

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



December 15, 2023

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

Dear Ms. Carlson,

The Water Division of the California Public Utilities Commission has approved Suburban Water Systems' Advice Letter No. 397, filed on November 17, 2023, regarding Information on Suburban's lease-out of Central Basin water production rights, incompliance with D.21-10-024

Enclosed is a copy of the advice letter with an effective date of November 17, 2023 for the utility's files.

Please contact Alison Pafford at APF@cpuc.ca.gov or 415-417-7615, if you have any questions.

Thank you.

Enclosures



**Suburban
Water Systems**

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

VIA EMAIL

U-339-W

ADVICE LETTER NO. 397-W

November 17, 2023

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Suburban Water Systems (Suburban) submits this Tier 1 Advice Letter to inform the Commission that Suburban proposes to lease out 1500 acre-feet of Central Basin water production rights to Liberty Utilities Corporation through June 30, 2024.

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

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

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

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

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

A copy of the Water Right License and Agreement (Central Basin), and the signed letter for the water lease offer to Liberty Utilities Corporation from Suburban Water Systems have been included as Attachment B.

Tier Designation and Effective Date

This is a Tier 1 filing – the advice letter is a compliance advice letter.

Suburban requests that the advice letter is effective on November 17, 2023.

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

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter.

A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds may be based upon the following:

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

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

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

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

The addresses for submitting a response or protest are:

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

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

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

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

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

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

Sincerely,

/s/Kiki Carlson

Kiki Carlson
Regulatory Affairs Manager

Enclosures

SUBURBAN WATER SYSTEMS
Distribution List

Attachment A

Page 1 of 3

Director Of Public Works
City of Whittier
13230 E. Penn Street
Whittier, CA 90602

City Clerk
City of West Covina
1444 W. Garvey Ave. South
West Covina, CA 91790

City Attorney
City of Whittier
13230 E. Penn Street
Whittier, CA 90602

City Clerk
City of La Mirada
P.O. Box 828
La Mirada, CA 90638

Michael Gualtieri
La Habra Heights County Water District
P.O. Box 628
La Habra, CA 90633-0628

City Attorney
City of Baldwin Park
14406 E. Pacific Ave.
Baldwin Park, CA 91706

City Clerk
City of Industry
P.O. Box 3366
Industry, CA 91744

County Clerk
Orange County
10 Civic Center Plaza, 3rd. Floor
Santa Ana, CA 92701

City Clerk
City of Covina
125 East College Blvd.
Covina, CA 91723

City Attorney
City of Covina
125 East College Blvd.
Covina, CA 91723

Director of Public Works
City of Buena Park
6650 Beach Blvd.
Buena Park, CA 90621

City of Santa Fe Springs
Department of Public Works
11710 E. Telegraph Road
Santa Fe Springs, CA 90670

Bill Robinson
Upper San Gabriel Valley M.W.D.
1146 East Louisa Avenue
West Covina, CA 91790-1346

City Attorney
City of La Habra
P.O. Box 337
La Habra, CA 90633

City Attorney
City of West Covina
1444 West Garvey Ave. South
West Covina, CA 91790

City Clerk
City of Baldwin Park
14406 E. Pacific Ave.
Baldwin Park, CA 91706

The Prinden Corporation
P.O. Box 712
Park Ridge, NJ 07656-0712

Orchard Dale County Water District
13819 East Telegraph Road
Whittier, CA 90604

SUBURBAN WATER SYSTEMS

Distribution List

Page 2 of 3

City Attorney
City of La Mirada
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County Counsel
Orange County
10 Civic Center Plaza, 3rd. Floor
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City Clerk
City of Glendora
116 East Foothill Blvd.
Glendora, CA 91741

City Clerk
City of Walnut
P.O. Box 682
Walnut, CA 91788-0682

Jandy Macias, General Manager
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Glendora, CA 91741

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Ed Jackson
Liberty Utilities
AdviceLetterService@LibertyUtilities.com

City Attorney
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mvadon@bwslaw.com

Valencia Heights Water Co.
dmichalko@vhwc.org

Walnut Valley Water District
cfleming@wvwd.com

California Advocates Office Water Branch
California Public Utilities Commission
PublicAdvocatesWater@cpuc.ca.gov

City Clerk
City of La Puente
mtorres@lapuente.org

SUBURBAN WATER SYSTEMS

Distribution List

Page 3 of 3

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bdebie@southhillscountryclub.org

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Ronald Moore
Golden State Water Company
Regulatory Affairs Department
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RKMoore@gswater.com

The Public Advocates Office
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Richard.Raushmeier@cpuc.ca.gov
Hani.Moussa@cpuc.ca.gov

City of Compton Water Department
205 W. Willowbrook
Compton, CA 90220
ccornwell@comptoncity.org

WATER RIGHT LICENSE AND AGREEMENT**(Central Basin)**

For a valuable consideration, Suburban Water Systems (Licensor) hereby grants to Liberty Utilities (Licensee): a license to extract 1,500 acre-feet of Licensor's Allowed Pumping Allocation allocated to Licensor (or predecessors in interest) under and pursuant to Judgment dated October 11, 1965, and entered in Los Angeles Superior Court Case No. 786,656 entitled "Central and West Basin Water Replenishment District vs. Charles E. Adams, et al." during the period commencing July 1, 20 23 and continuing to and including June 30, 20 24.

Said License is granted subject to the following conditions:

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

Suburban Water Systems warrants that it has 1,500 acre-feet of Allowed Pumping Allocation and that it has not pumped and will not pump or permit or license any other person to pump any part of said 1,500 acre-feet during the period of July 1, 20 23 through June 30, 20 24.

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

Dated : 11/06/2023

Licensor : Suburban Water Systems

Licensee : Liberty Utilities

Signed By : Craig Lott
FE161386/2680803EAC93C0F06230B0 CONTRACT WORKS

Signed By : 

Title : President

Title : President California



**Suburban
Water Systems**

A SouthWest Water Company

1325 N. Grand Avenue
Suite 100
Covina, CA 91724-4044
Phone 626.543.2500
Fax 626.331.4848
www.swwc.com

November 6, 2023

Gabriel Gomez
Operations Manager
Liberty Utilities (California)
9750 Washburn Road,
Downey, CA 90241

Re: Water License Offer to Liberty Utilities from Suburban Water Systems

Dear Mr. Gomez,

Suburban Water Systems ("Licensor") has agreed to license to Liberty Utilities ("Licensee") extract the right to pump 1,500 acre-feet with Flex of Licensor's allowed pumping allocation in the Central Groundwater Basin for the Water Year 2023-24 for \$ [REDACTED] per acre foot. Licensee acknowledges that the terms of this transaction and require the filing of the "Water Right License and Agreement" form with the Central Basin Watermaster. The total amount to be paid for the right is:

1,500 Acre Feet with Flex for Water Year 2023-24 @ \$ [REDACTED] /AF = \$ [REDACTED]

Following the execution of this transaction by an authorized representative of each party, Licensor shall invoice Licensee for the amount agreed upon as set forth above and seek acknowledgment from the Central Basin Watermaster. In addition, Licensee agrees to pay Licensor and Licensor agrees to accept from Licensee one lump sum payment of USD \$ [REDACTED], representing the fee for the right to pump 1,500 Acre Feet with Flex for Water Year 2023-24 @ \$ [REDACTED] /AF. Such payment shall be received by Licensor no later than thirty (30) days after the Water Right License and Agreement is fully executed and said payment shall be issued to "Suburban Water Systems" and mailed to: Suburban Water Systems, 1325 N. Grand Avenue, Suite 100, Covina, California 91724-4044, Attn: Carolyn Castellanos, Administrative Executive Assistant, or her successor.

Should you agree with the foregoing, please date and sign below. Thank you for your consideration with respect to this matter.

Sincerely,
SUBURBAN WATER SYSTEMS

By: Craig Gott
Name: Craig Gott
Title: President, Suburban Water Systems

Accepted and agreed to
this 6th day of November 2023

LIBERTY UTILITIES

By: [Signature]
Name: Edward Jackson
Title: President, California