

CALIFORNIA PUBLIC UTILITIES COMMISSION  
DIVISION OF WATER AND AUDITS

Advice Letter Cover Sheet

**Utility Name:** Lake Alpine Water Company **Date Mailed to Service List:** October 24, 2022

**CPUC Utility #:** WTD 148 **Protest Deadline (20<sup>th</sup> Day):** November 13, 2022

**Advice Letter #:** 136-W **Review Deadline (30<sup>th</sup> Day):** November 23, 2022

**Tier** 1 2 3  Compliance **Requested Effective Date:** November 1, 2022

**Authorization** NA **Rate Impact:** 0

**Description:** Request for authorization for shareholder loan to the LAWC company for capital improvements **Rate Impact:** 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:** Kimi Johnson **Utility Contact 2:**

**Phone:** 209-753-2409 **Phone 2:**

**Email:** [info@lakealpinewater.com](mailto:info@lakealpinewater.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

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

APPROVED  WITHDRAWN  REJECTED

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

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



# Lake Alpine Water Company

October 24, 2022

Advice Letter No. 136

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA:

Pursuant to Sections 816 through 851 of the Public Utilities Code and Rule 33 of the Commission's Rules of Practice and Procedure, Lake Alpine Water Company (LAWC) requests authorization for a \$150,000 loan from its shareholders.

To fulfill its obligations to customers and regulatory agencies, LAWC must invest additional capital than originally needed in its 2022 capital improvement budget. The projects include new granular activated carbon (GAC) vessels for organics removal and engineering access to the plant building for GAC installation, replacement of meter reading equipment, replacement of turbidimeters, and continuing the application for extension of water rights that began in 2020.

LAWC exceeded the Maximum Contaminant Level (MCL) for disinfection byproducts (DBP), Haloacetic Acids 5 in January 2022. The SWRCB issued compliance order No. 01-10-22R-001 directing LAWC to return to compliance by February 2024.

LAWC has operated a GAC filter to remove organic carbons (TOC) from the raw water since May 2017. The GAC filters out TOC therefore reducing the formation of DBPs. The volume of LAWC's modified GAC vessel is not adequate to remove enough TOC throughout the winter when the plant is inaccessible to service trucks due to snow. In September 2022 LAWC modified a second limestone contact tank and now operates two GAC vessels to increase the filter capacity.

LAWC has contracted with WaterWorks Engineers to design and engineer the installation of proper GAC vessels that can adequately remove enough TOC for LAWC to stay in compliance throughout the year. The design requires access to the 'old treatment plant' (OTP) building that houses the current modified GAC filters. Access to this OTP is prohibited by one of two backwash discharge settling ponds. Backwash from LAWC's raw strainer and membrane filtration plant is currently discharged into pond 1 where it settles and then decants into pond 2 for percolation and evaporation.

The construction period is limited to the months of June-November due to snow. Therefore, LAWC planned two phases over the 2022 and 2023 summers. In phase 1, LAWC plans to divert the backwash discharge into two traffic rated clarifying vessels that will be installed on the current footprint of pond 1. The settled backwash will then be decanted to an expanded pond 2 for percolation and evaporation. By filling pond 1 with the clarifiers and creating a traffic rated surface, LAWC can provide the construction area and service access required to replace and service the new GAC vessels. Phase 2, planned for 2023 includes the installation of the GAC vessels in the OTP and upgrades to the building.



## Lake Alpine Water Company

In addition to the usual projects planned and budgeted each year, such as leak repairs and line replacements, other unplanned projects became priorities in 2022. First, the batteries on transmitters for the residential water meters are starting to die. LAWC has replaced several with their back up stock but several more dozens are showing signs of a weak signal. To read the new ME endpoints from Badger, LAWC must also upgrade its meter reading equipment and software to the new Beacon program. It has purchased a compatible tablet, ME receiver, software, training, and 36 new ME endpoints. LAWC must make these replacements before winter begins when access to the meter boxes is shut off by snow accumulation.

Also, two of LAWC's four turbidimeters failed to pass verification procedures in June 2022. LAWC replaced both failing Hach turbidimeters with Swan instruments. They require less costly materials for verification and do not require annual calibration.

Finally, in 2020, LAWC submitted its application for extension of time on permitted water rights that were granted in 2010 for only 10 years. LAWC has contracted with water rights engineers, Wagner & Bonsignore to submit the application, respond to protests, submit a CEQA Addendum, and address requests from the Department of Water Resources (DWR). The application has been reviewed but has not yet been granted. Additional work to respond to DWR will be required over the next few months.

The requested loan will be payable in 5 years at a projected interest rate of 7.0% per annum. Based on these terms, the projected monthly loan payment is \$2955.00.

### CAPITAL STRUCTURE

The utility's capital ratios as of September 30, 2022, are shown below, giving pro forma effect to the \$150,000 loan transaction:

	Recorded		Adjustment	Pro forma	
SDWSRF Loan	\$ 836,996	47.5%	\$-	\$836,996	43.8%
Long-term debt	\$ 0	0.0%	\$150,000	\$150,000	7.9%
Equity	<u>\$922,356</u>	<u>52.5%</u>	<u>-</u>	<u>\$922,356</u>	<u>48.3%</u>
Total Capitalization	<u>\$1,759,352</u>	<u>100.0%</u>	<u>\$150,000</u>	<u>\$1,909,352</u>	<u>100.0%</u>

A detail of the capital improvements budgeted, and actual costs already paid and future costs estimated is attached.





## Lake Alpine Water Company

### 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 Division of Water and Audits within 20 days of the date this advice letter is filed.

The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 3rd floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

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

Kimi Johnson, General Manager  
Lake Alpine Water Company  
PO BOX 5013 Bear Valley, CA 95223  
Email: [info@lakealpinewater.com](mailto:info@lakealpinewater.com)

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits, 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. The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

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 5 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.

PO Box 5013, Bear Valley, CA 95223  
209-753-2409 209-753-2345 FAX  
[info@lakealpinewater.com](mailto:info@lakealpinewater.com)




## Lake Alpine Water Company

If you have not received a reply to your protest within 10 business days, contact Lake Alpine Water Company, 209-753-2409.

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

LAKE ALPINE WATER COMPANY

By:   
Kimi Johnson, General Manager

Attachments:  
Service List  
Capital Budget Detail

Proposed: 3-16-2022  
 Approved by LAWC Board: 3-23-2022  
 Updated for AL 136: 10-22-2022

Priority	LAWC Acct	Capital Expenditures Budget and Actual Expenses	Additional		Actual Costs				Burden	Final
			Estimate	Estimate	Materials	Contract	Labor			
2022	Water Plant	GAC Tanks and Discharge Pond								
DONE		Engineering Design	\$ 86,900							
DONE		Engineering Design			\$ 10,931				\$ -	\$ 10,931
DONE		Geotechnical Survey			\$ 16,650				\$ -	\$ 16,650
DONE		Pond excavation/sediment removal	\$ 9,800		\$ 4,100				\$ -	\$ 4,100
DONE		Plant discharges consolidated to pond 2	\$ 2,500		\$ 39,823			\$ 8,240	\$ 1,273	\$ 54,672
PO		Clarifying tanks and pond 2 expansion	\$ 20,000		\$ 22,387					\$ 22,387
DONE		Pond 2 expansion to move lake drain and stream bypass	\$ 22,000		\$ 61,476					\$ 61,476
PO		Compaction analysis to place tanks			\$ 2,500					\$ 2,500
2022		Fill pond 1 around tanks		\$ 102,000						\$ -
DONE	Water Treatment	Second GAC vessel			\$ 3,490		\$ 5,333			\$ -
2022	Water Mains	Bloods pumphouse gas-powered pump install	\$ 3,000		\$ 7,028					\$ 8,823
CNCLD	Meters	Reduction of Pool connection to 1" meter and new box	\$ 5,000							\$ 7,028
2022	Water Mains	Leaks	\$ 30,000				\$ 30,595			\$ -
DONE	Service Meters	Rebuild meter boxes after leak repairs, 4 sites					\$ 6,392	\$ 432	\$ 67	\$ 30,595
DONE	Reservoirs & Tanks	Leak repairs on Clearwell and Bloods tanks					\$ 7,150			\$ 6,891
2022	Water Rights	Professional Services Budgeted	\$ 15,000	\$ 10,500			\$ 21,511			\$ 7,150
CNCLD	Water Treatment	Backwash Analysis by BVWD Consultants	\$ 22,000							\$ 21,511
DONE	Water Mains	Replace 2 inch valve near hydrant 21 & Spring Cliff Road	\$ 14,000		\$ 21,412		\$ 6,912			\$ -
DONE	Transportation	New Snowmobile-ordered in March 2021, received Feb 2022	\$ 21,412							\$ 21,412
DONE	Water Treatment	Two Swan Turbidimeters			\$ 13,042					\$ 13,042
DONE	Water Treatment	Two chemical pumps			\$ 7,096					\$ 7,096
DONE	Office Equipment	Surface tablet for meter reading			\$ 1,650					\$ 1,650
DONE	Office Equipment	Meter reading software, ME antenna and training					\$ 5,435			\$ -
DONE	Meters	Replacement of 36 meter registers and transmitters			\$ 3,001					\$ 5,435
		<b>Subtotal</b>	<b>\$ 251,612</b>	<b>\$ 112,500</b>	<b>\$ 84,442</b>	<b>\$ 218,808</b>	<b>\$ 8,672</b>	<b>\$ 1,340</b>	<b>\$ 313,262</b>	

2022  
 Capital Expenditures Paid to Date \$ 313,262  
 Plus Additional Estimates \$ 112,500  
 Less Capital Estimates Budgeted for 2022 \$ (251,612)  
 Less Snowmobile Budgeted in 2021 \$ (21,412)  
 Loan Request for Capital Expenditures over budget \$ 152,738  
 Final request rounded off \$ 150,000

Lake Alpine Water Company W-148 Service List

Creekside Condo Associations  
Amber Watts, Manager  
[ambercreeksidecondos@gmail.com](mailto:ambercreeksidecondos@gmail.com)

Bear Valley Homeowners  
Association  
[paulnordic@sbcglobal.net](mailto:paulnordic@sbcglobal.net)

Alpine County Public Works  
[jchevallier@alpinecountyca.gov](mailto:jchevallier@alpinecountyca.gov)

Paul Peterson, Bear Valley Condo  
Management Company  
[paulnordic@sbcglobal.net](mailto:paulnordic@sbcglobal.net)

Bear Valley Water District  
[Jeff.Gouveia@bvwd.ca.gov](mailto:Jeff.Gouveia@bvwd.ca.gov)

Anita Taff-Rice, Attorney  
[anita@icommlaw.com](mailto:anita@icommlaw.com)

Tom MacBride, Attorney  
[tmacbride@DowneyBrand.com](mailto:tmacbride@DowneyBrand.com)

Gloria Dralla, RLAWC  
[ggdralla@pacbell.net](mailto:ggdralla@pacbell.net)

Stephen Schwabauer, Bear Valley  
Resident, Inc.  
[steveschwabauer@yahoo.com](mailto:steveschwabauer@yahoo.com)

Terry Woodrow, County Supervisor  
[twoodrow@alpinecountyca.gov](mailto:twoodrow@alpinecountyca.gov)

Eric Jung, BV Real Estate and Cub  
Reporter  
[eric@bearvalleyrealestate.com](mailto:eric@bearvalleyrealestate.com)

Joel Barnett, Bear Valley Business  
Association  
[joel@bearvalleyrealestate.com](mailto:joel@bearvalleyrealestate.com)

Bruce Orvis, LAWC Co-owner  
[bporvis@juno.com](mailto:bporvis@juno.com)


Tim Schimke, Skyline Bear Valley  
Resort  
[tims@bearvalley.com](mailto:tims@bearvalley.com)

Don Schulz, LAWC Board Member  
[don@mgib.net](mailto:don@mgib.net)

I hereby certify that I have this day, October 24, 2022, served a copy of Advice  
Letter 135-W on the parties listed on the above Service List by email.

Executed in Bear Valley, CA on October 24, 2022.

Lake Alpine Water Company, Inc.

  
By: \_\_\_\_\_  
Kimi Johnson, General Manager