

NEW BUSINESS NARRATIVE

This outline provides a summary of key procedures involved in the management, design, and construction of water source, storage, and distribution facilities for applicant-funded water system improvements. These procedures have been designed to promote efficient completion of projects at the lowest possible cost and maintain compliance with California Public Utilities Commission (CPUC) rules and regulations. Applicant adherence to these procedures will avoid cost and schedule impacts to the applicant's projects.

Application

New Business (NB) projects are residential, commercial, or industrial projects which require construction or modification of water facilities including public fire hydrants, domestic services larger than 2-inches on existing water mains and main extensions to serve a subdivision, tract, housing project, individual development, commercial building, or shopping center and are within Golden State Water Company's (GSWC) service area. To determine if your project is within GSWC service area go to www.gswater.com/your-service-area. When it is determined that a proposed development is within GSWC's service area, the applicant will complete a NB application for water service (application) and will submit the application along with engineering plans and a non-refundable application deposit to GSWC. The application is available at [this location](#). A complete list of required submittal documents is noted on the application. Applicants who submit applications missing any of the required documents will have their applications rejected.

The application fee is non-refundable and is to cover the initial cost of GSWC's management expenses, including review of, engineering plans, reports, local fire department's requirements, and fire flow tests where necessary. Though non-refundable, the application fee will be credited to the overall costs GSWC incurs for the project.

Fire Flow Requirements

Through long experience, GSWC has determined that the most often overlooked and missing submittal document, is the document from the local fire control agency, for example, Los Angeles County Fire Department, that clearly states the fire flow rate and duration requirements (required FF) for a particular project. Fire flow requirements are much higher than domestic flows and will determine the extent, if any, of required source, storage and distribution improvements that will be the responsibility of the applicant to construct to conform to the requirements of the local fire protection agency.

Fire Flow Availability

The local fire control agency may require a fire flow test. The GSWC Fire Flow Test Application is available at [this location](#). For more information, call 1-800-999-4033.

GSWC will check to see if the nearest hydrant has been tested in the last twelve months, if it has been tested, part II of the application will be completed and returned to you in 1 to 2 weeks. If it has not been tested, a request will be made to have the hydrant tested by GSWC personnel. Once the hydrant has been tested and the results are available, part II of the application will be completed and returned to you. This may take up to 4 weeks depending on the workload of GSWC's personnel.

Service Outside GSWC Service Area

Applications for water service outside of GSWC's currently approved service area will be reviewed on a case-by-case basis and may or may not be approved by GSWC. This will depend on an analysis of the projects impact to GSWC's existing water system and existing customers. If a service area expansion is deemed appropriate, GSWC will be required to file an "advice letter" with the CPUC. This will occur concurrently with the design and construction of the water improvements. It is emphasized that approval of service area expansion lies solely

with the CPUC, and therefore GSWC cannot make any representation whether the new service area will or will not be approved by the CPUC.

Preliminary Cost Estimate Letter

Once GSWC receives a complete application package, it will conduct a preliminary engineering analysis and prepare a Preliminary Cost Estimate Letter (PCEL) when applicable or requested by the applicant. It will describe what, if any, additional water facilities may be required for this project. The PCEL is prepared assuming GSWC is designing the project. The PCEL will also include a request for a design deposit.

It should be emphasized that the PCEL is just an estimate on cost and extent of improvements and not a contract. The PCEL has an expiration date of 90 days from the date it was issued. If no action is taken by the applicant in this time period, their project may be cancelled and all fees advanced to date forfeited.

Design

When a new project consists of only the construction of new: fire, irrigation, or domestic services greater than 2", **GSWC will design and manage the construction** of the proposed offsite water improvements.

GSWC **may allow** the applicant to utilize their own civil engineering consultant to prepare the water improvement plans for projects that require main extensions such as a new subdivision. In a similar manner GSWC **may allow** the applicant to utilize their own contractor, provided they have been approved by GSWC, to install and convey (I&C) these types of water improvements to GSWC, or GSWC may choose to manage the construction of the improvements. In either case, three competitive bids from GSWC approved contractors, will be required for the construction of the water improvements. Please note that for an I&C contract, the applicant will be responsible for the selected contractor's schedule and budget to construct the water improvements.

Once the PCEL is signed by the applicant and the deposit is received, GSWC or the applicant's civil engineer may begin the preparation of the water improvement plans. GSWC will review and approve the water improvement plans. Prior to finalizing the plans, GSWC sends out 90% plans for field review. Upon obtaining comments, the plans are finalized. If GSWC is designing and constructing the water improvements, it will be responsible for obtaining any necessary permits. For the I&C method, the applicant is responsible for obtaining all permits. These could include but are not necessarily limited to: encroachment permits, traffic control permits of local jurisdictions, and waivers (when applicable) from the Division of Drinking Water (DDW) per Waterworks Standards (Title 22, Chapter 16, Section 64572). GSWC will provide a DDW waiver template to the applicant's civil engineer to complete. GSWC will then submit the completed waiver request to the DDW. The applicant is solely responsible for developing their construction schedule and including sufficient time for the preparation, review, and approval of all required permits for their project.

Division of Drinking Water (DDW)

When proposed water pipelines are within offset distances, established by the Californian Department of Drinking Water (DDW), in the proximity of proposed or existing non-potable pipelines such as storm drains, sanitary sewer or oil product pipelines, GSWC must submit a waiver to DDW. DDW will require special conditions to the pipeline construction to be added to the construction plans to mitigate the possibility of contamination of the potable water pipeline. Written approval from the State Board must be obtained by GSWC to finalize the proposed construction plans. This process can take between 2 to 12 weeks depending upon the project's location in California.

California Senate Bill No. 7

Effective January 1, 2018, applications for a water connection to newly constructed multiunit residential structures or newly constructed mixed-use residential and commercial structures are required to install an

individual water meter or sub-meter to measure the quantity of water supply to each individual residential unit as a condition of new water service per California Senate Bill No. 7 (SB 7). All applicants must provide a letter to GSWC from the local building official stating the development is in conformance with SB 7. Water service will not be provided until proof of SB 7 compliance has been provided.

Golden State Water Company will allow a single service with a master water meter serve each condominium structure that includes eight or more individual condominium units. For condominium structures with fewer than eight individual condominium units, Golden State Water will require individual Golden State Water Company water services with water meters for each condominium unit.

Bidding Process

For an I&C process, the applicant will then be able to solicit bids from a list of GSWC currently approved contractors for the water improvements, or GSWC will solicit bids using the Planet Bids web application. Should the applicant wish to solicit bids from a contractor that is not currently approved by GSWC, GSWC will perform a vetting process that may take 4 to 6 weeks. The applicant should build this time requirement into their construction schedule.

Supplemental Water

In the Santa Maria service area, GSWC receives supplemental water (SW) from the Central Coast Water Authority. All applicants requesting a new service connection, a new water meter, or an increase in the size of their existing service connection and/or water meter must provide a source of SW to offset the increased water demand. Contact the Operations Engineer at (805) 349-7407 to discuss specific requirements for your project.

Facilities Agreement

The best value bid will be the basis of the main extension contract (MEC) between the applicant and GSWC to construct the water improvements. The MEC has an expiration date and if not executed by the applicant within the required time frame noted in the MEC, the project may be cancelled by GSWC. The MEC also states the requirement that all easements granted to GSWC for water facilities must be of record before water service can be established. The MEC will itemize the schedule of estimated costs for the project based on the bid. The final construction costs may be higher or lower depending on actual quantities installed and field conditions. The MEC details the deposit amount that is required to be paid to GSWC by the applicant. It should be emphasized that the MEC is an estimate on cost and work. The MEC has an expiration date of 90 days from the date it was issued. If no action is taken by the applicant in this time period, their project may be cancelled and all fees advanced to date forfeited.

Construction Phase

All construction shall be per approved GSWC's approved plans, Standard Specifications, Standard Drawings and Approved Materials List (AML). GSWC's Standard Drawings and AML are available [at this location](#). Once GSWC receives a MEC signed by the applicant and the required deposit, it will schedule a pre-construction meeting with the either the applicant's contractor (I&C) or GSWC's contractor.

Project Closeout

Once the water improvements are completed and accepted by GSWC, GSWC will provide an accounting of the project's deposits and expenses. This will be summarized in a closing letter where GSWC will either request additional funds or reimburse the applicant and then closeout the project. Reimbursements will be first applied to any outstanding balances owed by the applicant before any remaining amount is refunded to the applicant.

CONTACT INFORMATION

<p>Alison Sweet, P.E. Engineering Design and New Business Manager alison.sweet@gswater.com</p>	<p>Ms. Tarsha Spearman x 348 New Business Contract Administrator tarsha.spearman@gswater.com</p>	<p>Ms. Julia Rivas x 349 New Business Contract Administrator julia.rivas@gswater.com</p>
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For all questions, please call or contact one of the following:

Ms. Tarsha Spearman

Service Areas:

Mtn. /Desert District: Barstow, Calipatria, Niland, Morongo Valley, Apple Valley, Lucerne Valley, and Wrightwood.

Northern District: Arden Cordova, Arden Manor, Gold River, Rancho Cordova, Sacramento, Bay Point, and Clearlake.

Orange County District: Buena Park, Cypress, Garden Grove, La Palma, Los Alamitos, Rossmoor, Seal Beach, Stanton, Cowan Heights, Lemon Heights, Orange, Placentia, Santa Ana, and Yorba Linda.

Southwest District: Athens, Carson, Compton, Del Aire, El Camino Village, El Segundo, Gardena, Gardena Heights, Hawthorne, Inglewood, Lawndale, Lennox, Redondo Beach, and Torrance.

Ms. Julia Rivas

Service Areas:

Central District: Artesia, Cerritos, Downey, Hawaiian Gardens, La Mirada, Lakewood, Long Beach, Norwalk, Whittier, Bell, Bell Gardens, Cudahy, Hollydale, Huntington Park, Paramount, Santa Fe Springs, South Gate, Willowbrook, and Culver City.

Coastal District: Cypress Ridge, Los Osos, Edna Valley, Santa Maria, Lake Marie, Nipomo, Orcutt, Sisquoc, Tanglewood, and Simi Valley.

Foothill District: Claremont, Montclair, Pomona, Upland, San Dimas, Charter Oaks, Covina, Glendora, La Verne, Walnut, Arcadia, El Monte, Irwindale, Monrovia, Monterey Park, Rosemead, San Gabriel, and Temple City.