A MESSAGE FROM YOUR GENERAL MANAGER

Golden State Water Company (Golden State Water) has been serving reliable, quality water to Californians for more than 90 years. We always put our customers first, because we understand that water is a critical part of your everyday life.

On May 30, 2019, Golden State Water’s General Rate Case (GRC) was approved by the State of California to set water rates for 2019, 2020 and 2021 and authorize proposed infrastructure investments for the local system. Water rates and infrastructure investments are closely related, as investments to protect the reliability of the water system are a key driver of rates.

New rates approved through the GRC will be implemented on June 8, 2019, and customers may notice the adjustment on their June 2019 water bills. Since the GRC approval was delayed nearly six months (originally expected before Jan. 1, 2019) by factors outside of Golden State Water’s control, the difference between actual rates and approved rates for the period from Jan. 1 – June 7, 2019, will be reconciled at a later time.

If you have any questions, please visit our website at gswater.com/san-gabriel for more information or call us anytime at 800.999.4033.

On behalf of everyone at Golden State Water, thank you for being a valued customer.

Sincerely,
Ben Lewis
General Manager
Foothill District
Golden State Water Company

WATER RATES

Golden State Water delivers quality drinking water and reliable service 24 hours a day, 7 days a week, to approximately 12,300 customers in the San Gabriel service area which includes portions of Arcadia, El Monte, Irwindale, Monrovia, Monterey Park, Rosemead, San Gabriel and Temple City.

Beginning when new rates are implemented on June 8, 2019, an average residential customer in San Gabriel Service Area with a 5/8 x 3/4” meter using 10 Ccf per month would see a monthly bill decrease of $0.94 from $52.70 to $51.76 compared to 2018 (excluding any applicable surcharges).

The rate adjustment factors the 3.21 percent rate decrease that was implemented in July 2018 to pass cost savings from the lower federal income tax requirement through to customers (Tax Cuts and Jobs Act of 2017).

EXPENSES

Approximately 76% of the costs to operate and maintain the water system don’t change when customers use less/more water and are considered fixed costs.

REVENUE

Approximately 70% of the revenue collected from water bills is variable. When usage decreases, rates must eventually increase to cover fixed costs.

*Figures shown represent companywide average and vary by ratemaking area.
HOW WATER RATES ARE SET

Golden State Water is regulated by the State of California to ensure rates are reasonable and reflect the full cost to provide water service, maintain the infrastructure and make needed system improvements.

Every three years, Golden State Water is required to file a GRC with the state to propose a rate structure that recovers the revenue needed to meet operating expenses and necessary infrastructure improvements over a three-year period. Golden State Water filed its GRC application for the years 2019, 2020 and 2021 on July 19, 2017.

The GRC process is thorough and takes approximately 18 months to ensure rates are fair and provide reliable, quality water service. Customers are encouraged to participate in the ratemaking proceedings, and their interests are protected throughout the process by the state’s Public Advocates Office.

BENEFIT TO CUSTOMERS

Golden State Water invests to protect the safety and reliability of the local water system. We employ proactive maintenance programs and update our aging pipeline infrastructure on a replacement schedule of approximately 100 years. For comparison, the American Society of Civil Engineers published a report on the country’s water infrastructure concerns, noting a national average replacement schedule of 200 years on pipes designed to last 75-100 years.¹

In the approved 2019-21 GRC application, Golden State Water proposed infrastructure investments totaling approximately $15,068,000 for the San Gabriel Customer Service Area to address water supply, storage and distribution needs.


KEY PROJECTS

Following are capsule summaries of key upcoming projects:

• Pipeline Replacement Program: Approximately $12,093,000 is approved to replace aging water pipes to improve water system operation and reliability.
• Plant Installations: Approximately $950,500 is approved to install a permanent emergency diesel generator at the Encinita Plant and upgrade the booster station at the Teresa Plant. These investments will improve efficiency and reliability for the San Gabriel system.
• Miscellaneous Water Main Replacements and Relocations: More than $537,000 is approved to replace water mains, connections, valves and fire hydrants.
• Meters and Services Installation: A $791,000 investment is approved to install new meters and replace older meters. This project will also replace meter vaults and vault lids that are no longer functioning, as well as automatic meter reading equipment to help maintain meter reading accuracy and efficiency.

TO LEARN MORE about local infrastructure investments, water rates or conservation programs/rebates available in your area, please visit gswater.com/San-Gabriel, follow us on Twitter @GoldenStateH2O or call us anytime at 800.999.4033.