

PRELIMINARY STATEMENT  
(Continued)

**AG. School Lead Testing Memorandum Account**

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California-American Water Company (Cal-Am) shall maintain a School Lead Testing Memorandum Account (SLTMA) to track incremental expenses associated with conducting Lead tests at K-12 grade schools, within Cal-Am’s service territory, that request this service.

The SLTMA is being established pursuant to the Amendment to the Domestic Water Supply permits issued by the State Water Resources Control Board’s Division of Drinking Water (DDW) to Cal-Am on or after January 17, 2017.

**1. PURPOSE:**

The purpose of the SLTMA is to track the incremental expenses (not already reflected in authorized rates) for customer outreach, and other incremental operation costs, including but not limited to, legal costs, Operations and Maintenance expenses, Administrative and General expenses that are unforeseen and directly associated with complying and implementing the School Lead Testing Program.

**2. APPLICABILITY:**

All areas served by California American Water.

**3. ACCOUNTING PROCEDURE:**

The SLTMA shall include, but will not be limited to:

- a. Incremental and necessary labor or contracted labor costs associated with the following: planning and coordinating with K-12 schools to develop individual sampling plans; collecting and submitting samples to laboratories; and administrating other program requirements, including assisting the school with interpretation of laboratory results and advice on remediation.
- b. Laboratory fees for all Lead sampling and reporting of results to DDW and the school, and all laboratory coordination and instructions.
- c. Incremental customer outreach costs that are necessary in coordination with the local school district, local community and local official, in compliance with DDW's school Lead Testing Program.
- d. Interest shall accrue to the SLTMA on a monthly basis by applying a rate equal to one-twelfth of the 90-day Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

**4. RATEMAKING PROCEDURE:**

There is currently no ratemaking component to the memorandum account. Requests for recovery of any balance are to be processed according to General Order 96-B and Standard Practices or otherwise determined in a Commission decision. Upon Commission review and approval, balances shall be transferred to the appropriate district CEBA’s for recovery/refund.

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(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1280-A	J. T. LINAM	Date Filed	<u>06/22/2020</u>
Decision		DIRECTOR - Rates & Regulatory	Effective	<u>02/10/2020</u>
			Resolution	<u></u>