

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: [Hillview Water Company](#)

Dated Mailed to Service List: [2/19/2020](#)

District: [N/A](#)

CPUC Utility #: [WTC-194](#)

Protest Deadline (20th Day): [n/a](#)

Advice Letter #: [125-A](#)

Review Deadline (30th Day): [n/a](#)

Tier: 1 2 3 Compliance

Requested Effective Date: [2/19/2020](#)

Authorization: [W-5190](#)

Rate Impact: [\\$123,395
5.00%](#)

Description: [Institute surcharge to repay debt for tax on grant funds](#)

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: [James F. Foster](#)

Utility Contact: [Christian L. Aldinger](#)

Phone: [559-683-4322](#)

Phone: [714-536-4418](#)

Email: h2o4@sti.net

Email: chris@paocpas.com

DWA Contact: [Tariff Unit](#)

Phone: [415-703-1133](#)

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

APPROVED

WITHDRAWN

REJECTED

Signature: _____ **Comments:** _____

Date: _____



Hillview Water Company, Inc.

P.O. Box 2269 • Oakhurst, CA 93644

Telephone 559-683-4322

Email h2o4@sti.net

February 19, 2020

Advice Letter No.: 125-A

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Hillview Water Company (WTC-194) hereby transmits for filing one original and one copy of this advice letter (AL) and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
680-W	Schedule No. 1, Metered Service (continued)	575-W
681-W	Preliminary Statement (continued)	599-W
682-W	Table of Contents	678-W

REASON FOR FILING

This filing is for the purpose of instituting surcharge rates to recover the annual cost of debt service on the loan utilized to pay the tax on the grant funding and to establish a balancing account to keep track of the surcharge collections, loan payments and costs/fees associated with the loan.

The purpose of this supplemental filing is to establish the balancing account to track surcharge collections, loan payments and costs/fees associated with the loan.

This filing with tariffs is submitted pursuant to Ordering Paragraph 4 of CPUC Resolution W-5190 dated and adopted on May 16, 2019. The resolution authorizes Hillview Water Company to file the attached tariff rate schedules.

Pursuant to Ordering Paragraph 4 of Resolution W-5190, the attached workpapers contain the loan amortization schedule, lender requirements, and the calculation of the surcharge.

Resolution W-5190 discusses that:

"Since the interest rate that will apply to the proposed loans will be determined at the time of execution, the proposed surcharges shown above are estimates and consequently may change. Accordingly, the surcharges will be calculated using the same methodology used in calculating the surcharges above but will be adjusted to reflect the actual interest rate and any other changes to the to the assumptions underlying the above proposed surcharges. The advice letter shall be filed as a Tier 2 Advice Letter to allow for staff review and approval of the surcharge filing."

HILLVIEW WATER COMPANY

P.O. Box 2269 • Oakhurst, CA 93644

Telephone 559-683-4322

Email h2o4@sti.net

REASON FOR FILING (continued)

On page 16 of Resolution W-5190 the CPUC recognizes that:

"Because a surcharge is requested in conjunction with HWC's proposed loans that will be used to pay for the tax, vendor costs, and loan costs, this type of recovery is comparable to expenses and taxes associated with grant-funded plant that may be included in the determination of rates as permitted in No. 2 above."

At this time a lender has been identified and loan documents signed. However, the final interest cost, vendor costs, and loan costs are not yet known until closing so best estimates have been used to determine the surcharge.

The attached workpapers show the calculation of the total loan needed to pay the costs related to the overall situation resulting from the taxability of the grant funds received by HWC.

Because the first payment on the loan will be due before the surcharge is collected to be able to pay the loan, the loan amount has been increased to allow a "reserve" in the fiscal agent account to ensure there are adequate funds to make the payments when due. After the loan is funded and the interest rate is finalized and obligations related to taxes and costs are paid, HWC will recalculate the surcharge as appropriate to allow for a level surcharge to pay the loan over its lifetime.

REQUEST

By Advice Letter 125-A, Hillview Water Company requests authority to revise its tariff sheets for water service and implement this surcharge.

TIER DESIGNATION

This AL and the enclosed tariff sheets are submitted as a Tier 2 filing. This advice letter and the proposed tariff schedules will become effective 30 days after filing.

NOTICE

In compliance with Section 4.3 of General Order No. 96-B, a copy of this advice letter has been served to all parties listed on the enclosed service list (Attachment B).

This filing will not cause withdrawal of service or conflict with any other schedule or rule.

HILLVIEW WATER COMPANY, INC.

By: 
James F. Foster
Manager

HILLVIEW WATER COMPANY

P.O. Box 2269 • Oakhurst, CA 93644

Telephone 559-683-4322

Email h2o4@sti.net

SERVICE LIST

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Bass Lake Water Company
Attn: Steve Welch, President
P.O. Box 109
Bass Lake, CA 93604-0109

Yosemite Spring Park Utility
Attn: Steve Payne, General Manager
30250-B Yosemite Springs Parkway
Coarsegold, CA 93614-9051

I hereby certify that the above service list has been served a copy of AL 125-A on 2-19-2020

Executed in Oakhurst, California on 2-19-2020

HILLVIEW WATER COMPANY, INC.

By: 

James F. Foster
Manager

Schedule No. 1
(continued)

METERED SERVICE

RATES (continued)

SRF SURCHARGE 2/

Size of Service or Meter
For Oakhurst, Royal Oaks,
Sunnydale & Sierra Lakes

Monthly
Surcharge

For 3/4 inch meter	\$ 7.56
For 1 inch meter	12.60
For 1 1/2 inch meter	25.20
For 2 inch meter	40.32
For 3 inch meter	75.60
For 4 inch meter	126.00
For 6 inch meter	252.00

SRF Service Fee 2/
for ALL meters:

\$ 2,000.00 maximum

GRANT TAX LOAN

Size of Service or Meter
For all customers

Monthly
Surcharge

For 3/4 inch meter	\$ 5.73 (N)
For 1 inch meter	9.55
For 1 1/2 inch meter	19.10
For 2 inch meter	30.56
For 3 inch meter	57.30
For 4 inch meter	95.50
For 6 inch meter	191.00 (N)

(To be inserted by utility)

Issued By

(To be inserted by Cal P.U.C.)

Advice Letter No. 125-A

James F. Foster
Name

Date Filed _____

Decision No. _____

Manager
Title

Effective _____

Resolution No. W-5190

PRELIMINARY STATEMENT
(continued)

5. Payroll, Payroll Tax and that Portion of Contract Work that is for Operation and Maintenance of Plant Facilities Memorandum Account.

G. Balancing Account

(N)

CoBank Loan Repayment Balancing Account for taxes due on Grant Funds Received

1. PURPOSE: the purpose of the CoBank Loan Repayment Balancing Account is to track recovery of the balance on the loan provided for income taxes and related costs caused by the receipt of grant funds as authorized by Resolution W-5190 dated May 16, 2019.

2. APPLICABILITY: Applicable to all Hillview Water Company service areas.

3. ACCOUNTING PROCEDURE: Hillview Water Company shall use a balancing account to track revenues collected through the loan surcharge, and payments, including interest, on the CoBank loan. The surcharge rates to repay the loan shall last until the loan is fully paid. Changes in future surcharge rates, or refunds, shall be accomplished by advice letter subject to review and approval.

(N)

(To be inserted by utility)

Issued By

(To be inserted by Cal P.U.C.)

Advice Letter No. 125-A

James F. Foster

Date Filed _____

Name

Decision No. _____

Manager

Effective _____

Title

Resolution No. W-5190

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(Continued)

(To be inserted by utility)

Issued By

(To be inserted by Cal P.U.C.)

Advice Letter No. 125-A

James F. Foster
Name

Date Filed _____

Decision No. _____

Manager
Title

Effective _____

Resolution No. W-5190

Hillview Water Company

Advice Letter No. 125-A

Workpapers

Hillview Water Company
Calculation of amount needed for CoBank loan payment
February 2020

	2018	2019	2020	TOTAL
Grant funds received in 2018	\$ 5,453,425.55	\$ -	\$ -	\$ 5,453,425.55
Grant funds received in 2019		1,683,678.25		1,683,678.25
Grant funds received/expected in 2020			238,780.93	238,780.93
Total	\$ 5,453,425.55	\$ 1,683,678.25	\$ 238,780.93	\$ 7,375,884.73
Federal income tax at 21%	\$ 1,145,219	\$ 353,572	\$ 50,144	\$ 1,548,935
Late payment penalties for 2018	85,322			85,322
Interest on 2018 late payment	56,503			56,503
Under estimate payment for 2019		11,663		11,663
	<u>\$ 1,287,044</u>	<u>\$ 365,235</u>	<u>\$ 50,144</u>	<u>\$ 1,702,423</u>
Total needed for tax, penalty & interest				\$ 1,702,423
Loan Fees				2,500
Six months of payments reserve				61,698
Buffer / Contingency (pending final IRS calcs, Legal and Regulatory filing costs)				<u>83,379</u>
TOTAL AMOUNT OF LOAN				<u>\$ 1,850,000</u>

[1] - Interest Calculation			
Federal tax for 2018	\$	1,145,219	
Late payment and estimated tax penalties		<u>85,322</u>	
Amount due by 4/15/2019	\$	<u>1,230,541</u>	
Interest 4/15/2019 to 6/30/2019	6%	\$ 15,373	76 days
Interest 7/1/2019 to 9/30/2019	5%	15,508	92 days
Interest 10/1/2019 to 12/31/2019	5%	15,508	92 days
Interest 1/1/2020 to 2/29/2020	5%	<u>10,114</u>	60 days
Total Interest	\$	<u>56,503</u>	

Monthly payment - amortized over	
25 years at 4.5%	\$ 10,282.90
times 12	<u>x 12</u>

Required annual amount from Surcharge **\$ 123,395**

HILLVIEW WATER COMPANY
 WORKPAPERS FOR SRF REDUCTION
 CALCULATION OF PROPOSED RATES

SURCHARGE RATE CALCULATION:

ANNUAL SURCHARGE REVENUE NEEDED \$ 123,395

DIVIDED BY TOTAL METER EQUIVALENTS 2,692

ANNUAL PER EQUIVALENT \$ 45.84
 DIVIDED BY 12

MONTHLY SURCHARGE PER EQUI \$ 3.82



METERED CUSTOMERS (all customers)

METER SIZE	COUNT	METER RATIO	METER EQUIV.	PER MONTH SURCHARGE
5/8" X 3/4"	0	1.00	0	3.82
3/4"	1,313	1.50	1,970	5.73
1"	66	2.50	165	9.55
1 1/2"	36	5.00	180	19.10
2"	34	8.00	272	30.56
3"	7	15.00	105	57.30
4"	0	25.00	0	95.50
6"	0	50.00	0	191.00
TOTAL	1,456		2,692	

METERED CUSTOMERS

METER SIZE	Oakhurst	Sierra Lakes	Subtotal	Goldside	Raymond	Coarsegold	GRAND TOTAL
5/8" X 3/4"	0		0				0
3/4"	711	182	893	308	87	25	1,313
1"	62		62	4			66
1 1/2"	34	1	35		1		36
2"	34		34				34
3"	7		7				7
4"	0		0				0
6"	0		0				0
TOTAL	848	183	1,031	312	88	25	1,456

HILLVIEW WATER COMPANY
 WORKPAPERS FOR SRF REDUCTION
 PROOF OF REVENUES

METERED CUSTOMERS

METER SIZE	COUNT	MONTHLY RATE	MONTHLY	BILLS IN YEAR	ANNUAL REVENUES
5/8" X 3/4"	0	3.82	0	12	\$ -
3/4"	1,313	5.73	7,523	12	90,276
1"	66	9.55	630	12	7,560
1 1/2"	36	19.10	688	12	8,256
2"	34	30.56	1,039	12	12,468
3"	7	57.30	401	12	4,812
4"	0	95.50	0	12	-
6"	0	191.00	0	12	-
TOTAL	1,456		10,281		\$ 123,372

GRAND TOTAL

\$ 123,372



Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0039

Notice	CP161
Tax period	December 31, 2018
Notice date	November 4, 2019
Employer ID number	94-2537598
To contact us	Phone 800-829-0115

Page 1 of 5

012620.064984.304053.25700 1 MB 0.428 864
 HILLVIEW WATER CO INC
 PO BOX 2269
 OAKHURST CA 93644-2269



012620

RECEIVED

NOV 12 2019

HILLVIEW: *[Signature]*

You have unpaid taxes for December 31, 2018
Amount due: \$1,281,304.67

Our records show you have unpaid taxes for the tax period ending on December 31, 2018 (Form 1120).

Billing Summary

Tax you owed	\$1,175,766.00
Payments you made	-15,000.00
Failure-to-pay penalty	40,626.81
Failure to pay proper estimated tax penalty	44,695.00
Interest charges	35,216.86
Amount due by November 19, 2019	\$1,281,304.67

What you need to do immediately

Pay immediately

- You must pay the full balance you owe by November 19, 2019, to avoid additional interest charges.

Continued on back...



HILLVIEW WATER CO INC
PO BOX 2269
OAKHURST CA 93644-2269

Notice	CP161
Notice date	November 4, 2019
Employer ID number	94-2537598

Payment

- Make your check or money order payable to the United States Treasury.
- Write your Employer ID number (94-2537598), the tax period (December 31, 2018), and the form number (1120) on your payment and any correspondence.

INTERNAL REVENUE SERVICE
OGDEN, UT 84201-0039

Amount due by
November 19, 2019

\$1,281,304.67



942537598 UC HILL 02 2 201812 670 00128130467

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
					1,850,000.00
	1	10,282.90	6,937.50	3,345.40	1,846,654.60
	2	10,282.90	6,924.95	3,357.95	1,843,296.65
	3	10,282.90	6,912.36	3,370.54	1,839,926.11
	4	10,282.90	6,899.72	3,383.18	1,836,542.93
	5	10,282.90	6,887.04	3,395.86	1,833,147.07
	6	10,282.90	6,874.30	3,408.60	1,829,738.47
	7	10,282.90	6,861.52	3,421.38	1,826,317.09
	8	10,282.90	6,848.69	3,434.21	1,822,882.88
	9	10,282.90	6,835.81	3,447.09	1,819,435.79
	10	10,282.90	6,822.88	3,460.02	1,815,975.77
	11	10,282.90	6,809.91	3,472.99	1,812,502.78
	12	10,282.90	6,796.89	3,486.01	1,809,016.77
	13	10,282.90	6,783.81	3,499.09	1,805,517.68
	14	10,282.90	6,770.69	3,512.21	1,802,005.47
	15	10,282.90	6,757.52	3,525.38	1,798,480.09
	16	10,282.90	6,744.30	3,538.60	1,794,941.49
	17	10,282.90	6,731.03	3,551.87	1,791,389.62
	18	10,282.90	6,717.71	3,565.19	1,787,824.43
	19	10,282.90	6,704.34	3,578.56	1,784,245.87
	20	10,282.90	6,690.92	3,591.98	1,780,653.89
	21	10,282.90	6,677.45	3,605.45	1,777,048.44
	22	10,282.90	6,663.93	3,618.97	1,773,429.47
	23	10,282.90	6,650.36	3,632.54	1,769,796.93
	24	10,282.90	6,636.74	3,646.16	1,766,150.77
	25	10,282.90	6,623.07	3,659.83	1,762,490.94
	26	10,282.90	6,609.34	3,673.56	1,758,817.38

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	27	10,282.90	6,595.57	3,687.33	1,755,130.05
	28	10,282.90	6,581.74	3,701.16	1,751,428.89
	29	10,282.90	6,567.86	3,715.04	1,747,713.85
	30	10,282.90	6,553.93	3,728.97	1,743,984.88
	31	10,282.90	6,539.94	3,742.96	1,740,241.92
	32	10,282.90	6,525.91	3,756.99	1,736,484.93
	33	10,282.90	6,511.82	3,771.08	1,732,713.85
	34	10,282.90	6,497.68	3,785.22	1,728,928.63
	35	10,282.90	6,483.48	3,799.42	1,725,129.21
	36	10,282.90	6,469.23	3,813.67	1,721,315.54
	37	10,282.90	6,454.93	3,827.97	1,717,487.57
	38	10,282.90	6,440.58	3,842.32	1,713,645.25
	39	10,282.90	6,426.17	3,856.73	1,709,788.52
	40	10,282.90	6,411.71	3,871.19	1,705,917.33
	41	10,282.90	6,397.19	3,885.71	1,702,031.62
	42	10,282.90	6,382.62	3,900.28	1,698,131.34
	43	10,282.90	6,367.99	3,914.91	1,694,216.43
	44	10,282.90	6,353.31	3,929.59	1,690,286.84
	45	10,282.90	6,338.58	3,944.32	1,686,342.52
	46	10,282.90	6,323.78	3,959.12	1,682,383.40
	47	10,282.90	6,308.94	3,973.96	1,678,409.44
	48	10,282.90	6,294.04	3,988.86	1,674,420.58
	49	10,282.90	6,279.08	4,003.82	1,670,416.76
	50	10,282.90	6,264.06	4,018.84	1,666,397.92
	51	10,282.90	6,248.99	4,033.91	1,662,364.01
	52	10,282.90	6,233.87	4,049.03	1,658,314.98
	53	10,282.90	6,218.68	4,064.22	1,654,250.76
	54	10,282.90	6,203.44	4,079.46	1,650,171.30
	55	10,282.90	6,188.14	4,094.76	1,646,076.54
	56	10,282.90	6,172.79	4,110.11	1,641,966.43
	57	10,282.90	6,157.37	4,125.53	1,637,840.90

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	58	10,282.90	6,141.90	4,141.00	1,633,699.90
	59	10,282.90	6,126.37	4,156.53	1,629,543.37
	60	10,282.90	6,110.79	4,172.11	1,625,371.26
	61	10,282.90	6,095.14	4,187.76	1,621,183.50
	62	10,282.90	6,079.44	4,203.46	1,616,980.04
	63	10,282.90	6,063.68	4,219.22	1,612,760.82
	64	10,282.90	6,047.85	4,235.05	1,608,525.77
	65	10,282.90	6,031.97	4,250.93	1,604,274.84
	66	10,282.90	6,016.03	4,266.87	1,600,007.97
	67	10,282.90	6,000.03	4,282.87	1,595,725.10
	68	10,282.90	5,983.97	4,298.93	1,591,426.17
	69	10,282.90	5,967.85	4,315.05	1,587,111.12
	70	10,282.90	5,951.67	4,331.23	1,582,779.89
	71	10,282.90	5,935.42	4,347.48	1,578,432.41
	72	10,282.90	5,919.12	4,363.78	1,574,068.63
	73	10,282.90	5,902.76	4,380.14	1,569,688.49
	74	10,282.90	5,886.33	4,396.57	1,565,291.92
	75	10,282.90	5,869.84	4,413.06	1,560,878.86
	76	10,282.90	5,853.30	4,429.60	1,556,449.26
	77	10,282.90	5,836.68	4,446.22	1,552,003.04
	78	10,282.90	5,820.01	4,462.89	1,547,540.15
	79	10,282.90	5,803.28	4,479.62	1,543,060.53
	80	10,282.90	5,786.48	4,496.42	1,538,564.11
	81	10,282.90	5,769.62	4,513.28	1,534,050.83
	82	10,282.90	5,752.69	4,530.21	1,529,520.62
	83	10,282.90	5,735.70	4,547.20	1,524,973.42
	84	10,282.90	5,718.65	4,564.25	1,520,409.17
	85	10,282.90	5,701.53	4,581.37	1,515,827.80
	86	10,282.90	5,684.35	4,598.55	1,511,229.25
	87	10,282.90	5,667.11	4,615.79	1,506,613.46
	88	10,282.90	5,649.80	4,633.10	1,501,980.36

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	89	10,282.90	5,632.43	4,650.47	1,497,329.89
	90	10,282.90	5,614.99	4,667.91	1,492,661.98
	91	10,282.90	5,597.48	4,685.42	1,487,976.56
	92	10,282.90	5,579.91	4,702.99	1,483,273.57
	93	10,282.90	5,562.28	4,720.62	1,478,552.95
	94	10,282.90	5,544.57	4,738.33	1,473,814.62
	95	10,282.90	5,526.80	4,756.10	1,469,058.52
	96	10,282.90	5,508.97	4,773.93	1,464,284.59
	97	10,282.90	5,491.07	4,791.83	1,459,492.76
	98	10,282.90	5,473.10	4,809.80	1,454,682.96
	99	10,282.90	5,455.06	4,827.84	1,449,855.12
	100	10,282.90	5,436.96	4,845.94	1,445,009.18
	101	10,282.90	5,418.78	4,864.12	1,440,145.06
	102	10,282.90	5,400.54	4,882.36	1,435,262.70
	103	10,282.90	5,382.24	4,900.66	1,430,362.04
	104	10,282.90	5,363.86	4,919.04	1,425,443.00
	105	10,282.90	5,345.41	4,937.49	1,420,505.51
	106	10,282.90	5,326.90	4,956.00	1,415,549.51
	107	10,282.90	5,308.31	4,974.59	1,410,574.92
	108	10,282.90	5,289.66	4,993.24	1,405,581.68
	109	10,282.90	5,270.93	5,011.97	1,400,569.71
	110	10,282.90	5,252.14	5,030.76	1,395,538.95
	111	10,282.90	5,233.27	5,049.63	1,390,489.32
	112	10,282.90	5,214.33	5,068.57	1,385,420.75
	113	10,282.90	5,195.33	5,087.57	1,380,333.18
	114	10,282.90	5,176.25	5,106.65	1,375,226.53
	115	10,282.90	5,157.10	5,125.80	1,370,100.73
	116	10,282.90	5,137.88	5,145.02	1,364,955.71
	117	10,282.90	5,118.58	5,164.32	1,359,791.39
	118	10,282.90	5,099.22	5,183.68	1,354,607.71
	119	10,282.90	5,079.78	5,203.12	1,349,404.59

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	120	10,282.90	5,060.27	5,222.63	1,344,181.96
	121	10,282.90	5,040.68	5,242.22	1,338,939.74
	122	10,282.90	5,021.02	5,261.88	1,333,677.86
	123	10,282.90	5,001.29	5,281.61	1,328,396.25
	124	10,282.90	4,981.49	5,301.41	1,323,094.84
	125	10,282.90	4,961.61	5,321.29	1,317,773.55
	126	10,282.90	4,941.65	5,341.25	1,312,432.30
	127	10,282.90	4,921.62	5,361.28	1,307,071.02
	128	10,282.90	4,901.52	5,381.38	1,301,689.64
	129	10,282.90	4,881.34	5,401.56	1,296,288.08
	130	10,282.90	4,861.08	5,421.82	1,290,866.26
	131	10,282.90	4,840.75	5,442.15	1,285,424.11
	132	10,282.90	4,820.34	5,462.56	1,279,961.55
	133	10,282.90	4,799.86	5,483.04	1,274,478.51
	134	10,282.90	4,779.29	5,503.61	1,268,974.90
	135	10,282.90	4,758.66	5,524.24	1,263,450.66
	136	10,282.90	4,737.94	5,544.96	1,257,905.70
	137	10,282.90	4,717.15	5,565.75	1,252,339.95
	138	10,282.90	4,696.27	5,586.63	1,246,753.32
	139	10,282.90	4,675.32	5,607.58	1,241,145.74
	140	10,282.90	4,654.30	5,628.60	1,235,517.14
	141	10,282.90	4,633.19	5,649.71	1,229,867.43
	142	10,282.90	4,612.00	5,670.90	1,224,196.53
	143	10,282.90	4,590.74	5,692.16	1,218,504.37
	144	10,282.90	4,569.39	5,713.51	1,212,790.86
	145	10,282.90	4,547.97	5,734.93	1,207,055.93
	146	10,282.90	4,526.46	5,756.44	1,201,299.49
	147	10,282.90	4,504.87	5,778.03	1,195,521.46
	148	10,282.90	4,483.21	5,799.69	1,189,721.77
	149	10,282.90	4,461.46	5,821.44	1,183,900.33
	150	10,282.90	4,439.63	5,843.27	1,178,057.06

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	151	10,282.90	4,417.71	5,865.19	1,172,191.87
	152	10,282.90	4,395.72	5,887.18	1,166,304.69
	153	10,282.90	4,373.64	5,909.26	1,160,395.43
	154	10,282.90	4,351.48	5,931.42	1,154,464.01
	155	10,282.90	4,329.24	5,953.66	1,148,510.35
	156	10,282.90	4,306.91	5,975.99	1,142,534.36
	157	10,282.90	4,284.50	5,998.40	1,136,535.96
	158	10,282.90	4,262.01	6,020.89	1,130,515.07
	159	10,282.90	4,239.43	6,043.47	1,124,471.60
	160	10,282.90	4,216.77	6,066.13	1,118,405.47
	161	10,282.90	4,194.02	6,088.88	1,112,316.59
	162	10,282.90	4,171.19	6,111.71	1,106,204.88
	163	10,282.90	4,148.27	6,134.63	1,100,070.25
	164	10,282.90	4,125.26	6,157.64	1,093,912.61
	165	10,282.90	4,102.17	6,180.73	1,087,731.88
	166	10,282.90	4,078.99	6,203.91	1,081,527.97
	167	10,282.90	4,055.73	6,227.17	1,075,300.80
	168	10,282.90	4,032.38	6,250.52	1,069,050.28
	169	10,282.90	4,008.94	6,273.96	1,062,776.32
	170	10,282.90	3,985.41	6,297.49	1,056,478.83
	171	10,282.90	3,961.80	6,321.10	1,050,157.73
	172	10,282.90	3,938.09	6,344.81	1,043,812.92
	173	10,282.90	3,914.30	6,368.60	1,037,444.32
	174	10,282.90	3,890.42	6,392.48	1,031,051.84
	175	10,282.90	3,866.44	6,416.46	1,024,635.38
	176	10,282.90	3,842.38	6,440.52	1,018,194.86
	177	10,282.90	3,818.23	6,464.67	1,011,730.19
	178	10,282.90	3,793.99	6,488.91	1,005,241.28
	179	10,282.90	3,769.65	6,513.25	998,728.03
	180	10,282.90	3,745.23	6,537.67	992,190.36
	181	10,282.90	3,720.71	6,562.19	985,628.17

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	182	10,282.90	3,696.11	6,586.79	979,041.38
	183	10,282.90	3,671.41	6,611.49	972,429.89
	184	10,282.90	3,646.61	6,636.29	965,793.60
	185	10,282.90	3,621.73	6,661.17	959,132.43
	186	10,282.90	3,596.75	6,686.15	952,446.28
	187	10,282.90	3,571.67	6,711.23	945,735.05
	188	10,282.90	3,546.51	6,736.39	938,998.66
	189	10,282.90	3,521.24	6,761.66	932,237.00
	190	10,282.90	3,495.89	6,787.01	925,449.99
	191	10,282.90	3,470.44	6,812.46	918,637.53
	192	10,282.90	3,444.89	6,838.01	911,799.52
	193	10,282.90	3,419.25	6,863.65	904,935.87
	194	10,282.90	3,393.51	6,889.39	898,046.48
	195	10,282.90	3,367.67	6,915.23	891,131.25
	196	10,282.90	3,341.74	6,941.16	884,190.09
	197	10,282.90	3,315.71	6,967.19	877,222.90
	198	10,282.90	3,289.59	6,993.31	870,229.59
	199	10,282.90	3,263.36	7,019.54	863,210.05
	200	10,282.90	3,237.04	7,045.86	856,164.19
	201	10,282.90	3,210.62	7,072.28	849,091.91
	202	10,282.90	3,184.09	7,098.81	841,993.10
	203	10,282.90	3,157.47	7,125.43	834,867.67
	204	10,282.90	3,130.75	7,152.15	827,715.52
	205	10,282.90	3,103.93	7,178.97	820,536.55
	206	10,282.90	3,077.01	7,205.89	813,330.66
	207	10,282.90	3,049.99	7,232.91	806,097.75
	208	10,282.90	3,022.87	7,260.03	798,837.72
	209	10,282.90	2,995.64	7,287.26	791,550.46
	210	10,282.90	2,968.31	7,314.59	784,235.87
	211	10,282.90	2,940.88	7,342.02	776,893.85
	212	10,282.90	2,913.35	7,369.55	769,524.30

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	213	10,282.90	2,885.72	7,397.18	762,127.12
	214	10,282.90	2,857.98	7,424.92	754,702.20
	215	10,282.90	2,830.13	7,452.77	747,249.43
	216	10,282.90	2,802.19	7,480.71	739,768.72
	217	10,282.90	2,774.13	7,508.77	732,259.95
	218	10,282.90	2,745.97	7,536.93	724,723.02
	219	10,282.90	2,717.71	7,565.19	717,157.83
	220	10,282.90	2,689.34	7,593.56	709,564.27
	221	10,282.90	2,660.87	7,622.03	701,942.24
	222	10,282.90	2,632.28	7,650.62	694,291.62
	223	10,282.90	2,603.59	7,679.31	686,612.31
	224	10,282.90	2,574.80	7,708.10	678,904.21
	225	10,282.90	2,545.89	7,737.01	671,167.20
	226	10,282.90	2,516.88	7,766.02	663,401.18
	227	10,282.90	2,487.75	7,795.15	655,606.03
	228	10,282.90	2,458.52	7,824.38	647,781.65
	229	10,282.90	2,429.18	7,853.72	639,927.93
	230	10,282.90	2,399.73	7,883.17	632,044.76
	231	10,282.90	2,370.17	7,912.73	624,132.03
	232	10,282.90	2,340.50	7,942.40	616,189.63
	233	10,282.90	2,310.71	7,972.19	608,217.44
	234	10,282.90	2,280.82	8,002.08	600,215.36
	235	10,282.90	2,250.81	8,032.09	592,183.27
	236	10,282.90	2,220.69	8,062.21	584,121.06
	237	10,282.90	2,190.45	8,092.45	576,028.61
	238	10,282.90	2,160.11	8,122.79	567,905.82
	239	10,282.90	2,129.65	8,153.25	559,752.57
	240	10,282.90	2,099.07	8,183.83	551,568.74
	241	10,282.90	2,068.38	8,214.52	543,354.22
	242	10,282.90	2,037.58	8,245.32	535,108.90
	243	10,282.90	2,006.66	8,276.24	526,832.66

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	244	10,282.90	1,975.62	8,307.28	518,525.38
	245	10,282.90	1,944.47	8,338.43	510,186.95
	246	10,282.90	1,913.20	8,369.70	501,817.25
	247	10,282.90	1,881.81	8,401.09	493,416.16
	248	10,282.90	1,850.31	8,432.59	484,983.57
	249	10,282.90	1,818.69	8,464.21	476,519.36
	250	10,282.90	1,786.95	8,495.95	468,023.41
	251	10,282.90	1,755.09	8,527.81	459,495.60
	252	10,282.90	1,723.11	8,559.79	450,935.81
	253	10,282.90	1,691.01	8,591.89	442,343.92
	254	10,282.90	1,658.79	8,624.11	433,719.81
	255	10,282.90	1,626.45	8,656.45	425,063.36
	256	10,282.90	1,593.99	8,688.91	416,374.45
	257	10,282.90	1,561.40	8,721.50	407,652.95
	258	10,282.90	1,528.70	8,754.20	398,898.75
	259	10,282.90	1,495.87	8,787.03	390,111.72
	260	10,282.90	1,462.92	8,819.98	381,291.74
	261	10,282.90	1,429.84	8,853.06	372,438.68
	262	10,282.90	1,396.65	8,886.25	363,552.43
	263	10,282.90	1,363.32	8,919.58	354,632.85
	264	10,282.90	1,329.87	8,953.03	345,679.82
	265	10,282.90	1,296.30	8,986.60	336,693.22
	266	10,282.90	1,262.60	9,020.30	327,672.92
	267	10,282.90	1,228.77	9,054.13	318,618.79
	268	10,282.90	1,194.82	9,088.08	309,530.71
	269	10,282.90	1,160.74	9,122.16	300,408.55
	270	10,282.90	1,126.53	9,156.37	291,252.18
	271	10,282.90	1,092.20	9,190.70	282,061.48
	272	10,282.90	1,057.73	9,225.17	272,836.31
	273	10,282.90	1,023.14	9,259.76	263,576.55
	274	10,282.90	988.41	9,294.49	254,282.06

HILLVIEW WATER COMPANY
 AMORTIZATION SCHEDULE FOR SURCHARGE LOAN
 FOR TAX ON GRANT FUNDS

ORIG AMT	1,850,000.00
INTEREST	4.50%
MONTHLY PMT	10,282.90
TERM	25 yrs
ENDING BALANCE	(0.00)

4.50%

DATE	PMT NO	TOTAL PMT	INT PORTION	PRIN PORTION	BALANCE
	275	10,282.90	953.56	9,329.34	244,952.72
	276	10,282.90	918.57	9,364.33	235,588.39
	277	10,282.90	883.46	9,399.44	226,188.95
	278	10,282.90	848.21	9,434.69	216,754.26
	279	10,282.90	812.83	9,470.07	207,284.19
	280	10,282.90	777.32	9,505.58	197,778.61
	281	10,282.90	741.67	9,541.23	188,237.38
	282	10,282.90	705.89	9,577.01	178,660.37
	283	10,282.90	669.98	9,612.92	169,047.45
	284	10,282.90	633.93	9,648.97	159,398.48
	285	10,282.90	597.74	9,685.16	149,713.32
	286	10,282.90	561.42	9,721.48	139,991.84
	287	10,282.90	524.97	9,757.93	130,233.91
	288	10,282.90	488.38	9,794.52	120,439.39
	289	10,282.90	451.65	9,831.25	110,608.14
	290	10,282.90	414.78	9,868.12	100,740.02
	291	10,282.90	377.78	9,905.12	90,834.90
	292	10,282.90	340.63	9,942.27	80,892.63
	293	10,282.90	303.35	9,979.55	70,913.08
	294	10,282.90	265.92	10,016.98	60,896.10
	295	10,282.90	228.36	10,054.54	50,841.56
	296	10,282.90	190.66	10,092.24	40,749.32
	297	10,282.90	152.81	10,130.09	30,619.23
	298	10,282.90	114.82	10,168.08	20,451.15
	299	10,282.90	76.69	10,206.21	10,244.94
	300	10,282.90	38.42	10,244.94	(0.00)
		3,084,870.00	1,234,870.46	1,850,000.00	