

**DEL ORO WATER COMPANY, INC.
RIVER ISLAND DISTRICT
(Account Numbers Beginning With "014")**

ADVICE LETTER 493 - RIVER ISLAND TERRITORY ONE TREATMENT PLANT PROJECT

Del Oro Water Company, on behalf of its River Island District (DOWCRI), hereby notifies the public that it has requested authority from the California Public Utilities Commission (Commission) to borrow approximately \$5,189,176 from the Safe Drinking Water State Revolving Fund Loan Program (SRF loan) in order to construct the proposed 2018-2019 Treatment Plant & Conveyance System designed to serve its River Island District Territory One. **(Your account is in Territory ONE)** The SRF loan is to be paid at 1.7% interest over a 20-year period.

As is required with SRF-funded projects, DOWCRI, with this Advice Letter, must establish a monthly SRF Surcharge Rate effective approximately six months after construction commences. The surcharge revenues will be employed to repay the SRF loan, and shall be collected based on your meter size. At the end of the 20-year period with the loan paid in full, the surcharge will stop. Any surcharge overcollections shall be refunded to customers. The surcharge is intended to repay the SRF loan and does not provide any profit to DOWCRI.

Del Oro recognizes the extremely high costs of building the necessary treatment plant under order by the State Water Board, and has tried every avenue to contain the costs and find the least expensive financing, which is the State Revolving Fund with interest at 1.7%. By accepting State of California financing, Del Oro will NOT EARN ANY INCOME on any of the \$5+ Million.

DOWCRI has established on its website the River Island Treatment Plant Project (www.delorowater.com) for public review of the entire project.

The Del Oro Water Company Staff will hold a public meeting on February 27th, 2018 at 6:30 P.M. at the River Island Golf Course Clubhouse at 31989 River Island Drive in Springville, California to review the Treatment Plant & Conveyance System Project and receive public input to provide to the CPUC.

DOWCRI proposed SRF Surcharge Rates are as follows:

<u>SRF Surcharge</u>	<u>Per Meter Per Month</u> <u>Years One to Ten</u>	<u>Per Meter Per Month</u> <u>Years Eleven to Twenty</u>
For Meters up to 1-inch (Currently applicable to all customers)	\$ 67.20	\$ 61.09
For 1-1/2-inch meter	\$134.39	\$122.18
For 2-inch meter	\$215.03	\$195.48
For 3-inch meter	\$403.18	\$366.53
For 4-inch meter	\$671.97	\$610.88

The monthly SRF surcharge for Territory One Customers is specifically for the repayment of the State Revolving Fund loan for the River Island District Treatment Plant as authorized by Advice Letter 493. The monthly Surcharge rates are subject to adjustment as approved by the Commission and will be effective approximately six months after construction commences.

DOWCRI estimates the monthly bill for the first 10 years (including proposed surcharge) for customers with meters up to 1-inch using an average of 2,000 cubic feet of water per month at the current quantity rate of \$3.467 per 100 cubic feet, plus a service charge of \$43.01, would increase by \$67.20 from \$112.35 to \$179.55 or 59.81% as shown:

<u>Monthly Usage (ccf)</u>	<u>Present Rates</u>	<u>Surcharge</u>	<u>Increase Total</u>	<u>Percentage Increase</u>
0	43.01	67.20	110.21	156.24%
10	77.68	67.20	144.88	86.51%
Average Use 20	112.35	67.20	179.55	59.81%
40	181.69	67.20	248.89	36.99%
60	251.03	67.20	318.23	26.77%
80	320.37	67.20	387.57	20.98%
100	389.71	67.20	456.91	17.24%

You may contact the Commission regarding this notice in one of two ways:

File a PROTEST:

A protest is a document stating that you object to the utility receiving all or some part of its request. If you wish to file a protest, you must state the facts constituting the grounds for the protest, how the advice letter affects you, and the reasons why you believe the whole advice letter, or part of it, is not justified.

If the protest requests an evidentiary hearing (an evidentiary hearing is a legal proceeding held before an administrative law judge at the Commission to obtain evidence), your protest must state the facts you would present at the evidentiary hearing to support your request for a complete or a partial denial of the advice letter. The filing of a protest does not ensure that an evidentiary hearing will be held. The decision whether or not to hold an evidentiary hearing will be based on the content of the protest.

File a RESPONSE:

A response is a document that does not object to the request sought in the application, but nevertheless, presents information you believe would be useful to the Commission in acting on the application.

Whether you wish to file a PROTEST or send a RESPONSE you must:

- Send a copy of your document to the utility
- Mail both one copy to the utility and one copy to the Commission within twenty (20) days of the date you received this notice.

The utility must respond to your protest or response within five (5) days. All protests or responses to this filing should be sent to:

California Public Utilities Commission
Water Division
505 Van Ness Avenue
San Francisco, CA 94102
Fax: 415-703-2481
E-Mail: water_division@cpuc.ca.gov

and

Del Oro Water Co., Inc.
Director of Community Relations
Drawer 5172
Chico, CA 95927
Fax: 530-894-5405
E-Mail: communityrelations@corporatecenter.us

If you have not received a reply to your protest from the utility within 10 business days, contact Del Oro's Corporate offices at 530-717-2514.

The Commission staff will make an investigation of the utility's request. Following the investigation, the Commission may grant the utility's request in whole or in part, or may deny it. It may also order the utility to charge rates different from those shown in this notice.

Section 454 of the California Public Utilities Code provides that no public utility shall raise any rate or so alter any classification, contract, or rule as a result of any rate increase except on a showing before the Commission and a finding of the Commission that such increase is justified. Customers may wish to call to the Commission's attention any problem covering water service, billing procedures or other factors pertaining to a reasonable charge for the service. Customers who would like to provide any other information or comments regarding this requested increase, should write to the Commission at the above listed address.

Comments should mention that they pertain to **Del Oro Water Company, River Island District-Treatment Plant Project**, and must be sent no later than twenty (20) days after this notice is published.

A copy of the Del Oro Water Company River Island District filing may be inspected in its business office at: 426 Broadway, Chico, CA 95928, or at its website: www.delorowater.com. By calling 530-717-2514, you may request a copy to be mailed to you. You will be billed for the copies at \$0.10 per page.

Further information may be obtained from the utility at its business office, or from the Commission at the above address.

Mailed: February 9, 2018