



July 17, 2024

VIA ELECTRONIC MAIL

Los Osos Community Services District
Utilities Advisory Committee
Email: ldurban@losososcsd.org

**RE: July 17, 2024 Utilities Advisory Committee Meeting, Agenda Item 4:
Comment on S&T Mutual Water Company Water System Consolidation Request**

Committee Members:

I am the general manager of the Coastal District for the Golden State Water Company (“Golden State Water”), a water utility regulated by the California Public Utilities Commission (“CPUC”). Golden State Water, together with the Los Osos Community Services District (“District”), the County of San Luis Obispo (“County”) and S&T Mutual Water Company (“S&T”), is a member of the Los Osos Basin Management Committee (“BMC”) which is charged with sustainable management of the Los Osos Groundwater Basin (“Basin”).

We reviewed the staff report for today’s meeting which included a consolidation analysis prepared by S&T (“S&T Analysis”). We are submitting this comment to correct several inaccuracies and misrepresentations in the S&T Analysis regarding Golden State Water’s water supply, water system and rates.

First, the S&T Analysis implies that Golden State Water may not have a long-term resilient water supply due to its reliance on the Basin, whereas LOCSD will have an additional water supply through a contemplated tie-in with the state water project (“Contemplated Tie-In Project”). Both Golden State Water and LOCSD, however, rely solely on the Basin for their water supply. Additionally, according to BMC’s Los Osos Basin Plan Groundwater Monitoring Program 2023 Annual Monitoring Report, the Basin does have adequate water to support the Los Osos community. With regards to the Contemplated Tie-In Project, this project would be a Basin resiliency project as opposed to a source of additional water supply for customers. The Contemplated Tie-In Project is still in its early infancy and it is unknown at this time how it would impact the water supply or rates of LOCSD or Golden State Water. Finally, it is worth noting that Golden State Water currently operates a nitrate treatment plant which improves Basin conditions and mitigates many of the resiliency concerns raised in the S&T Analysis.

The S&T Analysis also states that there is not a connection between the S&T and Golden State Water system and that a “capital project” would be required to install a new interconnection. We think that it is important to note that the two systems were historically connected so that Golden State Water could provide S&T with an emergency backup supply. This interconnection existed until recently when S&T voluntarily disconnected their system without any input from or discussion with Golden State Water. The two systems could, however, be easily reconnected with nominal expense (likely under \$1,000) and without undergoing a capital project.

Third, in comparing the rates of the three purveyors, the S&T Analysis utilizes Golden State Water's anticipated 2027 rates, yet shows existing rates for both S&T and LOCSD.¹ This representation is misleading since it compares Golden State Water's anticipated rates three years in the future to present-day rates for S&T and LOCSD. Although the CPUC publishes anticipated future rate increases to promote transparency, we assume that S&T and LOCSD may also consider rate increases over the next several years. The analysis also compares the purveyors' rates on a bi-monthly basis whereas Golden State Water sets rates on a monthly basis—this further clouds the comparison and shows a larger difference between rates than actually exists.

We ask respectfully that the Committee take these comments into consideration when presenting this material and information.

Sincerely,

Mark Zimmer
General Manager – Coastal District
Golden State Water Company

cc: Toby B. Moore, PhD, PG, CHG

¹ See S&T Analysis, Figure 2.