California Public Utilities Commission
505 Van Ness Ave., San Francisco

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Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov Docket #: A.21-08-011

CPUC APPROVES PURCHASE OF SATIVA LOS ANGELES COUNTY WATER DISTRICT BY SUBURBAN WATER SYSTEMS

SAN FRANCISCO, April 7, 2022 - The California Public Utilities Commission (CPUC) today approved Suburban Water Systems' $11.8 million acquisition of Sativa Los Angeles County Water District, located in Willowbrook and Compton. The Decision also furthers the goal of Assembly Bill 1577 (Gipson) to provide affordable, safe drinking water to disadvantaged communities.

In order to facilitate a smooth transition for customers, Suburban Water must integrate the Sativa system into Suburban's Whittier/La Mirada Service Area by January 1, 2024. The rates for Sativa customers will be determined in Suburban Water's 2023 General Rate Case, which is expected to be filed with the CPUC on January 3, 2023. If the acquisition closes before December 31, 2023, Sativa's rates for customers will be reduced to a flat rate of approximately $62 per month plus fees and charges. After December 31, 2023, Sativa's rates will be subject to the approved rates and charges for Suburban's Whitter/La Mirada Service Area. Eligible low-income Sativa customers will have access to the Customer Assistance Program immediately after closing of the acquisition.

"Today's Decision offers long-term stability to more than 1,600 customers in Compton and Willowbrook, who experienced poor water quality for several years," said Commissioner Genevieve Shiroma. "Since the passing of Assembly Bill 1577 in 2018, the County of Los Angeles Department of Public Works has served as an interim administrator, bringing short-term improvements in water quality, and through the acquisition by Suburban Water Company, the Sativa system will see long-term, essential, water infrastructure investments, and customers will now have access to low-income water programs to reduce their utility burden."

On August 13, 2021, Suburban Water Systems submitted an application requesting CPUC approval to purchase Sativa Los Angeles County Water District. Sativa was previously owned and operated by Los Angeles County and serves a population of approximately 6,837 through 1,643 active service connections in the City of Compton and Willowbrook, an unincorporated area of Los Angeles County. Suburban Water is a Class A regulated water company that serves a population of approximately 300,000 customers in Los Angeles and Orange Counties. Suburban Water is a subsidiary of Southwest Water Company, which operates in six states and serves approximately 600,000 customers.

The proposal voted on is available at https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M459/K718/459718887.PDF.

Documents related to the proceeding are available at https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:A2108011.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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