



Topic: **Reservoir Committee Agenda Item 2-6**      **2018 Sept 21**

Subject: **California Water Service Withdrawal**

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**Requested Action:**

Discussion and possible direction to staff regarding California Water Service’s intent to withdraw from participation in the Reservoir Committee.

**Detailed Description/Background:**

On August 6, 2018, California Water Service formally notified the Authority they intend to withdraw from the Reservoir Committee.

**Prior Reservoir Committee Action:**

None.

**Fiscal Impact/Funding Source:**

None.

**Staff Contact:**

None.

**Attachments:**

Attachment A – CWS withdrawal letter August 6, 2018



## CALIFORNIA WATER SERVICE

1720 North First Street, San Jose, CA 95112-4598  
Tel: (408) 367-8200

August 6, 2018

Mr. James C. Watson  
General Manager, Sites Project Authority  
PO Box 517  
Maxwell, CA 95955

Re: Sites Reservoir Project, Project Participation as a Non-Member Participating Party

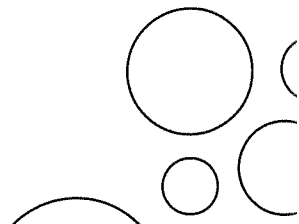
Dear Mr. Watson:

Congratulations on receiving funding for the public benefit portion of the Sites Reservoir Project (Project). This represents a major milestone in the progression of this project. Unfortunately, California Water Service Company (Cal Water) must withdraw from the project. Cal Water's regulatory representatives have determined that a decision by the California Public Utilities Commission will not be timely rendered and final prior to the end of Phase 1.

Cal Water understands that pursuant to our agreement, it has the option of either (1) withdrawing and being reimbursed by the Authority for its past payments or (2) arrange for the transfer of its share in the project to another party or parties who are eligible to participate. With respect to option (1) we understand that the Authority will refund payments made by Cal Water consistent with the Joint Powers Agreement, Bylaws, Project Agreement(s) and provisions for refunding payments as contained in the Sites Reservoir Committee's April 21 agenda report for item 2.4, which was attached to the letter of April 28, 2017 between the Authority and Robert J. Kuta, VP, Engineering, Cal Water.

At this time, Cal Water is formally seeking reimbursement by the Authority for its past payments. Please advise us as to when we could expect reimbursement and the process associated with obtaining reimbursement under the current status of the Project.

Cal Water appreciates the opportunity to have worked with you and the Authority. We are disappointed that we have to forgo participation in the Sites Reservoir project. We





## CALIFORNIA WATER SERVICE

look forward to receiving your response regarding the most expeditious means to accomplish reimbursement for our past payment.

With kindest regards,

A handwritten signature in black ink, appearing to read "Robert J. Kuta". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Robert J. Kuta  
Vice President, Engineering

Cc: Marty Kropelnicki, President and Chief Executive Officer  
Tom Smegal, Vice President, Chief Financial Officer, and Treasurer  
Paul Townsley, Vice President, Rates and Regulatory Matters

