

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 28, 2024

Ronald Moore
Regulatory Affairs Department
Golden State Water Company
630 East Foothill Blvd
San Dimas, CA 91773
ronald.moore@gswater.com

RE: Aerojet/Rocketdyne License Agreement

Summary

This disposition letter approves Golden State Water Company's (GSWC's) request in Advice Letter 1944 to enter into the Aerojet/Rocketdyne License Agreement (Agreement). Aerojet/Rocketdyne (Licensee) will pay \$40,000 on the effective date of the Agreement to GSWC, which will be recorded in a memorandum account and used to offset expenses in the Arden-Cordova customer service area (CSA), plus the Licensee will pay all Dolecetto Well destruction and remediation costs estimated at approximately \$167,000 at the end of the five-year Agreement. The Agreement requires GSWC to temporarily allow the Licensee to access the soon-to-be non-operational Dolecetto Well plant site (Property) that is located in GSWC's Arden-Cordova CSA, over the period of 2024 through 2029, for the purpose of Licensee's environmental remediation obligations of the Property that are required for compliance with the California Department of Water Resources' (DWR) Well Standards to assure the groundwater supply is protected and preserved.

Purpose

GSWC submitted Advice Letter 1944 complying with General Order 173 on May 21, 2024, requesting approval to enter into the Aerojet/Rocketdyne Agreement so GSWC can temporarily allow the Licensee to access the soon-to-be non-operational/abandoned Property. Access would be for the purpose of performing Licensee's environmental remediation obligations on the Property, pursuant to the terms of a Master Settlement Agreement and Release (MSA) entered into between GSWC and the Licensee in October 2004. Such an action is treated as an encumbrance applicable to Public Utilities (PU) Code 851.

The Dolecetto Well is located at 10535 Dolecetto Drive, Rancho Cordova, CA, and is equipped with a perchlorate treatment system. Due to the location of the perchlorate plume, the Dolecetto Well is a critical component of the plume containment system known as "GET K". In the near term, the Licensee intends to keep the Dolecetto Well in operation for groundwater containment and connect the Well's discharge line to the influent pipeline of its GET K treatment facility

while the Licensee monitors the well. The Licensee desires to use the Dolecetto Well to confirm whether continued extraction at or near the former Dolecetto Well for plume control is needed.

The financial terms of the transaction include a 5-year license agreement and a payment of \$40,000, which is the appraised value of the property. In addition, the Licensee must, prior to the expiration of the contract and at its sole cost and expense, perform disposal work of the existing well, which includes remediation of the site. This process of water well destruction is a requirement of DWR's Well Standards for wells that are no longer useful.¹ The disposal and remediation work have an estimated cost of \$167,000 based on a recent well destruction contract in GSWC's Region 1, Simi Valley, CSA.²

GSWC's participation in the Agreement will not compromise GSWC's ability to serve customer demands and will not materially impact rates. Also, GSWC is building a new Church Well to replace the aged and failing Dolecetto Well. Thus, the Agreement will not have adverse effects on GSWC's ability to provide safe and reliable service to customers at reasonable rates.

Notice and Service of Advice Letter

The submittal of Advice Letter No. 1944 is consistent with the provisions of General Order No. 96-B, Rule 4.2, and General Order No.173, Rule 5. In accordance with Rule 5 of General Order 173, a copy of this advice letter was transmitted electronically on May 21, 2024 to interested parties that have requested such notification for the Arden-Cordova District (on the mandated advice letter service list), the Water Division, the Public Advocates Office, and relevant departments of the city and county in which the real property involved in the transaction is located. Water Division did not receive any protests to Advice Letter No. 1944 during the protest period ending June 10, 2024.

Water Division has served a copy of this disposition letter to all parties to whom the advice letter was served. Water Division has posted the results of this disposition letter in the Commission's Daily Calendar.

Description of Property (location, condition, and use):

The Dolecetto Well is located at 10535 Dolecetto Drive, in Rancho Cordova, CA, and is a 2,634 square foot lot (0.06 acre). The property is a 20' wide parcel located between two houses, which are 10533 and 10539 Dolecetto Drive.

The Dolcetto Well is currently in use and is equipped with a perchlorate treatment system consisting of two IX Contactors in series (lead/lag).

¹ DWR's California Well Standards, Part III. Destruction of Water Wells, available at: <https://water.ca.gov/Programs/Groundwater-Management/Wells/Well-Standards/Combined-Well-Standards>

² AL 1944, page 6.

Aerojet previously stubbed a line to the Dolcetto Well prior to the City of Rancho Cordova paving Dolcetto Drive. The discharge line of the well will be connected to this stubbed line. The water line to the GET K treatment facility had been previously installed in Dolcetto Drive by Aerojet and this water line connects several Aerojet extraction wells to the GET K facility.³

The Licensee reimburses GSWC for all costs related to the treatment system. Due to the location of the perchlorate plume, this well is a critical component of the GET K plume containment system and is described in the Environmental Protection Agency's (EPA's) Record of Design as part of the groundwater cleanup system.

A new well is being drilled and equipped by GSWC a short distance away and down gradient to replace this aged and failing well.

Water Division's Analysis

General Order No. 173 provides for a regulatory review of an advice letter submitted under Public Utilities Code § 851. Specifically, Rule 7.a (5) outlines the procedure to be followed for a review by either the Executive Director or an Industry Division Director:

If an unopposed advice letter is not rejected for any of the reasons stated above and does not require environmental review by the Commission as a Responsible Agency under CEQA, the Executive Director or the Director of the appropriate Commission Industry Division may issue a disposition letter, which either grants, modifies, or denies the advice letter. The disposition letter shall include a supporting analysis by the Industry Division. A copy of the disposition letter shall be served on all persons on whom the advice letter application was served, and the results of the disposition letter shall be posted on the Commission website.

The Water Division is the appropriate Commission Industry Division for water companies under the jurisdiction of the Commission. General Order No. 173, Rule 3, outlines the criteria for review of advice letters for transactions which require Commission approval under Public Utilities Code § 851. Below are the eleven criteria for a § 851 review by advice letter, along with Water Division's analysis and findings.

- 1- *The activity proposed in the transaction will not require an environmental review by the Commission as a Lead Agency under the California Environmental Quality Act (CEQA).*

The proposed activity in the transaction will not require an environmental review by the Commission as a Lead agency under CEQA. The proposed license is not considered a "project" under Public Resource Code § 20165, as it does not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change. The Dolcetto Well will

³ Per GSWC's June 26, 2024, response to Water Division data request for further detail regarding the Dolcetto Well and the GET K facility.

continue to be used in the same manner as at present, which is pumping to perform groundwater plume containment as part of the Aerojet Superfund Site.

Additionally, action under this contract is also ministerial and CEQA does not apply. In 2002, the EPA issued Aerojet-General Corporation a Unilateral Administrative Order (UAO). Under this UAO, the Dolecetto Well is part of the EPA's approved extraction plan for ongoing groundwater cleanup. Further, any Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) clean-up projects under EPA oversight are exempt from CEQA permitting.⁴ Therefore, no environmental review is necessary.

- 2- *The transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.*

The transaction will not have an adverse effect on the public interest or the utility's ability to provide safe and reliable services to customers at reasonable rates. This transaction is an Agreement for GSWC to encumber the use of its Dolecetto Well to the Licensee for a period of 5-years.

The financial terms of the transaction include a payment of \$40,000, which is the appraised value of the property. In addition, the Licensee must, prior to the expiration of the contract and at its sole cost and expense, perform disposal work of the existing well, which includes remediation of the site at an estimated value of up to \$167,000.

GSWC's participation in the Agreement would not be adverse to the public interest because it will not compromise GSWC's ability to serve customer demands and will not materially impact its rates. Further, GSWC is building a new well (Church Well) at another location to replace the Dolecetto Well. The Agreement is therefore consistent with best practices and will not have any adverse effect on the ability of GSWC to provide safe and reliable service to customers at reasonable rates.

- 3- *Any financial proceeds from the transaction will be booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or other applicable proceeding for that utility.*

Under General Order 173, GSWC must meet several requirements, including Rule 3.c, which states:

Any financial proceeds from the transaction will be either:

- (1) Booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or other applicable proceeding for that utility, or

⁴ Per GSWC's June 26, 2024, response to Water Division's data request for further detail regarding logistics as applicable to CEQA, connection of the Dolcetto Well to the Get K facility is also exempt from CEQA permitting.

- (2) Immediately divided between shareholders and ratepayers based on a specific distribution formula previously approved by the Commission for GSWC.

GSWC opted to meet the first requirement. The Agreement requires GSWC to temporarily allow the Licensee access to the Property and be paid by the Licensee an amount equal to the Property's appraised value of \$40,000 which will be recorded in a memorandum account and used to offset expenses in the Arden-Cordova CSA.^{5,6}

Water Division finds that GSWC's proposal satisfies the first requirement defined in the General Order. This request is determined to be reasonable based on previous precedence and meeting the General Order requirement above.

- 4- *If the transaction results in a fee interest transfer of real property, the property does not have a fair market value in excess of \$5 million.*

The transaction does not involve a fee interest transfer of real property. This transaction involves a 5-year Agreement between GSWC and the Licensee, providing the Licensee temporary access to the soon-to-be non-operational/abandoned Property.

The financial terms of the transaction include a payment of \$40,000, which is the appraised value of the property. In addition, the Licensee must, prior to the expiration of the contract and at its sole cost and expense, perform disposal work of the existing Dolcetto Well, which includes remediation of the site at an estimated cost of up to \$167,000.^{7,8}

- 5- *If the transaction results in a sale of a building or buildings (without an accompanying fee interest transfer of the underlying land), the building(s) does not have a fair market value in excess of \$5 million.*

The transaction does not involve the sale of a building or buildings, rather it is a 5-year Agreement between GSWC and the Licensee, providing the Licensee temporary access to the soon-to-be non-operational/abandoned Property. The financial terms of the transaction include a payment of \$40,000, which is the appraised value of the property. Additionally, the Licensee must, prior to the expiration of the contract and at its sole cost and expense, perform disposal work of the existing well, which includes remediation of the site at an estimated cost of up to \$167,000.⁹

⁵ AL 1944, page 6.

⁶ Per GSWC's response to Water Division data request for proof of appraised value, on June 19, 2024.

⁷ License Agreement, page 3.

⁸ AL 1944, page 2.

⁹ Ibid

- 6- *If the transaction is for the sale of depreciable assets (other than a building or buildings), the assets do not have a fair market value in excess of \$5 million.*

The transaction does not involve the sale of a depreciable asset. It is a 5-year Agreement between GSWC and the Licensee, providing the Licensee temporary access to the soon-to-be non-operational/abandoned Property and includes a payment of \$40,000, which is the appraised value of the property.¹⁰

- 7- *If the transaction conveys an easement, right-of-way, or other less than fee interest in real property, the fair market value of the easement, right-of-way, or other interest in property does not exceed \$5 million.*

The transaction does not convey an easement, right-of-way, or other less than fee interest in real property. This is a 5-year Agreement between GSWC and the Licensee, providing the Licensee temporary access to the soon-to-be non-operational/abandoned Property and includes a payment of \$40,000, which is the appraised value of the property.¹¹

- 8- *If the transfer is a lease or a lease-equivalent, the total net present value of the lease payments, including any purchase option, does not have a fair market value in excess of \$5 million, and the term of the lease will not exceed 25 years.*

This transaction is a 5-year Agreement from 2024 through 2029, between GSWC and the Licensee, providing the Licensee temporary access to the soon-to-be non-operational/abandoned Property and includes a payment of \$40,000, which is the appraised value of the property.¹² Thus the Agreement satisfies the fair market value and term restrictions for advice letter review.

- 9- *This transaction will not materially impact the rate base of the utility.*

The transaction will not impact or materially change the rate base of the utility. This transaction is an Agreement between GSWC and the Licensee, providing the Licensee temporary access to the soon-to-be non-operational/abandoned Property.

The financial terms of the transaction include a payment from the Licensee to GSWC in the amount of \$40,000, which is the appraised value of the property.¹³ GSWC will record the lease payment as other revenue in a memorandum account, which will be used to offset expenses in the Arden-Cordova CSA.¹⁴

¹⁰ Ibid

¹¹ Ibid

¹² Ibid

¹³ Ibid

¹⁴ AL 1944, page 3.

Additionally, the Licensee must, prior to the expiration of the contract and at its sole cost and expense, perform disposal work of the existing well, which includes remediation of the site at an estimated cost of up to \$167,000.¹⁵

10- If the transaction is a transfer or change in ownership of facilities currently used in regulated utility operations, the transaction will not result in a significant physical or operational change in the facility.

The transaction does not involve a transfer or change in ownership of facilities currently used or to be used in future operations, rather it is a 5-year Agreement between GSWC and the Licensee, providing the Licensee temporary access to the soon-to-be non-operational/abandoned Property.¹⁶

11- The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

Other than the issues discussed above, the request for approval of the proposed Agreement does not merit a more comprehensive review that would be provided through a formal Section 851 application.

Conclusion

Water Division has reviewed GSWC's Advice Letter 1944 and finds that General Order Nos. 96-B and 173, governing the requirements and process for Section 851 advice letters, have been met. GSWC's Advice Letter No. 1944, submitted on May 21, 2024, requesting approval for the Aerojet/Rocketdyne License Agreement, is approved, effective the date of this disposition letter.

Sincerely,

Terence Shia

Terence Shia, Director
Water Division

Cc: Advice Letter No. 1944-W Service List

¹⁵ AL 1944, page 2.

¹⁶ Ibid

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION**

Advice Letter Cover Sheet

Utility Name: GOLDEN STATE WATER COMPANY **Date Mailed to Service List:** 5/21/2024
District: ARDEN-CORDOVA
CPUC Utility #: 133 W **Protest Deadline (20th Day):** 6/10/2024
Advice Letter #: 1944-W **Review Deadline (30th Day):** 6/20/2024
Tier 1 2 3 Compliance **Requested Effective Date:** 7/1/2024
Authorization: PUBLIC UTILITIES CODE § 851 AND
GENERAL ORDER 173 **Rate Impact:** N/A
Description: Aerojet/Rocketdyne License Agreement

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Ronald Moore **Utility Contact:** Jenny Darney-Lane
Phone: (909) 394-3600 x 682 **Phone:** (909) 394-3600 x 423
Email: ronald.moore@gswater.com **Email:** jadarneylane@gswater.com

DWA Contact: Tariff Unit
Phone: (415) 703-1133
Email: Water.Division@cpuc.ca.gov

WD USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____

[] APPROVED [] WITHDRAWN [] REJECTED

Signature: _____ **Comments:** _____
Date: _____ _____



May 21, 2024

Advice Letter No. 1944-W

(U 133 W)

California Public Utilities Commission

Golden State Water Company ("GSWC") hereby submits this advice letter in accordance with the requirements of Public Utilities Code §851 and General Order 173 ("GO-173").

Subject: Aerojet/Rocketdyne License Agreement

PURPOSE

GSWC is seeking authority from the California Public Utilities Commission ("Commission") to enter into the Aerojet/Rocketdyne License Agreement ("Agreement"). Under the Agreement, which is being submitted as a supporting workpaper to this advice letter, GSWC would agree to temporarily allow Aerojet/Rocketdyne ("Licensee") to access the soon-to-be non-operational/abandoned Dolecetto plant site ("Property") for purposes of performing Licensee's environmental remediation obligations on the Property, pursuant to the terms of the 2004 Master Settlement Agreement and Release ("MSA") that GSWC entered into with Aerojet/Rocketdyne. Among other things, the MSA addressed the extensive groundwater contamination attributed to past operational and disposal practices by Aerojet and remedial actions.

BACKGROUND

The Dolecetto Well is located at 10535 Dolecetto Drive, APN 057-0071-007 and is a 2,634 square feet lot (0.06 acre). It is a 20' wide parcel on Dolecetto Drive.

The well is equipped with a perchlorate treatment system consisting of two IX Contactors in series (lead/lag). The Licensee already reimburses GSWC for all costs related to the treatment system. Due to the location of the perchlorate plume, the Dolecetto Well is a critical component of the plume containment system known as "GET K" and is described in the Environmental Protection Agency's ("EPA") Record of Design as part of the groundwater cleanup system.

A new well is being drilled and equipped by GSWC a short distance away and down gradient to replace this aged and failing well. The perchlorate treatment system from the Dolecetto Well will be relocated to this new well.

The Licensee desires to continue to use the former Dolecetto Well for groundwater plume containment. The Licensee's goal is to operate the former Dolecetto Well in the near term and connect it to its GET K treatment facility to continue to collect information on the status of groundwater plume. Licensee wants to use the Dolecetto Well to confirm

whether continued extraction at or near the former Dolecetto Well for plume control is needed.

The purpose of the Agreement is to establish a five-year license that includes a payment in the amount of the appraised value of the property, which is \$40,000, and the final destruction of the existing well and razing of the plant site at an estimated cost of \$167,000.

This Agreement does not constitute a “project” under the California Environmental Quality Act (“CEQA”) as the Dolecetto well will continue to be utilized in the same fashion as it currently is – pumping to perform groundwater plume containment as part of the Aerojet Superfund Site. In 2002, EPA issued Aerojet-General Corporation a Unilateral Administrative Order (“UAO”) for the Western Groundwater Operable Unit. Under the UAO, the well is part of the EPA’s approved extraction plan for the ongoing groundwater cleanup. Further, any Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) clean-up projects under EPA oversight are exempt from CEQA permitting.

GSWC’s participation in the Agreement would not be adverse to the public interest because it will not compromise GSWC’s ability to serve customer demands, and will not materially impact its rates.

INFORMATION AS REQUIRED BY GENERAL ORDER 173

Rule 3 Eligibility Criteria. GO-173 Rule 3 requires that the proposed Agreement meet the following eligibility criteria:

3a: The activity proposed in the transaction will not require environmental review by the CPUC as a Lead Agency under California Environmental Quality Act (CEQA).

This Agreement does not constitute a “project” under the CEQA as the Dolecetto well will continue to be utilized in the same fashion as it currently is – pumping to perform groundwater plume containment as part of the Aerojet Superfund Site. In 2002, EPA issued Aerojet-General Corporation a Unilateral Administrative Order (UAO) for the Western Groundwater Operable Unit. Under the UAO, the well is part of the EPA’s approved extraction plan for the ongoing groundwater clean up. Further, CERCLA clean-up projects under EPA oversight are exempt from CEQA permitting.

3b: The transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.

As discussed above, the GSWC's participation in the Agreement would not be adverse to the public interest because it will not compromise GSWC's ability to serve customer demands, and will not materially impact its rates. Further, GSWC is building a new well (Church Well) at another location to replace the Dolecetto well. The Agreement is therefore consistent with best practices, and will not have any adverse effect on the ability of GSWC to provide safe and reliable service to customers at reasonable rates.

3c: Any financial proceeds from the transaction will either be booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or be immediately divided between shareholders and ratepayers based on a specific distribution formula previously approved by the Commission for that utility.

GSWC will record the lease payments as Other Revenues, which will be used to offset expenses in the Arden- Cordova customer service area.

3d: If the transaction results in a fee transfer of real property, the property does not have a fair market value in excess of \$5 million.

Not applicable.

3e. If the transaction results in a sale of a building or buildings (without an accompanying fee interest transfer of the underlying land), the building(s) does not have a fair market value in excess of \$5 million.

Not applicable.

3f. If the transaction is for the sale of depreciable assets (other than a building or buildings), the assets do not have a fair market value in excess of \$5 million.

Not applicable.

3g. If the transfer is a lease or a lease-equivalent, the total net present value of the lease payments, including any purchase option, does not have a fair market value in excess of \$5 million, and the term of the lease will not exceed 25 years.

This agreement is below the \$5 million threshold and is for a 5-year period.

3h. If the transaction conveys an easement, right-of-way, or other less than fee interest in real property, the fair market value of the easement, right-of-way, or other interest in the property does not exceed \$5 million.

Not applicable.

3i. The transaction will not materially impact the ratebase of the utility.

Entering the Agreement will not materially impact GSWC's ratebase.

3k. The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

GSWC's entry into the Agreement does not involve any issues that would trigger a need for a more comprehensive review through a formal Section 851 application.

Rule 4 Requirements. GO 173 Rule 4 requires that the following information be included in advice letters:

4a. Identity and addresses of all parties to the proposed transaction:

Golden State Water Company
3005 Gold Canal Drive
Rancho Cordova, CA 95670

L3HARRIS TECHNOLOGIES
2001 Aerojet Road
Rancho Cordova, CA 95742 / USA

Informational Only:

Daewon Rojas-Mickelson
EPA (SFD-7-2)
75 Hawthorne Street
San Francisco, CA 94105

Geoff Rader
RWQCB-CV
11020 Sun Center Drive, #200
Rancho Cordova, CA 95670

Susan Scudder
DTSC
8800 Cal Center Drive, # 350
Sacramento, C A 95826

4b: A complete description of the property including present location, condition and use:

As stated above, the Dolecetto Well is located at 10535 Dolecetto Drive, APN 057-0071-007 and is a 2,634 square feet lot (0.06 acre). It is a 20' wide parcel on Dolecetto Drive located between two houses (10533 and 10539 Dolecetto Drive).

The well is currently in use and is equipped with a perchlorate treatment system consisting of two IX Contactors in series (lead/lag). Aerojet/Rocketdyne ("AR") reimburses GSWC for all costs related to the treatment system. Due to the location of the perchlorate plume, this well is a critical component of the GET K plume containment system and is described in the EPA's Record of Design as part of the groundwater cleanup system.

A new well is being drilled and equipped by GSWC a short distance away and down gradient to replace this aged and failing well.

4c: Transferee's intended use of the property:

The Licensee intends to keep the well in operation for groundwater containment. Their goal is to ensure the continued operation of the well in the near term and connect the well to the influent pipeline to its GET K treatment facility while they collect information on groundwater capture with the replacement well (Church Well), AR extraction well 4763, and AC6 operating. The Licensee wants to confirm whether continued extraction at or near AC6 for plume control is needed. Should continued extraction at or near AC6 be recommended, the Licensee will likely want to locate and construct a well with proper screens to avoid the risk of another AC6 sloughing event interrupting operation of the well until it is rehabilitated. If Licensee installs a new well, it may or may not be installed at the same location and use the power drop and power panel on the parcel.

4d: Complete description of financial terms of the proposed transaction:

The 5-year license agreement that includes a payment in the amount of the appraised value of the property, which is \$40,000.

Destruction of the existing well and razing of site (valued at up to \$167,000 based on a recent well destruction contract cost in Simi Valley)

4e. A description of how the financial proceeds of the transaction will be distributed:

GSWC will record the lease payments as Other Revenues, which will be used to offset expenses in the Arden- Cordova customer service area.

4f. A statement of the impact of the transaction on ratebase . . . , and any effect on the ability of the utility to serve customers and the public:

The Agreement will have no material effect on GSWC's ratebase, as explained in response to Rule 3c, above. The transaction will not affect the ability of GSWC to serve customers and the public, as explained in response to Rule 3b, above.

4g. For sales of real property and depreciable assets, the original cost, present book value, and present fair market value, and a detailed description of how the fair market value was determined (e.g., appraisal):

Not applicable.

4h. For leases of real property, the fair market rental value, a detailed description of how the fair market rental value was determined, and any additional information necessary to show compliance with Rule 3(g) above:

A copy of the appraised value of the Dolecetto plant site is being submitted as a supporting workpaper to this advice letter.

4i. For easements or rights-of-way, the fair market value of the easement or right-of-way and a detailed description of how the fair market value was determined:

Not applicable.

4j. A complete description of any recent past (within the prior two years) or anticipated future transactions that may appear to be related to the present transaction, such as sales or leases of interests in the same real property or real property that is located near the property at issue or that are being transferred to the same transferee; or for depreciable assets, sales of the same or similar assets or sales to the same transferee:

Not applicable.

4k. Sufficient information and documentation (including environmental documentation) to show that all of the eligibility criteria stated in Rule 3 above have been met:

A copy of the draft license agreement is being submitted as a supporting workpaper to this advice letter.

4l. The filing utility may submit additional information to assist in the review of the advice letter, including recent photographs, scaled maps, drawings, etc.:



4m. Environmental Information:

(1) If the Applicant believes that the Transaction is Exempt from Review under CEQA. If the applicant believes that the transaction is exempt from environmental review under a statutory or categorical exemption from CEQA, the applicant shall provide the following information:

(a) Has the proposed transaction been found exempt from CEQA by another government agency?

No.

(ii) If no, applicant shall state the specific CEQA exemption or exemptions that the applicant claims apply to the transaction, including citations to the applicable State CEQA Guideline(s) and/or

statutes, and an explanation of why the applicant believes that each exemption applies. The applicant shall confirm that no exceptions to the claimed CEQA exemption(s) apply.

See information provided in response to Rule 3a, above.

(2) If the Applicant Believes that the Transaction is not a Project under CEQA. If the applicant believes that the transaction is not a project under CEQA, the applicant shall include an explanation of its position.

Not applicable.

(3) If another Public Agency, Acting as the Lead Agency, has Completed Environmental Review of the Project and the Applicant Believes that the Commission is a Responsible Agency under CEQA.

Not applicable.

TIER DESIGNATION

Pursuant to GO 96-B, Water Industry Rule 7.3.2, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

GSWC requests that this advice letter become effective on July 1, 2024.

RESPONSE OR PROTEST

Anyone may submit a response or protest for this Advice Letter ("AL"). When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

A **response** supports the filing and may contain information that proves useful to the Commission in evaluating the AL. A **protest** objects to the AL in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the AL;
2. The relief requested in the AL would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding;
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or

6. The relief requested in the AL is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.

A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility. A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

Water Division ("WD") must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.** The addresses for submitting a response or protest is:

California Public Utilities Commission, Water Division
505 Van Ness Avenue
San Francisco, CA 94102
E-Mail: water.division@cpuc.ca.gov

On the same day the response or protest is submitted to WD, the respondent or protestant shall send a copy of the protest to Golden State Water Company, addressed to:

Golden State Water Company
Attn: Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773
E-mail: regulatoryaffairs@gswater.com

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

REPLIES

The utility shall reply to each protest and may reply to any response. Any reply must be received by WD within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL.

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

No individuals or utilities have requested notification of filing of tariffs. Distribution of this advice letter is being made to the attached service list in accordance with General Order No. 96-B.

Sincerely,

/s/ Ronald Moore

Ronald Moore

Regulatory Affairs Department

Golden State Water Company

c: Jim Boothe, CPUC- Water Division
Alex Pinedo, CPUC- Water Division
Richard Rauschmeier, CPUC- Cal Advocates
Victor Chan, CPUC- Cal Advocates

GOLDEN STATE WATER COMPANY

SERVICE LIST

ARDEN-CORDOVA DISTRICT

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821
HHernandez@sswd.org
DYork@sswd.org

Carmichael Water District
7837 Fair Oaks Blvd.
Carmichael, CA 95608
laura@carmichael.org

California-American Water Co.
4701 Beloit Drive
Sacramento, CA 95838
ca.rates@amwater.com

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

Fair Oaks Water District
10317 Fair Oaks Blvd.
Fair Oaks, CA 95628

City of Folsom
50 Natoma Street
Folsom, CA 95630

City of Rancho Cordova
2729 Prospect Drive
Rancho Cordova, CA 95670

County Clerk
County of Sacramento
P. O. Box 839
Sacramento, CA 95812-0839

Steve Pedretti, Division Chief
Sacramento County
Department of Water Resources
827 7th Street, Room 301
Sacramento, CA 95814
DWRexecsecretary@saccounty.net

Director
Sacramento County Water Agency
827 7th Street, Room 301
Sacramento, CA 95814
DWRexecsecretary@saccounty.net

Fred G. Yanney
Yanney Law Office
2082 Michelson Drive, Suite 100
Irvine, CA 92612
FredYanney@gmail.com

Megan Somogyi
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
msomogyi@DowneyBrand.com

Thomas J. Macbride, Jr., Attorney at Law
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
rmacbride@DowneyBrand.com

Michael B. Day, Attorney
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
mday@DowneyBrand.com

GOLDEN STATE WATER COMPANY

SERVICE LIST

ARDEN-CORDOVA DISTRICT

Frank Alonso
Robbins Ad Hoc Committee
P O Box 254
Robbins, CA 95676
For: Robbins Ad Hoc Committee

George Carpenter
141 Morella Court
Roseville, CA 95747

Matt Franck
CH2M Hill
2485 Natomas Park Drive, Suite 600
Sacramento, CA 95830

Wes Strickland
Jackson Walker, LLP
100 Congress Avenue, Suite 1100
Austin, TX 78701

Jeanne Armstrong, Attorney at Law
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
For: County of Sutter

Marlo A. Go
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
For: Sutter Pointe Landowners / Developers

Environmental Scientist
California Department of Fish & Game
1701 Nimbus Road
Rancho Cordova, CA 95670

Sacramento County
Department of Water Resources
827 7th Street, Room 301
Sacramento, CA 95814

Asst Attorney General
State of California
300 South Spring Street
Los Angeles, CA 90013

Director
Sacramento County Water Agency
827 7th Street, Room 301
Sacramento, CA 95814

Stuart Somach
Somach, Simmons & Dunn
500 Capital Mall, Suite 1000
Sacramento, CA 95814

Office of The County Counsel
1160 Civic Center Blvd., Suite C
Yuba City, CA 95993