowing tank inspection of two full days per week if the  
2 construction requires 6 months to complete. This is a more reasonable estimate as  
3 the construction of the tank will be bid out to third party contractors and Cal Am  
4 will be in a supervisory role, inspecting the construction progress periodically.

5 ORA recommends the Commission to approve this project at a cost of  
6 \$2,701,355 in the year 2015.

7 e) Isleton Levee Pipe Relocation (I15-600067 or IP-0560-203)

8 Cal Am requests \$870,000 in 2016 to relocate an existing main that  
9 currently runs parallel to the levee in its profile in the Isleton system. The Army  
10 Corps of Engineers have ordered Cal Am to discontinue the use of this section of  
11 main. Under this project Cal Am will install a new main away from the levee and  
12 abandon the existing main in place. The project is expected to be completed in  
13 2016.

14 ORA agrees with the need for this project but disagrees with the  
15 contingency and permitting cost. This project is to simply install a new main  
16 away from the levee and abandon the existing pipe in place, the same as any  
17 regular pipeline installation/replacement project. According to Cal Am's "Capital  
18 Investment Project Cost Estimates" workpaper, the contingency category for  
19 regular main installation falls under "pipeline", but this project is currently  
20 designated as "complex". "Pipeline" projects have a contingency factor of 10%  
21 and "complex" projects have a contingency factor of 20%. In addition, using  
22 10.5% or \$51,923 for permitting in the project cost estimate is unusually high  
23 considering the existing pipe will be abandoned in place and the installation of  
24 new main will be similar to regular pipeline installations. In the current GRC  
25 cycle a pipeline project is proposed for the Sacramento District, I15-600066  
26 Suburban/Rosemont Route 50 Pipe Crossing. That project will involve

1 constructing a new main to cross under the freeway Route 50<sup>390</sup> and Cal Am  
2 estimates a permitting cost of 0.7% of the construction cost or \$7,104. A more  
3 reasonable permitting percentage would be at least half of the 10.5% used in Cal  
4 Am’s project cost estimate, 5%. ORA in its construction cost analysis used a  
5 contingency factor of 10% and an estimated permitting cost of 5% or \$24,725.

6 ORA recommends the Commission to approve this project at the adjusted  
7 cost of \$793,440.

8 f) Supervisory Control and Data Acquisition (“SCADA”) Maintenance  
9 Program (I15-600068 or IP-0560-204); Main Improvement Program  
10 (I15-600072 or IP-0560-208)

11 Cal Am is requesting expenditures of \$120,000 per year in 2015 and 2016  
12 for its SCADA Annual Maintenance Program and requesting \$1,500,000 per year  
13 in 2015 and 2016 for its Main Improvement Program.

14 ORA agrees with the need for these annual maintenance programs and have  
15 allowed the estimated budgets to be added into the UPIS of each year in ORA’s  
16 budget forecast. This spreads out the cost of these annual programs over the test  
17 and escalation year and minimizing the rate shock for ratepayers.

18 g) Well Rehab 2015-17 (I15-600071 or IP-0560-207)

19 Cal Am is requesting \$1,700,000 in 2015, \$1,600,000 in 2016, and  
20 \$1,600,000 in 2017 for a total of \$4,900,000 for its well rehabilitation (“rehab”)  
21 program in the Sacramento District. Currently \*\*\* **BEGIN CONFIDENTIAL:**  
22 [REDACTED] **END CONFIDENTIAL\*\*\***

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<sup>390</sup>Cal Am’s Proposed New Capital Investment Workpapers– I15-600066 -Suburban-Rosemont Route 50 Crossing  
[REDACTED]

1 in the Sacramento system and Cal Am is proposing to rehab 15 wells in the years  
2 2015-2017.<sup>392</sup>

3 ORA agrees with the need for this program but disagrees with the cost of  
4 the program and the percentage of rehab cost to be recorded into plant in service.  
5 Since this project was intended to be an annual maintenance program, ORA  
6 allowed the estimated budget to be added into the UPIS of each year.

7 Cal Am estimated the rehab construction cost for the 15 wells proposed at  
8 \$3,420,000<sup>393</sup>, or \$228,000 per well. No supporting document or explanation was  
9 provided on how this rehab construction cost per well was derived. ORA in its  
10 analysis used 2008-2012 recorded well rehab cost provided by Cal Am.<sup>394</sup> The  
11 average cost of rehab per well by year in the Sacramento District was \$140,949 in  
12 2008, \$149,192 in 2009, \$126,469 in 2010, \$144,776 in 2011, and \$158,411 in  
13 2012. The five year recorded average rehab cost per well of these averages is  
14 \$143,960. This average cost was then multiplied by 15, the number of wells Cal  
15 Am is proposing to rehabilitate in this GRC, to yield \$2,159,400 for the total  
16 construction cost for this project. All other construction variables such as  
17 contingency, escalation, and engineering overhead were calculated similar to Cal  
18 Am's original cost estimate.

19 In Cal Am's 2008 GRC, ORA's plant witness successfully proved to the  
20 Commission that the majority of well rehabilitation cost should be recorded as an  
21 O&M expense.<sup>395</sup> This was also the original intent for establishing account "711.  
22 Maintenance of Wells" for Class A Utilities under the Uniform System of  
23 Accounts for Water Utilities. The description of what shall be included into this  
24 operating expense account is as follows:

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<sup>392</sup> Cal Am's Proposed New Capital Investment Workpapers –I15-600071 – Well Rehabilitation Program 2015-2017, pg. 3

<sup>393</sup> Cal Am's Project GRC Workpapers for I15-600071 – Well Rehabilitation Program 2015-2017, pg. 5

<sup>394</sup> Cal Am's response to data request ORA-A.13-07-002.AL7003, Question 1 (b), Attachment 1\_CAW\_DRA-AL7-003\_Q1(b).xls

<sup>395</sup> D.09-07-021, pg.30-31, and pg.145 Conclusion of Law No.8

- 1 “1. Direct field supervision of well maintenance
- 2 2. Inspecting, testing, and reporting on the condition of wells specifically
- 3 to determine the need for repairs, replacements and changes.
- 4 3. Inspecting and testing the adequacy of repairs which have been made.
- 5 4. Work performed specifically for the purpose of preventing failure,
- 6 restoring serviceability or maintaining life of wells.
- 7 5. Testing for, locating and clearing trouble.
- 8 6. Restoring the condition of wells damaged by storms, floods and other
- 9 casualties, providing replacement does not constitute a retirement unit.
- 10 7. Restoring the conditions of wells and springs damaged by wear and
- 11 tear, decay or action of the elements, providing replacement does not
- 12 constitute a retirement unit.
- 13 8. Replacing or adding minor items of plant which do not constitute a
- 14 retirement unit.”<sup>396</sup>

15 In D.09-07-021 for A.08-01-024, Cal Am was directed to record 70% of its  
16 well rehab cost into the O&M expense account and record 30% as a plant in  
17 service addition.<sup>397</sup> This 30/70 splitting of well rehab cost was again  
18 acknowledged by the Commission in D.12-06-016 when a partial settlement  
19 agreement was adopted for the 2010 GRC A.10-07-007 for the Monterey  
20 District.<sup>398</sup> The findings in D.09-07-021 should continue to be upheld in this GRC  
21 and Cal Am should only record 30% of the well rehab cost into the utility plant in  
22 service.

23 ORA recommends the Commission approve this project at the adjusted  
24 budget as discussed and allow 30% of these cost to be recorded in the ratebase,  
25 and 70% as an O&M expense. See the following table for the cost breakdown:

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<sup>396</sup> SP-U 38W “Uniform System of Accounts,” page 99  
(<http://docs.cpuc.ca.gov/published/Graphics/83011.PDF>)

<sup>397</sup> D.09-07-021, pg.30-31, and pg.145 Conclusion of Law No.8

<sup>398</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California-American Water Company on Revenue Requirement Issues, A.10-07-007 (July 28, 2011) pg.189-190; *see also* D.12-06-016 (approving settlement)

1 **Table 9-G. ORA’s Recommended Budget for Well Rehabilitation 2015-2016**

Well Rehab - Recommended Budget			
Year	2015	2016	Total
Capitalized Cost	\$259,776	\$260,424	\$520,200
O&M Expense	\$606,144	\$607,655	\$1,213,799
Total	\$865,919	\$868,079	\$1,733,998

2

3 h) Lincoln Oaks Interconnection SCADA (I15-600070)

4 Cal Am is requesting a total of \$280,000 to install automatic isolation and  
5 flow control valves, and update instruments at its existing interconnection flow  
6 meter with the Sacramento Suburban Water District. This will allow Cal Am’s  
7 Sacramento headquarter to collect real time data and control the flow at the  
8 interconnection. This project is anticipated to be completed in 2017. Since the  
9 estimated place into service year for project I15-600070 falls outside of the two  
10 ratebase test years, ORA takes no position on the prudence or reasonableness of  
11 the project. Refer to “ORA’s Treatment of 2017 Proposed Plant Additions”  
12 section in Chapter 1: Statewide Common Plant Issues of this report for how ORA  
13 is handling this project in this GRC.

14 i) Isleton Tank (I15-600077)

15 Cal Am is requesting \$1,700,000 in 2017<sup>399</sup> to construct a pump storage  
16 facility at its existing Isleton Water Treatment Plant to increase system pressures.  
17 Since the estimated place into service year for project I15-600077 falls outside of  
18 the two ratebase test years, ORA takes no position on the prudence or  
19 reasonableness of the project. Refer to “ORA’s Treatment of 2017 Proposed Plant  
20 Additions” section in Chapter 1: Statewide Common Plant Issues of this report for  
21 how ORA is handling this project in this GRC.

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<sup>399</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Sacramento, ” SCEP summary”, cell E43

1 **D. CONCLUSION**

2           ORA recommends that the Commission adopt its recommendations for  
3 UPIS in the Sacramento District. ORA's recommendations have been  
4 incorporated in the calculations for ORA's recommended Utility Plant in Service,  
5 as shown in Tables 9-A through 9-G.



2015	\$316,315	\$377,667	\$61,352	84%
2016	\$817,592	\$977,167	\$159,575	84%
<b>Total</b>	<b>\$1,979,261</b>	<b>\$2,591,166</b>	<b>\$611,905</b>	<b>76%</b>

1

2

**Table 10-B. Larkfield Plant Comparison (2013)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
RP-0561-A	Mains - New	\$171,081	\$44,650	-\$126,431	383%
RP-0561-B	Mains - Replaced/Restored	\$0	\$16,150	\$16,150	0%
RP-0561-C	Mains - Unscheduled	\$3,725	\$23,750	\$20,025	16%
RP-0561-E	Hydrants, Valves, and Manholes - New	\$0	\$5,700	\$5,700	0%
RP-0561-F	Hydrants, Valves, and Manholes - Replaced	\$0	\$19,950	\$19,950	0%
RP-0561-G	Services and Laterals - New	\$0	\$5,700	\$5,700	0%
RP-0561-H	Services and Laterals - Replaced	\$19,201	\$39,900	\$20,699	48%
RP-0561-I	Meters - New	\$0	\$9,500	\$9,500	0%
RP-	Meters - Replaced	\$16,437	\$4,750	-\$11,687	346%

0561-J					
RP-0561-L	SCADA Equipment and Systems	-\$12,105	\$15,200	\$27,305	-80%
RP-0561-N	Offices and Operations Centers	\$0	\$4,750	\$4,750	0%
RP-0561-P	Tools and Equipment	\$0	\$10,450	\$10,450	0%
RP-0561-R	Capitalized Tank Rehabilitation/Painting	\$1,869	\$57,919	\$56,050	3%
RP-0561-M	Security Equipment and Systems	\$0	\$4,750	\$4,750	0%
RP-0561-Q	Process Plant Facilities and Equipment	\$38,631	\$185,205	\$146,574	21%
<b>Total</b>		<b>\$238,840</b>	<b>\$448,324</b>	<b>\$209,484</b>	<b>53%</b>

1

2

**Table 10-C. Recurring Projects Estimate Comparison (2014-2016)**

<b>Cal Am's Requested Budget</b>					
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014-2016</b>
RP-0561-A	Mains - New	\$52,277	\$65,000	\$65,000	\$182,277
RP-0561-B	Mains - Replaced/Restored	\$17,100	\$0	\$0	\$17,100
RP-	Mains - Unscheduled	\$27,738	\$19,553	\$19,553	\$66,844

0561-C					
RP-0561-D	Mains - Relocated	\$0	\$0	\$0	\$0
RP-0561-E	Hydrants, Valves, and Manholes - New	\$6,401	\$5,125	\$5,125	\$16,651
RP-0561-F	Hydrants, Valves, and Manholes - Replaced	\$23,472	\$20,000	\$20,000	\$63,472
RP-0561-G	Services and Laterals - New	\$6,401	\$3,450	\$3,450	\$13,301
RP-0561-H	Services and Laterals - Replaced	\$46,941	\$20,000	\$20,000	\$86,941
RP-0561-I	Meters - New	\$9,500	\$1,500	\$1,500	\$12,500
RP-0561-J	Meters - Replaced	\$5,334	\$2,000	\$3,500	\$10,834
RP-0561-K	ITS Equipment and Systems	\$0	\$6,000	\$6,000	\$12,000
RP-0561-L	SCADA Equipment and Systems	\$18,136	\$9,039	\$9,039	\$36,214
RP-0561-N	Offices and Operations Centers	\$5,334	\$4,000	\$4,000	\$13,334
RP-0561-P	Tools and Equipment	\$11,735	\$5,000	\$5,000	\$21,735
RP-0561-R	Capitalized Tank Rehabilitation/Painting	\$91,749	\$30,000	\$0	\$121,749

RP-0561-S	Engineering Studies	\$0	\$0	\$0	\$0
RP-0561-M	Security Equipment and Systems	\$10,000	\$22,000	\$42,000	\$74,000
RP-0561-Q	Process Plant Facilities and Equipment	\$148,292	\$165,000	\$165,000	\$478,292
RP-0561-O	Vehicles	\$0	\$0	\$0	\$0
<b>Total Recurring Projects, Cal Am</b>		<b>\$480,410</b>	<b>\$377,667</b>	<b>\$369,167</b>	<b>\$1,227,244</b>
<b>ORA's Recommended Budget</b>					
<b>Project ID</b>	<b>Project Name</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014-2016</b>
RP-0561-A	Mains - New	\$37,384	\$38,132	\$39,009	\$114,525
RP-0561-B	Mains - Replaced/Restored	\$5,488	\$5,598	\$5,727	\$16,813
RP-0561-C	Mains - Unscheduled	\$4,976	\$5,075	\$5,192	\$15,243
RP-0561-D	Mains - Relocated	\$0	\$0	\$0	\$0
RP-0561-E	Hydrants, Valves, and Manholes - New	\$5,289	\$5,394	\$5,519	\$16,202
RP-0561-F	Hydrants, Valves, and Manholes - Replaced	\$23,217	\$23,682	\$24,226	\$71,125

RP-0561-G	Services and Laterals - New	\$10,932	\$11,151	\$11,407	\$33,490
RP-0561-H	Services and Laterals - Replaced	\$31,662	\$32,295	\$33,038	\$96,995
RP-0561-I	Meters - New	\$4,084	\$4,165	\$4,261	\$12,510
RP-0561-J	Meters - Replaced	\$11,882	\$12,120	\$12,399	\$36,401
RP-0561-K	ITS Equipment and Systems	\$6,139	\$6,262	\$6,406	\$18,807
RP-0561-L	SCADA Equipment and Systems	\$12,737	\$12,992	\$13,291	\$39,020
RP-0561-N	Offices and Operations Centers	\$9,259	\$9,444	\$9,661	\$28,364
RP-0561-P	Tools and Equipment	\$8,336	\$8,503	\$8,698	\$25,537
RP-0561-R	Capitalized Tank Rehabilitation/Painting	\$33,986	\$34,665	\$35,463	\$104,114
RP-0561-S	Engineering Studies	\$0	\$0	\$0	\$0
RP-0561-M	Security Equipment and Systems	\$2,868	\$2,925	\$2,993	\$8,786
RP-0561-Q	Process Plant Facilities and Equipment	\$108,014	\$110,174	\$112,708	\$330,896
RP-	Vehicles	\$0	\$0	\$0	\$0

0561-O					
<b>Total Recurring Projects, ORA</b>		<b>\$310,114</b>	<b>\$316,315</b>	<b>\$323,592</b>	<b>\$950,021</b>
<b>CAW &gt; ORA</b>		<b>\$170,296</b>	<b>\$61,352</b>	<b>\$45,575</b>	<b>\$277,223</b>
<b>ORA as % of CAW</b>		<b>65%</b>	<b>84%</b>	<b>88%</b>	<b>77%</b>

1

2

**Table 10-D. Investment Project Plant Additions**

3

**Estimate Comparison (2014)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
IP-0561-7	Larkfield- Well Rehab 2012-2014	\$296,400	\$307,598	\$11,198	96%
<b>Total</b>		<b>\$296,400</b>	<b>\$307,598</b>	<b>\$11,198</b>	<b>96%</b>

4

5

**Table 10-E. Investment Project Plant Additions**

6

**Estimate Comparison (2016)**

<b>Project ID</b>	<b>Project Name</b>	<b>ORA</b>	<b>CAW</b>	<b>CAW &gt; ORA</b>	<b>ORA as % of CAW</b>
IP-0561-22	Londonberry Drive Creek Crossing	\$444,000	\$558,000	\$114,000	80%
IP-0561-23	SCWA Interconnection Improvement	\$50,000	\$50,000	\$0	100%
<b>Total</b>		<b>\$494,000</b>	<b>\$608,000</b>	<b>\$114,000</b>	<b>81%</b>

7

1 **C. DISCUSSION**

2 **1) 2013 Plant Additions**

3 2015-2017 ratebase incorporates forecasted plant additions for the years  
4 2013-2014. Cal Am estimated \$448,324 for the 2013 utility plant in service  
5 addition.

6 ORA estimated the 2013 UPIS additions by normalizing October 31, 2013  
7 recorded plant expenditures.<sup>400</sup> Additionally, ORA did not normalize the recorded  
8 expenditures for projects that were indicated as complete and “in service.”<sup>401</sup> The  
9 use of 2013 recorded numbers avoids over-estimating the 2013 expenditure and  
10 yields a forecast closer to Cal Am’s actual rate of expenditure. The recorded years  
11 provide the base year on which the forecast will be built on to develop the future  
12 test years.

13 Table 10-B provides a comparison of Cal Am’s 2013 requests compared to  
14 ORA’s 2013 analysis for plant additions by project. ORA recommends the  
15 Commission adopt ORA’s 2013 forecasted plant addition of \$238,840 based on  
16 normalized recorded expenditures.

17 **2) Recurring Project Budgets (RP-0561-A through RP-0561-**  
18 **R), 2014 to 2016**

19 Cal Am requests a total of \$480,408 in 2014,<sup>402</sup> \$377,667 in 2015, and  
20 \$369,167 in 2016 for the Larkfield District’s recurring project (“RP”) budget.<sup>403</sup>  
21 ORA recommends the Commission to adopt its forecasted RP budget of \$310,114  
22 in 2014, \$316,315 in 2015, and \$323,592 in 2016 for the Larkfield District.  
23 ORA’s forecast is derived from using an inflation-adjusted five-year average of  
24 actual recorded RP investment. Additional detail supporting ORA’s forecast  
25 methodology for RP budgets, which is consistently applied across all Cal Am

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<sup>400</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7013, question 1

<sup>401</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7015, question 1

<sup>402</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Larkfield, “SCEP summary”

<sup>403</sup> Direct Testimony of F. Mark Schubert, Attachment 7, pg. 10.

1 service areas, can be found in recurring projects section of Chapter 1: Statewide  
2 Common Plant Issues of this report. The results of ORA’s forecast are  
3 summarized in Table 10-C.

4 **3) Investment Projects**

5 a) Larkfield- Well Rehab 2012-2014 (IP-0561-7)

6 In this GRC Cal Am recorded \$93,847 in 2012 CWIP, forecasted  
7 expenditure of \$80,751 in 2013, and \$133,000 in 2014 for this investment project.  
8 Cal Am forecasts a total UPIS addition of \$307,598 in 2014.

9 The 2013 recorded expenditure for this project as of October 31, 2013 was  
10 \$95,152.<sup>404</sup> ORA normalized this recorded expenditure to produce the forecasted  
11 expenditure of \$114,182 for 2013. This forecasted expenditure is higher than Cal  
12 Am’s approved expenditure of \$80,750 for 2013. In the 2010 GRC A.10-07-007,  
13 the Commission adopted a settlement authorizing expenditures of \$82,650 in  
14 2012, \$80,750 in 2013, and \$133,000 in 2014 for a total budget of \$296,400 for  
15 this project.<sup>405</sup> Two out of the three wells proposed to be rehabilitated by this  
16 project are completed and the remaining well is expected to be rehabilitated by  
17 March 31, 2014.<sup>406</sup> There is no indication that this project could not be completed  
18 within the total adopted budget, therefore ORA reduced Cal Am’s 2014 estimated  
19 expenditure to \$88,371. This will bring the total budget back down to approved  
20 amount. ORA recommends the Commission continue to allow this project at the  
21 total budget of \$296,400<sup>407</sup> to be forecasted in the 2014 UPIS additions.

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<sup>404</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7013, Question 1, Attachment “AL7-013 Plant Expenditures.xlsx”

<sup>405</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California American Water Company on Revenue Requirement Issues, A.10-10-007 (July 28, 2011), pg. 119; *see also* D.12-06-016 (approving settlement).

<sup>406</sup> Cal Am’s response to data request ORA-A.13-07-002.AL7015, Attachment\_1\_CAW\_ORA-AL7-015\_Q1, Larkfield Tab

<sup>407</sup> 2012 CWIP of \$93,847 + 2013 forecast of \$114,182 + 2014 forecast of \$88,371 = \$296,400

1       **4) Advice Letter Projects**

2           a) Faught Road Well and Transmission Main (I15-610002)

3           Cal Am first proposed the Faught Road Well project in the 2009 GRC  
4 A.09-01-013. This project was found to be needed because the Larkfield district  
5 suffered a water supply deficit as determined by the Commission’s General Order  
6 103-A.<sup>408</sup> This project was to construct an additional 150 gallon per minute well  
7 plus 1,500 feet of 6 inch pipe transmission main to connect the well to the  
8 distribution system estimated to be completed in 2012.<sup>409</sup> The Commission  
9 adopted a settlement between Cal Am and ORA authorizing this project as an  
10 advice letter rate base offset.<sup>410</sup> At that time, \$147,082 was agreed to be recorded  
11 in CWIP and when the project was proved used and useful a Tier III advice letter  
12 was to be filed to recover the actual project costs.<sup>411</sup> In addition, the Commission  
13 authorized Cal Am to file a Tier II advice letter to establish a developer special  
14 facilities fee of \$3,426 per dwelling unit connection for the construction of the  
15 Faught Road Well.<sup>412</sup> This fee was to be treated as Contributions in Aid of  
16 Construction and was to be used to offset the Larkfield district’s ratebase for this  
17 project.<sup>413</sup>

18           Subsequently in the 2010 GRC A.10-07-007, the Commission adopted the  
19 settlement agreement to let the Faught Road Well continue as an advice letter  
20 project<sup>414</sup> and Cal Am agreed to actively pursue purchasing water from the

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<sup>408</sup> D.10-06-038 at pg. 18; Partial Settlement Agreement Between the [Office] of Ratepayer Advocates and California-American Water Company on Issues Presented in the General Rate Case, A.09-01-013 (December 18, 2009), pg. 53-54.

<sup>409</sup> Ibid, pg. 53.

<sup>410</sup> D.10-06-038; Partial Settlement Agreement Between the [Office] of Ratepayer Advocates and California-American Water Company on Issues Presented in the General Rate Case, A.09-01-013 (December 18, 2009), pg. 53-54.

<sup>411</sup> D.10-06-038, pg.52, Order No.9

<sup>412</sup> D.10-06-038, pg.52, Order No.10

<sup>413</sup> D.10-06-038; Partial Settlement Agreement Between the [Office] of Ratepayer Advocates and California-American Water Company on Issues Presented in the General Rate Case, A.09-01-013 (December 18, 2009), pg. 54

<sup>414</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California American Water Company on Revenue Requirement Issues , A.10-10-007 (July 28, 2011), pg. 121; *see also* D.12-06-016 (approving settlement).

1 Sonoma County Water Agency (“SCWA”) instead of constructing the Faught  
2 Road Well.<sup>415</sup> It was agreed in the settlement that Cal Am would record \$167,572  
3 in 2009 CWIP and the project would be continued, with completion scheduled in  
4 2012 at a maximum cost of \$2,390,000 plus interest including the 2009 CWIP.<sup>416</sup>  
5 At the time of its current rate case application filing, Cal Am had spent \$212,230  
6 on this project yielding one monitoring well on a proposed well site that Cal Am  
7 does not own.<sup>417</sup> Cal Am claimed this project was of urgency to meet existing  
8 demand,<sup>418</sup> yet the parcel of land necessary to build the well has not even been  
9 acquired since this project’s first authorization in 2009.

10 Instead, Cal Am was able to secure additional purchased water supply from  
11 the SCWA<sup>419</sup> through a six year temporary agreement, and received a waiver on  
12 the maximum day demand (“MDD”) quantity from the California Department of  
13 Public Health (“CDPH”) in complying with the Title 22 supply requirements.<sup>420</sup>

14 The current maximum day demand accepted by the CDPH is \*\*\* **BEGIN**  
15 **CONFIDENTIAL:** [REDACTED] **END CONFIDENTIAL**

16 \*\*\*. The current supply in the Larkfield system meets this requirement and Cal  
17 Am’s 2015 system demand projection. \*\*\* **BEGIN CONFIDENTIAL:** [REDACTED]

18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]

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<sup>415</sup> Ibid

<sup>416</sup> Partial Settlement Agreement Between the [Office] of Ratepayer Advocates, The Utility Reform Network, and California American Water Company on Revenue Requirement Issues, A.10-10-007 (July 28, 2011), pg. 121; D.12-06-016 (approving settlement).

<sup>417</sup> Direct Testimony of F. Mark Schubert, pg. 73

<sup>418</sup> Ibid.

<sup>419</sup> Ibid, pg. 16

<sup>420</sup> Ibid

[REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]

5 [REDACTED] **END CONFIDENTIAL\*\*\***. With declining system  
6 demand since 2008<sup>427</sup> and a sufficient source of supply to meet Cal Am’s forecast  
7 for this general rate cycle, ORA recommends the Commission to disallow the  
8 continuation of this unnecessary advice letter project. The \$167,572 currently in  
9 CWIP should be removed, as this amount had already earned a return on a project  
10 that is no longer needed. The \$212,230 spent on this project so far should be  
11 allowed to be written off by amortization with no return over 3 years in 2015-  
12 2017.

13 b) Fulton Well (I15-6100xx)

14 Cal Am is requesting a budget of \$2,056,000 for this project via advice  
15 letter treatment. The purpose of this project is to take over an existing well at the  
16 now shutdown Fulton Food Processing Plant. The cited project need is to  
17 maintain an adequate source of supply “to meet existing demands.”<sup>428</sup> The Fulton  
18 Well is proposed as an alternative to the Faught Road Well to increase the source  
19 of supply in the Larkfield District.

20 As discussed in the Faught Road Well project section, there is no clear need  
21 to expand the source of supply in the near future for the Larkfield District. There  
22 is a declined system demand and sufficient existing source of supply to meet Cal  
23 Am’s forecast for this general rate cycle. ORA recommends that the Commission  
24 not approve this advice letter project request for the same reasons outline for the  
25 Faught Road Well project.

[REDACTED]

<sup>427</sup> Cal Am’s response to data request ORA-A.13-07-002.JMI006, question 1, Attachment 1  
<sup>428</sup> Direct Testimony of F. Mark Schubert, pg. 142

1 **5) Proposed New Capital Projects**

2 a) Londonberry Drive Creek Crossing (I15-610009 or IP-0561-22)

3 Cal Am requests \$100,000 in 2015 and \$458,000 in 2016 for a total of  
4 \$558,000 to replace an existing 8 inch asbestos pipe currently exposed in the  
5 Londonberry Drive Creek.<sup>429</sup>

6 ORA agrees with the need for this project but disagrees with the  
7 construction cost. Cal Am's New Capital Investment Project workpapers show an  
8 unsupported construction cost estimate of \$314,400.<sup>430</sup> \*\*\* BEGIN

9 **CONFIDENTIAL:** [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED] **END CONFIDENTIAL\*\*\*.**

19 ORA calculated the total project cost using the same method and assumptions as  
20 Cal Am but with the reduced construction cost estimate \*\*\* BEGIN

21 **CONFIDENTIAL:** [REDACTED] **END CONFIDENTIAL\*\*\*.**

22 ORA recommends the Commission approve this project, based on a  
23 construction cost of \*\*\* **BEGIN CONFIDENTIAL:** [REDACTED] **END**  
24 **CONFIDENTIAL\*\*\*** at the estimated project budget of \$82,500 in 2015 and  
25 \$361,500 in 2016 for a total project budget of \$444,000.

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<sup>429</sup> Ibid, pg. 139

<sup>430</sup> Cal Am's Proposed New Capital Investment Project Workpapers - I15-610009 – Londonberry Creek Crossing, pg. 5

1           b) Tank Replacement Study (I15-610008 or IP-0561-24)

2           Cal Am requests \$50,000 in 2015 and \$100,000 in 2016 for a total budget  
3 of \$150,000 to conduct a Tank Replacement Study for the Larkfield system  
4 scheduled to be completed in 2020.<sup>431</sup> Justification for this project is that the  
5 Lower Wikiup Tank No.1 is leaking and the Upper Wikiup Tank No.1 is “showing  
6 some deterioration.”<sup>432</sup> Therefore, Cal Am suggests that there needs to be a  
7 comprehensive tank replacement study performed for the whole Larkfield system.  
8 This tank replacement study will evaluate seismic retrofit requirements, hydraulic  
9 analysis impact of removing tanks, solutions to provide more fire protection by  
10 installing larger diameter mains to the tanks, and evaluation of available  
11 rehabilitation methods.<sup>433</sup>

12           Contrary to Cal Am’s claims, the latest tank inspection reports for the  
13 Larkfield system<sup>434</sup> revealed that the exterior of the Lower Wikiup Tank No.1 tank  
14 was “in adequate condition,” the shell exterior was “in good overall condition,”  
15 the interior concrete shell “appeared to be in adequate overall condition...No  
16 evidence of leakage was noted...,” and the shell exterior “appeared to be in good  
17 overall condition.”<sup>435</sup> The latest tank inspection report on the Upper Wikiup Tank  
18 No.1 also stated that the exterior concrete surface “appeared to be in adequate  
19 overall condition,” and that the interior surfaces “appeared to be in adequate  
20 overall condition.”<sup>436</sup> The reports do not indicate that the tanks are in need of  
21 replacement. Although the Upper Wikiup Tank No.1 report was conducted in July  
22 2007, Cal Am is free to exercise its allocated recurring project budget to generate  
23 new reports for these tanks; similar to the production of the report for the Lower

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<sup>431</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Larkfield, “SCEP summary”

<sup>432</sup> Cal Am’s Proposed New Capital Investment Project Workpapers - I15-610008 Tank Replacement Study, pg. 3

<sup>433</sup> Ibid

<sup>434</sup> Cal Am’s response to data request ORA-A.13-07-002. AL7006, question 10

<sup>435</sup> Tank industry Consultants, Evaluation of the 168,000 Gallon Concrete Ground Storage Tank “Lower Wikiup Tank #1”, dated January 21 and 22, 2013, pg. 12-13

<sup>436</sup> Tank industry Consultants, Evaluation of the 48,000 Gallon Concrete Ground Storage Tank “Upper Wikiup Tank #1”, dated July 30 and 31, 2007, pg.15-16

1 Wikiup Tank No.1 dated January of 2013. In addition to tank conditions, the tank  
2 inspection reports also highlight improvements needed, and provide rehabilitation  
3 recommendations in areas related to “seismic,” “ANSI/OSHA and Safety  
4 Related,” and “AWWA and Operational.” For example in the Lower Wikiup  
5 Tank No.1 report states:

6 “Potential Seismic Deficiencies:

- 7 • the location of the maximum operating level may not allow
- 8 sufficient freeboard,
- 9 • the center column base was not equipped with single guides, and
- 10 • it did not appear the inlet/outlet pipe and SCADA pipe were
- 11 equipped with flexible connections.”<sup>437</sup>

12 The tank inspection reports provide other recommendations in each of the  
13 categories of concern. These existing and ongoing tank inspection reports perform  
14 similar functions as the requested project.

15 Additionally, Cal Am is capable and already performs the hydraulic  
16 analysis in-house proposed by this study. This includes hydraulic analysis on the  
17 effects of various scenarios such as tank removal or replacing existing mains with  
18 different diameters. \*\*\* BEGIN CONFIDENTIAL: [REDACTED]

19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]

25 [REDACTED] END CONFIDENTIAL\*\*\*. Cal Am’s  
26 existing computer models have sufficient data and ability to determine what is

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<sup>437</sup> Tank industry Consultants, Evaluation of the 168,000 Gallon Concrete Ground Storage Tank “Lower Wikiup Tank #1”, dated January 21 and 22, 2013, pg. 2.

1 required to meet fire flow demands. A tank replacement study will only duplicate  
2 Cal Am's existing analyses efforts for its Larkfield system and will be redundant.

3 Furthermore, funding for the ongoing tank reports and computer modeling  
4 can be provided by Cal Am's existing recurring project budget for the Larkfield  
5 District. In 2013, Cal Am forecasted \$57,919 in the recurring project budget for  
6 "Capitalized Tank Rehabilitation/Painting" and as of October 31, 2013, zero  
7 dollars was spent for 2013 in this category.<sup>439</sup> ORA's recommended total  
8 recurring project budget in this GRC is more than sufficient to cover the functions  
9 sought in this project request. Additionally, Cal Am should maintain its current  
10 infrastructure as best as possible to extend its service lives before seeking to build  
11 new infrastructures. ORA recommends the Commission to disallow this project.

12 c) LRK-Well #6 (05610202)

13 In the 2009 GRC A.09-01-013, under project ID 05610202, the Larkfield  
14 Well #6 project proposed the construction of a new groundwater well and  
15 treatment plant for the Larkfield District. A monitor well was constructed in 2005  
16 prior to the 2009 GRC A.09-01-013, and this project was also proposed but  
17 withdrawn by Cal Am in the context of settlement twice in each of the two GRCs  
18 prior to A.09-01-013. In the 2009 GRC, the Commission adopted the settlement  
19 agreement between Cal Am and ORA wherein a part of the cost of the monitoring  
20 well was to be recovered in rate base.<sup>440</sup> But ORA and Cal Am agreed that the  
21 prudence and cost of constructing the actual well would be determined in  
22 subsequent GRCs. In the 2009 GRC settlement agreement, ORA and Cal Am  
23 agreed to record \$169,878 in CWIP for the cost related to the construction of the

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<sup>439</sup> Cal Am's response to data request ORA-A.13-07-002.AL7-013, Attachment "AL7-013 Plant Expenditures.xlsx"

<sup>440</sup> D.10-06-038 at pg. 19; Partial Settlement Agreement Between the [Office] of Ratepayer Advocates and California-American Water Company on Issues Presented in the General Rate Case, A.09-01-013 (December 18, 2009), pg. 55.

1 monitor well, preliminary engineering, and permitting work.<sup>441</sup> In this GRC Cal  
2 Am is requesting \$169,898 to be carried forward in the CWIP balance from 2012-  
3 2016 for this project, slightly above what was agreed, and proposes this balance to  
4 be transferred to the UPIS addition in the year 2017.<sup>442</sup> However, Cal Am did not  
5 provide any explanation or evidence in this GRC as to why it anticipates this  
6 project to be used and useful in 2017.

7 Cal Am proposed this project in addition to the Faught Road Well in the  
8 2009 GRC. As determined in the Faught Road Well discussion in the above  
9 section, there is no immediate need to secure a new source of supply for the  
10 Larkfield District in this upcoming GRC cycle. The existing wells and purchased  
11 water from SCWA can thoroughly satisfy Cal Am’s forecasted demands, plus the  
12 recorded historical consumption for the past five years have been consistently  
13 below the accepted CDPH MDD.

14 CWIP balances were never meant to be carried forward continuously for  
15 extended periods of time without a definite construction date. ORA recommends  
16 the Commission to disallow the continuation of this unnecessary project, remove  
17 the \$169,898 currently in CWIP and allow this project to be written off by  
18 amortization with no interest over a 3 year period in 2015-2017.

19 **D. CONCLUSION**

20 ORA recommends that the Commission adopt its recommendations for  
21 UPIS in the Larkfield District. ORA’s recommendations have been incorporated  
22 in the calculations for ORA’s recommended Utility Plant in Service, as shown in  
23 Tables 10-A through 10-E.

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<sup>441</sup> D.10-06-038; Partial Settlement Agreement Between the [Office] of Ratepayer Advocates and California-American Water Company on Issues Presented in the General Rate Case, A.09-01-013 (December 18, 2009), pg. 55.

<sup>442</sup> Cal Am’s Workpaper RB 100 thru 105-2013 Statewide GRC – Larkfield, “SCEP Summary”

## **CHAPTER 11: QUALIFICATIONS AND PREPARED TESTIMONY OF JUSTIN MENDA**

Q1. Please state your name, business address, and position with the California Public Utilities Commission (“Commission”).

A1. My name is Justin Menda and my business address is 505 Van Ness Avenue, San Francisco, California 94102. I am a Utilities Engineer in the Water Branch of the Office of Ratepayer Advocates.

Q2. Please summarize your education background and professional experience.

A2. I received my Bachelors of Science and Masters of Science in Civil Engineering with a concentration in water resources from the University of California Irvine. I have passed the Fundamentals of Engineering exam (“E.I.T”) in 2009. I joined the Office of Ratepayer Advocates - Water Branch as a Utilities Engineer in June 2012. Since that time, I worked on testimony for California Water Service Company’s 2012 GRC regarding the plant in service and water quality chapters for the Chico, Marysville, Oroville, Redwood Valley, and Willows districts. In addition, I worked on testimony for California-American Water’s proposed Monterey Peninsula Water Supply Project regarding brine disposal, post treatment, and operations and maintenance costs.

Q3. What is your responsibility in this proceeding?

A3. I am responsible for Chapter 1, Sections 1-3-ORA’s Treatment of 2017 Proposed Plant Additions, Safety and Security, Comprehensive Planning Study and System Map Maintenance Budgets, respectively of the Utility Plant in Service report. I was also responsible for a portion of Chapter 1, Section 7- Water Quality of the Utility Plant in Service report regarding water quality in the Los Angeles, Ventura, San Diego, and Monterey Wastewater districts. In addition, I am responsible for Chapters 2-4 and 8– Los Angeles County, San Diego County, Ventura County, and Monterey Wastewater, respectively of the Utility Plant in Service report.

Q4. Does this conclude your prepared direct testimony?

A4. Yes, it does.

## **CHAPTER 12: QUALIFICATION AND PREPARED TESTIMONY OF ALEX LAU**

- Q1. Please state your name, business address, and position with the California Public Utilities Commission (“Commission”).
- A1. My name is Alex Lau and my business address is 505 Van Ness Avenue, San Francisco, CA. 94102. I am a Utilities Engineer in the Water Branch of the Office of Ratepayer Advocates (ORA).
- Q2. Please summarize your educational background and professional experience.
- A2. I received a Bachelor of Science Degree in Civil and Materials Engineering from the University of California, Davis in 2005. I am a licensed Professional Engineer in Civil Engineering with the State of California. In February of 2013, I joined ORA, and worked on various projects including the review of advice letters, participated in settlement discussions, and assisted in drafting petition documents. I also drafted testimony on Security and Safety Issues for San Jose Water Company’s A.12-01-003. Prior to joining ORA, I worked for several structural engineering companies as a project engineer and have designed complete and partial commercial, residential, and mixed use buildings. I have also evaluated building conditions for solar panel installations, roof top mechanical unit replacement, and store front signage replacements among other projects.
- Q3. What is your responsibility in this proceeding?
- A3. I am responsible for ORA’s Testimony on Utility Plant in Service for the Monterey, Toro, Garrapata, Sacramento, and Larkfield District. I am also responsible for Special Request 7, 22, 32, and 33.
- Q4. Does this conclude your prepared direct testimony?
- A4. Yes, at this time.

# ATTACHMENT 1

CALIFORNIA AMERICAN WATER  
CAPITAL PROJECTS (8-26-13)

DRA Request No. DRA-A.1307002.JMI003, Question 1  
CAL AM STATEWIDE GRC TEST YEAR 2015

1. What is the recorded amount spent for all of the recurring projects (both scheduled and unscheduled) in the past five years for each district. For convenience, fill in the charts below.

Recurring Project Description	Amount				
	2008	2009	2010	2011	2012
Mains-New	\$47,478	\$17,252	\$74,771	\$13,397	\$30,358
Mains-Replacement/Restored	\$870	\$10,371	\$15,661	\$0	\$0
Mains-Unscheduled	\$0	\$0	\$0	\$19,238	\$5,154
Mains-Relocated	\$0	\$0	\$0	\$0	\$0
Hydrants, Valves, Manholes-New	\$0	\$15,033	\$0	\$1,328	\$9,564
Hydrants, Valves, Manholes-Replaced	\$32,785	\$31,156	\$5,959	\$34,385	\$9,525
Services-New	\$13,009	\$3,617	\$17,346	\$0	\$19,617
Services-Replaced	\$33,541	\$48,727	\$35,252	\$20,396	\$17,290
Meters-New	\$10,270	\$5,524	\$2,050	\$2,174	\$0
Meters-Replaced	\$5,303	\$36,613	\$0	\$10,493	\$5,838
ITS Equipment and Systems	\$3,022	\$3,500	\$6,504	\$17,068	\$0
SCADA Equipment and Systems	\$0	\$0	\$22,709	\$14,754	\$0
Offices and Operations Centers	\$5,903	\$1,119	\$12,830	\$13,883	\$11,651
Tools and Equipment	\$10,567	\$18,976	\$7,207	\$0	\$4,112
Capitalized Tank Rehabilitation/Painting	\$0	\$0	\$8,652	\$140,445	\$17,499
Engineering Studies	\$0	\$0	\$0	\$0	\$0
Security Equipment and Systems	\$0	\$9,799	\$0	\$0	\$4,260
Process Plant Facilities and Equipment	\$181,157	\$37,137	\$116,443	\$124,133	\$70,609



Mains-New	\$0	\$0	(\$935)	\$716	\$0
Mains-Replacement/Restored	\$277,445	\$60,726	\$2,422	\$403,199	\$403,426
Mains-Unscheduled	\$0	\$239,096	\$384,660	\$72,599	\$74,287
Mains-Relocated	\$0	\$0	\$0	\$0	\$0
Hydrants, Valves, Manholes-New	\$185,062	\$44,262	\$84,793	\$23,310	\$17,331
Hydrants, Valves, Manholes-Replaced	\$230,296	\$180,074	\$47,939	\$86,539	\$48,003
Services-New	\$143,738	\$197,363	\$217,084	\$38,009	\$0
Services-Replaced	\$253,609	\$297,307	\$241,123	\$300,304	\$115,483
Meters-New	\$0	\$0	\$0	\$0	\$0
Meters-Replaced	\$24,152	(\$24,220)	(\$31,208)	\$5,532	\$135,757
ITS Equipment and Systems	\$25,973	\$50,072	\$53,836	\$0	\$7,889
SCADA Equipment and Systems	\$60,281	\$165,823	\$156,657	\$105,102	\$20,820
Offices and Operations Centers	\$274,657	\$3,421	\$6,556	\$56,030	\$47,169
Tools and Equipment	\$92,732	\$20,917	\$10,110	\$165,511	\$5,381
Capitalized Tank Rehabilitation/Painting	\$173,136	\$19,779	\$0	\$0	\$0
Engineering Studies	\$172,295	(\$771)	\$0	\$269	\$0
Security Equipment and Systems	\$28,557	\$544,076	\$65,794	\$5,481	\$148,762
Process Plant Facilities and Equipment	\$1,134,684	\$791,509	\$378,197	\$920,289	\$426,311
Vehicles	\$0	\$0	\$0	\$0	\$0
Total Recurring Project Recorded	\$3,076,616	\$2,589,433	\$1,617,028	\$2,182,892	\$1,450,618

Toro

Recurring Project Description	Amount				
	2008	2009	2010	2011	2012
Mains-New	\$0	\$0	\$0	\$0	\$0
Mains-Replacement/Restored	\$0	\$0	\$0	\$0	\$0
Mains-Unscheduled	\$0	\$0	\$26,092	\$5,805	\$13,274
Mains-Relocated	\$0	\$0	\$0	\$0	\$0
Hydrants, Valves, Manholes-New	\$0	\$0	\$0	\$0	\$0
Hydrants, Valves, Manholes-Replaced	\$0	\$0	\$0	\$0	\$0
Services-New	\$0	\$0	\$0	\$3,317	\$0
Services-Replaced	\$0	\$0	\$0	\$0	\$0

Meters-New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meters-Replaced	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ITS Equipment and Systems	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Equipment and Systems	\$0	\$49,856	\$3,536	\$0	\$0	\$0	\$0	\$0
Offices and Operations Centers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tools and Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized Tank Rehabilitation/Painting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineering Studies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security Equipment and Systems	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Process Plant Facilities and Equipment	\$0	\$0	\$119,070	\$224,951	\$11,752	\$0	\$0	\$0
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Recurring Project Recorded	\$0	\$49,856	\$148,698	\$234,074	\$25,026	\$0	\$0	\$0

Recurring Project Description	Amount				
	2008	2009	2010	2011	2012
Monterey Wastewater					
Mains-New	\$0	\$0	\$0	\$0	\$0
Mains-Replacement/Restored	\$0	\$0	\$0	\$0	\$8,953
Mains-Unscheduled	\$0	\$0	\$0	\$0	\$0
Mains-Relocated	\$0	\$0	\$0	\$0	\$0
Hydrants, Valves, Manholes-New	\$0	\$0	\$0	\$0	\$0
Hydrants, Valves, Manholes-Replaced	\$0	\$0	\$0	\$0	\$0
Services-New	\$0	\$0	\$0	\$0	\$0
Services-Replaced	\$0	\$0	\$0	\$0	\$0
Meters-New	\$0	\$0	\$0	\$0	\$0
Meters-Replaced	\$0	\$0	\$0	\$0	\$0
ITS Equipment and Systems	\$0	\$0	\$0	\$0	\$0
SCADA Equipment and Systems	\$11,016	\$8,480	\$8,098	\$8,794	\$0
Offices and Operations Centers	\$0	\$0	\$0	\$0	\$0
Tools and Equipment	\$74,297	\$15,751	\$0	\$0	\$0
Capitalized Tank Rehabilitation/Painting	\$0	\$0	\$0	\$0	\$0
Engineering Studies	\$6,110	\$0	\$10,961	\$0	\$0

Security Equipment and Systems	\$0	\$0	\$0	\$0	\$0	\$0
Process Plant Facilities and Equipment	\$116,663	\$75,580	\$173,321	\$124,843	\$113,995	\$113,995
Vehicles	\$0	\$0	\$0	\$0	\$336,978	\$336,978
Total Recurring Project Recorded	\$208,086	\$99,811	\$192,380	\$133,637	\$459,926	\$459,926

Los Angeles

Recurring Project Description	Amount					
	2008	2009	2010	2011	2012	
Mains-New	\$0	\$0	\$0	\$78,864	\$41	\$41
Mains-Replacement/Restored	\$1,269,463	\$3,336	\$0	\$50,939	(\$11,114)	(\$11,114)
Mains-Unscheduled	\$107,256	\$198,771	\$108,989	\$190,373	\$113,236	\$113,236
Mains-Relocated	\$76,385	\$0	\$146,201	\$210,395		
Hydrants, Valves, Manholes-New	\$4,088	\$6,679	\$30,170	\$19,933	\$2,902	\$2,902
Hydrants, Valves, Manholes-Replaced	\$147,501	\$213,387	\$85,317	\$100,054	\$77,521	\$77,521
Services-New	\$12,156	\$12,333	\$27,819	\$10,090	\$8,493	\$8,493
Services-Replaced	\$694,974	\$1,142,085	\$968,152	\$938,564	\$971,209	\$971,209
Meters-New	(\$83,002)	\$0	\$0	\$1,765	\$670	\$670
Meters-Replaced	\$313,112	\$236,116	\$345,951	\$491,703	\$703,214	\$703,214
ITS Equipment and Systems	\$14,400	\$48,910	\$9,103	\$9,252	\$0	\$0
SCADA Equipment and Systems	\$0	\$14,131	\$19,367	\$25,002	\$32,290	\$32,290
Offices and Operations Centers	\$29,918	\$53,429	\$4,658	\$1,724	\$0	\$0
Tools and Equipment	\$65,035	\$19,565	\$96,733	\$11,618	\$10,316	\$10,316
Capitalized Tank Rehabilitation/Painting	\$25,745	\$0	\$0	\$0	\$0	\$0
Engineering Studies	\$361,831	\$170,203	\$726	\$0	\$0	\$0
Security Equipment and Systems	\$0	\$1,044	\$0	\$126,678	\$0	\$0
Process Plant Facilities and Equipment	\$678,633	\$496,537	\$535,501	\$403,692	\$467,783	\$467,783
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0
Total Recurring Project Recorded	\$3,717,493	\$2,616,526	\$2,378,687	\$2,670,646	\$2,376,562	\$2,376,562

Ventura

Recurring Project Description	Amount				
	2008	2009	2010	2011	2012
Mains-New	\$0	\$0	\$0	\$0	\$0
Mains-Replacement/Restored	\$145,135	\$108,886	\$0	\$0	\$0
Mains-Unscheduled	\$0	\$0	\$81,171	\$24,368	\$0
Mains-Relocated	\$0	\$0	\$0	\$0	\$0
Hydrants, Valves, Manholes-New	\$7,935	\$47,234	\$0	\$0	\$15,647
Hydrants, Valves, Manholes-Replaced	\$279,005	\$119,809	\$206,206	\$66,948	\$42,118
Services-New	\$59,480	\$3	\$0	\$0	\$0
Services-Replaced	\$969,673	\$959,249	\$1,020,046	\$787,911	\$1,632,026
Meters-New	\$44,226	\$9,090	\$617	\$22,858	\$122
Meters-Replaced	\$184,364	\$262,372	\$515,373	\$619,559	\$240,044
ITS Equipment and Systems	\$7,925	\$28,632	\$9,244	\$17,060	(\$126)
SCADA Equipment and Systems	\$0	\$22,557	\$0	\$0	\$0
Offices and Operations Centers	\$73,782	\$5,613	\$13,431	\$8,846	\$1,209
Tools and Equipment	\$21,595	\$22,097	\$10,621	\$14,930	\$7,996
Capitalized Tank Rehabilitation/Painting	\$98,787	(\$16,007)	\$180	\$0	\$0
Engineering Studies	\$11,698	\$66,428	\$43,518	\$41,632	\$0
Security Equipment and Systems	\$0	\$6,182	\$0	\$0	\$22,757
Process Plant Facilities and Equipment	\$1,994	\$51,831	\$131,832	\$189,144	\$61,103
Vehicles	\$0	\$0	\$0	\$0	\$0
Total Recurring Project Recorded	\$1,905,599	\$1,693,976	\$2,032,239	\$1,793,255	\$2,022,896

San Diego

Recurring Project Description	Amount				
	2008	2009	2010	2011	2012
Mains-New	\$52,867	\$83,961	\$62,663	\$59,891	\$0
Mains-Replacement/Restored	\$130,200	\$183,677	\$27,361	\$69,351	\$9,757
Mains-Unscheduled	\$0	\$0	\$22,625	\$127,026	\$167,499
Mains-Relocated	\$0	\$5,675	\$22,348	\$0	\$13,668
Hydrants, Valves, Manholes-New	\$4,590	\$5,713	\$0	\$0	\$9,159
Hydrants, Valves, Manholes-Replaced	\$12,381	\$15,292	\$39,874	\$87,620	\$35,618

Services-New	\$3,619	\$0	\$0	\$0	\$14,047	\$6,147
Services-Replaced	\$218,273	\$335,496	\$206,670	\$255,013	\$182,175	\$182,175
Meters-New	\$7,768	\$4,720	\$2,829	\$6,821	\$14,938	\$14,938
Meters-Replaced	\$93,018	\$110,258	\$115,784	\$236,412	\$414,968	\$414,968
ITS Equipment and Systems	\$10,415	\$16,937	\$4,766	\$0	\$0	\$0
SCADA Equipment and Systems	\$98,890	\$3,638	\$0	\$0	\$0	\$0
Offices and Operations Centers	\$11,954	\$13,019	\$11,274	\$30,143	\$15,070	\$15,070
Tools and Equipment	\$10,136	\$14,258	\$23,810	\$71,177	\$17,812	\$17,812
Capitalized Tank Rehabilitation/Painting	\$0	\$135,121	\$11,371	\$0	\$0	\$0
Engineering Studies	\$11,818	\$192,353	\$22,284	\$42,625	\$0	\$0
Security Equipment and Systems	\$0	\$2,741	\$0	\$0	\$0	\$0
Process Plant Facilities and Equipment	\$0	\$3,256	\$0	\$0	\$0	\$0
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0
Total Recurring Project Recorded	\$665,928	\$1,126,115	\$573,658	\$1,000,126	\$886,811	\$886,811

# ATTACHMENT 2

**California-American Water Company  
Statewide GRC Test Year 2015**

**APPLICATION NO. 13-07-002  
DATA REQUEST RESPONSE**

**Response Provided By:** Tim Miller  
**Title:** Water Quality and Environmental Compliance Senior Director  
**Address:** 1033 B Avenue  
Suite 200  
Coronado, CA 92118  
**DRA Request:** JMI-001  
**Company Number:** CAW-DRA-A.13-07-002.JMI-001 Q001(a)  
**Date Received:** July 19, 2013  
**Date Response Due:** July 30, 2013  
**Subject Area:** INSPECTION REPORTS

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**DRA QUESTION:**

- (1) In response to MDR II.G.6 (in the MDR Volume 2 of 2 document), Cal Am stated that the company has not received inspection reports for certain service areas and districts shown in the table below since the last GRC:

District	Service Area
San Diego	
Los Angeles	Baldwin Hills San Marino
Monterey	Ambler Park Bishops Toro
Monterey- Waste Water	

- (a) Explain why an inspection report was not completed for the aforementioned service and districts since the last GRC. Similarly for the Monterey Waste Water district, please explain why no inspection report was completed since the date of purchase.

# ATTACHMENT 3

**California-American Water Company**

**Statewide GRC Test Year 2015**

APPLICATION NO. A.13-07-002

DATA REQUEST RESPONSE

**Response Provided By:** F. Mark Schubert, P.E.  
**Title:** Manager – Capital Assets and Planning  
**Address:** 1033 B Avenue, Coronado, CA 92118  
**DRA Request:** JMI-009  
**Company Number:** CAW-ORA-A.13-07-002.JMI-009 Q004d  
**Date Received:** 12/31/2013  
**Date Response Due:** 1/10/2014  
**Subject Area:** Plant Projects and CDPH Inspection Reports

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**ORA QUESTION:**

Questions four and five are follow-up questions to data request JMI-001 regarding the California Department of Public Health (“CDPH”) inspection reports.

- d) In response to question 1(j), Cal Am stated that the Garrapata system was inspected on 8/13/2013 and an inspection report has not been issued by CDPH as of the date of the response (7/30/2013). Has Cal Am received a copy of the inspection report? If so, please provide a copy. If Cal Am has not received a copy of the report, when does the company anticipate receiving a copy of the report? Explain whether Cal Am has been in contact with CDPH regarding the Garrapata inspection and any pending inspection report.

**COMPANY RESPONSE:**

Yes. California American Water has received a copy of the inspection report for the Garrapata system from the Monterey County Department of Environmental Health (not CDPH). An electronic copy of the inspection report for the Garrapata system was provided at the December 12, 2013 meeting between California American Water and ORA staff via e-mail to Terence Shia. For reference, this inspection report is provided again with this data request response as Attachment 1\_CAW\_ORA-JMI-009\_Q4d.

# ATTACHMENT 4

## ORA-A 13-07-002 JMI-006 Sources of Supply and Demand

SAN DIEGO COUNTY DISTRICT					
#	SOURCE	TYPE	DESIGN CAPACITY (GPM)	ACTUAL CAPACITY (GPM)	STATUS
1	City of San Diego Interconnection	Purchased	32,917	32,917	Active, based on a total of five interconnections and meter capacity at each interconnection.
2	Sweetwater Authority Interconnection	Purchased	2,000	1,220	Emergency, estimate provided by Sweetwater based on system capability.
3	Otay Water District Interconnection	Purchased	NA	NA	Emergency
LARKFIELD DISTRICT					
#	SOURCE	TYPE	DESIGN CAPACITY (GPM)	ACTUAL CAPACITY (GPM)	STATUS
1	Larkfield Well 1A	Well	85	80	Active
2	Larkfield Well 3A	Well	450	410	Active
3	Larkfield Well 4A	Well	375	290	Active
4	Larkfield Well 5	Well	100	81	Active
5	Sonoma County Aqueduct	Purchased	1,200	853	Active
LOS ANGELES COUNTY DISTRICT					
#	SOURCE	TYPE	DESIGN CAPACITY (GPM)	ACTUAL CAPACITY (GPM)	STATUS
1	48th Street Well	Well	700	715	Active
2	Arlington Well No. 2	Well	850	850	Active
3	Crenshaw Well	Well	700	550	Active
4	Vernon Well No. 2	Well	800	NA	Inactive
5	Vernon Well No. 3	Well	800	725	Active
6	West Basin 22 Interconnection MWD	Purchased	3,500	3,500	Active
7	West Basin 27 Interconnection MWD	Purchased	3,500	3,500	Active
8	Bacon Well	Well	450	261	Active
9	Buena Vista Well	Well	2,050	1,362	Emergency
10	Buena Vista Well #2	Well	2,200	1,940	Active
11	Crownhaven Well	Well	1,500	1,655	Active
12	Encanto Well	Well	1,800	1,658	Active
13	Fish Canyon Well	Well	800	NA	Inactive due to restrictions due to declining safe yields in Upper Canyon Basin.
14	Las Lomas Well No. 2	Well	1,500	1,291	Active
15	Santa Fe Well	Well	1,200	1,081	Active
16	Wiley Well	Well	1,440	1,539	Active
17	Grand Well	Well	1,000	1,006	Active
18	Guess Well	Well	500	NA	Inactive
19	Hall Well	Well	1,100	882	Active
20	Howland Well	Well	700	648	Active
21	Mariposa Well No. 3	Well	1,400	1,119	Active
22	Mission View Well No. 2	Well	1,000	1,291	Active
23	Richardson Well	Well	NA	NA	Inactive, being replaced by new Richardson Well No. 3
24	Rosemead Well	Well	950	928	Active
25	Del Mar Well	Well	900	910	Active
26	Lamanda Park Well	Well	1,800	NA	Inactive, well casing failure.
27	Lombardy Well	Well	925	703	Active
28	Longden Well	Well	960	829	Inactive
29	Oak Knoll Circle Well	Well	415	NA	Inactive, due to water quality concerns (Nitrate, CTC, PCE, TCE).
30	Oswego Well	Well	900	NA	Inactive, due to water quality concerns (Nitrate, PCE, TCE) and well casing failure.
31	Patton Well	Well	400	300	Active
32	Roanoke Well	Well	1,500	NA	Inactive, due to water quality concerns (Nitrate, CTC, PCE, TCE, Perchlorate).
33	Winston Well	Well	1,000	900	Active
34	MWD Interconnection San Marino	Purchased	4,500	4,500	Active, based on meter capacity
35	City of South Pasadena Connection	Purchased	700	700	Active, based on meter capacity
36	City of Pasadena	Purchased	6,000	600	Emergency, based on meter capacity
37	SGCWD Interconnection	Purchased	2,500	2,500	Emergency, based on meter capacity
38	City of Alhambra Interconnection	Purchased	3,400	3,400	Emergency, based on meter capacity
39	Southern California Water Company	Purchased	700	700	Emergency, no meter, estimated.
40	Sunnyslope Water Company Interconnection	Purchased	1,000	1,000	Active

MONTEREY DISTRICT					
#	SOURCE	TYPE	DESIGN CAPACITY (GPM)	ACTUAL CAPACITY (GPM)	STATUS
1	Ambler Park Well 04	Well	228	242	Active
2	Ambler Park Well 05	Well	378	345	Active
3	Ambler Park Well 06	Well	552	209 (throttled)	Active
4	Bay Ridge Well	Well	387	348	Active
5	Begonia Well 02	Well	600	1,100	Active
6	Berwick Well 07	Well			Destroyed
7	Berwick Well 08	Well	742	873	Active
8	Berwick Well 09	Well	600	509	Active
9	Bishop Well 01	Well	350	282	Active
10	Bishop Well 02	Well			Destroyed
11	Bishop Well 03	Well	365	254	Active
12	Chualar Well 03	Well	379	313	Active
13	Chualar Well 04	Well	376	323	Active
14	Cypress Well	Well			Destroyed
15	Cypress Well 02	Well	1,440	1,149	Active
16	Darwin	Well			Destroyed
17	Garzas Well 03	Well	250	361	Active
18	Garzas Well 04	Well	300	241	Active
19	La Salle Well 02	Well			Destroyed
20	Los Laureles Well 05	Well	300	252	Active
21	Los Laureles Well 06	Well	380	454	Active
22	Luzern Well 02	Well	593	623	Active
23	Manor Well 02	Well	48	40	Active
24	Military	Well			Destroyed
25	Mutual	Well			Destroyed
26	Ord Grove Well 02	Well	1,247	1,245	Active
27	Panetta Well 01	Well	262	400	Active
28	Panetta Well 02	Well	262	300	Active
29	Paralta	Well	1,330	1,124	Active
30	Pearce Well	Well	1,600	1,600	Active
31	Playa Well 03	Well	250	211	Active
32	Plumas Well 04	Well	233	196	Active
33	Ralph Lane	Well	146	146	Active
34	Rancho Cañada Well	Well			Destroyed
35	Rancho Cañada Well 02	Well	2,100	1,625	Active
36	Robles Well 03	Well	650	650	Active
37	Russell Well 02	Well	454	NA	Inactive, restrictions on use due to NOAA Conservation Agreement
38	Russell Well 04	Well	147	NA	Inactive, restrictions on use due to NOAA Conservation Agreement
39	Ryan Ranch Well 02	Well			Destroyed
40	Ryan Ranch Well 07	Well	70	65	Active
41	Ryan Ranch Well 08	Well	22	NA	Inactive
42	Ryan Ranch Well 09	Well			Destroyed
43	Ryan Ranch Well 11	Well	35	7	Active
44	San Carlos Well 02	Well	600	NA	Inactive, due to CDPH saying well is under the influence of surface water
45	San Clemente Reservoir	Historic Diversion Point			Dam is in the process of being removed.
46	Santa Margarita Injection Well 01	Well	1,800	2,000	Active
47	Scarlett Well 08	Well	1,213	NA	Inactive, plans for complete redrill under consideration
48	Schulte Well 02	Well	1,800	1,711	Active
49	Standex	Well			Destroyed
50	Toro Well 01	Well	280	309	Active
51	Toro Well 02	Well	226	225	Active
52	Toro Well 03	Well	62	82	Emergency

**SACRAMENTO DISTRICT**

#	SOURCE	TYPE	DESIGN CAPACITY (GPM)	ACTUAL CAPACITY (GPM)	STATUS
1	A Pkwy Bstr. Str./Intertie	Purchased	4,000	1,500 - 2,000	Active
2	Andrea 1 Well	Well	1,125	1,100	Active
3	Andrea 2 Well	Well	1,121	1,100	Active
4	Auberry Well	Well	786	700	Active
5	Auburn Halifax Well	Well	503	500	Active
6	Briggs Well	Well	920	800	Active
7	Butterfield Well	Well	675	600	Active
8	Caldera Well	Well	1,181	1,300	Active
9	Carriage Well	Well	534	500	Active
10	Central 2 Well	Well	450	350	Active
11	Cherbourg Well	Well	895	950	Active
12	Chettenham Well	Well	302	300	Inactive, perchlorate contamination, no current plans.
13	Chipping Well	Well	749	750	Active
14	College Green Well	Well	992	850	Active
15	Colonnade Well	Well	974	750	Active
16	Conrad Well	Well	892	625	Inactive, disconnected because of water quality issues (radon, nitrate and PCE).
17	Cook Riolo Well	Well	1,252	1,300	Active
18	Countryside 1 Well	Well	1,055	800	Active
19	Countryside Way	Well	1,063	1,150	Active
20	Covered Wagon Well	Well	392	350	Active
21	Crosswoods Well	Well	768	700	Active
22	Crowder Rd Intertie Mtr Station	Purchased	2,000	300 - 1,000	Active
23	Daly Well	Well	1,021	1,125	Active
24	Davidson Well	Well	474	400	Active
25	Diablo Well	Well	702	700	Active
26	Don Julio Well	Well	1,012	850	Active
27	Eagle Ridge Well	Well	652	750	Active
28	Elsie Well	Well	521	500	Standby
29	Elverta Well	Well	630	550	Active
30	Fairlake #1 Well	Well	417	450	Active
31	Fairlake #2 Well	Well	575	600	Active
32	Falcon View Well	Well	921	950	Active
33	Folsom Bradshaw Well	Well	610	1,000	Active
34	Fort Sutter Well	Well	337	400	Active
35	Foxpark Well	Well	606	700	Active
36	Gerber Well	Well	1,292	1,000	Active
37	Glass Slipper Well	Well	414	450	Active
38	Gould Well	Well	573	650	Active
39	Grove 1 Well	Well	120	175	Standby
40	Grove 2 Well	Well	NA	NA	Destroyed
41	Grove 3 Well	Well	285	320	Active
42	Hemingway Well	Well	1,800	1,250	Active
43	Hemlock Well	Well	478	400	Active
44	Howe Ave. Well	Well	945	100	Active
45	Isleton 1 (B St Well)	Well	NA	NA	Destroyed
46	Isleton 2 (H St Well)	Well	331	400	Standby
47	Isleton TP & Wells 3 A/B (5th St Well A, 5th St Well B)	Well	342	500	Active

48	Jackson Hwy. Well	Well	1,650	1,650	Active
49	Laurel Oaks Well	Well	690	650	Active
50	Le Mans Well	Well	711	350	Standby
51	Linda Sue Well	Well	412	450	Active
52	Lippi Well	Well	831	500	Active
53	Malaga Well	Well	342	450	Active
54	Mars Well	Well	378	450	Active
55	Montezuma Well	Well	620	500	Inactive, water quality issues (Nitrate, Radon)
56	Moonbeam Well	Well	664	625	Active
57	North Loop Well	Well	1,676	1,100	Active
58	Nut Plains Well	Well	820	875	Active
59	Oak Forest Well	Well	475	535	Active
60	Oakberry Well	Well	780	650	Inactive, water quality issues (PCE and Radon)
61	Oaken Bucket Well	Well	1,158	1,100	Active
63	Palmerston Rd. Intertie Mtr Stn.	Purchased	1,000	800 - 1,000	Active
64	Palmerson Well	Well	1,117	1,200	Active
65	Parksite 1 Well	Well	383	300	Inactive
65	Parksite 2 Well	Well	1,939	1,250	Active
66	Persimmon Well	Well	NA	NA	Abandoned
67	PFE Rd Intertie Meter Station	Purchased	2,000	300 - 1,000	Active
68	PFE Well	Well	348	350	Active
69	Point Reyes Well	Well	200	500	Active
70	Power Inn Well	Well	1,675	1,000	Active
71	Prior Way Well	Well	1,074	1,000	Active
72	Rhine Way Well	Well	442	500	Active
73	Rockhurst Well	Well	872	775	Active
74	Rockingham Well	Well	408	425	Active
75	Rogue River Well	Well	282	400	Active
76	Roseville Rd Intertie Mtr Stn.	Purchased	3,000	1,000 - 2,000	Active
77	Roseville Rd. Well	Well	555	555	Active
78	Rushmore Well	Well	578	550	Active
79	Salmon Falls Well	Well	545	1,000	Active
80	Sandalwood Intertie	Purchased	1,000	300 - 1,000	Active
81	Sandalwood Well	Well	727	600	Inactive, water quality issues (PCE and Radon)
82	Scotland Well	Well	233	350	Active
83	Shenandoah Well	Well	451	550	Active
84	Sky Parkway Well	Well	789	750	Active
85	Southgate Well	Well	820	800	Active
86	Southport Well	Well	555	550	Active
87	Stocker Well	Well	601	550	Active
88	Summerplace Well	Well	689	650	Active
89	Sutters Gold Well	Well	1,043	950	Active
90	Swansea Well	Well	549	450	Active
91	Tally Ho #1 Well	Well	486	400	Active
92	Tally Ho #2 Well	Well	1,083	1,300	Active
93	Treelark Well	Well	614	650	Active
94	Twin Parks Well	Well	1,239	1,250	Active
95	Twin Trails Well	Well	984	1,000	Active
96	Van Maren Well	Well	680	700	Active
97	Vandenberg Well	Well	216	225	Active
98	Villaview Well	Well	300	500	Standby - water quality issues (Iron and Manganese)
99	Vintage 1 Well	Well	939	900	Active
100	Vintage 2 Well	Well	2,808	975	Active
101	Vintage 3 Well	Well	1,740	900	Active
102	Walerga Rd. Intertie Mtr Stn.	Purchased	3,000	1,000 - 2,000	Active
103	Watt Ave Well	Well	1,335	900	Active
104	West La Loma Well	Well	1,125	1,000	Active
105	Westporter Well	Well	438	650	Active
106	Whitewater Well	Well	802	500	Active
107	Wilbur 1 Well	Well	NA	NA	Destroyed
108	Wilbur 2 Well	Well	869	900	Active
109	Wildrose Well	Well	597	600	Active
110	Winchester Well	Well	545	400	Active
111	Wittkop Well	Well	360	400	Active
112	Woodman Well	Well	1,052	1,500	Active
113	Wyda Well	Well	253	585	Active

**VENTURA COUNTY DISTRICT**

#	SOURCE	TYPE	DESIGN CAPACITY (GPM)	ACTUAL CAPACITY (GPM)	STATUS
1	Calleguas MWD Interconnection	Purchased	33,000	33,000	Active, based on multiple turnouts and meter capacities at all turnouts

# ATTACHMENT 5

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** F. Mark Schubert, P.E.  
**Title:** Manager – Capital Assets and Planning  
**Address:** 1033 B Avenue, Coronado, CA 92118  
**DRA Request:** JMI-009  
**Company Number:** CAW-ORA-A.13-07-002.JMI-009 Q004c(ii)  
**Date Received:** 12/31/2013  
**Date Response Due:** 1/10/2014  
**Subject Area:** Plant Projects and CDPH Inspection Reports

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**ORA QUESTION:**

Questions four and five are follow-up questions to data request JMI-001 regarding the California Department of Public Health (“CDPH”) inspection reports.

- c) In response to question 1(h), Cal Am stated that CDPH is planning an inspection for San Marino and Coronado in the second half of 2013 and the inspection date(s) has yet to be set.
- ii. If an inspection has been conducted, has Cal Am received a copy of the inspection report for San Marino? If so, please provide a copy. If Cal Am has not received a copy of the report, when does the company anticipate receiving a copy of the report? Explain whether Cal Am has been in contact with the CDPH regarding the San Marino inspection and any pending inspection report.

**COMPANY RESPONSE:**

No. California American Water has not received a copy of the inspection report for the San Marino system. As stated in the response to CAW-ORA-A.13-07-002.JMI-009 Q004c(i), the San Marino system was inspected by CDPH on November 14-15, 2013. As explained during the December 12, 2013 meeting between ORA and California American Water, contact was made with the CDPH District office in early December 2013 and the question was asked as to when the inspection report for the San Marino system would be issued. The answer provided by the CDPH District office was the inspection report would be issued in the 1st Quarter of 2014.

# ATTACHMENT 6

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. 13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** Tim Miller  
**Title:** Water Quality and Environmental Compliance Senior Director  
**Address:** 1033 B Avenue  
Suite 200  
Coronado, CA 92118  
**DRA Request:** JMI-001  
**Company Number:** CAW-DRA-A.13-07-002.JMI-001 Q001(c)  
**Date Received:** July 19, 2013  
**Date Response Due:** July 30, 2013  
**Subject Area:** INSPECTION REPORTS

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**DRA QUESTION:**

- (1) In response to MDR II.G.6 (in the MDR Volume 2 of 2 document), Cal Am stated that the company has not received inspection reports for certain service areas and districts shown in the table below since the last GRC:

District	Service Area
San Diego	
Los Angeles	Baldwin Hills San Marino
Monterey	Ambler Park Bishops Toro
Monterey- Waste Water	

- (c) The letter addressed to Mr. Marcinko from the CDPH concerning the 2009 inspection provided for the Duarte system (system number 1910186) was dated March 3, 2009. Explain why an inspection of the Duarte system has not been conducted since 2009.

California-American Water Company  
Statewide GRC Test Year 2015  
APPLICATION NO. 13-07-002  
DATA REQUEST RESPONSE

**COMPANY RESPONSE:**

The Duarte system was inspected on 02/20/13. The inspection report has not been issued by the California Department of Public Health as of the date of this response.

# ATTACHMENT 7

**California-American Water Company**

**Statewide GRC Test Year 2015**

**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** F. Mark Schubert, P.E.  
**Title:** Manager – Capital Assets and Planning  
**Address:** 1033 B Avenue, Coronado, CA 92118  
**DRA Request:** JMI-009  
**Company Number:** CAW-ORA-A.13-07-002.JMI-009 Q004b(ii)  
**Date Received:** 12/31/2013  
**Date Response Due:** 1/10/2014  
**Subject Area:** Plant Projects and CDPH Inspection Reports

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**ORA QUESTION:**

Questions four and five are follow-up questions to data request JMI-001 regarding the California Department of Public Health (“CDPH”) inspection reports.

4. During the meeting on December 12, 2013 between ORA and Cal Am, ORA inquired about the progress of the CDPH inspection reports.
  - b) In response to question 1(e), Cal Am stated that CDPH is planning an inspection for Thousand Oaks in the second half of 2013 and an inspection date has yet to be set.
    - ii. If an inspection has been conducted, has Cal Am received a copy of the inspection report? If so, please provide a copy. If Cal Am has not received a copy of the report, when does the company anticipate receiving a copy of the report? Explain whether Cal Am has been in contact with the CDPH regarding the Thousand Oaks inspection and any pending inspection report.

**COMPANY RESPONSE:**

No. California American Water has not received a copy of the inspection report for the Thousand Oaks system. As stated in the response to CAW-ORA-A.13-07-002.JMI-009 Q004b(i), the Thousand Oaks system was inspected by CDPH on December 5, 2013. California American Water has not recently been in contact with that specific CDPH office regarding the actual inspection or the pending inspection report due to the fact that the inspection only occurred within the last 30 days.

# ATTACHMENT 8

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** F. Mark Schubert, P.E.  
**Title:** Manager – Capital Assets and Planning  
**Address:** 1033 B Avenue, Coronado, CA 92118  
**DRA Request:** JMI-009  
**Company Number:** CAW-ORA-A.13-07-002.JMI-009 Q004c(iii)  
**Date Received:** 12/31/2013  
**Date Response Due:** 1/10/2014  
**Subject Area:** Plant Projects and CDPH Inspection Reports

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**ORA QUESTION:**

Questions four and five are follow-up questions to data request JMI-001 regarding the California Department of Public Health("CDPH") inspection reports.

- c) In response to question 1(h), Cal Am stated that CDPH is planning an inspection for San Marino and Coronado in the second half of 2013 and the inspection date(s) has yet to be set.
- iii. Has an inspection been conducted for Coronado? If so, indicate when the inspection was completed?

**COMPANY RESPONSE:**

Yes. As explained during the December 12, 2013 meeting between ORA and California American Water, an inspection of the Coronado system was performed by CDPH on September 26, 2013.

# ATTACHMENT 9

CALIFORNIA AMERICAN WATER					Attachment 1_CAW_DRA-RRA-001_Q1.xlsx
CAPITAL PROJECTS (10-1-13)					
DRA Request No. DRA-A.13-07-002.RRA001					
CAL AM STATEWIDE GRC TEST YEAR 2015					

1. During DRA's recent Field Investigations (Sept 18 – 27), numerous projects authorized in A.10-07-007 were identified that Cal Am has delayed, determined unnecessary, postponed indefinitely, but not built.

In the format provided below, please provide the Project Identification Number, Name, Authorized Amount, Ratemaking District, and current status (as of July 1, 2013) for all plant improvement projects authorized in A.10-07-007 test year(s) but not built.

Project ID (former ID)	SAP Project ID	Adv Ltr	Project Name	Authorized Amount	Ratemaking District	Current Status
IP-0550-35	115-500028		Lemon Domestic Reservoir Improvements	\$480,000	Los Angeles	Project has been deferred until after completion of the separately proposed project to combine the domestic and irrigation systems in Duarte.
IP-0550-112	115-500004		LA-Redrill Richardson Well	\$1,584,000	Los Angeles	Project is in progress, and completion is planned for 2015.
IP-0550-113	115-500005		LA-Rehab Oak Knoll Cir Well	\$2,747,000	Los Angeles	Project has been deferred at this time. Funds were allocated to main relocation projects mandated by local light rail agencies in Duarte and San Marino service areas.
IP-0550-124	115-500010		Olympiad Booster Station Replacement	\$2,265,000	Los Angeles	Project is in progress, and completion is planned for 2015.
IP-0550-140	115-500015		Install 2700-ft of Main at Grand and Bonita	\$754,802	Los Angeles	Project is in construction, and completion is expected in 4th quarter of 2013.
IP-0540-157	115-400017	Adv Ltr	Withers 100K Tank Replacement	\$203,500	Monterey	Project has been cancelled, and tank is now planned for retirement.
IP-0560-88	115-600057	Adv Ltr	Crowder Land Controls	\$54,849	Sacramento	Project is on hold. Actual start date is dependent on completion of Walerga Tank/BPS project, which is planned for 2015.
05600713	115-600007		Elverta Road Bridge Water Main	\$348,000	Sacramento	Project is on hold. Project is a carry-over from the 2010 GRC. Actual start date is dependent on when Sacramento County plans to build the bridge. At this time, completion date is tentatively in 2014.
IP-0560-42	115-600040		Walnut Grove Permanent Sanitary Sewer Connection	\$348,000	Sacramento	Project is in progress, and completion is expected in 4th quarter of 2013
IP-0560-53	115-600051		Arden Intertie, BPS and Pipeline	\$2,272,325	Sacramento	Project is in progress, and currently in the process of negotiating land purchase/easement. Completion is planned for 2015.
IP-0560-71	115-600054		SAC-Add'l Pump Equipment (Mather)	\$250,000	Sacramento	Project is in progress, and completion is planned for 2014.
IP-0560-100	115-600008	Adv Ltr	Walnut Grove System Improvements	\$100,000	Sacramento	Project is in progress, and completion is planned for 2014.
IP-0560-100	115-600008		Walnut Grove System Improvements	\$610,000	Sacramento	Project is in progress, and completion is planned for 2014.
IP-0560-38	115-600049	Adv Ltr	Walnut Grove - 120,000 Gallon Tank and Booster Station	\$280,000	Sacramento	Project is in progress, and completion is planned for 2014.
IP-0560-74	115-600055	Adv Ltr	Lincoln Oaks 1.5MG Tank and Booster Station	\$695,000	Sacramento	Project is in progress, and completion is planned for 2015.
05600304	115-600002	Adv Ltr	Walerga Road Tank and Booster Station	Special Facilities Fee	Sacramento	Project approved by the Commission on 10/03/13. Construction to commence later in 2013, with completion planned for 2015.
05510505	115-510001		Improvements to Las Posas #1 (Reservoir)	\$697,379	Ventura	Project is in construction, and completion is expected in 4th quarter of 2013.
IP-0551-93	115-510019		Wildwood Reservoir Tank Rehab	\$136,000	Ventura	Project is in progress, and completion is planned for 2014.
IP-0551-18	115-510006		Moorpark Reservoir Rehab	\$2,141,800	Ventura	Project is in progress. Currently between 60% and 90% design. Construction is planned to begin in 2014, and completion is planned in 2015.
IP-0551-88	115-510017		Connect 12" Main Between Hillcrest and Lawrence Dr	\$169,000	Ventura	Project is in progress, and completion is expected in 4th quarter of 2013.
IP-0561-7	115-610007		Well Rehabilitation (1A, 5 & 3A)	\$296,400	Larkfield	Project is in progress, three year program, completion planned in 2014.
IP-0550-38	115-500030		Oswego Well Replacement	\$1,246,400	Los Angeles	Project is in progress, and completion is planned for 2015.
IP-0550-51	115-500032		Winston Well Replacement	\$3,566,000	Los Angeles	Project is in progress, and completion is planned for 2015.
IP-0550-114	115-500006		Replace Lamanda Well	\$200,000	Los Angeles	Project is in progress. Project is a carry-over from the 2010 GRC, where construction dollars were stated to be requested in 2013 GRC. Completion is planned for 2016.
IP-0550-118	115-500009		Replace Santa Fe Well	\$1,164,000	Los Angeles	Project is on hold. Actual start date is dependent on regional recycle water project. Completion is now planned for 2016.
IP-0550-138	115-500014		2,700 Feet of 8-Inch Main in Treefern	\$868,410	Los Angeles	Project is in construction, and completion is expected in 4th quarter of 2013.
IP-0550-152	115-500019		2,800 Feet of 8-Inch Main in Armijo	\$915,000	Los Angeles	Project is in progress, and completion is planned for 2nd quarter of 2014.
IP-0550-158	115-500020		Spinks Reservoir Booster Station Improvements	\$532,000	Los Angeles	Project is in progress, and completion is planned for 2014.
IP-0550-164	115-500021		Rosemead Tank Reconstruction	\$147,250	Los Angeles	Project is in progress. Project is a carry-over from the 2010 GRC, where construction dollars were stated to be requested in 2013 GRC. Design work begins in 2014, construction starts in 2015, and completion is planned in 2016.
IP-0550-170	115-500022		Duarte Water Supply Improvements	\$3,719,250	Los Angeles	Project is in progress. Construction is planned to begin in 2014, and completion is planned for early 2015.

IP-0540-235	115-400043		Mainline Distribution Valve Replacement 2014	\$150,000	Monterey	Project will start in 2014, and completion is planned in 2014.
IP-0540-240	115-400044		Booster Station Rehab 2014	\$231,000	Monterey	Project will start in 2014, and completion is planned in 2014.
IP-0540-201, 212, 213	115-400037		Polybutylene Service Replacements 2012-2014	\$1,944,000	Monterey	Project is in construction, and completion is expected in 4th quarter of 2013.
IP-0540-249	115-400048		Seaside Mains Replacement Phase II	\$5,406,000	Monterey	Project is in construction, and completion is expected in 4th quarter of 2013.
IP-0540-250	115-400049	Adv Ltr	Los Padres Dam Fish Passage	\$2,342,000	Monterey	Project is in progress, and completion is planned for 2015.
IP-0540-277, 278, 280	115-400057		PRV Stations and Diaphragm Valve Replacement	\$150,000	Monterey	Project is in construction, and completion is expected in 4th quarter of 2013.
IP-0548-10	115-480001		Hydropneumatic Tank Replacement	\$118,000	Toro	Project is in construction, and completion is expected in 4th quarter of 2013.
IP-0548-11	115-480002		PRV Stations Improvement	\$159,000	Toro	Project is in progress, and completion is planned for 2014.
IP-0560-102	115-600009		Meter Conversion 2012-2013	\$12,557,000	Sacramento	Project is complete relative to the physical installation of meters. Currently conducting field verification of all meters, and also insuring all meters are in the billing system. This work will continue into the first half of 2014.
IP-0560-109, 132	(109) 115-600011 (132) 115-600023		Well Rehabilitations 2012-2013	\$2,043,521	Sacramento	Project is in progress, multi-year program, completion planned in 2014.
IP-0560-127	115-600021	Adv Ltr	Security Park Interconnection	\$500,000	Sacramento	Project is in construction, and completion is expected in 4th quarter of 2013.
IP-0560-139	115-600025		Antelope Road Interconnection with SSWD	\$300,000	Sacramento	Project will start in 2014, and completion is planned in 2014.
IP-0560-144, 188	(144) 115-600026 (188) 115-600041		Parkway Emergency Generators	\$725,000	Sacramento	Equipment purchase underway. Completion expected in 4th quarter of 2013.
IP-0560-160	115-600032	Adv Ltr	Walerga Road Bridge Pipeline Relocation	\$803,000	Sacramento	Project is on hold. Actual start date is dependent on when Placer County plans to build the bridge. Date is unknown at this time.
IP-0560-165, 166, 133	(165) 115-600033 (166) 115-600034 (133) 115-600024		Water Treatment Plant Improvements	\$3,266,000	Sacramento	Project is in progress, multi-year program, completion planned in 2014.
IP-0560-170	115-600035		Lincoln Oaks PCE/VOC Study	\$350,000	Sacramento	Project is in progress, and completion is planned for early 2014.
IP-0560-176	115-600037		Mapping Improvement Project	\$250,000	Sacramento	Project will start in 2014, and completion is planned in 2014.
IP-0560-179	115-600038		SCADA Upgrades 2012-2014	\$1,632,000	Sacramento	Project is in progress, multi-year program, completion planned in 2014.
IP-0560-190	115-600043		Sewer Connection Fee (SRCSD)	\$76,000	Sacramento	Project will start in 2014, and completion is planned in 2014.
IP-0530-1	115-300002		Small Main Replacement Program	\$712,500	San Diego	Project is in progress, multi-year program, completion planned in 2014.
IP-0530-6	115-300007		Hollister Steet Main Replacement Phase 2	\$1,364,485	San Diego	Project is in progress, and completion is expected in 2014.
IP-0530-29	115-300004		Hollister Steet Main Replacement Phase 3	\$2,759,750	San Diego	Project is in progress, and completion is expected in 2014.
IP-0551-79	115-510014		Improvements to CMWD Interchange	\$567,150	Ventura	Project is in progress, currently negotiating agreement with City of Thousand Oaks, completion is planned in 2014.
IP-0551-84	115-510015		Upsize White Stallion Transmission BPS	\$593,750	Ventura	Project is in progress, currently in bidding phase, and completion is planned for 2nd quarter of 2014.
IP-0551-86	115-510016		Pace Reservoir Rehab	\$1,140,000	Ventura	Project is in progress. Currently between 60% and 90% design. Construction is planned to begin in 2014, and completion is planned in 2015.
IP-0551-92	115-510018		Calle Yucca Turnout 14" Main Improvements	\$475,000	Ventura	Project is on hold, due to inability to obtain easement. Now evaluating other zone redundancy alternatives. Completion date is unknown at this time.
IP-0551-94	115-510020		Potrero Tank Rehab	\$2,500,000	Ventura	Project is in progress. Currently between 60% and 90% design. Construction is planned to begin in 2014, and completion is planned in 2015.
IP-0551-96	115-510021		1200' of 8-Inch Main at Rolling Oaks Dr & Los Padres Dr.	\$70,000	Ventura	Project is in progress. Project is a carry-over from the 2010 GRC, where construction dollars were stated to be requested in 2013 GRC. Design will begin in 2014, and completion is planned for 2015.
IP-0551-98	115-510023		Construct Potrero Tank #3 (1.0MG) & Upsize Dewey BPS	\$3,797,150	Ventura	Project scope has changed based upon new distribution storage analysis performed in 2012 CPS. The 2012 CPS concluded that the amount of additional distribution storage previously recommended was no longer required. Therefore, a new Potrero Tank is no longer necessary. However, the planned upsizing of Dewey BPS is still required. The funds from the tank component portion of this project have been dedicated to the replacement of the Moorpark Booster Station, which is currently under design and completion is planned for 2014.
IP-0551-100	115-510002		Improve Low Pressure in Gainsborough Zone	\$1,520,000	Ventura	Project is in progress. Project is a carry-over from the 2010 GRC, where construction dollars were stated to be requested in 2013 GRC. The developer is funding the booster and pipeline portion of project, and additional pipeline improvements will occur after 2014. Completion is planned in 2015.
IP-0551-101	115-510003		Replace Los Robles Tank #1 - 400K Gal	\$1,282,500	Ventura	Project is in progress. Construction is planned to begin November 2013, and completion is planned for the 2nd quarter of 2014.
IP-0551-102	115-510004		Install 2300 ft of 12" Main in Borchard Road	\$760,000	Ventura	Project completed in 2013.

# ATTACHMENT 10

California American Water										
Statewide GRC SCEP - Larkfield District										
For the Period 2013-2017										
ORA Data Request										
A:13-07-002.AL7-013										
ORA Data Request										
A:13-07-002.AL7-015										
2013										
Plant Expenditures										
YTD Project Cost										
Project Status at 10/31/2013										
FP #	SAP #	FP Description	FP Type	PM	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost		
RP-0561-7	115-610007	Larkfield-Well Rehab 2012-2014	IP AND CS PROJECTS	G. Garcia	2014	315	80,750	95,152	In Progress	The project has 3 major components: rehabilitation of Well 5, Well 1A, and Well 3A. Well 5 and Well 1A have been completed and in service as of 10/31/2013. Well 3A is expected to be completed by 3/31/2014.
RP-0561-A	R15-61A1	Mains - New	RP PROJECTS	M. Digerova	Annual	343.2	44,650	142,567		
RP-0561-B	R15-61B1	Mains - Replaced/Restored	RP PROJECTS	M. Digerova	Annual	343.2	16,150	0		
RP-0561-C	R15-61C1	Mains - Unscheduled	RP PROJECTS	M. Digerova	Annual	343.2	23,750	3,104		
RP-0561-E	R15-61E1	Hydrants, Valves, and Manholes - New	RP PROJECTS	M. Digerova	Annual	348	5,700	0		
RP-0561-F	R15-61F1	Hydrants, Valves, and Manholes - Replaced	RP PROJECTS	M. Digerova	Annual	348	19,950	0		
RP-0561-G	R15-61G1	Services and Laterals - New	RP PROJECTS	M. Digerova	Annual	345	5,700	0		
RP-0561-H	R15-61H1	Services and Laterals - Replaced	RP PROJECTS	M. Digerova	Annual	345	39,900	16,001		
RP-0561-I	R15-61I1	Meters - New	RP PROJECTS	M. Digerova	Annual	346	9,500	0		
RP-0561-J	R15-61J1	Meters - Replaced	RP PROJECTS	M. Digerova	Annual	346	4,750	13,697		
RP-0561-L	R15-61L1	SCADA Equipment and Systems	RP PROJECTS	M. Digerova	Annual	376	15,200	-10,087		
RP-0561-N	R15-61N1	Offices and Operations Centers	RP PROJECTS	M. Digerova	Annual	372.22	4,750	0		
RP-0561-P	R15-61P1	Tools and Equipment	RP PROJECTS	M. Digerova	Annual	378	10,450	0		
RP-0561-R	R15-61R1	Capitalized Tank	RP PROJECTS	M. Digerova	Annual	342	56,050	0		
DU-0561	D15-6101	Rehabilitation/Painting	PROJECTS FUNDED BY OTHERS	M. Digerova	Annual	343.2	120,000	5,875		
RP-0561-M	R15-61M1	Security Equipment and Systems	RP PROJECTS	M. Digerova	Annual	332 & 342	4,750	0		
RP-0561-Q	R15-61Q1	Process Plant Facilities and Equipment	RP PROJECTS	M. Digerova	Annual	324 & 332	164,740	15,139		
05610702	115-610002	Faught Road Well	RP PROJECTS	A. Peterson	Annual			5,821	Prelim	Property investigation ongoing

California American Water									
Statewide GRC SCEP - Sacramento District									
For the Period 2013-2017									
							ORA Data Request A.13-07-002.AL7-013	ORA Data Request A.13-07-002.AL7-015	
2013									
FP #	SAP FP#	FP Description	PM	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013		Project Status at 10/31/2013
IP-0560-102	I15-600009	SAC-Meter Conversion 2012-2013	A. Peterson	2013	346	1,674,393	844,173	In Progress	Complete, administratively closing-out. We were able to complete meter conversion for an amount less than authorized as the GRC authorized amount was based on a higher number of meters and a higher meter installation price.
IP-0560-109	I15-600011	SAC-Well Rehabs 2012	K. Kelley	2013	315	0	280,693	In Progress	Two wells complete and booked, one other in construction at about 70% complete, one other well waiting for equipment to mobilize to complete work, construction at about 50%.
IP-0560-132	I15-600023	SAC-Rehab Wells 2013	K. Kelley	2014	315	216,178	259,355	In Progress	Two wells at 95%, one well waiting for release to construction, 11 additional wells identified and developing scope before going to bid.
IP-0560-144	I15-600026	Parkway - Emergency Generators	K. Kelley	2013	323	475,000	83,917	In Service 5/31/2013	Entire cost in UPIIS
IP-0560-155	I15-600030	Parkway - Circle Main Replacement	A. Peterson	2013	343.1	2,912,192	1,570,666	In Progress	Complete, administratively closing-out and will be placed in service shortly. 7,700' 8" pvc, 500' 8" ductile iron, 550' 6" pvc, 15 hydrants, and associated fittings and valves
IP-0560-156	I15-600031	Parkway - Center Parkway Main Repla	A. Peterson	2013	343.1	300,000	300,603	In Service 2/28/2013	Entire cost in UPIIS
IP-0560-165	I15-600033	SAC-Water Trtmnt Improv 2012-13	K. Kelley	2013	332	800,000	149,710	In Progress	One well site complete and booked. Two in construction at 70% complete. One in construction at 30% complete. Two sites are waiting for well work to complete before beginning treatment work. One well waiting for Operations to schedule. One well on hold waiting for modified easement agreement.
IP-0560-166	I15-600034	SAC-Wtr Trtmnt Improv 2013-14	K. Kelley	2013	332	400,000	35,249	In Progress	Bids have been received and awarded to two contractors. Contracts being signed before beginning work.
IP-0560-170	I15-600035	SAC-Lincoln Oaks PCE/VOC Study	A. Peterson	2013	303	50,000	70,108	In Progress	Study ongoing
IP-0560-176	I15-600037	SAC-Mapping Improvement Project	D. Donohue	2013	372.23	250,000	0	Start planned in 2014	
IP-0560-179	I15-600038	SAC-SCADA Upgrades 2012-13	K. Kelley	2013	376	400,000	493,716	In Progress	Equipment and panels procured, next step installation.
IP-0560-187	I15-600040	Walnut Grove - Permanent Sewer Conn	K. Kelley	2014	332	380,000	120,234	In Progress	Project designed and waiting for bids to award work.
IP-0560-188	I15-600041	Sacramento Standby Generators 2013	L. Carothers	2013	323	475,000	70,170	In Progress	Air quality permits submitted. Generators ordered, delivery planned by end of year. Electrical design in progress. PG&E added meter pad.
IP-0560-53	I15-600051	Arden Intertie	K. Kelley	2013	50%/324	500,000	5,865	Prelim	Project on hold trying to find land to install the booster pump station for the intertie.
IP-0560-71	I15-600054	SAC-Addtl Pump Equipment (Mather)	L. Carothers	2013	324	210,000	0	Prelim	The results of the engineering study performed for this project, which included a hydraulic analysis and an operational review, are currently being evaluated by the engineering and operations teams.
RP-0560-A	R15-60A1	Mains - New		Annual	343.2	115,000	19		
RP-0560-C	R15-60C1	Mains - Unscheduled		Annual	343.2	156,000	84,254		
RP-0560-D	R15-60D1	Mains - Relocated		Annual	343.2	16,000	(559)		
RP-0560-E	R15-60E1	Hydrants, Valves, and Manholes - New		Annual	348	10,000	11,432		
RP-0560-F	R15-60F1	Hydrants, Valves, and Manholes - Replaced		Annual	348	96,000	203,956		
RP-0560-G	R15-60G1	Services and Laterals - New		Annual	345	52,000	1,537		
RP-0560-H	R15-60H1	Services and Laterals - Replaced		Annual	345	562,000	479,884		
RP-0560-I	R15-60I1	Meters - New		Annual	346	25,000	41,013		
RP-0560-J	R15-60J1	Meters - Replaced		Annual	346	321,000	154,068		
RP-0560-L	R15-60L1	SCADA Equipment and Systems		Annual	376	-	32,136		
RP-0560-N	R15-60N1	Offices and Operations Centers		Annual	372.22	305,000	365,537		
RP-0560-P	R15-60P1	Tools and Equipment		Annual	378	70,000	0		
RP-0560-R	R15-60R1	Capitalized Tank Rehabilitation/Painting		Annual	342	139,000	0		
DV-0560	D15-6001	PROJECTS FUNDED BY OTHERS		Annual	343.2	1,080,000	91,148		
RP-0560-M	R15-60M1	Security Equipment and Systems		Annual	332 & 342	42,000	6,490		
RP-0560-Q	R15-60Q1	Process Plant Facilities and Equipment		Annual	324	1,391,000	893,927		
Advice Letters									
05600304	I15-600002	West Placer - Walerga Rd Tank, Bstr	A. Peterson	2014		0	561,833	In Progress	The design drawings are being updated to reflect changes to the electric and building codes. Permits are being renewed.
IP-0560-38	I15-600049	Walnut Grove- 120,000 Gal Ground ST	K. Kelley	2014	332	180,000	27,448	Prelim	Project 90% designed. Land in final signature stage. Bidding scheduled in 2014 with construction in 2015
IP-0560-74	I15-600055	Lincoln Oaks-1.5MG Tank, BPS & Well	K. Kelley	2014	6/324 - 33%/3	1,250,000	404,990	Prelim	Land in procurement stage. Design has been bid and plan to award by end of year.
IP-0560-127	I15-600021	Security Pk-Interconnection w/SCWA	A. Peterson	2013	316	117,000	86,872	In Progress	Project is under construction, 90% waterline installed, 25% meter and PRV vaults.
IP-0560-88	I15-600057	Crowder Lane Controls	A. Peterson	2014	349	54,849	-	Prelim	No work ongoing
IP-0560-100	I15-600008	Walnut Grove - Well 1 Rehab & Raw W	K. Kelley	2014	315	590,000	175,828	In Progress	Project designed and waiting for bids to award work.
IP-0560-184	I15-600039	Arden-City of Sac Purchased Water	A. Peterson	2012			24,309	In Service 12/31/2012	Entire cost in UPS as of 02/2013

California American Water									
Statewide GRC SCEP - Monterey Water District									
For the Period 2013-2017									
					ORA Data Request			ORA Data Request	
AdvLetter					A.13-07-002.AL7-013			A.13-07-002.AL7-015	
2013									
FP #	SAP FP #	FP Description	PM	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013		Project Status at 10/31/2013
IP-0540-305	I15-400071	Regional Desal Project - CAW Fac	J. Kilpatrick	2015	343.2	500,000	1,506,301	Prelim	Monterey Peninsula Water Supply Project going here. Ongoing EIR work, permitting work for slant test well, water quality testing, received Proposals on desal plant and construction agreement planned before year end.
IP-0540-93	I15-400084	Fire Protection Upgrades - 2009-11	J. Kilpatrick	2013	343.2		17,213	In Progress	Completed under Recurring Project (Paso Mediano Main R15-40B1.12-P-0005), awaiting administrative close-out.
IP-0540-249	I15-400048	Seaside Main Replacement Phase II	G. Hotsheier	Annual	343.2	1,445,835	1,662,294	In Progress	Planned In Service by December.
IP-0540-201	I15-400037	Replace Poly Serv Prgm 2012-14	L. Silva	Annual	345	649,940	382,396	In Progress	270 PB replacements complete. 85 planned to complete through 12/2013. Permits pending with the County for additional replacements.
IP-0540-283	I15-400061	Camel Valley Trans Main Repl	G. Hotsheier	2013	343.2	242,000	-336,762	In Service 2/13/2013	Entire cost in UPIS
IP-0540-131	I15-400010	Well Rehab 2012	D. Fraser	Annual	315	132,269	157,234	In Progress	Completed rehabilitations at Ralph Lane Well, and pumps pulled at Scarlett and Darwin. Begonia 2 is in progress: disinfection, new check valve, spring, spool, temporary tank rental.
IP-0540-135	I15-400011	Hidden Hills Tank @ WTP	A. Gonzalez	2013	342		42,999	In Service 3/20/2013	Entire cost in UPIS
IP-0540-154	I15-400014	MRY-Mainline&Dia Valve Repl - 2012	L. Silva	Annual	316	144,992	-212,399	In Progress	24 valve replacements completed. 6 scheduled for 01/2014. Estimated completion for program is April 2014 pending permit approvals as needed.
IP-0540-277	I15-400057	MRY-PRV Stations & Valves Rep 2012	L. Silva	Annual	316	50,000	42,531	In Progress	Completion estimated 02/2014 pending permit approval.
IP-0540-181	I15-400026	MRY-Booster Station Rehab 2012	L. Silva	Annual	324	228,500	202,998	In Progress	Obtained surveyer information, work ongoing to obtain easements.
IP-0540-107	I15-400007	MRY-Bishop Well #1 & #2 Rehab	D. Fraser	2013	315	-	132,834	In Service 7/18/2013	Entire cost in UPIS
RP-0540-A	R15-40A1	Mains - New		Annual	343.2	91,380	0		
RP-0540-B	R15-40B1	Mains - Replaced/Restored		Annual	343.2	286,210	308,199		
RP-0540-C	R15-40C1	Mains - Unscheduled		Annual	343.2	31,897	98,552		
RP-0540-D	R15-40D1	Mains - Relocated		Annual	343.2	34,483	0		
RP-0540-E	R15-40E1	Hydrants, Valves, and Manholes - New		Annual	348	82,759	15,885		
RP-0540-F	R15-40F1	Hydrants, Valves, and Manholes - Replaced		Annual	348	111,208	164,146		
RP-0540-G	R15-40G1	Services and Laterals - New		Annual	345	167,243	3,647		
RP-0540-H	R15-40H1	Services and Laterals - Replaced		Annual	345	401,728	330,500		

RP-0540-I	R15-40I1	Meters - New		Annual	346	22,414	0		
RP-0540-J	R15-40J1	Meters - Replaced		Annual	346	634,840	380,589		
RP-0540-L	R15-40L1	SCADA Equipment and Systems		Annual	376	33,621	56,417		
RP-0540-M	R15-40M1	Security Equipment and Systems		Annual	332 & 342	103,449	101,470		
RP-0540-N	R15-40N1	Offices and Operations Centers		Annual	372.22	50,863	0		
RP-0540-P	R15-40P1	Tools and Equipment (Distribution)		Annual	378	14,655	13,078		
RP-0540-Q	R15-40Q1	Process Plant Facilities and Equipment		Annual	390	892,250	1,054,552		
RP-0540-R	R15-40R1	Capitalized Tank Rehabilitation		Annual	342	441,000	243,875		
RP-0540-DV	D15-4001	PROJECTS FUNDED BY OTHERS		Annual	343.2	50,000	615,370		
Advice Letter Projects									
05400509	I15-400004	Ambler Tank	A. Gonzalez	2014	342	130,000	13,960	Prelim	Submitted documents for use permit to Monterey County.
IP-0540-90	I15-400083	Upper Rimrock Tanks	A. Gonzalez	2014	342	100,000	265,205	In Progress	Resolved easement acquisition with property owner. In process of obtaining building permit.
IP-0540-101	I15-400006	Ryan Ranch - Bishop Intertie	A. Gonzalez	2014	343.2	247,000	0	Prelim	On going preparation of MPWMD system interconnection application.
IP-0540-155	I15-400015	Chualar 150K Gal Tank	A. Gonzalez	2014	342	350,000	11,521	Prelim	Pursing easement purchase necessary for project. Conducted soils investigation. Preparing application for Monterey County use permit.
IP-0540-194	I15-400034	Replace Carmel Woods Tank	A. Gonzalez	2014	342	19,000	17,406	In Service 1/10/2013	Advice Letter to be filed November 2013.
IP-0540-307	I15-400073	ASR #4 Seaside Middle School	J. Kilpatrick	2014	315	1,753,809	661,690	In Progress	75% complete. Work continues on electric building and landscaping.
IP-0540-256	I15-400051	MRY ESA 2013	A. Gonzalez	2013	313	500,000	229,701	In Progress	Substantial field work completed. Final field tasks to complete, followed by preparation of annual report.
IP-0540-301	I15-400069	CDO - Seaside Middle School ASR Well #3 (in reg asset CDO memo acct)	J. Kilpatrick	2014	315	3,848,900	3,827,202	In Progress	Complete, administratively closing out
IP-0540-246	I15-400046	MON - Seaside ASR Conveyance Improv	J. Kilpatrick				32,372	In Service 5/1/2012	Entire cost in UPIS
IP-0540-129	I15-400009	Well Rehab 2011	D. Fraser				152	In Service 2/22/2012	Entire cost in UPIS
IP-0540-215	I15-400042	MRY-SCADA System Improvements	J. Sanchez				5,169	In Progress	Programming at multiple sites: Chular - PLC program addition for trouble alarm callout. Hidden Hills - corrected panelview screen, added pressure setpoint pop-up screen. Pasadera - PLC program changes, create setpoint screen for pressure.
IP-0540-297	I15-400067	MRY-Carmel Valley Main Replacement	A. Gonzalez				16,166	In Service 3/1/2012	Entire cost in UPIS

California American Water									
Statewide GRC SCEP - Monterey WW District									
For the Period 2013-2017									
							ORA Data Request	ORA Data Request	
							A.13-07-002.AL7-013	A.13-07-002.AL7-015	
							2013		
				Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013	Project Status at 10/31/2013	
RP-0549-B	Mains - Replaced/Restored	RP PROJECTS	M. Magretto	Annual	343.2	29,252	-		
RP-0549-L	SCADA Equipment and Systems	RP PROJECTS	M. Magretto	Annual	376	10,450	-		
RP-0549-P	Tools and Equipment	RP PROJECTS	M. Magretto	Annual	378	17,000			
RP-0549-Q	Process Plant Facilities and Equipment	RP PROJECTS	M. Magretto	Annual	390	141,577	113,816		

California American Water									
Statewide GRC SCEP - Toro District									
For the Period 2013-2017									
					ORA Data Request		ORA Data Request		
					A.13-07-002.AL7-013		A.13-07-002.AL7-015		
<b>2013</b>									
FP #	SAP FP#	FP Description	PM	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013	Project Status at 10/31/2013	
IP-0548-10	I15-480001	MON-Hydropneumatic Tank Repl	L. Silva	2013	342	58,000	3,786	In Progress	Tank ordered. Completion planned early 2014
IP-0548-11	I15-480002	TOR-PRV Improvement	L. Silva	2013	316	59,000	0	Start planned in 2014	
RP-0548-B	R15-48B1	Mains -Replaced/Restored		Annual	343.2	10,000	132,051		
RP-0548-F	R15-48F1	Hydrants, Valves, and Manholes - Replaced		Annual	348	12,500	0		
RP-0548-H	R15-48H1	Services and Laterals - Replaced		Annual	345	31,000	0		
RP-0548-Q	R15-48Q1	Process Plant Facilities and Equipment		Annual	390	52,000	144,133		
RP-0548-C	R15-48C1	Mains - Unscheduled					133		

California American Water									
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					ORA Data Request A.13-07-002.AL7-013		ORA Data Request A.13-07-002.AL7-015		
FP #	SAP WBS#	FP Description	PM	Est In Service Year	Plant Account	2013		Project Status at 10/31/2013	
						Plant Expenditures	YTD Project Cost 10/31/2013		
IP-0550-112	I15-500004	LA-Redrill Richardson Well	M. Lasecki	2013	315	1,392,520	74,053	In Progress	Drilling of the well planned for 2014 January through March.
IP-0550-114	I15-500006	LA-Redrill Lamanda (CARRYOVER)	M. Lasecki	2016	315		24,435	Prelim	Well design and bid documents are complete. A Conditional Use Permit application has been submitted to the City of Pasadena.
IP-0550-118	I15-500009	Duarte - Redrill Santa Fe Well	M. Reifer	2016	315	200,000	30,487	Prelim	Project was delayed until 2015 due to the potential impact from a Regional Indirect Reuse Replenishment Water Project from Upper San Gabriel Valley Municipal Water District.
IP-0550-124	I15-500010	Olympiad Booster station upgrade	M. Lasecki	2013	321	1,924,509	114,541	Prelim	The design is complete, bids have been received, and contracting is in process. Final review of permitting revisions are on going. Permits are anticipated in January-February 2014
IP-0550-138	I15-500014	DT- 8" Main in Trefelem	M. Lasecki	2013	343.2	679,432	221,444	In Progress	Project construction is 90% complete.
IP-0550-140	I15-500015	INS 2700-ft of Main in Grand&Bonita	M. Lasecki	2013	343.2	647,764	577,634	In Progress	Project construction is 90% complete.
IP-0550-152	I15-500019	DT- 8" Main in Armijo	M. Lasecki	2015	343.2	-	75,156	Prelim	Project design is complete, and permits are anticipated January-February 2014.
IP-0550-158	I15-500020	Spinks Reservoir Booster Stn Improv	M. Reifer	2013	321	408,500	-	Start planned in 2014	Design and construction planned in 2014
IP-0550-170	I15-500022	LAD-Duarte Water Supply Imprv Proj	M. Lasecki	2014	315-50%, 343.2-50%	1,962,603	72,772	Prelim	The Lemon Well design is completed and is in process of obtaining a Conditional Use Permit. The Crownhaven well is in preliminary design and permitting.
IP-0550-174	I15-500025	12-14 tank rehab	M. Lasecki	2014	342	152,000	118,348	In Progress	To date rehabilitated Homeland, Angeles Mesa, Fish Canyon, High Mesa, and Starpine Tanks. Currently in process of rehabilitations at Mt Vernon, Garth and Oak Knoll.
IP-0550-175	I15-500026	Duarte Rail Line Main Relocations	M. Reifer	2013	343.2	1,613,000	456,827	In Progress	Substantially complete, including relocation of 12" main in Highland Avenue and Duarte Road, relocation of 8" main at Delford, relocation of 16" main in Mountain Avenue, and 16" main on Buena Vista Street. Plan to complete construction by 11/2013.
IP-0550-38	I15-500030	LA-Oswego Well Redrill	M. Reifer	2014	315		30,401	Prelim	Preliminary design, initial discussions with Watermaster, verifying setback requirements, permit submittals planned March 2014, construction September 2014.
IP-0550-51	I15-500032	LA-Winston Well Redrill@Danford	M. Lasecki	2014	315	961,535	28,886	In Progress	This project is currently on hold due to opposition of the site from an adjacent Water Puneyor.
NA	I15-500044	Baldwin Ave Rail Line Mains Relocation	M. Reifer	2014	343.2		126,649	In Progress	North Access Road complete, Baldwin section planned late 2014, plans are complete and permits are ready.
RP-0550-A	R15-50A1	Mains - New		Annual	343.2	35,150	-		
RP-0550-B	R15-50B1	Mains - Replaced/Restored		Annual	343.2	155,550	-		
RP-0550-C	R15-50C1	Mains - Unscheduled		Annual	343.2	164,000	56,089		
RP-0550-D	R15-50D1	Mains - Relocated		Annual	343.2	174,800	(11,313)		
RP-0550-E	R15-50E1	Hydrants, Valves, and Manholes - New		Annual	348	11,400	6,244		
RP-0550-F	R15-50F1	Hydrants, Valves, and Manholes - Replaced		Annual	348	133,650	105,262		
RP-0550-G	R15-50G1	Services and Laterals - New		Annual	345	12,350	2,983		
RP-0550-H	R15-50H1	Services and Laterals - Replaced		Annual	345	775,950	623,481		
RP-0550-I	R15-50I1	Meters - New		Annual	346	5,700	-		
RP-0550-J	R15-50J1	Meters - Replaced		Annual	346	500,800	617,470		
RP-0550-L	R15-50L1	SCADA Equipment and Systems		Annual	376	74,100	(3,730)		
RP-0550-N	R15-50N1	Offices and Operations Centers		Annual	372.22	24,700	57,170		
RP-0550-P	R15-50P1	Tools and Equipment		Annual	378	16,150	9,154		
RP-0550-R	R15-50R1	Capitalized Tank Rehabilitation/Painting		Annual	342	411,350	-		
DV-0550	D15-5001	PROJECTS FUNDED BY OTHERS		Annual	343.2	150,000	188,578		
RP-0550-M	R15-50M1	Security Equipment and Systems		Annual	332 & 342	41,800	282		
RP-0550-Q	R15-50Q1	Process Plant Facilities and Equipment		Annual	324 & 332	426,550	326,345		
IP-0550-168	LAD - OEPP		M. Reifer				2,891	In Service 12/31/2011	Entire cost in UPIS

California American Water  
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ORA Data Request  
 A.13-07-002.AL7-015

FP #	SAP WBS#	FP Description	PM	Est In Service Year	Plant Account	2013		Project Status at 10/31/2013
						Plant Expenditures	YTD Project Cost 10/31/2013	
IP-0551-100	I15-510002	Imp Low Pressure in Gainsboroug Zn (CARRY-OVER)	M. Reifer	2015	343.2	494,000	0	Start planned in 2014
IP-0551-101	I15-510003	Repl Los Robles Tank#1	C. Malejan	2014	342	260,362	69,611	In Progress Permitting almost complete. Construction start date scheduled shortly thereafter.
IP-0551-102	I15-510004	300-ft of 12" Main in Borchard Rd	C. Malejan	1905	343.2	195,630	121,700	In Service 09/2013 Entire cost booked to UPLIS as of 11/2013
IP-0551-18	I15-510006	Ventura-Retrofit Moorpark Tank (CARRY-OVER)	C. Malejan	1905	342	336,090	100,836	Prelim 90% design complete. Plan for early 2014 bid.
IP-0551-79	I15-510014	VEN-Improv to CMWD Interconnections	M. Reifer	1905	343.3	392,000	0	Prelim Preliminary exhibits and City of Thousand Oaks emergency agreement in process
IP-0551-84	I15-510015	Upsize White Stallion Trans BPS	C. Malejan	1905	321	176,809	5,028	In Progress Received bids at the beginning of October 2013. Negotiated with Contractors in October. Recommendations will be entering into an Agreement shortly. Plan for construction in early 2014.
IP-0551-86	I15-510016	Pace Reservoir Rehab (CARRY-OVER)	C. Malejan	1905	342	142,500	154,121	Prelim 90% design complete. Plan for early 2014 bid.
IP-0551-88	I15-510017	Connect 12" Main Between Hillcrest	M. Lasecki	1905	343.2	169,000	0	Start not scheduled
IP-0551-92	I15-510018	Calle Yucca Turnout 14" Main Improv	M. Lasecki	1905	343.3	237,500	0	Planned to start Preliminary stage in Nov/Dec 2013.
IP-0551-93	I15-510019	Wildwood Tank Rehab	M. Lasecki	1905	342	93,000	-18,647	In Progress PLC upgraded, SCADA flow meter upgraded, installed conduits, wires and appurtenances.
IP-0551-94	I15-510020	Potrero Tank Rehab	C. Malejan	1905	342		154,543	Prelim 90% design complete. Plan for early 2014 bid.
IP-0551-96	I15-510021	1200' of main Rolling Oaks & LP (CARRY-OVER)	M. Lasecki	1905	343.2	70,000	0	Planned start is 2015 Due to easement difficulties, evaluating alternate location(s).
IP-0551-98	I15-510023	Const 1.0MG trnk @ Potrero & Dwy BPS	C. Malejan	1905	343.2-50%; 321-50%	231,325	0	Planned start is 2014 Project scope has changed based upon new distribution storage analysis performed in 2012 CPS. The 2012 CPS concluded that the amount of additional distribution storage previously recommended was no longer required. Therefore, a new Potrero Tank is no longer necessary. However, the planned upsizing of Dewey BPS is still required. The funds from the tank component portion of this project have been dedicated to the replacement of the Moorpark Booster Station, which is currently under design and completion is planned for 2014.
IP-0551-200	I15-510025	Replace Moorpark Booster Station (A-1, CPS)	C. Malejan	1905	321	251,552	112,487	Prelim In between 30% design and 60% design complete. RFP for packaged booster station will be sent in November 2013.
RP-0551-A	R15-51A1	Mains - New		Annual	343.2	6,650	0	
RP-0551-B	R15-51B1	Mains - Replaced/Restored		Annual	343.2	69,350	0	
RP-0551-C	R15-51C1	Mains - Unscheduled		Annual	343.2	83,600	52,250	
RP-0551-D	R15-51D1	Mains - Relocated		Annual	343.2	78,850	33,527	
RP-0551-E	R15-51E1	Hydrants, Valves, and Manholes - New		Annual	348	22,800	0	
RP-0551-F	R15-51F1	Hydrants, Valves, and Manholes - Replaced		Annual	348	101,650	2,589	
RP-0551-G	R15-51G1	Services and Laterals - New		Annual	345	23,750	-107	
RP-0551-H	R15-51H1	Services and Laterals - Replaced		Annual	345	679,889	585,970	
RP-0551-I	R15-51I1	Meters - New		Annual	346	35,150	45,893	
RP-0551-J	R15-51J1	Meters - Replaced		Annual	346	446,000	352,408	
RP-0551-L	R15-51L1	SCADA Equipment and Systems		Annual	376	74,100	0	
RP-0551-N	R15-51N1	Offices and Operations Centers		Annual	372.22	43,700	16,195	
RP-0551-P	R15-51P1	Tools and Equipment		Annual	378	24,700	5,218	
RP-0551-R	R15-51R1	Capitalized Tank Rehabilitation/Painting		Annual	342	8,550	0	
DV-0551	D15-5101	PROJECTS FUNDED BY OTHERS		Annual	343.2	20,460	97,212	
RP-0551-M	R15-51M1	Security Equipment and Systems		Annual	332 & 342	30,400	41,547	
RP-0551-Q	R15-51Q1	Process Plant Facilities and Equipment		Annual	324 & 332	98,800	198,830	
05510505	I15-510001	Improvements to Las Posas #1	M. Lasecki				166,955	In Service 5/31/2011, all cost except recent cost is in UPLIS Remaining work is to complete an access drive to the tank site, required by renewal of the tank site's Conditional Use Permit.

California American Water									
Statewide GRC SCEP - Southern Division - San Diego County									
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fms - 08/21/12; 09/07/12; 09/14/12; 09/17/12; 10/05/12									
						ORA Data Request		ORA Data Request	
						A.13-07-002.AL7-013		A.13-07-002.AL7-015	
FP #	SAP WBS#	FP Description	PM	Est In Service Year	Plant Account	2013 Plant Expenditures	YTD Project Cost 10/31/2013	Project Status at 10/31/2013	
05300504	I15-300001	Hollister St 20 in Main Replac	M. Lasecki	2012	343.3	0	244	In Progress	Project is complete. The project not administratively closed due to subsupplier issues.
IP-0530-1	I15-300002	Small Main Repl Prgm 2012-2013, (2015 - 2017)	M. Lasecki	Annual	343.1	253,762	-6,100	In Progress	Project on hold pending bids from the Hollister Phase 2 and 3 projects.
IP-0530-29	I15-300004	Phase 3 Hollister Street Main	M. Lasecki	2013	343.3	2,538,488	46,236	In Progress	Design completed and submitted for permitting. Anticipate Summer 2014 construction.
IP-0530-33	I15-300006	SD PRV Modernization Program	M. Reifer	2013	343.2-50%; 372.1-50%	797,779	78,520	In Progress	Awaiting FERC permit approval and CUP permit. Design and construction planned in late 2014.
IP-0530-6	I15-300007	Hollister St. 20" Main Repl - Ph 2	M. Lasecki	2013	343.3	1,171,856	79,248	In Progress	Design completed and submitted for permitting. Anticipate Summer 2014 construction.
RP-0530-A	R15-30A1	Mains - New		Annual	343.2	39,900	0		
RP-0530-B	R15-30B1	Mains - Replaced/Restored		Annual	343.2	100,000	0		
RP-0530-C	R15-30C1	Mains - Unscheduled		Annual	343.2	155,800	203,761		
RP-0530-D	R15-30D1	Mains - Relocated		Annual	343.2	14,250	0		
RP-0530-E	R15-30E1	Hydrants, Valves, and Manholes - New		Annual	348	11,400	359		
RP-0530-F	R15-30F1	Hydrants, Valves, and Manholes - Replaced		Annual	348	39,400	132,261		
RP-0530-G	R15-30G1	Services and Laterals - New		Annual	345	8,550	4,993		
RP-0530-H	R15-30H1	Services and Laterals - Replaced		Annual	345	217,450	224,462		
RP-0530-I	R15-30I1	Meters - New		Annual	346	7,600	-483		
RP-0530-J	R15-30J1	Meters - Replaced		Annual	346	450,000	408,469		
RP-0530-L	R15-30L1	SCADA Equipment and Systems		Annual	376	9,500	4,228		
RP-0530-N	R15-30N1	Offices and Operations Centers		Annual	372.22,374	133,950	63,189		
RP-0530-P	R15-30P1	Tools and Equipment		Annual	378	18,050	7,605		
RP-0530-R	R15-30R1	Capitalized Tank Rehabilitation/Painting		Annual	342	23,750	0		
DV-0530	D15-3001	PROJECTS FUNDED BY OTHERS		Annual	343.2	20,460	53,290		
RP-0530-M	R15-30M1	Security Equipment and Systems		Annual	332 & 342	21,850	6,829		
RP-0530-Q	R15-30Q1	Process Plant Facilities and Equipment		Annual	324 & 332	24,700	0		

# ATTACHMENT 11

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** Mark Reifer  
**Title:** Operations Engineer  
**Address:** 8657 Grand Avenue, Rosemead, CA 91770  
**DRA Request:** PR1-019  
**Company Number:** CAW-ORA-A.13-07-002.PR1-019 Q001a(i)  
**Date Received:** 12/9/2013  
**Date Response Due:** 12/18/2013  
**Subject Area:** Follow-up to Los Angeles Projects

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**ORA QUESTION:**

1. Project #05509853 ("LA-Pump to Waste Facility")
  - a. CAW response to PR1-008 Q1a(i) states "the Crownhaven well and Santa Fe well pump to waste lines were not constructed but design work was performed with charges of \$30,938.41 and \$89,069.93 respectively."
    - i. Why did CAW not construct the pump to waste line for the Crownhaven well and Santa Fe well?

**COMPANY RESPONSE:**

The primary reasons that California American Water decided not to construct the Santa Fe Well and Crownhaven Well pump to waste lines because the projects cost more than originally budgeted and because of easement issues.

Crownhaven was designed with two different alignment routes. The first alignment was to make a connection on the north side of Huntington Drive and the second one was an alignment to the San Gabriel River. The Huntington Drive option was bid out with a cost exceeding the proposed budget. The San Gabriel River option included California American Water having to obtain two easements, one from Brown Grandstands and one from SCE. This would also require the need to obtain permission from the Army Corp of Engineers. Due to these obstacles, California American Water did not move forward on this option.

For Santa Fe, this project was designed and bid on. California American Water was in the process of obtaining an easement from the owner of the driveway access. The owner of this property then decided to request a payment of approximately \$50,000 for

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

the easement granting the storm drain alignment through his property. California American Water decided not to move forward with this project because of the easement issue and additional costs.

# ATTACHMENT 12

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** Mark Reifer  
**Title:** Operations Engineer  
**Address:** 8657 Grand Avenue, Rosemead, CA 91770  
**DRA Request:** PR1-019  
**Company Number:** CAW-ORA-A.13-07-002.PR1-019 Q001a(ii)  
**Date Received:** 12/9/2013  
**Date Response Due:** 12/18/2013  
**Subject Area:** Follow-up to Los Angeles Projects

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**ORA QUESTION:**

1. Project #05509853 ("LA-Pump to Waste Facility")
  - a. CAW response to PR1-008 Q1a(i) states "the Crownhaven well and Santa Fe well pump to waste lines were not constructed but design work was performed with charges of \$30,938.41 and \$89,069.93 respectively."
  - ii. Does CAW plan to construct the pump to waste line for the Crownhaven well and Santa Fe well? If so, indicate the estimated completion year and the project # under which these pump to waste lines will be constructed. Additionally, identify the budget needed to construct the pump to waste line for the Crownhaven well and Santa Fe well.

**COMPANY RESPONSE:**

California American Water plans to construct the pump to waste line for Crownhaven Well and Santa Fe Well. The WBS project number for the Crownhaven Well is I15-500022 (old IP number is IP-0550-170). The WBS project number for the Santa Fe Well is I15-500009 (old IP number is IP-0550-118).

California American Water is currently in the process of design and construction of Crownhaven Well which includes design of a pump to waste line. The design and installation of a storm drain line for a pump to waste at Crownhaven is planned to be completed at some point in 2015. The Santa Fe well is currently scheduled to begin design in 2015 and will include the design and installation of a pump to waste storm drain line as part of the project. Completion is estimated for some point in 2016.

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**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

The cost for the Crownhaven Well pump to waste line is currently under planning and design. An exact cost for this line will partially be determined on easement acquisition as the storm drain alignment will go through neighboring property. Since the Santa Fe well design is planned in 2015 the total cost for the pump to waste line has not been determined.

# ATTACHMENT 13

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** Mark Reifer  
**Title:** Operations Engineer  
**Address:** 8657 Grand Avenue  
Rosemead, CA 91770

**DRA Request:** JMI-007  
**Company Number:** CAW-DRA-A.13-07-002.JMI-007 Q008 (b)  
**Date Received:** October 30, 2013  
**Date Response Due:** November 8, 2013  
**Subject Area:** Plant Projects

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**DRA QUESTION:**

Questions seven through eight pertain to main relocation projects in the Los Angeles County district.

8. In regards to the Duarte Rail Line Main Relocation of Metro Gold Line- Foothill Transit Authority (I15-500026):

b. If the cost provided in response to question 8(a) exceeds the estimated completion cost of \$1,757,907, then elaborate on what caused the project to exceed the estimated completion cost.

**COMPANY RESPONSE:**

The final cost of the project is \$2,126,043. The increased cost is due to the following reasons:

- 1) Cathodic protection was not planned during the initial project estimate;
- 2) Costs associated with the bore and jack increased due to the length of time to complete the boring;
- 3) Unexpected utilities forced changes in design and caused construction delays, resulting in increased cost;
- 4) Construction work at night was required by the City of Monrovia during the Mountain Avenue crossing, which increased construction costs; and
- 5) The crossing at Delford Avenue was not originally planned as part of this project (even though previous hydraulic modeling revealed the Delford Avenue main was

**California-American Water Company**  
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**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

required for fire flow). Subsequently, this crossing at Delford Avenue was included in the design and constructed as part of this project.

# ATTACHMENT 14

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** Mark Reifer  
**Title:** Operations Engineer  
**Address:** 8657 Grand Avenue  
Rosemead, CA 91770

**DRA Request:** JMI-008  
**Company Number:** CAW-DRA-A.13-07-002.JMI-008 Q001(a)  
**Date Received:** November 6, 2013  
**Date Response Due:** November 18, 2013  
**Subject Area:** Plant Projects

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**DRA QUESTION:**

Questions one and two pertain to the Los Angeles district.

1. In regards to the Duarte Rail Line Main Relocation project of the Metro Gold Line-Foothill Transit Authority (I15-500026):
  - a. On page 43 of Mark Schubert's testimony, it states that this project was completed and placed in service in early 2013. Specify the date the project was placed into service.

**COMPANY RESPONSE:**

Portions of the project were completed at different times considering the water main relocations occurred at three street intersections. The Santa Fe Well portion was completed on December 14, 2012. The largest segment of over 3,300 linear feet of water main from Buena Vista Street to Highland Avenue was completed on February 7, 2013 as mentioned on page 43 of Mark Schubert's testimony. The two remaining rail crossings, including Delford Avenue, were completed on June 11, 2013 while the Mountain Avenue crossing was completed on September 20, 2013.

# ATTACHMENT 15

California-American Water Company  
Statewide GRC Test Year 2015

APPLICATION NO. A.13-07-002  
DATA REQUEST RESPONSE

**Response Provided By:** F. Mark Schubert, P.E.  
**Title:** Manager - Capital Assets and Planning  
**Address:** 1033 B Street, Suite 200,  
Coronado, CA 92118

**DRA Request:** JMI-005  
**Company Number:** CAW-DRA-A.13-07-002.JMI-005 Q001(a)  
**Date Received:** October 17, 2013  
**Date Response Due:** October 28, 2013  
**Subject Area:** Plant Projects

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**DRA QUESTION:**

1. The cost estimates for all of the projects are comprised of a project development phase and a project implementation phase (support during construction and construction).
  - (a). Do the components that comprise the project development phase subtotal (preliminary engineering, detailed design, permitting, land/easement procurement, bidding, and project administration) account for the entire project? If there are any exceptions, please list those exceptions for all of the districts.

**COMPANY RESPONSE:**

Yes. Typically the components that comprise the project development phase account for the entire project. However, there are exceptions. Certain projects may not have a design or preliminary engineering component; instead, the project will go straight to implementation. An example of this type of project is in Monterey County, specifically 115-400098,99,100 – Endangered Species Act – Carmel River Operations. This project has work performed through a contract with specially licensed and trained biologists who rescue and relocate California Red-Legged Frog tadpoles along the Carmel River.

There are other examples where a component of the project development phase may have been previously performed, or could be performed in the future, or could be part of the project implementation phase. An example of this type of project is in Sacramento

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

County, specifically IP-0560-198, Walnut Grove Tank- Construction. This project has had the design previously completed, and therefore this component is not included.

Another example of this type of project is in Sacramento County, specifically IP-0560-209, Antelope Storage Tank. This project only includes preliminary design at this time, since final design and construction will be included in a future General Rate Case.

Another example of this type of project is in Sacramento County, specifically IP-0560-214, Beloit Drive HVAC/Roof Rehabilitation. This project did not separate out the design component. However, it should be recognized that this component is included as a portion of the total overall cost, since the contractor will supply design drawings for this project.

The last example of this type of project is in Sonoma County (Larkfield), specifically IP-0561-24, Tank Replacement Study. This project does not include a final design component, since this project is a study to identify if a project is required and what the details would be. The final design would be included in a project and part of a future General Rate Case, as necessary.

Finally, an example of a component that is not usually included in the project development phase is the conduct of a California Environmental Quality Act ("CEQA") analysis. In some instances, California American Water may be informed by a regulatory agency that a CEQA analysis needs to be performed on a specific project. This requirement can vary, including the level of detailed analysis, depending on the type of project involved. Normally, the CEQA analysis occurs after design is complete, and before construction would start.

# ATTACHMENT 16

#### **1.4 Benefits of the Project**

Project measurable benefits of the proposed main replacement projects are:

- Redrilling the Crownhaven well will restore the well capacity to its historic capacity of 1600 gpm.
- Reduced the current supply deficit in the Duarte system with the additional well supply.
- Since the well production capacity is based on maximum day demands, additional reliability will be built into the domestic system under average conditions.
- Replacement of aged and poor performing infrastructure.

### **2. PROJECT NEED ANALYSIS**

#### **2.1 Project Justification**

Currently there is a maximum day reliable supply deficit in the Duarte system of 5 mgd per the 2008 CPS. To reduce the existing supply deficit, California American Water must make certain water supply improvements. As part of this project, California American Water will prioritize each of the wells in the District and select the necessary well improvements or supply improvements. The two initial projects will include (1) redrilling Crownhaven Well and (2) either redrilling Wiley Well, Bacon Well, or drilling a new well within the Duarte system that would replace the Mountain View Well, a previously abandoned well.

The Crownhaven well is over 40 years old and has declined in production due to the plugging of the well screens and the deterioration of pump efficiency. California American Water installed a new gravel pack, added a liner, and sonically cleaned the screens, which is recognized as a temporary solution. California American Water must redrill the well to regain its historic capacity. The recent rehabilitation of the well is only a temporary solution that will allow the well to remain operational until California American Water can design and install permanent well upgrades. As shown in the 2008 Los Angeles District – Duarte Service area CPS, California American Water recommended replacing the well because the well screens are plugging, which could result in casing failure. The current site location and size will allow California American Water to perform a redrill adjacent to the existing well. In addition, the well pump and motor are at the end of their useful life and should be replaced.

In the next GRC, the proposed retirement of the irrigation system customers in the Duarte service area will place an additional burden on existing sources of supply of approximately 1 mgd which will be compensated for by maximizing existing well production. Therefore, prior to converting irrigation customers over to the potable system, California American Water proposes adding additional capacity with the Crownhaven well redrill and either redrilling Wiley well, Bacon well or drilling a new well to recover the production capacity that California American Water previously had at Mountain View Well. For this reason, it is important to regain historical capacity in the existing wells through capital projects and to develop a new well to act as an additional source that California American Water will use to supplement the additional 1 mgd demand. As explained in the Duarte CPS, the location of the Duarte Service Area makes an interconnection an infeasible project because adjoining water purveyors do not have reliable supply. Additionally, MWD supplies are located too far from the service area to be feasible.

007886

# ATTACHMENT 17

California-American Water Company  
Statewide GRC Test Year 2015

APPLICATION NO. A.13-07-002  
DATA REQUEST RESPONSE

**Response Provided By:** F. Mark Schubert, P.E.  
**Title:** Manager – Capital Assets and Planning  
**Address:** 1033 B Avenue, Coronado, CA 92118  
**DRA Request:** JMI-009  
**Company Number:** CAW-ORA-A.13-07-002.JMI-009 Q002a  
**Date Received:** 12/31/2013  
**Date Response Due:** 1/10/2014  
**Subject Area:** Plant Projects and CDPH Inspection Reports

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**ORA QUESTION:**

Questions two and three pertain to projects in the San Diego district.

2. During the meeting on December 12, 2013 between ORA and Cal Am, ORA inquired about the leasehold improvement project for the New San Diego County Operations building (115-300003). On page 48 of Mark Schubert's testimony, it states that the preliminary estimated cost to address the recommended improvements on the existing building on Cherry Avenue is \$255,000.
  - a) Are the recommended improvements on the existing building on Cherry Avenue part of the scope of the project to move to the new location on Palm Avenue?

**COMPANY RESPONSE:**

No.

# ATTACHMENT 18

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** Mark Reifer  
**Title:** Operations Engineer  
**Address:** 8657 Grand Avenue  
Rosemead, CA 91770

**DRA Request:** JMI-007  
**Company Number:** CAW-DRA-A.13-07-002.JMI-007 Q001(a)  
**Date Received:** October 30, 2013  
**Date Response Due:** November 8, 2013  
**Subject Area:** Plant Projects

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**DRA QUESTION:**

Questions one through three pertain to the San Diego County district.

1. In regards to the Small Main Replacement Program Project (I15-300002):
  - a) On page 94 of Mark Schubert's testimony, it states that "the local operations staff is responsible for prioritizing and selecting the replacement project they will complete for each year from 2015 to 2017." In the Comprehensive Planning Study report for the San Diego County district, it lists renewal projects identified by the operations staff in Table 2.6 (shown after page 1-29). Which of the projects in Table 2.6 (renewal projects identified by operations staff) are scheduled for the 2015-2017 period? Specify and elaborate on any main replacements that are planned for this project, but not listed in Table 2.6.

**COMPANY RESPONSE:**

The list of recommended projects in Table 2.6 will be used as a source for what projects will be performed during 2015-2017. At this time operations and engineering has not decided which projects from the list will be constructed during 2015-2017. At this time no additional main replacement projects are planned under I15-300002 other than what is shown in Table 2.6.

# ATTACHMENT 19

California-American Water Company  
Statewide GRC Test Year 2015

APPLICATION NO. A.13-07-002  
DATA REQUEST RESPONSE

**Response Provided By:** F. Mark Schubert  
**Title:** Manager – Capital Assets and Planning  
**Address:** 1033 B Avenue, Coronado, CA 92118  
**DRA Request:** JMI-009  
**Company Number:** CAW-ORA-A.13-07-002.JMI-009 Q003b  
**Date Received:** 12/31/2013  
**Date Response Due:** 1/10/2014  
**Subject Area:** Plant Projects and CDPH Inspection Reports

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**ORA QUESTION:**

3. On page95 of Mark Schubert's testimony, it states regarding the Palm Avenue main replacement project (I15-300009)that the "it is also recommended that the replacement of this pipe be coordinated with the City of Imperial Beach, since the City has a plan to replace an existing storm drain in this vicinity."
  - b) Is the coordination with the City of Imperial Beach with the storm drain replacement project the reason why the Cal Am scheduled the Palm Avenue main replacement project to be completed in 2015? If not, explain.

**COMPANY RESPONSE:**

California American Water's initial plan was to perform this main replacement project in 2015, in order to avoid any conflicts with the current street improvements that the City of Imperial Beach has performed. However, the City of Imperial Beach decided to overlay (i.e., pave) the street where the main replacement project was planned, and as a result the City of Imperial Beach placed a moratorium on performing work in this particular section of Palm Avenue. As discussed in the data request response to CAW-ORA-A.13-07-002.JMI-009 Q003a, the scope of the storm drain improvements was expanded upon and completed by the City of Imperial Beach in 2013. Therefore, since this particular section of Palm Avenue is now under a five year moratorium by the City of Imperial Beach, it is likely the City of Imperial Beach will not allow the proposed water main replacement project to occur until after October 7, 2018.

# ATTACHMENT 20

Sum of amount		Total
charge_type	vendor_information	Total
<input type="checkbox"/> Contracted Services		\$ (1,236.30)
	INNOCENTI CONSTRUCTION INC	\$ 114,556.00
	PENFIELD & SMITH	\$ 3,749.76
	SAFEWORK INC	\$ 9,298.80
	WATER SYSTEM CONSULTING INC	\$ 31,143.41
	Water Systems Consulting Inc	\$ 51,169.83
	(blank)	\$ (29,422.17)
Contracted Services Total		\$ 179,259.33
<input type="checkbox"/> CPI	(blank)	\$ 216.92
CPI Total		\$ 216.92
<input type="checkbox"/> CWIP Accrual	(blank)	\$ (0.00)
CWIP Accrual Total		\$ (0.00)
<input type="checkbox"/> Labor		\$ 3,018.74
	(blank)	\$ 659.44
Labor Total		\$ 3,678.18
<input type="checkbox"/> Labor Overhead		\$ 651.33
	(blank)	\$ 982.20
Labor Overhead Total		\$ 1,633.53
<input type="checkbox"/> Other	(blank)	\$ 322.74
Other Total		\$ 322.74
<input type="checkbox"/> Overhead	(blank)	\$ 17,747.94
Overhead Total		\$ 17,747.94
Grand Total		\$ 202,858.64

# ATTACHMENT 21



California American Water						
Statewide GRC SCEP - Sacramento District						
For the Period 2013-2017						
						ORA Data Request A.13-07-002.AL7-013
						2013
FP #	SAP FP#	FP Description	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013
IP-0560-102	I15-600009	SAC-Meter Conversion 2012-2013*	2013	346	1,674,393	844,173
IP-0560-109	I15-600011	SAC-Well Rehabs 2012	2013	315	0	280,693
IP-0560-132	I15-600023	SAC-Rehab Wells 2013	2014	315	216,178	259,355
IP-0560-144	I15-600026	Parkway - Emergency Generators	2013	323	475,000	83,917
IP-0560-155	I15-600030	Parkway - Circle Main Replacement	2013	343.1	2,912,192	1,570,666
IP-0560-156	I15-600031	Parkway - Center Parkway Main Repla	2013	343.1	300,000	300,603
IP-0560-165	I15-600033	SAC-Water Trtmt Improv 2012-13	2013	332	800,000	149,710
IP-0560-166	I15-600034	SAC-Wtr Trtmt Improvs 2013-14	2013	332	400,000	35,249
IP-0560-170	I15-600035	SAC-Lincoln Oaks PCE/VOC Study	2013	303	50,000	70,108
IP-0560-176	I15-600037	SAC-Mapping Improvement Project	2013	372.23	250,000	0
IP-0560-179	I15-600038	SAC-SCADA Upgrades 2012-13	2013	376	400,000	493,716
IP-0560-187	I15-600040	Walnut Grove - Permanent Sewer Conn	2014	332	380,000	120,234
IP-0560-188	I15-600041	Sacramento Standby Generators 2013	2013	323	475,000	70,170
IP-0560-53	I15-600051	Arden Intertie	2013	316 - 50%/324 - 50%	500,000	5,865
IP-0560-71	I15-600054	SAC-Add'l Pump Equipment (Mather)	2013	324	210,000	0
RP-0560-A	R15-60A1	Mains - New	Annual	343.2	115,000	19
RP-0560-C	R15-60C1	Mains - Unscheduled	Annual	343.2	156,000	84,254
RP-0560-D	R15-60D1	Mains - Relocated	Annual	343.2	16,000	(559)
RP-0560-E	R15-60E1	Hydrants, Valves, and Manholes - New	Annual	348	10,000	11,432
RP-0560-F	R15-60F1	Hydrants, Valves, and Manholes - Replaced	Annual	348	96,000	203,956
RP-0560-G	R15-60G1	Services and Laterals - New	Annual	345	52,000	1,537
RP-0560-H	R15-60H1	Services and Laterals - Replaced	Annual	345	562,000	479,884
RP-0560-I	R15-60I1	Meters - New	Annual	346	25,000	41,013
RP-0560-J	R15-60J1	Meters - Replaced	Annual	346	321,000	154,068
RP-0560-L	R15-60L1	SCADA Equipment and Systems	Annual	376	-	32,136
RP-0560-N	R15-60N1	Offices and Operations Centers	Annual	372.22	305,000	365,537
RP-0560-P	R15-60P1	Tools and Equipment	Annual	378	70,000	0
RP-0560-R	R15-60R1	Capitalized Tank Rehabilitation/Painting	Annual	342	139,000	0
DV-0560	D15-6001	PROJECTS FUNDED BY OTHERS	Annual	343.2	1,080,000	91,148
RP-0560-M	R15-60M1	Security Equipment and Systems	Annual	332 & 342	42,000	6,490
RP-0560-Q	R15-60Q1	Process Plant Facilities and Equipment	Annual	324	1,391,000	893,927
Advice Letters						
05600304	I15-600002	West Placer - Walerga Rd Tank, Bstr	2014		0	561,833
IP-0560-38	I15-600049	Walnut Grove- 120,000 Gal Ground ST	2014	332	180,000	27,448
IP-0560-74	I15-600055	Lincoln Oaks-1.5MG Tank, BPS & Well	2014	15 - 33%/324 - 33%/342 - 34%	1,250,000	404,990
IP-0560-127	I15-600021	Security Prk-Interconnection w/SCWA	2013	316	117,000	86,872
IP-0560-88	I15-600057	Crowder Lane Controls	2014	349	54,849	-
IP-0560-100	I15-600008	Walnut Grove - Well 1 Rehab & Raw W	2014	315	590,000	175,828
IP-0560-184	I15-600039	Arden-City of Sac Purchased Water	2012			24,309

California American Water						
Statewide GRC SCEP - Monterey Water District						
For the Period 2013-2017						
Adv Letter						ORA Data Request A.13-07-002.AL7-013
					2013	
FP #	SAP FP #	FP Description	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013
IP-0540-305	I15-400071	Regional Desal Project - CAW Fac	2015	343.2	500,000	1,506,301
IP-0540-93	I15-400084	Fire Protection Upgrades - 2009-11	2013	343.2		17,213
IP-0540-249	I15-400048	Seaside Main Replacement Phase II	Annual	343.2	1,445,835	1,662,294
IP-0540-201	I15-400037	Replace Poly Serv Prgm 2012-14	Annual	345	649,940	382,396
IP-0540-283	I15-400061	Carmel Valley Trans Main Repl*	2013	343.2	242,000	-336,762
IP-0540-131	I15-400010	Well Rehab 2012	Annual	315	132,269	157,234
IP-0540-135	I15-400011	Hidden Hills Tank @ WTP	2013	342		42,999
IP-0540-154	I15-400014	MRY-Mainline&Dia Valve Repl - 2012**	Annual	316	144,992	-212,399
IP-0540-277	I15-400057	MRY-PRV Stations & Valves Rep 2012	Annual	316	50,000	42,531
IP-0540-181	I15-400026	MRY-Booster Station Rehab 2012	Annual	324	228,500	202,998
IP-0540-107	I15-400007	MRY-Bishop Well #1 & #2 Rehab	2013	315	-	132,834
RP-0540-A	R15-40A1	Mains - New	Annual	343.2	91,380	0
RP-0540-B	R15-40B1	Mains - Replaced/Restored	Annual	343.2	286,210	308,199
RP-0540-C	R15-40C1	Mains - Unscheduled	Annual	343.2	31,897	98,552
RP-0540-D	R15-40D1	Mains - Relocated	Annual	343.2	34,483	0
RP-0540-E	R15-40E1	Hydrants, Valves, and Manholes - New	Annual	348	82,759	15,885
RP-0540-F	R15-40F1	Hydrants, Valves, and Manholes - Replaced	Annual	348	111,208	164,146
RP-0540-G	R15-40G1	Services and Laterals - New	Annual	345	167,243	3,647
RP-0540-H	R15-40H1	Services and Laterals - Replaced	Annual	345	401,728	330,500
RP-0540-I	R15-40I1	Meters - New	Annual	346	22,414	0
RP-0540-J	R15-40J1	Meters - Replaced	Annual	346	634,840	380,589
RP-0540-L	R15-40L1	SCADA Equipment and Systems	Annual	376	33,621	56,417
RP-0540-M	R15-40M1	Security Equipment and Systems	Annual	332 & 342	103,449	101,470
RP-0540-N	R15-40N1	Offices and Operations Centers	Annual	372.22	50,863	0
RP-0540-P	R15-40P1	Tools and Equipment (Distribution)	Annual	378	14,655	13,078
RP-0540-Q	R15-40Q1	Process Plant Facilities and Equipment	Annual	390	892,250	1,054,552
RP-0540-R	R15-40R1	Capitalized Tank Rehabilitation	Annual	342	441,000	243,875
RP-0540-DV	D15-4001	PROJECTS FUNDED BY OTHERS	Annual	343.2	50,000	615,370
Advice Letter Projects						
05400509	I15-400004	Ambler Tank	2014	342	130,000	13,960
IP-0540-90	I15-400083	Upper Rimrock Tanks	2014	342	100,000	265,205
IP-0540-101	I15-400006	Ryan Ranch - Bishop Intertie	2014	343.2	247,000	0
IP-0540-155	I15-400015	Chualar 150K Gal Tank	2014	342	350,000	11,521
IP-0540-194	I15-400034	Replace Carmel Woods Tank	2014	342	19,000	17,406
IP-0540-307	I15-400073	ASR #4 Seaside Middle School	2014	315	1,753,809	661,690
IP-0540-256	I15-400051	MRY ESA 2013	2013	313	500,000	229,701
IP-0540-301	I15-400069	CDO - Seaside Middle School ASR Well #3 (in reg asse	2014	315	3,848,900	3,827,202
IP-0540-246	I15-400046	MON - Seaside ASR Conveyance Improvs				32,372
IP-0540-129	I15-400009	Well Rehab 2011				152
IP-0540-215	I15-400042	MRY-SCADA System Improvements				5,169
IP-0540-297	I15-400067	MRY-Carmel Valley Main Replacement				16,166

\*The negative amount reflects a reversal that occurred in January 2013 to correct an overaccrual and double counting of two contractor payments from the last quarter of 2012.  
\*\*The negative amount reflects a reversal that occurred in February 2013 to correct a double counting of a contractor payment that occurred in October 2012.

California American Water							
Statewide GRC SCEP - Monterey WW District							
For the Period 2013-2017							
						ORA Data Request A.13-07-002.AL7-013	
					2013		
FP #	FP Description	FP Type	PM	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013
RP-0549-B	Mains - Replaced/Restored	RP PROJECTS	Leslie Jordan	Annual	343.2	29,252	-
RP-0549-L	SCADA Equipment and Systems	RP PROJECTS	Leslie Jordan	Annual	376	10,450	-
RP-0549-P	Tools and Equipment	RP PROJECTS	Leslie Jordan	Annual	378	17,000	
RP-0549-Q	Process Plant Facilities and Equipment			Annual	390	141,577	113,816

California American Water					
Statewide GRC SCEP - Toro District					
For the Period 2013-2017					
					ORA Data Request A.13-07-002.AL7-013
					2013
FP #	FP Description	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013
IP-0548-10	MON-Hydropneumatic Tank Repl	2013	342	58,000	3,786
IP-0548-11	TOR-PRV Improvement	2013	316	59,000	0
RP-0548-B	Mains -Replaced/Restored	Annual	343.2	10,000	132,051
RP-0548-F	Hydrants, Valves, and Manholes - Replaced	Annual	348	12,500	0
RP-0548-H	Services and Laterals - Replaced	Annual	345	31,000	0
RP-0548-Q	Process Plant Facilities and Equipment	Annual	390	52,000	144,133
RP-0548-C	Mains - Unscheduled				133

California American Water							
Statewide GRC SCEP - Los Angeles District							
For the Period 2013-2017							
					ORA Data Request A.13-07-002.AL7-013		
					2013		
FP #	SAP WBS#	FP Description	FP Type	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013
IP-0550-112	I15-500004	LA-Redrill Richardson Well	IP AND CS PROJEC	2013	315	1,392,520	74,053
IP-0550-114	I15-500006	LA-Redrill Lamanda (CARRYOVER)	IP AND CS PROJEC	2016	315		24,435
IP-0550-118	I15-500009	Duarte - Redrill Santa Fe Well	IP AND CS PROJEC	2016	315	200,000	30,487
IP-0550-124	I15-500010	Olympiad Booster station upgrade	IP AND CS PROJEC	2013	321	1,924,509	114,541
IP-0550-138	I15-500014	DT- 8" Main in Treefern	IP AND CS PROJEC	2013	343.2	679,432	221,444
IP-0550-140	I15-500015	INS 2700-ft of Main in Grand&Bonita	IP AND CS PROJEC	2013	343.2	647,764	577,634
IP-0550-152	I15-500019	DT- 8" Main in Armijo	IP AND CS PROJEC	2015	343.2	-	75,156
IP-0550-158	I15-500020	Spinks Reservoir Booster Stn Improv	IP AND CS PROJEC	2013	321	408,500	-
IP-0550-170	I15-500022	LAD-Duarte Water Supply Imprv Proj	IP AND CS PROJEC	2014	315-50%, 343.2-50%	1,962,603	72,772
IP-0550-174	I15-500025	12-14 tank rehab	IP AND CS PROJEC	2014	342	152,000	118,348
IP-0550-175	I15-500026	Duarte Rail Line Main Relocations	IP AND CS PROJEC	2013	343.2	1,613,000	456,827
IP-0550-38	I15-500030	LA-Oswego Well Redrill	IP AND CS PROJEC	2014	315		30,401
IP-0550-51	I15-500032	LA-Winston Well Redrill@Danford	IP AND CS PROJEC	2014	315	961,535	28,886
NA	I15-500044	Baldwin Ave Rail Line Mains Relocation	IP AND CS PROJEC	2014	343.2		126,649
RP-0550-A	R15-50A1	Mains - New	RP PROJECTS	Annual	343.2	35,150	-
RP-0550-B	R15-50B1	Mains - Replaced/Restored	RP PROJECTS	Annual	343.2	155,550	-
RP-0550-C	R15-50C1	Mains - Unscheduled	RP PROJECTS	Annual	343.2	164,000	56,089
RP-0550-D	R15-50D1	Mains - Relocated	RP PROJECTS	Annual	343.2	174,800	(11,313)
RP-0550-E	R15-50E1	Hydrants, Valves, and Manholes - New	RP PROJECTS	Annual	348	11,400	6,244
RP-0550-F	R15-50F1	Hydrants, Valves, and Manholes - Replaced	RP PROJECTS	Annual	348	133,650	105,262
RP-0550-G	R15-50G1	Services and Laterals - New	RP PROJECTS	Annual	345	12,350	2,983
RP-0550-H	R15-50H1	Services and Laterals - Replaced	RP PROJECTS	Annual	345	775,950	623,481
RP-0550-I	R15-50I1	Meters - New	RP PROJECTS	Annual	346	5,700	-
RP-0550-J	R15-50J1	Meters - Replaced	RP PROJECTS	Annual	346	500,800	617,470
RP-0550-L	R15-50L1	SCADA Equipment and Systems	RP PROJECTS	Annual	376	74,100	(3,730)
RP-0550-N	R15-50N1	Offices and Operations Centers	RP PROJECTS	Annual	372.22	24,700	57,170
RP-0550-P	R15-50P1	Tools and Equipment	RP PROJECTS	Annual	378	16,150	9,154
RP-0550-R	R15-50R1	Capitalized Tank Rehabilitation/Painting	RP PROJECTS	Annual	342	411,350	-
DV-0550	D15-5001	PROJECTS FUNDED BY OTHERS	RP PROJECTS	Annual	343.2	150,000	188,578
RP-0550-M	R15-50M1	Security Equipment and Systems	RP PROJECTS	Annual	332 & 342	41,800	282
RP-0550-Q	R15-50Q1	Process Plant Facilities and Equipment	RP PROJECTS	Annual	324 & 332	426,550	326,345
IP-0550-168	LAD - OEEP						2,891

California American Water							
Statewide GRC SCEP - Ventura District							
For the Period 2013-2017							
							ORA Data Request A.13-07-002.AL7-013
							2013
FP #	SAP WBS#	FP Description	FP Type	Est In Service Year	Plant Account	Plant Expenditures	YTD Project Cost 10/31/2013
IP-0551-100	I15-510002	Imp Low Pressure in Gainsboroug Zn (CARRY-OVER)	IP AND CS PROJECTS	2015	343.2	494,000	0
IP-0551-101	I15-510003	Repl Los Robles Tank#1	IP AND CS PROJECTS	2014	342	260,362	69,611
IP-0551-102	I15-510004	300-ft of 12" Main in Borchard Rd	IP AND CS PROJECTS	1905	343.2	195,690	121,700
IP-0551-18	I15-510006	Ventura-Retrofit Moorpark Tank (CARRY-OVER)	IP AND CS PROJECTS	1905	342	336,090	100,836
IP-0551-79	I15-510014	VEN-Improv to CMWD Interconnections	IP AND CS PROJECTS	1905	343.3	392,000	0
IP-0551-84	I15-510015	Upsize White Stallion Trans BPS	IP AND CS PROJECTS	1905	321	176,809	5,028
IP-0551-86	I15-510016	Pace Reservoir Rehab (CARRY-OVER)	IP AND CS PROJECTS	1905	342	142,500	154,121
IP-0551-88	I15-510017	Connect 12" Main Between Hillcrest	IP AND CS PROJECTS	1905	343.2	169,000	0
IP-0551-92	I15-510018	Calle Yucca Turnout 14" Main Improv	IP AND CS PROJECTS	1905	343.3	237,500	0
IP-0551-93	I15-510019	Wildwood Tank Rehab	IP AND CS PROJECTS	1905	342	93,000	-18,647
IP-0551-94	I15-510020	Potrero Tank Rehab	IP AND CS PROJECTS	1905	342		154,543
IP-0551-96	I15-510021	1200' of main Rolling Oaks & LP (CARRY-OVER)	IP AND CS PROJECTS	1905	343.2	70,000	0
IP-0551-98	I15-510023	Const 1.0MG Ink @ Potrero & Dwy BPS	IP AND CS PROJECTS	1905	343.2-50%; 321-50%	231,325	0
IP-0551-200	I15-510025	Replace Moorpark Booster Station (A-1, CPS)	IP AND CS PROJECTS	1905	321	251,552	112,487
RP-0551-A	R15-51A1	Mains - New	RP PROJECTS	Annual	343.2	6,650	0
RP-0551-B	R15-51B1	Mains - Replaced/Restored	RP PROJECTS	Annual	343.2	69,350	0
RP-0551-C	R15-51C1	Mains - Unscheduled	RP PROJECTS	Annual	343.2	83,600	52,250
RP-0551-D	R15-51D1	Mains - Relocated	RP PROJECTS	Annual	343.2	78,850	33,527
RP-0551-E	R15-51E1	Hydrants, Valves, and Manholes - New	RP PROJECTS	Annual	348	22,800	0
RP-0551-F	R15-51F1	Hydrants, Valves, and Manholes - Replaced	RP PROJECTS	Annual	348	101,650	2,589
RP-0551-G	R15-51G1	Services and Laterals - New	RP PROJECTS	Annual	345	23,750	-107
RP-0551-H	R15-51H1	Services and Laterals - Replaced	RP PROJECTS	Annual	345	679,889	585,970
RP-0551-I	R15-51I1	Meters - New	RP PROJECTS	Annual	346	35,150	45,893
RP-0551-J	R15-51J1	Meters - Replaced	RP PROJECTS	Annual	346	446,000	352,408
RP-0551-L	R15-51L1	SCADA Equipment and Systems	RP PROJECTS	Annual	376	74,100	0
RP-0551-N	R15-51N1	Offices and Operations Centers	RP PROJECTS	Annual	372.22	43,700	16,195
RP-0551-P	R15-51P1	Tools and Equipment	RP PROJECTS	Annual	378	24,700	5,218
RP-0551-R	R15-51R1	Capitalized Tank Rehabilitation/Painting	RP PROJECTS	Annual	342	8,550	0
DV-0551	D15-5101	PROJECTS FUNDED BY OTHERS	RP PROJECTS	Annual	343.2	20,460	97,212
RP-0551-M	R15-51M1	Security Equipment and Systems	RP PROJECTS	Annual	332 & 342	30,400	41,547
RP-0551-Q	R15-51Q1	Process Plant Facilities and Equipment	RP PROJECTS	Annual	324 & 332	98,800	198,830
05510505	I15-510001	Improvements to Las Posas #1					166,955

California American Water							
Statewide GRC SCEP - Southern Division - San Diego County							
For the Period 2013-2017							
fms - 08/21/12; 09/07/12; 09/14/12; 09/17/12; 10/05/12							ORA Data Request A.13-07-002.AL7-013
FP #	SAP WBS#	FP Description	FP Type	Est In Service Year	Plant Account	2013 Plant Expenditures	YTD Project Cost 10/31/2013
05300504	I15-300001	Hollister St 20 in Main Replac	IP AND CS PROJECTS	2012	343.3	0	244
IP-0530-1	I15-300002	Small Main Repl Prgm 2012-2013, (2015 - 2017)	IP AND CS PROJECTS	Annual	343.1	253,762	-6,100
IP-0530-29	I15-300004	Phase 3 Hollister Street Main	IP AND CS PROJECTS	2013	343.3	2,538,488	46,236
IP-0530-33	I15-300006	SD PRV Modernization Program	IP AND CS PROJECTS	2013	343.2-50%; 372.1-50%	797,779	78,520
IP-0530-6	I15-300007	Hollister St. 20" Main Repl - Ph 2	IP AND CS PROJECTS	2013	343.3	1,171,856	79,248
RP-0530-A	R15-30A1	Mains - New	RP PROJECTS	Annual	343.2	39,900	0
RP-0530-B	R15-30B1	Mains - Replaced/Restored	RP PROJECTS	Annual	343.2	100,000	0
RP-0530-C	R15-30C1	Mains - Unscheduled	RP PROJECTS	Annual	343.2	155,800	203,761
RP-0530-D	R15-30D1	Mains - Relocated	RP PROJECTS	Annual	343.2	14,250	0
RP-0530-E	R15-30E1	Hydrants, Valves, and Manholes - New	RP PROJECTS	Annual	348	11,400	359
RP-0530-F	R15-30F1	Hydrants, Valves, and Manholes - Replaced	RP PROJECTS	Annual	348	39,400	132,261
RP-0530-G	R15-30G1	Services and Laterals - New	RP PROJECTS	Annual	345	8,550	4,993
RP-0530-H	R15-30H1	Services and Laterals - Replaced	RP PROJECTS	Annual	345	217,450	224,462
RP-0530-I	R15-30I1	Meters - New	RP PROJECTS	Annual	346	7,600	-483
RP-0530-J	R15-30J1	Meters - Replaced	RP PROJECTS	Annual	346	450,000	408,469
RP-0530-L	R15-30L1	SCADA Equipment and Systems	RP PROJECTS	Annual	376	9,500	4,228
RP-0530-N	R15-30N1	Offices and Operations Centers	RP PROJECTS	Annual	372.22,374	133,950	63,189
RP-0530-P	R15-30P1	Tools and Equipment	RP PROJECTS	Annual	378	18,050	7,605
RP-0530-R	R15-30R1	Capitalized Tank Rehabilitation/Painting	RP PROJECTS	Annual	342	23,750	0
DV-0530	D15-3001	PROJECTS FUNDED BY OTHERS	RP PROJECTS	Annual	343.2	20,460	53,290
RP-0530-M	R15-30M1	Security Equipment and Systems	RP PROJECTS	Annual	332 & 342	21,850	6,829
RP-0530-Q	R15-30Q1	Process Plant Facilities and Equipment	RP PROJECTS	Annual	324 & 332	24,700	0

# ATTACHMENT 22

CALIFORNIA AMERICAN WATER  
CAPITAL PROJECTS (8-26-13)

DRA Request No. DRA-A.1307002.JM1002 - Question 1  
CAL AM STATEWIDE GRC TEST YEAR 2015

1. Please list all projects completed in the last six years (including advice letter ("AL") and scheduled and unscheduled recurring projects ("RP")) for each district. For convenience, fill in the charts below.

Project ID	Project ID (formerly, if applicable)	Project Description	Project Type (Capital Investment, AL, RP, etc.)	Budget Year	Year Completed	Project Budget	Recorded Cost
		Construct New North Wikipup Tank	Capital Investment	2006-07	2007	\$1,082,000	\$1,258,483
05610402		Arsenic Treatment-Larkfield	Capital Investment	2006	2007	\$247,000	\$275,876
05610501		LARK-WTP Prod Improv	Advice Letter	2008	2009	\$600,000	\$508,812
05610502		LRK-Drain Improvement @ Control Treatment Plant	Capital Investment	2008	2011	\$110,000	\$98,509
115-610004	IP-0561-20	Larkfield-930' of 8-Main L Wikipup	Capital Investment	2009-11	2009	\$173,429	\$274,234
115-610006	IP-0561-6						

Sacramento

Project ID	Project ID (formerly, if applicable)	Project Description	Project Type (Capital Investment, AL, RP, etc.)	Budget Year	Year Completed	Project Budget	Recorded Cost
05600101		SACR-5th St Well No. 2 Drill	Capital Investment	2006	2009	\$96,561	\$970,060
05600204		SACR-SCADA Improvements 2006	Capital Investment	2006-09	2009	\$2,308,738	\$2,339,586
05600205		SACR-Roseville Grnd Store Tank	Capital Investment	2006	2007	\$978,280	\$1,019,353
05600206		SACR-Roseville Booster Station	Capital Investment	2006-07	2007	\$2,415,955	\$2,565,418
05600209		SACR-Conv Flat Rate Meter Service	Capital Investment	2006	2007	\$2,299,595	\$7,640,767
05600215		SACR-Shenandoah Main Replacement	Capital Investment	2006	2008	\$2,404,282	\$5,059,042
05600401		Antelope - Cook Riolo Tank and Booster	Advice Letter	2009-11	2010	\$3,899,055	\$5,302,138
05600403		Arsenic Treatment - Walnut Grove	Advice Letter	2006-07	2009	\$2,511,842	\$2,671,097
05600404		Isleton Arsenic Treatment	Advice Letter	2006-07	2007	\$3,023,492	\$4,236,612
05600516		Countryside Treatment Plant Expan	Capital Investment	2006	2007	\$1,980,759	\$2,225,564
05600519		Vintage Park 20" Main Replacement	Capital Investment	2006-07	2008	\$865,000	\$1,173,599
05600525		Water Treatment Improvements	Capital Investment	2006-07	2007	\$2,238,000	\$559,498
05600539		Gerber Arsenic	Capital Investment	2006	2007	\$1,099,419	\$1,509,754
05600601		Well Rehab-Sacramento	Capital Investment	2006	2009	\$579,948	\$782,316

05600602		Well Treatment Improvements 06	Capital Investment	2006	2008	\$1,088,956	\$856,594
05600612		Meter Retrofit 2007	Capital Investment	2007	2008	\$2,512,000	\$2,325,199
05600617		Well Rehabilitations	Capital Investment	2007	2009	\$710,000	\$673,860
05600637		Water Treatment Improvements 2007	Capital Investment	2007	2008	\$750,000	\$851,122
05600642		SAC - Small Main/Backyard	Advice Letter	2007-09	2009	\$4,610,000	\$4,654,550
05600708		SACR SCADA Upgrades 2007	Capital Investment	2009	2009	\$351,700	\$751,671
115-600001	05600202	Suburban - Distribution System Improvement	Advice Letter	2009	2012	\$5,149,394	\$6,555,255
115-600003	05600502	Rosemont - Jackson Highway Well and Booster	Advice Letter	2006-09	2009	\$6,610,920	\$8,232,074
115-600004	05600522	Fluoride in Suburban	Capital Investment	2006-07	2007	\$2,238,000	\$100,027
115-600005	05600571	Fluoride in Arden	Capital Investment	2006-07	2007	\$847,000	\$82,518
115-600010	IP-0560-103	SAC-Meter Conversion 2008	Capital Investment	2008	2009	\$2,605,000	\$3,208,184
115-600012	IP-0560-110	SAC-Water Treatment Improvs 2009	Capital Investment	2009	2009	\$750,000	\$240,668
115-600013, 600014, 600015	IP-0560-111, 112, 113	SAC - Water Treatment Improvement 2009-2011	Capital Investment	2009-11	2012	\$2,176,582	\$2,281,638
115-600017	IP-0560-116	Suburban - 12" Diameter Pipeline	Capital Investment	2009-11	2011	\$300,000	\$305,926
115-600018	IP-0560-123	Standby Power for Various Wells	Capital Investment	2009-11	2009	\$191,955	\$298,586
115-600019	IP-0560-125	Sacramento SCADA Upgrades 2008-09	Capital Investment	2009-11	2009	\$771,720	\$1,520,103
115-600020	IP-0560-126	Suburban - Source of Supply Improvement	Advice Letter	2009-11	2010	\$1,000,000	\$1,000,000
115-600022	IP-0560-131	Sacramento SCADA Upgrades 2011	Capital Investment	2009-11	2012	\$768,750	\$733,719
115-600027	IP-0560-145	Sacramento Standby Generators	Capital Investment	2009-11	2012	\$242,000	\$245,449
115-600052, 600053, 600028	IP-0560-6, 7, 149	Sacramento-Meter Conversion 2009-2012	Capital Investment	2009-11	2012	\$21,940,195	\$21,455,059
115-600039	IP-0560-184	Arden-City of Sacramento Purchased Water	Capital Investment	2012	2012	\$1,500,000	\$1,105,073
115-600042	IP-0560-19	SAC-Rehab Wells 2009	Capital Investment	2009-11	2009	\$250,170	\$558,040
115-600045	IP-0560-195	SAC-Parkway Purchase Water (1.75MGD)-part 2	Capital Investment	2012	2012	\$500,000	\$500,000
115-600046	IP-0560-197	Suburban - Source of Supply Improvements-part 2	Capital Investment	2012	2012	\$500,000	\$500,000
115-600047, 600048	IP-0560-20, 21	Sacramento Well Rehabilitation 2009-2011	Capital Investment	2009-11	2011	\$1,296,625	\$1,210,987
115-600050	IP-0560-5 (IP-0560-104)	SAC-Meter Conversion 2009	Capital Investment	2009	2008	\$2,540,000	\$2,552,177
115-600056	IP-0560-87	SAC-Antelope Rd Widening	Capital Investment	2009-11	2008	\$19,553	\$285,188
115-600059	IP-0560-90	Water Treatment Improvements 2008	Capital Investment	2008	2009	\$750,000	\$1,133,901
115-600060	IP-0560-92	Well Rehabilitation 2008	Capital Investment	2008	2009	\$277,000	\$474,545
115-600061	IP-0560-93	SAC-Lemans Well Treatment Improv	Capital Investment	2008-09	2009	\$800,000	\$315,889
115-600062	IP-0560-98	SAC-Parkway Purchase Water (1.75MGD)	Capital Investment	2009-11	2010	\$1,000,000	\$1,000,000

Monterey Main and Small Systems

Project ID	Project ID (formerly, if applicable)	Project Description	Project Type (Capital Investment, AL, RP, etc.)	Budget Year	Year Completed	Project Budget	Recorded Cost
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05400185		MONY-Construct Corona, Eddy Rd, Tierra Grande, Lower Walden BS	Capital Investment	2004-06	2007	\$400,000	\$686,848
05400194		Carmel River Valley Prod & Dist Imp	Capital Investment	2004-06	2008	\$2,050,000	\$2,902,193
05400285		MONY-Arsenic Rmvl Facil Ambler Pk	Advice Letter	2004-06	2008	\$3,705,000	\$2,969,536
05400303		Const New Eardley Bstr PP 1	Capital Investment	2004-06	2008	\$835,000	\$1,567,062
05400406		Forest Lake Tank # 2 Improvements	Capital Investment	2004-06	2009	\$1,200,000	\$614,166
05400409		Monterey - 0.75 MG Viejo Tank Rehab	Capital Investment	2005	2007	\$149,485	\$13,548
05400501		Ryan Ranch Treatment Plant	Capital Investment	2004-05	2008	\$500,000	\$1,307,572
05400507		5 MG Forest Lake Tank #3	Advice Letter	2008-07	2008	\$2,299,616	\$2,745,548
05400513		Segunda Tank #2	Advice Letter	2012-14	2010	\$4,083,034	\$3,977,980
05400515		Electrical System Improv Ph 2	Capital Investment	2005-06	2008	\$500,000	\$549,332
05400522		Distribution Monitoring system	Capital Investment	2004-05	2008	\$3,443,000	\$8,070,826
05400525		3300' of 16" Main in Schulte	Capital Investment	2005	2008	\$250,000	\$394,216
05400539		3650' of 8" Main in Highway 1	Capital Investment	2007	2008	\$220,000	\$433,953
05400541		MONY-Withers Pump Station	Capital Investment	2007	2008	\$461,000	\$473,116
05400603		Monterey Sludge Dewatering	Capital Investment	2009-10	2011	\$520,000	\$526,877
05400619		CV Trans Main Seg 4,5,10a-c,&11	Capital Investment	2006-09	2009	\$3,354,000	\$2,378,950
05400620		Luzern Well Arsenic Treatment	Advice Letter	2007	2009	\$220,000	\$180,904
05400694		Acquire Ambler Park & Improvements	Capital Investment	2004-06	2008	\$363,000	\$1,265,851
05409789		MONY-Mesa Booster & PP#2	Capital Investment	2008-14	2009	\$1,320,724	\$1,346,050
115-400008	IP-0540-112	Hidden Hills Main Replacement	Advice Letter	2008-11	2011	\$546,000	\$591,253
115-400012	IP-0540-151	MRY Mainline Viv Repl - 2009-10	Capital Investment	2009-11	2010	\$725,944	\$321,795
115-400016	IP-0540-156	MRY-Hydrant Repl - 2009-10	Capital Investment	2008-10	2010	\$598,000	\$379,627
115-400018, 400028	IP-0540-166, 185	MRY-Small Sys Standby Generators	Capital Investment	2008-11	2011	\$433,479	\$441,103
115-400019, 400024	IP-0540-170, 177	MRY-Polybutylene Services Replacements 2009-11	Capital Investment	2008-11	2011	\$1,854,292	\$1,936,900
115-400020	IP-0540-171	MRY-BIRP Caustic System Upgrades	Capital Investment	2009-10	2011	\$590,151	\$451,425
115-400021	IP-0540-172	BIRP Misc. Infrastructure Upgrades	Capital Investment	2009-11	2010	\$354,577	\$373,590
115-400023	IP-0540-176	MRY-Booster Station Rehab 2009-10	Capital Investment	2009-11	2011	\$655,639	\$412,606
115-400027	IP-0540-184	MRY-Meter Repl-2008 - 2010 Adv Ltr	Advice Letter	2008-10	2010	\$3,527,278	\$722,235
115-400036	IP-0540-198	MRY-MLOG Listening Posts	Capital Investment	2008-10	2010	\$884,000	\$895,798
115-400045	IP-0540-245	MRY-Phase 1 ASR Injection Improvs	Advice Letter	2008-11	2011	\$13,014,280	\$7,047,909
115-400050	IP-0540-252	MRY - Cannery Row 5m Mns Rpic	Capital Investment	2008-09	2009	\$596,191	\$590,191
115-400065	IP-0540-293	Segunda Tank Improv to 1.5 MG	Capital Investment	2009-11	2011	\$493,595	\$512,392
115-400086	IP-0548-3	TORO-Well Rehab 2009	Capital Investment	2008-09	2009	\$270,000	\$259,124

Monterey Wastewater

Project ID	Project ID (formerly, if applicable)	Project Description	Project Type (Capital Investment, AL, RP, etc.)	Budget Year	Year Completed	Project Budget	Recorded Cost
115-420001	IP-0549-1	MONY-Las Palmas Filtration	Advice Letter	2008-11	2011	\$522,000	\$581,544

Los Angeles

Project ID	Project ID (formerly, if applicable)	Project Description	Project Type (Capital Investment, AL, RP, etc.)	Budget Year	Year Completed	Project Budget	Recorded Cost
05500123		LA-BH Mt Vernon Hill Presse I	Capital Investment	2005	2007	\$220,751	\$722,100
05500151		LA-Small Main Replacement	Capital Investment	2005-08	2007	\$432,400	\$245,548
05500503		LA - Patton Well & Treatment	Advice Letter	2006-10	2010	\$2,942,097	\$2,956,113
05500509		Mt. Vernon Hydro Zone-Low Pressure Improv	Capital Investment	2005	2007	\$315,000	\$256,532
05500511		1600' of 8" Main in Circle Dr	Capital Investment	2005	2007	\$180,000	\$229,969
05500514		9,983' of 8" Main in Danford	Advice Letter	2008	2009	\$1,027,600	\$1,239,297
05500516		2100' of 8" Main in Shenandoah	Capital Investment	2007	2007	\$308,200	\$527,557
05500519		2700' of 8" Main in Lamanda	Capital Investment	2006	2007	\$397,000	\$468,834
05500521		2,800' OF 8" Main in Huntington Dr	Capital Investment	2007	2007	\$518,700	\$570,616
05500523		LA-SM 9100 8in Main in Lamanda Park Gradient	Capital Investment	2005	2007	\$1,200,000	\$1,211,201
05509853		LA-Pump to Waste Facility	Capital Investment	2007-08	2008	\$300,000	\$304,716
115-500001	05500506	Fire Flow Improvs in Baldwin Hills	Capital Investment	2009-11	2011	\$868,534	\$962,842
115-500011	IP-0550-129	BH-1600ft in Angeles Vista Blvd.	Capital Investment	2011-12	2011	\$639,072	\$371,029
115-500012	IP-0550-130	BH-1505' of 8" Main in Slauson-1	Capital Investment	2009	2009	\$439,116	\$409,839
115-500013	IP-0550-137	DT-1200' of 8" Main in Oak Shade	Capital Investment	2010-11	2011	\$560,874	\$375,740
115-500016	IP-0550-145	DT - 650-ft of 8" Main in Pops Rd.	Capital Investment	2010-11	2011	\$246,728	\$185,798
115-500017	IP-0550-146	DT- 2200 of 8" Main in S Greenback	Capital Investment	2010-11	2011	\$714,804	\$469,720
115-500018	IP-0550-147	DT- 2700 of 8" Main in S Broderick	Capital Investment	2010-13	2011	\$964,364	\$546,189
115-500031	IP-0550-47	Purchase 2 Portable Emrg Generators	Capital Investment	2009-11	2010	\$158,174	\$119,456
115-500033	IP-0550-54	Patton Transmission Main v2	Advice Letter	2006-12	2011	\$4,701,092	\$4,722,141
115-500035	IP-0550-99	Buena Vista Well #2	Capital Investment	2009-10	2011	\$1,171,439	\$1,190,673

Ventura

Project ID	Project ID (formerly, if applicable)	Project Description	Project Type (Capital Investment, AL, RP, etc.)	Budget Year	Year Completed	Project Budget	Recorded Cost
05510501		Las Posas Main Replacement	Advice Letter	2004-09	2009	\$1,988,456	\$2,046,134
05510507		Lawrence Dr. Facility	Capital Investment	2007-09	2009	\$1,360,321	\$1,360,321
05510630		VILL-SCADA Upgrades 2006	Capital Investment	2006-09	2009	\$1,012,553	\$1,012,953
05510704		Improvements to Green Ridge	Capital Investment	2007	2011	\$291,000	\$37,031
05510705		Improvements to Las Posas #2	Capital Investment	2007-08	2008	\$188,460	\$114,202

Project ID	Project ID (formerly, if applicable)	Project Description	Project Type (Capital Investment, AL, RP, etc.)	Budget Year	Year Completed	Project Budget	Recorded Cost
05510708		Deer Ridge Reservoir	Capital Investment	200709	2009	\$188,460	\$163,209
I15-510007	IP-0551-57	Ven-Improvs to Los Robles #2 Tank	Capital Investment	2008	2011	\$167,000	\$63,642
I15-510008	IP-0551-58	Ventura-Improvs to Orbis Res	Capital Investment	2007-09	2012	\$235,600	\$253,366
I15-510009	IP-0551-6	VIL-Industrial Tank Improvements #2	Capital Investment	2009	2009	\$235,600	\$203,155
I15-510010	IP-0551-61	VIL-Improvs to White Stallion Res	Capital Investment	2008	2011	\$167,000	\$20,190
I15-510011	IP-0551-76	VIL-Industrial Tank Improvements #1	Capital Investment	2008	2008	\$157,050	\$139,106

San Diego

Project ID	Project ID (formerly, if applicable)	Project Description	Project Type (Capital Investment, AL, RP, etc.)	Budget Year	Year Completed	Project Budget	Recorded Cost
05300502		530' of 8" Main in Palm Ave	Capital Investment	2006	2007	\$269,541	\$307,521
05300603		Small Main Replacement, Coronado	Capital Investment	2007-09	2010	\$809,000	\$766,739
05300702		Replace System Pressure Reducing Valves (PRVs)	Capital Investment	2007	2008	\$128,800	\$81,887

# ATTACHMENT 23

1 test is requested by a customer, the specific District sends an operator to the pre-  
 2 determined fire hydrant location and the operator runs the hydrant using various  
 3 instruments that measure flow and pressure at the flowing hydrant as well as a  
 4 neighboring hydrant. This test, which consumes several hours of an operator's time, is  
 5 performed using hydrant flow test instruments that must be calibrated and kept in good  
 6 working condition at all times. Once the field test is completed, the results are sent to the  
 7 Engineering Department for review and preparation of a test report. In recent years, with  
 8 water conservation being a key objective, the hydrant tests that are based on flowing water  
 9 through the hydrants are considered a water wasting operation. California American  
 10 Water's Engineering Department has been conducting hydraulic modeling to determine  
 11 the hydrant fire flow capacities. For conservation purposes, we are performing all future  
 12 fire flow tests in accordance with hydraulic modeling techniques.

13  
 14 An estimated cost of doing a hydraulic modeling each time we do a fire flow analysis is  
 15 shown in the below tables. As shown in the following table, the districts would have to  
 16 charge the customers about \$500 per test to cover the expenses associated with performing  
 17 the fire flow tests. When considering the number of tests performed per year by each  
 18 District, (for example, the Los Angeles County District receives approximately 100  
 19 applications per year) the annual cost of fire flow tests are relatively significant and  
 20 should not be borne by the entire customers in a given district. Rather, such expenses  
 21 should be paid only by the applicant who receives the benefit.

	<b>Task Description</b>	<b>Labor Hours</b>	<b>Unit Rate</b>	<b>total Cost</b>
<b>Hydraulic Modeling</b>				
	Run Model & Prepare test Report	2	\$85	\$170
	Mode calibration and upkeep, (100 hours per year divided by 50 customers)	2	\$140	\$280
	Customer Interface	1	\$54	\$54
<b>Total Cost for Fire Flow Test Based on Hydraulic Modeling</b>				<b>\$504</b>

# ATTACHMENT 24

1 A78. A list of the capital projects that comprise this category is provided in **Table 9** of my  
 2 testimony. This table compares the Commission adopted budgets with the actual and  
 3 planned expenditures on each capital project, as well as the variance. This table also  
 4 shows the capital IP planned for 2011.  
 5

6 **Table 9. Completed and Planned Investment Projects versus**  
 7 **Adopted Budgets in 2008 GRC.**

Project Code	Project Description	Adopted 2008-2010	Actual & Planned 2008- 2010	Variance 2008- 2010	Planned 2011
05400619	CV Transmission Main Segments 4,5,10a-c,&11	\$3,353,770	\$2,378,950	(\$974,820)	
05409789	Construct PP#2 - Mesa Booster	\$538,680	\$914,666	\$375,986	
IP-0540-198	MLOG Listening Posts	\$712,000	\$884,239	\$172,239	
IP-0540-172	BIRP Misc. Infrastructure Upgrades	\$500,287	\$354,577	(\$145,710)	
IP-0540-293	1.5 MG Segunda Tank Structural Improv	\$450,000	\$443,595	(\$6,405)	
IP-0540-135	Hidden Hills Tank @ WTP	\$322,000	\$276,000	(\$46,000)	\$262,000
IP-0540-171	BIRP Caustic System Upgrades	\$412,000	\$590,151	\$178,151	
IP-0540-173	Valley Greens Flow Control Station	\$271,000	\$271,000		
IP-0540-88	Lower Valley Replacement Wells (3)	\$1,666,666	\$1,666,000	(\$666)	
IP-0540-93 & 94	Fire Protection Upgrades 2008- 11	\$100,000	\$140,000	\$40,000	0
IP-0540-151, 152, & 153	Mainline Distribution Valve Repl 2008- 2011	\$558,988	\$448,944	(\$110,044)	\$277,000
IP-0540-275, 276, 146, & 147	PRV Stations & Diaphragm Valve Repl 2008-2011	\$26,374	\$19,781	(\$6,594)	\$13,187
IP-0540-156, 158 & 287	Hydrant Replace, PB & Others - 2008- 2010	\$598,000	\$333,048	(\$264,952)	\$0
IP-0540-169, 170, 174 & 177	Replacement of Polybutylene Sves 2008 - 2011	\$1,672,686	\$1,206,292	(\$466,394)	\$649,878
IP-0540-184, 186 & 188	Meter Replacement 2008 - 2011	\$1,008,184	\$3,023,186	\$2,015,002	\$504,092
IP-0540-85, 86, 107, 126, 127 & 129	Well Rehab 2008-2011	\$885,346	\$1,065,891	\$180,545	\$89,288
IP-0540-175, 176 & 179	Booster Station Rehab 2008 - 2011	\$529,000	\$435,389	(\$93,611)	\$220,250
IP-0540-166, 178, 182, 185	Standby Power Generators, 2008-2010	\$1,202,571	\$433,479	(\$769,092)	\$0
IP-112, 105, 109 & 247	Replacement <=4" w/ 8" PVC 2009-2010	\$4,800,000	\$2,673,211	(\$2,126,789)	\$3,921,013

- 1 (v) Install water softening dilution system with new chemical pumps  
2 (vi) Program controls to optimize flow pacing of effluent chemical injection.  
3

4 Scope items (i) through (iv) are complete and capital assets are in service. Installation of  
5 the water softening dilution system and controls programming are scheduled for  
6 completion by December 2010.  
7

8 The adopted and planned budgets for this project are shown in **Table 9** of my testimony.  
9 As shown in this table, the forecasted cost of this project is estimated at \$590,151 and,  
10 hence, the project is expected to incur an over-spent amount of \$178,151. This forecasted  
11 over-spend is due to the change in the project scope as more details of the existing plant  
12 equipment became known during the detailed design. Specifically, the extent of pipe  
13 replacement and electrical system modification required for retrofitting the caustic system  
14 was more than that anticipated during the initial planning phase of this project.  
15

16 **Project Codes IP-0540-173, Valley Greens Flow Control Station.**

17 This project is currently in-progress and California American Water expects to place the  
18 control station in-service in December 2010. The adopted and planned budgets for this  
19 project are shown in **Table 9** of my testimony. As shown in this table, the planned budget  
20 for this project is anticipated to match the original adopted amount.  
21

22 **Project Codes IP-0540-88, Lower Valley Replacement Wells (3).**

23 This project is complete and in-service as of 2009. The adopted budget and the actual  
24 expenditures credited to this project are shown in **Table 9** of my testimony. As shown on  
25 this table, the amount credited to the project is similar to the adopted budget. However, it  
26 should be noted that the actual amount spent on this project is more than the amount  
27 shown on **Table 9**. Based on the 2008 GRC Decision, an amount of \$1,666,000 was  
28 allowed for the recovery of expenditures associated with only two of the three Carmel

# ATTACHMENT 25

California-American Water Company  
Statewide GRC Test Year 2015

APPLICATION NO. A.13-07-002  
DATA REQUEST RESPONSE

**Response Provided By:** John Kilpatrick  
**Title:** Sr. Engineering Project Manager  
**Address:** 836 Carmel Ave., Monterey, CA 93940  
**DRA Request:** AL7-012  
**Company Number:** CAW-ORA-A.13-07-002.AL7-012 Q001 a  
**Date Received:** 11/8/2013  
**Date Response Due:** 11/20/2013  
**Subject Area:** Endangered Species Act Projects

---

**DRA QUESTION:**

1. 115-400098, 99, 100 – Endangered Species Act – Carmel River Operations

- a Provide the recorded costs for the ESA projects for the past 5 years (IP-0540-82, IP-0540-81, IP-0540-33, IP-0540-62, and IP-0540-32).

**COMPANY RESPONSE:**

The costs for the ESA projects for the past 5-years (2008-2012) were not recorded to UPIS until January of 2013. The amount recorded to UPIS in January of 2013 was \$786,687. Also recorded to UPIS in January of 2013 were 2006 and 2007 ESA costs totaling \$63,140, making the total amount transferred to UPIS \$846,828.

# ATTACHMENT 26

**California-American Water Company  
Statewide GRC Test Year 2015**

**APPLICATION NO. A.13-07-002  
DATA REQUEST RESPONSE**

**Response Provided By:** John Kilpatrick  
**Title:** Sr. Engineering Project Manager  
**Address:** 836 Carmel Ave., Monterey, CA 93940  
**DRA Request:** AL7-012  
**Company Number:** CAW-ORA-A.13-07-002.AL7-012 Q002 a-i  
**Date Received:** 11/8/2013  
**Date Response Due:** 11/20/2013  
**Subject Area:** Endangered Species Act Projects

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**DRA QUESTION:**

2. IP-0540-82~ IP-0540-256, IP-0540-258, I15-400098, 115-400099, 115-400100, Carmel Valley ESA, 2012, 2013, 2014, 2015, 2016 and 2017
  - a Mark Schubert's testimony stated "Further, DRA and California American Water also agreed to retain this memorandum account for the Monterey main system and that California American Water could record \$1,018,088 in CWIP, subject to review of DRA's plant witness in the next GRC. It is important to note that this amount in CWIP is reflective of the period beginning December 1, 2006, and ending May 31, 2010." The response to DR PR1-002 included spreadsheets supporting CWIP balances for the years 2008 through 2012.
  - i Identify on the Monterey CWIP spreadsheet provided in response to DR PR1-002 all accounts which make up the \$1,018,088 . If applicable, provide any additional supporting spreadsheets which identify the \$1,018,088.

**COMPANY RESPONSE:**

Please see the spreadsheet included with this data request response as Attachment 5\_CAW\_ORAL7-012\_Q2(a)(i). The total identified is \$1,017,876.71. The difference of \$211.29 is attributed to items in the Regulatory Asset Account that have not been moved to UPIS.

**ATTACHMENT 27**  
**(CONFIDENTIAL)**

# ATTACHMENT 28

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** F. Mark Schubert, P.E.  
**Title:** Manager - Capital Assets and Planning  
**Address:** 1033 B Street, Suite 200,  
Coronado, CA 92118

**DRA Request:** AL7-001  
**Company Number:** CAW-DRA-A.13-07-002.AL7-001 Q001(c)  
**Date Received:** August 30, 2013  
**Date Response Due:** September 11, 2013  
**Subject Area:** Monterey Service Lines

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**DRA QUESTION:**

1. Monterey - I15-400091 – Service Line Replacement Program
  - (c). Provide the recorded cost, the number of mains, and feet of service replaced through this program for each year since 2009.

**COMPANY RESPONSE:**

Please see the table provided below for the total number of service line replacements and the recorded cost for each year of the program since 2009. For reference, the lineal feet of service line replaced is not tracked, since a service line is considered one unit.

Year	Service	
	Replacements	Cost
2009	373	\$953,000
2010	135	\$337,000
2011	190	\$604,300
2012	192	\$813,914
2013	78	\$374,228

# ATTACHMENT 29

**FINAL**

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

**CONDITIONS OF APPROVAL**

**APPLICATION FOR ANNEXATION OF  
LAGUNA SECA RANCH SUBDIVISION INTO THE  
BISHOP WATER COMPANY SERVICE AREA**

**OCTOBER 21, 1996**

1. The Bishop Water Company (BWC) service area shall be increased to include the Laguna Seca Ranch Subdivision ("Subdivision"), formerly known as the Bishop Ranch Subdivision, which is a 565-acre area currently listed as assessors parcel number 173-071-053. New assessors parcels will be established upon recordation of the final subdivision maps for the area to be annexed.
2. The proposed annexation shall be for the purpose of providing municipal water service from the BWC system to serve the Subdivision, comprised of 253 residential units, an 18-hole golf course, a golf-course clubhouse and open space. The golf course shall not be served by BWC as irrigation shall be provided by well(s) operated by the golf course owner in addition to use of reclaimed wastewater. The golf course wells may be interconnected with the BWC system to allow either party to use water from the other's system on a temporary basis when wells are unavailable or in cases of emergency. Reporting of production from BWC wells and golf course well(s) shall be done separately. Any water transferred from one system to the other on a temporary basis shall be clearly identified in reports to the District.
3. The system capacity limit of BWC shall be 295 acre-feet per year (AF/yr), and the expansion capacity limit shall be 454 connections.
4. The Phase III Hydrogeologic Update groundwater study of the Laguna Seca Subarea fee for this permit is \$68,730. (This fee has been calculated based on the estimated use of 158 AF/yr by the entire Subdivision at a fee rate of \$435 per acre-foot.) The fee shall be paid to MPWMD upon filing of the first final subdivision map for a residential component of the project. No individual water connection permits authorizing domestic water service by BWC for any of the Subdivision lots shall be issued by MPWMD until the fee is paid in full.
5. This permit shall incorporate the final Conditions of Approval for the annexation of Bishop Water Company into the California-American Water Company (Cal-Am) service territory dated April 15, 1996 as follows:

- a. The California-American Water Company shall operate the BWC as a subsidiary unit of the Cal-Am system. Metered monthly production and delivery for BWC shall be reported separately from the balance of the Cal-Am system.
- b. There shall be no use of emergency interties to the BWC from the Cal-Am system that draws from the Monterey Peninsula Water Resources System.
- c. A program to encourage drought tolerant landscaping shall be initiated after annexation by Cal-Am, if a program is not already in place. District requirements for installation of low-flow plumbing fixtures to reduce average per-unit consumption shall be repaired with the goal of reducing system losses to seven percent or less of production by July 1997.
- d. Cal-Am shall monthly measure water table levels in each active and inactive BWC well and shall transmit these data annually to the District in August along with the Annual Water Distribution System Report. Active wells shall not be pumped for 24 hours prior to water table measurement. The reference elevation of the measuring point at each well shall be surveyed and recorded.
- e. Cal-Am shall record monthly production records for each BWC well. These records shall be submitted annually in August along with the Annual Water Distribution System Report.
- f. Cal-Am shall conduct a water quality sampling program once every year during October and transmit the results the following August along with the Annual Water Distribution System Report. Each active BWC production well shall be sampled and analyzed by a state-certified water quality laboratory to include as a minimum the following parameters: ammonia nitrogen, nitrate, calcium, sodium, magnesium, potassium, bicarbonate, sulfate, hydrogen sulfide, chloride, iron, manganese, selenium, water temperature, pH, total dissolved solids, and specific conductance.
- g. Cal-Am shall require, and each unit shall install, water closets with a capacity of 1.6 gallons or less, and shower heads with a maximum flow of 2.5 gallons per minute for new construction and remodels served by BWC. In addition, all new construction and remodels shall install instant hot-water recirculating systems.
- h. Each new connection that increases the expansion capacity limit of the BWC must be approved by the District Board, and must receive a water connection permit from the District Permit Office prior to setting of the water meter. Prior to final approval of each new connection, each applicant shall provide proof of Use Permit approval from the Monterey County Planning & Building Inspection Department, and pay applicable fees for (1) the water connection permit, and (2) the study to update the water supply evaluation of the Laguna Seca Groundwater Subbasin.

6. The annexation approval granted by this permit is subject to revocation if any condition set forth above is not met in full.

U:\HENRI\WP\CEQA\1996\LSRCND.008

# ATTACHMENT 30

CONDITIONS OF APPROVAL IN SUPPORT OF THE CAL-AM REQUEST  
TO ANNEX THE RYAN RANCH MUTUAL WATER COMPANY AS A  
SUBUNIT OF THE CAL-AM SYSTEM

NOVEMBER 13, 1989

1. The Ryan Ranch Water System (Monterey Research Park) will be operated as a subunit of the Cal-Am Water Company system. Consumption requirements of the users within the research park parcel shall be met by production from subunit facilities.
2. The system capacity limit for the Ryan Ranch subunit will remain at 175 acre-feet per year.
3. The expansion capacity limit for the Ryan Ranch subunit will be 190 meters.
4. Cal-Am shall provide production and metered sales data for the Ryan Ranch subunit separate from reporting for the existing Cal-Am service area.
5. An interconnection between the existing Cal-Am service area and the proposed Ryan Ranch subunit shall only be allowed during emergency events. Transfers of water between the existing Cal-Am service area and the Ryan Ranch area must be metered and reported to the District within one week of occurrence.
6. No modification to the Cal-Am water allocation shall occur.
7. Cal-Am shall secure permits from the MPWMD prior to setting meters within the Ryan Ranch subunit.
8. Applicant shall bi-monthly record metered sales for each meter/connection and report this information within their annual report.
9. The following previous permit conditions upon the Ryan Ranch system (see Exhibit E) must be met within 30 days of annexation:
  - a. Water level information must be updated on MPWMD forms and submitted to District staff.
  - b. Production information for 1988-1989 fiscal year must be reported to District staff in accordance with Rule 22B. Production information for 1988-1989 fiscal year must be reported by August 1, 1990, to District staff.

- c. Applicant shall monthly measure water levels in each of its five production wells and its other on-site monitoring wells, and transmit this data annually to the District along with the system's annual report. The production wells shall not be pumped for twenty-four (24) hours prior to the twenty-four hour shutdown, the maximum actual pumping rate shall be measured and recorded for transmission with other data. The General Manager may authorize minor changes to these schedules.
  - d. Applicant shall install a water meter at each of its five production wells and keep monthly pumping records for each well.
  - e. Registration of each Research park well must be updated in accordance with MPWMD Rules and Regulations within 30 days of annexation.
  - f. The applicant shall conduct a water quality sampling program every three (3) months and transmit the results for review by District staff on a quarterly basis. Each active production well should be sampled and analyzed by a state certified water quality lab for California Administration Code Title 22 standards. After twelve (12) months, this sampling program may be modified to an annual sampling period at the discretion of the General Manager.
10. The permit granted herein is subject to revocation in the event applicant does not comply with the provisions set forth in each condition above.

cpltr#1/cal-am.cond  
(rev. 12/07/89)  
(bpee/vall13.89)

# ATTACHMENT 31

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** John T. Kilpatrick  
**Title:** Engineering Manager – Project Delivery  
**Address:** 511 Forest Lodge Rd., Ste 100, Pacific Grove, CA 93590  
**DRA Request:** AL7-016  
**Company Number:** CAW-ORA-A.13-07-002.AL7-016 Q003b  
**Date Received:** 1/30/2014  
**Date Response Due:** 2/10/2014  
**Subject Area:** Garrapata – Recuring Project Budget

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**ORA QUESTION:**

3. In spreadsheet “RB 100 thru 105-2013 Statewide GRC-GarrapataV3\_4-9-13(JKEDITS).xlsx”, in the “SCEP Summary” tab, under the recurring project RP-054X - Meters - Installed, an amount of \$12,400 in 2015 was forecasted for the expenditure and UPIS addition. But on p.8 of Mark Schubert’s testimony the amount of \$12,400 was requested for recurring project category R15-54K1 – ITS Equipment and Systems.
  - b. Provide all supporting documents that justify the forecast of these costs for each year for each project.

**COMPANY RESPONSE:**

The planned capital expenditure of \$12,000 in 2015 for project category RP-054X-I as shown in the RB 100 spreadsheet is for installation of meters. The estimate is based on installing meters to 47 customers at a cost of \$200 per meter, plus \$3,000 for relocation of some meters and cutting in new meters where no meter exists ( $\$3,000 + (47 \times \$200) = \$12,400$ ). We arrived at a cost of \$200 per meter by taking the price per meter quoted by our vendor Intraline (\$185.40) and adding 8.3% for overhead costs (total of \$200.78).

# ATTACHMENT 32

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** John T. Kilpatrick  
**Title:** Engineering Manager – Project Delivery  
**Address:** 511 Forest Lodge Rd., Ste 100, Pacific Grove, CA 93590  
**DRA Request:** AL7-016  
**Company Number:** CAW-ORA-A.13-07-002.AL7-016 Q001a  
**Date Received:** 1/30/2014  
**Date Response Due:** 2/10/2014  
**Subject Area:** Garrapata – Recurring Project Budget

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**ORA QUESTION:**

1. In spreadsheet “RB 100 thru 105-2013 Statewide GRC-GarrapataV3\_4-9-13(JKEDITS).xlsx”, in the “SCEP Summary” tab, under the recurring project RP-054X-Q - Process Plant Facilities and Equipment, an amount of \$50,000 in 2013 was forecasted for the expenditure and UPIS addition.
  - a. Provide the total 2013 EOY recorded balance in each recurring project category including this one.

**COMPANY RESPONSE:**

No capital expenditures were recorded for the 2013 EOY balance for recurring projects in Garrapata.

**ATTACHMENT 33**  
**(CONFIDENTIAL)**

**ATTACHMENT 34**  
**(CONFIDENTIAL)**

ATTACHMENT 35  
**(CONFIDENTIAL)**

**ATTACHMENT 36**  
**(CONFIDENTIAL)**

**ATTACHMENT 37**  
**(CONFIDENTIAL)**

**ATTACHMENT 38**  
**(CONFIDENTIAL)**

# ATTACHMENT 39

**California-American Water Company**  
**Statewide GRC Test Year 2015**  
**APPLICATION NO. A.13-07-002**  
**DATA REQUEST RESPONSE**

**Response Provided By:** Deana Donohue  
**Title:** Manager – Project Delivery  
**Address:** 4701 Beloit Drive  
 Sacramento, CA 95838  
**DRA Request:** AL7-005  
**Company Number:** CAW-DRA-A.13-07-002.AL7-005 Q001(c)  
**Date Received:** September 9, 2013  
**Date Response Due:** September 18, 2013  
**Subject Area:** Sacramento Walnut Grove Tank

---

**DRA QUESTION:**

1. Sacramento - I15-600063 – Walnut Grove Tank Construction
  - (c). Was the recorded “project need phase” completed under the CPUC approved budget of \$280,000? Provide the recorded spending in each category of expenditures (preliminary engineering, detailed design, permitting, etc.)..

**COMPANY RESPONSE:**

Yes. At this time, the project need phase is completed under the Commission's approved budget of \$280,000. It should be recognized that the permitting portion of this project has not yet been completed, mainly because: 1) the design was only recently completed; and 2) the desire for this project to go through the appropriate regulatory agencies' review for a single time in order to minimize cost. California American Water will be working on permitting at the end of this year and beginning of next year (2014), in order to be prepared to construct the tank project in 2015, once this project is approved and permits are in place. The table below provides a summary of the recorded expenditures for this project in the “project need phase”:

<b>Task Description</b>	<b>Spend (\$)</b>
Preliminary Engineering	19,130.95
Detailed Design	191,454.63
Land Acquisition	40,999.74
<b>Total</b>	<b>251,585.32</b>

# ATTACHMENT 40



2010													
Well Name	System/Ar ea Located	Recorded Rehab Cost	Type of Rehab (mini/regular)	Description of work rehab (e.g. Disinfection, Liner Installation, Pump Replacement)	Year of Last Rehab	Zone(s) served	No. of customers served	ADD (mgd)	MDD (mgd)	Designed Capacity	Contaminant Identified	Date of Contaminant Discovery	General Condition/Special Comments (Site efficiency and Contaminant safety)
Wittkop	Arden	192374	Regular	Disinfection, clean screens, Pump Replacement, seal	N/A	Arden	1200	1.83	4.1	505	Manganese	always but go above second	Good, after rehab
Cherbourg	Lincoln Oak	170809	Regular	Disinfection, clean screens, pump replacement	N/A	Lincoln Oak	13600	8.95	20.1	1435	N/A	N/A	Good, after rehab
Countryside way	Suburban	132221	Regular	Disinfection, clean screens, Pump Replacement	N/A	Suburban	16200	12.1	27.2	1000	N/A	N/A	Good, after rehab
Security Park	Security Pa	10473	Regular	Disinfection, Pump Replacement	N/A	Security P	29			443	N/A	N/A	Good, after rehab
2011													
		115-600048	0560-21										
Well Name	System/Ar ea Located	Recorded Rehab Cost	Type of Rehab (mini/regular)	Description of work rehab (e.g. Disinfection, Liner Installation, Pump Replacement)	Year of Last Rehab	Zone(s) served	No. of customers served	ADD (mgd)	MDD (mgd)	Designed Capacity	Contaminant Identified	Date of Contaminant Discovery	General Condition/Special Comments (Site efficiency and Contaminant safety)
Salmon Falls	Suburban	101225	Regular	Disinfection, clean screens, Pump Replacement	N/A	Suburban	16200	12.1	27.2	1360	N/A	N/A	Good, after rehab
Wyda	Arden	59930	Regular	Disinfection, clean screens, well casing repair, Pump	N/A	Arden	1200	1.83	4.1	780	N/A	N/A	Good, after rehab
Vintage 2	Parkway	226354	Regular	Disinfection, clean screens, Pump Replacement	N/A	Parkway	13900	11.3	25.4	1623	N/A	N/A	Good, after rehab
Countryside 2	Parkway	191595	Regular	Disinfection, clean screens, Pump Replacement	N/A	Parkway	13900	11.3	25.4	1661	N/A	N/A	Good, after rehab
2012													
Well Name	System/Ar ea Located	Recorded Rehab Cost	Type of Rehab (mini/regular)	Description of work rehab (e.g. Disinfection, Liner Installation, Pump Replacement)	Year of Last Rehab	Zone(s) served	No. of customers served	ADD (mgd)	MDD (mgd)	Designed Capacity	Contaminant Identified	Date of Contaminant Discovery	General Condition/Special Comments (Site efficiency and Contaminant safety)
Countryside 1	Parkway	214329	Regular	Disinfection, clean screens, Pump Replacement	N/A	Parkway	13900	11.3	25.4	892	N/A	N/A	Good, after rehab
Gould	Suburban		Regular	Disinfection, clean screens, well casing repair, Pump	N/A	Suburban	16200	12.1	27.2	555	N/A	N/A	Good, after rehab
Vintage 3	Parkway	212932	Regular	Disinfection, clean screens, Pump Replacement	N/A	Parkway	13900	11.3	25.4	1796	N/A	N/A	Good, after rehab
West La Loma	Suburban	128525	Regular	Disinfection, clean screens, Pump Replacement	N/A	Suburban	16200	12.1	27.2	1020	N/A	N/A	Good, after rehab
Howe	Arden	77759	Regular	Disinfection, Pump Replacement	N/A	Arden	1200	1.83	4.1	1132	N/A	N/A	Good, after rehab

# ATTACHMENT 41

				<b>Attachment 1_CAW_DRA-JMI-006_Q1</b>	
Water System:	<b>Sonoma County (Larkfield)</b>			Ratemaking District:	<b><u>Larkfield</u></b>
	Average Daily				
	<u>Demand (ADD)</u>	<u>Maximum Day Demand (MDD)</u>		<u>Peak Hour Demand (PHD)</u>	
<u>Year</u>	<u>(MGD)</u>	<u>Demand (MGD)</u>	<u>Date Occurred</u>	<u>Demand (MGD)</u>	<u>Date Occurred</u>
2008	1.08	1.94	08/11/2008	NA	NA
2009	0.91	1.63	07/13/2009	NA	NA
2010	0.82	1.64	07/11/2010	NA	NA
2011	0.83	1.56	06/21/2011	NA	NA
2012	0.86	1.65	08/13/2012	NA	NA

# ATTACHMENT 42

California-American Water Company  
Statewide GRC Test Year 2015  
APPLICATION NO. A.13-07-002  
DATA REQUEST RESPONSE

**Response Provided By:** Deana Donohue  
**Title:** Manager Project Delivery  
**Address:** 4701 Beloit Dr  
Sacramento, Ca 95838

**DRA Request:** AL7-003  
**Company Number:** CAW-DRA-A.13-07-002- AL7-006 Q010.  
**Date Received:** 16 September 2013  
**Date Response Due:** 25 September 2013  
**Subject Area:** Plant Supporting Documents

---

**DRA QUESTION:**

Sonoma (Larkfield):

10. Latest Tanks Report on file for the Larkfield system.

**COMPANY RESPONSE:**

The first tank inspection report is for North Wikiup Tank #2, and is included with this data request response as Attachment 10-1. The second tank inspection report is for Lower Wikiup Tank #2, and is included with this data request response as Attachment 10-2. The third tank inspection report is for Lower Wikiup Tank #1, and is included with this data request response as Attachment 10-3. The fourth tank inspection report is for Upper Wikiup Tank #2, and is included with this data request response as Attachment 10-4. The fifth tank inspection report is for Upper Wikiup Tank #1, and is included with this data request response as Attachment 10-5. The sixth tank inspection report is for the Backwash Tank at the Larkfield Water Treatment Plant, and is included with this data request response as Attachment 10-6. The seventh tank inspection report is for North Wikiup Tank #1, and is included with this data request response as Attachment 10-7.



