

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

Advice Letter Cover Sheet

Utility Name: Sierra Park Water Company

Date Mailed to Service List: Feb. 16, 2021

CPUC Utility #: WTD 440

Protest Deadline (20th Day): Mar. 8, 2021

Advice Letter #: 11-W

Review Deadline (30th Day): Mar. 18, 2021

Tier 1 2 3 Compliance

Requested Effective Date: Mar. 31, 2021

Authorization GO 96-B

Rate Impact:

Description: Request financing authority for SRF long-term debt of \$1.5 million

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: Kirk Knudsen

Utility Contact 2: Bill Ordwein

Phone: (408) 269-8653

Phone 2: (209) 533-7998

Email: kirkmknudsen@gmail.com

Email 2: bill.ordwein@yahoo.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____

Sierra Park Water Company, Inc.

P.O. Box 424 Miwuk Village, CA 95346

Telephone: (209) 533-7998

February 16, 2021

ADVICE LETTER NO. 11-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Sierra Park Water Company, Inc. (SPWC) hereby requests authority pursuant to Section 816 through 851 and other relevant sections of the Public Utilities Code to:

1. Borrow up to \$1.5 million from the State Revolving Fund or from financial institutions to finance system improvements required by the State Water Boards;
2. Establish a surcharge as may be required by the lender to guarantee loan payments;
3. Encumber utility assets in connection with the loan; and
4. Establish a balancing account to track monies collected and loan payments and related costs

SPWC had received an Enforcement Letter No. 03-11-15E-051 from the State Water Resource Control Board for Failure to Comply with Secondary Drinking Water Standard for Manganese. To address the manganese contamination deficiencies, SPWC has applied with the State Revolving Fund (SRF) to build an iron and manganese water treatment plant, water meter upgrades and a SCADA system to manage and control the system. Should the SRF application be denied, SPWC will find a financial institution that will provide the best terms to obtain the loan. SPWC contemplates a long-term debt for a period of 30 years at an interest rate between 3% and 6% per year. SPWC will execute and issue a promissory note and deed of trust to the financial institution that best serves its loan needs.

SPWC provides water service to 343 flat rate customers in the area northeast of Sierra Village off Highway 108 in Tuolumne County.

The proceeds of the loan will be used to finance an iron and manganese water treatment plant, water meter upgrades and a SCADA system.

Detailed plant additions to be financed with the proposed loan proceeds are presented in Schedule A. A Cash Flow Statement is presented in Schedule B. A Cash Requirements Forecast is attached as Schedule C and Proforma Capital Structure is attached as Schedule D. SPWC's Balance Sheet as of December 31, 2020 is shown as Schedule E.

Sierra Park Water Company, Inc.

P.O. Box 424 Miwuk Village, CA 95346

Telephone: (209) 533-7998

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

These tariffs are submitted pursuant to General Order (GO.) 96-B and this advice letter is designated as a Tier 3 filing. This advice letter and the enclosed tariff sheets will become effective upon approval through a Commission Resolution.

NOTICE

In compliance with Section 4.3 of GO. 96-B, a copy of this advice letter has been served to all parties listed on the enclosed service list.

This filing will increase rates after the execution of the loan but will not cause the withdrawal of service nor conflict with other schedules or rules.

Sierra Park will notify customers of the precise monthly surcharge once the terms of the proposed loan are defined.

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

Sierra Park Water Company, Inc.

P.O. Box 424 Miwuk Village, CA 95346

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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 WD within 20 days of the date this advice letter is filed. The addresses for submitting a response or protest are:

Mailing Address:

California Public Utilities
Commission
Water Division, 3rd Floor
505 Van Ness Avenue
San Francisco, CA 94102

Email Address:

Water.Division@cpuc.ca.gov

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

Mailing Address:

SIERRA PARK Water Company, Inc.
Attn: Kirk Knudsen
PO BOX 424
Miwuk Village, CA 95346

Email Address:

kirkmknudsen@gmail.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform DWA, 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

Sierra Park Water Company, Inc.

P.O. Box 424 Miwuk Village, CA 95346

Telephone: (209) 533-7998

The utility shall reply to each protest and may reply to any response. Each reply must be received by WD 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.

CERTIFICATE OF SERVICE

I hereby certify that the service list from Advice Letter #11-W has been served a copy of this AL on February 16, 2021.

Executed in Miwuk Village, California on February 16, 2021

SIERRA PARK Water
Company

By: _____

Lael Potter
Compliance
Administrator

Enclosures

SIERRA PARK WATER COMPANY, INC.

ADVICE LETTER #11

SERVICE LIST¹

*******PARTIES*******

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For Steven Wallace

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Sonora, CA 95370
Attn: Ed Pattison
209-532-5536 x480
epattison@TUDWater.com
For: Sierra Park Water Company

Ruth Dargitz
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Oakdale, CA 95361-9232
209-848-9545
RDargitz@comcast.net
For Ruth Dargitz

Robbie Bettencourt
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Kristyn Martin
25559 David Dr.
Long Barn, CA 95335

¹ G
O. 96-B, Water Industry Rule 7.3.1

*****STATE EMPLOYEES*****

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Division of Water and Audits, Area 3-C
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CODY NAYLOR
CALIF PUBLIC UTILITIES
COMMISSION
EXECUTIVE DIRECTOR
AREA
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214
Cody.Naylor@cpuc.ca.gov

SIERRA PARK WATER COMPANY
Schedule A
Description and Cost of Proposed Water Plant Construction Cost

Phase 1A - 2021

Item	Unit	Quantity	Unit Cost, \$	Total Unit Cost, \$
Mobilization	LS	1	15,000	15,000

15,000

Water Treatment Plant

AdEdge AD26 Packaged Treatment System	LS	1	133,040	133,040
Buried 6" Pipe	LF	596	160	95,360
Above grade 6" Pipe	LF	27	200	5,400
6" Gate Valve	EA	5	1,800	9,000
Flow Meters	EA	2	5,000	10,000
Chlorine Analyzer	EA	1	5,000	5,000
Chemical Metering Pump	EA	1	2,000	2,000
Connection to Existing	EA	2	8,500	17,000

276,800

Sludge and Waste

Backwash Tank Pad	CY	1	1,500	1,950
Waste Holding Tank Pad	CY	1	1,500	1,500
Sludge Pump Pad	CY	1	1,500	1,500
Above Grade 2" Pipe	LF	18	100	1,800
Below Grade 2" Pipe	LF	12	100	1,200
Sludge RPBP	EA	1	8,135	8,135
Buried Drain Line	LF	108	74	7,992
48"Ø Sump	LS	1	3,800	3,800
Sludge Pump	EA	1	15,000	15,000
Sludge Guide Rails	EA	1	200	200
Sludge Pump Piping 6"	LF	16	200	3,100
2,000 gallon Poly Holding Tank	EA	1	5,000	5,000

51,177

Miscellaneous and Site

Fire Hydrant	EA	1	7,508	7,508
2" Lateral and RPBP	EA	1	16,508	16,508
2" Floor Drain	EA	2	200	400
Eye Wash Station	EA	1	2,000	2,000
Power Service and Miscellaneous Electrical	EA	1	15,000	15,000
Grading	CY	4,000	5	20,000
Paving	SF	1,872	5	9,360
Lighting	LS	1	15,000	15,000
Chain Link Fence	LF	336	55	18,480
12' Access Gate	LS	1	10,000	10,000
Disinfection and Testing	LS	1	5,000	5,000
10' Overhead Door	EA	1	5,000	5,000
18' Overhead Door Pelton Concrete Slab Tank Foundations	EA	1	5,000	5,000
Pelton Concrete Slab	LS	1	2,500	2,500
Tank Foundations	LS	1	1,350	1,350

133,106

Water Treatment Plant Total**\$ 476,083****SCADA**

Industrial Control Systems Online Inc. SCADA	LS	1	69,201	69,201
Cell Transmission	EA	2	2,000	4,000

\$ 73,201

Alternative 1

Metal Building	LS	1	25,206	25,206
Installation	LS	1	25,000	25,000
2 ton HVAC Equipment	LS	1	6,100	6,100

\$ 56,306

SCADA Total**\$ 129,507****Estimated Construction Cost****\$ 605,590**

30% construction contingency

\$ 181,677

Preparation of bid documents

\$ 38,391

Consultant assistance during bidding

\$ 13,360

Engineering services during construction

\$ 42,615

Construction management

\$ 76,782

Estimated Project Cost (Water Treatment and SCADA)**\$ 958,415****Phase 1B - 2021****Water Meter Improvement Project Estimated Capital Cost**

Item	Quantity	Unit Cost	Total
3/4 inch diameter Remote Read Water Meter	365	400	\$ 146,000
1 inch diameter Remote Read Water Meter	1	400	\$ 400
Miscellaneous Water Meter Piping and Valving			\$ 14,640
Miscellaneous Construction Repairs			\$ 8,157
Subtotal			\$ 169,197
Contingency		25%	\$ 42,299
Construction Total			\$ 211,496
Administration			\$ 15,000
Field Investigation			\$ 21,137
Engineering Design			\$ 21,137
Environmental			\$ 1,500
Permitting			\$ 3,000
Bidding and Construction Support			\$ 7,500
Construction Admin and Construction Mgt			\$ 15,000

Phase 1B - Total Project Cost**\$ 295,770****TOTAL PHASE 1****\$ 1,254,185**

SIERRA PARK WATER COMPANY
Schedule B
Cash Flow Statement for Years 2019 to 2021

Item	2019	2020	2021*
Net Income	\$ 20,246	\$ (129)	\$ 53,957
Plus:			
Depreciation Expense	\$ 3,009	\$ 4,701	\$ 4,340
Cash Available	\$ 23,255	\$ 4,572	\$ 58,297
Minus			
Long Term Debt Principal and Interest Payments	\$ -	\$ -	\$ 74,477
Net Cash	\$ 23,255	\$ 4,572	\$ (16,180)

* Estimated

SIERRA PARK WATER COMPANY

Schedule C

Cash Requirement Forecast

Item	2020	2021
Estimated Cash Available from Internal Sources	\$ 4,572	\$ (16,180)
Less:		
Long Term Debt Repayment – Principal and Interest	\$ -	\$ -
Funds Needed for Construction	\$ -	\$ 1,254,185
Total Cash Requirement	\$ -	\$ 1,254,185
Funds Shortage	\$ 4,572	\$ (1,270,365)

SIERRA PARK WATER COMPANY

Schedule D

Proforma Capital Structure

	2020 Recorded	Percent	2021 Adjustment	Percent
Long Term Debt	\$ -	0%	\$ 1,254,185	71%
Common Stock	\$ 3,072		\$ 3,072	
Other Paid-in-Capital	\$ -			
Retained Earnings	\$ 448,230		\$ 502,187	
Total Equity	\$ 451,303	100%	\$ 505,260	29%
Total Capitalization	\$ 451,302.50	100%	\$ 1,759,445	100%

Sierra Park Water Company
Schedule E
Balance Sheet
As of December 31, 2020

ASSETS

Total Checking/Savings		\$	136,159
141 · Accounts Receivable		\$	158,681
174 - Other Current Assets		\$	14,100
Total Current Assets		\$	<u>308,940</u>

Plant and Equipment

101 · Water system	\$	198,486	
105 · Work in Progress	\$	11,769	
108 · Accumulated Depreciation	\$	(208,826)	
339 · Equipment	\$	59,239	
Total Fixed Assets		\$	60,667

Other Assets

180.1 · LEBA \$58,051 per Res. W-5232	\$	50,817	
180.2 · ECSBA \$43,685 per Res. W-5232	\$	38,238	
Total 180 · Deferred Charges	\$	<u>89,055</u>	
Total Other Assets		\$	<u>89,055</u>

TOTAL ASSETS		\$	<u>458,662</u>
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LIABILITIES & EQUITY

231 - Accounts Payable		\$	3,464
233.1 · Refundable Deposit-Re-est. Cred	\$	971	
233 · Deposit - Re-establish Credit - Other	\$	<u>1,194</u>	
Total 233 · Deposit - Re-establish Credit		\$	2,165

236.1 · State tax liability	\$	237	
236.2 · FUTA liability	\$	16	
236 · Taxes Accrued - Other	\$	<u>1,478</u>	
Total 236 · Taxes Accrued		\$	<u>1,731</u>

Total Current Liabilities		\$	7,360
Total Liabilities		\$	<u>7,360</u>
Equity			
201 · Capital Stock			
Capital Stock		\$	3,072
215 · Retained Earnings	\$	448,359	
Net Income	\$	<u>(129)</u>	
		\$	<u>448,230</u>
Total Equity		\$	<u>451,303</u>
TOTAL LIABILITIES & EQUITY		\$	<u><u>458,662</u></u>