

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

**Advice Letter Cover Sheet**

**Utility Name:** Sonora Water Company

**Date Mailed to Service List:** Aug. 3, 2020

**CPUC Utility #:** WTD 184

**Protest Deadline (20<sup>th</sup> Day):** Sep. 24, 2020

**Advice Letter #:** 76-W

**Review Deadline (30<sup>th</sup> Day):** Sep. 2, 2020

**Tier**    1    2    3    Compliance

**Requested Effective Date:** Sep 30, 2020

**Authorization** D.92-03-093

**Rate Impact:**

**Description:** Request authority for long-term debt

0%

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:** Beverly Brown

**Utility Contact 2:**

**Phone:** (209) 532-4806

**Phone 2:**

**Email:** brown\_bev@gmail.com

**Email 2:**

**DWA Contact:** Tariff Unit

**Phone:** (415) 703-1133

**Email:** [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

**DWA USE ONLY**

DATE

STAFF

COMMENTS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

APPROVED

WITHDRAWN

REJECTED

**Signature:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_

# Sonora Water Company

P.O. Box 2196, Columbia, CA 95310

Telephone (209) 532-4806

Email: [brown.bev@gmail.com](mailto:brown.bev@gmail.com)

August 3, 2020

Advice Letter (AL) No. 76-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Sonora Water Company (SWC) hereby requests authority pursuant to Sections 816 through 851 and other relevant sections of the Public Utilities Code to authorize an unauthorized debt of \$67,157.44 procured on July 6, 2017 from Oak Valley Community Bank. The term is 10 years, maturing on July 9, 2027 at an adjustable rate of 5.75%. The loan reprices every 5 years at the 5-year Treasury rate plus 3.75% with a floor of 5.75%. The loan is secured by Trust Deed of SWC's real estate properties. As of March 5, 2020, the current balance was \$43,950.32. The proceeds of the original loan were used to install a new water tank in 2006.

SWC originally took a \$117,000 loan from Mother Lode Bank (not authorized) to finance the new water tank and in 2007, Sonora refinanced the Mother Lode Bank loan with the Oak Valley Community Bank loan that has an outstanding balance of \$67,157.44.

## **BACKGROUND**

Because of the urgency to replace the water tank, SWC did not request Commission authorization for the loan. In July 2020, the Utility Audit Branch (UAB) reviewed SWC's 2019 Annual Report and found the unauthorized debt. With this filing, SWC wishes to comply with UAB's recommendation and rectify the omission by seeking authority for the existing Oak Valley Bank loan.

The summary of events follows:

# Sonora Water Company

P.O. Box 2196, Columbia, CA 95310

Telephone (209) 532-4806

Email: [brown.bev@gmail.com](mailto:brown.bev@gmail.com)

	<b>Event</b>	<b>Financing Provided</b>
June 2006	Water tank collapses and creates property damage	
	The damaged water tank was replaced with a larger 101,000-gallon tank.	Gerrit Malcolm, owner, advances \$203,878 to the water company to pay for the water tank replacement
August 2007	SWC secures a \$203,878 loan for the replacement water tank and cost of issuance of \$6,122.	Mother Lode Bank underwrites a \$117,000 loan, term 10 years and \$93,000 loan term 2 years to SONORA.
August 2012	The \$93,000 loan was paid off	Mother Lode Bank
July 2017	The \$177,000 loan from Mother Lode Bank matures and balance of \$67,157.44 was refinanced.	Oak Valley Bank

SWC got approval for two loans from Mother Lode Bank to finance the installation of a new replacement water tank. The first loan was for \$117,000 dated 8/9/07 for a term of 10 years maturing on 7/9/17. The second loan was for \$93,000 dated 8/20/07 for a term of 2 years maturing on 8/20/09. Both loans were at 8% interest. The second loan of \$93,000 was paid off in 2012. At maturity of the \$117,000 loan from Mother Lode Bank, now owned by Oak Valley Bank, refinanced \$67,157.44 (Loan No. 100000431), the outstanding balance of the Mother Lode Bank loan, on 7/6/17 at 5.75% interest for another 10 years, maturing on 7/9/27. As of 6/8/20, Loan No. 100000431 had an outstanding balance of \$40,604.12.

# Sonora Water Company

P.O. Box 2196, Columbia, CA 95310

Telephone (209) 532-4806

Email: [brown.bev@gmail.com](mailto:brown.bev@gmail.com)

The new tank was reported in plant additions in SWC's 2007 annual report. In Resolution W-4934, effective November 8, 2012, the new tank was added in SWC's rate base.

SWC provides water service to 112 add customers located approximately one mile east of Jamestown in Tuolumne County.

This filing will not increase the rates and will not cause the withdrawal of service nor conflict other schedules or rules.

## **TIER DESIGNATION**

This AL is designated as a Tier 3 filing pursuant to General Order 96-B. This AL requires a Commission Resolution for disposition.<sup>1</sup>

## **NOTICE**

A copy of this AL has been served to all parties listed on the service list<sup>2</sup> on the last page of this AL.

## **RESPONSE OR PROTEST<sup>3</sup>**

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

---

<sup>1</sup>GO. 96-B, Water Industry Rule 7.3.3

<sup>2</sup> GO. 96-B, Water Industry Rule 4.1

<sup>3</sup> GO. 96-B, General Rule 7.4.1

# Sonora Water Company

P.O. Box 2196, Columbia, CA 95310

Telephone (209) 532-4806

Email: [brown.bev@gmail.com](mailto:brown.bev@gmail.com)

1. The utility did not properly serve or give notice of the AL;
2. The relief requested in the AL 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 AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding; or
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL 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 may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. The Water Division (DW) must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed. The addresses for submitting a response or protest are:

**Email Address:**

[Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

**Mailing Address:**

California Public Utilities  
Commission  
Water Division, 3rd  
Floor 505 Van Ness

On the same day the response or protest is submitted to DW, the respondent or protestant shall send a copy of the protest to SONORA at:

**Mailing Address:**

SONORA Water Company

**Email Address:**

[brown.bev@gmail.com](mailto:brown.bev@gmail.com)

# Sonora Water Company

P.O. Box 2196, Columbia, CA 95310

Telephone (209) 532-4806

Email: [brown.bev@gmail.com](mailto:brown.bev@gmail.com)

P.O. Box 2196,  
Columbia, CA 95310

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform DW, 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. Any reply must be received by DW within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL.<sup>4</sup>

I hereby certify that the service list from Advice Letter No. 76-W has been served a copy of this AL on August 3, 2020.

Executed in Columbia, California on August 3, 2020.

SONORA Water Company

By: /s/BEVERLY BROWN

Beverly Brown  
Manager

## Enclosures

---

<sup>4</sup> GO. 96-B, General Rule 7.4.3

# Sonora Water Company

P.O. Box 2196, Columbia, CA 95310

Telephone (209) 532-4806

Email: [brown.bev@gmail.com](mailto:brown.bev@gmail.com)

Advice Letter #76-W

## SERVICE LIST:

Jamestown Sanitary District  
18351 Main Street  
Jamestown, CA 95327

Tuolumne County  
Department of Environmental Health  
48 W. Yaney Street  
Sonora, CA 95370

Tuolumne Utilities District  
18885 Nugget Blvd  
Sonora, CA 95370