

# A Residential Ratepayers Guide to the LAWC – FAQ

## Lake Alpine Water Company

1. Why do we have to pay two different utility bills each quarter and each have the term “water” in them?  
*Ans. Water comes into our residences from the Lake Alpine Water Company (LAWC). Wastewater leaves our residences and is treated by the Bear Valley Water District (BVWD).*
2. What is the difference between the LAWC and BVWD?  
*Ans. LAWC is a privately owned investor utility (IOU) and BVWD is a quasi-public entity.*
3. Can you tell me more about LAWC?  
*Ans. The Lake Alpine Water Company (LAWC) is a for profit, privately owned Class D Water Company subject to the regulation of the CPUC and the California Department of Health.*
4. Who are the owners of LAWC?  
*Ans. The Orvis family owns 50% and Aspen Limited Partners own 50%. Bruce Sr., Roma, Bruce III and Paula Orvis are individual shareholders and well as Chuck Toeniskoetter and Steve Hallgrimson as partners in Aspen Limited Partners. Bruce Sr., Bruce III, Chuck Toeniskoetter, and Steve Hallgrimson and Dave Ritchie (non-shareholder) sit on the board of directors. Roma Orvis is the Secretary-Treasurer and non-voting member of the Board.*
5. What does Class D mean?  
*Ans. Class D is a category created by the CPUC for IOU's. There are four water company classes: A, B C, and D. Class D is the smallest and must have less than 500 customers.*
6. How many customers does LAWC serve?  
*Ans. That number changes each year because new residences and condos are built and some connections are removed. In 2010 that number is near 500.*
7. Who regulates LAWC if it is a privately owned company?  
*Ans. The CPUC (California Public Utilities Commission) is a public body that regulates investor owned privately held utilities in California.*
8. What is the CPUC's mission?  
*Ans. Their overriding mission is to insure private utilities make enough money to provide reliable and safe drinking water to the ratepayers they serve.*
9. How much profit can LAWC make per year?  
*Ans. The CPUC calculates two ways to determine profit and gives the utility the higher of the two. One measure is a 12.75 - 13.75% annual rate of return, the other is 24% rate of margin. As a comparison, Class C water companies (more than 500 ratepayers) are limited to a 10% annual rate of return and presumably a lower rate of margin.*
10. How does the CPUC establish the rates we pay?  
*Ans. LAWC's rates are set by the CPUC after notice to its ratepayers, an informal hearing and listening to comments about service, quality of water and any responses and protests. This process usually takes 6-9 months.*

## Water Bills

11. I see a number of charges on my quarterly bill. What are they?

*Ans. The bill typically consists of a connection charge, CPUC fees and possibly a quantity charge, a special water plant loan repayment charge and a fire protection charge.*

12. In the past I had a flat rate charge and now I have a metered charge. Why?

*Ans. Meters to a customer were not always available and were expensive to install. However, the State of California recognizes California is a state with a growing population and limited water resources. Therefore, California would like every customer to have a meter to control personal water use by seeing their monthly, quarterly or annual bill.*

13. Does every customer have a water meter?

*Ans. The State of California in or around 2000 mandated all water use be metered by the year 2015 for the purpose of conserving water. As a result of this mandate, LAWC installed meters on all residences and condos in the new subdivision beginning in 2005 and completed the installation by 2008. The condos were also metered, but by building and not by unit, due to the cost of retrofitting existing structures. Not every customer in Bear Valley has an individual meter. Businesses and public entities have had meters for the longest time. Residences had meters installed and tested within the past few years.*

14. What type of rate did I have in 2009?

*Ans. Homeowners in the new subdivision and condo owners had a flat rate for unlimited use of water. Old subdivision, business and public entities had metered and usage rates.*

15. How much did I pay in 2009?

*Ans. Homeowners and condos paid a flat rate of \$973.13 per year plus the CPUC fees and loan charge to pay for the treatment plant.*

16. What am I paying currently in 2010 for water?

*Ans. Homeowners pay a quarterly rate of \$171.08 service connection fee and a quantity use charge of \$4.85 for every 748 gallons or 1 Ccf (100 cubic feet of water). Condo owners pay a flat fee of \$1,178.40 for unlimited use of water.*

17. Why did I pay a charge for water when I was not in my home for the quarter and did not use any water?

*Ans. Metered rates consist of service connection fees (ready-to-serve) regardless of whether a drop of water is used, based on the size of the connection. Use of water is charged per 100 cubic feet of water (Ccf).*

18. Why do I have to pay for the water treatment plant?

*Ans. The State of California in or around 2000 required LAWC to install a new operating system to comply with updated health code requirements for drinking water. BV residential ratepayers are paying for this \$1.2M+ plant completed in 2008 through an annual surcharge of \$350/year.*

19. Why are homes in the old subdivision treated differently from the homeowners in the new subdivision and condos?

*Ans. The Old subdivision (accessed through Station House Road) does not primarily rely on LAWC water. It has private wells. LAWC sells bulk water as back up. The*

*Old subdivision has two, 1" meters, its own holding tank, maintains all its pipes from the meters and distributes the back up water to 40 homes.*

**Proposed  
Uniform Residential and Metered Rate Design  
for  
Lake Alpine Water Company  
Bear Valley, CA**

**COMPARISON OF SERVICE CONNECTION FEES  
(Charges for water used are extra.)**

Type	Group	2009	Current	LAWC	BVRI
New Sub	Homes (296)	\$973	\$684	\$996	\$862
	Home (1)	\$2,010	\$5,475	\$7,970	\$862
	Condos (180)	\$973	\$1,178	\$619	\$862
Old Sub	Homes (40)	\$1,549	\$3,422	\$4,981	\$4,311
Public	School	\$2,010	\$5,475	\$7,970	\$6,898
	Comm Cntr	\$538	\$1,026	\$1,495	\$1,293
	Fire & Sheriff	\$538	\$1,026	\$1,495	\$1,293
	BVWD	\$538	\$1,026	\$1,495	\$1,293
	Library	\$538	\$1,026	\$1,495	\$1,293
	Ballfield	\$2,010	\$5,475	\$7,970	\$6,898
Business	Lodge	\$5,634	\$17,108	\$24,907	\$21,556
	Base Camp	\$2,010	\$5,475	\$7,970	\$6,898
	Pool	\$1,191	\$3,422	\$4,981	\$4,311
	Pizza	\$1,191	\$3,422	\$4,981	\$4,311
	Warehouse	\$538	\$1,026	\$1,495	\$1,293
	Laundry	\$538	\$1,026	\$1,495	\$1,293
	Gas	\$538	\$1,026	\$1,495	\$1,293
	Hut	\$538	\$1,026	\$1,495	\$1,293
	Transp	\$538	\$1,026	\$1,495	\$1,293
	PG&E	\$538	\$1,026	\$1,495	\$1,293
	ATT	\$538	\$1,026	\$1,495	\$1,293
<b>Qty Charge</b>		<b>\$2.45</b>	<b>\$4.85</b>	<b>\$6.36</b>	<b>\$6.36</b>

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