

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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09/28/24

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In the Matter of the Application of SAN JOSE WATER COMPANY (U168W) for an Order authorizing it to increase rates charged for water service by \$55,196,000 or 11.11% in 2025, by \$22,041,000 or 3.99% in 2026, and by \$25,809,000 or 4.49% in 2027.

A.24-01-001
(Filed January 2, 2024)

**SAN JOSE WATER COMPANY COMPLIANCE FILING OF
CORRECTED SETTLEMENT AGREEMENT**

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September 23, 2024

**BEFORE THE PUBLIC UTILITIES COMMISSION
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In the Matter of the Application of SAN JOSE WATER COMPANY (U168W) for an Order authorizing it to increase rates charged for water service by \$55,196,000 or 11.11% in 2025, by \$22,041,000 or 3.99% in 2026, and by \$25,809,000 or 4.49% in 2027.

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**SAN JOSE WATER COMPANY COMPLIANCE FILING OF
CORRECTED SETTLEMENT AGREEMENT**

As required by the September 23, 2024 *Email Ruling Requiring Updated Settlement Agreement and Supporting Revenue Requirement Appendices, Etc.*, San Jose Water Company (“San Jose Water”) hereby submits the *Corrected Settlement Agreement Between the Public Advocates Office and San Jose Water Company* (the “Corrected Settlement Agreement”), appended hereto as **Attachment A**. The Corrected Settlement Agreement includes updated amounts in the table in Section XIII.A.2. to remove uncollectibles and franchise fees and updated Appendix 1’s Table 1 and Table 4 that correct an error regarding income tax calculations.

Respectfully submitted,

September 23, 2024

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ATTACHMENT A

Corrected Settlement Agreement

**BEFORE THE PUBLIC UTILITIES COMMISSION
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**CORRECTED SETTLEMENT AGREEMENT BETWEEN
THE PUBLIC ADVOCATES OFFICE AND SAN JOSE WATER COMPANY**

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September 27, 2024

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**CORRECTED SETTLEMENT AGREEMENT BETWEEN
THE PUBLIC ADVOCATES OFFICE AND SAN JOSE WATER COMPANY**

I. GENERAL PROVISIONS

1) Pursuant to Article 12 of the Rules of Practice and Procedure (“Rules”) of the California Public Utilities Commission (“Commission”), the Public Advocates Office at the Public Utilities Commission (“Cal Advocates”) and San Jose Water Company (“San Jose Water”) (collectively, “the Parties,”) have agreed on the terms of this Settlement Agreement, which they now submit for the Commission’s review and consideration. This Settlement Agreement addresses all but two disputed issues.¹ The Parties respectfully request that the Commission approve the Settlement Agreement as submitted.²

2) The issues that the Parties agree to resolve through this Settlement Agreement are set forth in Section II below. For each issue, Section III describes the positions of the Parties, the difference between San Jose Water’s position and Cal Advocates’ position, and the resolution provided by the Settlement Agreement. Section III also provides references to the evidence of record relevant to each issue.

3) Because this Settlement Agreement represents a compromise of the Parties’ positions with respect to each issue addressed herein, the Parties have agreed upon the resolution of each issue addressed in the Settlement Agreement on the basis that its approval by the Commission should not be construed as an admission or concession by any Party regarding any fact or matter of law that may be in dispute in this proceeding. Furthermore, consistent with Rule 12.5 of the Rules, the Parties intend that the approval of this Settlement Agreement by the Commission should not be construed as a precedent or statement of policy of any kind for or

¹ The remaining disputed issues are Special Request 1 (San Jose Water’s request to incorporate chemical and waste disposal costs in its full cost balancing account) and Special Request 2 (San Jose Water’s request to update the uniform formula used to calculate a daily rate for the service charge to incorporate actual bill days of 362.02).

² This Corrected Settlement complies with the September 23, 2024 *Email Ruling Requiring Updated Settlement Agreement and Supporting Revenue Requirement Appendices, Etc.* The Parties updated Tables 1 and 4 of Appendix 1 to correct an error regarding income tax calculations. The Parties also corrected the amounts in the table in Section XIII.A.2. to remove uncollectibles and franchise fees.

against any Party in any current or future proceeding with respect to any issue addressed in the Settlement Agreement.

4) This Settlement Agreement is the product of a process of direct negotiation between the Parties. The Settlement Agreement is an all-party settlement.

5) The Parties agree that no signatory to the Settlement Agreement assumes any personal liability as a result of their execution of this document. All rights and remedies of the Parties are limited to those available before the Commission.

6) This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts together shall constitute one and the same instrument.

7) This Settlement Agreement constitutes and represents the entire agreement between the Parties and supersedes all prior and contemporaneous agreements, negotiations, representations, warranties and understandings of the Parties with respect to the subject matter set forth herein.

8) If the Commission approves the Settlement Agreement, the terms of the Settlement Agreement shall be binding on the Parties and their successors and assigns. If, after approval by the Commission, one Party fails to perform its respective obligations under this Settlement Agreement, the other Party may come before the Commission to pursue a remedy, including enforcement, and may pursue other judicial or administrative actions if such actions are authorized by law. However, in the event any dispute arises among or between any of the Parties to this Settlement Agreement, the Parties shall, before taking any judicial or administrative action concerning that dispute, provide written notice of the dispute to the other Parties and meet and confer in a good faith effort to resolve the dispute within fifteen days unless otherwise agreed. Any Party that is alleged to be in breach shall have fifteen days from that in-person meeting to cure, unless either the Parties have agreed to a shorter timeframe, or the dispute is deemed an especially time-urgent matter by any Party. Notwithstanding the foregoing, if the dispute is deemed to be an especially time-urgent matter by any Party, these time periods may be shortened and/or any Party may seek immediate relief after providing seventy-two hours' notice to the allegedly breaching Party.

9) The Parties agree that this Settlement Agreement is an integrated agreement, and the provisions of the Settlement Agreement are not severable and that the Parties will use their best efforts to obtain Commission approval of the Settlement Agreement by the Commission. Therefore:

a) If the Administrative Law Judge or a Commissioner issues a proposed decision that rejects, conditions, or modifies this Settlement Agreement or any term or portion thereof, each of the Parties shall, except to the extent they mutually agree not to object to such conditions or modifications or portions thereof, submit comments on the proposed decision supporting approval of the Settlement Agreement without change; and

b) If the Commission adopts a decision that rejects, conditions, or modifies any term or portion of this Settlement Agreement, the Parties shall meet and confer within fifteen days thereof and engage in good faith negotiations to determine whether to prepare and file a joint application for rehearing or petition for modification to seek to revise some or all terms of such decision inconsistent with the Settlement Agreement.

10) The Parties agree that this Settlement Agreement shall be governed by the laws of the State of California as to all matters, including validity, construction, effect, performance, and remedy.

11) Certain elements of San Jose Water's Application were not challenged by Cal Advocates and do not present contested issues. Similarly, the positions presented by Cal Advocates on certain issues were accepted by San Jose Water and also do not present contested issues. This Settlement Agreement does not address such uncontested matters except as noted specifically below.

12) References to the Parties' prepared testimony and reports are included with respect to each issue addressed in the Settlement Agreement. The referenced evidentiary materials are identified as follows:

EXHIBIT	TITLE
SJWC-01	Report on the Results of Operations (PUBLIC) Chapter 1 Introduction Chapter 2 History & Corporate Information Chapter 3 Present Operations Chapter 4 Financial Condition Chapter 5 Payroll, Personnel Additional, Employee Benefits, Executive Compensation Chapter 6 Sales Forecast and Affordability Metrics Report Chapter 7 Customer Sales and Operating Revenues Chapter 8 Operation & Maintenance Expense Chapter 9 Administrative & General Expense Chapter 10 Taxes Chapter 11 Utility Plant Chapter 11 Utility Plant AFUDC Chapter 12 Depreciation Reserve & Expense Chapter 13 Rate Base Chapter 14 Summary of Earnings Chapter 15 Rates Chapter 16 Water Quality

EXHIBIT	TITLE
	Chapter 17 Other Relief Sought Chapter 18 Water Conservation Chapter 19 Special Request #2 Chapter 20 Safety, Security & Emergency Management Chapter 21 Supply Forecast & Special Request #1 Chapter 22, Environmental & Social Justice
SJWC-01C	Report on the Results of Operations (CONFIDENTIAL) Chapter 1 Introduction Chapter 2 History & Corporate Information Chapter 3 Present Operations Chapter 4 Financial Condition Chapter 5 Payroll, Personnel Additional, Employee Benefits, Executive Comp Chapter 6 Sales Forecast and Affordability Metrics Report Chapter 7 Customer Sales and Operating Revenues Chapter 8 Operation & Maintenance Expense Chapter 9 Administrative & General Expense Chapter 10 Taxes Chapter 11 Utility Plant Chapter 11 Utility Plant AFUDC Chapter 12 Depreciation Reserve & Expense Chapter 13 Rate Base Chapter 14 Summary of Earnings Chapter 15 Rates Chapter 16 Water Quality Chapter 17 Other Relief Sought Chapter 18 Water Conservation Chapter 19 Special Request #2 Chapter 20 Safety, Security & Emergency Management Chapter 21 Supply Forecast & Special Request #1 Chapter 22, Environmental & Social Justice
SJWC-02	Capital Improvements Spreadsheet
SJWC-03	Capital Improvement Project and Program Justifications November 2023 (PUBLIC)

EXHIBIT	TITLE
SJWC-03C	Capital Improvement Project and Program Justifications November 2023 (CONFIDENTIAL)
SJWC-04	Appendix 1 - Capital Improvement Project and Program Justifications Appendices (PUBLIC)
SJWC-04C	Appendix 1 - Capital Improvement Project and Program Justifications Appendices (CONFIDENTIAL)
SJWC-05	Appendix 2 – Enterprise Asset Management Plan
SJWC-06	Appendix 3 – Mountain System Master Plan
SJWC-07	Appendix 4 – Inspection and Analysis of Steel Tanks Final Report
SJWC-08	Appendix 5 - Earth Embankment Reservoirs Inspections
SJWC-09	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Information Technology Positions
SJWC-10	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Employee Stock Purchase Plan and Cupertino Expense Allocation
SJWC-11	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Water Quality O&M Expenses
SJWC-12	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Information Technology Positions
SJWC-13	Rebuttal of San Jose Water Company to the Report and Recommendations of WRATES’ Joseph Weiss
SJWC-14	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Physical Security Related Capital Improvement Project and Expenses (PUBLIC)
SJWC-14C	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Physical Security Related Capital Improvement Project and Expenses (CONFIDENTIAL)
SJWC-15	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations
SJWC-16	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations Labor, Executive Compensation, Healthcare Expense, and SERP
SJWC-17	Rebuttal of San Jose Water Company to the Report and Recommendations of the Public Advocates Office on Company Dues and Miscellaneous Expenses

EXHIBIT	TITLE
SJWC-18	Rebuttal of San Jose Water Company to the Report and Recommendations of WRATES' John Klobe
SJWC-19	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Balancing and Memorandum Account, Special Requests, Working Cash, General Taxes, Uncollectible, Supply Expense, and Rate Design
SJWC-20	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Capital Improvements
SJWC-21	Rebuttal of San Jose Water Company to the Report and Recommendations of WRATES' Patrick Kearns
SJWC-22	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Chapter 12 and Depreciation and Retirements
SJWC-23	Rebuttal of San Jose Water Company to the Public Advocates Office Report and Recommendations on Allowance for Funds Used During Construction (AFUDC)
CalAdv-01	Report and Recommendations on Capital Improvement Projects (PUBLIC)
CalAdv-01C	Report and Recommendations on Capital Improvement Projects (CONFIDENTIAL)
CalAdv-02	ATTACHMENTS – Report and Recommendations on Capital Improvements Projects
CalAdv-03	Report and Recommendations on Expenses, Taxes, Rate Base, Rate Design, Balancing and Memo Accounts, Capital Improvement Projects, and Special Requests (PUBLIC)
CalAdv-03C	Report and Recommendations on Expenses, Taxes, Rate Base, Rate Design, Balancing and Memo Accounts, Capital Improvement Projects, and Special Requests (CONFIDENTIAL)
CalAdv-04	ATTACHMENTS – Report and Recommendations on Expenses, Taxes, Rate Base, Rate Design, Balancing and Memo Accounts, and Special Requests (PUBLIC)
CalAdv-04C	ATTACHMENTS – Report and Recommendations on Expenses, Taxes, Rate Base, Rate Design, Balancing and Memo Accounts, and Special Requests (CONFIDENTIAL)

13) The disposition of all issues resolved by this Settlement Agreement, along with all uncontested elements of revenue requirement, is presented in the Comparison Exhibit, which accompanies this Settlement Agreement as **Appendix 1** and is incorporated herein by this reference. In a series of tables, the Comparison Exhibit displays a comparative summary of the original positions of San Jose Water (as reflected in its 45-day update), Cal Advocates, and the agreed terms of this Settlement Agreement.

II. SUMMARY TABLE: TOTAL RATE INCREASE

The following table summarizes and compares the total rate increase, in dollars and percentages, for 2022, 2023, and 2024, as requested by San Jose Water in its Application, proposed by Cal Advocates in its testimony, and agreed to in this Settlement Agreement.³

Calendar Year	Rate Increase Requested by San Jose Water (In Dollars and Percentages)	Rate Increase Proposed by Cal Advocates (In Dollars and Percentages)	Rate Increase Agreed to in Settlement Agreement (In Dollars and Percentages)
2025	\$55,196,000 / 11.11%	\$19,399,330/3.75%	\$21,305,000/3.91%
2026	\$22,041,000 / 3.99%	\$7,754,950/1.44%	\$14,427,000/2.55%
2027	\$25,809,000 / 4.49%	\$9,389,000/1.72%	\$17,347,000/2.98%

III. PRESENT OPERATIONS (CHAPTER 3)

A. Customer Service

San Jose Water's service quality is in some instances below the standards listed in General Order 103-A. San Jose Water and Cal Advocates agree that updated technology is the key to better performance. These metrics will be reviewed in the next general rate case.

REFERENCES: Exhibit SJWC-01, Chapter 3, pp. 3-3 to 3-11; Exhibit SJWC-01C, Chapter 3, pp. 3-3 to 3-11; Exhibit CalAdv-03, pp. 16-6 to 16-12; Exhibit CalAdv-03C, pp. 16-6 to 16-12.

IV. PAYROLL, OVERTIME, PERSONNEL ADDITIONS, EMPLOYEE BENEFITS, EXECUTIVE COMPENSATION (CHAPTER 5)

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Total Salary Budget, including Officers' Compensation	\$68,179,000	\$59,338,000	\$8,841,000	\$61,149,000
Total Overtime Budget	\$2,637,000	\$2,634,000	\$3,000	\$2,715,000
Total Payroll, including Overtime	\$70,816,000	\$61,972,000	\$8,844,000	\$63,864,000

³ These are the overall rate increases agreed to by the Parties. If there are any errors, correction of those errors may not change the overall rate increase agreed to by the Parties. The 2026 and 2027 rate increases are estimates and will be adjusted to reflect inflation at the time of the advice letter filings.

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Total Payroll Details:				
Expensed Payroll	\$52,587,000	\$45,998,000	\$6,589,000	\$47,398,000
Capitalized Payroll (Direct to CWIP)	\$17,814,000	\$15,589,000	\$2,225,000	\$16,069,000
Payroll Charged to Associated Companies	\$253,000	\$202,000	\$51,000	\$208,000
Payroll, Cost Orders	\$229,000	\$183,000	\$46,000	\$189,000

A. Requested New Positions

ISSUE: In its application, San Jose Water requested recovery for 30 new positions serving different areas and departments, and provided position by position justification. Cal Advocates recommended that the Commission deny the request to include these new positions in rates on the grounds that customer growth has remained relatively flat, that San Jose Water's request includes unreasonably high salaries for several positions, and that San Jose Water has excess employee capacity as evidenced by its allocation of employee resources to non-regulated activities. In rebuttal testimony, San Jose Water argued that although customer growth has remained flat, providing water service has become increasingly complex.

RESOLUTION: The Parties agree that the 30 new proposed positions will not be included in rates for this general rate case. Therefore, the total authorized positions for this GRC is 406.

REFERENCES: Exhibit SJWC-01, Chapter 5, pp. 5-3 to 5-33; Exhibit SJWC-01C, pp. 5-3 to 5-33; Exhibit SJWC-09; Exhibit SJWC-11, pp. 1-8; Exhibit SJWC-12; Exhibit SJWC-14, pp. 1-13, Attachments B-C; Exhibit SJWC-14C, pp. 1-13, Attachments B-C; Exhibit SJWC-16, pp. 4; Exhibit CalAdv-03, pp. 5-3 to 5-6; Exhibit CalAdv-03C, pp. 5-3 to 5-6.

B. Executive Compensation

ISSUE: San Jose Water used current 2024 executive compensation to forecast 2025 compensation. San Jose Water's proposed executive compensation includes base salary, short-term incentive (STI) compensation, to award superior performance and reinforce short and long-term strategic goals and objectives, and long-term incentive (LTI) compensation, which is tied to achieving various milestones and satisfying service period requirements. Cal Advocates recommended that the Commission deny recovery in rates for STI and LTI, stating that the incentives do not provide tangible benefits to ratepayers and instead primarily benefit shareholders, and that executives base pay already compensates executives for basic duties compelled under California law. In rebuttal testimony, San Jose Water argued that incentive compensation is part of the total competitive compensation package necessary to attract and

retain talented executives, that 85% of its STI is directly tied to metrics that deliver for customers, communities, employees, and the environment, and that shareholder investments are crucial for funding necessary infrastructure improvements.

RESOLUTION: The Parties agreed to reduce officers' compensation budget by \$3,825,828, removing all Long-Term Incentive (LTI) budget of \$3,326,828 and reducing Short Term Incentive (STI) budget by \$499,000.

REFERENCES: Exhibit SJWC-01, Chapter 5, pp. 5-1 to 5-2, pp. 5-39 to 5-40; Exhibit SJWC-01C, Chapter 5, pp. 5-1 to 5-2, pp. 5-39 to 5-40, Attachment 3; Exhibit SJWC-16, pp. 5-6; Exhibit CalAdv-03, p. 5-6; Exhibit CalAdv-03C, p. 5-6.

C. Healthcare

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Healthcare	\$10,057,000	\$8,970,000	\$1,087,000	\$9,623,000

ISSUE: San Jose Water forecasted its healthcare costs by using estimates for 2024 rates and then escalating the rates using a five-year recorded average of rate increases to reach the 2025 amount. San Jose used estimates from its benefits broker for medical, dental and vision expenses in its original application. The actual rates for 2024 were subsequently made available. Cal Advocates argued that San Jose Water over-forecasted its 2025 healthcare costs by overestimating 2024 healthcare rates, and then by implementing an inaccurate escalation factor based on the 2024 rates. Cal Advocates also argued that San Jose Water's forecast does not account for the employee contributions to their healthcare plans, and that dental rates remained unchanged for the past five years. In rebuttal testimony, San Jose Water noted that premiums can fluctuate significantly due to factors like participant experience and market conditions. San Jose Water will continue to track the difference between the adopted and actual amounts in the Healthcare Balancing Account.

RESOLUTION: The Parties agree to include San Jose Water's 45-day update estimated healthcare expenses.

REFERENCES: Exhibit SJWC-01, Chapter 5, pp. 5-33 to 5-34, Attachment 1; Exhibit SJWC-01C, Chapter 5, pp. 5-33 to 5-34, Attachment 1; Exhibit SJWC-16, pp. 6-7; Exhibit CalAdv-03, pp. 5-8 to 5-10; Exhibit CalAdv-03C, pp. 5-8 to 5-10.

D. Pensions

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Pensions	\$7,468,000	\$4,560,000	\$2,908,000	\$7,378,000

ISSUE: San Jose Water estimated costs for the qualified retirement plan and supplemental executive retirement plan (SERP) using estimates in two areas: 1) interest rate environment and 2) gains and losses stemming from plan census experience. Cal Advocates recommended that the Commission deny recovery of SERP, citing D.24-03-042, in which the Commission denied recovery of SERP for California Water Service Company. Cal Advocates also recommended correcting the qualified retirement plan amount to \$4,560,000 as San Jose Water, in response to a Cal Advocates data request, identified a data entry error in which San Jose Water had incorrectly entered the amount as \$4,650,000. In rebuttal, San Jose Water noted that the Commission's denial of SERP costs in that decision was based on the program's lack of definition within the application and the sheer size of the fund, neither of which were applicable to San Jose Water.

RESOLUTION: The Parties agreed to include SERP in pension expenses and correct the qualified retirement plan to \$4,560,000.

REFERENCES: Exhibit SJWC-01, Chapter 5, pp. 5-34 to 5-35; Exhibit SJWC-01C, Chapter 5, pp. 5-34 to 5-35; Exhibit SJWC-16, pp. 7-9; Exhibit CalAdv-03, p. 5-11; Exhibit CalAdv-03C, p. 5-11.

E. Employee Stock Purchase Plan (ESPP)

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
ESPP	\$351,500	\$0	\$351,500	\$362,000

ISSUE: San Jose Water seeks recovery of costs for the ESPP, stating that it is an employee benefit that motivates employees to work efficiently, serve ratepayers better, while focusing on continuous improvement and cost saving measures. Cal Advocates argued that the Commission should deny recovery of ESPP costs, claiming that primarily benefit shareholders.

RESOLUTION: The Parties agree to include San Jose Water's 45-day update estimated ESPP expenses.

REFERENCES: Exhibit SJWC-10, pp. 1-2; Exhibit CalAdv-03, pp. 5-11 to 5-12; Exhibit CalAdv-03C, pp. 5-11 to 5-12.

V. OPERATION AND MAINTENANCE (CHAPTER 8)

A. Supply Costs

1. Purchased Water, Pump Tax,⁴ Recycled Water

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Purchased Water	\$111,268,000	\$120,894,000	-\$9,626,000	\$124,850,000
Pump Tax	\$90,422,000	\$97,876,000	-\$7,454,000	\$101,356,000
Recycled Water	\$5,278,000	\$5,836,000	-\$558,000	\$5,998,000

ISSUE: In its Application, San Jose Water forecasted purchased water, pump tax, and recycled water costs based on the forecasted quantity of water produced and the current rate for these items. Cal Advocates states that San Jose Water under-forecasted these items by using the same rates for 2024 and 2025, and ignoring inflation and other cost increases. In rebuttal, San Jose Water suggested using the actual rates for purchased water, pump tax, and recycled water in San Jose Water Advice Letter 609, which is for fiscal year July 1, 2024 to June 30, 2025.

RESOLUTION: The Parties agreed to use the rates in Advice Letter 609.

REFERENCES: Exhibit SJWC-01, Chapter 21, pp. 343-345; Exhibit SJWC-01C, Chapter 21, pp. 343-345; Exhibit SJWC-19, pp. 17-18; Exhibit CalAdv-03, pp. 8-3 to 8-6; Exhibit CalAdv-03C, pp. 8-3 to 8-6.

2. Chemicals

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Chemicals	\$974,000	\$861,000	\$113,000	\$861,000

ISSUE: San Jose Water based its chemical cost on the forecasted quantity of water produced from company wells, then applying the chemical cost per million gallons. In response to a data request from Cal Advocates, San Jose Water reviewed its chemical expense forecast and determined that it had erroneously included costs for treated tanks and reservoirs in its forecast of chemical costs for groundwater.

RESOLUTION: The Parties agree that the Commission should correct this error by removing these chemical costs.

⁴ San Jose Water also refers to pump tax as groundwater costs.

REFERENCES: Exhibit SJWC-01, Chapter 21, pp. 344-345; Exhibit SJWC-01C, Chapter 21, pp. 344-345; Exhibit CalAdv-03, p. 8-4; Exhibit CalAdv-03C, p. 8-4.

3. Purchased Power

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Purchased Power	\$8,562,000	\$8,820,000	-\$258,000	\$8,821,000

ISSUE: San Jose Water estimated purchased power based on the quantities of water delivered, the projected kilowatt-hour usage associated with the water delivered, and the unit cost per kWh and kWh/Ccf based upon the 2022 power cost for the water system. Cal Advocates argued that San Jose Water's estimate failed to account for potential power rate increases and the cost savings afforded by current and planned solar panel installations.

RESOLUTION: Parties agree to Cal Advocates estimates.

REFERENCES: Exhibit SJWC-01, Chapter 21, pp. 346-347; Exhibit SJWC-01C, Chapter 21, pp. 346-347; Exhibit CalAdv-03, pp. 8-7 to 8-8; Exhibit CalAdv-03C, pp. 8-7 to 8-8.

B. Purchased Services

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Purchased Services	\$24,029,000	\$20,242,000	\$3,787,000	\$20,184,000

ISSUE: San Jose Water generally estimated its purchased services expenses using an inflation adjusted five-year average. This category also included costs related to the Water Quality Master Plan and increased costs for security services. Cal Advocates argued that San Jose Water failed to provide adequate support for its request for a Water Quality Master Plan and for security guard services. Cal Advocates also stated that San Jose Water included a calculation error in its workpapers that inflates purchased services request.

RESOLUTION: The Parties agreed to adjust the purchased services expense forecast to correct the error identified by Cal Advocates, include the estimated cost for the Water Quality Master Plan, reduce the estimated costs for guard services, correct the calculation error, and remove expenses that were included in error.

REFERENCES: Exhibit SJWC-01, Chapter 8, p. 8-3, Chapter 16, pp. 16-12 to 16-13; Exhibit SJWC-01C, Chapter 8, p. 8-3, Chapter 16, pp. 16-12 to 16-13; Exhibit SJWC-03, pp. 749-834; Exhibit SJWC-03C, pp. 749-834; Exhibit SJWC-04, Index #5284; Exhibit SJWC-04C, Index

#5284; Exhibit SJWC-11, p. 9; Exhibit SJWC-14, pp. 3-8, Attachments B-C; Exhibit SJWC-14C, pp. 3-8, Attachments B-C; Exhibit CalAdv-03, pp. 8-9 to 8-10, 16-5 to 16-6.

C. Conservation

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Conservation	\$1,079,000	\$847,000	\$232,000	\$847,000

ISSUE: San Jose Water forecasted its conservation expenses using a five-year (2019-2023) escalated average. Cal Advocates forecasted conservation expenses using a four-year (2020-2023) escalated average. Cal Advocates argued that a four-year escalated average provides a more reasonable representation of San Jose Water's recent decline in conservation spending. Cal Advocates also argued that several recorded expenditures were unrelated to conservation and therefore should be removed from total recorded expenses.

RESOLUTION: The Parties agree to use a four-year (2020-2023) escalated average.

REFERENCES: Exhibit SJWC-01, Chapter 8, pp. 8-1 to 8-2, Chapter 18; Exhibit SJWC-01C, Chapter 8, pp. 8-1 to 8-2, Chapter 18; Exhibit SJWC-18; Exhibit CalAdv-03, pp. 8-10 to 8-13; Exhibit CalAdv-03C, pp. 8-10 to 8-13.

D. Non-Tariffed Products & Services and A&G Transfers

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
NTP&S	-\$1,234,000	-\$1,240,000	\$6,000	-\$1,240,000
A&G Transfers	-\$12,536,000	-\$14,623,000	\$2,087,000	\$-12,929,000

ISSUE: San Jose Water participates in several business activities employing utility assets that would otherwise go underutilized, including a lease agreement to operate the City of Cupertino's water system. San Jose Water allocates the revenues from these businesses between shareholders and customers according to the Commission's rules for NTP&S. San Jose Water allocated \$345,984 of shared A&G expenses to Cupertino. Cal Advocates argues that San Jose Water is allocating too small a portion of its overall O&M and A&G budget to Cupertino, and that the allocation should be increased based on San Jose Water's average budget per connection, to reflect the hours of employee labor necessary to provide the Cupertino system with an equal standard of service. Cal Advocates also argued that, because miscellaneous expenses are classed as passive, 30% of City of San Jose Misc. revenue should be allocated to ratepayers. In rebuttal, San Jose Water noted that its allocation is based on the four-factor allocation methodology for shared services in Standard Practice U-6 and that San Jose Water provided a log of actual time spent directly on Cupertino matters.

RESOLUTION: The Parties agree to adopt Cal Advocates NTP&S and San Jose Water's 45-day update A&G allocation for Cupertino.

REFERENCES: Exhibit SJWC-01, Chapter 8, p. 8-4 to 8-5; Exhibit SJWC-01C, Chapter 8, p. 8-4 to 8-5; Exhibit SJWC-10, pp. 2-5; Exhibit CalAdv-03, pp. 8-21 to 8-25; Exhibit CalAdv-03C, pp. 8-21 to 8-25.

E. Uncollectibles

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Uncollectibles %	0.3044%	0.1126%	0.1918%	0.1903%

ISSUE: San Jose Water proposes to use a five-year average uncollectible rate escalated by 50% to account for the implementation of Senate Bill (SB) 998. Because the five-year average includes COVID-19 related arrearages, San Jose Water also proposed an Uncollectible Expense Balancing Account to track the divergence between the authorized and actual uncollectible expenses (addressed below). Cal Advocates recommends using the five-year average of 2018-2022 recorded ratio of recorded uncollectible expenses to recorded total operating revenue as the uncollectible rate, to avoid including COVID-19 related arrearages. Cal Advocates argues that 2023 uncollectible costs, which includes the COVID-19 arrearages, represent a 679% increase over the 2018-2022 five-year recorded average and are unlikely to occur again in the future. In rebuttal, San Jose Water argued that by not using 2023 data, Cal Advocates' rate does not take into account the current bad debt climate and the effects of the implementation of SB 998, which allows more time for customers to pay arrearages.

RESOLUTION: The Parties agreed on a five-year average adjusted to reflect the pandemic buffer⁵ adjustment of \$1.07 million.

REFERENCES: Exhibit SJWC-01, Chapter 17, pp. 17-5 to 17-6; Exhibit SJWC-01C, Chapter 17, pp. 17-5 to 17-6; Exhibit SJWC-19, pp. 13-15; Exhibit CalAdv-03, pp. 8-25 to 8-27; Exhibit CalAdv-03C, pp. 8-25 to 8-27.

VI. ADMINISTRATIVE AND GENERAL EXPENSE (CHAPTER 9)

A. Office Supplies and Expenses

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Office Supplies	\$3,988,000	\$4,054,000	-\$66,000	\$4,090,000

ISSUE: San Jose Water developed its forecast for office supplies and expenses based on a five-year inflation adjusted average of recorded expenses covering the period from 2019-2023. Cal

⁵ See D.21-07-029, pp. 78, 84.

Advocates argued that some of the expenses in this category are inappropriate items that are excessive and do not serve the interest of ratepayers and should be adjusted from the 45-day update.

RESOLUTION: Parties agree to adopt San Jose Water's 45-day update estimate.

REFERENCES: Exhibit SJWC-01, Chapter 9, pp. 9-1 to 9-2; Exhibit SJWC-01C, Chapter 9, pp. 9-1 to 9-2; Exhibit CalAdv-03, pp. 9-3 to 9-5; Exhibit CalAdv-03C, pp. 9-3 to 9-5.

B. Company and Employee Dues and Memberships

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Dues	\$781,000	\$155,000	\$626,000	\$713,000

ISSUE: San Jose Water developed its forecast for dues and memberships by generally applying year-over-year inflation to arrive at forecasted test year expenses, and the removing non-deductible lobbying expenses to arrive at final forecast for 2025. Cal Advocates recommended that the Commission remove all expenses related to the American Water Works Association (AWWA), the California Water Association (CWA), and the National Association of Water Companies (NAWC), claiming that the primary purpose of these organizations is lobbying. Cal Advocates argued that publicly available documentation shows that these organizations have either made direct lobbying contributions at the state and federal levels or have strong ties to firms that engage in lobbying activities. In rebuttal, San Jose Water argued that AWWA is not a lobbying organization and that the Commission relies on AWWA standards. With respect to CWA and NAWC, San Jose Water argued that these organizations have purposes other than lobbying, and that San Jose Water had already removed portions of dues related to lobbying.

RESOLUTION: The Parties agreed to adopt San Jose Water's 45-day Update estimates.

REFERENCES: Exhibit SJWC-01, Chapter 9, pp. 9-1 to 9-2; Exhibit SJWC-01C, Chapter 9, pp. 9-1 to 9-2; Exhibit SJWC-17, pp. 2-6; Exhibit CalAdv-03, pp. 9-5 to 9-11; Exhibit CalAdv-03C, pp. 9-5 to 9-11.

C. Miscellaneous Expenses – Outside Services

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Misc. Outside Services	\$6,116,000	\$5,975,000	\$141,000	\$6,053,000

ISSUE: San Jose Water included in this category costs for the Gualco Group. Cal Advocates argued that these are lobbying costs and thus should be removed. Cal Advocates also argued that other Outside Services costs provided no tangible benefit to ratepayers and should be removed from recorded expenses. In rebuttal, San Jose Water explained that it has not engaged Gualco

Group to lobby directly on its behalf, and that the Gualco Group provides advisory and consulting services on legislative and policy matters related to the water industry. Nonetheless, San Jose Water offered to remove 5% of the annual Gualco Group expenses to reflect possibly lobbying costs.

RESOLUTION: The Parties agreed to adopt San Jose Water's 45-day Update estimates.

REFERENCES: Exhibit SJWC-17, pp. 5-6; Exhibit CalAdv-03, pp. 9-11 to 9-13; Exhibit CalAdv-03C, pp. 9-11 to 9-13.

VII. TAXES (CHAPTER 10)

A. California Corporate Franchise Tax (CCFT)

ISSUE: San Jose Water calculated CCFT for 2024 based on estimated 2024 costs, and used that amount to calculate 2025 federal income tax (FIT) expense. Cal Advocates argued that San Jose Water incorrectly used a CCFT amount based on estimated costs, and that an estimate of 2024 CCFT should not be deducted from 2025 FIT when the authorized 2024 CCFT amount is available from Advice Letter 605, and that ratepayers should receive a deduction that matches what they will fund through rates. In rebuttal, San Jose Water argued that it used the Commission-approved methodology of including the prior year CCFT number to calculate the 2025 FIT and that a given year's CCFT expense is not available as a deduction for FIT until the following year.

RESOLUTION: Parties agreed to use the Commission authorized 2024 CCFT amount of \$7,543,600 in calculating TY 2025 federal income tax amount.

REFERENCES: Exhibit SJWC-15, pp. 1-2; Exhibit CalAdv-03, pp. 10-2 to 10-3.

B. Business License Fee

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Business Licensing Fee	\$173,000	\$173,000	\$0	\$175,000

ISSUE: The business license for the City of San Jose is a fixed amount, while the business license for the Town of Los Gatos is determined by the number of installed fire hydrants. San Jose Water forecasted these amounts by taking the last recorded Business License fee and escalating it by the composite rate. Cal Advocates argued that San Jose Water should not have escalated the City of San Jose fee because it is fixed amount. In rebuttal San Jose Water clarified that although the City of San Jose fee is a fixed amount, which is not calculated by using the number of fire hydrants like the Town of Los Gatos, it is still subject to increases.

RESOLUTION: The Parties agreed to adopt San Jose Water's 45-day update estimate.

REFERENCES: Exhibit SJWC-01, Chapter 10, p. 10-1; Exhibit SJWC-01C, Chapter 10, p. 10-1; Exhibit SJWC-19, p. 16; Exhibit CalAdv-03, pp. 10-3 to 10-4; Exhibit CalAdv-03C, pp. 10-3 to 10-4.

C. Payroll Tax – Federal Insurance Contribution Act (FICA)

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Payroll Tax	\$4,866,000	\$3,770,000	\$1,096,000	\$3,804,000

ISSUE: San Jose Water estimated FICA based on the five-year average tax rate. Cal Advocates recommend that San Jose Water use the same method that it used to estimate unemployment insurance taxes, with an income cap of \$168,600. In rebuttal, San Jose Water generally agreed with this approach, but recommends inflating the 2024 income cap of \$168,600 by the labor inflation rate of 2.6%.

RESOLUTION: The Parties agreed to the approach recommended in San Jose Water’s rebuttal testimony.

REFERENCES: Exhibit SJWC-01, Chapter 10, p. 10-2; Exhibit SJWC-01C, Chapter 10, p. 10-2; Exhibit SJWC-19, p. 17.

VIII. UTILITY PLANT (CHAPTER 11)

A. Allowance for Funds Used During Construction (AFUDC)

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
AFUDC \$	\$7,064,000	\$1,839,000	\$5,225,000	\$3,952,000

ISSUE: San Jose Water proposes that the rate for AFUDC be set at the weighted average cost of capital to reflect the financing costs incurred during construction of capital projects. Cal Advocates recommends that the Commission use an AFUDC rate equal to the average cost of SJWC’s lowest cost form of financing over the previous GRC period, 2021-2023, as an AFUDC rate based on the weighted average cost of capital would not be allowed in a competitive environment. As a substitute for competition, the Commission must prevent ratepayers from funding profit on assets not yet used and useful.

RESOLUTION: The Parties agree that the AFUDC rate should be set at San Jose Water’s current authorized cost of debt.

REFERENCES: Exhibit SJWC-01, Chapter 11; Exhibit SJWC-01C, Chapter 11; Exhibit SJWC-23; Exhibit CalAdv-03, pp. 11-2 to 11-7; Exhibit CalAdv-03C, pp. 11-2 to 11-7.

B. Capital Budget

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Capital Budget (2024-2026)	\$540,000,000	\$299,000,000	\$241,000,000	\$450,000,000

ISSUE: In its Application, San Jose Water proposed a number of capital projects in its company-funded capital expenditure budget for this GRC. Cal Advocates made several recommendations regarding both specific capital projects and other adjustments that would reduce the authorized capital budget for this GRC period. In its rebuttal testimony, San Jose Water disagreed with Cal Advocates' recommendations and provided responses to both specific capital projects and other adjustments.

RESOLUTION: The Parties agree to a total 3-year budget (2024-2026) of \$450,000,000 (\$140,000,000 in 2024, \$150,000,000 in 2025, and \$160,000,000 in 2026). Included as Appendix 2 is a list of projects that support this budget. San Jose Water has the discretion to manage the overall capital budget to best serve its customers, including delaying, postponing, or substituting the projects listed in the attachment.

REFERENCES: Exhibit SWJC-02; Exhibit SWJC-03; Exhibit SWJC-03C; Exhibit SWJC-04; Exhibit SWJC-04C; Exhibit SWJC-05; Exhibit SWJC-06; Exhibit SWJC-07; Exhibit SWJC-08; Exhibit SWJC-14, pp. 14-23, Attachments D-F; Exhibit SJWC-14C, pp. 14-23, Attachments D-G; Exhibit SWJC-20; Exhibit SWJC-21; Exhibit CalAdv-01; Exhibit CalAdv-01C; Exhibit CalAdv-02.

IX. DEPRECIATION RESERVE AND EXPENSE (CHAPTER 12)

A. Depreciation

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Depreciation Reserve	\$961,000,000	\$996,000,000	-\$35,000,000	\$968,000,000

ISSUE: San Jose Water accrues depreciation based on the original cost of all property included in each depreciable plant account. On retirement, the full cost of depreciable property, less the net salvage amount, if any, is charged to the depreciation reserve. Consistent with Standard Practice U-4, San Jose Water's depreciation study used the straight-line, average life group, remaining-life depreciation system to calculate annual and accrued depreciation. Cal Advocates argued that the Commission should exclude San Jose Water's proposed additional retirement from General Plant because the new vintage group amortization for General Plant is not favorable for ratepayers and increase San Jose Water's depreciation reserves due to alleged extraordinary early retirements. In rebuttal, San Jose Water noted that implementing vintage group amortization has no financial impact on customers and helps reduce the administrative

burden related to tracking small dollar, large volume assets and ensures the timely retirement of those assets. San Jose Water also argued that characterizing retirements earlier than the average useful life as extraordinary is inaccurate and inconsistent with the Standard Practice, and that increasing San Jose Water's depreciation reserve will inappropriately reduce the net book value of San Jose Water's assets.

RESOLUTION: The Parties agree to use San Jose Water's depreciation methodology.

REFERENCES: Exhibit SJWC-01, Chapter 12, Attachment A; Exhibit SJWC-01C, Chapter 12, Attachment A; Exhibit SJWC-22; Exhibit CalAdv-03, pp. 12-1 to 12-11; Exhibit CalAdv-03C, pp. 12-1 to 12-11.

X. RATE BASE (CHAPTER 13)

A. Revenue Lag Days

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Revenue Lag	60.8	54.8	6.0	54.8

ISSUE: San Jose Water proposed 60.8 days for revenue lag, based on San Jose Water's accounts receivables. Cal Advocates recommended 54.8 days for revenue lag, to take into account funding for COVID-related arrearages. In rebuttal, San Jose Water stated that its revenue lag calculation already included this funding.

RESOLUTION: The Parties agree to 54.8 days for revenue lag.

REFERENCES: Exhibit SJWC-01, Chapter 13, p. 13-2, Tables 13-F and 13-G; Exhibit SJWC-01C, Chapter 13, p. 13-2, Tables 13-F and 13-G; Exhibit SJWC-19, pp. 15-16; Exhibit CalAdv-03, pp. 13-2 to 13-3; Exhibit CalAdv-03C, pp. 13-2 to 13-3.

B. Payroll Taxes Lag Days

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Payroll Tax Lag	3.1	20.7	-17.6	15.6

ISSUE: San Jose Water proposed a payroll taxes lag of 3.1 days, based on the difference between when it pays employees and when it pays taxes for payroll. Cal Advocates argued that this methodology is incorrect, and recommended a payroll taxes lag of 20.7 days, which incorporates the entire payroll tax period. In rebuttal, San Jose Water agrees with Cal Advocates' recommendation to include the day from which the employees accrue payroll, but disagreed with the Cal Advocates calculation and recommended adding 3.1 lag days to the payroll lag days of 12.5.

RESOLUTION: The Parties agree to payroll taxes lag of 15.6 days.

REFERENCES: Exhibit SJWC-01, Chapter 13, p. 13-2, Tables 13-F and 13-G; Exhibit SJWC-01C, Chapter 13, p. 13-2, Tables 13-F and 13-G; Exhibit SJWC-19, p. 16; Exhibit CalAdv-03, pp. 13-3 to 13-4; Exhibit CalAdv-03C, pp. 13-3 to 13-4.

XI. RATE DESIGN (CHAPTER 15)

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Service Charge Recovery	50%	45%	5%	48%

ISSUE: San Jose Water proposed to recover 50% of total revenues via the service charge, citing D.16-12-026, page 88, Ordering Paragraph 13. Cal Advocates proposed recovery of 45% of total revenues via the service charge, citing conservation concerns and data regarding total bill trends.

RESOLUTION: The Parties agree that the rates design should provide for recovery of 48% of total revenues via the service charge.

REFERENCES: Exhibit SJWC-01, Chapter 15, p. 15-2; Exhibit SJWC-01C, Chapter 15, p. 15-2; Exhibit SJWC-19, pp. 18-19; Exhibit Cal-Adv-03, pp. 15-3 to 15-4; Exhibit Cal-Adv-03C, pp. 15-3 to 15-4.

XII. WATER QUALITY (CHAPTER 16)

The State Water Resources Control Board currently finds no outstanding water quality violations, indicating that San Jose Water complies with current water quality standards.

REFERENCES: Exhibit SJWC-01, Chapter 16; Exhibit SJWC-01C, Chapter 16; Exhibit CalAdv-03, pp. 16-1 to 16-6; Exhibit CalAdv-03C, pp. 16-1 to 16-6.

XIII. OTHER RELIEF SOUGHT (CHAPTER 17)

A. Balancing and Memorandum Accounts

1. Pension Expense Balancing Account (PEBA)

ISSUE: San Jose Water proposed to continue the existing Pension Expense Balancing Account because retirement cost expenses can be significantly impacted by both interest rates and the performance of the plan assets. Cal Advocates argued that this balancing account should be closed because pension expenses can be reasonably forecast and the use of a balancing account can disincentivize San Jose Water to control costs. In rebuttal, San Jose Water provided data regarding volatility of these expenses and explained that the performance of plan assets is typically driven by broad macroeconomic conditions outside of San Jose Water's control and can result in significant variations in pension expense from year to year.

RESOLUTION: The Parties agreed that the Pension Expense Balancing Account should remain open.

REFERENCES: Exhibit SJWC-19, pp. 4-6; Exhibit CalAdv-03, pp. 16-8; Exhibit CalAdv-03C, pp. 16-8.

2. Catastrophic Event Memorandum Accounts (CEMA)

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
CEMA Accounts ⁶	\$4,910,801 <u>\$4,785,331</u>	\$316,105 <u>\$263,778</u>	\$4,594,696 <u>\$4,521,553</u>	\$923,399 <u>\$859,187</u>

ISSUE: Cal Advocates recommends that the Commission not allow San Jose Water to clear its COVID CEMA accounts until all possibility of additional funding is exhausted. Cal Advocates also recommended adjustments to the CEMA Storm 2023 and CEMA March 2023 accounts to remove Purchasing & Stores expenses. In rebuttal San Jose Water noted that the Commission ordered water utilities to close COVID CEMA accounts in D.24-01-034 and that it will book an amount to credit if any residual funds are received. San Jose Water also explained that while Purchasing & Stores expenses were tracked in the CEMA Storm 2023 and CEMA March 2023 subledgers, they were adjusted out of the memorandum accounts.

RESOLUTION: Parties agree to San Jose Water's 45-day Update estimate for CEMAs and include a credit adjustment of \$3.96M to COVID AR Reserve to reflect a reduction in bad debt expenses, including the effects of arrearage funding San Jose Water received in March 2024.

REFERENCES: Exhibit SJWC-01, Chapter 17, pp. 17-1 to 17-2; Exhibit SJWC-01C, Chapter 17, pp. 17-1 to 17-2; Exhibit SJWC-19, pp. 2-4; Exhibit CalAdv-03, pp. 16-23 to 16-29; Exhibit CalAdv-03C, pp. 16-23 to 16-29.

3. Full Cost Balancing Account (FCBA)

ISSUE: Cal Advocates recommended that the Commission replace San Jose Water's existing Full Cost Balancing Account (FCBA) with an incremental cost balancing account (ICBA). Cal Advocates claimed that the FCBA operated identically to the Modified Cost Balancing Accounts (MCBA) the Commission had previously approved in conjunction with decoupling mechanisms and that remove San Jose Water's incentive to reduce expenses. In rebuttal testimony, San Jose Water pointed out the differences between the FCBA and the MCBA, and noted that even with the FCBA it had chosen the least cost water supply mix. San Jose Water also provided data regarding the variability of its water supply mix, which made it a bad fit for an ICBA.

⁶ The figures in this table have been updated to remove uncollectibles and franchise fees.

RESOLUTION: The Parties agreed to maintain the FCBA.⁷

REFERENCES: Exhibit SJWC-01, Chapter 17, pp. 17-5; Exhibit SJWC-01C, Chapter 17, pp. 17-5; Exhibit SJWC-19, pp. 7-11; Exhibit CalAdv-03, Chapter 17, pp. 16-6 to 16-8; Exhibit CalAdv-03C, Chapter 17, pp. 16-6 to 16-8.

B. Special Request 3 – Customer Assistance Program (CAP) Credit Card or Electronic Payment Transaction Fees

	San Jose Water Position	Cal Advocates Position	Difference	Settlement
Credit Card Fees	\$1,495,286	\$1,139,469	\$355,817	\$1,139,469
CAP Surcharge	\$2.70	\$2.61	\$0.07	\$2.61

ISSUE: San Jose Water proposed in Special Request 3 update the CAP surcharge and to include credit/debit card and electronic payment fees in the CAP Balancing Account expense to be paid by non-CAP customers. Cal Advocates agrees with this proposal, but recommends a downward adjustment to the estimated credit/debit card transaction costs for 2025 because the estimate includes data related to a one-time event in 2023.

RESOLUTION: The Parties agree to Cal Advocates' proposed adjustment.

REFERENCES: Exhibit SJWC-01, Chapter 17, pp. 17-3 to 17-4; Exhibit SJWC-01C, Chapter 17, pp. 17-3 to 17-4; Exhibit CalAdv-03, pp. 16-11 to 16-12, 16-7; Exhibit CalAdv-03C, pp. 16-11 to 16-12, 16-7.

C. Special Request 4 – Uncollectible Expense Balancing Account

ISSUE: San Jose Water's Application noted that the uncollectible amount markedly changed during the COVID pandemic when shutoffs for nonpayment were disallowed, and that even when shutoffs resumed, they were limited by the implementation of SB 998. San Jose Water proposed in Special Request 4 establish an Uncollectible Expense Balancing Account to track the divergence between the authorized and actual uncollectible expenses. Cal Advocates argued that balancing accounts are for events of exceptional nature and that San Jose Water has not shown that it is difficult to forecast uncollectibles. In rebuttal, San Jose Water argued that uncollectibles are difficult to forecast due to the effects of COVID and SB 998.

RESOLUTION: The Parties agreed that the Commission should not approve Special Request 4.

REFERENCES: Exhibit SJWC-01, Chapter 17, pp. 17-5 to 17-6; Exhibit SJWC-01C, Chapter 17, pp. 17-5 to 17-6; Exhibit SJWC-19, pp. 13-15; Exhibit CalAdv-03, Chapter 17, pp. 16-12 to 16-13; Exhibit CalAdv-03C, Chapter 17, pp. 16-12 to 16-13.

⁷ As noted above, Special Request 1, in which San Jose Water requests to include chemical and water removal costs in the FCBA, was not settled.

XIV. SAFETY (CHAPTER 20)

A. Emergency Management

San Jose Water's emergency management program complies with current requirements. San Jose Water should comply with Attachment B of D.21-05-019, once the Commission updates the General Order 103-A to reflect that decision.

REFERENCES: Exhibit SJWC-01, Chapter 20; Exhibit SJWC-01C, Chapter 20; Exhibit CalAdv-03, Chapter 20; Exhibit CalAdv-03C, Chapter 20.

XV. ENVIRONMENTAL AND SOCIAL JUSTICE

San Jose Water has a large percentage of ESJ customers. San Jose Water's Utility Supplier Diversity Program (USDP) and Diversity, Equity, and Inclusion (DEI) programs should help the Commission achieve its ESJ Action Plan goals. The investments and programs cited by San Jose Water in Environmental and Social Justice chapter may contribute to achieving ESJ Action Plan goals, but must be evaluated on their own merit.

REFERENCES: Exhibit SJWC-01, Chapter 22; Exhibit SJWC-01C, Chapter 22; Exhibit CalAdv-03, Chapter 22; Exhibit CalAdv-03C, Chapter 22.

XVI. CONCLUSION

1. The Parties mutually believe that, based on the terms and conditions set forth above, this Settlement Agreement is reasonable, consistent with the law, and in the public interest.
2. Each Party to this Settlement Agreement represents that his or her signature to this Settlement Agreement binds his or her respective party to the terms of this Settlement Agreement.

Respectfully submitted,

THE PUBLIC ADVOCATES OFFICE

By: /s/ Chris Ungson
Chris Ungson
Deputy Director

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Dated: September 27, 2024

Respectfully submitted,

SAN JOSE WATER COMPANY

By: /s/ John Tang
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Dated: September 27, 20224

APPENDIX 1

Comparison Exhibit

APPENDIX 1: DETAILED JOINT COMPARISON EXHIBIT

TABLE 1:

TEST YEAR 2025 SUMMARY OF EARNINGS AT PRESENT AND PROPOSED RATES

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	Summary of Earnings at Present Rates				
2	Operating Revenue	\$517,718	\$544,435	\$517,718	\$496,783
3					
4	Operating & Maintenance Expense	\$288,337	\$297,205	\$280,428	\$279,829
5	Administrative & General Expense	\$39,584	\$46,379	\$49,593	\$50,477
6	Taxes Other Than Income	\$18,316	\$18,899	\$19,955	\$19,637
7	Depreciation & Amortization	\$78,317	\$79,861	\$79,936	\$78,456
8	Income Taxes	\$14,797	\$17,875	\$13,680	\$8,042
9	Total Operating Expenses	\$439,351	\$460,218	\$443,593	\$436,441
10					
11	Net Operating Revenue	\$78,366	\$84,216	\$74,125	\$60,343
12					
13	Depreciated Rate Base	\$1,167,648	\$1,260,227	\$1,288,745	\$1,257,564
14	Rate of Return	6.71%	6.68%	5.75%	4.80%
15					
16	Summary of Earnings at Proposed Rates				
17	Operating Revenue	\$537,117	\$565,740	\$556,668	\$551,980
18					
19	Operating & Maintenance Expense	\$288,381	\$297,245	\$280,564	\$279,997
20	Administrative & General Expense	\$39,584	\$46,379	\$49,593	\$50,477
21	Taxes Other Than Income	\$18,358	\$18,946	\$20,040	\$19,766
22	Depreciation & Amortization	\$78,317	\$79,861	\$79,936	\$78,456
23	Income Taxes	\$20,679	\$24,206	\$25,262	\$24,462
24	Total Operating Expenses	\$445,320	\$466,636	\$455,396	\$453,158
25					
26	Net Operating Revenue	\$91,797	\$99,104	\$101,272	\$98,822
27					
28	Depreciated Rate Base	\$1,167,648	\$1,260,227	\$1,288,745	\$1,257,564
29	Rate of Return	7.86%	7.86%	7.86%	7.86%

*SJWC/Cal Advocates Settlement include rate changes and increased purchased water and groundwater extraction unit costs as authorized by the CPUC via Advice Letters 609

**Highlighted cells represent the the corrected amount

A.24-01-001

Detailed Joint Comparison Exhibit of
San Jose Water Company and Cal Advocates
Submitted on January 2, 2024

APPENDIX 1: DETAILED JOINT COMPARISON EXHIBIT

TABLE 2:

TEST YEAR 2025 SUMMARY OF REVENUES AT PRESENT AND PROPOSED RATES

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	Oper. Revenues at Present Rates				
2	Residential	\$315,321	\$329,846	\$315,321	\$302,344
3	Business	\$152,987	\$162,395	\$152,987	\$147,076
4	Industrial	\$1,316	\$1,403	\$1,316	\$1,266
5	Public Authority	\$25,121	\$26,769	\$25,121	\$24,198
6	Resale	\$1,694	\$1,832	\$1,694	\$1,348
7	Other	\$2,645	\$2,700	\$2,645	\$2,460
8	Raw Water	\$883	\$999	\$883	\$877
9	Recycled Water	\$8,613	\$9,353	\$8,613	\$8,338
10	Upsize Residential Fire Service	\$486	\$486	\$486	\$463
11	Private Fire Service	\$7,752	\$7,752	\$7,752	\$7,421
12					
13	Subtotal	\$516,818	\$543,535	\$516,818	\$495,791
14					
15	Misc. & Deferred Revenue	\$900	\$900	\$900	\$992
16					
17	Total Revenues at Present Rates	\$517,718	\$544,435	\$517,718	\$496,783
18					
19	Oper. Revenues at Proposed Rates				
20	Residential	\$330,339	\$351,066	\$346,757	\$343,742
21	Business	\$156,387	\$162,635	\$158,864	\$157,789
22	Industrial	\$1,335	\$1,379	\$1,342	\$1,333
23	Public Authority	\$25,510	\$26,369	\$25,676	\$25,555
24	Resale	\$1,676	\$1,691	\$1,625	\$1,339
25	Other	\$2,880	\$3,162	\$3,173	\$3,058
26	Raw Water	\$895	\$896	\$856	\$844
27	Recycled Water	\$8,648	\$9,081	\$8,617	\$8,567
28	Upsize Residential Fire Service	\$504	\$505	\$522	\$515
29	Private Fire Service	\$8,043	\$8,056	\$8,335	\$8,246
30					
31	Subtotal	\$536,217	\$564,840	\$555,768	\$550,988
32					
33	Misc. & Deferred Revenue	\$900	\$900	\$900	\$992
34					
35	Total Revenues at Proposed Rates	\$537,117	\$565,740	\$556,668	\$551,979

*SJWC/Cal Advocates Settlement include rate changes and increased purchased water and groundwater extraction unit costs as authorized by the CPUC via Advice Letters 609

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APPENDIX 1: DETAILED JOINT COMPARISON EXHIBIT

TABLE 3:

TEST YEAR 2025 OPERATING, MAINTENANCE, AND ADMINISTRATION EXPENSES

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	Operating & Maintenance Expenses				
2	Purchased Water Potable	\$120,894	\$124,850	\$111,268	\$111,268
3	Purchased Water Recycle	\$5,836	\$5,998	\$5,278	\$5,278
4	Other Source of Supply		\$0		
5	Power	\$8,820	\$8,821	\$8,544	\$8,562
6	Pump Taxes	\$97,876	\$101,356	\$89,761	\$90,422
7	Other Operating Expenses	\$29,632	\$31,082	\$36,874	\$36,123
8	Chemical/Filtering Material/Water Quality	\$1,654	\$1,654	\$1,767	\$1,740
9	Customer Accounts - Uncollectibles	\$627	\$1,076	\$1,954	\$1,680
10	Customer Accounts - Postage	\$573	\$573	\$573	\$564
11	Conservation - Base Program	\$847	\$847	\$1,102	\$1,079
12	Customer Accounts - Other	\$502	\$502	\$502	\$615
13	Non-Tariffed Service Adjustment	(\$1,240)	(\$1,240)	(\$1,239)	(\$1,234)
14	Maintenance Source of Supply	\$22,366	\$21,733	\$24,187	\$23,905
15	Maintenance Expense Adjustments	(\$5)	(\$5)	(\$5)	(\$5)
16	Subtotal O&M Expenses	\$288,381	\$297,245	\$280,564	\$279,997
17					
18	Administrative & General (A&G) Expenses				
19	Salaries	\$16,861	\$17,538	\$19,836	\$19,443
20	Office Supplies & Other	\$4,054	\$4,090	\$4,105	\$3,988
21	Property Insurance	\$459	\$476	\$476	\$424
22	Injuries and Damages	\$6,151	\$6,054	\$6,244	\$7,234
23	Pensions, Benefits & PBOP	\$16,969	\$20,802	\$21,514	\$21,466
24	Regulatory Commission	\$525	\$525	\$525	\$527
25	Outside Services	\$7,407	\$7,485	\$7,485	\$7,555
26	Dues & Memberships	\$155	\$713	\$713	\$781
27	General Corporate	\$1,077	\$1,077	\$1,077	\$1,050
28	Rent	\$548	\$548	\$548	\$545
29	Maintenance		\$0		
30	Transferred Expenses	(\$14,623)	(\$12,929)	(\$12,929)	(\$12,536)
31	Subtotal A&G Expenses	\$39,584	\$46,379	\$49,593	\$50,477

*SJWC/Cal Advocates Settlement include rate changes and increased purchased water and groundwater extraction unit costs as authorized by the CPUC via Advice Letters 609

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TABLE 4:

TEST YEAR 2025 SUMMARY OF TAXES AT PROPOSED RATES

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	TAXES				
2	Taxes Other Than Income				
3	Ad Valorem	\$13,246	\$13,736	\$13,739	\$13,442
4	Business Licenses	\$173	\$175	\$175	\$173
5	Payroll Taxes	\$3,770	\$3,804	\$4,915	\$4,866
6	Franchise	\$1,169	\$1,231	\$1,212	\$1,285
7	Subtotal Taxes Other Than Income	\$18,358	\$18,946	\$20,040	\$19,766
8					
9	Depreciation and Amortization	\$78,317	\$79,861	\$79,936	\$78,456
10					
11	Income Taxes				
12	Total Deductions	\$299,043	\$391,338	\$379,407	\$378,629
13					
14	Tax Depreciation	(\$71,208)	(\$71,208)	(\$71,208)	(\$71,208)
15	State Tax Deduction on Repairs and Main	(\$33,256)	(\$33,256)	(\$33,256)	(\$33,256)
16	Deferred Revenue (Net of Tax)	\$532	\$532	\$532	\$606
17	Section 263(a)	\$2,795	\$2,795	\$2,795	\$2,795
18	California State Tax @ 8.84%	\$5,349	\$6,398	\$6,651	\$6,304
19					
20	FIT Depreciation for Taxes	(\$78,978)	(\$78,978)	(\$78,978)	(\$78,978)
21	CCFT Deduction	(\$7,266)	(\$7,334)	(\$6,368)	(\$4,521)
22	State Franchise Tax	(\$7,454)	(\$7,544)	(\$6,702)	(\$4,855)
23	Addback AFUDC Equity depr	\$172	\$195	\$318	\$318
24	Addback book depr EV	\$16	\$16	\$16	\$16
25	Taxable Income	\$75,405	\$87,205	\$91,030	\$88,874
26	Federal Income Tax @ 21%	\$15,835	\$18,313	\$19,116	\$18,664
27	Tax on CIAC and Advances	\$196	\$196	\$196	\$196
28	Reversal of Excess Deferred Tax	(\$701)	(\$701)	(\$701)	(\$701)
29	Subtotal Income Taxes	\$20,679	\$24,206	\$25,262	\$24,462

*SJWC/Cal Advocates Settlement include rate changes and increased purchased water and groundwater extraction unit costs as authorized by the CPUC via Advice Letters 609

**Highlighted cells represent the the corrected amount

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APPDENDIX 1: DETAILED JOINT COMPARISON EXHIBIT

TABLE 5A:

SUMMARY OF CAPITAL BUDGET FOR YEAR 2024

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	UTILITY PLANT				
2	2024 New Plant				
3	Land	\$197	\$359	\$442	\$442
4					
5	Source of Supply	\$4,256	\$8,056	\$8,056	\$8,056
6					
7	Water Treatment	\$0	\$4,200	\$4,200	\$4,200
8					
9	Reservoirs & Tanks	\$6,341	\$8,141	\$8,841	\$8,841
10					
11	Pump Stations & Equip.	\$4,200	\$6,224	\$6,224	\$6,224
12					
13	Distribution System:				
14	New Mains/Recycled Water	\$1,000	\$7,677	\$1,000	\$1,000
15	Service Transfers		\$0		
16	City, County & State	\$52	\$52	\$52	\$52
17	Replacement Mains	\$46,934	\$59,991	\$59,991	\$59,991
18	Main Extensions	\$4,078	\$5,774	\$6,514	\$6,514
19	Services	\$13,329	\$14,108	\$16,087	\$16,087
20	Meters	\$2,158	\$2,262	\$2,262	\$2,262
21	Hydrants	\$988	\$1,498	\$1,862	\$1,862
22					
23	Equipment	\$5,931	\$11,545	\$13,656	\$13,656
24					
25	Structures & Non-Specifics	\$1,084	\$3,210	\$3,504	\$3,504
26					
27	Green projects	\$2,343	\$6,951	\$7,337	\$7,337
28	Capitalized Payroll Tax				
29	Adjustments by Cal Advocates	\$1,294			
30	Total Construction Budget	\$94,184	\$140,046	\$140,027	\$140,027
31					
32					
33	2024 Total Construction Budget	\$94,184	\$140,046	\$140,027	\$140,027

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APPENDIX 1: DETAILED JOINT COMPARISON EXHIBIT

TABLE 5B:

SUMMARY OF CAPITAL BUDGET FOR YEAR 2025

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	UTILITY PLANT				
2	2025 New Plant				
3	Land	\$0	\$0	\$0	\$0
4					
5	Source of Supply	\$2,493	\$6,148	\$6,689	\$6,689
6					
7	Water Treatment	\$54	\$3,718	\$3,773	\$3,773
8					
9	Reservoirs & Tanks	\$11,913	\$16,946	\$21,646	\$21,646
10					
11	Pump Stations & Equip.	\$3,458	\$9,679	\$10,379	\$10,379
12					
13	Distribution System:		\$0		
14	New Mains/Recycled Water	\$9,647	\$2,970	\$9,647	\$9,647
15	Service Transfers		\$0		
16	City, County & State	\$54	\$54	\$54	\$54
17	Replacement Mains	\$46,934	\$65,773	\$71,414	\$71,414
18	Main Extensions	\$5,306	\$6,939	\$8,808	\$8,808
19	Services	\$13,329	\$14,672	\$16,730	\$16,730
20	Meters	\$54	\$189	\$189	\$189
21	Hydrants	\$990	\$1,558	\$1,936	\$1,936
22					
23	Equipment	\$5,493	\$10,735	\$14,671	\$14,671
24					
25	Structures & Non-Specifics	\$2	\$1,357	\$1,904	\$1,904
26					
27	Green projects	\$2,299	\$9,159	\$12,177	\$12,177
28	Capitalized Payroll Tax		\$0		
29	Adjustments by Cal Advocates	\$3,543			
30	Total Construction Budget	\$105,569	\$149,896	\$180,018	\$180,018
31					
32					
33	2025 Total Construction Budget	\$105,569	\$149,896	\$180,018	\$180,018

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APPENDIX 1: DETAILED JOINT COMPARISON EXHIBIT

TABLE 5C:

SUMMARY OF CAPITAL BUDGET FOR YEAR 2026

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	UTILITY PLANT				
2	2026 New Plant				
3	Land	\$0	\$0	\$0	\$0
4					
5	Source of Supply	\$157	\$2,594	\$6,594	\$6,594
6					
7	Water Treatment	\$0	\$5,500	\$5,500	\$5,500
8					
9	Reservoirs & Tanks	\$7,313	\$22,414	\$39,277	\$39,277
10					
11	Pump Stations & Equip.	\$11,485	\$7,160	\$22,523	\$22,523
12					
13	Distribution System:		\$0		
14	New Mains/Recycled Water	\$0	\$5,205	\$0	\$0
15	Service Transfers		\$0		
16	City, County & State	\$56	\$56	\$56	\$56
17	Replacement Mains	\$52,212	\$73,361	\$90,103	\$90,103
18	Main Extensions	\$3,860	\$4,276	\$6,004	\$6,004
19	Services	\$13,329	\$15,259	\$17,400	\$17,400
20	Meters	\$56	\$197	\$197	\$197
21	Hydrants	\$991	\$1,620	\$2,014	\$2,014
22					
23	Equipment	\$4,940	\$11,590	\$12,832	\$12,832
24					
25	Structures & Non-Specifics	(\$1,223)	\$3,302	\$4,970	\$4,970
26					
27	Green projects	\$274	\$7,509	\$12,517	\$12,517
28	Capitalized Payroll Tax		\$0		
29	Adjustments by Cal Advocates	\$5,679			
30	Total Construction Budget	\$99,128	\$160,043	\$219,986	\$219,986
31					
32					
33	2026 Total Construction Budget	\$99,128	\$160,043	\$219,986	\$219,986

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APPENDIX 1: DETAILED JOINT COMPARISON EXHIBIT
TABLE 6:
TEST YEAR 2025 AND ESCALATING YEAR 2026 RATEBASE

		Cal Advocates	SJWC/Cal Advocates	SJWC	SJWC
Line	Item	Testimony	Settlement	Update	Application
1	2025 RATEBASE				
2	Utility Plant	\$2,461,421	\$2,527,176	\$2,543,221	\$2,504,518
3	Adjustments to Plant	(\$225,858)	(\$225,858)	(\$225,858)	(\$225,092)
4	Working Capital	\$41,843	\$42,976	\$53,200	\$53,869
5	Tax Deferrals	(\$130,247)	(\$130,247)	(\$130,247)	(\$131,569)
6	Rate Base, Taxed Contributions	\$9,195	\$9,195	\$9,195	\$9,940
7	Rate Base, Taxed Advances	\$2,682	\$2,682	\$2,682	\$2,778
8	Depreciation Reserve	\$995,572	\$967,632	\$967,632	\$961,063
9	Weighted Average Rate Base - Utility Plant	\$1,163,464	\$1,258,292	\$1,284,561	\$1,253,380
10	Weighted Average Rate Base - Cloud	\$4,184	\$1,936	\$4,184	\$4,184
11	2025 Weighted Average Rate Base - Utility Plant & Cloud	\$1,167,648	\$1,260,227	\$1,288,745	\$1,257,564
12					
13					
14					
15	2026 RATEBASE				
16	Utility Plant	\$2,562,168	\$2,675,536	\$2,740,222	\$2,702,360
17	Adjustments to Plant	(\$230,346)	(\$230,346)	(\$230,346)	(\$229,414)
18	Working Capital	\$43,097	\$44,096	\$54,946	\$55,768
19	Tax Deferrals	(\$135,246)	(\$135,246)	(\$135,246)	(\$136,568)
20	Rate Base, Taxed Contributions	\$8,968	\$8,968	\$8,968	\$9,737
21	Rate Base, Taxed Advances	\$2,526	\$2,526	\$2,526	\$2,658
22	Depreciation Reserve	\$1,065,269	\$1,029,523	\$1,030,010	\$1,022,808
23	Weighted Average Rate Base - Utility Plant	\$1,185,897	\$1,336,009	\$1,411,059	\$1,381,733
24	Weighted Average Rate Base - Cloud	\$7,053	\$4,976	\$7,053	\$7,053
25	2026 Weighted Average Rate Base - Utility Plant & Cloud	\$1,192,950	\$1,340,985	\$1,418,111	\$1,388,785

APPENDIX 1: DETAILED JOINT COMPARISON EXHIBIT

TABLE 7A:

TEST YEAR 2025 CUSTOMER AND SALES FORECAST

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	Metered Services				
2	Residential	201,494	201,494	201,494	201,344
3	Business	20,607	20,607	20,607	20,598
4	Industrial	47	47	47	47
5	Public Authorities	1,253	1,253	1,253	1,253
6	Resale	38	38	38	31
7	Other	339	339	339	330
8	Total Potable Metered Services	223,778	223,778	223,778	223,603
9					
10	Raw Water	6	6	6	5
11	Recycled Water - Piped	320	320	320	320
12	Recycled Water - Well	8	8	8	8
13	Total Non-Potable Metered Services	334	334	334	333
14					
15	Private Fire Service	4,275	4,275	4,275	4,268
16	Total Active Services	228,387	228,387	228,387	228,204
17					
18	Average Sales per Customer (ccf/connection/yr)				
19	Residential	120.0	120.0	120.0	120.0
20	Business	760.0	760.0	760.0	760.0
21					
22	Total Sales Per Customer Class (Kccf)				
23	Residential	24,179	24,179	24,179	24,161
24	Business	15,661	15,661	15,661	15,654
25	Industrial	145	145	145	145
26	Public Authorities	2,744	2,744	2,744	2,744
27	Resale	230	230	230	188
28	Other	91	91	91	88
29	Total Potable Metered Sales	43,050	43,050	43,050	42,980
30					
31	Raw Water	136	136	136	136
32	Recycled Water - Piped	818	818	818	818
33	Recycled Water - Well	412	412	412	412
34	Total Sales	44,416	44,416	44,416	44,346

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TABLE 7B:

TEST YEAR 2026 CUSTOMER AND SALES FORECAST

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	Metered Services				
2	Residential	201,803	201,803	201,803	201,632
3	Business	20,601	20,601	20,601	20,591
4	Industrial	46	46	46	46
5	Public Authorities	1,245	1,245	1,245	1,245
6	Resale	39	39	39	31
7	Other	351	351	351	341
8	Total Potable Metered Services	224,086	224,086	224,086	223,886
9					
10	Raw Water	6	6	6	5
11	Recycled Water - Piped	332	332	332	332
12	Recycled Water - Well	8	8	8	8
13	Total Non-Potable Metered Services	346	346	346	345
14					
15	Private Fire Service	4,324	4,324	4,324	4,316
16	Total Active Services	228,755	228,755	228,755	228,547
17					
18	Average Sales per Customer (ccf/connection/yr)				
19	Residential	120.0	120.0	120.0	120.0
20	Business	760.0	760.0	760.0	760.0
21					
22	Total Sales Per Customer Class (Kccf)				
23	Residential	24,216	24,216	24,216	24,196
24	Business	15,657	15,657	15,657	15,649
25	Industrial	143	143	143	142
26	Public Authorities	2,727	2,727	2,727	2,727
27	Resale	237	237	237	188
28	Other	94	94	94	91
29	Total Potable Metered Sales	43,074	43,074	43,074	42,993
30					
31	Raw Water	136	136	136	136
32	Recycled Water - Piped	848	848	848	848
33	Recycled Water - Well	412	412	412	412
34	Total Sales	44,470	44,470	44,470	44,389

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TABLE 7C:

TEST YEAR 2027 CUSTOMER AND SALES FORECAST

Line	Item	Cal Advocates	SJWC/Cal Advocates	SJWC	SJWC
		Testimony	Settlement	Update	Application
1	Metered Services				
2	Residential	202,112	202,112	202,112	201,920
3	Business	20,595	20,595	20,595	20,584
4	Industrial	45	45	45	45
5	Public Authorities	1,237	1,237	1,237	1,237
6	Resale	40	40	40	31
7	Other	363	363	363	352
8	Total Potable Metered Services	224,393	224,393	224,393	224,169
9					
10	Raw Water	6	6	6	5
11	Recycled Water - Piped	344	344	344	344
12	Recycled Water - Well	8	8	8	8
13	Total Non-Potable Metered Services	358	358	358	357
14					
15	Private Fire Service	4,373	4,373	4,373	4,364
16	Total Active Services	229,123	229,123	229,123	228,890
17					
18	Average Sales per Customer (ccf/connection/yr)				
19	Residential	120.0	120.0	120.0	120.0
20	Business	760.0	760.0	760.0	760.0
21					
22	Total Sales Per Customer Class (Kccf)				
23	Residential	24,253	24,253	24,253	24,230
24	Business	15,652	15,652	15,652	15,644
25	Industrial	140	140	140	139
26	Public Authorities	2,709	2,709	2,709	2,709
27	Resale	243	243	243	188
28	Other	97	97	97	94
29	Total Potable Metered Sales	43,094	43,094	43,094	43,004
30					
31	Raw Water	136	136	136	136
32	Recycled Water - Piped	879	879	879	879
33	Recycled Water - Well	412	412	412	412
34	Total Sales	44,521	44,521	44,521	44,431

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TABLE 8:

TEST YEAR 2025 AND ESCALATING YEARS 2026 2027 SUMMARY OF PRODUCTION AND SUPPLY EXPENSE

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
	2025 SUPPLY				
1	Groundwater (Kccf)	19,807	19,807	19,807	19,953
2	Groundwater Cost (\$000)	\$97,876	\$101,356	\$89,761	\$90,422
3	Purchased Water	23,202	23,202	23,202	23,202
4	Purchased Water Cost (\$000)	\$120,894	\$124,850	\$111,268	\$111,268
5	Surface Water (Kccf)	3,497	3,497	3,497	3,453
6	Surface Water (\$000)	\$0	\$0	\$0	\$0
7	Recycled Water (Kccf)	1,230	1,230	1,230	1,230
8	Recycled Water Cost (\$000)	\$5,836	\$5,998	\$5,278	\$5,278
9	Purchased Power (KWH)	46,506	46,506	46,506	46,609
10	Purchased Power Cost (\$000)	\$8,820	\$8,821	\$8,544	\$8,562
11	Total Production (Kccf)	47,736	47,736.4	47,736.4	47,839.0
12	Total Supply Cost (\$000)	\$233,426	\$241,024	\$214,850	\$215,530
13	\$/CCF	\$ 4.8899	\$ 5.0491	\$ 4.5008	\$ 4.5053
14					
15	2026 SUPPLY				
16	Groundwater (Kccf)	19,833	19,833	19,833	19,968
17	Groundwater Cost (\$000)	\$98,002	\$101,486	\$89,877	\$90,488
18	Purchased Water	23,202	23,202	23,202	23,202
19	Purchased Water Cost (\$000)	\$120,894	\$124,850	\$111,268	\$111,268
20	Surface Water (Kccf)	3,497	3,497	3,497	3,453
21	Surface Water (\$000)	\$0	\$0	\$0	\$0
22	Recycled Water (Kccf)	1,260	1,260	1,260	1,260
23	Recycled Water Cost (\$000)	\$5,978	\$6,144	\$5,406	\$5,406
24	Purchased Power (KWH)	46,532	46,532	46,532	46,623
25	Purchased Power Cost (\$000)	\$8,826	\$8,826	\$8,548	\$8,565
26	Total Production (Kccf)	47,792.3	47,792.3	47,792.3	47,883.1
27	Total Supply Cost (\$000)	\$233,700	\$241,306	\$215,100	\$215,727
28	\$/CCF	\$ 4.8899	\$ 5.0491	\$ 4.5007	\$ 4.5053
29					
30	2027 SUPPLY				
31	Groundwater (Kccf)	19,855	19,855	19,855	19,980
32	Groundwater Cost (\$000)	\$98,108	\$101,596	\$89,973	\$90,543
33	Purchased Water	23,202	23,202	23,202	23,202
34	Purchased Water Cost (\$000)	\$120,894	\$124,850	\$111,268	\$111,268
35	Surface Water (Kccf)	3,497	3,497	3,497	3,453
36	Surface Water (\$000)	\$0	\$0	\$0	\$0
37	Recycled Water (Kccf)	1,291	1,291	1,291	1,291
38	Recycled Water Cost (\$000)	\$6,125	\$6,295	\$5,539	\$5,539
39	Purchased Power (KWH)	46,554	46,554	46,554	46,635
40	Purchased Power Cost (\$000)	\$8,830	\$8,830	\$8,552	\$8,567
41	Total Production (Kccf)	47,844.9	47,844.9	47,844.9	47,926.0
42	Total Supply Cost (\$000)	\$233,957	\$241,571	\$215,333	\$215,918
43	\$/CCF	\$ 4.8899	\$ 5.0491	\$ 4.5006	\$ 4.5052

A.24-01-001

Detailed Joint Comparison Exhibit of
San Jose Water Company and Cal Advocates
Submitted on January 2, 2024

APPENDIX 1: DETAILED JOINT COMPARISON EXHIBIT
TABLE 9:
NON-REVENUE REQUIREMENT ISSUES

Line	Item	Cal Advocates Testimony	SJWC/Cal Advocates Settlement	SJWC Update	SJWC Application
1	Offsetable Expense Balancing Accounts 2020	(\$5,646,220)	(\$5,646,220)	(\$5,646,220)	(\$5,570,677)
2	Offsetable Expense Balancing Accounts 2021	(\$6,180,977)	(\$6,180,977)	(\$6,180,977)	(\$6,098,279)
3	Offsetable Expense Balancing Accounts 2022	(\$3,955,495)	(\$3,955,495)	(\$3,955,495)	(\$3,902,572)
4	Offsetable Expense Balancing Accounts 2023	\$6,710,390	\$6,710,390	\$6,710,390	\$7,705,984
5	Residual Amount from 2021 GRC Balancing and Memo Accounts	(\$304,980)	(\$304,980)	(\$304,980)	(\$300,899)
6	Residual Amount from PRVBA	(\$107,643)	(\$107,643)	(\$107,643)	(\$117,138)
7	Intervenor Compensation	(\$28,967)	(\$28,967)	(\$28,967)	(\$28,579)
8	PFAS Memorandum Account	(\$783,647)	(\$783,647)	(\$783,647)	(\$726,645)
9	Interim Memorandum Account	(\$4,570,721)	(\$4,570,721)	(\$4,570,721)	(\$9,513,024)
10	CEMA-COVID 19 (expense and Bad Debt)	\$0	(\$570,418)	(\$4,530,415)	(\$4,469,801)
11	CEMA-COVID-ELRP22—California Heat Energy Emergency	(\$1,134)	(\$1,134)	(\$1,134)	(\$1,119)
12	CEMA-COVID-State of Emergency-Storm 2023	(\$92,732)	(\$95,626)	(\$95,626)	(\$94,347)
13	CEMA-COVID-State of Emergency March 2023	(\$169,912)	(\$192,009)	(\$192,009)	(\$220,064)
14	Collection and Franchise Tax	(\$52,327)	(\$64,212)	(\$112,034)	(\$125,470)
15	Other Balancing Account Issues	Close the following accounts: Pension Expense Balancing Account; Drinking Water Balancing Account; CEMA-COVID Accounts; CEMA-ELRP22; CEMA-Storm 2023; CEMA-March 2023; Interim Memorandum Memorandum Account; PRVBA	Close the following accounts: CEMA-COVID Accounts; CEMA-ELRP22; CEMA-Storm 2023; CEMA-March 2023; Interim Memorandum Memorandum Account; PRVBA	Close the following accounts: CEMA-COVID Accounts; CEMA-ELRP22; CEMA-Storm 2023; CEMA-March 2023; Interim Memorandum Memorandum Account; PRVBA	Close the following accounts: CEMA-COVID Accounts; CEMA-ELRP22; CEMA-Storm 2023; CEMA-March 2023; Interim Memorandum Memorandum Account; PRVBA
16	Special Request 3	Update CAP Surcharge and include estimate transaction fee for electronic payments of \$1,139,469 in CAP Balancing Account	Update CAP Surcharge and include estimate transaction fee for electronic payments of \$1,139,469 in CAP Balancing Account	Update CAP Surcharge and include estimate transaction fee for electronic payments of \$1,495,286 in CAP Balancing Account	Update CAP Surcharge and include estimate transaction fee for electronic payments of \$1,495,286 in CAP Balancing Account
17	Special Request 4	Disallow Uncollectible Expense Balancing Account	SJWC withdraw request for Uncollectible Expense Balancing Account	Request for a Uncollectible Expense Balancing Account	Request for a Uncollectible Expense Balancing Account

APPENDIX 2

Capital Projects

APPENDIX 2
2024 - 2026 GRC Application 24-01-001
Capital Improvement Budget

Year	Total Budget (\$)	CLOUD
2024	\$ 140,046,400	\$ 760,300
2025	\$ 149,896,100	\$ 2,506,800
2026	\$ 160,042,900	\$ 4,325,200
Total	\$ 449,985,400	\$ 7,592,300

APPENDIX 2:
2024 - 2026 GRC Application 24-01-001
Capital Improvement Budget

CLOUD	Budget Year	Category Number	Budget Category	Category Description	Index #	Budget Year Cost	Project Name
	2024	1	L	Land	6111	\$161,400	Graystone Heights Easement
	2024	1	L	Land	6296	\$99,600	Rundell Way Easement
	2024	1	L	Land	6325	\$97,800	Pleasant Acres Drive Property
	2024	2	S	Source of Supply	3273	\$777,100	Ostwald Diversion Main MMRP
	2024	2	S	Source of Supply	5211	\$3,800,000	Mabury Groundwater Stn Improvements
	2024	2	S	Source of Supply	5250	\$868,600	Williams Sta. Well Blowoff Sump
	2024	2	S	Source of Supply	5253	\$197,000	Morrill & Hostetter Turnout
	2024	2	S	Source of Supply	5258	\$1,215,500	Alum Rock Turnout Improvements
	2024	2	S	Source of Supply	5311	\$84,500	Mabury Turnout Improvements
	2024	2	S	Source of Supply	5521	\$23,300	Lake Ranch Improvements MMRP
	2024	2	S	Source of Supply	5665	\$1,000,000	17th St. Stn. Well Blowoff Sump
	2024	2	S	Source of Supply	6053	\$26,900	Lake Ranch Culvert MMRP
	2024	2	S	Source of Supply	6098	\$63,000	Kittredge Wetlands MMRP
	2024	3	Q	Water Treatment	5732	\$3,500,000	Gish Station Chloramination
	2024	3	Q	Water Treatment	6122	\$700,000	Williams Station PFAS Treatment
	2024	4	R	Reservoirs & Tanks	4304	\$156,000	Reservoirs and Tanks
	2024	4	R	Reservoirs & Tanks	5183	\$950,000	Mireval Station Tank
	2024	4	R	Reservoirs & Tanks	5195	\$1,304,300	Glennview Tank Improvements
	2024	4	R	Reservoirs & Tanks	5205	\$400,000	Vista de Almaden Sta Improvements
	2024	4	R	Reservoirs & Tanks	5209	\$300,000	Miguelito Station Tanks
	2024	4	R	Reservoirs & Tanks	5249	\$50,000	Disinfectant Residual Mgmt. Systems
	2024	4	R	Reservoirs & Tanks	5280	\$984,700	Cambrian Station Tanks
	2024	4	R	Reservoirs & Tanks	5579	\$500,000	12th Street Station Improvements
	2024	4	R	Reservoirs & Tanks	5580	\$162,900	Tully Station Tank Improvements
	2024	4	R	Reservoirs & Tanks	5597	\$752,100	Dow Tank #2 Altitude Valve and CP
	2024	4	R	Reservoirs & Tanks	5728	\$1,000,000	Seven Mile Station Improvements
	2024	4	R	Reservoirs & Tanks	6047	\$1,580,900	Prospect Tank Improvements
	2024	5	P	Pump Stations & Equipment	5222	\$692,200	Canyon Creek Booster
	2024	5	P	Pump Stations & Equipment	5252	\$950,000	Perie Lane Pressure System
	2024	5	P	Pump Stations & Equipment	5281	\$500,000	Idylwild Pump Station Improvements
	2024	5	P	Pump Stations & Equipment	5312	\$1,000,000	Belgatos Pump Station
	2024	5	P	Pump Stations & Equipment	5313	\$500,000	Guadalupe Mines Pump Station
	2024	5	P	Pump Stations & Equipment	5535	\$624,000	Pumping Equipment
	2024	5	P	Pump Stations & Equipment	5703	\$130,000	Station Valve Replacements
	2024	5	P	Pump Stations & Equipment	5753	\$143,000	Buena Vista Station Generator
	2024	5	P	Pump Stations & Equipment	5807	\$415,600	New York Station Regulator
	2024	5	P	Pump Stations & Equipment	5925	\$100,000	Santa Rosa Station Pressure System
	2024	5	P	Pump Stations & Equipment	5985	\$445,100	12th Street Station Generator
	2024	5	P	Pump Stations & Equipment	6052	\$67,600	Senter Road Station Improvements
	2024	5	P	Pump Stations & Equipment	6096	\$366,400	Fleming Station Improvements
	2024	5	P	Pump Stations & Equipment	6113	\$142,800	Pumping Equipment Sensors
	2024	5	P	Pump Stations & Equipment	6271	\$27,200	Rosemar B-2 Pump and Motor
	2024	5	P	Pump Stations & Equipment	6272	\$60,200	Rainbow's End B-2 Pump and Motor
	2024	5	P	Pump Stations & Equipment	6273	\$31,900	High Street B-1 Pump and Motor
	2024	5	P	Pump Stations & Equipment	6319	\$28,200	Tybolt Pressure System Check Valve
	2024	6	RW	Recycled Water	5628	\$6,677,300	Recycled Water Alignment D Phase 3
	2024	6	RW	Recycled Water	5628	\$1,000,000	Recycled Water Alignment D Phase 3
	2024	9	C	DS - City, County & State	8	\$52,000	City, County & State Projects
	2024	10	M	DS - Main Replacements	5367	\$290,700	Cumberland Drive Main
	2024	10	M	DS - Main Replacements	5381	\$61,400	Oak Street Main
	2024	10	M	DS - Main Replacements	5414	\$15,900	Bayview Drive Main
	2024	10	M	DS - Main Replacements	5416	\$444,800	Stockton Avenue Main
	2024	10	M	DS - Main Replacements	5438	\$2,064,800	Newhall Street Main
	2024	10	M	DS - Main Replacements	5448	\$98,600	Rainbow Drive Main
	2024	10	M	DS - Main Replacements	5604	\$1,013,000	Old Santa Cruz Highway Main
	2024	10	M	DS - Main Replacements	5649	\$718,000	Saraglen Drive Main
	2024	10	M	DS - Main Replacements	5724	\$573,200	Mount Crest Place Main
	2024	10	M	DS - Main Replacements	5727	\$67,900	Sunol Street Main
	2024	10	M	DS - Main Replacements	5768	\$567,700	Blue Gum Court Main
	2024	10	M	DS - Main Replacements	5780	\$1,002,300	Springer Avenue Main
	2024	10	M	DS - Main Replacements	5789	\$656,500	Shady Lane Main
	2024	10	M	DS - Main Replacements	5812	\$2,482,000	Toyon Avenue Main
	2024	10	M	DS - Main Replacements	5813	\$1,854,100	Schiele Avenue Main
	2024	10	M	DS - Main Replacements	5814	\$1,744,100	Villa Avenue Main

APPENDIX 2:
2024 - 2026 GRC Application 24-01-001
Capital Improvement Budget

CLOUD	Budget Year	Category Number	Budget Category	Category Description	Index #	Budget Year Cost	Project Name
	2024	10	M	DS - Main Replacements	5820	\$851,800	Sierra Avenue Main
	2024	10	M	DS - Main Replacements	5822	\$1,109,000	South 9th Street Main
	2024	10	M	DS - Main Replacements	5829	\$1,220,400	Bank Mill Road Main
	2024	10	M	DS - Main Replacements	5834	\$2,152,000	Locust Street Main
	2024	10	M	DS - Main Replacements	5836	\$2,187,000	South 3rd Street Main
	2024	10	M	DS - Main Replacements	5838	\$376,900	Norada Court Main
	2024	10	M	DS - Main Replacements	5840	\$94,100	San Jose Avenue Service Transfer
	2024	10	M	DS - Main Replacements	5843	\$3,036,700	Monterey Road Main
	2024	10	M	DS - Main Replacements	5872	\$2,167,100	South Cragmont Avenue Main
	2024	10	M	DS - Main Replacements	5904	\$388,300	Viola Avenue Main
	2024	10	M	DS - Main Replacements	5934	\$2,109,000	North 3rd Street Main
	2024	10	M	DS - Main Replacements	5938	\$1,171,500	Huran Drive Main
	2024	10	M	DS - Main Replacements	5966	\$504,100	Bannock Circle Main
	2024	10	M	DS - Main Replacements	5977	\$1,426,800	Carmel Drive Main
	2024	10	M	DS - Main Replacements	6042	\$2,393,800	Cumberland Drive Main
	2024	10	M	DS - Main Replacements	6093	\$1,194,600	Daves Avenue Main
	2024	10	M	DS - Main Replacements	6095	\$206,900	Three Mile Station Meter Shop Main
	2024	10	M	DS - Main Replacements	6100	\$86,500	Rundell Way Main
	2024	10	M	DS - Main Replacements	6101	\$75,800	Perie Lane Main
	2024	10	M	DS - Main Replacements	6137	\$2,094,800	Lindy Lane Main
	2024	10	M	DS - Main Replacements	6139	\$808,100	Jerries Drive Main
	2024	10	M	DS - Main Replacements	6140	\$445,100	Sterling Gate Drive Main
	2024	10	M	DS - Main Replacements	6141	\$734,700	Ironwood Drive Main
	2024	10	M	DS - Main Replacements	6145	\$1,766,800	Torre Avenue Main
	2024	10	M	DS - Main Replacements	6148	\$979,600	Holden Way Main
	2024	10	M	DS - Main Replacements	6149	\$956,200	Lochridge Drive Main
	2024	10	M	DS - Main Replacements	6151	\$275,600	Capitol Park Court Main
	2024	10	M	DS - Main Replacements	6153	\$975,100	Kim Louise Drive Main
	2024	10	M	DS - Main Replacements	6156	\$295,400	South Clover Avenue
	2024	10	M	DS - Main Replacements	6158	\$330,400	Shofner Place Main
	2024	10	M	DS - Main Replacements	6159	\$286,400	Quail Hill Road Main
	2024	10	M	DS - Main Replacements	6160	\$198,100	Miramar Avenue Main
	2024	10	M	DS - Main Replacements	6162	\$611,000	Geneva Street Main
	2024	10	M	DS - Main Replacements	6163	\$1,243,300	Inwood Drive Main
	2024	10	M	DS - Main Replacements	6166	\$578,700	Grossmont Drive Main
	2024	10	M	DS - Main Replacements	6170	\$153,400	Varner Court Main
	2024	10	M	DS - Main Replacements	6173	\$885,600	Donington Drive Main
	2024	10	M	DS - Main Replacements	6174	\$922,300	Blythswood Drive Main
	2024	10	M	DS - Main Replacements	6176	\$1,302,300	Meridian Avenue Main
	2024	10	M	DS - Main Replacements	6212	\$454,000	Illinois Avenue Main
	2024	10	M	DS - Main Replacements	6213	\$334,900	Linkhorne Court Main
	2024	10	M	DS - Main Replacements	6216	\$1,000,800	Chapel Hill Way Main
	2024	10	M	DS - Main Replacements	6218	\$1,291,800	Julian Street Main
	2024	10	M	DS - Main Replacements	6219	\$840,800	Vistamont Drive Main
	2024	10	M	DS - Main Replacements	6222	\$1,386,100	Kimberly Street Main
	2024	10	M	DS - Main Replacements	6223	\$515,400	Turriff Way Main
	2024	10	M	DS - Main Replacements	6229	\$1,852,800	Singleary Avenue Main
	2024	10	M	DS - Main Replacements	6270	\$63,900	Webb Canyon Drive Main
	2024	12	A	DS - Main Extensions and Non-Specifics	5156	\$49,700	Distribution System Sample Stations
	2024	12	A	DS - Main Extensions and Non-Specifics	5181	\$350,000	Acoustic Leak Detection
	2024	12	A	DS - Main Extensions and Non-Specifics	5235	\$11,800	Water Main Blowoffs
	2024	12	A	DS - Main Extensions and Non-Specifics	5331	\$1,081,600	System Valve Replacements
	2024	12	A	DS - Main Extensions and Non-Specifics	5494	\$312,000	Air Valve Replacements
	2024	12	A	DS - Main Extensions and Non-Specifics	5777	\$1,081,600	Water Main Replacements
	2024	12	A	DS - Main Extensions and Non-Specifics	6320	\$190,000	District Metered Area Study
	2024	13	B	DS - Services	28	\$13,644,100	Service Replacements
	2024	13	B	DS - Services	5726	\$463,400	Service Regulator Replacements
	2024	14	D	DS - Meters	394	\$52,000	Meters Smaller than 1.5"
	2024	14	D	DS - Meters	613	\$104,000	Meters 1.5" and Larger
	2024	14	D	DS - Meters	6298	\$2,106,200	Compound Meter Replacements
	2024	15	F	DS - Hydrants	38	\$41,600	Hydrant Installations
	2024	15	F	DS - Hydrants	5153	\$1,456,000	Hydrant Replacements
	2024	16	E-CORP	Equipment - Corporate	5926	\$18,500	Furnishings, Fixtures & Equip.
	2024	20	E-IT	Equipment - Information Technology	1362	\$16,000	Photocopiers

APPENDIX 2:
2024 - 2026 GRC Application 24-01-001
Capital Improvement Budget

CLOUD	Budget Year	Category Number	Budget Category	Category Description	Index #	Budget Year Cost	Project Name
	2024	20	E-IT	Equipment - Information Technology	1371	\$450,000	Servers and Storage
	2024	20	E-IT	Equipment - Information Technology	1372	\$15,000	Printers and Plotters
	2024	20	E-IT	Equipment - Information Technology	1373	\$225,000	Computers
	2024	20	E-IT	Equipment - Information Technology	1374	\$19,400	Computer Monitors
	2024	20	E-IT	Equipment - Information Technology	3303	\$80,000	Hardware
	2024	20	E-IT	Equipment - Information Technology	5553	\$245,000	Business Intelligence Dev (IS)
	2024	20	E-IT	Equipment - Information Technology	5595	\$112,600	Cybersecurity Improvements
cloud	2024	20	E-IT	Equipment - Information Technology	5620	\$60,900	SJWC Website Support and Services
cloud	2024	20	E-IT	Equipment - Information Technology	5621	\$250,000	Software Application Development
	2024	20	E-IT	Equipment - Information Technology	5624	\$36,800	Software Licenses
	2024	20	E-IT	Equipment - Information Technology	5997	\$23,700	Conference Room AV System Upgrades
	2024	20	E-IT	Equipment - Information Technology	6001	\$125,400	FME Configuration
cloud	2024	20	E-IT	Equipment - Information Technology	6002	\$188,600	Atlassian Software Configurations
	2024	20	E-IT	Equipment - Information Technology	6008	\$453,000	Network Devices
	2024	20	E-IT	Equipment - Information Technology	6067	\$75,000	Cybersecurity Program
cloud	2024	20	E-IT	Equipment - Information Technology	6069	\$104,600	Service Desk Consolidation
	2024	20	E-IT	Equipment - Information Technology	6072	\$42,200	SCADA Security
	2024	20	E-IT	Equipment - Information Technology	6075	\$103,500	Customer Bill Redesign
	2024	20	E-IT	Equipment - Information Technology	6076	\$50,000	Contact Center Improvements
cloud	2024	20	E-IT	Equipment - Information Technology	6079	\$132,200	ArcGIS Configuration
cloud	2024	20	E-IT	Equipment - Information Technology	6247	\$24,000	Azure/O365 Configuration
	2024	20	E-IT	Equipment - Information Technology	6248	\$117,700	Endpoint Management Configuration
	2024	21	E-OM	Equipment - Operations & Maintenance	4365	\$312,000	Purchase or Replacement of Tools
	2024	21	E-OM	Equipment - Operations & Maintenance	5702	\$18,500	Furnishings, Fixtures & Equipment
	2024	21	E-OM	Equipment - Operations & Maintenance	5766	\$459,500	Water Quality Systems Equipment
	2024	21	E-OM	Equipment - Operations & Maintenance	6205	\$104,000	Montevina WTP PLC Upgrades
	2024	21	E-OM	Equipment - Operations & Maintenance	6322	\$387,300	Saratoga Filter Plant PLC Upgrade
	2024	21	E-OM	Equipment - Operations & Maintenance	6323	\$80,000	Batista Pressure System PLC Upgrade
	2024	22	E-ECP	Equipment - Engineering, Construction, Planning	5497	\$312,000	Furnishings, Fixtures & Equip.
	2024	22	E-ECP	Equipment - Engineering, Construction, Planning	5797	\$1,500,000	EAM System Configuration
	2024	22	E-ECP	Equipment - Engineering, Construction, Planning	6063	\$85,400	PI System Configuration
	2024	22	E-ECP	Equipment - Engineering, Construction, Planning	6124	\$124,800	Business Intelligence Dev (AM)
	2024	22	E-ECP	Equipment - Engineering, Construction, Planning	6316	\$137,600	Trimble Surveying Equipment
	2024	24	OEM	Physical Security & Emergency Management	5284	\$5,054,900	Physical Security Improvements
	2024	25	W	Structures & Non-Specifics	181	\$463,300	ICE Fleet Vehicles
	2024	25	W	Structures & Non-Specifics	4093	\$416,000	Culvert Improvements
	2024	25	W	Structures & Non-Specifics	5487	\$444,900	Station Lid and Ladder Replacements
	2024	25	W	Structures & Non-Specifics	5574	\$208,000	Health and Safety Improvements
	2024	25	W	Structures & Non-Specifics	5699	\$272,800	Lake Kittredge Valve Platform
	2024	25	W	Structures & Non-Specifics	6090	\$68,200	Los Gatos Oaks Regulator Vault
	2024	25	W	Structures & Non-Specifics	6262	\$363,800	Call of the Wild Road Improvements
	2024	25	W	Structures & Non-Specifics	6266	\$504,800	Lake Williams Road Retaining Wall
	2024	25	W	Structures & Non-Specifics	6297	\$467,700	Webb Canyon Access Road
	2024	30	G	Green & Alternative Energy	5575	\$874,000	Three Mile Station Solar
	2024	30	G	Green & Alternative Energy	5993	\$2,263,900	Electric Vehicle Charging Stations
	2024	30	G	Green & Alternative Energy	6121	\$371,000	110 West Taylor Office Solar
	2024	30	G	Green & Alternative Energy	6131	\$194,800	Franciscan Station Solar
	2024	30	G	Green & Alternative Energy	6133	\$2,542,800	Electric Fleet Vehicles
	2024	30	G	Green & Alternative Energy	6191	\$31,400	Belgatos Station Solar
	2024	30	G	Green & Alternative Energy	6193	\$323,200	Dow Station Solar
	2024	30	G	Green & Alternative Energy	6194	\$308,600	Will Wool Station Solar
	2024	30	G	Green & Alternative Energy	6195	\$15,000	Cambrian Station Solar
	2024	30	G	Green & Alternative Energy	6200	\$10,000	Miguelito Station Solar
	2024	30	G	Green & Alternative Energy	6203	\$16,300	Santa Rosa Station Solar
	2024		A (retire)	Facility Retirements	23	\$2,242,900	Facility Retirements
	2024		A (retire)	Facility Retirements	6210	\$316,800	Three Mile W-8 Retirement
	2024		A (retire)	Facility Retirements	6250	\$137,300	McKee Station Retirement

APPENDIX 2:
2024 - 2026 GRC Application 24-01-001
Capital Improvement Budget

CLOUD	Budget Year	Category Number	Budget Category	Category Description	Index #	Budget Year Cost	Project Name
	2025	2	S	Source of Supply	3273	\$46,000	Ostwald Diversion Main MMRP
	2025	2	S	Source of Supply	5176	\$4,096,100	Needles Station Well Blowoff Sump
	2025	2	S	Source of Supply	5211	\$100,000	Mabury Groundwater Stn Improvements
	2025	2	S	Source of Supply	5311	\$692,000	Mabury Turnout Improvements
	2025	2	S	Source of Supply	5521	\$24,200	Lake Ranch Improvements MMRP
	2025	2	S	Source of Supply	6053	\$28,000	Lake Ranch Culvert MMRP
	2025	2	S	Source of Supply	6084	\$998,200	Ostwald Intake Deflector Wall
	2025	2	S	Source of Supply	6098	\$52,800	Kittredge Wetlands MMRP
	2025	2	S	Source of Supply	6179	\$110,800	Ostwald Mitigation Site MMRP
	2025	3	Q	Water Treatment	5732	\$2,968,400	Gish Station Chloramination
	2025	3	Q	Water Treatment	6122	\$750,000	Williams Station PFAS Treatment
	2025	4	R	Reservoirs & Tanks	4304	\$108,200	Reservoirs and Tanks
	2025	4	R	Reservoirs & Tanks	5205	\$3,048,400	Vista de Almaden Sta Improvements
	2025	4	R	Reservoirs & Tanks	5209	\$300,000	Miguelito Station Tanks
	2025	4	R	Reservoirs & Tanks	5249	\$686,800	Disinfectant Residual Mgmt. Systems
	2025	4	R	Reservoirs & Tanks	5280	\$8,000,000	Cambrian Station Tanks
	2025	4	R	Reservoirs & Tanks	5579	\$4,000,000	12th Street Station Improvements
	2025	4	R	Reservoirs & Tanks	5728	\$733,000	Seven Mile Station Improvements
	2025	4	R	Reservoirs & Tanks	6143	\$70,000	Upper Northwood Tank #1 CP Anodes
	2025	5	P	Pump Stations & Equipment	5281	\$2,200,000	Idylwild Pump Station Improvements
	2025	5	P	Pump Stations & Equipment	5312	\$1,615,200	Belgatos Pump Station
	2025	5	P	Pump Stations & Equipment	5313	\$2,876,400	Guadalupe Mines Pump Station
	2025	5	P	Pump Stations & Equipment	5535	\$649,000	Pumping Equipment
	2025	5	P	Pump Stations & Equipment	5703	\$135,200	Station Valve Replacements
	2025	5	P	Pump Stations & Equipment	5925	\$1,793,900	Santa Rosa Station Pressure System
	2025	5	P	Pump Stations & Equipment	6274	\$175,000	Cox B-6 Pump and Motor
	2025	5	P	Pump Stations & Equipment	6275	\$149,000	Williams B-5 Pump and Motor
	2025	5	P	Pump Stations & Equipment	6276	\$48,700	Happy Acres B-1 Pump and Motor
	2025	5	P	Pump Stations & Equipment	6290	\$36,100	Williams W-3 Motor
	2025	6	RW	Recycled Water	5628	\$2,861,700	Recycled Water Alignment D Phase 3
	2025	6	RW	Recycled Water	6056	\$108,200	Recycled Water Services
	2025	9	C	DS - City, County & State	8	\$54,100	City, County & State Projects
	2025	10	M	DS - Main Replacements	5322	\$616,400	Sunrise Drive Main
	2025	10	M	DS - Main Replacements	5381	\$3,838,900	Oak Street Main
	2025	10	M	DS - Main Replacements	5414	\$4,837,300	Bayview Drive Main
	2025	10	M	DS - Main Replacements	5448	\$2,951,500	Rainbow Drive Main
	2025	10	M	DS - Main Replacements	5452	\$1,008,700	Dunster Drive Main
	2025	10	M	DS - Main Replacements	5727	\$1,101,700	Sunol Street Main
	2025	10	M	DS - Main Replacements	5857	\$1,234,600	Highwood Drive Main
	2025	10	M	DS - Main Replacements	5866	\$544,300	Richlee Drive Main
	2025	10	M	DS - Main Replacements	5897	\$1,012,300	Lido Way Main
	2025	10	M	DS - Main Replacements	5948	\$2,469,400	North 11th Street Main
	2025	10	M	DS - Main Replacements	5994	\$811,200	Camden Avenue Main
	2025	10	M	DS - Main Replacements	6015	\$506,700	Thompson Avenue Main
	2025	10	M	DS - Main Replacements	6040	\$1,113,200	Orlando Drive Main
	2025	10	M	DS - Main Replacements	6100	\$1,920,400	Rundell Way Main
	2025	10	M	DS - Main Replacements	6144	\$5,262,800	South De Anza Boulevard Main
	2025	10	M	DS - Main Replacements	6146	\$742,200	Lumbertown Lane Main
	2025	10	M	DS - Main Replacements	6147	\$640,300	Pinnacle Drive Main
	2025	10	M	DS - Main Replacements	6154	\$1,512,800	Minnesota Avenue Main
	2025	10	M	DS - Main Replacements	6165	\$1,889,600	Gila Drive Main
	2025	10	M	DS - Main Replacements	6169	\$2,407,900	Richland Avenue Main
	2025	10	M	DS - Main Replacements	6177	\$1,213,400	Yuba Avenue Main
	2025	10	M	DS - Main Replacements	6201	\$2,082,400	Lee Drive Main
	2025	10	M	DS - Main Replacements	6206	\$866,600	Daylight Way Main
	2025	10	M	DS - Main Replacements	6214	\$3,645,600	Hillsdale Avenue Main
	2025	10	M	DS - Main Replacements	6215	\$1,366,200	Regent Park Drive Main
	2025	10	M	DS - Main Replacements	6228	\$2,368,300	Myrtle Street Main
	2025	10	M	DS - Main Replacements	6233	\$1,645,200	Sonuca Avenue Main
	2025	10	M	DS - Main Replacements	6234	\$1,215,600	Balfour Drive Main
	2025	10	M	DS - Main Replacements	6235	\$185,200	Plaza Montez Main
	2025	10	M	DS - Main Replacements	6236	\$1,074,200	Calpella Drive Main
	2025	10	M	DS - Main Replacements	6239	\$2,713,400	Tamalpais Avenue Main
	2025	10	M	DS - Main Replacements	6240	\$1,555,400	Culbertson Drive Main

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CLOUD	Budget Year	Category Number	Budget Category	Category Description	Index #	Budget Year Cost	Project Name
	2025	10	M	DS - Main Replacements	6241	\$1,266,600	Tamarack Avenue Main
	2025	10	M	DS - Main Replacements	6243	\$1,592,900	Marsh Street Main
	2025	10	M	DS - Main Replacements	6244	\$421,500	Violet Way Main
	2025	10	M	DS - Main Replacements	6245	\$757,000	Redcliff Drive Main
	2025	10	M	DS - Main Replacements	6303	\$487,500	South Jackson Avenue Main
	2025	10	M	DS - Main Replacements	6308	\$1,431,400	Arroyo De Arguello Main
	2025	10	M	DS - Main Replacements	6309	\$1,030,000	Azalea Way Main
	2025	10	M	DS - Main Replacements	6315	\$855,900	Lemoyne Way Main
	2025	10	M	DS - Main Replacements	6317	\$1,576,400	Humboldt Street Main
	2025	12	A	DS - Main Extensions and Non-Specifics	5156	\$51,700	Distribution System Sample Stations
	2025	12	A	DS - Main Extensions and Non-Specifics	5181	\$100,000	Acoustic Leak Detection
	2025	12	A	DS - Main Extensions and Non-Specifics	5235	\$12,200	Water Main Blowoffs
	2025	12	A	DS - Main Extensions and Non-Specifics	5331	\$1,124,900	System Valve Replacements
	2025	12	A	DS - Main Extensions and Non-Specifics	5494	\$324,500	Air Valve Replacements
	2025	12	A	DS - Main Extensions and Non-Specifics	5777	\$1,124,900	Water Main Replacements
	2025	13	B	DS - Services	28	\$14,189,900	Service Replacements
	2025	13	B	DS - Services	5726	\$481,900	Service Regulator Replacements
	2025	14	D	DS - Meters	394	\$54,100	Meters Smaller than 1.5"
	2025	14	D	DS - Meters	413	\$27,000	Recycled Water Meters
	2025	14	D	DS - Meters	613	\$108,200	Meters 1.5" and Larger
	2025	15	F	DS - Hydrants	38	\$43,300	Hydrant Installations
	2025	15	F	DS - Hydrants	5153	\$1,514,200	Hydrant Replacements
	2025	16	E-CORP	Equipment - Corporate	5926	\$19,300	Furnishings, Fixtures & Equip.
	2025	20	E-IT	Equipment - Information Technology	1362	\$16,000	Photocopiers
	2025	20	E-IT	Equipment - Information Technology	1371	\$480,000	Servers and Storage
	2025	20	E-IT	Equipment - Information Technology	1372	\$15,000	Printers and Plotters
	2025	20	E-IT	Equipment - Information Technology	1373	\$75,000	Computers
	2025	20	E-IT	Equipment - Information Technology	1374	\$20,400	Computer Monitors
	2025	20	E-IT	Equipment - Information Technology	3303	\$80,000	Hardware
cloud	2025	20	E-IT	Equipment - Information Technology	5527	\$1,234,000	Customer Information System
	2025	20	E-IT	Equipment - Information Technology	5553	\$290,000	Business Intelligence Dev (IS)
	2025	20	E-IT	Equipment - Information Technology	5595	\$116,900	Cybersecurity Improvements
cloud	2025	20	E-IT	Equipment - Information Technology	5620	\$63,900	SIWC Website Support and Services
cloud	2025	20	E-IT	Equipment - Information Technology	5621	\$270,000	Software Application Development
	2025	20	E-IT	Equipment - Information Technology	5624	\$38,600	Software Licenses
	2025	20	E-IT	Equipment - Information Technology	5997	\$24,700	Conference Room AV System Upgrades
	2025	20	E-IT	Equipment - Information Technology	6001	\$131,700	FME Configuration
cloud	2025	20	E-IT	Equipment - Information Technology	6002	\$198,000	Atlassian Software Configurations
	2025	20	E-IT	Equipment - Information Technology	6008	\$407,000	Network Devices
	2025	20	E-IT	Equipment - Information Technology	6067	\$77,500	Cybersecurity Program
cloud	2025	20	E-IT	Equipment - Information Technology	6068	\$240,400	IPaaS Analysis and Implementation
cloud	2025	20	E-IT	Equipment - Information Technology	6069	\$25,000	Service Desk Consolidation
cloud	2025	20	E-IT	Equipment - Information Technology	6071	\$104,800	IT Asset Management Implementation
	2025	20	E-IT	Equipment - Information Technology	6072	\$8,000	SCADA Security
cloud	2025	20	E-IT	Equipment - Information Technology	6079	\$138,900	ArcGIS Configuration
cloud	2025	20	E-IT	Equipment - Information Technology	6115	\$66,000	ESG Software
	2025	20	E-IT	Equipment - Information Technology	6116	\$85,800	CA Privacy Rights Act Software
	2025	20	E-IT	Equipment - Information Technology	6117	\$32,200	Records Retention Schedule Software
cloud	2025	20	E-IT	Equipment - Information Technology	6237	\$140,600	Tax Fixed Assets Implementation
cloud	2025	20	E-IT	Equipment - Information Technology	6247	\$25,200	Azure/O365 Configuration
	2025	20	E-IT	Equipment - Information Technology	6248	\$123,600	Endpoint Management Configuration
	2025	20	E-IT	Equipment - Information Technology	6257	\$780,000	Phone System Replacement
	2025	21	E-OM	Equipment - Operations & Maintenance	4365	\$324,500	Purchase or Replacement of Tools
	2025	21	E-OM	Equipment - Operations & Maintenance	5702	\$19,300	Furnishings, Fixtures & Equipment
	2025	21	E-OM	Equipment - Operations & Maintenance	5766	\$477,900	Water Quality Systems Equipment
	2025	22	E-ECP	Equipment - Engineering, Construction, Planning	5497	\$19,300	Furnishings, Fixtures & Equip.
	2025	22	E-ECP	Equipment - Engineering, Construction, Planning	5797	\$780,000	EAM System Configuration
	2025	22	E-ECP	Equipment - Engineering, Construction, Planning	6063	\$155,400	PI System Configuration
	2025	22	E-ECP	Equipment - Engineering, Construction, Planning	6124	\$129,800	Business Intelligence Dev (AM)
	2025	24	OEM	Physical Security & Emergency Management	5284	\$3,500,000	Physical Security Improvements
	2025	25	W	Structures & Non-Specifics	181	\$650,900	ICE Fleet Vehicles
	2025	25	W	Structures & Non-Specifics	5487	\$462,700	Station Lid and Ladder Replacements
	2025	25	W	Structures & Non-Specifics	5574	\$216,300	Health and Safety Improvements
	2025	25	W	Structures & Non-Specifics	6180	\$27,000	Hill Lane Station Flowmeter

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CLOUD	Budget Year	Category Number	Budget Category	Category Description	Index #	Budget Year Cost	Project Name
	2025	30	G	Green & Alternative Energy	5993	\$2,187,700	Electric Vehicle Charging Stations
	2025	30	G	Green & Alternative Energy	6133	\$2,053,200	Electric Fleet Vehicles
	2025	30	G	Green & Alternative Energy	6198	\$781,200	McKean Station Solar
	2025	30	G	Green & Alternative Energy	6199	\$522,300	Columbine Station Solar
	2025	30	G	Green & Alternative Energy	6263	\$3,614,400	Williams Station Backup ESS
	2025		A (retire)	Facility Retirements	23	\$3,035,400	Facility Retirements
	2025		A (retire)	Facility Retirements	5214	\$515,800	Hickerson Station Retirement
	2025		A (retire)	Facility Retirements	5671	\$116,300	New Jersey Station Retirement
	2025		A (retire)	Facility Retirements	5672	\$86,100	Calle de Tosca Station Retirement
	2025		A (retire)	Facility Retirements	5673	\$116,300	Cherry Station Retirement
	2025		A (retire)	Facility Retirements	5674	\$92,800	Kirk Station Retirement
	2025		A (retire)	Facility Retirements	6238	\$216,300	View Oaks Tank Retirement
	2025		A (retire)	Facility Retirements	6256	\$21,600	Kammerer Avenue Main Retirement

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CLOUD	Budget Year	Category Number	Budget Category	Category Description	Index #	Budget Year Cost	Project Name
	2026	2	S	Source of Supply	3273	\$26,700	Ostwald Diversion Main MMRP
	2026	2	S	Source of Supply	5211	\$100,000	Mabury Groundwater Stn Improvements
	2026	2	S	Source of Supply	5261	\$2,336,900	17th St. Station Retaining Wall
	2026	2	S	Source of Supply	5521	\$18,600	Lake Ranch Improvements MMRP
	2026	2	S	Source of Supply	6098	\$54,900	Kittredge Wetlands MMRP
	2026	2	S	Source of Supply	6179	\$56,900	Ostwald Mitigation Site MMRP
	2026	3	Q	Water Treatment	6122	\$4,500,000	Williams Station PFAS Treatment
	2026	3	Q	Water Treatment	6265	\$1,000,000	Willow Glen Station PFAS Treatment
	2026	4	R	Reservoirs & Tanks	4304	\$112,500	Reservoirs and Tanks
	2026	4	R	Reservoirs & Tanks	5209	\$400,000	Miguelito Station Tanks
	2026	4	R	Reservoirs & Tanks	5280	\$16,900,000	Cambrian Station Tanks
	2026	4	R	Reservoirs & Tanks	5579	\$5,001,500	12th Street Station Improvements
	2026	5	P	Pump Stations & Equipment	5281	\$6,203,900	Idylwild Pump Station Improvements
	2026	5	P	Pump Stations & Equipment	5535	\$674,900	Pumping Equipment
	2026	5	P	Pump Stations & Equipment	5703	\$140,600	Station Valve Replacements
	2026	5	P	Pump Stations & Equipment	6277	\$78,700	Buena Vista B-1 Pump and Motor
	2026	5	P	Pump Stations & Equipment	6278	\$29,500	Rosemar B-1 Pump and Motor
	2026	5	P	Pump Stations & Equipment	6279	\$18,100	Hill Lane B-1 Pump and Motor
	2026	5	P	Pump Stations & Equipment	6291	\$14,100	Breeding W-2 Motor
	2026	7	N	DS - New Mains	5439	\$5,205,400	Graystone Heights Main Installation
	2026	9	C	DS - City, County & State	8	\$56,200	City, County & State Projects
	2026	10	M	DS - Main Replacements	5773	\$1,440,600	Halsey Avenue Main
	2026	10	M	DS - Main Replacements	5839	\$1,599,300	Walnut Grove Avenue Main
	2026	10	M	DS - Main Replacements	5858	\$1,889,000	Atlas Avenue Main
	2026	10	M	DS - Main Replacements	5873	\$267,500	Caldwell Avenue Main
	2026	10	M	DS - Main Replacements	5929	\$1,572,600	Hawthorne Way Main
	2026	10	M	DS - Main Replacements	5959	\$717,100	Lantana Avenue Main
	2026	10	M	DS - Main Replacements	5971	\$568,400	Ravenwood Drive Main
	2026	10	M	DS - Main Replacements	6138	\$1,366,100	Barron Park Drive Main
	2026	10	M	DS - Main Replacements	6142	\$1,069,600	Alex Drive Main
	2026	10	M	DS - Main Replacements	6152	\$1,631,500	East Main Street Main
	2026	10	M	DS - Main Replacements	6161	\$2,351,500	Old Oak Way Main
	2026	10	M	DS - Main Replacements	6164	\$2,175,700	Story Road Main
	2026	10	M	DS - Main Replacements	6171	\$679,500	Deep Creek Court Main
	2026	10	M	DS - Main Replacements	6172	\$1,955,300	Oakhurst Drive Main
	2026	10	M	DS - Main Replacements	6175	\$4,317,900	Elm Park Main
	2026	10	M	DS - Main Replacements	6178	\$1,665,200	Pierce Road Main
	2026	10	M	DS - Main Replacements	6202	\$542,000	Alum Rock Avenue Main
	2026	10	M	DS - Main Replacements	6207	\$5,050,800	South De Anza Boulevard Main
	2026	10	M	DS - Main Replacements	6209	\$254,400	Queensbridge Way Main
	2026	10	M	DS - Main Replacements	6211	\$2,553,700	Hostetter Road Main
	2026	10	M	DS - Main Replacements	6217	\$2,296,300	Adrian Way Main
	2026	10	M	DS - Main Replacements	6220	\$1,424,500	Grace Avenue Main
	2026	10	M	DS - Main Replacements	6221	\$5,543,300	Wedgewood Avenue Main
	2026	10	M	DS - Main Replacements	6226	\$1,086,600	Emiline Drive Main
	2026	10	M	DS - Main Replacements	6227	\$1,926,700	Los Gatos Boulevard Main
	2026	10	M	DS - Main Replacements	6231	\$2,152,000	South 14th Street Main
	2026	10	M	DS - Main Replacements	6232	\$2,684,200	East San Salvador Street
	2026	10	M	DS - Main Replacements	6242	\$1,602,000	Terilyn Avenue Main
	2026	10	M	DS - Main Replacements	6258	\$2,290,400	Johnson Avenue Main
	2026	10	M	DS - Main Replacements	6267	\$4,869,300	Walnut Avenue Main
	2026	10	M	DS - Main Replacements	6302	\$901,000	Hanson Avenue Main
	2026	10	M	DS - Main Replacements	6304	\$824,300	Nikette Way Main
	2026	10	M	DS - Main Replacements	6306	\$1,879,100	Hampton Drive Main
	2026	10	M	DS - Main Replacements	6310	\$2,807,400	Chateau Drive Main
	2026	10	M	DS - Main Replacements	6311	\$463,000	Gretchen Lane Main
	2026	10	M	DS - Main Replacements	6312	\$1,142,500	Sinbad Avenue Main
	2026	10	M	DS - Main Replacements	6313	\$2,264,600	Park Crest Drive Main
	2026	10	M	DS - Main Replacements	6314	\$2,085,400	Via Carmen Main
	2026	10	M	DS - Main Replacements	6327	\$1,451,000	Zion Lane Main
	2026	12	A	DS - Main Extensions and Non-Specifics	5156	\$53,700	Distribution System Sample Stations
	2026	12	A	DS - Main Extensions and Non-Specifics	5181	\$100,000	Acoustic Leak Detection
	2026	12	A	DS - Main Extensions and Non-Specifics	5235	\$12,700	Water Main Blowoffs
	2026	12	A	DS - Main Extensions and Non-Specifics	5331	\$1,169,800	System Valve Replacements

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CLOUD	Budget Year	Category Number	Budget Category	Category Description	Index #	Budget Year Cost	Project Name
	2026	12	A	DS - Main Extensions and Non-Specifics	5494	\$337,500	Air Valve Replacements
	2026	12	A	DS - Main Extensions and Non-Specifics	5777	\$1,169,800	Water Main Replacements
	2026	13	B	DS - Services	28	\$14,757,400	Service Replacements
	2026	13	B	DS - Services	5726	\$501,200	Service Regulator Replacements
	2026	14	D	DS - Meters	394	\$56,200	Meters Smaller than 1.5"
	2026	14	D	DS - Meters	413	\$28,100	Recycled Water Meters
	2026	14	D	DS - Meters	613	\$112,500	Meters 1.5" and Larger
	2026	15	F	DS - Hydrants	38	\$45,000	Hydrant Installations
	2026	15	F	DS - Hydrants	5153	\$1,574,800	Hydrant Replacements
	2026	16	E-CORP	Equipment - Corporate	5926	\$20,000	Furnishings, Fixtures & Equip.
	2026	20	E-IT	Equipment - Information Technology	1362	\$24,000	Photocopiers
	2026	20	E-IT	Equipment - Information Technology	1371	\$520,000	Servers and Storage
	2026	20	E-IT	Equipment - Information Technology	1372	\$36,500	Printers and Plotters
	2026	20	E-IT	Equipment - Information Technology	1373	\$75,000	Computers
	2026	20	E-IT	Equipment - Information Technology	1374	\$21,400	Computer Monitors
	2026	20	E-IT	Equipment - Information Technology	3303	\$126,000	Hardware
cloud	2026	20	E-IT	Equipment - Information Technology	5527	\$3,482,500	Customer Information System
	2026	20	E-IT	Equipment - Information Technology	5553	\$320,000	Business Intelligence Dev (IS)
	2026	20	E-IT	Equipment - Information Technology	5595	\$121,500	Cybersecurity Improvements
cloud	2026	20	E-IT	Equipment - Information Technology	5620	\$67,100	SIWC Website Support and Services
cloud	2026	20	E-IT	Equipment - Information Technology	5621	\$290,000	Software Application Development
	2026	20	E-IT	Equipment - Information Technology	5624	\$40,500	Software Licenses
	2026	20	E-IT	Equipment - Information Technology	5997	\$26,100	Conference Room AV System Upgrades
	2026	20	E-IT	Equipment - Information Technology	6001	\$138,100	FME Configuration
cloud	2026	20	E-IT	Equipment - Information Technology	6002	\$207,900	Atlassian Software Configurations
	2026	20	E-IT	Equipment - Information Technology	6008	\$485,000	Network Devices
	2026	20	E-IT	Equipment - Information Technology	6067	\$80,000	Cybersecurity Program
cloud	2026	20	E-IT	Equipment - Information Technology	6068	\$50,400	IPaaS Analysis and Implementation
cloud	2026	20	E-IT	Equipment - Information Technology	6069	\$25,000	Service Desk Consolidation
cloud	2026	20	E-IT	Equipment - Information Technology	6071	\$30,000	IT Asset Management Implementation
	2026	20	E-IT	Equipment - Information Technology	6072	\$8,000	SCADA Security
cloud	2026	20	E-IT	Equipment - Information Technology	6079	\$145,800	ArcGIS Configuration
cloud	2026	20	E-IT	Equipment - Information Technology	6247	\$26,500	Azure/O365 Configuration
	2026	20	E-IT	Equipment - Information Technology	6248	\$129,800	Endpoint Management Configuration
	2026	21	E-OM	Equipment - Operations & Maintenance	4365	\$337,500	Purchase or Replacement of Tools
	2026	21	E-OM	Equipment - Operations & Maintenance	5702	\$20,000	Furnishings, Fixtures & Equipment
	2026	21	E-OM	Equipment - Operations & Maintenance	5766	\$497,000	Water Quality Systems Equipment
	2026	22	E-ECP	Equipment - Engineering, Construction, Planning	5497	\$20,000	Furnishings, Fixtures & Equip.
	2026	22	E-ECP	Equipment - Engineering, Construction, Planning	5797	\$380,000	EAM System Configuration
	2026	22	E-ECP	Equipment - Engineering, Construction, Planning	6063	\$203,200	PI System Configuration
	2026	22	E-ECP	Equipment - Engineering, Construction, Planning	6124	\$135,000	Business Intelligence Dev (AM)
	2026	24	OEM	Physical Security & Emergency Management	5284	\$3,500,000	Physical Security Improvements
	2026	25	W	Structures & Non-Specifics	181	\$2,145,600	ICE Fleet Vehicles
	2026	25	W	Structures & Non-Specifics	4093	\$449,900	Culvert Improvements
	2026	25	W	Structures & Non-Specifics	5487	\$481,200	Station Lid and Ladder Replacements
	2026	25	W	Structures & Non-Specifics	5574	\$225,000	Health and Safety Improvements
	2026	30	G	Green & Alternative Energy	5993	\$2,187,600	Electric Vehicle Charging Stations
	2026	30	G	Green & Alternative Energy	6133	\$3,984,100	Electric Fleet Vehicles
	2026	30	G	Green & Alternative Energy	6189	\$1,337,400	Three Mile Station Backup ESS
	2026		A (retire)	Facility Retirements	23	\$1,308,700	Facility Retirements
	2026		A (retire)	Facility Retirements	6114	\$124,200	Rainbow Drive Station Retirement
				Total		\$449,985,400	