



NOTICE TO CUSTOMERS OF PROPOSED ROLLING HILLS SERVICE AREA SURCHARGE

Bakman Water Company (BWC) has requested authority from the California Public Utilities Commission (CPUC) by Advice Letter (AL) 106-W to establish a surcharge for the Rolling Hills service area to repay a loan from the Drinking Water State Revolving Fund at 2.1% interest totaling \$4,501,193, to cover the actual cost for the proposed project and to impose a surcharge on all customers in accordance with connection/meter size to repay the loan. When necessary, the surcharge shall be adjusted pursuant to the SRF loan agreement.

The California State Water Resources Control Board has mandated the metering of all customers. The proposed loan will fund the cost of customer water meters, water main replacements and realignment for a section of the distribution system, refurbishment of Well No. 2 and the addition of cathodic protection to the water storage tank.

BWC estimates that it will need \$202,993.32 per year for the first 10 years to make principal and interest payments plus the accumulation of a required 10% reserve (\$20,299.33), totaling \$223,292.64 per year and \$202,993.32 per year from the 11th to the 30th year of the loan.

The current monthly bill for a residential flat rate customer with a 1-inch service connection would increase by \$44.22 from \$68.95 to \$113.17 or 64.1% for the first 10 years and by \$40.33 or 58.5% for the remaining 20 years of the loan. Of BWC Rolling Hills service connections, approximately 312 or 90.7% are 1-inch flat rate customers.

However, once all meters are installed, BWC will transition Rolling Hills customers from Schedule No. RH-1 (General Flat Rate Service) to the (then current) existing Schedule No. 1 (General Metered Service). Therefore, the current monthly bill of a typical 1-inch residential Rolling Hills customer converting to a metered rate using approximately 11,200 gallons of water (at a quantity rate of \$1.78 per 100 cubic feet, 15 HCF each) would increase by \$16.29 from \$68.95 to \$85.24 (\$14.32+\$26.70+\$44.22) or 24%.

The proposed monthly loan surcharge rates are shown below.

Annual Residential Flat Rate Service – Rolling Hills Service Area

	Per Service/ Per Month <u>Current Rates</u>	1-10 Yrs. Monthly SRF Loan <u>Surcharge</u>	11-30 Yrs. Monthly SRF Loan <u>Surcharge</u>
For a single-family resident unit			
1 inch service	\$ 68.95	\$ 44.22	\$ 40.20
1-1/2 inch service	\$ 68.95	\$ 88.44	\$ 80.40
2 inch service	\$ 68.95	\$ 141.50	\$ 128.64

RESPONSE OR PROTEST

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:

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 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

Mailing Address:

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

On the same day the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest to Shay Bakman at: Bakman Water Company.

Email Address:

shay@bakmanwater.com

Mailing Address:

Bakman Water Company
5105 East Belmont Ave.
Fresno, CA 93727

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the 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.

Date of Mailing: *JANUARY 29, 2024*