

May 14, 2015

Kendall H. MacVey, Esq.
Best Best & Krieger, LLP
3750 University Avenue, Suite 400
P.O. Box 1028
Riverside, CA 92502

Subject: Claremont Water System – Supplement to 2012 Appraisal Report

Dear Ken:

At the request of Best Best and Krieger, LLP (BBK), legal counsel for the City of Claremont, California (City), NewGen Strategies and Solutions, LLC (NewGen) updated the appraisal analyses and opinion of value in NewGen's September 2013 Appraisal Report of the Claremont Water System (2013 Appraisal Report) to incorporate recent financial data reported in Golden State Water Company's (GSWC's) 2014 Annual Report for the Claremont Water System filed at the California Public Utilities Commission (CPUC) and GSWC's pending rate application before the CPUC in A. 14-07-006. This letter report is a supplemental report to the 2013 Appraisal Report (hereinafter referred to as the 2015 Appraisal Supplement).

Date of Valuation

The fair market value of the property was estimated as of January 1, 2015.

Definition of Fair Market Value

Fair market value is defined in the California Code of Civil Procedure (Section 1263.320) as follows:

"(a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

"(b) The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable."

NewGen Strategies and Solutions, LLC

NewGen is a management and economic consulting firm serving the energy, water/wastewater, and solid waste utility industry and markets. NewGen has offices in Austin, Dallas, Denver, Nashville, and Seattle. NewGen provides financial, due diligence, cost of service and rate design, appraisal and valuation, depreciation, strategy, expert witness, stakeholder, and sustainability consulting services to its clients. A list of individuals contributing to the 2015 Appraisal Supplement and a summary of their qualifications and experience are provided in Exhibit 1 to this report.

Ms. Nancy Heller Hughes Hughes is a Director at NewGen and was the project manager and senior appraiser for the 2015 Supplement Appraisal Report. Ms. Hughes is an Accredited Senior Appraiser (ASA) of public utility property, certified by the American Society of Appraisers, and a Certified Depreciation Professional (CDP), certified by the Society of Depreciation Professionals. Ms. Hughes previously appraised the Claremont Water System in 2004, 2008, 2012, and 2013.

Property Interest Appraised

The property interest being valued is the fee simple ownership rights of GSWC in the Claremont Water System to be acquired with no restrictions, indebtedness, or other encumbrances. The Claremont Water System includes all property, real and personal, including records, books and accounts, utility plant in service, water supply contracts and water rights, and “water system” property as defined under Section 240 of the California Public Utilities Code owned by GSWC and comprising its water service system for, and used and useful in providing water service to, the “Claremont District Water System” as that District is shown on the records of the CPUC.

Highest and Best Use

Highest and best use is defined as “the most reasonably probable and legal use of a property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”¹ In our opinion, the highest and best use of the Claremont Water System is its current use, to provide municipal water utility service.

Scope of Work

This appraisal addresses the fair market value of GSWC’s water system serving customers in the Claremont Customer Service Area (CSA). The Claremont CSA includes customers located within the City limits and some customers located in unincorporated areas that receive water from the Claremont Water System.

BBK requested that NewGen prepare the 2015 Appraisal Supplement to incorporate more recent financial data reported in GSWC’s 2014 Annual Report for the Claremont Water System files at the CPUC and GSWC’s pending rate application before the CPUC in A. 14-07-006. Following is the scope of work for the 2015 Appraisal Supplement:

- Update the income approach analysis to reflect data filed in GSWC’s 2014 Annual Report for the Claremont District filed at the CPUC and GSWC’s pending rate application before the CPUC in A. 14-07-006.
- Update the cost approach analysis to reflect 2014 plant investment and accumulated depreciation using the Handy-Whitman Index of Public Utility Construction Costs to update the replacement cost value of the facilities developed in the 2013 appraisal study.

¹ Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets, Second Edition, American Society of Appraisers, Glossary of Terms, page 570.

- The scope of services does not include any system inventory or condition assessment work. NewGen relied on the results of inspections and analyses performed in connection with previous appraisal reports of the Claremont Water System.²
- Update the market approach analysis to reflect recent water utility sales transactions, to the extent information is available, and update the market capitalization analysis to reflect current stock price data.
- Prepare a supplement to the September 2013 appraisal report summarizing the results of our analyses and provide an opinion of the fair market value of the Claremont Water System as of January 1, 2015.

In undertaking the studies and analyses required to provide an opinion of the fair market value of the Claremont Water System as of January 1, 2015, NewGen relied on generally accepted valuation methods and procedures in accordance with USPAP. As part of the appraisal, NewGen considered all three generally accepted approaches to valuation (cost, income, and market) and their degree of applicability in estimating the value of the Claremont Water System. The methodology and procedures used to develop the indicators of value for the supplemental appraisal are the same as described in the September 2013 appraisal report. The results of our analyses and the indicators of value developed for the Supplemental Appraisal Report are described below.

Information Reviewed

In addition to the information reviewed by NewGen listed in the September 2013 Appraisal Report, NewGen relied on the following publicly available information to prepare the appraisal supplement:

- GSWC's 2014 Annual Report of District Water System Operations for the Claremont District filed with the CPUC.
- GSWC's 2014 General Rate Case (GRC) filing in Application A.14-07-006 and filed workpapers for Region 3, which includes the Claremont Customer Service Area (CSA).
- Handy-Whitman Index of Public Utility Construction Costs.
- Blue Chip Economic Indicators, March 2015.

Assumptions and Limiting Conditions

See Exhibit 2.

² An inspection of the above-ground and accessible facilities in the Claremont Water System took place on September 5, 2012 in connection with the 2012 appraisal. Nancy Heller Hughes, ASA, CDP, New Gen (formerly with SAIC), Paul T. Johnson, P.E. of SAIC, Craig Bradshaw, City Engineer for the City of Claremont, and Kendall H. MacVey of BBK law firm, represented the City on the inspection. Tom Travis, GSWC Superintendent for the Claremont Water System, Denise L. Kruger, Senior Vice President of Regulated Utilities for GSWC, and Joe A. Conner of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, represented GSWC on the inspection. The results of the inspection are summarized in Section 3 of the 2012 appraisal report prepared by SAIC.

Description of Property

The property that is the subject of the 2015 Appraisal Supplement are the assets that are used and useful in the operation of the Claremont Water System as reported by GSWC in the 2014 Annual Report for the Claremont Water District to the CPUC. A detailed description of the assets in the Claremont Water System is provided in GSWC's 2014 Annual Report to the CPUC for the Claremont District. A copy of Schedules D-1 through D-7 and the 2014 Plant Facility Index from GSWC's 2014 Annual Report to the CPUC for the Claremont District is provided in Exhibit 3. A map and description of the Claremont Water System are provided in the September 2013 Appraisal Report.

Fair Market Value Analyses

There are three generally accepted approaches to estimating the value of property: the cost approach, the income approach, and the market approach. Under the cost approach, the value of the property is based on the premise that an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the subject property. Under the income approach, the value of the property is estimated by capitalizing or determining the present worth of the prospective net income from the property. The market approach assesses value based on recent fair market sales of similar facilities under similar circumstances.

All three approaches to value: cost, income, and market were considered in performing the 2015 Appraisal Supplement.

Cost Approach

The cost approach is based on the premise that an informed buyer would pay no more than the cost of producing a substitute property with the same function or utility as the Subject Property. Two indicators of value that are commonly considered under the cost approach when valuing regulated public utility property are the Reproduction Cost New Less Depreciation (RCNLD) value and the Original Cost Less Depreciation (OCLD) value.

Replacement cost is defined as the current cost of a similar new property having the nearest equivalent utility as the property being appraised. In contrast, reproduction cost is the current cost of reproducing a new replica of the property being appraised using the same, or closely similar, materials.³ Since there have not been major changes in the way water systems are constructed, there is typically not a significant difference between replacement cost and reproduction cost, and the terms are often used synonymously.

For rate regulated utility property, such as the Claremont Water System, the OCLD value is a relevant indicator of value because it is generally equivalent to the rate base value of the property, which is the value of the property on which the regulated utility is allowed to earn a return.⁴ Under the principle of substitution, an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the Subject Property. However, an informed buyer would also pay no more than the income value of the property. In the case of rate regulated utility property, the income value is generally equivalent to the rate base value of the property, assuming that utility rates are based on cost of service. Therefore, in theory, an informed buyer would not pay more than the rate base value of the

³ *Valuing Machinery and Equipment*, American Society of Appraisers, Second Edition, page 44.

⁴ Rate base also includes amounts for materials and supplies and cash working capital, less amounts for customer contributed capital, such as contributions in aid of constructions and accumulated deferred income taxes.

property. The relationship between the rate base value and income value of regulated utility property is discussed in more detail later in this appraisal report.

Exhibit 4 shows the calculation of the estimated RCNLD and OCLD values for the facilities to be acquired.

To update the cost approach indicators of value, NewGen estimated the RCN value of the Claremont Water System at January 1, 2015 (which is equal to the value at December 31, 2014) by trending the 2013 values using the Handy Whitman Index of Public Utility Construction Costs.

NewGen did not separately appraise the value of land, easements, and other rights of way upon which the Claremont Water System facilities are located. In developing the indicators of value under the cost approach, NewGen assumed the value of land and land rights is equal to the value of land and land rights reported in GSWC's 2014 Annual Report for the Claremont District.⁵

The amount of accumulated depreciation was estimated based on the age of the facilities and depreciation parameters (average service life, survivor curve, and net salvage) reported by GSWC in its 2014 GRC application to the CPUC. The accumulated depreciation was then subtracted from the RCN value to determine the RCNLD value. The OCLD value was estimated by trending the current cost figures to the year of installation using the Handy Whitman Index.

Table 1 shows the estimated RCNLD and OCLD values of the Claremont Water System developed by NewGen.

Table 1
Claremont Water System
Estimated RCNLD and OCLD Values
as of January 1, 2015

Reproduction Cost New	\$195,280,000
Less Depreciation	112,164,000
Reproduction Cost New Less Depreciation (RCNLD)	\$74,697,000
Original Cost	\$67,584,000
Less Depreciation	31,328,000
Original Cost Less Depreciation (OCLD)	\$36,256,000

As indicated previously, the OCLD value is an estimate of the net book value of the property. As of December 31, 2014, GSWC reported a net book value of water system property in the Claremont District equal to \$47,688,473. All or a portion of the difference between the net book value reported on

⁵During the inspection of the Claremont Water System, we observed several parcels of land that were surplus property (e.g., abandoned well sites) that are no longer used and useful. The 2012 appraisal assumed the investment in these land parcels is still recorded in the financial statements for the Claremont Water System because GSWC included the parcels on the list of facilities for the inspection. The investment in these land parcels may also be included in rate base for ratemaking purposes. These surplus parcels have little or no value to the Claremont Water System from an operational perspective and may require remediation costs to remove abandoned facilities in order to use the land for another purpose.

GSWC's books and the estimated OCLD value may be attributed to the book cost of plant facilities that are abandoned, out of service, or inactive. NewGen does not know whether these plant facilities have been retired from GSWC's books; however, they were assigned a zero value for the purpose of this appraisal.

Depreciation and Obsolescence Adjustments

Depreciation is the estimated loss in value of an asset, compared with a new asset. There are three basic types or causes of depreciation:

- Physical deterioration – the loss in value or usefulness resulting from the wear and tear of an asset in operation and exposure to various elements.
- Functional obsolescence – the loss in value or usefulness caused by inefficiencies or inadequacies of the property itself, when compared to a more efficient or less costly replacement property that new technology has developed.
- Economic obsolescence – the loss in value caused by factors external to the property.⁶

The deduction for depreciation made to the cost approach indicators of value shown in Table 1 reflects the physical deterioration based on the observed age and expected life of the facilities.

No additional adjustment was made to the cost approach indicators of value for functional obsolescence, although zero value was assigned to facilities we observed in the Claremont Water System that were abandoned, out-of-service, or inactive.

Regarding economic obsolescence, it can be said that utility rate regulation, which restricts the earnings of the utility to an allowed rate of return times an original cost rate base, is a form of economic obsolescence.⁷ No quantitative adjustment was made to the RCNLD value of the Subject Property to reflect economic obsolescence; however, the relationship between the cost and income indicators of value for rate regulated utility property is discussed in the Conclusions section of this report.

Rate Base Value

Table 2 shows the rate base value of the Claremont Water System reported in GSWC's 2014 Annual Report to the CPUC for the Claremont District. As discussed above, under utility rate regulation the value of contributed plant is excluded from the calculation of rate base. In other words, the value of the water system on which GSWC can earn its authorized rate of return excludes the value of contributed plant. As shown in Table 2, a significant portion (19.7 percent) of the Claremont Water System net plant is contributed plant that has been paid for by customers. In addition, accumulated deferred income taxes and other reserves, which are sources of customer contributed capital, represent another 12.7 percent of the net book value of the Claremont Water System.

⁶ American Society of Appraisers, *Appraising Machinery and Equipment*, Second Edition, pages 66-67.

⁷ Woolery, *Valuation of Railroad and Utility Property*, page 44.

Table 2
Claremont Water System
Rate Base Value as of December 31, 2014

Plant in Service	\$76,689,808
Construction Work in Progress	2,032,972
Total Gross Plant	\$78,722,780
Less Accumulated Depreciation	28,997,921
Total Net Plant	\$49,724,859
Less:	
CIAC and Advances for Construction	8,508,296
Reserves for Deferred Income Taxes and Other Reserves	8,221,033
Add:	
Materials and Supplies	80,994
Cash Working Capital	855,942
Allocation of General Office, Regions, District Office and Customer Service Area (CSA)	1,254,005
Total Claremont District Rate Base	\$35,186,471

Source: GSWC 2014 Annual Report for the Claremont District

Any private buyer of the Claremont Water System would be subject to CPUC rate regulation and would only be allowed to earn its authorized rate of return on the rate base value of the system, which excludes the value of contributed plant and customer contributed capital. Therefore, it would be appropriate to reduce the estimated OCLD and RCNLD values shown in Table 4-1 by 29.2 percent, since the utility cannot earn a rate of return on this investment. However, legislation passed in the State of California allows water corporations to use the standard of fair market value when establishing the rate base value for distribution systems of public water systems acquired, not original cost when placed in service.⁸ Therefore, an adjustment for contributed plant was not made to the estimated RCNLD and OCLD values in this appraisal.

Water Rights

GSWC owns certain water rights to groundwater produced from the Six Basins and Chino Basin and water from TVMWD. Water rights for Chino Basin were adjudicated by court order in 1978; water rights for Six Basins were adjudicated by court order in 1998. The water rights appear to be recorded at zero cost on GSWC's financial statements; NewGen saw no evidence of investment related to water rights for the Claremont Water System in annual reports filed at the CPUC or GSWC's 2011 GRC filing and workpapers.

⁸ California Public Utilities Code, Section 2718-2720. The acquisition, including the purchase price paid for the system, requires CPUC approval.

NewGen was advised by legal counsel for the City that these water rights are real property rights belonging to the Claremont Water System and cannot be severed from the system.⁹ Therefore, NewGen did not separately appraise the value of water rights that are part of the Claremont Water System. However, the value of these water rights are reflected in the income indicator of value developed in this appraisal.

Income Approach

The income approach estimates the value of property by capitalizing or determining the present worth of anticipated economic benefits from the property. Under the discounted cash flow (DCF) method, the direct economic benefits derived from continued ownership of the system are expressed in terms of free cash flow, which represents the total cash flow generated by the going concern that is available to the providers of both debt and equity capital.

The DCF model used to estimate the value of the Claremont Water System is essentially an after-tax cash flow model of annual revenues and expenses over a ten-year period beginning with fiscal year 2015 and ending with fiscal year 2024. The calculation of free cash flow is illustrated as follows:

<i>Annual Operating Revenues</i>	
<i>Less:</i>	<i>Annual Operating Expenses</i>
<i>Equals:</i>	<i>Pre-tax Net Operating Income</i>
<i>Less:</i>	<i>Income Taxes (not applicable to the City)</i>
<i>Equals:</i>	<i>Earnings Before Interest, Depreciation & Amortization</i>
<i>Less:</i>	<i>Future Capital Expenditures Net Changes in Working Capital</i>
<i>Equals:</i>	<i>Free Cash Flow</i>

A description of the key assumptions used in the DCF model and a copy of the supporting analyses are provided in Exhibit 5.

Table 3 shows the calculation of the income value for the Claremont Water System using the DCF method. Annual revenues and expenses for the Claremont Water System were projected based on data from the Claremont District Annual Reports, the CPUC's final decision in GSWC's 2011 rate case, and GSWC's pending 2014 GRC application. In particular, the analysis in Table 4-3 assumes the purchaser of the system would be allowed to continue charging rates for water service on a comparable basis to existing Region 3 rates.

Under the DCF method, the income indicator of value is equal to the sum of the present value of the projected cash flows (from fiscal year 2015 through fiscal year 2024) plus the present value of the projected terminal value. The series of annual free cash flows was discounted using an 8.34 percent discount rate. The estimated terminal (residual) value at the end of the projection period, discounted to the date of valuation, was added to the net present value of the earnings stream over the projection period to determine the estimated fair market value based on the income approach

⁹ See Assumptions and Limiting Conditions.

As shown in Table 3, the income indicator of value of the Claremont Water System is equal to \$56,335,000, assuming the purchaser of the system would be allowed to continue charging rates for water service comparable to existing Region 3 rates.

Table 3
Claremont Water System
Discounted Cash Flow Indicator of Value
Based on Projected Regional Water Rates

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Projected Annual Revenue										
Water Service Revenues	\$20,353,009	\$20,515,352	\$21,009,772	\$21,574,935	\$22,049,584	\$22,534,874	\$23,030,437	\$23,537,107	\$24,054,923	\$24,584,132
Other Revenue	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880
Total Revenue	\$20,365,889	\$20,528,232	\$21,022,652	\$21,587,815	\$22,062,464	\$22,547,754	\$23,043,317	\$23,549,987	\$24,067,803	\$24,597,012
Projected Annual Expenses										
Supply Expenses	\$6,530,339	\$6,564,795	\$6,599,542	\$6,634,804	\$6,669,974	\$6,705,867	\$6,741,868	\$6,778,001	\$6,814,672	\$6,851,873
Operation & Maintenance Expense	2,139,888	2,208,527	2,281,160	2,354,844	2,430,842	2,508,617	2,588,833	2,671,358	2,756,254	2,843,599
Administrative & General Expenses	3,474,995	3,806,187	3,741,814	3,881,477	4,025,901	4,175,035	4,329,036	4,488,062	4,652,278	4,821,853
Total Operating Expenses	\$12,145,222	\$12,580,490	\$12,622,316	\$12,870,925	\$13,126,517	\$13,389,320	\$13,659,537	\$13,937,419	\$14,223,203	\$14,517,125
Depreciation	\$2,561,830	\$2,649,870	\$2,739,350	\$2,830,920	\$2,924,410	\$3,019,870	\$3,117,330	\$3,216,830	\$3,318,430	\$3,422,160
Property Taxes	\$386,277	\$392,351	\$398,276	\$404,051	\$409,871	\$415,134	\$420,435	\$425,572	\$430,541	\$435,339
Payroll Taxes	74,441	76,160	77,919	79,719	81,559	83,443	85,370	87,341	89,358	91,422
Local Taxes	23,168	23,854	24,151	24,858	25,176	25,704	26,244	26,795	27,358	27,933
Total Taxes Not on Income	\$483,885	\$492,165	\$500,346	\$508,428	\$516,408	\$524,281	\$532,049	\$539,709	\$547,257	\$554,893
Total Expenses Before Interest and Income Taxes	\$15,190,936	\$15,522,325	\$15,862,012	\$16,210,272	\$16,567,333	\$16,933,471	\$17,308,916	\$17,693,958	\$18,088,891	\$18,493,978
Earnings and Cash Flow										
Operating Income	\$5,174,953	\$5,005,907	\$5,160,840	\$5,377,543	\$5,495,130	\$5,614,084	\$5,734,401	\$5,856,029	\$5,978,912	\$6,103,034
Income Taxes	1,070,475	1,815,907	1,665,855	1,735,871	1,773,828	1,812,226	1,851,065	1,890,326	1,929,993	1,970,059
Net Income	\$3,504,478	\$3,390,000	\$3,494,785	\$3,641,672	\$3,721,302	\$3,801,858	\$3,883,336	\$3,965,703	\$4,048,919	\$4,132,975
Plus Depreciation Expense	2,581,830	2,649,870	2,739,350	2,830,920	2,924,410	3,019,870	3,117,330	3,216,830	3,318,430	3,422,160
Earnings Before Interest, Depreciation & Amort.	\$6,086,308	\$6,039,870	\$6,234,135	\$6,472,592	\$6,645,712	\$6,821,728	\$7,000,666	\$7,182,533	\$7,367,349	\$7,555,135
Less Capital Expenditures	\$3,083,000	\$3,127,320	\$3,183,000	\$3,260,050	\$3,328,510	\$3,398,410	\$3,469,780	\$3,542,640	\$3,617,040	\$3,692,990
Less Changes in Working Capital	27,467	28,232	29,019	29,833	30,671	31,538	32,426	33,346	34,294	35,271
Free Cash Flow	\$2,975,841	\$2,884,118	\$3,012,116	\$3,182,709	\$3,286,531	\$3,391,782	\$3,498,460	\$3,606,547	\$3,716,015	\$3,826,874
Estimated Income Value										
Discount Rate	8.34%									
Growth Rate	2.83%									
Net Present Value of 2015-2024 Free Cash Flow	\$21,803,939									
Terminal Value	\$71,418,775									
Net Present Value of Terminal Value	\$34,730,650									
Income Value as of January 1, 2015	\$56,334,589									
Rounded Value	\$56,335,000									

Source: Exhibit 5.

NewGen also projected annual revenue requirements for the Claremont Water System assuming rates for water service only recover Claremont District costs as reported in by GSWC to the CPUC. The projected revenue requirement that recovers only Claremont costs are less than the projected revenue requirement assuming regional rates. While this suggests that Claremont District customers are subsidizing other areas in Region 3, NewGen does not have sufficient evidence to conclude that this is the case.

Table 4 shows the income indicator of value of the Claremont Water System assuming projected rates only recover Claremont District costs; the resulting income value is equal to \$37,992,000.

This value is close to the rate base value of the Claremont Water System reported by GSWC (see Table 2), which is to be expected, since for rate regulated utilities, the rate base value is the value of the property on which the utility is allowed to earn its authorized rate of return.

Table 4
Claremont Water System
Discounted Cash Flow Indicator of Value
Based on Rates that Recover Only Claremont District Costs

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Projected Annual Revenue										
Water Service Revenues	\$19,419,497	\$19,795,100	\$20,176,451	\$20,563,769	\$20,957,226	\$21,357,043	\$21,763,395	\$22,176,510	\$22,596,626	\$23,023,943
Other Revenue	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880
Total Revenue	\$19,432,377	\$19,807,980	\$20,189,331	\$20,576,649	\$20,970,106	\$21,369,923	\$21,776,275	\$22,189,390	\$22,609,506	\$23,036,823
Projected Annual Expenses										
Supply Expenses	\$6,530,339	\$6,564,795	\$6,599,542	\$6,634,604	\$6,669,974	\$6,705,667	\$6,741,668	\$6,778,001	\$6,814,672	\$6,851,673
Operation & Maintenance Expense	2,139,888	2,209,527	2,281,160	2,354,844	2,430,642	2,508,617	2,588,833	2,671,358	2,756,254	2,843,599
Administrative & General Expenses	3,474,995	3,606,167	3,741,614	3,881,477	4,025,901	4,175,035	4,328,036	4,486,062	4,652,278	4,821,853
Total Operating Expenses	\$12,145,221	\$12,380,490	\$12,622,316	\$12,870,925	\$13,126,517	\$13,369,320	\$13,659,537	\$13,937,419	\$14,223,203	\$14,517,125
Depreciation	\$2,561,830	\$2,649,670	\$2,739,350	\$2,830,920	\$2,924,410	\$3,019,870	\$3,117,330	\$3,216,830	\$3,318,430	\$3,422,160
Property Taxes	\$386,277	\$392,351	\$398,276	\$404,051	\$409,871	\$415,134	\$420,435	\$425,572	\$430,541	\$435,339
Payroll Taxes	74,441	76,180	77,919	79,719	81,559	83,443	85,370	87,341	89,358	91,422
Local Taxes	23,168	23,654	24,151	24,658	25,176	25,704	26,244	26,795	27,358	27,933
Total Taxes Not on Income	\$483,885	\$492,165	\$500,346	\$508,428	\$516,406	\$524,281	\$532,049	\$539,709	\$547,257	\$554,693
Total Expenses Before Interest and Income Taxes	\$15,190,936	\$15,522,325	\$15,862,012	\$16,210,272	\$16,567,333	\$16,933,471	\$17,308,916	\$17,693,958	\$18,088,891	\$18,493,978
Earnings and Cash Flow										
Operating Income	\$4,241,440	\$4,265,655	\$4,327,318	\$4,366,376	\$4,402,772	\$4,436,452	\$4,467,359	\$4,495,432	\$4,520,615	\$4,542,645
Income Taxes	1,389,137	1,383,409	1,396,858	1,409,486	1,421,215	1,432,087	1,442,063	1,451,125	1,459,254	1,466,430
Net Income	\$2,872,303	\$2,902,246	\$2,930,460	\$2,956,910	\$2,981,557	\$3,004,365	\$3,025,296	\$3,044,307	\$3,061,361	\$3,076,215
Plus Depreciation Expense	2,561,830	2,649,670	2,739,350	2,830,920	2,924,410	3,019,870	3,117,330	3,216,830	3,318,430	3,422,160
Earnings Before Interest, Depreciation & Amort.	\$5,434,133	\$5,551,916	\$5,669,810	\$5,787,830	\$5,905,967	\$6,024,235	\$6,142,626	\$6,261,137	\$6,379,791	\$6,498,575
Less Capital Expenditures	\$3,063,000	\$3,127,320	\$3,193,000	\$3,260,050	\$3,328,510	\$3,398,410	\$3,468,780	\$3,542,640	\$3,617,040	\$3,692,990
Less Changes in Working Capital	27,467	28,232	29,019	29,833	30,671	31,536	32,426	33,346	34,294	35,271
Free Cash Flow	\$2,343,666	\$2,396,364	\$2,447,791	\$2,497,947	\$2,546,786	\$2,594,289	\$2,640,420	\$2,685,151	\$2,728,456	\$2,770,315
Estimated Income Value										
Discount Rate	8.34%									
Growth Rate	1.88%									
Net Present Value of 2015-2024 Free Cash Flow	\$18,745,601									
Terminal Value	\$43,690,352									
Net Present Value of Terminal Value	\$21,246,435									
Income Value as of January 1, 2015	\$37,992,036									
Rounded Value	\$37,992,000									

Source: Exhibit 5

Discount Rate

The discount rate used to calculate the net present value of the projected cash flow stream is equal to the weighted average cost of capital for a typical purchaser of the Claremont Water System, rather than any actual financing associated with the Subject Property. For the purpose of this appraisal, NewGen assumed the typical purchaser would be a taxable entity, i.e., a corporate buyer. However, we are fully aware that the City of Claremont, which is considering the purchase of the Claremont Water System, is a government entity. The cost of capital is generally less for a government buyer than for a corporate buyer, which could lead to the erroneous conclusion that the value of the property is higher for the government buyer than for a corporate buyer. However, in an open and competitive market with all parties having reasonable knowledge of the relevant facts, there is no reason for a government buyer to pay substantially more than a corporate buyer would pay to purchase the same property. Therefore, to estimate the income value of the Claremont Water System, we assumed the typical purchaser would be a corporate entity.

Market Approach

The comparable sales method under the market approach involves review of recent sales of similar facilities between a willing buyer and a willing seller, who are unrelated, as an indication of the general market price for such facilities. Caution must be exercised when using the comparable sales method as an indicator of value for utility property. Normally, the appraiser will, when necessary, make

adjustments to the comparable sales transactions in order to correlate the sales price to the characteristics of the subject property. There are many factors that can influence sales price including, among others, market area, age, and other considerations that may be reflected in the sales price. Each party's motivation can affect the negotiation and the terms of the sale. Strategic objectives are the driving motivator for some sales. These objectives are often kept confidential and are not available to the appraiser for evaluation.

The comparable sales method is primarily applicable to property that is readily substitutable and where a number of similar type properties have recently been sold. However, the market approach is difficult to apply in valuing utility property due to the lack of comparable utility sales transactions.

Table 5 shows water system sales transactions in California from 2008 to 2015. All of the sales transactions shown in Table 5 involved water systems that are substantially smaller than the Claremont Water System in terms of number of customers, with the exception of three systems, which are substantially larger than the Claremont Water System. (The Claremont Water System served 11,089 metered connections at December 31, 2014.) All of the sales transactions shown in Table 5 were between willing buyers and willing sellers. The Valencia-Castaic Lake sales transactions was a stipulated condemnation resulting from voluntary negotiations between the parties; therefore, it is included as a willing buyer/willing seller sales transaction.

Table 5
Summary of Water System Sales in California, 2008-2015

Year of Sale	Seller	Purchaser	Location	Sales Price	Number of Customers	Sales Price per Customer	Source
2015	Rural Water Company	Golden State Water Company	San Luis Obispo County	\$1,700,000	950	\$1,789	A.13-10-011
2013	Garapata Water Company	California-American Water Company	Monterey County	184,000	49	3,347	D.13-01-033
2012	Valencia Water Company	Castaic Lake Water Agency	Los Angeles County	73,800,000	30,000	2,460	State Superior Court, Los Angeles County, Case No. BC 497322, Stipulated Judgment (voluntary negotiation)
2012	Central Water System	Plainview Mutual Water Company	Tulare County	24,000	42	571	D.12-04-020
2012	James Water	Cal Water Service	Kern County	1	23	—	D.12-02-003
2012	Lake Forest Water Company	Tahoe City PUD	Placer County	370,000	118	3,136	
2012	Riverview Acres Water Company	Salier Mutual Water Company		1	53	—	
2011	Yermo Water Company	Yermo Community Services District		259,000	300	863	
2011	Park Water Company and Apple Valley Ranchos Water Company	Western Water Holdings, LLC	San Bernardino County	102,000,000	46,285	2,204	D.11-12-007
2011	Watertek, Inc. (Grand View Gardens, East Plano and Metropolitan)	Del Oro Water Company	Tulare and Fresno Counties	60,000	146	411	D.11-03-016
2010	Southwest Water Company d/b/a Suburban Water Systems	IIF Subway Investment LP and USA Water Services, LLC	Los Angeles County	275,000,000	75,000	3,667	D.10-09-012
2009	Ponderosa Sky Ranch Water System	Sky View County Water District		50,000	110	455	
2008	California American	San Lorenzo Valley Water District	Santa Cruz County	13,400,000	1,330	10,075	
2008	Live Oak Springs Water Company	Live Oak Enterprises, LLC	San Diego County	185,000	96	1,927	D.08-09-008
2008	Arbuckle Water Company	Del Oro Water Company	Colusa County				D.08-09-010
2008	Tahoe Park Water Company (Robertson)	Tahoe Park Water Company (Dewante)	Placer County	150,000	520	288	D.08-07-017
2008	River Island Water Company	Del Oro Water Company	Tulare County	760,000	352	2,159	D.08-07-034
2008	Matt Dillon Water Company	Toulumne Utilities District	Toulumne County	100,000	160	625	D.08-02-025
2008	Mar Vista Water Company	Trout Gulch	Santa Cruz County	295,860	186	1,591	D.08-05-005

We generally do not rely on the comparable sales transaction method under the market approach to estimate the value of water utility systems due to the lack of relevant sales transactions and differences between the water systems that are known or unknown.

Another method under the market approach to test the reasonableness of the results of the cost and income value approaches is to estimate the portion of the parent company market capitalization that is attributable to the Subject Property. Using market price data for May 1, 2015, the market capitalization of American States Water Company was allocated to the Claremont Water System using three measures: customers, revenues, and net plant. We also examined the 52-week high and low values for American States Water Company at May 1, 2015, to develop a range of possible values for the market capitalization attributable to the Claremont Water System.

The results of the market capitalization analysis shown in Figure 1 indicate a wide range of value (\$41.5 million to \$78.5 million); however, the analysis suggests that the indicators of value produced by the cost and income approaches to valuation are reasonable. A copy of the market capitalization analysis is provided in Exhibit 6.

In our opinion, the market approach is not as reliable as the cost and income approaches for estimating the value of utility property; therefore, we did not rely on the market approach to determine the estimated fair market value of the Claremont Water System.

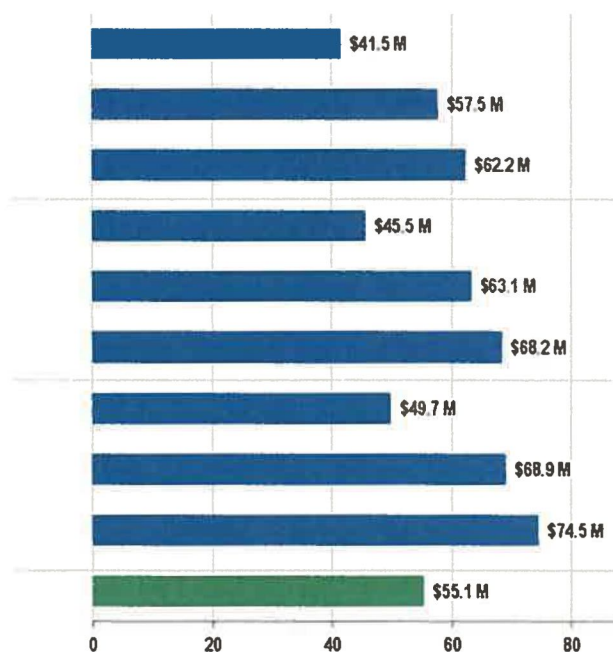


Figure 1. Claremont Water System Market Value based on Parent Company Market Capitalization

Severance

Severance damages are the costs to physically and operationally separate the Subject Property from the larger system, as well as the loss in value to the remaining system due to its inability to use the acquired property.

NewGen has not performed technical studies regarding the operation of the Claremont Water System as a stand-alone water system; however, based on our knowledge of the system, we expect severance costs to be minimal.

The Claremont Water System is largely a self-contained water system with limited interconnection points with neighboring water utilities (four interconnections with TVMWD and one each with the Monte Vista Water District, City of La Verne, and City of Upland). The Claremont Water Service area is bordered on all sides by non-GSWC water utilities, so physical separation should not be difficult.

Some systems, such as telecommunications, supervisory control and data acquisition (SCADA), and computer and customer billing systems may be shared with other GSWC entities at the corporate, regional, or district level; however, information about these systems is not available at this time.

Any compensation to GSWC for damages related to loss of income from the Claremont Water System used to support other GSWC Region 3 water system operations is reflected in the discounted cash flow indicator of value based on projected regional rates (Table 3).

Conclusions

In the preparation of the 2015 Appraisal Supplement, NewGen considered and examined all three generally accepted approaches to valuation, i.e., the cost, income, and market approaches to value. However, the market approach was not relied upon in this appraisal due to a lack of relevant comparable sales data.

Table 6 is a summary of the indicators of value NewGen developed as part of this appraisal to estimate the fair market value of the Claremont Water System. These indicators of value are subject to the limiting assumptions and conditions described in Exhibit 2.

Table 6
Claremont Water System
Summary of Indicators of Value

Indicators of Value	
Cost Approach:	
Reproduction Cost New Less Depreciation (RCNLD)	\$74,697,000
Original Cost Less Depreciation (OCLD)	\$36,256,000
Rate Base Value	\$35,186,000
Income Approach:	
Rates based Only on Claremont District Costs	\$37,992,000
Rates based on Continued Regional Rate Levels	\$56,335,000
Market Approach	Not Relied Upon
Fair Market Value as of August 1, 2013	\$56,335,000

As shown in Table 6, the OCLD and RCNLD indicators of value range from \$36.3 million to \$74.7 million. The OCLD and RCNLD values tend to set the lower and upper limits, respectively, on the range of fair market value for regulated utility property. The income indicators of value developed in this appraisal fall within this range of value.

The effect of utility rate regulation is an important consideration in valuing public utility property. Under standard ratemaking procedures, rate regulated utilities are only allowed to earn a fair and reasonable rate of return on their OCLD rate base; operating expenses are essentially a pass-through cost recovered through rates. Thus, in theory, one would expect the income value for rate regulated utility property to be close to or equal to its rate base value since this is the value of the utility's investment on which it is allowed to earn its authorized rate of return or profit.

As shown in Table 6, the income value of the water system based on Claremont District costs (\$38.0 million) is close to the rate base value (\$35.2 million) of the system. This is as expected since the income value for rate regulated property is generally equal to the rate base value of the property, assuming rates are based on cost of service. Since rates for the Claremont District are determined on a regional basis, which are generally higher than Claremont specific rates, the income value based on regional rate levels (\$56.3 million) is higher than the rate base value of the system.

The income indicators of value shown in Table 6 reflect the going concern value of the Claremont Water System as a whole, including all assets that are part of the Claremont Water System and used to provide water service to customers in Claremont. In particular, the income indicators of value incorporate the value of the physical facilities, any land, easements, and rights of way on which these facilities are located, and any water rights that are attached to the Claremont Water System.

In our opinion, the highest price for the Claremont Water System that would be agreed to by a willing seller and willing buyer is equal to the value indicated by the income approach assuming that rate levels in the future are comparable to current regional rates. If the prospective buyer were to pay an amount greater than the income value, the buyer would be unable to earn its desired return on equity. However, if the CPUC approved rates in the future that recover only Claremont District costs, the income value would be less.

Based on the results of the analyses described in this appraisal report, and the relative strengths and weaknesses of the indicators of value developed herein, it is our opinion that the fair market value of the Claremont Water System at January 1 is equal to \$56,335,000.

NewGen appreciates the opportunity to perform the 2015 Appraisal Supplement for BBK, on behalf of the City. Please contact me at 425-605-5332 if you have any questions.

Sincerely,

NewGen Strategies and Solutions, LLC



Nancy Heller Hughes, ASA, CDP
Director

Appraisal Certification

I, the undersigned, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are impartial and unbiased professional analyses, opinions, and conclusions.
- NewGen has no present or prospective interest in the properties that are the subject of this report, and NewGen has no interest or bias with respect to the parties involved.
- The appraiser signing this report previously performed appraisals of the property in 2004, 2008, 2012, and 2013.
- NewGen has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- NewGen's engagement in this assignment was not contingent upon developing or reporting predetermined results.
- NewGen's compensation is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the USPAP promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.
- The American Society of Appraisers has a mandatory recertification program for all its Senior Members and Nancy Heller Hughes, ASA, CDP, is in compliance with that program.
- No site review of the property was performed as part of the 2015 Appraisal Supplement. Ms. Hughes, and representatives from SAIC, the City and GSWC made an inspection of the property that is the subject of this report on September 5, 2012 in connection with the 2012 appraisal.
- NewGen support staff, under the principal supervision of the undersigned, provided assistance in the preparation of this report. A list of significant contributors is included in the report.

Respectfully submitted,

NewGen Strategies & Solutions, LLC



Nancy Heller Hughes, ASA, CDP

May 14, 2015
NewGen Strategies & Solutions, LLC
20014 SE 19th Street
Sammamish, Washington 98075

Exhibit 1
QUALIFICATIONS AND EXPERIENCE OF PROJECT TEAM

QUALIFICATIONS AND EXPERIENCE OF THE APPRAISAL PROJECT TEAM

Nancy Heller Hughes, ASA, CDP | Senior Appraiser

B.A. in Business and Statistics, University of Chicago

M.B.A. in Finance and Accounting, University of Chicago

Ms. Hughes is an Accredited Senior Appraiser (ASA) of Public Utility property certified by the American Society of Appraisers and a Certified Depreciation Professional (CDP) certified by the Society of Depreciation Professionals. She has worked in the public utility industry since 1977 specializing in utility valuation, depreciation, rates and regulation. Ms. Hughes has testified as an expert witness on these issues before federal and state regulatory commissions, city councils and courts of law.

Ms. Hughes has performed valuation and appraisal studies to determine the value of a wide range of utility property including water, wastewater, electric, natural gas, telecommunications and solid waste property. These studies have been performed in connection with the sale and acquisition of property, eminent domain cases, property tax issues, fixed asset inventory development and utility rate cases.

Gina M. Baxter | Project Analyst

B.A. in Business Administration, University of Puget Sound

With more than ten years of experience as a utility analyst, Ms. Baxter is skilled in the compilation and analysis of complex economic and financial data in a variety of consulting projects for electric, water, wastewater and solid waste utilities. This experience has facilitated a combination of technical expertise and business acumen for a range of projects that included preparing financial plans, cost of service and rate studies, depreciation studies, life cycle assessments, appraisals, sustainability studies and feasibility studies. She also has experience providing regulatory support to expert witnesses on a variety of issues in utility rate cases.

Exhibit 2
ASSUMPTIONS AND LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

In the preparation of the 2015 Appraisal Supplement and the opinions therein, NewGen made certain assumptions with respect to conditions that may occur in the future. In addition, we have used and relied upon certain information and assumptions provided to us by sources, which we believe to be reliable. We believe the use of such information and assumptions is reasonable for the purposes of this report. However, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those forecasted to the extent that actual future conditions differ from those assumed by us or provided to us by others. Also, if new or additional information becomes available, the results of the appraisal could change.

The conclusions and opinions of value found in this report are made expressly subject to the following conditions and stipulations:

1. The 2015 Appraisal Supplement Report is a supplement to the September 2013 Appraisal Report prepared by NewGen and relies on information and analyses presented in the September 2013 Appraisal Report.
2. No responsibility is assumed by NewGen for matters that are legal in nature, nor do we render any opinion as to the title, land, and/or land rights, which are assumed to be good and marketable.
3. No opinion is intended to be expressed for matters that would require specialized investigation or knowledge beyond that normally used by an appraiser engaged in valuing the type of assets described in this report.
4. All existing liens and encumbrances have been disregarded and the value of the property was appraised as though free and clear and under responsible ownership.
5. Extraordinary Assumption:¹ On the advice of legal counsel, GSWC's rights to groundwater produced from the Six Basins and Chino Basin and GSWC's right to water from Three Valleys Municipal Water District (TVMWD) are assumed to be real property that belongs to the Claremont Water System and cannot be severed from the Claremont Water System. NewGen did not separately appraise the value of water rights that are part of the Claremont Water System; however, the value of these water rights are reflected in the income indicator of value developed in this appraisal.
6. Ms. Nancy Heller Hughes, ASA, CDP, performed an official inspection of the above-ground and accessible facilities in the Claremont Water System with representatives for GSWC on September 5, 2012. Based on the observations of Ms. Hughes and the SAIC engineer who worked on the 2012 appraisal of the visible above-ground and accessible equipment, the facilities appeared to be in average condition for plant of comparable type and age; however, we noted several well sites that were abandoned, out of service, or inactive. No additional site inspections were performed in connection with this appraisal update. For the purpose of the 2015 Appraisal Supplement, NewGen assumes that the property is in essentially the same condition as it was in September 2012 and there are no hidden or unapparent conditions that would make the property more or less valuable.

¹ An extraordinary assumption, as defined in USPAP, is an assumption, directly related to a specific assignment, which if found to be false, could alter the appraiser's opinions or conclusions.

Assumptions and Limiting Conditions

Page 2

7. NewGen relied on the inventory of facilities used in NewGen's 2013 Appraisal Report. The Reproduction Cost New (RCN) value of the facilities at the date of value was estimated by trending the 2013 RCN values to price levels at December 31, 2014 using the Handy Whitman Construction Cost Index and deducting an appropriate amount of depreciation.
8. NewGen has not separately appraised the value of land, easements, and other rights of way upon which facilities of the Claremont Water System are located. However, the value of land and land rights that are part of the Claremont Water System are reflected in the income indicators of value developed in this appraisal. In developing the indicators of value under the cost approach, we assumed the value of land and land rights is equal to the value of land and land rights reported in GSWC's 2014 Annual Report of District Water System Operations for the Claremont District.
9. For the purpose of the appraisal, we have assumed that the property conforms to all applicable zoning and use regulations and restrictions.
10. NewGen has not conducted any investigations, nor have we reviewed studies performed by others, regarding environmental issues.
11. No one outside NewGen has provided significant assistance to the preparation of this report. Individuals affiliated with NewGen and contributing to this report are Nancy Heller Hughes, ASA, CDP, Senior Appraiser and Gina Baxter, Project Analyst. A description of the qualifications and experience of the individuals contributing to the 2015 Appraisal Report is provided in Exhibit 1.
12. The studies and analyses undertaken in the preparation of the opinion contained herein have been performed in accordance with standard engineering practices and the USPAP as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

Exhibit 3
PLANT FACILITY DATA

SCHEDULE D-1 Sources of Supply and Water Developed									
Line No.	STREAMS			FLOW IN ... (Unit) ²				Annual Quantities Diverted	Remarks
1	Diverted Into ¹	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions		(Unit) ²	
2				Claim	Capacity	Max	Min		
3									"None"
4									
5									
6									
7									
8	WELLS						Pumping Capacity	Annual Quantities Pumped	Remarks
9	At Plant (Name or Number)	Location	Number	Diversions	³ Depth in Water	(Unit) ²	(Unit) ²		
10									"REFER TO ATTACHED SCHEDULE"
11									
12									
13									
14									
15									
16									
17	TUNNELS AND SPRINGS			FLOW IN (Unit) ²			Annual Quantities Used	Remarks	
18	Designation	Location	Number	Maximum	Minimum	(Unit) ²	(Unit) ²		
19									
20									
21									
22									
23									
24									
25									
26	Purchased Water for Resale								
27									
28									
29	Purchased from								
30	Annual quantities purchased			(Unit chosen) ²	"REFER TO ATTACHED SCHEDULE"				
31									
32									

¹ State ditch, pipe line, reservoir, etc., with name, if any.

² The quantity unit in established use for expressing water stored and used in large amounts is the acre foot, which equals 43,560 cubic foot; in domestic use the thousand gallons or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second, in gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.

³ Average depth to water surface below ground surface.

SCHEDULE D-2 Description of Storage Facilities				
Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting Reservoirs			"REFER TO ATTACHED SCHEDULE"
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution Reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Concrete			
11	Earth			
12	Wood			
13	Steel			
	Total			

Plant Facility Index

Region: III
District: Foothill
CSA: Claremont
System: 317 - Claremont

Plant	Major Facility	Year Built	Base Elev.	2014 Prod (AF)	Wells				Pumps					Tanks			Remarks
					Well No.	Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)	Type	Material	
Alamosa	Well 2	1913	1636	2	01S08W34A04S	470	14	380	Subm.	Elec.	50	375	400				Well to Pomello Resv
Berkeley	Well 2 Pump	1927	1190	321	01S08W09G03S	154	14	130	Subm.	Elec.	75	500	450				Well to Main Zone
Bernard																	No Facilities
Boulder																	No Facilities
Camp Baldy	Reservoir	2004	1870											0.500	Elev Resv	W. Steel	Floats on Camp Baldy Zone
Campbell																	No Facilities
City of La Verne Connection - Williams & Smith	Interconnection			0													Emergency connection with City of La Verne
	PRV Station C129																Co-op West Zone to Main Zone
City of La Verne Connection - Williams N of College Way	Interconnection		1261	0													Emergency connection with City of La Verne
City of Upland Connection				590													
Claraboya	Reservoir	1963	1640											0.250	Elev Resv	W. Steel	Floats on Claraboya Reservoir Zone
	Booster A	1964	1640						V.T.	Elec.	60	500	320				Booster A,B & C pump to Claraboya Booster Zone. Backup Generator
	Booster B	1966	1640						V.T.	Elec.	75	600	320				
	Booster C	1997	1640						V.T.	Elec.	50	400	375				
College # 1	Well 1	1924	1573	469	01N08W35Q01S	539	24	425									Well to Indian Hill Zone
	Well 1 Pump								DWT	Elec.	150	400	550				Owned by Pomona College
College # 2	Well 2	1998	1233	1130	Unknown	830	16										Well to Main Zone. VFD
	Well 2 Pump								DWT	Elec.	350	1750	634				Owned by Pomona College
Del Monte	Well 1	1925	1145	239	01S08W10N01S	450	18	344									Wells 1 & 4 pump through
	Well 1 Pump								DWT	Elec.	50	300	436				
	Well 2	1928	1151	554	01S08W10N03S	644	16	290									GAC Filter to Del Monte
	Well 2 Pump								DWT	Elec.	60	375	410				
	Well 4	1991	1147	0	01S08W10N16S	775	16	342									Resv. Well 2 to Del Monte Resv
	Well 4 Pump								DWT	Elec.	125	700	420				
	East Reservoir	1992	1149											1.500	Ground	W. Steel	Forebay for Boosters
	Backwash Tank	1959	1147											0.250	Backwash	W. Steel	Filter backwash retention
	Booster A	1949	1147						H.S.C	Elec.	150	1100	350				All Boosters pump to Main Zone
	Booster B	1959	1147						H.S.C.	Elec.	75	700	330				
	Booster C	1960	1147						H.S.C.	Elec.	75	700	300				
	GAC Filters																
Dreher	Well 1	1913	1172	0	01S08W09L04S	364	16	320									Well to Main Zone
	Well 1 Pump								DWT	Elec.	50	260	502				
Falroaks	Well 1	1930	1295	515	01S08W10B01S	800	18	540									Well to Forebay
	Well 1 Pump								DWT	Elec.	125	650	550				
	Forebay	1931	1295											0.021	Forebay	W. Steel	
	Booster A	1931	1295						H.S.C	Elec.	30	450	150				Booster A & B pump from forebay to system
	Booster B	1931	1295						E.S.	Elec.	30	450	160				
Fergus Falls	Booster A	2006	2086						H.S.C	Elec.	5	150	75				Pump through hydro tank to Fergus Falls Booster Zone
	Booster B	2006	2086						H.S.C	Elec.	5	150	75				
	Pressure Tank	2006	2086											0.0032	Pressure	Steel	

Region: III
District: Foothill
CSA: Claremont
System: 317 - Claremont

Plant	Major Facility	Year Built	Base Elev.	2014 Prod (AF)	Wells				Pumps					Tanks			Remarks
					Well No.	Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)	Type	Material	
Ford Harrison	Well 2	1998	1170	260	Unknown	495	16	150									No Facilities
	Well 2 Pump								Subm.	Elec.	40	230	390				Well thru PRV to Main Zone
Indian Hill North	Well 3	1947	1418	380	01S08W04B03S	645	16	480									Well to Indian Hill Resv
	Well 3 Pump								DWT	Elec.	100	850	205				Well to Indian Hill Resv
	Well 4	2012		615													
	Well 4 Pump								DWT	Elec.	75	750	251	1.000	Ground	W. Steel	Blends with TVMWD
	Reservoir	1965	1418						H.S.C.	Elec.	75	750	290				All Boosters pump to
	Booster C	1965	1418						H.S.C.	Elec.	125	1250	300				Indian Hill Zone
Booster D	1970	1418		H.S.C.	Elec.	125	1000	290									
	Booster E	1977	1418														
Indian Hill South	MWD Connection		1394	1602								5000					PRV's to Main Zone & Co-op East Zone, and Indian Hill Resv
Lower O'Neil	Reservoir		2018											0.100	Elev Resv	Concrete	Floats on Lower O'Neil Zone, Out of Service
Margarita	Well 1	1928	1055	620	01S08W15P02S	742	20	590									Well to Margarita Resv
	Well 1 Pump								DWT	Elec.	150	550	650				
	Well 2																
	Connection																Under Construction
	Reservoir	1955	1055											0.500	Ground	W. Steel	Emergency connection with MVWD
	Booster A	1955	1055						V.T.	Elec.	75	840	316				All Boosters pump to
Booster B	1956	1055		V.T.	Elec.	75	840	316	Lower Zone								
Booster C	1962	1055		V.T.	Elec.	100	750	348									
	Booster D	1975	1055		V.T.	Elec.	75	600	350								
Marlboro	Well 2	1930	1545	216	01S08W34R01S	776	16	350									Well to Indian Hill Zone
	Well 2 Pump								DWT	Elec.	60	350	475				
Mills	Well 1	1916	1436	4	01S08W03G02S	309	18	180									Well to Main Zone
	Well 1 Pump								DWT	Elec.	40	510	250				
	Booster A	1962	1436						V.T.	Elec.	25	550	140				All boosters pump to
	Booster B	1964	1436						V.T.	Elec.	25	600	140				Co-op East Zone
	Booster C	1967	1436						V.T.	Elec.	30	600	140				
	Booster D	1978	1436						V.T.	Elec.	20	450	140				
Miramar 3	Well 3	1911	1624	299	01S08W35E01S	734	18	470									Pumps to Pomello Resv
	Well 3 Pump								DWT	Elec.	100	600	500				
Miramar 5	Well 5	1934	1588	404	01S08W34H01S	666	16	400									Pumps to Pomello Resv
	Well 5 Pump								DWT	Elec.	50	250	550				
Mountain	Reservoir		1368											1.500	Ground	W. Steel	Booster A & C pump to
	Booster A	1960	1368			V.S.C.	Elec.	30	550	150	Co-op West Zone						
	Booster C	1962	1368			V.T.	Elec.	50	1000	170	Booster D & E pump to						
	Booster D	1962	1368			V.T.	Elec.	50	450	342	Claraboya Reservoir						
	Booster E	1966	1368			V.T.	Elec.	50	450	342	Backup Generator						
Mountain View	Well 1	1924	1485	0	01S08W02D01S	380		300									Well to Indian Hill Zone. Owned by WECWC
	Well 1 Pump								DWT	Elec.	75	500	417				
Padua Resv	Reservoir		1780											0.350	Elev Resv	W. Steel	Floats on Claremont Heights Zone
Padua Well																	No Facilities
Palmer Canyon	Booster A	2004	1860						V.T.	Elec.	50	400	325				Boosters pump to
	Booster B	2004	1860						V.T.	Elec.	50	400	325				Upper O'Neil Zone
	Booster C	2004	1860						V.T.	Elec.	50	400	325				Backup Generator
Pomello	Well 1	1912	1670	71	01S08W34A01S	346	18	310									Well 1 & 4 pump to
	Well 1 Pump								Subm.	Elec.	30	275	284				Pomello Reservoirs
	Well 4	1930	1654	0	01S08W34A02S	480	16	320									

Plant Facility Index

Region: III

District: Foothill

CSA: Claremont

System: 317 - Claremont

Plant	Major Facility	Year Built	Base Elev.	2014 Prod (AF)	Wells				Pumps					Tanks			Remarks
					Well No.	Depth (ft)	Casing Diam (In)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)	Type	Material	
	Well 4 Pump Reservoir	1992	1559						DWT	Elec.	25	200	290	1.500	Elev Resv	W. Steel	Float on Indian Hill Zone
	North Forebay		1663											0.095	Elev Resv	W. Steel	Out of Service
	South Forebay		1657											0.123	Elev Resv	W. Steel	Out of Service
	Booster A		1662					V.T.	Elec.	40	650	190					Pumps to Claremont Heights Zone
	Booster B		1662					V.T.	Elec.	25	600	125					Pumps to Claremont Heights Zone
	Booster E	1987	1662					V.T.	Elec.	50	600	215					Pumps to Camp Baldy Zone
	Booster F	1987	1662					V.T.	Elec.	40	600	215					Pumps to Camp Baldy Zone
	Booster G	2000	1662					V.T.	Elec.	100	1000	285					Pumps to Camp Baldy Zone
PRV Station C11 - Alamosa & Bonnie Brae																	Claremont Heights Zone to Limestone Zone
PRV Station C12 - Baseline E of Indian Hill																	Indian Hill Regulator Zone to Co-op East Zone
PRV Station C13 - Baseline W of Indian Hill																	Indian Hill Regulator Zone to Co-op East Zone
PRV Station C14 - Bennett & Bonnie Brae																	Claremont Heights Zone to Limestone Zone
PRV Station C15 - S of 1st St & W of Hope St																	Main Zone to Lower Zone
PRV Station C16 - Bridgeport S of Atlanta																	Co-op West Zone to Main Zone
PRV Station C17 - Cambridge S of RR Tracks																	Main Zone to Lower Zone
PRV Station C18 - Cape Cod & Baseline																	Indian Hill Zone to Indian Hill Regulator Zone
PRV Station C110 - Danbury S of Cascade																	Co-op West Zone to Main Zone
PRV Station C111 - Garey & Smith																	Co-op West Zone to Main Zone
PRV Station C112 - Grand & Pomello																	Camp Baldy Zone to Claremont Heights Zone
PRV Station C113 - Grand & Miramar																	Claremont Heights Zone to Indian Hill Zone
PRV Station C114 - Hollins & Pomello																	Camp Baldy Zone to Claremont Heights Zone
PRV Station C115 - Indian Hill & Monterey																	Indian Hill Zone to Indian Hill Regulator Zone
PRV Station C116 - Indian Hill & Santa Fe																	Main Zone to Lower Zone
PRV Station C117 - Mills S of 1st Street																	Main Zone to Lower Zone
PRV Station C118 - Mills & Miramar																	Camp Baldy Zone to Claremont Heights Zone

Plant Facility Index

Region: III

District: Foothill

CSA: Claremont

System: 317 - Claremont

Plant	Major Facility	Year Built	Base Elev.	2014 Prod (AF)	Wells				Pumps					Tanks			Remarks
					Well No.	Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)	Type	Material	
PRV Station C119 - Monte Vista N of Shenandoah																	Indian Hill Zone to Co-op East Zone
PRV Station C120 - Mountain S of Via Espirito Santo																	Claraboya Booster Zone to Claraboya Intermediate Zone
PRV Station C121 - Padua N of Via Saint Ambrose																	Upper O'Neal Zone to Lower O'Neal Zone
PRV Station C122 - Radcliff & Wagner																	Co-op East Zone to Co-op West Zone
PRV Station C123 - Sage & Rockmont																	Claraboya Resv Zone to Co-op West Zone
PRV Station C124 - Sage W of San Benito																	Indian Hill Zone to Claraboya Resv Zone
PRV Station C125 - San Angelo & Via Espirito Santos																	Claraboya Booster Zone to Claraboya Intermediate Zone
PRV Station C126 - Silvertree W of San Benito																	Indian Hill Zone to Co-op West Zone
PRV Station C127 - Sweetbriar & Nassua																	Limestone Zone to Indian Hill Zone
PRV Station C128 - Tulane & Hood																	Co-op West Zone to Main Zone
PRV Station C130 - Mt Baldy S/ New Hampshire																	Lower O'Neil Zone to Camp Baldy Zone
PRV Station C131 - Padua and Via Padova																	Upper O'Neal Zone to Lower O'Neal Zone
Richards 160																	No Facilities
Three Valleys	MWD Connection		1690	689								1800					
	Booster A	1991	1690						V.T.	Elec.	25	600	115				Pumps to Indian Hill Zone
	Booster B	1991	1690						V.T.	Elec.	25	600	115				Pumps to Indian Hill Zone
	Booster C	1991	1690						V.T.	Elec.	25	600	111				Pumps to Indian Hill Zone
Towne Home Resv Site																	No Facilities
TVMWD Intercon - Mills	MWD Connection		1467	938								2000					PRV to Co-op East Zone or Mills Boosters
TVMWD Intercon - Mountain	MWD Connection		1347	1133								3500					PRV to Main Zone
Upper O'Neil	Reservoir	1991	2160											0.750	Elev Resv	W. Steel	Floats on Upper O'Neil Zone

GOLDEN STATE WATER COMPANY
SCHEDULE D-1
SOURCE OF SUPPLY PURCHASED WATER
2014

DISTRICT	Purchased from	Quantity in CCF
Claremont	Three Valleys MWD	1,900,387
	City of Upland	256,860
	West End Water Consolidated (leased well)	33
	Pomona College (leased wells)	696,542
TOTAL		2,853,822

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. Length of Ditches, Flumes and Lined Conduits in Miles for Various Capacities

Capacities in Cubic Feet Per Second or Miner's Inches (state which)

Line No.	Description	0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit								
4									
5	Total								

A. Length of Ditches, Flumes and Lined Conduits in Miles for Various Capacities (Continued)

Capacities in Cubic Feet Per Second or Miner's Inches (state which)

Line No.	Description	101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume								
8	Lined conduit								
9									
10	Total								

B. Footages of Pipe by Inside Diameters in Inches - Not Including Service Piping

Line No.	Description	1	1 1/2	2	2 1/2	3	4	5	6
11	Cast Iron	108	-	-	-	-	29,550	-	49,622
12	Cement Lined Steel	-	-	-	-	-	-	-	-
13	Concrete	-	-	-	-	-	-	-	-
14	Copper	-	-	-	-	-	-	-	-
15	Steel	-	430	524	-	739	7,521	-	30,643
16	Asbestos Cement	394	-	-	-	57	30,551	-	132,189
17	Ductile Iron	74	-	-	-	-	290	-	6,320
18	HDPE	-	-	-	-	-	248	-	-
19	PVC	113	-	-	-	-	1,206	-	8,712
20									
21									
22	Total	689	430	524	-	796	69,366	-	227,484

B. Footages of Pipe by Inside Diameters in Inches - Not Including Service Piping (Continued)

Line No.	Description	8	10	12	14	16	20	Other Sizes (Specify Sizes)		Total All Sizes
								18		
23	Cast Iron	30,987	8,569	3,398	-	-	-	-		122,232
24	Cement Lined Steel	3,143	-	1,286	-	-	-	-		4,430
25	Concrete	-	-	-	-	-	-	-		-
26	Copper	-	-	-	-	-	-	-		-
27	Steel	33,936	5,431	13,269	72	908	-	65		93,538
28	Asbestos Cement	161,056	20,423	31,005	4,899	-	-	-		380,574
29	Ductile Iron	89,002	311	33,892	-	1,904	-	-		131,794
30	HDPE	-	3,468	-	-	-	-	-		3,716
31	PVC	27,289	1,485	10,797	-	-	-	-		49,601
32										-
33										-
34	Total	345,414	39,686	93,647	4,971	2,812	-	65	-	785,884

SCHEDULE D-4				
Number of Active Service Connections				
Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Residential	9,754	9,867	-	-
Commercial (including domestic)	798	803	-	-
Industrial	9	9	-	-
Public authorities	23	22	-	-
Irrigation	266	269	-	-
Other	122	58	-	-
Contract	-	61	-	-
Subtotal	10,972	11,089	-	-
Private fire connections	-	-	159	160
Public fire hydrants	-	-	-	-
Total	10,972	11,089	159	160

SCHEDULE D-5		
Number of Meters and Services on Pipe Systems at End of Year		
Size	Meters	Services
5/8 x 3/4 - in	3,695	
3/4 - in	928	1,874
1 - in	5,888	8,394
1 1/2 - in	147	24
2 - in	461	627
3 - in	72	50
4 - in	27	118
6 - in	10	87
8 - in	5	65
Other	-	10
Total	11,233	11,249

SCHEDULE D-6	
Meter Testing Data	
A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received	12
2. Used, before repair	124
3. Used, after repair	-
4. Found fast, requiring billing adjustment	-
B. Number of Meters in Service Since Last Test	
1. Ten years or less	8,320
2. More than 10, but less than 15 years	2,230
3. More than 15 years	683

SCHEDULE D-7

Water delivered to Metered Customers by Months and Years in _____ CCF _____ (Unit Chosen)¹

Classification of Service	January	February	March	April	May	June	July	Subtotal
Commercial	236,745	267,166	221,699	240,540	323,190	387,235	417,845	2,094,420
Industrial	2,034	3,626	2,810	2,345	3,461	5,264	4,708	24,248
Public authorities	6,572	11,433	7,562	7,787	11,432	11,945	14,770	71,501
Irrigation	11,441	17,001	12,152	15,777	29,646	43,952	50,292	180,261
Other	1	-	-	13	531	881	733	2,159
Contract	6,020	15,069	8,379	8,075	11,187	11,839	15,091	75,660
Total	262,813	314,295	252,602	274,537	379,447	461,116	503,439	2,448,249

Classification of Service	August	September	October	November	December	Subtotal	Total Current Year	Total Prior Year
Commercial	406,616	413,187	362,774	376,315	213,896	1,772,788	3,867,208	3,858,908
Industrial	5,140	5,528	4,722	4,719	2,604	22,713	46,961	43,296
Public authorities	13,802	19,426	13,157	13,577	3,475	63,437	134,938	121,569
Irrigation	43,413	46,759	34,961	33,522	9,694	168,349	348,610	343,823
Other	114	163	49	50	41	417	2,576	417
Contract	13,804	14,827	14,801	-	19,525	62,957	138,617	134,808
Total	482,889	499,890	430,464	428,183	249,235	2,090,661	4,538,910	4,502,821

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated _____

Total population served _____ 46,960 *

* Assumes 4.1746 per household.

Exhibit 4
COST APPROACH
RCNLD AND OCLD ANALYSIS

**Claremont Water System
Estimated RCNLD and OCLD Values
As of January 1, 2015**

Acct. No.	Description	Reproduction Cost New 1/1/15	Install Year	Age	Quantity	Avg. Service Life	Survivor Curve	Age % of ASL	Unadjusted Depreciation %	Net Salvage %	Adjusted Depreciation %	RCN Depreciation	RCMLD	Handy-Whitman Cost Index					Original Cost		OCLD	
														Line No.	Year Installed	2015	Factor	Original Cost	Depreciation			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)		
Wells																						
Well Structures and Improvements																						
315 Alamosa #2		\$258,186	1913	102		45	R1	227%	100.0%	-30%	90.0%	\$232,350	\$10,065	37	9	672	0.013	\$3,458	\$3,112	\$346		
315 Berkeley #2		112,721	1998	17		45	R1	38%	28.8%	-30%	34.8%	39,272	68,572	37	341	672	0.507	57,199	19,928	37,271		
315 Bernard #1	Previously abandoned, not visited in 2012, no facilities																					
315 Boulder #1	Abandoned between 2007 and 2012, no facilities																					
315 Campbell #1	Abandoned between 2007 and 2012, no facilities																					
315 College #1	Leased from Pomona College																					
315 College #2	Leased from Pomona College																					
315 Del Monte #1		299,552																				
315 Del Monte #2		380,893	1928	87		45	R1	193%	97.4%	-30%	90.0%	342,804	14,850	37	17	672	0.025	9,636	8,672	964		
315 Del Monte #3	Abandoned - Power tagged out due to no suction, not listed in plant facility index																					
315 Del Monte #4	Out of Service - Power tagged out due to water quality and pipe disconnected																					
315 Dreher #1	Out of Service - Pipe disconnected; 2014 zero production																					
315 Fair Oaks #1		488,966																				
315 Garlock #1	Previously abandoned, not visited in 2012, not listed in plant facility index																					
315 Green #1	Previously abandoned, not visited in 2012, not listed in plant facility index																					
315 Harrison #2		303,645	1998	17		45	R1	38%	28.8%	-30%	34.8%	105,790	179,329	37	341	672	0.507	154,082	53,682	100,400		
315 Indian Hill North #3		424,011	1947	68		45	R1	151%	84.1%	-30%	90.0%	381,610	16,531	37	28	672	0.042	17,667	15,900	1,767		
315 Indian Hill North #4		424,011	2013	2		45	R1	4%	3.0%	-30%	3.8%	16,261	381,860	37	629	672	0.936	396,879	15,220	381,659		
315 Margarita #1		604,032	1928	87		45	R1	193%	97.4%	-30%	90.0%	543,629	23,550	37	17	672	0.025	15,281	13,753	1,528		
315 Margarita #2		604,032	2015	0		45	R1	0%	0.0%	-30%	0.0%	0	567,179	37	672	672	1.000	604,032	0	604,032		
315 Marlboro #2		491,927	1930	85		45	R1	189%	98.0%	-30%	90.0%	442,734	19,179	37	17	672	0.025	12,445	11,200	1,245		
315 Mills #1		237,751	1916	99		45	R1	220%	100.0%	-30%	90.0%	213,976	9,289	37	11	672	0.016	3,892	3,503	389		
315 Miramar #3		482,698	1911	104		45	R1	231%	100.0%	-30%	90.0%	434,429	18,820	37	8	672	0.012	5,746	5,172	574		
315 Miramar #5		392,299	1934	81		45	R1	180%	93.1%	-30%	90.0%	353,069	15,295	37	15	672	0.022	8,757	7,881	878		
315 Mountain View #1	Leased from WECWC, inactive																					
315 Padua #1	Previously abandoned, no facilities																					
315 Pomello #1		498,996	1912	103		45	R1	229%	100.0%	-30%	90.0%	448,926	19,443	37	8	672	0.012	5,937	5,343	594		
315 Pomello #4	Inactive - Power off and valve closed																					
315 Pomeroy #1	Abandoned between 2007 and 2012, not listed in plant facility index																					
315 Richards 180 #1	Previously abandoned, not visited in 2012, no facilities																					
Subtotal Well Structures and Improvement:		\$6,003,403											\$3,554,750	\$1,341,964						\$1,295,011	\$163,366	\$1,131,645
Well Pumping Equipment																						
315 Alamosa #2		229,040	2005	10	350 gpm	45	R1	22%	15.8%	-30%	20.8%	\$47,134	\$146,612	9	611	928	0.658	150,801	\$31,033	\$119,768		
315 Berkeley #2		248,519	2005	10	500 gpm	45	R1	22%	15.8%	-30%	20.8%	51,348	159,721	9	611	928	0.658	164,285	33,808	130,477		
315 Bernard #1	Previously abandoned, not visited in 2012, no facilities																					
315 Boulder #1	Abandoned between 2007 and 2012, no facilities																					
315 Campbell #1	Abandoned between 2007 and 2012, no facilities																					
315 College #1	Leased from Pomona College																					
315 College #2	Leased from Pomona College																					
315 Del Monte #1		183,746	2005	10	300 gpm	45	R1	22%	15.8%	-30%	20.8%	39,871	153,875	9	611	928	0.658	127,564	28,251	101,313		
315 Del Monte #2		237,405	2005	10	375 gpm	45	R1	22%	15.8%	-30%	20.8%	48,856	151,967	9	611	928	0.658	156,309	32,167	124,142		
315 Del Monte #3	Abandoned - Power tagged out due to no suction, not listed in plant facility index																					
315 Del Monte #4	Out of Service - Power tagged out due to water quality and pipe disconnected																					
315 Dreher #1	Out of Service - Pipe disconnected; 2014 zero production																					
315 Fair Oaks #1		242,042	2005	10	650 gpm	45	R1	22%	15.8%	-30%	20.8%	49,810	192,232	9	611	928	0.658	159,362	32,785	126,567		
315 Garlock #1	Previously abandoned, not visited in 2012, not listed in plant facility index																					
315 Green #1	Previously abandoned, not visited in 2012, not listed in plant facility index																					
315 Harrison #2		220,443	2005	10	230 gpm	45	R1	22%	15.8%	-30%	20.8%	45,365	141,109	9	611	928	0.658	145,141	29,869	115,272		
315 Indian Hill North #3		268,550	1994	21	850 gpm	45	R1	47%	32.8%	-30%	42.8%	114,440	112,728	9	428	928	0.461	123,857	52,781	71,076		
315 Indian Hill North #4		249,519	2012	3	750 gpm	45	R1	7%	5.2%	-30%	6.7%	16,705	194,364	9	785	928	0.846	211,089	14,131	196,938		
315 Margarita #1		302,271	2005	10	550 gpm	45	R1	22%	15.8%	-30%	20.8%	62,204	193,488	9	611	928	0.658	199,017	40,956	158,061		
315 Margarita #2		302,271	2015	0	na gpm	45	R1	0%	0.0%	-30%	0.0%	0	255,692	9	928	928	1.000	302,271	0	302,271		
315 Marlboro #2		237,405	1984	21	350 gpm	45	R1	47%	32.8%	-30%	42.8%	101,168	99,654	9	428	928	0.461	108,493	46,859	82,834		
315 Mills #1		220,443	2005	10	510 gpm	45	R1	22%	15.8%	-30%	20.8%	45,365	141,109	9	611	928	0.658	145,141	29,869	115,272		
315 Miramar #3		268,550	2005	10	600 gpm	45	R1	22%	15.8%	-30%	20.8%	55,265	171,903	9	611	928	0.658	178,815	36,387	140,428		
315 Miramar #5		229,040	2005	10	250 gpm	45	R1	22%	15.8%	-30%	20.8%	47,134	146,612	9	611	928	0.658	150,801	31,033	119,768		
315 Mountain View #1	Leased from WECWC, inactive																					
315 Padua #1	Previously abandoned, no facilities																					
315 Pomello #1		211,615	1994	21	275 gpm	45	R1	47%	32.8%	-30%	42.8%	90,178	88,829	9	428	928	0.461	97,596	41,591	56,007		
315 Pomello #4	Inactive - Power off and valve closed																					
315 Pomeroy #1	Abandoned between 2007 and 2012, not listed in plant facility index																					
315 Richards 180 #1	Previously abandoned, not visited in 2012, no facilities																					
Subtotal Well Pumping Equipment		\$3,661,661											\$814,644	\$2,349,898						\$2,419,524	\$479,330	\$1,940,194
Total Wells		\$9,665,283											\$4,369,593	\$3,691,860						\$3,714,535	\$642,696	\$3,071,839

Claremont Water System
Estimated RCNLD and OCLD Values
As of January 1, 2015

Acct. No.	Description	Reproduction Cost New 1/1/15	Install Year	Age	Quantity	Avg. Service Life	Survivor Curve	Age % of ASL	Unadjusted Depreciation %	Net Salvage %	Adjusted Depreciation %	RCN Depreciation	RCNLD	Handy-Whitman Cost Index				Original Cost	Depreciation	OCLD
														Line No.	Year Installed	2015	Factor			
(a)	(b)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
Booster Pumps																				
BP Structures and Improvements																				
321 Del Monte A		\$507,808	1949	66		41	SO	161%	85.4%	-12%	90.0%	456,847	14,561	8	34	631	0.054	27,351	24,616	2,735
321 Margarita A		145,031	1955	60		41	SO	146%	79.5%	-12%	86.1%	129,201	5,487	8	42	631	0.087	9,653	8,600	1,053
321 Palmer Canyon A		317,255	2004	11		41	SO	27%	21.4%	-12%	24.0%	78,004	218,626	8	416	631	0.859	209,157	50,107	159,050
Total BP Structures and Improvements		\$969,894										\$662,052	\$238,674					\$246,161	\$83,323	\$162,836
BP Equipment																				
324 Claraboya A		\$229,040	1990	25	500 gpm	30	LO	83%	37.3%	-9%	40.7%	\$93,196	\$100,550	9	349	928	0.376	86,137	\$35,049	\$51,088
324 Claraboya B		237,405	1986	29	600 gpm	30	LO	97%	41.7%	-9%	45.4%	107,830	92,992	9	284	928	0.308	72,654	33,000	39,854
324 Claraboya C		229,040	1997	18	400 gpm	30	LO	60%	29.5%	-9%	32.1%	73,823	120,123	9	473	928	0.510	116,741	37,525	79,216
324 Del Monte A		286,134	1997	18	1100 gpm	30	LO	60%	29.5%	-9%	32.1%	91,975	150,087	9	473	928	0.510	145,842	46,880	98,962
324 Del Monte B		249,519	2005	10	700 gpm	30	LO	33%	18.9%	-9%	20.6%	51,458	159,612	9	611	928	0.658	164,285	33,880	130,405
324 Del Monte C		249,519	1993	22	700 gpm	30	LO	73%	34.0%	-9%	37.1%	92,553	118,516	9	386	928	0.416	103,787	38,497	65,290
324 Fair Oaks A		211,615	1999	16	450 gpm	30	LO	53%	26.9%	-9%	29.3%	62,071	116,936	9	505	928	0.544	115,157	33,778	81,379
324 Fair Oaks B		211,615	2005	10	450 gpm	30	LO	33%	18.9%	-9%	20.6%	43,641	135,365	9	611	928	0.658	139,328	28,733	110,595
324 Fergus Falls A		188,531	2006	9	150 gpm	30	LO	30%	17.6%	-9%	19.2%	36,147	123,332	9	619	928	0.667	125,755	24,111	101,644
324 Fergus Falls B		188,531	2006	9	150 gpm	30	LO	30%	17.6%	-9%	19.2%	36,147	123,332	9	619	928	0.667	125,755	24,111	101,644
324 Indian Hill C		249,519	2002	13	750 gpm	30	LO	43%	23.1%	-9%	25.1%	82,745	148,325	9	533	928	0.574	143,312	36,038	107,274
324 Indian Hill D		286,134	2005	10	1250 gpm	30	LO	33%	18.9%	-9%	20.6%	59,009	183,033	9	611	928	0.658	188,392	38,852	149,540
324 Indian Hill E		286,134	2003	12	1000 gpm	30	LO	40%	21.9%	-9%	23.8%	68,178	173,864	9	546	928	0.588	168,350	40,114	128,236
324 Margarita A		249,519	1999	46	840 gpm	30	LO	153%	56.5%	-9%	61.8%	153,585	57,485	9	84	928	0.091	22,586	13,902	8,684
324 Margarita B		249,519	1982	33	840 gpm	30	LO	110%	45.5%	-9%	49.8%	123,640	87,429	9	260	928	0.280	69,908	34,641	35,267
324 Margarita C		288,550	2005	10	750 gpm	30	LO	33%	18.9%	-9%	20.6%	55,383	171,785	9	611	928	0.658	176,815	36,464	140,351
324 Margarita D		249,519	1975	40	600 gpm	30	LO	133%	51.8%	-9%	56.3%	140,367	70,703	9	155	928	0.167	41,676	23,445	18,231
324 Mills A		Inactive - Power off and valves closed																		
324 Mills B		Inactive - Power off and valves closed																		
324 Mills C		Inactive - Power off and valves closed																		
324 Mills D		Out of Service - No pump																		
324 Mountain A		211,615	2005	10	550 gpm	30	LO	33%	18.9%	-9%	20.6%	43,641	135,365	9	611	928	0.658	139,328	28,733	110,595
324 Mountain C		229,040	2005	10	1000 gpm	30	LO	33%	18.9%	-9%	20.6%	47,234	146,512	9	611	928	0.658	150,801	31,099	119,702
324 Mountain D		207,114	2005	10	250 gpm	30	LO	33%	18.9%	-9%	20.6%	42,713	132,486	9	611	928	0.658	136,365	28,122	108,243
324 Mountain E		229,040	2005	10	500 gpm	30	LO	33%	18.9%	-9%	20.6%	47,234	146,512	9	611	928	0.658	150,801	31,099	119,702
324 Palmer Canyon A		229,040	2004	11	400 gpm	30	LO	37%	20.6%	-9%	22.5%	51,479	142,268	9	569	928	0.613	140,435	31,564	108,871
324 Palmer Canyon B		229,040	2004	11	400 gpm	30	LO	37%	20.6%	-9%	22.5%	51,479	142,268	9	569	928	0.613	140,435	31,564	108,871
324 Palmer Canyon C		229,040	2004	11	400 gpm	30	LO	37%	20.6%	-9%	22.5%	51,479	142,268	9	569	928	0.613	140,435	31,564	108,871
324 Pomello A		220,443	1998	17	650 gpm	30	LO	57%	28.4%	-9%	31.0%	68,240	118,234	9	489	928	0.527	116,160	35,959	80,201
324 Pomello B		207,114	2005	10	600 gpm	30	LO	33%	18.9%	-9%	20.6%	42,713	132,486	9	611	928	0.658	136,365	28,122	108,243
324 Pomello E		229,040	2005	10	600 gpm	30	LO	33%	18.9%	-9%	20.6%	47,234	146,512	9	611	928	0.658	150,801	31,099	119,702
324 Pomello F		220,443	2005	10	600 gpm	30	LO	33%	18.9%	-9%	20.6%	45,482	141,013	9	611	928	0.658	145,141	29,932	115,209
324 Pomello G		268,550	2005	10	1000 gpm	30	LO	33%	18.9%	-9%	20.6%	55,383	171,785	9	611	928	0.658	176,815	36,464	140,351
324 Three Valleys A		207,114	1991	24	600 gpm	30	LO	80%	36.4%	-9%	39.6%	82,082	93,137	9	355	928	0.383	79,230	31,392	47,838
324 Three Valleys B		207,114	1991	24	600 gpm	30	LO	80%	36.4%	-9%	39.6%	82,082	93,137	9	355	928	0.383	79,230	31,392	47,838
324 Three Valleys C		207,114	2003	12	600 gpm	30	LO	40%	21.9%	-9%	23.8%	49,350	125,849	9	546	928	0.588	121,858	29,036	92,822
Total BP Equipment		\$7,450,706										\$2,159,311	\$4,143,280					\$4,010,680	\$1,026,181	\$2,984,519
Total Booster Pumps		\$8,420,601										\$2,821,363	\$4,381,954					\$4,256,841	\$1,109,484	\$3,147,357
Water Treatment Plant																				
331 Structures & Improvements		\$249,388	2004	11		32	L1.5	34%	29.2%	-3%	30.1%	\$74,954	\$156,848	15	416	631	0.859	164,414	\$49,415	\$114,999
332 Water Treatment Equipment		1,726,405	1999	16		28	L1.5	62%	44.9%	-4%	46.7%	806,521	745,810	17	414	843	0.491	847,843	396,085	451,758
Total Water Treatment Plant		\$1,975,793										\$881,476	\$902,458					\$1,012,257	\$445,500	\$566,757
Reservoirs																				
342 Camp Bakky		\$1,213,013	2004	11	500000 g	80	R1.5	18%	14.5%	-5%	15.2%	\$184,554	\$1,139,825	23	313	742	0.422	511,889	\$77,851	\$433,838
342 Claraboya		712,186	1963	52	250000 g	60	R1.5	87%	61.3%	-5%	64.4%	458,548	318,906	23	41	742	0.055	39,353	25,338	14,015
342 Del Monte East		2,872,803	1992	23	1500000 g	60	R1.5	36%	29.7%	-5%	31.2%	895,280	2,240,799	23	261	742	0.352	1,010,514	314,917	695,597
342 Del Monte West		712,186	1959	56	250000 g	60	R1.5	93%	84.5%	-5%	87.7%	481,954	295,500	23	36	742	0.049	34,554	23,363	11,171
342 Fair Oaks		223,284	2011	4	21000 g	60	R1.5	7%	5.7%	-5%	8.0%	13,434	230,313	23	771	742	1.039	232,011	13,959	218,052
342 Fergus Falls		91,605	2006	9	3200 g	60	R1.5	15%	12.1%	-5%	12.7%	11,667	88,333	23	375	742	0.505	48,296	5,897	40,399
342 Indian Hill		2,111,812	1965	50	1000000 g	60	R1.5	83%	59.1%	-5%	62.1%	1,311,026	984,103	23	45	742	0.061	128,063	79,510	48,553
342 Lower O'Neil		Out of Service																		
342 Margarita		1,213,013	1955	60	500000 g	60	R1.5	100%	67.9%	-5%	71.3%	884,308	459,871	23	33	742	0.044	53,948	38,440	15,508
342 Mountain		2,872,803	1998	17	1500000 g	60	R1.5	28%	22.2%	-5%	23.3%	689,650	2,496,429	23	268	742	0.361	1,037,618	241,868	795,748
342 Padua		916,639	1970	45	350000 g	60	R1.5	75%	54.5%	-5%	57.2%	524,643	478,001	23	75	742	0.101	92,652	53,030	39,622
342 Pomello Main		2,872,803	1992	23	1500000 g	60	R1.5	36%	29.7%	-5%	31.2%	895,280	2,240,799	23	261	742	0.352	1,010,514	314,917	695,597
342 Pomello North		Inactive																		
342 Pomello South		Inactive																		
342 Upper O'Neil		1,879,489	1991	24	750000 g	80	R1.5	40%	31.1%	-5%	32.7%	549,142	1,284,282	23	253	742	0.341	572,856	187,241	385,415
342 Mills		Abandoned																		
Total Reservoirs		\$17,491,438										\$6,859,488	\$12,234,938					\$4,760,866	\$1,376,351	\$3,393,515

Claremont Water System
Estimated RCNLD and OCLD Values
As of January 1, 2015

Acct. No.	Description	Reproduction Cost New 1/1/15	Install Year	Age	Quantity	Avg. Service Life	Survivor Curve	Age % of ASL	Unadjusted Depreciation %	Net Salvage %	Adjusted Depreciation %	RCN Depreciation	RCNLD	Handy-Whitman Cost Index				Original Cost Depreciation	OCLD	
														Line No.	Year Installed	2015	Factor			
														(o)	(p)	(q)	(r)			(s)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
Transmission and Distribution Mains																				
343 CI 3/4 to 1in Mains		\$8,162	1985	30	108 ft	80	R3	38%	35.0%	-38%	48.6%	\$4,045	\$3,352	35	287	788	0.348	2,838	\$1,406	\$1,432
343 CI 1-1/2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 CI 2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 CI 3in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 CI 4in Mains		2,579,898	1956	59	29550 ft	80	R3	74%	84.6%	-38%	89.1%	2,298,325	39,526	35	65	788	0.085	218,334	194,520	23,814
343 CI 5 and 6in Mains		5,184,511	1980	55	49622 ft	80	R3	69%	61.0%	-38%	84.2%	4,365,752	332,711	35	77	788	0.100	519,801	437,712	82,089
343 CI 8in Mains		4,406,679	1957	58	30987 ft	80	R3	73%	83.9%	-38%	88.1%	3,884,073	109,480	35	68	788	0.089	390,175	343,902	46,273
343 CI 9 and 10in Mains		1,788,955	1930	85	8589 ft	80	R3	106%	82.5%	-38%	90.0%	1,610,059	11,181	35	20	788	0.026	46,587	41,929	4,658
343 CI 12in Mains		858,536	1988	47	3398 ft	80	R3	59%	53.5%	-38%	73.8%	633,502	144,547	35	84	788	0.109	93,902	89,289	24,613
343 CI 14in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 CI 16in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 CI 18in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 AC 3/4 to 1in Mains		15,685	1974	41	394 ft	80	R3	51%	47.0%	-38%	64.9%	10,182	5,503	36	129	600	0.215	3,372	2,189	1,183
343 AC 1-1/2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	36	0	600	0.000	0	0	0
343 AC 2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	36	0	600	0.000	0	0	0
343 AC 3in Mains		2,418	1970	45	57 ft	80	R3	56%	51.1%	-38%	70.5%	1,705	713	36	91	600	0.152	367	259	108
343 AC 4in Mains		1,296,134	1985	30	30551 ft	80	R3	38%	35.9%	-38%	48.6%	642,310	653,824	36	262	600	0.437	565,979	280,475	285,504
343 AC 5 and 6in Mains		7,309,552	1973	42	132189 ft	80	R3	53%	48.7%	-38%	67.2%	4,910,440	2,399,112	36	100	600	0.167	1,218,259	818,407	399,852
343 AC 8in Mains		12,798,297	1975	40	161056 ft	80	R3	50%	48.2%	-38%	63.8%	8,160,173	4,836,124	36	154	600	0.257	3,284,383	2,094,444	1,189,939
343 AC 9 and 10in Mains		1,948,912	1977	38	20423 ft	80	R3	48%	44.5%	-38%	61.5%	1,197,803	751,009	36	174	600	0.290	565,184	347,392	217,792
343 AC 12in Mains		3,828,403	1978	37	31005 ft	80	R3	46%	42.9%	-38%	59.1%	2,322,882	1,605,420	36	184	600	0.307	1,204,710	712,381	492,328
343 AC 14in Mains		691,620	1970	45	4899 ft	80	R3	58%	51.1%	-38%	70.5%	487,717	203,903	36	91	600	0.152	104,898	73,070	30,926
343 AC 16in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	36	0	600	0.000	0	0	0
343 AC 18in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	36	0	600	0.000	0	0	0
343 CML Stl 3/4 to 1in Meins		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 1-1/2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 3in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 4in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 5 and 6in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 8in Mains		431,384	1950	65	3143 ft	80	R3	81%	69.2%	-38%	90.0%	388,246	16,819	37	34	672	0.051	21,826	19,643	2,183
343 CML Stl 9 and 10in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 12in Mains		313,591	1950	65	1286 ft	80	R3	81%	69.2%	-38%	90.0%	282,232	12,226	37	34	672	0.051	15,866	14,280	1,586
343 CML Stl 14in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 16in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 CML Stl 18in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 DI 3/4 to 1in Mains		5,592	1930	85	74 ft	80	R3	108%	82.5%	-38%	90.0%	5,033	35	35	20	788	0.026	146	131	15
343 DI 1-1/2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 DI 2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 DI 3in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 DI 4in Mains		25,317	2012	3	290 ft	80	R3	4%	3.9%	-38%	5.4%	1,373	21,570	35	696	788	0.908	22,943	1,244	21,699
343 DI 5 and 6in Mains		660,314	2005	10	8320 ft	80	R3	13%	12.7%	-38%	17.5%	115,636	482,774	35	421	788	0.548	361,969	83,389	298,580
343 DI 8in Mains		12,657,024	2005	10	89002 ft	80	R3	13%	12.7%	-38%	17.5%	2,216,523	9,253,905	35	421	788	0.548	6,938,291	1,215,047	5,723,244
343 DI 9 and 10in Mains		64,928	1997	18	311 ft	80	R3	23%	22.2%	-38%	30.8%	19,900	38,940	35	334	788	0.435	28,237	8,655	19,582
343 DI 12in Mains		8,593,124	2002	13	33892 ft	80	R3	16%	15.6%	-38%	21.5%	1,839,924	5,920,407	35	388	788	0.505	4,326,162	929,545	3,396,617
343 DI 14in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 DI 16in Mains		679,905	2005	10	1904 ft	80	R3	13%	12.7%	-38%	17.5%	119,066	497,097	35	421	788	0.548	372,708	65,269	307,439
343 DI 18in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	35	0	788	0.000	0	0	0
343 HDPE 3/4 to 1in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	34	0	715	0.000	0	0	0
343 HDPE 1-1/2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	34	0	715	0.000	0	0	0
343 HDPE 2in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	34	0	715	0.000	0	0	0
343 HDPE 3in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	34	0	715	0.000	0	0	0
343 HDPE 4in Mains		11,347	2012	3	248 ft	80	R3	4%	3.9%	-38%	5.4%	615	8,906	34	663	715	0.927	10,521	571	9,950
343 HDPE 5 and 6in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	34	0	715	0.000	0	0	0
343 HDPE 8in Meins		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	34	0	715	0.000	0	0	0
343 HDPE 9 and 10in Mains		356,888	2005	10	3468 ft	80	R3	13%	12.7%	-38%	17.5%	62,501	268,441	34	432	715	0.804	215,636	37,763	177,873
343 HDPE 12in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	34	0	715	0.000	0	0	0
343 HDPE 14in Mains		0	0	0	0 ft															

Claremont Water System
Estimated RCNLD and OCLD Values
As of January 1, 2015

Acct. No.	Description	Reproduction Cost New 1/1/15	Install Year	Age	Quantity	Avg. Service Life	Survivor Curve	Age % of ASL	Unadjusted Depreciation %	Net Salvage %	Adjusted Depreciation %	RCN Depreciation	RCNLD	Handy-Whitman Cost Index					Original Cost Depreciation	OCLD
														Line No.	Year Installed	2015	Factor	Original Cost		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
343 Slt 3/4 to 1in Mains		0	0	0	0 ft	80	R3	0%	0.0%	-38%	0.0%	0	0	37	0	672	0.000	0	0	0
343 Slt 1-1/2in Mains		31,383	2012	3	430 ft	80	R3	4%	3.9%	-38%	5.4%	1,701	27,748	37	831	872	0.839	28,450	1,597	27,853
343 Slt 2in Mains		38,219	1950	65	524 ft	80	R3	81%	89.2%	-38%	90.0%	34,397	1,490	37	34	872	0.051	1,934	1,740	194
343 Slt 3in Mains		82,285	1958	57	739 ft	80	R3	71%	82.5%	-38%	88.2%	53,861	4,805	37	55	872	0.082	5,096	4,382	704
343 Slt 4in Mains		833,887	1954	61	7521 ft	80	R3	78%	85.9%	-38%	80.0%	570,318	24,708	37	43	872	0.084	40,548	36,464	4,054
343 Slt 5 and 6in Mains		3,089,959	1955	60	30843 ft	80	R3	75%	85.3%	-38%	80.0%	2,780,983	120,472	37	45	872	0.087	208,917	186,225	20,692
343 Slt 8in Mains		4,657,796	1960	55	33936 ft	80	R3	69%	81.0%	-38%	84.2%	3,922,218	451,397	37	61	872	0.091	422,806	358,035	68,771
343 Slt 9 and 10in Mains		1,084,301	1954	61	5431 ft	80	R3	76%	85.9%	-38%	80.0%	984,871	42,865	37	43	872	0.084	70,022	63,020	7,002
343 Slt 12in Mains		3,235,847	1955	60	13289 ft	80	R3	75%	85.3%	-38%	80.0%	2,912,083	128,152	37	45	872	0.087	216,673	195,006	21,667
343 Slt 14in Mains		21,815	1970	45	72 ft	80	R3	58%	51.1%	-38%	70.5%	15,383	5,100	37	86	872	0.128	2,792	1,989	823
343 Slt 16in Mains		312,936	1978	36	908 ft	80	R3	45%	42.0%	-38%	58.0%	181,377	112,465	37	194	872	0.289	90,342	52,382	37,980
343 Slt 18in Mains		22,402	1970	45	85 ft	80	R3	58%	51.1%	-38%	70.5%	15,797	5,238	37	88	872	0.128	2,867	2,022	845
Total Mains		\$83,526,452										\$48,849,030	\$30,960,020					\$23,731,621	\$9,570,737	\$14,160,884
Services, Meters, and Hydrants																				
345 Service Connections		\$24,798,478	1995	20	11,249	70	R2	29%	25.1%	-52%	38.2%	\$9,472,423	\$14,380,175	39	319	603	0.529	13,118,929	\$5,011,116	\$8,107,813
346 Meters		7,113,245	2000	15	11,233	15	R3	100%	79.8%	5%	75.8%	5,394,579	1,345,221	40	205	400	0.513	3,845,538	2,764,722	880,816
348 Hydrant Connections		8,577,138	1975	40	1,347	65	R3	82%	55.8%	-28%	71.4%	6,126,135	1,376,396	42	151	870	0.174	1,488,676	1,063,272	425,404
348 Hydrants		5,562,747	1975	40	1,345	65	R3	82%	55.8%	-28%	71.4%	3,973,136	892,869	42	151	870	0.174	965,488	689,590	275,898
Total Services, Meters, and Hydrants		\$46,051,607										\$24,968,273	\$17,984,481					\$19,218,631	\$9,528,700	\$9,689,931
Other General Plant (2)																				
371 General Plant Structures & Improvements		\$355,874	1997	18		62	S1.5	29%	28.7%	-10%	29.4%	\$104,838	\$251,237	MS1	872	2147	0.406	144,493	\$42,485	\$102,008
372 Office Furniture & Equipment		257,223	2003	12		12	R3	100%	79.8%	1%	79.0%	203,288	53,935	MS2	934	2176	0.429	110,372	87,229	23,143
373 Transportation Equipment		582,185	2008	7		10	L2	70%	52.7%	8%	48.5%	287,008	305,179	MS8	1471	2733	0.538	318,773	154,485	164,278
378 Communication Equipment		43,714	2000	15		30	R2.5	50%	44.0%	0%	44.0%	19,212	24,502	MS7	809	2176	0.372	16,282	7,147	9,115
377 Power Operated Equipment		908,088	2000	15		33	L3	45%	43.2%	7%	40.1%	363,781	542,317	MS8	983	2668	0.369	334,084	134,132	199,982
378 Tools, Shop & Garage Equipment		308,427	2003	12		15	L5	80%	77.1%	0%	77.1%	237,704	70,722	MS8	1110	2733	0.408	128,251	97,302	28,949
Total Other General Plant		\$2,483,521										\$1,215,829	\$1,247,882					\$1,050,245	\$522,790	\$527,455
TOTAL PLANT FACILITIES		\$169,594,674										\$89,782,853	\$71,413,584					\$57,753,986	\$23,196,258	\$34,557,738
OTHER ASSETS																				
Land and Land Rights		\$794,889										\$0	\$794,889				1.0000	794,889	\$0	\$794,889
Miramar Treatment Plant - Phase I		17,862,402	1986	29		30	SQ	97%	97.0%	0%	90.0%	16,186,182	1,786,240	17	306	843	0.363	8,520,160	5,868,144	652,016
Miramar Treatment Plant - Phase II		8,827,716	1986	29		23	SQ	127%	100.0%	0%	90.0%	6,234,844	692,772	17	306	843	0.363	2,514,687	2,283,218	251,469
Total Other Assets		\$25,885,007										\$22,401,106	\$3,283,901					\$9,829,738	\$8,131,362	\$1,688,374
TOTAL ESTIMATED VALUE		\$195,279,681										\$112,183,958	\$74,697,485					\$67,583,732	\$31,327,620	\$36,256,112
Rounded		\$195,280,000										\$112,184,000	\$74,697,000					\$67,584,000	\$31,328,000	\$36,256,000

Notes:

- (1) Reproduction Cost New (RCN) at 1/1/15 estimated by trending RCN values developed in 2012 Appraisal Report to 1/1/15 using Handy Whitman Construction Cost Index.
- (2) GSWC 2011 Annual Report to the CPUC; Avg Installation Year calculated from stated depreciation (used asset useful service life and survivor curve from 2014 Rate Case Application, Testimony of Dane Watson, GSWC Region 3 CSA, Appendix A-11)
- (3) Data not available for new Well #4 recently constructed at Indian Hill North; assumed current construction cost is equal to RCN value of Well #3 at same site.
- (4) Data not available for new Well #2 under construction at Margarita; assumed current construction cost is equal to RCN value of Well #2 at same site.

Exhibit 5
INCOME APPROACH
DISCOUNTED CASH FLOW ANALYSIS

KEY ASSUMPTIONS USED IN DCF ANALYSIS

Following is a summary of the key assumptions used to develop the revenue requirement projections for the Claremont Water System under municipal versus investor-owned utility (IOU) ownership.

Customer Growth

- Annual customer growth equal to 0.41 percent, based on growth projections for Claremont in Golden State Water Company's (GSWC) Urban Water Management Plan 2010.
- Average water use per customer is constant throughout the projection period.

Operating Expenses

- Purchased water and power costs: assumed that any increase in purchased water or purchased power will be recovered through the Water Rate Adjustment Mechanism (WRAM) or other surcharges.
- Chemicals: Increase at inflation plus full rate of customer growth.
- Other operating and maintenance costs: increase at weighted annual escalation rate: labor (30%) by rate of inflation plus half the rate of customer growth, plus non-labor (70%) by rate of inflation plus change in plant.
- Administrative and general: increase at inflation plus half the change in plant.
- Billing: increase at inflation plus half the rate of customer growth.
- Other expenses: increase at rate of inflation.
- Other A&G: increase at inflation plus half the change in plant.

Capital Expenditures

- Annual plant additions: \$3 million per year based on average of 2010-2014 plant additions reported for Claremont District.
- Contributions In Aid of Construction (CIAC): 10 percent of gross plant.
- Retirement rate: 14.00 percent of annual plant additions, based on GSWC methodology applied to Claremont data (six years retirements divided six years additions).
- Annual depreciation rate: 3.30 percent of average annual plant balance.
- Salvage recovered: 2.00 percent of annual retirements, based on GSWC methodology applied to Claremont data
- Cost of removal: 60.00 percent of annual retirements, based on GSWC methodology applied to Claremont data.

Other Assumptions

- Authorized rate of return: 8.34 percent, per GSWC 2014 general rate case application.

Key Assumptions Used in DCF Analysis, cont.

- Property and local taxes: 0.81 percent times BOY net plant, based on 2014 Claremont District Annual Report.
- Income taxes: 32.28 percent combined effective Federal and State income tax rate, based on GSWC general rate case.
- Pensions and benefits: 1.5 times labor escalation rate plus half the rate of customer growth
- General inflation rate equal to 2.10 percent per year (Blue Chip Economic Indicators, March 2015).

Claremont Water System
Income Approach Valuation - Discounted Cash Flow Analysis
Based on Projected Regional Water Rates

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015-2024 Compound Annual Growth
Projected Annual Revenue											
Water Service Revenues	\$20,353,009	\$20,515,352	\$21,009,772	\$21,574,935	\$22,049,584	\$22,534,674	\$23,030,437	\$23,537,107	\$24,054,923	\$24,584,132	2.1%
Other Revenue	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	0.0%
Total Revenue	\$20,365,889	\$20,528,232	\$21,022,652	\$21,587,815	\$22,062,464	\$22,547,554	\$23,043,317	\$23,549,987	\$24,067,803	\$24,597,012	2.1%
Projected Annual Expenses											
Supply Expenses	\$6,530,339	\$6,564,795	\$6,599,542	\$6,634,604	\$6,669,974	\$6,705,667	\$6,741,668	\$6,778,001	\$6,814,672	\$6,851,673	0.5%
Operation & Maintenance Expense	2,139,888	2,209,527	2,281,160	2,354,844	2,430,642	2,508,617	2,588,833	2,671,356	2,756,254	2,843,599	3.2%
Administrative & General Expenses	3,474,995	3,606,167	3,741,614	3,881,477	4,025,901	4,175,035	4,329,036	4,488,062	4,652,278	4,821,853	3.7%
Total Operating Expenses	\$12,145,221	\$12,380,490	\$12,622,316	\$12,870,925	\$13,126,517	\$13,389,320	\$13,659,537	\$13,937,419	\$14,223,203	\$14,517,125	2.0%
Depreciation	\$2,561,830	\$2,649,670	\$2,739,350	\$2,830,920	\$2,924,410	\$3,019,870	\$3,117,330	\$3,216,830	\$3,318,430	\$3,422,160	3.3%
Property Taxes	\$386,277	\$392,351	\$398,276	\$404,051	\$409,671	\$415,134	\$420,435	\$425,572	\$430,541	\$435,339	1.3%
Payroll Taxes	74,441	76,160	77,919	79,719	81,559	83,443	85,370	87,341	89,358	91,422	2.3%
Local Taxes	23,168	23,654	24,151	24,658	25,176	25,704	26,244	26,795	27,358	27,933	2.1%
Total Taxes Not on Income	\$483,885	\$492,165	\$500,346	\$508,428	\$516,406	\$524,281	\$532,049	\$539,709	\$547,257	\$554,693	1.5%
Total Expenses Before Interest and Income Taxes	\$15,190,936	\$15,522,325	\$15,862,012	\$16,210,272	\$16,567,333	\$16,933,471	\$17,308,916	\$17,693,958	\$18,088,891	\$18,493,978	2.2%
Earnings and Cash Flow											
Operating Income	\$5,174,953	\$5,005,907	\$5,160,640	\$5,377,543	\$5,495,130	\$5,614,084	\$5,734,401	\$5,856,029	\$5,978,912	\$6,103,034	1.8%
Income Taxes	1,670,475	1,615,907	1,665,855	1,735,871	1,773,828	1,812,226	1,851,065	1,890,326	1,929,993	1,970,059	1.8%
Net Income	\$3,504,478	\$3,390,000	\$3,494,785	\$3,641,672	\$3,721,302	\$3,801,858	\$3,883,336	\$3,965,703	\$4,048,919	\$4,132,975	1.8%
Plus Depreciation Expense	2,561,830	2,649,670	2,739,350	2,830,920	2,924,410	3,019,870	3,117,330	3,216,830	3,318,430	3,422,160	3.3%
Earnings Before Interest, Depreciation & Amort.	\$6,066,308	\$6,039,670	\$6,234,135	\$6,472,592	\$6,645,712	\$6,821,728	\$7,000,666	\$7,182,533	\$7,367,349	\$7,555,135	2.5%
Less Capital Expenditures	\$3,063,000	\$3,127,320	\$3,193,000	\$3,260,050	\$3,328,510	\$3,398,410	\$3,469,780	\$3,542,640	\$3,617,040	\$3,692,990	2.1%
Less Changes in Working Capital	27,467	28,232	29,019	29,833	30,671	31,536	32,426	33,346	34,294	35,271	2.8%
Free Cash Flow	\$2,975,841	\$2,884,118	\$3,012,116	\$3,182,709	\$3,286,531	\$3,391,782	\$3,498,460	\$3,606,547	\$3,716,015	\$3,826,874	2.8%
Estimated Income Value											
Discount Rate	8.34%										
Growth Rate	2.83%										
Net Present Value of 2015-2024 Free Cash Flow	\$21,603,939										
Terminal Value	\$71,418,775										
Net Present Value of Terminal Value	\$34,730,650										
Income Value as of January 1, 2015	\$56,334,589										
Rounded Value	\$56,335,000										

Claremont Water System
Income Approach Valuation - Discounted Cash Flow Analysis
Based on Rates that Recover Only Claremont District Costs

**2015-2024
Compound
Annual
Growth**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Projected Annual Revenue											
Water Service Revenues	\$19,419,497	\$19,795,100	\$20,176,451	\$20,563,769	\$20,957,226	\$21,357,043	\$21,763,395	\$22,176,510	\$22,596,626	\$23,023,943	1.9%
Other Revenue	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	0.0%
Total Revenue	\$19,432,377	\$19,807,980	\$20,189,331	\$20,576,649	\$20,970,106	\$21,369,923	\$21,776,275	\$22,189,390	\$22,609,506	\$23,036,823	1.9%
Projected Annual Expenses											
Supply Expenses	\$6,530,339	\$6,564,795	\$6,599,542	\$6,634,604	\$6,669,974	\$6,705,667	\$6,741,668	\$6,778,001	\$6,814,672	\$6,851,673	0.5%
Operation & Maintenance Expense	2,139,888	2,209,527	2,281,160	2,354,844	2,430,642	2,508,617	2,588,833	2,671,356	2,756,254	2,843,599	3.2%
Administrative & General Expenses	3,474,995	3,606,167	3,741,614	3,881,477	4,025,901	4,175,035	4,329,036	4,488,062	4,652,278	4,821,853	3.7%
Total Operating Expenses	\$12,145,221	\$12,380,490	\$12,622,316	\$12,870,925	\$13,126,517	\$13,389,320	\$13,659,537	\$13,937,419	\$14,223,203	\$14,517,125	2.0%
Depreciation	\$2,561,830	\$2,649,670	\$2,739,350	\$2,830,920	\$2,924,410	\$3,019,870	\$3,117,330	\$3,216,830	\$3,318,430	\$3,422,160	3.3%
Property Taxes	\$386,277	\$392,351	\$398,276	\$404,051	\$409,671	\$415,134	\$420,435	\$425,572	\$430,541	\$435,339	1.3%
Payroll Taxes	74,441	76,160	77,919	79,719	81,559	83,443	85,370	87,341	89,358	91,422	2.3%
Local Taxes	23,168	23,654	24,151	24,658	25,176	25,704	26,244	26,795	27,358	27,933	2.1%
Total Taxes Not on Income	\$483,885	\$492,165	\$500,346	\$508,428	\$516,406	\$524,281	\$532,049	\$539,709	\$547,257	\$554,693	1.5%
Total Expenses Before Interest and Income Taxes	\$15,190,936	\$15,522,325	\$15,862,012	\$16,210,272	\$16,567,333	\$16,933,471	\$17,308,916	\$17,693,958	\$18,088,891	\$18,493,978	2.2%
Earnings and Cash Flow											
Operating Income	\$4,241,440	\$4,285,655	\$4,327,318	\$4,366,376	\$4,402,772	\$4,436,452	\$4,467,359	\$4,495,432	\$4,520,615	\$4,542,845	0.8%
Income Taxes	1,369,137	1,383,409	1,396,858	1,409,466	1,421,215	1,432,087	1,442,063	1,451,125	1,459,254	1,466,430	0.8%
Net Income	\$2,872,303	\$2,902,246	\$2,930,460	\$2,956,910	\$2,981,557	\$3,004,365	\$3,025,296	\$3,044,307	\$3,061,361	\$3,076,415	0.8%
Plus Depreciation Expense	2,561,830	2,649,670	2,739,350	2,830,920	2,924,410	3,019,870	3,117,330	3,216,830	3,318,430	3,422,160	3.3%
Earnings Before Interest, Depreciation & Amort.	\$5,434,133	\$5,551,916	\$5,669,810	\$5,787,830	\$5,905,967	\$6,024,235	\$6,142,626	\$6,261,137	\$6,379,791	\$6,498,575	2.0%
Less Capital Expenditures	\$3,063,000	\$3,127,320	\$3,193,000	\$3,260,050	\$3,328,510	\$3,398,410	\$3,469,780	\$3,542,640	\$3,617,040	\$3,692,990	2.1%
Less Changes in Working Capital	27,467	28,232	29,019	29,833	30,671	31,536	32,426	33,346	34,294	35,271	2.8%
Free Cash Flow	\$2,343,666	\$2,396,364	\$2,447,791	\$2,497,947	\$2,546,786	\$2,594,289	\$2,640,420	\$2,685,151	\$2,728,456	\$2,770,315	1.9%
Estimated Income Value											
Discount Rate	8.34%										
Growth Rate	1.88%										
Net Present Value of 2015-2024 Free Cash Flow	\$16,745,601										
Terminal Value	\$43,690,352										
Net Present Value of Terminal Value	\$21,246,435										
Income Value as of January 1, 2015	\$37,992,036										
Rounded Value	\$37,992,000										

Exhibit 6
MARKET APPROACH

California Water Systems Sales Transactions
(2008-2015)

Year of Sale	Seller	Purchaser	Location	Sales Price	Number of Customers	Sales Price per Customer
2015	Rural Water Company	Golden State Water Company	San Luis Obispo County	\$1,700,000	950	\$1,789
2013	Garrapata Water Company	California-American Water Company	Monterey County	164,000	49	3,347
2012	Valencia Water Company	Castaic Lake Water Agency	Los Angeles County	73,800,000	30,000	2,460
2012	Central Water System	Plainview Mutual Water Company	Tulare County	24,000	42	571
2012	James Water	Cal Water Service	Kern County	1	23	—
2012	Lake Forest Water Company	Tahoe City PUD	Placer County	370,000	118	3,136
2012	Riverview Acres Water Company	Salier Mutual Water Company		1	53	—
2011	Yermo Water Company	Yermo Community Services District		259,000	300	863
2011	Park Water Company and Apple Valley Ranchos Water Company	Western Water Holdings, LLC	San Bernardino County	102,000,000	46,285	2,204
2011	Watertek, Inc. (Grand View Gardens, East Plano and Metropolitan)	Del Oro Water Company	Tulare and Fresno Counties	60,000	146	411
2010	Southwest Water Company d/b/a Suburban Water Systems	IIF Subway Investment LP and USA Water Services, LLC	Los Angeles County	275,000,000	75,000	3,667
2009	Ponderosa Sky Ranch Water System	Sky View County Water District		50,000	110	455
2008	California American	San Lorenzo Valley Water District	Santa Cruz County	13,400,000	1,330	10,075
2008	Live Oak Springs Water Company	Live Oak Enterprises, LLC	San Diego County	185,000	96	1,927
2008	Arbuckle Water Company	Del Oro Water Company	Colusa County			
2008	Tahoe Park Water Company (Robertson)	Tahoe Park Water Company (Dewante)	Placer County	150,000	520	288
2008	River Island Water Company	Del Oro Water Company	Tulare County	760,000	352	2,159
2008	Matt Dillon Water Company	Toulumne Utilities District	Toulumne County	100,000	160	625
2008	Mar Vista Water Company	Trout Gulch	Santa Cruz County	295,860	186	1,591

AMERICAN STATES WATER COMPANY (AWR)

Market Capitalization

Market Data dated May 1, 2015

	Price (\$)	Shares (M)	Market Cap. (\$M)
52-Week High	41.73	37.8	1,576.6
Current Price	38.6	37.8	1,458.3
52-Week Low	27.82	37.8	1,051.0

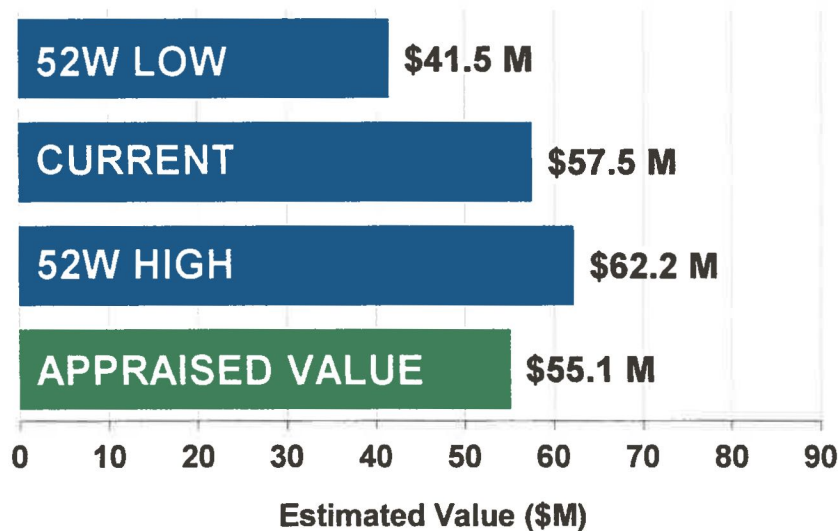
Allocation of Market Cap based on Customers

	Value	%	Source
Claremont Customers	11,123	3.9%	2012 GSWC Annual Report
Other AWR Customers	270,784	96.1%	2012 Q4 Financial Statements
Total Customers	281,907	100.0%	

Estimated Value of Claremont Water System (\$M)

52-week High	62.2
Current Price	57.5
52-Week Low	41.5

Market Value based on Parent Company Market Capitalization



AMERICAN STATES WATER COMPANY (AWR)

Market Capitalization

Market Data dated May 1, 2015

	Price (\$)	Shares (M)	Market Cap. (\$M)
52-Week High	41.73	37.8	1,576.6
Current Price	38.6	37.8	1,458.3
52-Week Low	27.82	37.8	1,051.0

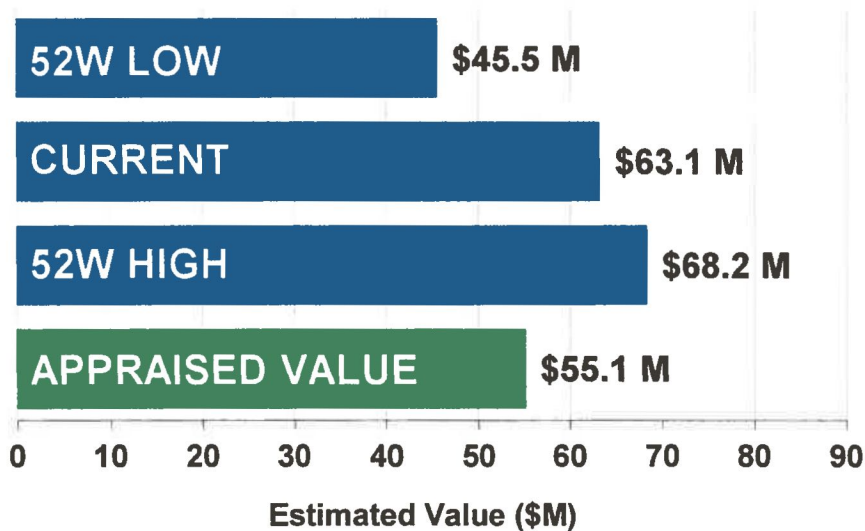
Allocation of Market Cap based on 2012 Revenues

	Value (\$)	%	Source
Claremont Revenue	20,163,120	4.3%	2014 GSWC Annual Report
Other AWR Revenue	445,627,880	95.7%	2014 Annual Report
Total Revenue	465,791,000	100.0%	

Estimated Value of Claremont Water System (\$M)

52-week High	68.2
Current Price	63.1
52-Week Low	45.5

Market Value based on Parent Company Market Capitalization



AMERICAN STATES WATER COMPANY (AWR)

Market Capitalization

Market Data dated May 1, 2015

	Price (\$)	Shares (M)	Market Cap. (\$M)
52-Week High	41.73	37.8	1,576.6
Current Price	38.6	37.8	1,458.3
52-Week Low	27.82	37.8	1,051.0

Allocation of Market Cap based on Net Plant

	Value (\$M)	%	Source
Claremont Net Plant	47.4	4.7%	SEC Form 10-Q (Q1 2015)
Other AWR Net Plant	849.1	84.6%	SEC Form 10-Q (Q1 2015)
Total Net Plant	1003.1	89.4%	

Estimated Value of Claremont Water System (\$M)

52-week High	74.5
Current Price	68.9
52-Week Low	49.7

Market Value based on Parent Company Market Capitalization

