

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

Advice Letter Cover Sheet

Utility Name: NORTH GUALALA WATER COMPANY

Date Mailed to Service List: 05/13/20

District:

CPUC Utility #: WTC – 38

Protest Deadline (20th Day): 06/02/20

Advice Letter #: 124

Review Deadline (30th Day): 06/12/20

Tier 1 2 3 Compliance

Requested Effective Date: ASAP

Authorization

Rate Impact: \$0
0%

Description: Requests Commission authorization to establish a PPP Loan in the amount of \$100,625.94 and to establish a Loan Memorandum Account.

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: David Bower

Utility Contact: Marino Rodriguez

Phone: (707) 884-3579

Phone: (831) 809-2074

Email: office@ngwco.com

Email: marinorod@aol.com

RECEIVED

DWA Contact: Tariff Unit

MAY 19 2020

Phone: (415) 703-1133

PUBLIC UTILITIES COMMISSION
WATER DIVISION

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

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

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____

NORTH GUALALA WATER COMPANY, INC.
Mendocino County

May 13, 2020

ADVICE LETTER No. 124

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA (CPUC)

NORTH GUALALA WATER COMPANY (NGWC) hereby transmits for filing one original and one copy each of the following tariffs schedules which are attached hereto:

The present rates of NGWC became effective on November 20, 2019, pursuant to Advice Letter No. 121, which authorized NGWC a CPI increase of \$21,629 or 1.9% for year 2018. The last general rate increase became effective on June 25, 2015, pursuant to Resolution W-5045, which authorized a general rate increase of \$190,390 or 20.77% and a return on rate of margin of 20.21%.

Summary

This advice letter is filed to request authority to borrow \$100,625.94 from West America Bank through the Paycheck Protection Program established by the CARES Act.

Decision 93-11-066 authorized Class C and D water utilities to file to incur long-term debt by advice letter rather than by formal application. The intent was to speed the granting of loan authorizations.

Background

Through Advice Letter No. 124, NGWC requests authorization to incur long-term debt of \$100,625.94 in a forgivable loan to pay NGWC employees during the COVID-19 crisis. NGWC will incur the debt from West America Bank through the Paycheck Protection Program established by the CARES Act. The loan amounts will be forgiven as long as the loan proceeds are used to pay payroll costs, and most mortgage interest, rent and utility costs over the eight week period after the loan is made; and employee and compensation levels are maintained.

NGWC intends to get the full loan forgiven by using the loan proceeds on payroll costs. As per the Paycheck Protection Program Information Sheet (Attachment A, Pages 1-4), payroll costs consist of the following:

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- State and local taxes assessed on compensation.

Enclosed as Attachment B is the workpaper showing the cost for 2019 payroll costs, payroll taxes, and employee benefits and pensions which was used to calculate the loan application amount. Any funds received not used for the above costs will not be forgiven and will be paid back as a two year loan at a 1% fixed interest rate. Enclosed as Attachment C is the loan agreement with West America Bank.

Also, NGWC requests CPUC authority to establish a Loan Memorandum account to track receipt of loan funds, operating and maintenance expenses, unpaid bills, and disbursements.

This filing is made under the provisions of General Order No 96-B.

This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

Requested Effective Date

Advice Letter 124 is a Tier 3 advice letter and needs resolution to be approved. NGWC respectfully requests that Advice Letter No. 124 be effective as soon as possible.

Notice

In compliance with Section 4.3 of General Order 96-B, a copy of this advice letter has been mailed to all parties listed on the enclosed service list. In conformance with Ordering Paragraph No. 3 of Resolution No. W-4664, NGWC will provide notice to its customers of the increase in dollar and percentage terms with the first bill that includes the increase.

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission).

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd Floor
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
E-Mail: water_division@cpuc.ca.gov

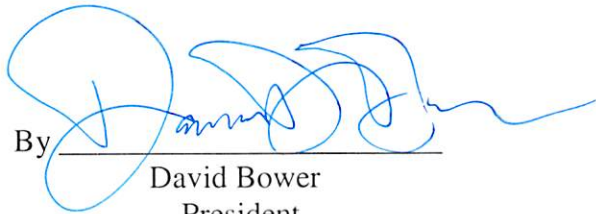
On the same day the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail or e-mail to us, addressed to:

North Gualala Water Company
P.O. Box 1000
Gualala, CA 95445
Fax No. (707) 884-1620

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within five business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

North Gualala Water Company

By 
David Bower
President

Attachments

NORTH GUALALA WATER COMPANY, INC.

**P.O. Box 1000
Gualala, CA 95445**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy via email and via first class United States mail of the following document, North Gualala Water Company, Advice Letter No. 124, upon the California Public Utilities Commission as shown on the Service List attached hereto, a copy thereof properly addressed to each party. Additionally, I hereby certify that I have this day served a true copy via first class United States Mail of the following document, North Gualala Water Company, Advice Letter No. 124, without attachments, upon all additional parties of record as shown on the Service List attached hereto, a copy thereof properly addressed to each party.

Executed in Gualala, California on the 13th day of May 2020.



Suzette Y. Eissler
Office Manager

NORTH GUALALA WATER COMPANY, INC.

**P.O. Box 1000
Gualala, CA 95445**

**NORTH GUALALA WATER COMPANY
ADVICE LETTER No. 124
SERVICE LIST
(AS PER SECTION 4.3 OF GENERAL ORDER No. 96-B)**

Via E-mail & First Class U.S. Mail:

Bruce DeBerry, Program Manager
Division of Water and Audits
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Via First Class U.S. Mail (Without Attachments):

Point Arena Water Works
P.O. Box 205
Point Arena, CA 95468-0205

Sea Ranch Water Company
P.O. Box 16
The Sea Ranch, CA 95497-0016

**PAYCHECK PROTECTION PROGRAM (PPP) INFORMATION SHEET:
BORROWERS**

The Paycheck Protection Program (“PPP”) authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. *All loan terms will be the same for everyone.*

The loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and
- Employee and compensation levels are maintained.

Payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

Loan payments will be deferred for 6 months.

When can I apply?

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

Where can I apply? You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. Visit www.sba.gov for a list of SBA lenders.

Who can apply? All businesses – including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries (click [HERE](#) for additional detail).

For this program, the SBA’s affiliation standards are waived for small businesses (1) in the hotel and food services industries (click [HERE](#) for NAICS code 72 to confirm); or (2) that are franchises in the SBA’s Franchise Directory (click [HERE](#) to check); or (3) that receive financial assistance from small business investment companies licensed by the SBA. Additional guidance may be released as appropriate.

What do I need to apply? You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. Click [HERE](#) for the application.

What other documents will I need to include in my application? You will need to provide your lender with payroll documentation.

Do I need to first look for other funds before applying to this program? No. We are waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources (i.e., we are waiving the Credit Elsewhere requirement).

How long will this program last? Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan.

How many loans can I take out under this program? Only one.

What can I use these loans for? You should use the proceeds from these loans on your:

- Payroll costs, including benefits;
- Interest on mortgage obligations, incurred before February 15, 2020;
- Rent, under lease agreements in force before February 15, 2020; and
- Utilities, for which service began before February 15, 2020.

What counts as payroll costs? Payroll costs include:

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- State and local taxes assessed on compensation; and
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.

Does the PPP cover paid sick leave?

Yes, the PPP covers payroll costs, which include employee benefits such as costs for parental, family, medical, or sick leave. However, it is worth noting that the CARES Act expressly excludes qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (FFCRA) (Public Law 116-127). Learn more about the FFCRA's Paid Sick Leave Refundable Credit [online](#).

How large can my loan be? Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time

periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.

How much of my loan will be forgiven? You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

You will also owe money if you do not maintain your staff and payroll.

- **Number of Staff:** Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
- **Level of Payroll:** Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
- **Re-Hiring:** You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

How can I request loan forgiveness? You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness within 60 days.

What is my interest rate? 1.00% fixed rate.

When do I need to start paying interest on my loan? All payments are deferred for 6 months; however, interest will continue to accrue over this period.

When is my loan due? In 2 years.

Can I pay my loan earlier than 2 years? Yes. There are no prepayment penalties or fees.

Do I need to pledge any collateral for these loans? No. No collateral is required.

Do I need to personally guarantee this loan? No. There is no personal guarantee requirement. ***However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue criminal charges against you.***

What do I need to certify? As part of your application, you need to certify in good faith that:

- Current economic uncertainty makes the loan necessary to support your ongoing operations.
- The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
- You have not and will not receive another loan under this program.
- You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered

mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.

- Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
- You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS. And you also understand, acknowledge, and agree that the lender can share the tax information with the SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

AL-124 PPP Loan

1 message

Marino Rodriguez <marinorod@aol.com>
Reply-To: Marino Rodriguez <marinorod@aol.com>
To: "office@ngwco.com" <office@ngwco.com>

Tue, May 12, 2020 at 2:40 PM

Hi Suzette:

I hope you are all doing well. Enclosed is Advice Letter No. 124 requesting Commission authorization to establish a PPP Loan in the amount of \$100,625.94. For most loan advice letters we normally include multiple schedules including previous years comparative balance sheets, income statements, pro-forma income statements and statement of cash flows, but since this loan is going to be a forgivable loan used to pay payroll costs, we don't believe these extra schedules will be necessary. If the PUC does require this later on we can send them at that time. Unless you would like for us to prepare these schedules now as well. Please let me know.

If you do not want to include the schedules, then please print out the advice letter and send it to the PUC. Please include the following attachments:

1. Attachment A (enclosed) PPP Information Sheet
2. Attachment B (included in advice letter) 2019 Payroll Costs
3. Attachment C (a copy of your loan agreement with West America Bank) I do not have a copy of it at this time

Please contact me if you have any questions. Thank you!

Sincerely,

Marino A. Rodriguez
Public Utility Consultant

897 Canterbury Street

Salinas, CA 93906


Phone: 831-809-2074

Fax: 831-442-2174

3 attachments

 **Attachment A.pdf**
1489K

 **AL 124 Cover Sheet.docx**
24K

 **NGWC AL-124 Paycheck Protection Loan.doc**
60K

NORTH GUALALA WATER COMPANY, INC.
Advice Letter No. 124

Year 2019 Payroll, Benefits, & Payroll Taxes:

Employee Labor:	\$213,492.76
Office Salaries:	\$ 99,582.69
Management Salaries:	\$103,870.70
Employee Pensions & Benefits:	\$ 71,747.99
Payroll Taxes:	<u>\$ 32,742.20</u>
Total 2019 Expenses:	<u>\$521,436.34</u>
Average Monthly Expenses:	\$ 43,453.03
2.5x Average Monthly Expenses:	\$108,632.58
Total Loan Amount:	<u>\$100,625.94</u>

ATTACHMENT C



Please electronically initial and sign where requested to proceed with your SBA CARES Payment Protection Program loan.



Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input checked="" type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other	DBA or Tradename if Applicable								
Business Legal Name <div style="text-align: center; font-weight: bold;">NORTH GUALALA WATER CO</div>									
Business Address <div style="text-align: center;">PO BOX 1000</div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 2px;">Business TIN (EIN, SSN)</td> <td style="width: 40%; padding: 2px;">Business Phone</td> </tr> <tr> <td style="text-align: center; padding: 2px;">941639082</td> <td style="text-align: center; padding: 2px;">7078843579</td> </tr> <tr> <td style="padding: 2px;">Primary Contact</td> <td style="padding: 2px;">Email Address</td> </tr> <tr> <td style="text-align: center; padding: 2px;">David Bower</td> <td style="text-align: center; padding: 2px;">bowerlp@gmail.com</td> </tr> </table>	Business TIN (EIN, SSN)	Business Phone	941639082	7078843579	Primary Contact	Email Address	David Bower	bowerlp@gmail.com
Business TIN (EIN, SSN)	Business Phone								
941639082	7078843579								
Primary Contact	Email Address								
David Bower	bowerlp@gmail.com								
<div style="text-align: center;">GUALALA, CALIFORNIA 95445</div>									

Average Monthly Payroll:	\$43,453.02	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$100,625.94	Number of Employees:	14
Purpose of the loan (select more than one): <input checked="" type="checkbox"/> Payroll <input checked="" type="checkbox"/> Lease / Mortgage Interest <input checked="" type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____					

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
David Bower	President	19.00	550933654	38878 HONEY RUN LANE, GUALALA, CALIFORNIA, 95445
John Bower	Sec/Treasurer	62.00	549721687	37691 OLD STAGE ROAD, GUALALA, CALIFORNIA, 95445

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → <u>DB</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <u>DB</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Paycheck Protection Program Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by initialing next to each one:

DB The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

DB Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

DB The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

DB The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

DB I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

DB During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

DB I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

DB I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

David Bower

05-06-2020

Signature of Authorized Representative of Applicant

Date

David Bower

President

Print Name

Title



Paycheck Protection Program Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to "purpose of the loan," payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating "Average Monthly Payroll," most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any "advance" under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as "principals":

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



Paycheck Protection Program Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to "purpose of the loan," payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating "Average Monthly Payroll," most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any "advance" under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as "principals":

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. *See*, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



Paycheck Protection Program Borrower Application Form

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



**Paycheck Protection Program
Borrower Application Form**

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

U.S. Small Business Administration
PAYCHECK PROTECTION PROGRAM
NOTE

Borrower's Tax ID # (EIN/SSN)	941639082
Loan Date	May 05, 2020
Loan Amount	\$100,625.94
Interest Rate	1.00%
Borrower (Name/Address/City/ST/ZIP)	NORTH GUALALA WATER CO PO BOX 1000 GUALALA, CALIFORNIA 95445

Words or phrases preceded by a checkbox () will apply only if the checkbox is marked ().

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of one hundred thousand six hundred twenty-five and 94/100 dollars interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this Loan signed by Borrower.

"SBA" means the Small Business Administration, an Agency of the United States of America.

"CARES Act" means the federal Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136).

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

A. The term of this Loan shall be two (2) years from the Loan Date. This Loan shall mature on May 05, 2022("Maturity Date").

B. The Loan shall be payable monthly. The first six monthly payments are deferred.

C. Interest will accrue from the date of Loan (including during the deferral period) at the Interest Rate set forth above.

D. Payments will be required beginning December 05, 2020.

Your monthly payments will be an amount equal to all accrued but unpaid interest on that portion of the then-outstanding principal balance of the Loan (i.e., any portion of the Loan that has not been forgiven as described in Section 10), with the entire outstanding principal balance and all accrued but unpaid interest due and payable on the Maturity Date.

Your monthly payments will be an amount equal to the amount necessary to fully amortize the then-outstanding principal balance of the Loan (i.e., any portion of the Loan Amount that has not been forgiven as described in Section 10) at the Interest Rate specified above by the Maturity Date, with the entire outstanding principal balance and all accrued but unpaid interest due and payable on the Maturity Date.

E. There are no prepayment penalties for the Loan. Borrower may repay all or a portion of this Loan at any time without penalty.

F. The proceeds of the Loan shall be used for the following purposes only:

(i) payroll costs (as defined in the CARES Act, and in Section 2.f of the SBA *Interim Final Rule* dated April 2, 2020);

(ii) costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;

(iii) mortgage interest payments (but not mortgage prepayments or principal payments);

(iv) rent payments;

(v) utility payments;

(vi) interest payments on any other debt obligations that were incurred before February 15, 2020; and/or

(vii) refinancing an SBA Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020, under the conditions as specified in Section 2.r.vii of the SBA *Interim Final Rule* dated April 2, 2020.

4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- D. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- E. Fails to pay any taxes when due;
- F. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- G. Has a receiver or liquidator appointed for any part of their business or property;
- H. Makes an assignment for the benefit of creditors;
- I. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- J. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- K. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower; or
- C. File suit and obtain judgment.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- A. Incur expenses to collect amounts due under this Note or enforce the terms of this Note or any other Loan Document, including reasonable attorneys' fees and costs. If Lender incurs such expenses, it may demand immediate payment from Borrower or add the expenses to the principal balance; and
- B. Release anyone obligated to pay this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law or deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower includes its successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor.

10. LOAN FORGIVENESS:

Pursuant to Section 1106 of the federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), the following provisions shall apply to the Loan:

- A. The Loan is subject to the limited loan forgiveness provisions of Section 1106 of the CARES Act, and the SBA Interim Final Rule dated April 2, 2020.

- B. The amount of loan forgiveness is determined by and is subject to the sole approval of the SBA
- C. Limited loan forgiveness is provided for amounts spent on payroll costs, rent and utilities payments, and interest payments on mortgages for Borrowers that apply. No more than 25.0% of the amount forgiven may be for costs other than payroll costs.
- D. The amount of loan forgiveness will be reduced if Borrower reduces the number of their employees (layoffs).
- E. Borrower is eligible for debt forgiveness on a covered loan in an amount equal to the following payments made during the 8-week period beginning on the Loan Date ("covered period"):
 - (i) payroll costs;
 - (ii) interest payments on mortgage obligations (excluding principal and prepaid principal);
 - (iii) rent; and
 - (iv) utility payments.
- F. The amount of forgiveness cannot exceed the principal balance of the Loan.
- G. Cancelled indebtedness will not be included in the Borrower's taxable income.
- H. To receive loan forgiveness, Borrower must apply for Debt Forgiveness through Lender. The Borrower must submit to the Lender servicing the loan an application, which must include documents verifying the number of full-time employees and the pay rates for the period described, including payroll tax filings to the IRS and State, income, payroll, and unemployment insurance filings, cancelled checks, payment receipts, transcript of accounts, or other documents verifying payments on covered mortgage loan obligations, lease obligations and utility payments, plus any other documentation the SBA deems necessary.
- I. ***There will be no loan forgiveness without Borrower's submission of the proper application and documentation to Lender.***

11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

Borrower: NORTH GUALALA WATER CO

By X David Bower
David Bower

By X John Bower
John Bower

By X _____

By X _____

By X _____

By X _____

**PAYCHECK PROTECTION PROGRAM
CORPORATE RESOLUTION TO BORROW**

Borrower: NORTH GUALALA WATER CO
PO BOX 1000

GUALALA, CALIFORNIA 95445

Lender: Westamerica Bank
Fairfield Credit Administration
4550 Mangels Boulevard
PO Box 1200 MAC A-1B
Suisun, CA 94585

THE UNDERSIGNED, CERTIFY THAT:

The complete and correct name of the Corporation is NORTH GUALALA WATER CO ("Corporation"). The Corporation is at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at PO BOX 1000 GUALALA, CALIFORNIA 95445. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on 05-06-2020, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolution set forth in this Resolution were adopted.

Any two (2) of the authorized persons listed below may enter into the Paycheck Protection Program Agreement and those agreement will bind the Corporation. Specifically, but without limitation, any two (2) of such authorized persons are authorized, empowered and directed to do the following for and on behalf of the Corporation:

Borrow Money. To borrow, from Lender on such terms of the Paycheck Protection Program Note between the Corporation and Lender, such sum of money borrowed; not to exceed the amount of one hundred thousand six hundred twenty-five and 94/100 dollars(\$100,625.94).

Execute Note. To execute and deliver to Lender the Paycheck Protection Program note.

The officers named below are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

**PAYCHECK PROTECTION PROGRAM
CORPORATE RESOLUTION TO BORROW
(Continued)**

The following named persons are authorized officers of NORTH GUALALA WATER CO:

<u>NAMES</u>	<u>TITLES</u>	<u>ACTUAL SIGNATURES</u>
<u>David Bower</u>	<u>President</u>	X <u>David Bower</u>
<u>John Bower</u>	<u>Sec/Treasurer</u>	X <u>John Bower</u>
_____	_____	X _____
_____	_____	X _____
_____	_____	X _____
_____	_____	X _____

We attest that the signatures set opposite the names listed above are their genuine signatures.

We each personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct.

This Corporate Resolution to Borrow is dated 05-06-2020.

CERTIFIED TO AND ATTESTED BY AUTHORIZED OFFICERS:

<p>X <u>David Bower</u> David Bower</p>	<p>Title: <u>President</u></p>
<p>X <u>John Bower</u> John Bower</p>	<p>Title: <u>Sec/Treasurer</u></p>
<p>X _____</p>	<p>Title: _____</p>
<p>X _____</p>	<p>Title: _____</p>
<p>X _____</p>	<p>Title: _____</p>
<p>X _____</p>	<p>Title: _____</p>

DISBURSEMENT REQUEST AND AUTHORIZATION

Borrower: NORTH GUALALA WATER CO

Lender: Westamerica Bank
Fairfield Credit Administration
4550 Mangels Boulevard
PO Box 1200 MAC A-1B
Suisun, CA 94585

LOAN TYPE: This is a Fixed Rate (1.000%) Paycheck Protection Program Loan for \$100,625.94 due on demand and, if no demand, on May 05, 2022.

PRIMARY PURPOSE OF LOAN: The primary purpose of this loan is for:

- (i) payroll costs (as defined in the CARES Act, and in Section 2.f of the SBA *Interim Final Rule* dated April 2, 2020);
- (ii) costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;
- (iii) mortgage interest payments (but not mortgage prepayments or principal payments);
- (iv) rent payments;
- (v) utility payments;
- (vi) interest payments on any other debt obligations that were incurred before February 15, 2020; and/or
- (vii) refinancing an SBA Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020, under the conditions as specified in Section 2.r.vii of the SBA *Interim Final Rule* dated April 2, 2020.

DISBURSEMENT INSTRUCTIONS: Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds as follows:

Amount paid to Borrower directly:	\$100,625.94
Westamerica Bank Business Checking Account #	204007660
Note Principal:	\$100,625.94

BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT. THIS AUTHORIZATION IS DATED MAY 05, 2020.

BORROWER: NORTH GUALALA WATER CO

By X David Bower
David Bower

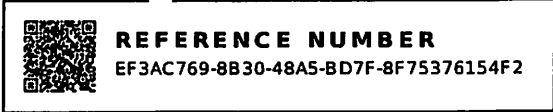
By X John Bower
John Bower

By X _____

By X _____

By X _____

By X _____



TRANSACTION DETAILS

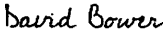
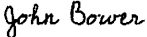
Reference Number
 EF3AC769-8B30-48A5-BD7F-8F75376154F2
Transaction Type
 Signature Request
Sent At
 05/06/2020 11:12 EDT
Executed At
 05/06/2020 11:31 EDT
Identity Method
 email
Distribution Method
 email
Signed Checksum
 73510becbaefcf345340cb9508c1cf9aba447087b3d3c18426ea690483c7b13

DOCUMENT DETAILS

Document Name
 12509172
Filename
 12509172.pdf
Pages
 13 pages
Content Type
 application/pdf
File Size
 536 KB
Original Checksum
 f5eb410f87f435e45e1340c362925276d707d464cf3b47ba40d4db8c79d03af

Signer Sequencing
 Disabled
Document Passcode
 Disabled

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
Name David Bower Email bowerlp@gmail.com Components 18	Status signed Multi-factor Digital Fingerprint Checksum <small>70e9c0c794ec7e00f6e0c54061c3b3b971ef72b1876e2cc3e250a58180bb6e59</small> IP Address 173.195.76.60 Device Chrome via Windows Typed Signature  Signature Reference ID 073120ED	Viewed At 05/06/2020 11:27 EDT Identity Authenticated At 05/06/2020 11:31 EDT Signed At 05/06/2020 11:31 EDT
Name John Bower Email bowerlp@gmail.com Components 6	Status signed Multi-factor Digital Fingerprint Checksum <small>c871eb41973611c94901005d455e3455b0ca6db11e952d8ce9214779d162d44d</small> IP Address 173.195.76.60 Device Chrome via Windows Typed Signature  Signature Reference ID 1531A92D	Viewed At 05/06/2020 11:19 EDT Identity Authenticated At 05/06/2020 11:23 EDT Signed At 05/06/2020 11:23 EDT

AUDITS

TIMESTAMP	AUDIT
05/06/2020 11:31 EDT	David Bower (bowerlp@gmail.com) signed the document on Chrome via Windows from 173.195.76.60.
05/06/2020 11:31 EDT	David Bower (bowerlp@gmail.com) authenticated via email on Chrome via Windows from 173.195.76.60.
05/06/2020 11:27 EDT	David Bower (bowerlp@gmail.com) viewed the document on Chrome via Windows from 173.195.76.60.
05/06/2020 11:23 EDT	John Bower (bowerlp@gmail.com) signed the document on Chrome via Windows from 173.195.76.60.
05/06/2020 11:23 EDT	John Bower (bowerlp@gmail.com) signed the document on Chrome via Windows from 173.195.76.60.
05/06/2020 11:23 EDT	John Bower (bowerlp@gmail.com) authenticated via email on Chrome via Windows from 173.195.76.60.
05/06/2020 11:23 EDT	John Bower (bowerlp@gmail.com) authenticated via email on Chrome via Windows from 173.195.76.60.
05/06/2020 11:19 EDT	John Bower (bowerlp@gmail.com) viewed the document on Chrome via Windows from 173.195.76.60.
05/06/2020 11:18 EDT	John Bower (bowerlp@gmail.com) viewed the document on Chrome via Windows from 173.195.76.60.

TIMESTAMP**AUDIT**

05/06/2020 11:12 EDT

David Bower (bowerfp@gmail.com) was emailed a link to sign.

05/06/2020 11:12 EDT

John Bower (bowerfp@gmail.com) was emailed a link to sign.

05/06/2020 11:12 EDT

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