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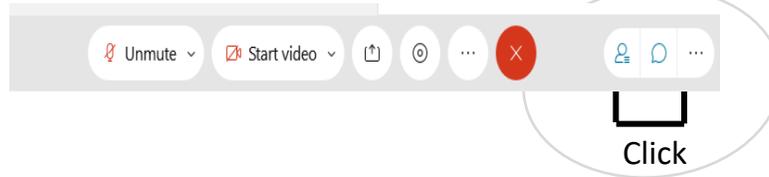
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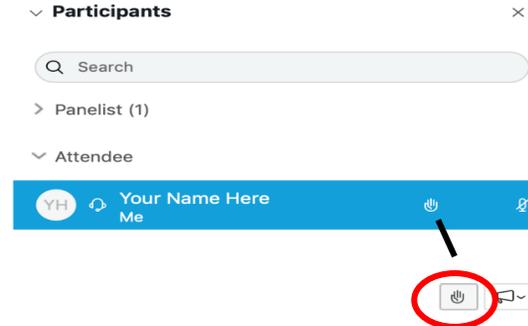
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CPUC Webinar

Keeping Water Affordable, Safe, and Accessible



California Public Utilities Commission
April 3, 2024

Business and Community Outreach

Local Government and Community Liaisons

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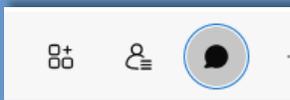


CPUC BCO Liaison Territories

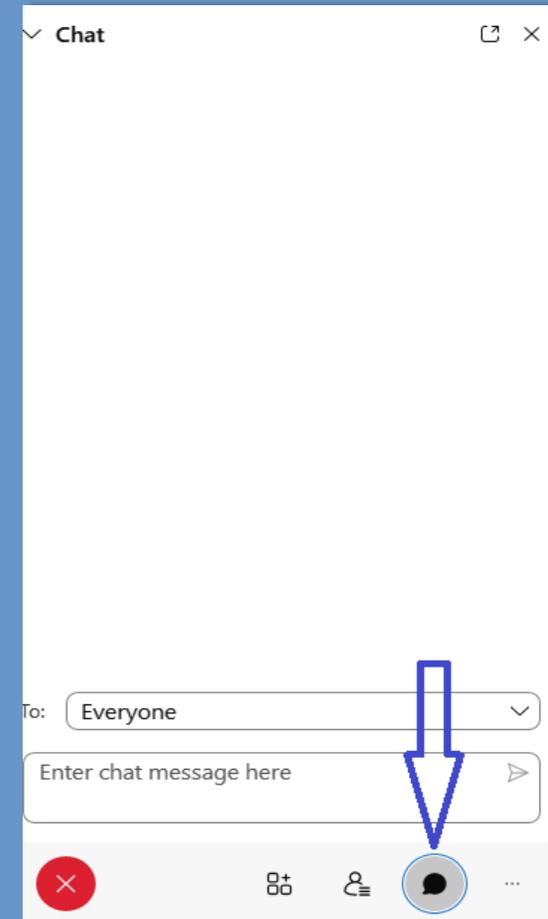


Questions?

Please type your questions in the chat box at any time during the presentation.



Please only submit questions that are relevant to the presentation and topics being presented.



Introductions

Kevin Truong

Regulatory Analyst
California Public Utilities Commission

Water Division

- Smallest of the industry divisions at the CPUC
 - 28 total staff
 - Divided into two sections
- **Administrative Law Judge (ALJ) Support and Compliance Section**
 - Advise Commissioners and ALJs in water proceedings
 - Provide technical assistance in developing rates
 - Manage large water filings
- **Small Water and Sewer Utility Section**
 - Conduct general rate case reviews
 - Ensure financial viability and maintain compliance with regulations
 - Manage small water and sewer utility filings

Water Division

- **Regulate Investor-Owned Water Utilities (Water IOUs)**

- Serve 16% of California

- 6.8 million people

- Divided into 4 Classes

- Large Water

- Class A (>10,000 connections): 9

- Small Water

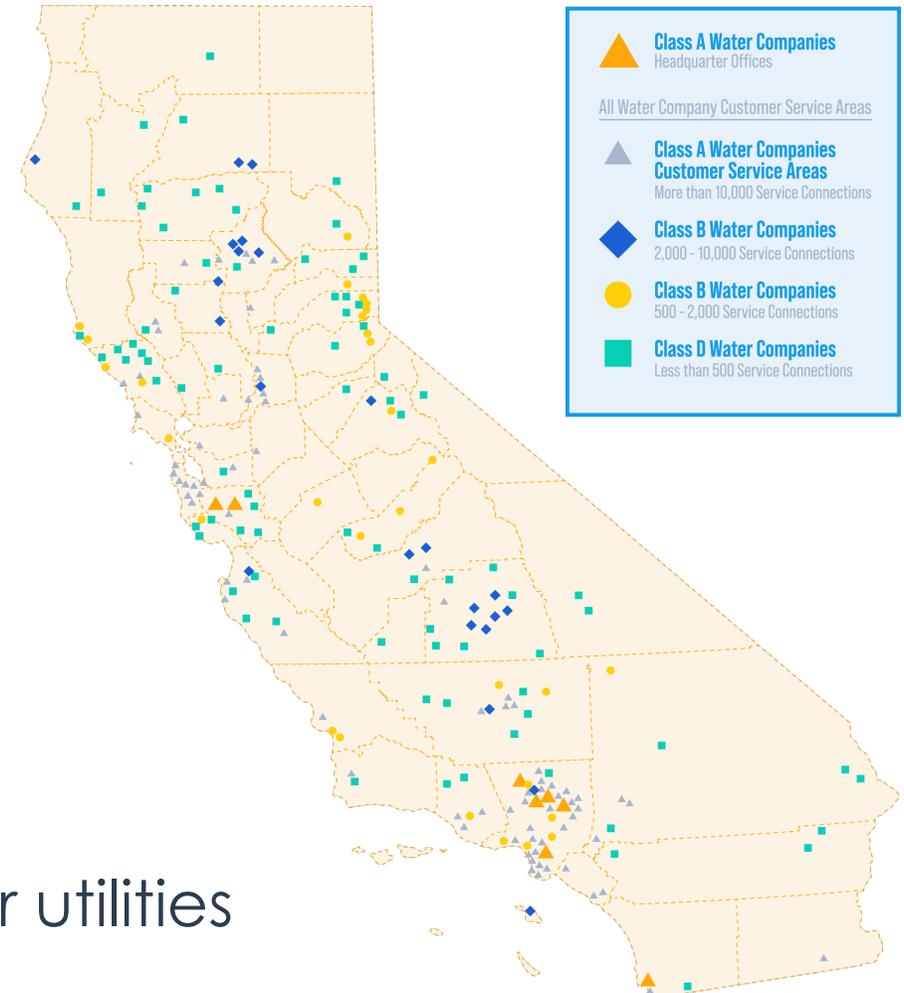
- Class B (2,000 – 10,000 connections): 3

- Class C (500 – 2,000 connections): 19

- Class D (<500 connections): 59

- Sewer IOUs: 12

- Do not regulate Municipal or Mutual water utilities



Water Division

- **Statute and Guidelines**

- Public Utilities (PU) Code
- General Orders (GO)
 - GO 103-A: Water Service Standards
 - GO 96-B: Rules for filing and implementing rates
- CPUC Decisions and Resolutions

- **Jurisdictional Responsibilities**

- Set just and reasonable rates
- Establish just and reasonable terms and conditions of service
- Issue Certificates of Public Convenience and Necessity (CPCN)
 - Formation/acquisitions of water utilities
- Authorize funding through rates for new infrastructure and expenses
- Ensure compliance with new and existing regulations and mandates

Public Advocates Office

- Independent entity at the CPUC
- Represents and advocates for ratepayers in CPUC proceedings across all industries
- For water utilities, mainly involved in Class A filings



The Public
ADVOCATES
OFFICE

Sister Water Agencies

- **State Water Resources Control Board (SWRCB)**
 - Sets water quality standards for all water systems in California
 - Provides funding for drinking water improvements
 - Regulates water rights
 - Determines “failing or at-risk” water systems
- **Department of Water Resources (DWR)**
 - Manages California’s water resources, systems, and infrastructure
 - State Water Project
 - Groundwater Sustainability

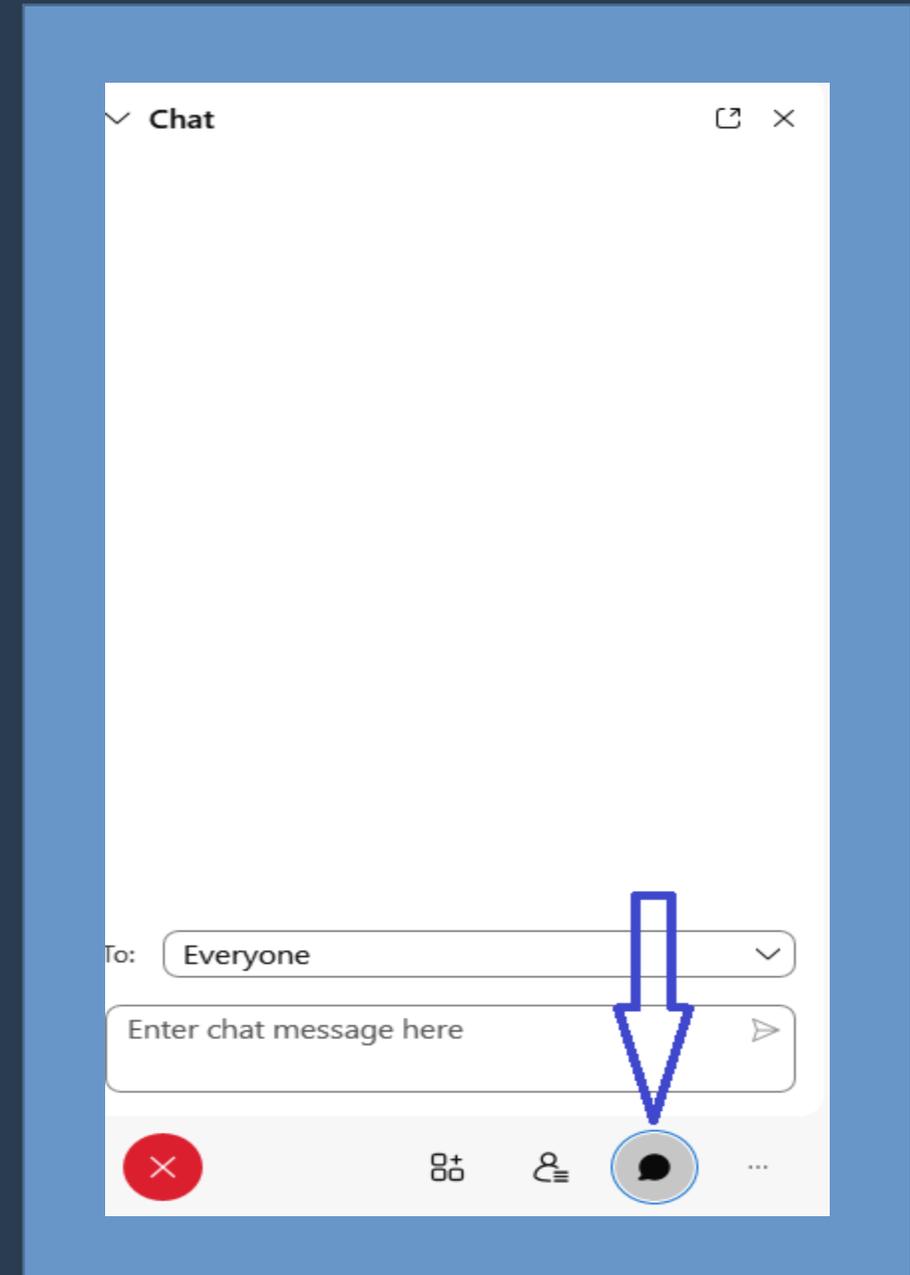


Q&A

Type your questions in CHAT

Only submit questions relevant to the presentation

Avoid using acronyms



California Public
Utilities Commission

CPUC Mission and Water Division Priorities

- Enforce water utilities' compliance with Public Utilities Codes, General Orders, and CPUC Decisions and Resolutions
- Review water utilities' critical service offerings and infrastructure proposals
- Design water rates that are fair and reasonable
- Improve access to high-quality water for Environmental and Social Justice (ESJ) communities



Assure water utilities provide clean, safe, and reliable service

Current Water Division Goals

- Coordinate with the SWRCB on drinking water quality standards
- Enforce maintenance, reliability, and regulatory standards for water utilities
- Measure the affordability of water service and assess ESJ issues
- Address drought remediation and conservation efforts
- Encourage and support consolidation/acquisition of water utilities
- Implement legislative mandates

Water Division Actions

- Proactive enforcement of water utility compliance
 - Prevent utilities from becoming “at-risk or failing”
 - Work cooperatively with the SWRCB
- Monitor low-income assistance and bill arrearage programs
- Ensure water utilities are prepared for drought or other emergencies
 - COVID-19, Wildfires, Extreme Weather Events, etc
- Monitor reasonableness of new infrastructure investments
- Support water system consolidation and acquisition
- Assess ESJ considerations through regulatory proceedings and Commission actions

Customer Assistance Program (CAP)

- CAP provides bill assistance to low-income customers
 - Started in 2006
 - Offered by all Class As
 - Discounts vary by utility
- Eligibility
 - Mirrors energy utilities' California Alternate Rates for Energy (CARE) program
 - 200% of Federal Poverty Level or below
- Outreach
 - Majority of customers enrolled through data exchange between energy and water utilities

Low-Income Data Exchange

- In 2011 (Decision 11-05-020), CPUC established the sharing of low-income data between CAP and CARE programs
 - Initial exchange began in 2012
 - Customers in one program are **automatically enrolled** into the other
 - Exchange occurs quarterly
- Resulted in significant increase in CAP participation
 - About 100,000 total customers enrolled before data exchange
 - Increased to 250,000 in 2013
- Currently about 300,000 customers are enrolled in CAP with an average discount of \$10 per month

Conservation

- CPUC continues to encourage voluntary conservation
 - Rule 14.1 authorizes Water IOUs to establish **voluntary conservation** measures
 - Example: restrict non-essential or wasteful uses of water
- Droughts are declared by the Governor's Office
 - Schedule 14.1 authorizes Water IOUs to implement **mandatory conservation**
 - Divided into stages
 - Higher (more severe) stages include individual water allocations and implementing drought surcharges

Acquisitions

- CPUC is currently reviewing the existing acquisition framework
 - Order Instituting Rulemaking R.22-04-003
- Potential proposals to improve and streamline the acquisition process:
 - Provide incentives to acquire failing or at-risk water systems
 - Ensure accurate valuation of water systems
 - Standardize ratepayer impact analysis
 - Increase coordination with the SWRCB

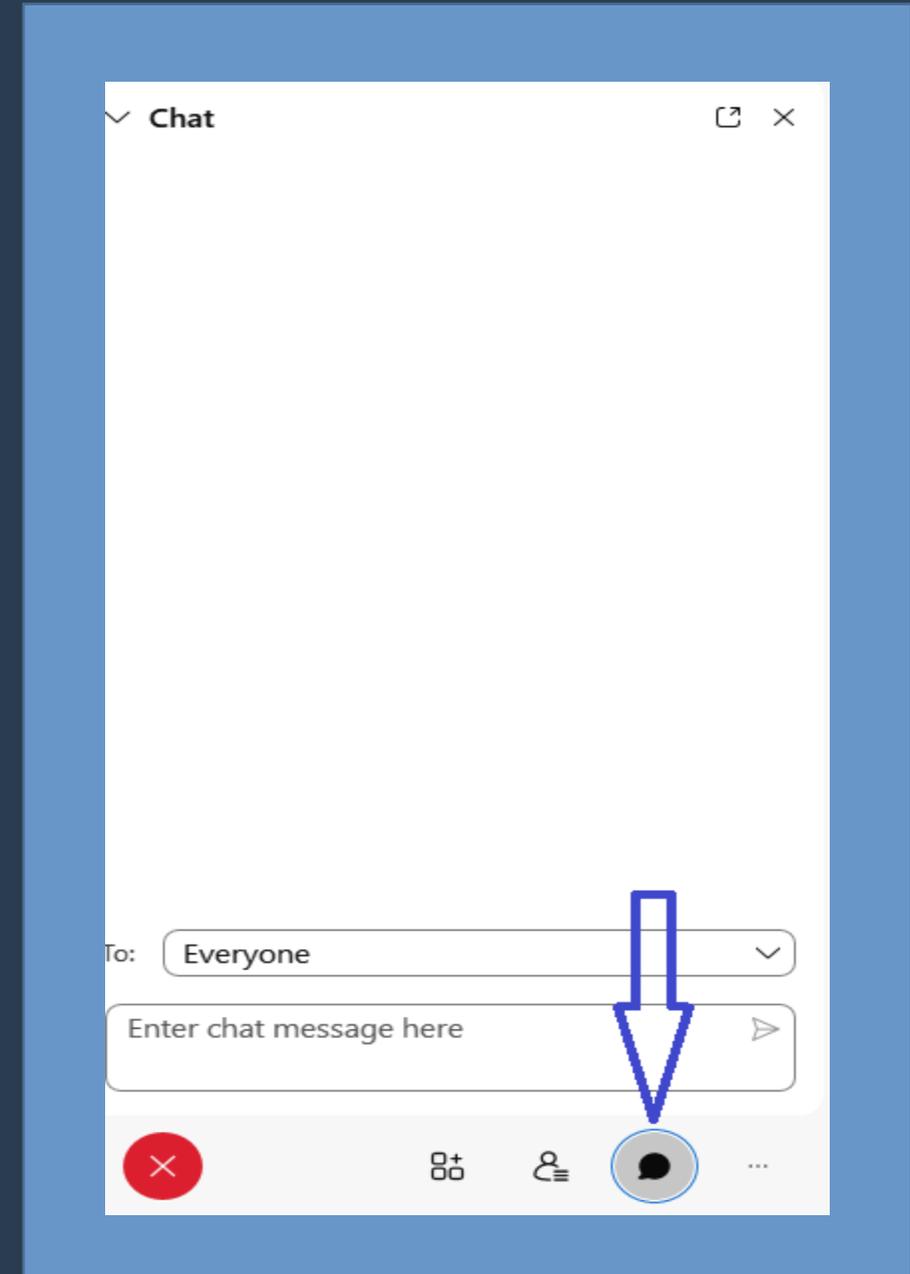


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