

Preliminary Statement
American Recovery And Reinvestment Act Balancing Account

JJJ. **AMERICAN RECOVERY AND REINVESTMENT ACT BALANCING ACCOUNT** (N)
(ARRABA)

1. **Purpose**

The purpose of the ARRABA is to 1.) track revenues collected through the American Recovery and Reinvestment Act of 2009 ("ARRA") surcharge in GSWC's Arden Cordova District and 2.) track payments of principal, interest, and any fiscal agent or loan-related fees associated with the repayment of a \$4.3 million loan, pursuant to an agreement between GSWC and the California Department of Public Health Services ("CDPHS") under the Safe Drinking Water State Revolving Fund Law of 1997 ("SDWSRF") and the ARRA.

The Commission authorized GSWC to institute a 20-year surcharge in the Arden Cordova District to repay \$4.3 million of a \$8.6 million dollar loan under the Safe Drinking Water State Revolving Fund Law of 1997 and the American Recovery and Reinvestment Act of 2009. GSWC filed Advice Letter 1510-WA, effective March 3, 2013, to implement the ARRA surcharge in its Arden Cordova District. The proceeds were used to further GSWC's ongoing project for installing meters and retrofitting flat rate customers in GSWC's Cordova System. The meter installation and connection retrofitting project is in compliance with California Water Code section 527 §(a)(1), which requires the installation of meters on certain types of connections before 2025.

The ARRABA will remain open until the loan and related costs have been fully repaid and/or recovered.

2. **Applicability**

GSWC shall maintain the ARRABA by making entries as follows:

- a. A credit entry shall be made to the ARRABA at the end of each month to record revenues collected through the ARRA surcharge and any interest earned on deposits.
- b. A debit entry shall be made to the ARRABA at the end of each month to record payments of principal, interest and any fiscal agent or loan-related fees.
- c. The ARRABA will accrue interest on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. **Effective Date**

The ARRABA shall have an effective date of March 3, 2013, to coincide with the effective date of the ARRA surcharge implementation.

4. **Disposition**

The ARRA surcharge will remain in place until the loan and related costs have been fully repaid.

(Continued)

(To be inserted by utility)

Advice Letter No. 1570-W
Decision No. _____

Issued By
R. J. SPROWLS
President

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

Date Filed June 12, 2014
Effective March 3, 2014
Resolution No. W-4810