

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 26, 2021

Mr. John Metzger, President
Arroyo Center Water Company, Inc.
47475 Arroyo Seco Road
Greenfield, CA 93927

Notice of Non-Compliance – Arroyo Center Water Company, Inc. has not filed its Annual Report for the period of January 1, 2019 through December 31, 2019

Dear Mr. Metzger:

The purpose of this letter is to inform you that Arroyo Center Water Company, Inc. (ACWC) must file its 2019 Annual Report in order to comply with California Public Utilities (PU) Code Sections 581, 582, 584, 587 and the directives of the California Public Utilities Commission (CPUC).

PU Code Sections 581, 582, 584, 587 and CPUC's General Order (G.O.) 104-A grant authority to the CPUC to require all public utilities doing business in California to file reports as specified by the CPUC. On January 7, 2020, CPUC's Water Division (WD) issued a memorandum requiring all water and sewer utilities to file their Annual Reports by March 31, 2020. Pursuant to PU Code Section 314.5, the CPUC has statutory responsibility to review or audit the books and records of your company, including but not limited to ACWC's regulatory basis financial statements contained in the 2019 Annual Report required to be filed with the CPUC, at least once every five years.

On June 18, 2020, the Utility Audits Branch (UAB) issued a letter notifying you that ACWC has been selected for review. UAB's letter indicated that "...If ACWC does not file its 2019 Annual Report by June 30, 2020, UAB will issue a non-compliance notice to ACWC and post the report on the CPUC's public website..." As of the date of this letter, our records indicate that ACWC has not filed its 2019 Annual Report, nor obtained CPUC's permission to file in an extended deadline. ACWC's non-filing of its 2019 Annual Report constitutes a limitation on our review scope. Therefore, UAB will publish this non-compliance letter on our public website at <ftp://ftp.cpuc.ca.gov/utilityaudits/>. This letter also serves to meet the intention of the audit requirements specified in PU Code Section 314.5.

The CPUC reserves the right for further regulatory actions if ACWC continues to be non-compliant. Pursuant to Resolution W-4799, CPUC has the authority to take prompt actions, including issuing citations and imposing fines, against any water or sewer utility that fails to correct the non-compliance or violation in a timely manner. A complete copy of the Resolution can be accessed at https://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_RESOLUTION/109215.PDF.

If ACWC has filed its 2019 Annual Report with the CPUC prior to the date of this letter, please provide us the proof of ACWC's filing; and we will be pleased to correct our records.

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Please contact us at UtilityAudits@cpuc.ca.gov if you have any questions.

Sincerely,

Angie Williams

Angie Williams, Director
Utility Audits, Risk and Compliance Division

cc: Rachel Patterson, Executive Director, CPUC
Saul Gomez, Deputy Executive Director, Office of the Commission, CPUC
Lucian Filler, Deputy Executive Director, CPUC
Terence Shia, Director, Water Division
Bruce DeBerry, Program Manager, Water Division
Masha Vorobyova, Assistant Director, UAB
Raymond Yin, Program and Project Supervisor, UAB