

DIVISION OF WATER AND AUDITS

Advice Letter Cover Sheet

Utility Name: Del Oro Water Co.  
[District Name]: [Benbow]  
CPUC Utility #: WTB 61  
Advice Letter #: 489  
Tier: 1

Date Filed: 6/14/2017

Protest Deadline (20<sup>th</sup> Day):  
Review Deadline (30<sup>th</sup> Day):

Req. Effective Date:

Authorization for Filing:  
Compliance Filing:

Description: Acquiring water assets & setting up a new DOWC District (Benbow) from Benbow Water Company.

Utility Contact: Janice Hanna  
Phone: (530) 809-3960  
Email: [jeh@corporatecenter.us](mailto:jeh@corporatecenter.us)

Alternate: Bob Fortino  
Phone: (530) 809-3958  
Email: [rsf@corporatecenter.us](mailto:rsf@corporatecenter.us)

DWA USE ONLY

Date

Staff

Comments

\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ACCEPTED

WITHDRAWN

REJECTED

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

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

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

\_\_\_\_\_



June 14, 2017

Advice Letter No. 489

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Del Oro Water Company, Inc. (DOWC) hereby transmits for filing on behalf of its Benbow District (DOWCBN), Advice Letter No. 489, a Compliance Advice Letter to incorporate the new service district into DOWC in accordance with California Public Utilities Commission Decision 17-05-003, effective May 11, 2017 [Exhibit A].

Also included, in compliance with Ordering Paragraphs 3, 4, 5, and 6 which require DOWC to not take possession nor collect tariff rates from customers of DOWCBN until it has received an operating permit from the State Water Resources Control Board, Division of Drinking Water, is said operating permit [Exhibit B].

The following changes in its tariff schedules are attached hereto:

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule No.</u>	<u>Cal. P.U.C. Sheet No.</u>
2091-W	Title Page		2073-W
2092-W	Preliminary Statement		2074-W
2093-W	Service Area Map, Benbow District		-----
2094-W, 2095-W	Metered Service, Benbow District	BN-1	----- -----
2096-W	Private Fire Protection Service Benbow District	BN-4	-----
2097-W	Private Fire Hydrant Service Benbow District	BN-5PR	-----
2098-W	Facilities Fees	BN-F	-----



Del Oro Water Company, Inc.  
Advice Letter No. 489, BN  
**Page Two**

Tariff schedule changes (continued):

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule No.</u>	<u>Cal. P.U.C. Sheet No.</u>
2099-W 2100-W 2101-W	Table of Contents		2083-W 2089-W 2090-W

Also included are the Service Area Map and a revised Preliminary Statement for Commission processing.

As a Tier 1 filing, this Compliance Advice Letter is made under the provisions of General Order No. 96-B and is requested to be effective today.

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

Del Oro Water Company, Inc.

  
JANICE HANNA  
Director, Corporate Accounting

Attachment

# TARIFF SCHEDULES

APPLICABLE TO

## WATER SERVICE

Together with Information Affecting  
Rates and Service  
of

### DEL ORO WATER CO., INC

Drawer 5172  
Chico, CA 95927  
Butte County

Operating In or Near the Following California Cities and/or Unincorporated Areas

**ARBUCKLE, BAKERSFIELD, BURNEY, CALIFORNIA HOT  
SPRINGS, FERNDALE, FRESNO, GARBERVILLE, MAGALIA, (N)  
ORLAND, PARADISE, PORTERVILLE, RED BLUFF,  
SHINGLETOWN, SPRINGVILLE, STIRLING CITY, STRAWBERRY,  
UPPER STILSON CANYON BUTTE COUNTY, and TRAVER**

The effective tariff schedules of this utility, including the rates and rules herein, have been regularly filed with the Public Utilities Commission of the State of California.

No officer, inspector, solicitor, agent or employee of the utility has any authority to waive, alter or amend these tariff schedules or any part thereof in any respect.

To be inserted by utility)

*Issued by*

(To be inserted by Cal. P.U.C.)

Advice Letter No. 489

Decision No. \_\_\_\_\_

**JANICE HANNA**

Director, Corporate Accounting

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

PRELIMINARY STATEMENT

A. Territory Serviced by the Utility

The area in which service is or will be furnished by this utility under its main extension rule is described below and is delineated on the service area map(s).

The unincorporated area of Magalia (**Paradise Pines District** and **Magalia District**); a portion of the southern boundary of the Town of Paradise and the entire former Lime Saddle Community Service District (**Lime Saddle District**); the City of Ferndale (**Ferndale District**); the unincorporated area of Johnson Park (**Johnson Park District**); a subdivision within the City of Bakersfield (**Country Estates District**); California Hot Springs (**California Pines District**); Stirling City (**Stirling Bluffs District**); the community of Strawberry (**Strawberry District**); a Subdivision near the community of Shingletown (**Mt. Lassen District**); an Area Known as tract No. 389 and vicinity near the community of Springville (**River Island District**); a Subdivision near the community of Arbuckle known as Almond Ranch Estates (**Arbuckle District**); two tracts with one location, one mile south of Porterville and the other located one-half mile northwest of Porterville, both in the unincorporated area of Tulare County (**Tulare District**); a Subdivision known as Skaal Knoll Homesites located in the unincorporated area of Fresno County (**Metropolitan District**); Estates Subdivision Unit No. 1 and vicinity, located approximately 1-1/2 miles northwesterly of Orland, Glenn County (**Black Butte District**); a rural residential area in the small community of Traver along Highway 99, in Tulare County, approximately 30 miles from Fresno (**Traver District**); an unincorporated area of Butte County known as the Upper Stilson Canyon located east of State Route 32 and northeast of Chico (**Buzztail District**); a rural residential area outside the eastern city limits of Red Bluff (**Larkspur Meadows District**); and an unincorporated area of Humboldt County in Garberville (**Benbow District**).

(N)  
(N)

B. Types and Classes of Service

The types and classes of service furnished are set forth in each rate schedule under the designation "Applicability".

C. Description of Service

The characteristics of service furnished are indicated in Rule No. 22, Description of Service.

D. Procedure to Obtain Service

Service as described herein will be furnished to any person or corporation whose premises are within the utility's service area, provided application is made in accordance with Rule No. 3, Application for Service; credit is established as required in Rule No. 6, Establishment and Re-establishment of Credit; customer's piping and valves are installed as required in Rule No. 16, Service Connections, Meters, and Customer's Facilities, under "Customer's Responsibility"; and a contract is signed in those certain circumstances specified in Rule No. 4, Contracts.

Where an extension of the utility's mains is necessary, Rule No. 15, Main Extensions, applies, and if the project is of a temporary or speculative nature, Rule No. 13, Temporary Service, is applicable.

Applicants for service and customers must also conform to and comply with the other established rules as provided herein.

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 489

Date Filed \_\_\_\_\_

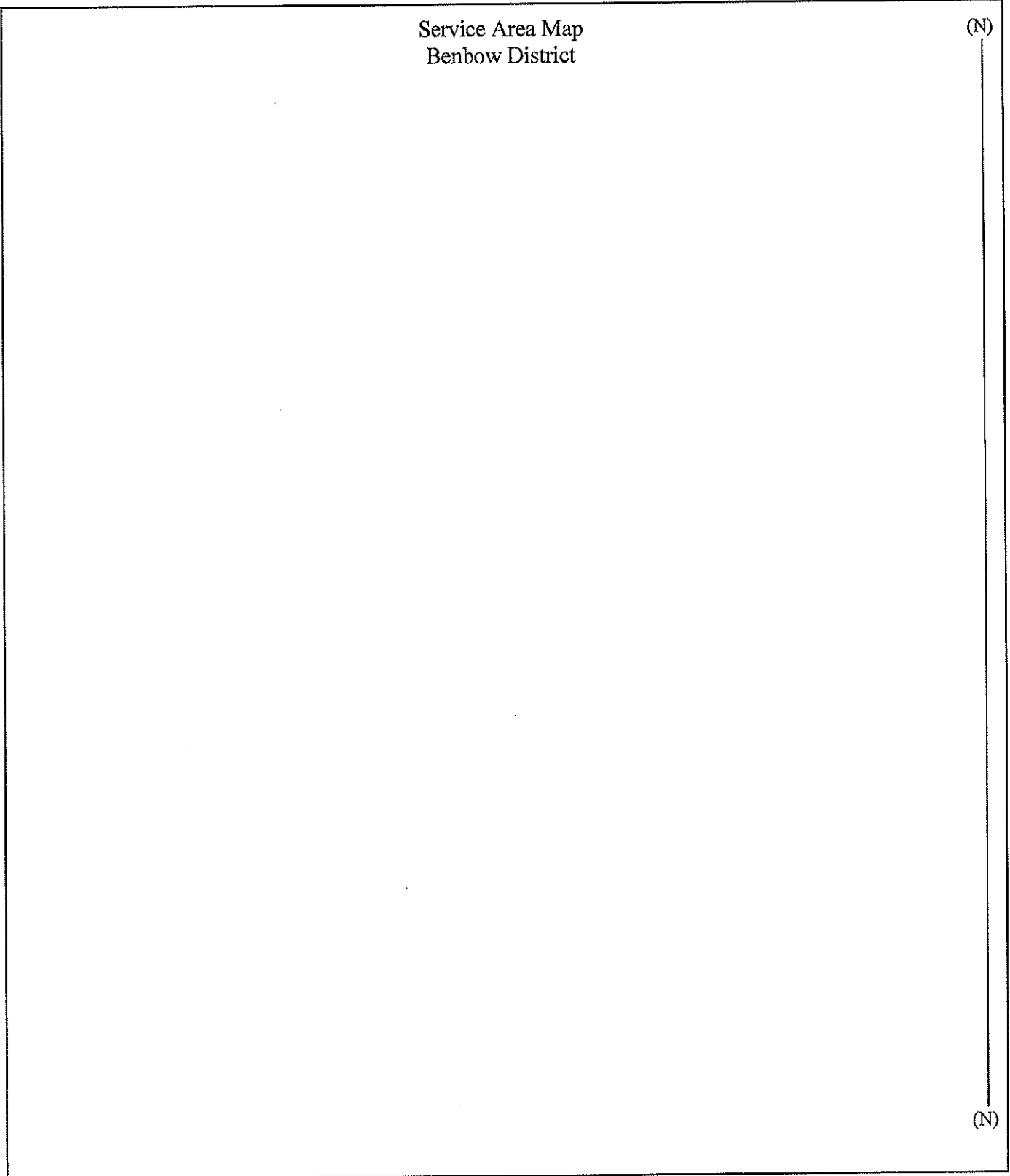
Decision No. \_\_\_\_\_

**JANICE HANNA**

Effective \_\_\_\_\_

**Director, Corporate Accounting**

Resolution No. \_\_\_\_\_



(To be inserted by utility)

Advice Letter No. 489

Decision No. \_\_\_\_\_

*Issued by*

**JANICE HANNA**

*Director, Corporate Accounting*

(To be inserted by Cal. P.U.C.)

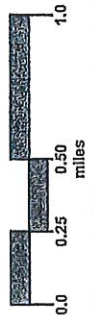
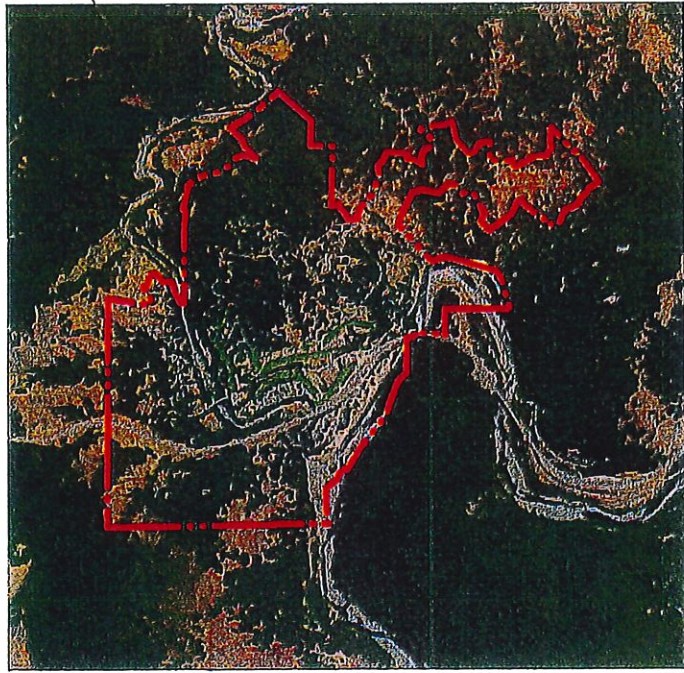
Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

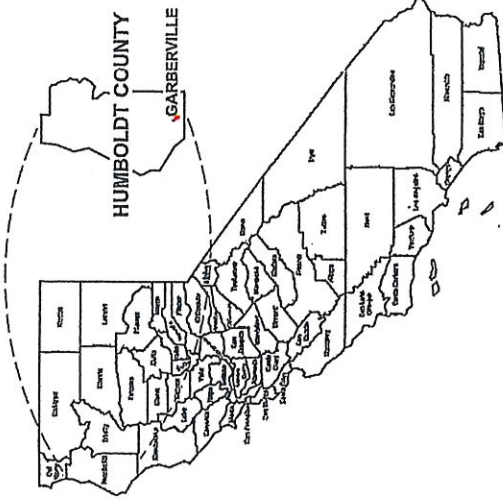
Resolution No. \_\_\_\_\_

# HUMBOLDT COUNTY DEL ORO WATER COMPANY BENBOW DISTRICT SERVICE AREA

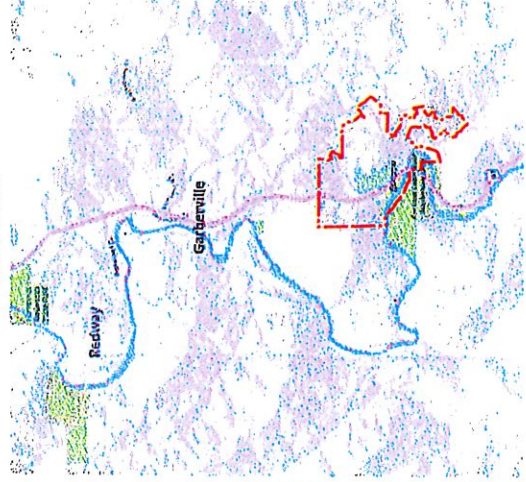
UNINCORPORATED AREA OF HUMBOLDT COUNTY, CALIFORNIA



BENBOW DISTRICT  
SERVICE AREA



LOCATION MAP  
not to scale



VICINITY MAP  
not to scale

Schedule No. BN-1

(N)

METERED SERVICE

BENBOW DISTRICT

APPLICABILITY

Applicable to all residential water service furnished on a metered basis.

TERRITORY

Benbow and vicinity, located approximately three miles south of Garberville, Humboldt County.

RATES

<b>Quantity Rate:</b>	<b><u>Zone 1</u></b>	<b><u>Zones 2&amp;3</u></b>
For all water, per 100 cubic feet	\$ 1.29	\$ 2.86
<b>Service Charge:</b>	<b><u>Zone 1</u></b>	<b><u>Zones 2&amp;3</u></b>
Per meter per month		
5/8" x 3/4"	\$ 75.63	\$ 181.93
3/4"	\$ 75.63	\$ 181.93
1"	\$ 189.07	\$ 454.83
1 1/2"	\$ 378.13	\$ 909.67
2"	\$ 605.01	\$ 1455.47
3"	\$ 1134.40	\$ 2729.00
4"	\$ 1890.67	\$ 4548.34

SPECIAL CONDITIONS

1. All bills are subject to the CPUC reimbursement fee set forth in Schedule No. UF.
2. A late charge will be imposed per schedule No. L.C.
3. In accordance with Section 2714 of the Public Utilities Code, if a tenant in a rental unit leaves owing the company, service to subsequent tenants in that unit may, at the company's option, be furnished on the account of the landlord or property owner.

(N)

(Continued)

To be inserted by utility)  
Advice Letter No. 489

*Issued by*

(To be inserted by Cal. P.U.C.)  
Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

**JANICE HANNA**

Effective \_\_\_\_\_

*Director, Corporate Accounting*

Resolution No. \_\_\_\_\_



Schedule No. BN-1  
(Continued)

(N)

METERED SERVICE

BENBOW DISTRICT

SPECIAL CONDITIONS (Cont'd.)

- 4. The annual service charge applies to service during the 12 month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, the resident may elect, at the beginning of the calendar year, to pay prorated service charges in advance at intervals of less than one year in accordance with the utility's established billing periods.
- 5. The established billing cycle for water is monthly.
- 6. The opening bill for metered service, except upon conversion from flat rate service, shall be established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth (1/365) of the number of days remaining in the calendar year. The balance of the payment of the initial charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.

(N)

(To be inserted by utility)

Advice Letter No. 489

Decision No. \_\_\_\_\_

*Issued by*

**JANICE HANNA**  
**Director, Corporate Accounting**

(To be inserted by Cal. P.U.C.)

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

Schedule No. BN-4

(N)

PRIVATE FIRE PROTECTION SERVICE

BENBOW DISTRICT

APPLICABILITY

Applicable to all metered water service furnished to privately-owned fire protection services.

TERRITORY

Benbow and vicinity, located approximately three miles south of Garberville, Humboldt County.

RATES

Per Month

For each inch of diameter of service connections.

\$ 34.83

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches and the maximum shall not be more than the diameter of the main to which service is connected.
3. If a distribution main of adequate size to serve a private fire protection service in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and cost paid by the applicant. Such payment shall not be subject to refund.
4. Service hereunder is for private fire protection service to which no connection for other than fire protection purposes is allowed and which is regularly inspected by the underwriters having jurisdiction, is installed according to specifications of the utility, and is maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage, or waste of water and the cost shall be paid by the applicant. Such payment shall not be subject to refund.
5. The utility undertakes to supply such water at such pressures as may be available at any time through the normal operation of its systems.
6. All water bills are subject to the Public Utilities Commission reimbursement fee set forth in Schedule No. UF.
7. A late charge will be imposed per schedule No. L.C.

(N)

To be inserted by utility)

Advice Letter No. 489

Decision No. \_\_\_\_\_

Issued by

**JANICE HANNA**

*Director, Corporate Accounting*

(To be inserted by Cal. P.U.C.)

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

Schedule No. BN-5PR

(N)

PRIVATE FIRE HYDRANT SERVICE

BENBOW DISTRICT

APPLICABILITY

Applicable to all water service furnished to hydrants owned by individuals other than Municipalities, organized fire districts, and other political subdivisions of the State.

TERRITORY

Benbow and vicinity, located approximately three miles south of Garberville, Humboldt County.

RATES

Per Month

For each inch of diameter of service connections.

\$ 33.31

SPECIAL CONDITIONS

1. Water delivered for the purposes other than fire protection shall be charged for at the Quantity rates in Schedule No. 1 Metered Service.
2. The cost of relocation of any hydrant shall be paid by the party requesting relocation.
3. Hydrants shall be connected to the utility's system upon receipt of a written request from an individual. The written request shall designate the specific location of each hydrant and, where appropriate, the ownership, type, and size.
4. The utility undertakes to supply such water at such pressures as may be available at any time through the normal operation of its systems.
5. All water bills are subject to the Public Utilities Commission reimbursement fee set forth in Schedule No. UF.
6. A late charge will be imposed per schedule No. L.C.

(N)

To be inserted by utility)

Advice Letter No. 489

Decision No. \_\_\_\_\_

*Issued by*

**JANICE HANNA**

*Director, Corporate Accounting*

(To be inserted by Cal. P.U.C.)

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

Schedule No. BN-F

(N)

FACILITIES FEES

BENBOW DISTRICT

APPLICABILITY

Applicable to all customers applying for service in the utility in Pressure Zones 2 and 3 in the territory served for premises not previously connected to its distribution mains, for additional service connections to existing premises, and for increases in size of service connections to existing premises.

TERRITORY

This schedule is applicable within Pressure Zones 2 and 3 of the territory served by the utility.

RATES

Initial Fee for Each Connection:

For 5/8 x 3/4-inch meter.....	\$ 6,000
For 3/4-inch meter.....	\$ 9,000
For 1-inch meter.....	\$ 15,000
For 1-1/2-inch meter.....	\$ 31,000
For 2-inch meter.....	\$ 48,000

SPECIAL CONDITIONS

1. Facility fees are payable in addition to and do not limit any charges for extensions of mains that may be applicable under Rule 15, Main Extensions.
2. Payments made under this schedule are not subject to the reimbursement fee set forth in Schedule No. UF.
3. Facilities fees authorized herein shall be deposited within five days of receipt in a separate bank account paying interest. A direct confirmation from the bank shall be mailed to the Director of the Water Division after making such deposit to verify the amount deposited.
4. Facilities fees shall be treated as Contributions-in-Aid-of Construction and follow the requirements as specified in the Internal Revenue Code Section 118 to qualify as such.
5. Facilities fees shall be accounted for as Contributions-in-Aid-of-Construction in accordance with the Commissions' prescribed Uniform System of Accounts. In addition, the balance of facilities fees collected including interest shall be reported in utility's annual report to the Commission.
6. The plant constructed with facilities fees shall be removed from rate base for ratemaking purposes. (N)

To be inserted by utility)

Advice Letter No. 489

Decision No. \_\_\_\_\_

*Issued by*

**JANICE HANNA**

*Director, Corporate Accounting*

(To be inserted by Cal. P.U.C.)

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**TABLE OF CONTENTS**

(Cont.)

**SUBJECT MATTER OF SHEET**

**P.U.C. SHEET NO.**

**Service Area Maps:**

Arbuckle District	925-W	
Benbow District	2093-W	(N)
Black Butte District	1822-W	
Buzztail District	1843-W	
California Pines District – Pine Flat Service Area	1504-W, 1505-W	
California Pines District – Pine Mountain Service Area	1506-W	
Country Estates District	484-W, 485-W	
Ferndale District	404-W	
Johnson Park District	444-W	
Larkspur Meadows District	2075-W	
Lime Saddle District	288-W	
Magalia District	349-W	
Metropolitan District	1181-W	
Mt. Lassen District	829-W, 839-W	
Paradise Pines District	122-W, 123-W, 124-W, 237-W, 144-W, 228-W	
River Island District, Territories I and II	872-W, 873-W	
Stirling Bluffs District	680-W	
Strawberry District	711-W	
Traver District	1833-W	
Tulare District – East Plano Service Area	1551-W	
Tulare District – Grandview Gardens Service Area	1552-W	

**Rate Schedules:**

**Arbuckle District**

Schedule No. AR-2, Residential Metered Service 2000-W, 2001-W

**Benbow District**

Schedule No. BN-1, Metered Service	2094-W, 2095-W	(N)
Schedule No. BN-4, Private Fire Protection Service	2096-W	
Schedule No. BN-5PR, Private Fire Hydrant Service	2097-W	
Schedule No. BN-F, Facilities Fees	2098-W	

**Black Butte District**

Schedule No. BB-1A, Annual General Metered Service 2048-W, 1824-W

(To be inserted by utility)

Issued By

(To be inserted by P.U.C.)

Advice Letter No. 489 \_\_\_\_\_

Janice Hanna

Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

Director, Corporate Accounting

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**TABLE OF CONTENTS**

(Cont.)

**SUBJECT MATTER OF SHEET**

**P.U.C. SHEET NO.**

**River Island District**

Schedule No. RI-1, General Metered Service	2040-W, 2020-W	(L) 
Schedule No. RI-3, Irrigation Service	2041-W, 2021-W	
Schedule No. 14.1, Stage Mandatory Water Conservation and Rationing, River Island District	1053-W, 1054-W, 1055-W, 1056-W, 1057-W	(L)

**Stirling Bluffs District**

Schedule No. SB-1, Metered Service	
Schedule No. SB-9M, Tank Truck Water Service	2085-W, 2045-W 683-W
Schedule No. LIRA, SB, Low Income Ratepayer Assistance	1974-W, 1975-W

**Strawberry District**

Schedule No. ST-1A, Annual Metered Service	
Schedule No. ST-F, Facilities Fees	2007-W, 1874-W, 1937-W 737-W
Schedule No. LIRA, ST, Low Income Ratepayer Assistance	1976-W, 1876-W

**Traver District**

Schedule No. TR-1, General Metered Service	
Schedule No. TR-2, Residential Flat Rate Service	2031-W, 2069-W 2032-W, 2070-W

**Tulare District**

Schedule No. TU-1, Monthly General Metered Service	2027-W, 2028-W
--	----------------

**All Districts**

Schedule No. UF, Surcharge to Fund PUC Reimbursement Fee	2014-W
Schedule No. LC, Late Payment Charge	1321-W

**Summary List of Contracts and Deviations**

656-W

**Rules:**

No. 1 – Definitions	
No. 2 – Description of Service	208-W, 209-W
No. 3 – Application for Service	129-W
No. 4 – Contracts	13-W, 571-W
No. 5 – Special Information Required on Forms	14-W
No. 6 – Establishment and Re-establishment of Credit	635-W, 476-W, 636-W
No. 7 – Deposits	17-W
No. 8 – Notices	478-W, 479-W
No. 9 – Rendering and Payment of Bills	360-W, 361-W
No. 10 – Disputed Bills	21-W, 22-W, 580-W
No. 11 – Discontinuance and Restoration of Service	542-W, 392-W

362-W, 363-W, 364-W,  
365-W, 366-W, 367-W,  
581-W, 369-W, 582-W

(To be inserted by utility)

*Issued By*

(To be inserted by P.U.C.)

Advice Letter No. 489

*Janice Hanna*

Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

*Director, Corporate Accounting*

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**TABLE OF CONTENTS**

The following listed tariff sheets contain all effective rates and rules affecting the charges and services of the utility, together with other pertinent information.

<u>SUBJECT MATTER OF SHEET</u>	<u>P.U.C. SHEET NO.</u>
<b>Title Page</b>	2091-W (C)
<b>Table of Contents</b>	2101-W, 2099-W, 2079-W, 2100-W, 2080-W (C)
<b>Preliminary Statements</b>	
A. Territory Serviced by the Utility	2092-W (C)
B. Types and Classes of Service	2074-W
C. Description of Service	2074-W
D. Procedure to Obtain Service	2074-W
E. Symbols	1683-W
F. CDPH User Fees Balancing Account	1683-W
G. Water Testing Costs Resulting From CDPH Regulations Concerning Water Quality Balancing Account	1684-W
H. Costs Resulting From Catastrophic Events or States of Emergency as Tracked in a Catastrophic Events Memo Acct.	1684-W, 2053-W
I. Cost resulting From Unanticipated Repairs as Tracked in an Unanticipated Repair Costs Memo Account	2053-W
J. PP District Improvement Project Memo Account	2054-W
K. PP, MG, LS District's Extraordinary Memo Account	2054-W, 2055-W
L. LS District 2008 Emergency Water Extraordinary Events Memo Account	2055-W, 2056-W
M. SB District Low Income Ratepayer Assistance Memo Account	2057-W
N. ST District Low Income Ratepayer Assistance Memo Account	2057-W, 2058-W
O. ST District Purchased Water Memo Account	2058-W, 2059-W
P. DOWC Extraordinary Events Legal/Engineering Memo Account	2059-W
Q. DOWC Transportation Memo Account	2060-W
R. DOWC Extraordinary Events Emergency Water and/or Supplemental Water Memo Account	2060-W
S. RI District Mandatory Conservation Rationing Implementation Memo Account	2061-W
T. RI District Lost Revenue Memo Account	2062-W
U. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 Memorandum Account	2063-W, 2064-W
V. DOWC, Safe Drinking Water State Revolving Fund Loan Repayment Balancing Account (SDWSRF/LRBA)	2064-W
W. DOWC Statewide Lost Revenue Recovery Memorandum Account (SLRRMA)	2065-W

(To be inserted by utility)

Advice Letter No. 489 \_\_\_\_\_

Decision No. \_\_\_\_\_

Issued By

*Janice Hanna*

*Director, Corporate Accounting*

(To be inserted by P.U.C.)

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**Del Oro Water Company**  
**Benbow District**  
**Service List for Advice Letter No. 489**

**California Public Utilities Commission**  
Division of Ratepayer Advocates  
[dra\\_water\\_al@cpuc.ca.gov](mailto:dra_water_al@cpuc.ca.gov)

**Del Oro Water Company, Inc.**  
[servicelist@delorowater.com](mailto:servicelist@delorowater.com)

**Redwood Times**  
930 6<sup>th</sup> St.  
Eureka, CA 95501  
707-441-0507  
[editor@redwoodtimes.com](mailto:editor@redwoodtimes.com)

**Humboldt County Administrator**  
Amy Nilsen  
825 Fifth Street, Room 111  
Eureka, CA 95501-1153  
1-707-445-7266  
[cao@co.humboldt.ca.us](mailto:cao@co.humboldt.ca.us)



CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Advice Letter No. 489 on all interested persons and organizations in these filings or their attorneys as shown on the attached list.

Dated: June 14, 2017, at Chico, California

  
Lori L. Charlesworth  
Lori L. Charlesworth

NOTICE

Interested Persons and Organizations should notify the Water Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

**Exhibit A**

**Del Oro Water Company  
Benbow District  
Advice Letter No. 489**

**Decision 17-05-003**

Decision 17-05-003 May 11, 2017

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of Application of Del Oro Water Company, Inc. (U61W) and Benbow Water Company (U21W) for an Order Authorizing Benbow Water Company To Sell and Del Oro Water Company, Inc. to Purchase the Assets of Benbow Water Company and to Establish Rates for Service.

Application 16-07-008  
(Filed July 14, 2016)

**DECISION AUTHORIZING DEL ORO WATER COMPANY, INC.,  
TO ACQUIRE BENBOW WATER COMPANY AND CONDITIONALLY  
AUTHORIZING DEL ORO WATER COMPANY TO OPERATE  
AND ESTABLISH RATES OF SERVICE**

**Summary**

Pursuant to Public Utilities Code Sections 851-854 and 2718-2720, this decision grants Benbow Water Company, owned by Mr. Winston Benbow, authority to sell and Del Oro Water Company, Inc., authority to purchase Benbow Water Company for a price of \$590,586. As a condition of authority to operate, Del Oro Water Company must receive a permit to operate the Benbow Water Company from the State Water Resources Control Board, Division of Drinking Water and file a copy of the permit to operate in this docket within 30 days of receipt of such authority. Until it has received the required permit to operate, Del Oro Water Company, Inc. must not operate Benbow Water Company nor collect tariffed rates from Benbow Water Company customers. Customers of Benbow Water Company will continue to be billed under the

existing Benbow Water Company tariff structure until Del Oro Water Company, Inc. has obtained the necessary operating permit.

This decision also grants the request for a revenue increase of \$12,831, or 5.04 percent. A customer using 20 centum cubic feet of water with a 5/8-inch x 3/4-inch meter will see a monthly bill increase of \$4.87.

This proceeding is closed.

### **1. Background**

On July 14, 2016, Del Oro Water Company, Inc. (Del Oro) and Benbow Water Company, owned by Mr. Winston Benbow, (Benbow)<sup>1</sup> jointly filed Application (A.) 16-07-008 requesting authority under Sections (§§) 851 and 854 of the Public Utilities (Pub. Util.) Code<sup>2</sup> for Benbow to sell and Del Oro to purchase the assets of Benbow and to establish rates for service. Resolution ALJ 176-3382, dated August 18, 2016, preliminarily designated this proceeding as ratesetting and preliminarily determined that hearings would be necessary. On October 4, 2016, Applicants jointly provided notice of the proposed acquisition and resulting rate increase to all of Benbow's customers pursuant to Rule 3.2 of the Commission's Rules of Practice and Procedure. No protests or responses to A.16-07-008 were filed; therefore no hearings were held. The Commission did receive one letter from a Benbow customer raising concern that water rates were already too high.

Among other exhibits attached to A.16-07-008 are Benbow's service area map, water supply permit, facilities map and water quality test results.

---

<sup>1</sup> Del Oro and Benbow will be jointly referred to as "Applicants" for the remainder of this decision.

<sup>2</sup> Unless otherwise noted, all statutory references are to the Public Utilities Code.

Estimated operating results and requested rates are also attached as exhibits. On September 29, 2016, Applicants filed an amended application including Exhibit J, Agreement of Purchase and Sale of Assets (Sales Agreement). In response to the Assigned Commissioner and Administrative Law Judge's October 6, 2016 Joint Scoping Memo and Ruling's request for supplemental information, Applicants timely filed a response, including proof of notice to Benbow customers of the acquisition and rate increase. Applicant's response also included explanations of expenditures and a calculation of the proposed rate increase.

## **2. Description of Benbow**

Benbow is a California Sub S Corporation serving 134 metered residential water service connections in a rural residential area with 5/8-inch, 3/4-inch, 1-inch, 1.5-inch, 2-inch, 4-inch and 6-inch connections. The Benbow water system operates in an unincorporated area of Humboldt County. Benbow's Certificate of Public Convenience and Necessity (CPCN), issued by the Public Utilities Commission in Decision #19871, became effective on June 11, 1928.

The Benbow water system consists of one sub-surface collector well with 200 feet of 12-inch collector piping supplying a 6-foot diameter wet well, operating at approximately 21 feet depth to water with a nominal pumping capacity of 210 gallons per minute (GPM). A surface water treatment plant is located adjacent to the collector and has a minimum rated capacity of approximately 210 GPM. The treatment plant consists of one inclined plate primary clarifier and two direct filtration treatment trains with two secondary pressure clarifiers and three multi-media filters.

Distribution storage consists of one 105,000 gallon steel tank in Pressure Zone 1, one 5,000 gallon polyethylene tank in Pressure Zone 2, two 5,000 gallon polyethylene tanks and one 105,000 gallon steel tank in Pressure Zone 3.

Pipelines are of various diameters (primarily 6-inch asbestos cement and polyvinyl chloride) to provide water service to customers.

The last general rate increase for Benbow was authorized pursuant to Resolution W-5033, dated May 7, 2015. Rates were based on a rate base of \$500,230.

### **3. The Request**

Winston Benbow desires to dispose of the Benbow water system because he no longer wants to operate a regulated water utility. Del Oro wants to acquire Benbow because it can profitably and efficiently run this system when it is consolidated with the regulated water systems already owned and operated by Del Oro.

Del Oro is a Class B<sup>3</sup> multi-district water utility providing water service to 18 districts throughout California since 1963 under the jurisdiction of the Commission. Del Oro's main office is located in Chico, California, approximately 40 miles from the Benbow water system. Del Oro presently serves customers (connections) in nine counties including: 5,679 in Butte County; 458 in Shasta County; 775 in Humboldt County; 398 in Tuolumne County; 90 in Kern County; 135 in Colusa County; 1,135 in Tulare County; 29 in Fresno County; and, 85 in Glenn County.

Del Oro proposes to operate the Benbow water system as a separate district under the supervision of a Regional Superintendent with over thirty years of experience. Under the direction of the Regional Superintendent, an Assistant Regional Superintendent will be responsible for the operation of the new district. The Assistant Regional Superintendent is located 60 miles from the

---

<sup>3</sup> A Class B water utility is one that has fewer than 10,000 connections.

Benbow service area. All field personnel who will operate the Benbow system are appropriately licensed. In addition, Benbow customers will have access to Del Oro's 24-hour Call Center.

If approved, the requested transfer and sale results in a revenue increase of \$12,831<sup>4</sup> or 5.04 percent over Current Revenue approved in Resolution W-5033.

#### **4. Standard of Review**

Proposed water utility ownership changes are reviewed under Pub. Util. Code §§ 851-854 and 2718-2720. Pub. Util. Code §§ 851-854 prohibit the sale or transfer of control of a public utility without the advance approval of this Commission. Pub. Util. Code §§ 2718-2720 encourage the acquisition of small water companies by larger, more financially secure entities and require that the Commission use the fair market value when determining the rate base for an acquired water system.

The Commission requires a test of ratepayer indifference when evaluating the sale of a public utility,<sup>5</sup> and also requires the buyer to demonstrate that the buyer's acquisition of the public utility yields a tangible benefit to the ratepayer.<sup>6</sup> Using the ratepayer indifference test to assess the sale of Benbow to Del Oro, the

---

<sup>4</sup> In its application, Del Oro requested a revenue increase of \$12,817; however, Del Oro made minor mistakes when calculating the rate increase. Del Oro used an estimation of rate base to determine the rate increase, when they should have used the increase in plant additions of \$86,834 (calculated by taking the plant additions of \$125,500 minus the value of the depreciated Jeep, which is \$38,666). Del Oro should have used the value of \$86,834 to determine the depreciation expense, as well as the average rate base increase, to determine the return on average rate base. The ultimate rate increase determined is \$12,831, which is \$14 greater than what Del Oro had initially requested.

<sup>5</sup> Under the ratepayer indifference test, any sale of a public utility should not have any net consequences that cause the ratepayer to prefer the seller to the buyer.

<sup>6</sup> See D.05-04-047 at 9-11; D.04-01-066 at 8-11; and D.01-09-057 at 26-28.

Commission should evaluate several key metrics including: (1) service quality; (2) continuity of service; and (3) the impact of the purchase price on rate base.

When assessing whether a water utility should be transferred, we also assess whether the transaction is in compliance with California Environmental Quality Act (CEQA) requirements and whether all required approvals of other agencies are received. Additionally, we evaluate whether Del Oro should be required to file an informal general rate case for the Benbow water system and whether there are any safety considerations pursuant to Pub. Util. Code § 451.

We evaluate the proposed sale and purchase under these standards, as discussed below. On that basis, we determine that Del Oro can assume ownership without incurring financial difficulty and can effectively control costs. Based on Del Oro's history as a water utility and its financial capability, the customers of the system will be well served by the change to Del Oro's ownership.

##### **5. How Will the Proposed Sale Affect Service Quality?**

Del Oro can provide management of the operations of Benbow when the Commission approves the transfer of ownership. Del Oro has extensive experience in the provision of water services in the State of California. Since 1963, Del Oro has operated under the regulatory jurisdiction of the Commission, and at the time of the application provided water service to over 8,700 customers. Del Oro will provide operational and maintenance services, collect water samples as required by the California State Water Resources Control Board, Division of Drinking Water (SWRCB DDW), respond to emergencies, and prepare reports to governmental agencies regarding the operation of the water system. As a result, Del Oro's acquisition of the Benbow water system will help to ensure the health and safety of Benbow customers. We find that service



quality will continue at the current level or be improved, and it is advantageous to Benbow's customers for the transfer to be approved.

**6. How Will the Proposed Sale Affect Service Continuity?**

Del Oro proposes to acquire Benbow stating that it can profitably and efficiently consolidate Benbow with the other regulated water systems that Del Oro owns and operates. The sale relieves Winston Benbow from his duty to provide public utility water service. The Sales Agreement ensures an orderly water system ownership transition, and thereby (1) offers continued water service by a responsible and experienced new owner, and (2) provides improved financial stability for future improvements to the water system. Therefore, we find that service continuity will be maintained upon the sale of Benbow to Del Oro.

**7. Is the Purchase Price Reasonable?**

The Sales Agreement dated January 26, 2016, calls for a purchase price of \$590,586 for the Benbow water system plus any other assets added from the time of this agreement until the closing. The \$590,586 purchase price is an increase of \$90,356 over the current rate base of \$500,230.

Applicants indicate the net book value of the total plant in service as of December 31, 2015 is \$849,663. However, Benbow added lot easements for a new 100k gallon tank, turbidity meters for the water treatment plant, a water treatment plant clarifier to increase the ability to handle elevated winter turbidity spikes, a water treatment plant Supervisory Control And Data Acquisition system to back up service with a configured serial com card, and water treatment plant controls.

These items total \$125,500 and were used and useful in 2016. Benbow also eliminated a Jeep from rate base at a depreciated value. Therefore, at time of

purchase, the estimated plant in service is \$936,497. All of these added assets were part of an ongoing capital improvement program established by Mr. Benbow for the water utility.

The additional investments made by Mr. Benbow were not included in rate base but are included in the sale of the system to Del Oro. The established rate of return for Del Oro is 10.10 percent on the average plant addition increase of \$85,792. The amount of \$85,792, which is the average plant addition increase for the year, is based on plant additions of \$125,500, the removal of a Jeep valued at \$38,666, and a depreciation expense of \$2,084. Therefore, the required revenue increase is the rate of return of \$8,665 plus depreciation of \$2,084, plus a federal and state tax increase of \$2,082, resulting in a revenue requirement increase of \$12,831, or 5.04 percent.

The Commission examined available records of Applicants including Del Oro financial statements, Benbow's net book value of the total plant in service, which is described above, the calculation of the new rates, based on the purchase price and the Sales Agreement and determined that the inputs are accurate.

We find that the capital investments made by Benbow were necessary and reasonable to ensure the continued safe and reliable operation of the Benbow water facilities. It is appropriate to approve including the \$90,356 net investment cost as part of the sale, rather than filing a separate advice letter or application at the Commission seeking approval prior to the sale.

As the purchase price is equivalent to the new rate base, including reasonable recent infrastructure investments, we find that the purchase price is reasonable. Furthermore, we note that Del Oro's economies of scale in operating numerous districts, as well as the stronger financial position of Del Oro relative

to Benbow, provides greater financial support for future necessary Benbow water system improvements.

We find that the proposed revenue increase of \$12,831, resulting in a 5.04 percent rate increase, is reasonable and accurately accounts for Benbow's recent infrastructure investment. As an example of the effect of the increase, a customer using 20 centum cubic feet (ccf) of water with a 5/8-inch x 3/4-inch meter will see a monthly bill increase of \$4.87.

Finally, we find that Del Oro has the financial net worth and sufficient liquid assets to own and operate the Benbow water system.

In consideration of the sale price, proposed rate structure and the financial health of Del Oro, we find that the proposed sale meets the ratepayer indifference test; ratepayers will be see no net consequences that will cause preference between seller and buyer.

#### **8. Is a CEQA Review Required by the Proposed Sale?**

We have reviewed the application to determine whether CEQA applies to this proposed sale and transfer. CEQA applies to a "project or action which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change...[and involves] the issuance to a person of a lease, permit, license, certificate, or entitlement for use by one or more public agencies."<sup>7</sup> If an application does involve a project under CEQA, the Commission's Rule 2.4 imposes other procedures and requirements on the applicant.

The application states that as the water system currently exists, there is no environmental impact assessment required by CEQA. We construe this

---

<sup>7</sup> CEQA Guidelines, California Code of Regulations, Title 14, Section 15378(a)(2003).

statement to be a motion under Rule 2.4(c) for a determination of the applicability of CEQA.

The application involves only a proposed change in control and operation of existing water facilities. No new construction or changes in the source of water supply are being proposed by the application. There is no evidence of any other changes in the operation of the system. Accordingly, there is no possibility that the transaction may have any significant effect on the environment.

Based on the record, there is no evidence of any potential change to the environment as the result of approving this application.<sup>8</sup> Therefore, we conclude that approval of the application is exempt from CEQA.

**9. Has Del Oro Received Permits Required by Other Agencies to Operate the Benbow System?**

Pursuant to the provisions of California Health and Safety Code Section 116525(a), any person or entity operating a public water system must have a permit to operate that system from SWRCB DDW. A change in ownership of a public health system requires the prospective new owner to apply to and satisfy the SWRCB DDW requirement that the new owner "possesses adequate financial, managerial, and technical capability to ensure the delivery of pure, wholesome, and potable drinking water."

Filed in this proceeding on March 13, 2017 is the Benbow water system CPCN issued by the California Public Utilities Commission on June 11, 1928.

---

<sup>8</sup> CEQA Guidelines, California Code of Regulations Title 14, Section 15061(b)(3) "A project is exempt from CEQA if...it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

As a consequence of the purchase of Benbow by Del Oro, Del Oro must apply and receive a permit to operate the system from SWRCB DDW before it can operate the Benbow system. Existing tariffs and rate sheets will remain in effect until Del Oro files proof of the SWRCB DDW permit in this proceeding.

**10. Should Del Oro be Required to File an Informal General Rate Case for the Benbow System?**

Benbow last received a general rate case increase in Resolution W-5033, effective May 7, 2015. This decision approves the sale of Benbow to Del Oro and increases revenue by \$12,831, thereby establishing initial rates for Del Oro's newly acquired water system. For this reason, Del Oro may not file a general rate case (GRC) for rates effective sooner than 12 months after the effective date of this decision.

**11. Compliance and Safety**

As this transfer and purchase will allow a larger water utility with greater operational and financial abilities to operate Benbow, ratepayer safety is enhanced. Del Oro has the ability to recognize and finance necessary future system improvements. In addition, ratepayers will now have access to Del Oro's 24-hour Call Center, which provides ratepayers the opportunity to report water system problems, also enhancing safety.

**12. Conclusion**

Both Benbow and Del Oro desire the sale and transfer of the Benbow water system to Del Oro. Del Oro has the experience, ability, and financial resources to operate the Benbow system. The terms and conditions of service will remain unchanged as a result of the acquisition.

We conclude that the proposed sale of Benbow to Del Oro is reasonable, is in the public interest, and will provide tangible benefits to ratepayers. The transfer provides for continued delivery of quality water service by a company

that has the operational experience and financial ability to operate and own the Benbow system. We therefore approve the sale of the Benbow water system and conditionally grant Del Oro a CPCN to operate the Benbow water system as of the date of this decision. Since Del Oro has not yet received a permit from the SWRCB DDW to operate the Benbow system, we condition Del Oro's authority to operate the system on receipt of this permit, and require that Del Oro file a copy of the permit in this docket as a condition to exercise the authority granted herein.

Within 30 days of receipt of the SWRCB DDW permit, Del Oro must file a Tier 1 advice letter updating the tariff sheets with the new rates granted pursuant to this decision and revising ownership information.

As Benbow's rates were last increased in May 2015, and this decision establishes initial rates for the Benbow water system, Del Oro may not file a GRC for Benbow sooner than 12 months after the effective date of this decision. This GRC filing must take the form of a Tier 3 advice letter.

The transfer and purchase of the Benbow water system will relieve Winston Benbow of his duty to provide public utility water service to the Benbow ratepayers. Accordingly, once the transfer and purchase is complete, including obtaining the necessary SWRCB DDW permit, we revoke Benbow's Certificate of Public Convenience and Necessity and require that Benbow's current tariff sheets be cancelled and replaced by new Del Oro tariff sheets for the Benbow District.

### **13. Categorization and Need for Hearing**

In Resolution ALJ 176-3382 dated August 18, 2016, the Commission preliminarily categorized this application as ratesetting. Since there were no

protests, the preliminary determination that hearings were necessary is changed to no hearings are necessary.

#### **14. Waiver of Comment Period**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

#### **15. Assignment of Proceeding**

Commissioner Clifford Rechtschaffen is the assigned Commissioner and Melissa K. Semcer is the assigned Administrative Law Judge for this proceeding.

#### **Findings of Fact**

1. By Resolution ALJ 176-3382, dated August 18, 2016, it was preliminarily determined that this is a ratesetting proceeding and that hearings would be necessary. No protests were filed and no hearings were held.
2. Both parties desire the transfer of Benbow to Del Oro.
3. Benbow provides water service to 134 metered residential connections in Humboldt County, California.
4. Winston Benbow no longer desires to continue operating a regulated public utility.
5. Del Oro has been providing regulated water services in the State of California under the regulated jurisdiction of the Commission since 1963.
6. The Sales Agreement dated January 26, 2016, calls for a purchase price of \$590,586 for the Benbow water system plus any other assets added from the time of this agreement until the closing. The \$590,586 purchase price is an increase of \$90,356 over the current rate base of \$500,230.

7. The net book value of the total plant in service as of December 31, 2015, is \$849,663. However, capital improvement investments made after December 31, 2015, result in an estimated plant in service net book value of \$936,497.

8. Benbow did not make any filings before the Commission regarding the capital investments made in 2016.

9. The transfer of Benbow to Del Oro results in a revenue increase of \$12,831 or 5.04 percent. The revenue increase occurs as a result of the rate of return on the rate base increase resulting from the capital improvement investment combined with plant operating expenses, increased state and federal taxes resulting from the infrastructure investment and depreciation.

10. A Benbow customer using 20 ccf of water with a 5/8-inch x 3/4-inch meter will see a monthly bill increase of \$4.87 as a result of the revenue increase.

11. Capital investments made by Benbow prior to sale were reasonable to ensure the smooth operation of the Benbow water facilities.

12. Del Oro has the financial net worth and sufficient liquid assets to own and operate the Benbow water system.

13. The sale of Benbow will have no significant effect on the environment.

14. The Benbow system will be bound by all outstanding Commission decisions.

15. Benbow filed its last general rate case in May of 2015. Rates were approved in Resolution W-5033.

16. Del Oro has not yet received a permit from the SWRCB DDW to operate the Benbow system.

17. Transfer of ownership of Benbow to Del Oro will enhance safety for Benbow ratepayers due to Del Oro's greater financial resources and because



Benbow ratepayers will have access to Del Oro's 24-hour Call Center to report problems.

### **Conclusions of Law**

1. It is appropriate to include the \$90,356 increase in rate base due to Mr. Benbow's capital investments as part of the sale, rather than filing a separate advice letter or application at the Commission seeking approval prior to the sale.

2. The purchase price of the system, \$590,586, is reasonable and calculated pursuant to applicable statutes.

3. Transfer of ownership of the Benbow system meets the test of ratepayer indifference, in that customers will be unaffected in terms of service quality and continuity of service. Ratepayers will see no net consequences that will cause preference between seller and buyer.

4. Benbow should be authorized to sell and Del Oro should be authorized to buy the Benbow Water Company.

5. The proposed sale of Benbow is exempt from CEQA, and no further environmental review is required.

6. Pursuant to California Health and Safety Code Section 116525(a), when a change in ownership of a public water system occurs, the buyer of the public water system must apply for a new operating permit.

7. Del Oro should be granted a CPCN to operate the Benbow water system.

8. Authority for Del Oro to operate the Benbow system should be conditioned on Del Oro's receipt of an operating permit from SWRCB DDW.

9. Effective upon date of receipt by Del Oro of the SWRCB DDW permit, Benbow's CPCN should be revoked, and Benbow's current tariffs on file with the Commission's Division of Water and Audits should be cancelled.

10. Del Oro should file a copy of the SWRCB DDW permit and updated tariff sheets in this docket within 30 days of receipt of the SWRCB DDW permit.

11. Del Oro should not operate the Benbow system nor collect tariffed rates from Benbow customers until it has received an operating permit from SWRCB DDW.

12. Any future general rate case filed by Del Oro for Benbow customers should not be effective until 12 months after the date this decision becomes effective.

13. Del Oro should be bound by all Commission decisions, rules, and regulations applicable to regulated water utilities.

14. The proceeding should be closed.

## O R D E R

### IT IS ORDERED that:

1. Benbow Water Company is authorized to sell, and Del Oro Water Company, Inc., is authorized to buy the Benbow Water Company.
2. Del Oro Water Company, Inc., is granted a Certificate of Public Convenience and Necessity to operate the Benbow Water Company.
3. Del Oro Water Company, Inc., must obtain an operating permit from the State Water Resources Control Board, Division of Drinking Water.
4. Del Oro Water Company, Inc., may not operate the Benbow Water Company and may not collect tariffed rates from Benbow Water Company's customers until it has received an operating permit from the State Water Resources Control Board, Division of Drinking Water.
5. Del Oro Water Company, Inc., must file a copy of the operating permit from the State Water Resources Control Board, Division of Drinking Water

ordered in Ordering Paragraph 3, as a compliance filing in this docket within 30 days of receipt of such authority. The filing of this permit will not reopen this proceeding.

6. Within 30 days of receipt of the operating permit from the State Water Resources Control Board, Division of Drinking Water, Del Oro Water Company, Inc., must file a Tier 1 advice letter updating the tariff sheets with the new rates granted pursuant to this decision and revising ownership information.

7. Effective upon date of receipt by Del Oro Water Company, Inc., of the State Water Resources Control Board, Division of Drinking Water permit to operate, Benbow Water Company's certificate of public and convenience is revoked, and Benbow Water Company's current tariffs on file with the Commission's Division of Water and Audits are cancelled.

8. Del Oro Water Company, Inc., may not file a general rate case for the Benbow Water Company with rates effective sooner than 12 months after the effective date of this decision.

9. In its operation of the Benbow Water Company, Del Oro Water Company, Inc., is bound by all Commission decisions, rules, and regulations applicable to regulated water utilities.

10. Within 10 days of the sale of the Benbow Water Company to Del Oro Water Company, Inc., Del Oro Water Company Inc., must notify the Commission's Director of Water and Audits in writing that the sale has been completed.

11. Application 16-07-008 is closed.

This order is effective today.

Dated May 11, 2017, at Merced, California.

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

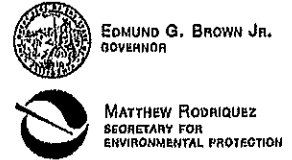
CLIFFORD RECHTSCHAFFEN

Commissioners

**Exhibit B**

**Del Oro Water Company  
Benbow District  
Advice Letter No. 489**

**Operating Permit from the State Water  
Resources Control Board**



**State Water Resources Control Board**  
Division of Drinking Water

April 25, 2017

Del Oro Water Company  
Drawer 5172  
Chico, CA 95927

Attention: Robert Fortino, Chief Executive Officer

**Subject: Temporary Permission to Operate the Benbow W.C. Public Water System  
System No. 1200671**

The Division of Drinking Water received a permit amendment application from Del Oro Water Company, dated April 18, 2017, for the following action: *To change ownership and name of the Public Water System No. 1200671, formerly known as Benbow W.C., to Del Oro Water Company, with the change of ownership to formally take place on/or about May 1, 2017.*

The majority of the pertinent application documentation has been submitted, and the water system is currently in good standing with our office.

Temporary permission to operate the Benbow W.C. public water system is subject to the following condition:

- 1) All water delivered to the public shall at all times be pure, wholesome, and potable.**

Del Oro Water Company may operate the Benbow W.C. public water system while a permit amendment is being prepared. The permit is expected to be issued by this office within 60 days.

If you have any questions, please call Ronnean Lund at (530) 224 -6505 or me at (530) 224-4875.

A handwritten signature in black ink that reads "Barry Sutter".

Barry Sutter, P.E., Klamath District Engineer  
Division of Drinking Water  
STATE WATER RESOURCES CONTROL BOARD

CC: Humboldt County Division of Environmental Health