

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**

7-11-17

Agenda ID #1584301:43 PM
Ratesetting

July 11, 2017

TO PARTIES OF RECORD IN APPLICATION 13-09-023, Case 12-03-017:

This is the proposed decision of Administrative Law Judge Eric Wildgrube. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's August 10, 2017 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, ex parte communications are prohibited pursuant to Rule 8.3(c)(4)(B).

/s/ DARWIN E. FARRAR

Darwin E. Farrar

Acting Chief Administrative Law Judge

EDF:lil

Attachment

Decision PROPOSED DECISION OF ALJ WILDGRUBE (Mailed 7/11/2017)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of Odd Fellows Sierra Recreation Association, a California corporation, and Sierra Park Water Company, Inc., a California corporation, for Certificate of Public Convenience and Necessity to Operate a Public Utility Water System near Long Barn, Tuolumne County, California and to Establish Rates for Service and for Sierra Park Water Company, Inc. to Issue Stock.

Application 13-09-023
(Filed September 20, 2013)

And Related Matter.

Case 12-03-017

DECISION DISMISSING PETITION TO MODIFY DECISION 16-01-047

Summary

A Petition to Modify Decision 16-01-047 (PTM) was filed by Sierra Park Water Company (Water Company) on January 26, 2017, seeking modification of certain requirements for utility-related property owned by Odd Fellows Sierra Recreation Association to be transferred to Water Company. The PTM sought permission for such properties to be transferred by means of a lease or easement instead of by ownership title transfer.

As explained below, Water Company subsequently asked to withdraw the PTM as it pertained to certain pending properties that had successfully been

transferred as required by Decision (D.) 16-01-047. Water Company continued, however, to ask for modifications of D.16-01-047 for purposes of executing a long-term lease from one remaining property known as the Recreation/Lodge Hall (Lodge). Since we conclude that the Lodge is outside of the scope of D.16-01-047 requirements relating to utility-related transfers, no remaining properties would be affected by the proposed modifications of D.16-01-047. Accordingly, based on these considerations, the PTM is moot, and we dismiss it on that basis.

Also, during the course of pleadings filed leading up to this decision, certain disputes arose regarding compliance with D.16-01-047, and how Water Company utilizes (or should utilize) its properties. None of these disputes, however, involve modifications to D.16-01-047. Any such disputes relating to Water Company's compliance with D.16-01-047, and/or utilization of the Lodge, or any other properties should be resolved either informally among parties, or through the advice letter compliance process.

This proceeding is closed.

1. Procedural Background

On December 13, 2016, Sierra Park Water Company (Water Company) filed a compliance advice letter to implement Decision (D.) 16-01-047. On December 29, 2016, parties identified as complainants in Case (C.) 12-03-017 (Joint Parties) filed a Protest to the advice letter, alleging that Water Company had failed to comply with certain provisions of D.16-01-047, including requirements to transfer real property used in water delivery. Joint Parties also alleged that easements required for the delivery of water had been omitted.

While disposition of the advice letter filing was pending, the instant Petition to Modify Decision 16-01-047 (PTM) was filed by Water Company on

January 26, 2017. A response in opposition to the PTM was jointly filed on filed February 3, 2017, by the aforementioned Joint Parties. An Administrative Law Judge (ALJ) ruling, issued February 10, 2017, called for additional information. On April 11, 2017, Water Company filed a response to the ruling, with a request for official notice of certain information. On April 24, 2017, Joint Parties filed a reply to the response. On May 9, 2017, Water Company filed a further reply. On May 16, 2017, Joint Parties filed a fourth-round reply.¹ We consider these filings in disposing of this matter.

2. Requirements of D.16-01-047

In D.16-01-047, we found that Odd Fellows Sierra Recreation Association (Odd Fellows or Association) had been acting as a public utility in providing water service to residents around Long Barn, California. D.16-01-047 conditionally granted a Certificate of Public Convenience and Necessity (CPCN) to Sierra Park Water Company, Inc. (Water Company), a subsequent creation by Odd Fellows, subject to the transfer of critical assets and rights from Odd Fellows necessary for Water Company to have a reasonable opportunity to operate successfully and independently.

We explained our rationale for requiring the transfer of ownership rights from Odd Fellows to Water Company in D.16-01-047, stating:

We can only grant a CPCN to Water Company if Odd Fellows modifies its transactions and transfers to Water Company, at no expense to Water Company's customers, all of the relevant water service-related assets *including land and legal rights*, . . . The transfer of all water service related assets to Water Company is necessary to

¹ By e-mail to the service list dated June 1, 2017, the assigned ALJ rejected a request by Water Company seeking to file yet an additional reply to Joint Parties.

make it whole and functionally viable to succeed Odd Fellows as the service provider. *Placing valuable land and other related rights in the hands of Service Company decreases the reliability of water service by Water Company, makes Water Company a weaker entity and an unreasonable successor service provider.*²

We further stated that:

By ensuring Water Company has all of the related water service assets under its control, we reduce the risk of unfair or unreasonable costs from Service Company or the residual Odd Fellows entity.³

Also, regarding claims that prior property title rights complicate the transfer of land to Water Company, we stated:

This decision directs that the all water service related assets must be transferred from Odd Fellows to the Water Company at no cost to the customers. To the extent title issues predate the transfer (e.g. persons have title or property issues with Odd Fellows), such issues are title issues that are appropriate for adjudication in Superior Court, and not by this Commission. (*See e.g. Case 12-01-010, D.12-07-005, 2012 Cal. PUC LEXIS 295 at * 17.*)⁴

We also addressed why leasing, as a substitute for outright transfer of assets, was not acceptable, stating that:

We see no benefit to a structure whereby the Water Company leases the assets necessary for water service from a different company, whether it is Odd Fellows or the Service Company. The Water Company would always be dependent on the Service Company or Odd Fellows for access to the water, unless it condemned the property.⁵

² Decision at 6 (emphasis added).

³ Decision at 14.

⁴ *See* D.16-01-047 at 28.

⁵ *See* D.16-01-047 at 21.

3. Water Company's Petition to Modify

In filing its PTM, Water Company sought relief from certain requirements of D.16-01-047 relating to the transfer of utility-related property applicable to land and legal rights. Water Company identified relevant excerpts of D.16-01-047 that referenced these requirements, as follows (with text at issue in boldface):

¶ 4.1 page 6: As determined in this decision, we can only grant a CPCN to Water Company if Odd Fellows modifies its transactions and transfers to Water Company, at no expense to Water Company's customers, all of the relevant water service-related **assets including land and legal rights**, which were instead contemplated to be transferred to Service Company. (footnote omitted)

¶ 6.2 page 13: Therefore, as a condition of the CPCN, Odd Fellows or the Service Company if it owns any of these assets, must transfer to the Water Company at no expense to Water Company customers all water utility-related **assets including land**, water rights, and any equipment used for providing water service that Odd Fellows owns or which it assigned for transfer to Service Company at the time of forming the Service Company and Water Company.

Ordering ¶ 1 page 35 of the Decision: It is Ordered that: A Certificate of Public Convenience and Necessity is conditionally granted to Sierra Park Water Company, Inc. (Water Company), provided that Odd Fellows Sierra Recreation Association (Odd Fellows) transfers to Water Company, at no expense to Water Company customers, **all of the assets it used** when it provided water service as an uncertificated utility in and near Long Barn, California. Odd Fellows and Water Company must file a Tier 2 Advice Letter to demonstrate the completion of the asset transfer. **The assets to be transferred are as described in the Division of Water and Audit's April 15, 2015 Staff Report** (Attachment A to this decision) and incorporated herein.

April 15, 2015 Staff Report Executive Summary pg.5 #4: The Recreation Association should provide the Water Company **unfettered access**, and water rights at no charge, to existing water

supply sources located in the Subdivision. If it is unwilling to do so, then it should continue to provide water services under its own license with the Water Board. In that event, the Water Company may operate as a wholly owned subsidiary of the Recreation Association.

Water Company complied with the above-referenced requirements as they applied to the transfer of buildings (i.e., the Corp Yard building, used to store pipe, valves, etc., to repair and maintain the water system, and the Block Building/Shop, used to store hand tools, pumps, and gauges). Water Company, however, did not initially transfer the land on which the facilities sat.

Water Company argued that that the land is not actually used to provide water service, only the buildings are. Water Company also asserted there were difficulties in transferring the land, and that such transfer would be impractical and financially onerous. The land consisted of surveyed lots cut out of several sub-parcels. Water Company claimed these sub-parcels could not be individually sold, and the only way to transfer the land was to survey each sub-parcel at an estimated cost of over \$10,000 per property in filing fees.

Additionally, ownership of the facility known as the Lodge was not transferred to Water Company. While not actually used to distribute water, the Water Company used the Lodge for filing its water records and reports, Board of Directors meetings, and for other customer meetings.

Water Company thus requested that the above- referenced requirements of D.16-01-047 be modified to modify the requirement for ownership title transfer of all utility-related assets. Instead, Water Company asked the Commission to allow for compliance “through any transfer, including long term leases or easements” instead of requiring title transfer. Water Company argued that

long-term lease or easement were workable options to guarantee unfettered access, while avoiding the expense and difficulty of a property transfer in fee.

Water Company's proposed modifications to D.16-01-047 are as follows:
(with proposed text modifications in boldface):

Proposed Modification of Paragraph 4.1, Pg. 6:

As determined in this decision, we can only grant a CPCN to Water Company if Odd Fellows modifies its transactions and transfers **through any transfer, including long term leases or easements**, to Water Company, at no expense to Water Company's customers, all of the relevant water service-related assets including land and legal rights, which were instead contemplated to be transferred to Service Company.

Proposed Modification of Paragraph 6.2, Pg. 13:

Therefore, as a condition of the CPCN, Odd Fellows or the Service Company if it owns any of these assets, must transfer **through any transfer, including long-term leases or easements**, to the Water Company at no expense to Water Company customers all water utility-related assets including land, water rights, and any equipment used for providing water service that Odd Fellows owns or which it assigned for transfer to Service Company at the time of forming the Service Company and Water Company.

Proposed Modification of Ordering Paragraph 1. Pg. 35:

It is Ordered that: A Certificate of Public Convenience and Necessity is conditionally granted to Sierra Park Water Company, Inc. (Water Company), provided that Odd Fellows Sierra Recreation Association (Odd Fellows) transfers **through any transfer, including long-term leases or easements**, to Water Company, at no expense to Water Company customers, all of the assets it used when it provided water service as an uncertificated utility in and near Long Barn, California. Odd Fellows and Water Company must file a Tier 2 Advice Letter to demonstrate the completion of the asset transfer. The assets to be transferred are as described in the Division of Water and Audit's April 15, 2015 Staff Report (Attachment A to [D.16-01-047]) and incorporated herein.

4. February 3 Response of Joint Parties

A response opposing the PTM was filed February 3, 2017, by the Joint Parties identified as complainants in C.12-03-017 (Joint Parties).⁶ The Joint Parties argued that D.16-01-047 made no provision for Water Company to enter into real property leases, but required that all assets, including land, be transferred at no cost. Joint Parties contended that it would diminish Water Company's ability to provide water utility service if land used in delivery of water were merely leased. They argued that to allow for leases on the real property while transferring ownership only of buildings would lead to problems and uncalled for expenses in the future.

5. Issuance of the ALJ's Ruling

An ALJ ruling was issued February 10, 2017, directing Water Company to provide additional information relating to its PTM. The ruling noted Rule 16.4(b) of the Commission's Rules of Practice and Procedure which provides:

A petition for modification of a Commission decision must concisely state the justification for the requested relief and must propose specific wording to carry out all requested modifications to the decision. Any factual allegations must be supported with specific citations to the record in the proceeding or to matters that may be officially noticed. Allegations of new or changed facts must be supported by an appropriate declaration or affidavit.

Water Company had provided no details concerning specific contractual rights, restrictions, or obligations for a lease or easement, as proposed. The ALJ ruling thus directed Water Company to provide citations to the record, together

⁶ The complainants are identified as: Fred Coleman, Steven Wallace, Larry L. Vaughn and Ruth Dargitz.

with proposed terms with respect to any lease or easement, and how long the lease or easement would remain in effect. The Ruling posed a series of questions about the sufficiency of long-term rent-free leases or easements as a way of transferring property used in serving customers.

6. Water Company April 11, 2017 Response to ALJ's Ruling

In its April 11, 2017 response to the ALJ ruling, Water Company reported that it had managed to convey the real property underlying the Block Building/Shop and Corp. Yard in a simpler and less expensive fashion than originally anticipated. On March 20, 2017, the Association completed a fee transfer to Water Company of the real property on which the Block Building/Shop and Corp. Yard were located.

Regarding the deeds of trust that had encumbered the real property under the Block Building/Shop and Corp. Yard, on March 20, 2017, the beneficiaries of two deeds of trust dated May 12, 2016 and August 25, 2016 modified the deeds of trust in two documents. These modifications released the encumbrance on the real property on which the Block Building/Shop and Corp. Yard are located.⁷

The real property originally at issue has therefore now been transferred to Water Company free and clear of encumbrances. With this transfer of real property, Water Company now owns the Shop and Corp. Yard buildings and the real property under them. Accordingly, since these properties are no longer at

⁷ The Water Company response was supported by the sworn declaration of William Ordwein, the volunteer Chief Operations Officer of Sierra Park Water Company (Water Company). Attached to the Ordwein Declaration as Attachments D and E are Conformed Copies of the Modifications, as filed and recorded with the County of Tuolumne on March 21, 2017.

issue, Water Company requested to withdraw the PTM as pertaining to these properties.

Water Company, however, continued to ask that the PTM be granted to enable execution of a lease, rather than to transfer ownership of the Lodge. The Lodge has existed for over 50 years, and was originally built by the Association after creating the Odd Fellows Sierra Camp, Subdivisions 1 & 2. The Lodge contains an office, conference room, auditorium, and kitchen. The Lodge was previously used by the Association and is now used by the Water Company for storage of records, office functions, and Board of Directors Meetings. Water Company argues, however, that these functions are incidental to water service, and questions whether the Lodge is within the scope of requirements of the Decision, but offers a proposed lease to put the issue to rest.

The Association and Water Company express readiness to execute the lease upon the Commission acceptance. Water Company argues that the lease is preferable to transfer of ownership. As proposed, real property and the Lodge (i.e., recreation hall/office) would be leased to Water Company rent free for perpetually-renewing 99-year terms. (Lease, ¶¶ 1-3.) Termination occurs only on mutual agreement or failure to timely renew. (Lease, ¶ 19.) Water Company may use the Lodge in connection with provision of water, and has exclusive use of it, but the Association may permit others to use it on reasonable notice. (Lease, ¶ 4.) Water Company would pay for insurance and utilities, maintenance, alterations, a proportional share of taxes, and indemnification against damages from hazardous substances used on the property.

If the property is sold, such sale would be subject to Water Company's right to perpetual 99-year terms. (Lease, ¶ 18.) The Lease may terminate on

mutual agreement, or if Water Company does not renew, giving flexibility as to where it meets and has an office.

The Association and Water Company claim the lease terms are as close to being perpetual as permitted under California law.⁸ Water Company cited *Ginsberg v. Gamson* (2012) 205 Cal.App.4th 873, where the court noted that lease provisions giving the tenant perpetual renewal rights are disfavored. *Id.* at 884. Nonetheless, “courts will enforce a lease provision that grants a tenant the right to unlimited renewals, so long as the parties’ intent to create that right is explicit and clear.” *Id.* A “clause providing for perpetual renewals at the option of the lessee is held to be enforceable when it appears that it was clearly the intention of the parties that the lessee should have that right.” *Id.* at 885.

Water Company claims that although the Lease includes certain costs, those costs would exist even if it owned the Lodge. As to additional costs and service impairments if the Lease ever ends, no service impairments would exist because the Lodge is not used to physically provide water. Costs might arise if Water Company chose to move office functions and meetings elsewhere and terminate the Lease. Water Company would inform the Commission in such an event.

7. Joint Parties’ April 24 Reply to Petitioner’s April 11 Response

On April 24, 2017, Joint Parties filed a reply to Water Company’s April 11 Response, arguing that the lease proposal should be rejected. Joint Parties argue that transferring the Recreation/Lodge Hall to Water Company is not required since it was never used in the delivery of water (i.e., the perquisite of D.16-01-047

⁸ A copy of the proposed Lease is Attachment F to the Ordwein Declaration.

concerning property transfers). Joint Parties argue that while the Lodge has been used for various events, such use does not justify a 99-year lease and assuming responsibility for maintenance, insurance, repairs, utilities, assessments, and taxes.

The Joint Parties claim that the Ordwein Declaration contains inaccuracies. For example, they claim that building referred to therein as an office is not used for water customers, was never staffed, and is only rarely open when the water employee happens to go there. Instead of calling this an office, they believe a better description would be a storage room.

Joint Parties argue it would be disastrous financially to Water Company to take on all expenses of the Lodge through either ownership or lease. They argue that the Lodge is the Odd Fellow's financial responsibility, not that of the Water Company and its customers. They argue, if the Water Company paid a standard rental fee when a meeting was held, rather than a fixed long-term lease, Water Company could substantially reduce costs. They also argue that other issues need to be addressed and resolved before any authorization to transfer, lease, or rent the Lodge to Water Company.

They also argue that Water Company, as a public utility, must comply with all fire regulations concerning maximum capacity and other fire safety regulations, and all regulations concerning the handicapped as required in Title 24. Until these issues are resolved, Joint Parties argue that no further action should be taken concerning lease of the Lodge.

**8. Water Company's May 9, 2017
Reply to Joint Parties⁹**

In its May 9, 2017 reply, Water Company agrees that renting the Lodge from time to time from Odd Fellows for meetings is acceptable, but argues there is no other place for an office and shop use is not conducive for office equipment. Water Company claims it cannot afford to build an office and it would be more expensive to rent space outside the park. Water Company does not plan to have the office open and staffed full time. Water Company believes a less substantial rental agreement could be worked out for use of the office in the Lodge and suggests that would be preferable to transfer of the Lodge, either by fee transfer or through a long-term lease.

**9. Joint Parties' May 16, 2017
Reply to Water Company**

In its May 16, 2017, Reply to Water Company, Joint Parties argue that Water Company, in its May 9 reply, (a) failed to address a number of concerns regarding the Lodge, (b) failed to clarify a concern about the fuel tank, (c) did not address a critical easement, and (d) failed to provide proof that Odd Fellows transferred water rights to Water Company. Joint Parties continue to oppose a lease of the lodge, arguing that a lease is an unjustified means of diverting the cost of maintaining an old building to Water Company customers. They also argue that it is a way to charge Water Company customers for a party facility, so a few lot owners can continue to have social events which are sponsored by Service Company.

⁹ Permission for Water Company to file this additional reply was granted by assigned ALJ Eric Wildgrube in an e-mail dated May 3, 2017.

Joint Parties argue that although D.16-01-047 requires water rights to be transferred from Odd Fellows to Water Company, the only proof offered by Water Company is Attachment A of Water Company's April 11, 2017 Response. Joint Parties argue that a legal document should be produced that transfers the water rights for the two wells to Water Company and then the Commission, Water Division, and Water Company will know for certain that this issue has been resolved.

10. Discussion

Since the Water Company has obtained title to the buildings and the land underneath known generally as the "Block Building/Shop" and the "Corp. Yard," and removed liens thereon, there is no reason to modify D.16-01-047 as far as those properties are concerned. As requested, we take official notice of the attachments identified in the request filed by Water Company on April 11, 2017,¹⁰ and note that each attachment was recorded on March 21, 2017, and that under the legally operative language: (a) the real property on which the Block Building/Shop and Corp. Yard are located has been conveyed to Water Company, and (b) the encumbrances on that real property have been released.

The only other remaining issue concerns whether to grant the PTM for the purpose of enabling Water Company to comply with D.16-01-047 by leasing the

¹⁰ The documents of which official notice is taken are:

Attachment C to the Ordwein Declaration: Conformed Copy of the Grant Deed conveying the Block Building/Shop and Corp. Yard from the Association to the Water Company, with a stamp showing it was filed and recorded in Official Records of the County of Tuolumne on March 21, 2017.

Attachments D and E to the Ordwein Declaration: Conformed Copies of two Modifications to two deeds of trust dated May 12, 2016, and August 25, 2016.

Lodge property. The question of whether to grant the PTM for purposes of executing a lease only arises if the lodge is within the scope of “water service-related assets” as referenced in D.16-01-047. We conclude, however, that the lodge is not within the scope of the assets to be transferred to Water Company, as directed in D.16-01-047. As Water Company has explained, the use made of the Lodge by Odd Fellows in the past was for administrative functions, not for procurement or delivery of water. Also, as noted on page one of Water Company’s proposal for a draft lease:

WHEREAS, the Premises are not necessary for the direct provision of water to the lot owners of the Park but may assist with administration and operation of Lessee, and thus it would be convenient to Lessee if it were allowed to lease the Premises from Lessor for such purpose.

D.16-01-047 required transfer to Water Company of property and equipment used to convey water. By contrast, the Lodge would merely assist or be convenient outside of supplying water. Since the Lodge is not a building used to physically convey water to Sierra Park residents, we conclude that it is not within the scope of the D.16-01-047 requirements for transfer of assets. Accordingly, there is no need to require either ownership transfer or a lease of the Lodge. We conclude that a rental agreement would be a better alternative than transfer of the Lodge to Water Company either through long-term lease or taking ownership.

Therefore, there is no basis to modify D.16-01-047, as originally requested, given our finding that the Lodge is not within the scope of assets to be transferred, and there are no other utility-related property that has not already been transferred. Accordingly, there is no need to modify the decision, and the PTM is moot. We therefore dismiss the PTM on this basis.

Finally, any other technical disputes or compliance issues should be addressed informally or within the scope of the Water Company's advice letter compliance filing that is separately pending resolution. Those compliance issues do not involve modification of D.16-01-047, and have no direct bearing on disposition of the PTM.

11. Comments on Proposed Decision

The proposed decision of the ALJ Wildgrube in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

12. Assignment of Proceeding

Michael Picker is the assigned Commissioner¹¹ and Eric Wildgrube is the assigned ALJ in this proceeding.

Findings of Fact

1. D.16-01-047 was issued on January 29, 2016, in the consolidated proceeding Application (A.) 13-09-023, filed September 20, 2013, and C.12-03-017, filed March 14, 2012.
2. D.16-01-047 was modified by D.16-08-006, issued on August 19, 2016.
3. D.16-01-047 found it beneficial for ratepayers to have a viable water utility, and that a disruption in water service for the ratepayers imperils their well-being and the value of their property.

¹¹ This consolidated proceeding was reassigned to Commissioner Picker by the Chief ALJ Notice dated February 16, 2017.

4. D.16-01-047 found that transfer of water service-related assets from Odd Fellows to Water Company is necessary to make it whole and functionally viable.

5. D.16-04-047 found that placing land and other utility-related property rights in the hands of a separate service company would decrease the reliability of water service and make Water Company a weaker entity as a successor service provider.

6. Water Company filed a PTM relating to the obligations for Odd Fellows to transfer legal title of utility property to Water Company.

7. Subsequent to the filing of the PTM, the Association successfully transferred to Water Company the real property on which the Block Building/Shop and Corp. Yard were located, thereby rendering moot its original request to modify D.16-01-047, as it pertained to lease of these facilities.

8. Water Company has continued to seek modification of D.16-01-047 for the purpose of enabling Water Company to lease the Lodge property.

9. The Lodge is used by the Water Company for storage of records and other functions that are only incidental to water service. Accordingly, the Lodge is outside the scope of requirements of D.16-01-047 relating to transfer of critical assets and rights necessary for Water Company to have a reasonable opportunity to operate successfully and independently.

Conclusions of Law

1. Since the Recreation/Lodge Hall is outside of the scope of the requirements of D.16-01-047 relating to utility-related asset transfers, there are no remaining issues that require any modification of D.16-01-047. Any issues relating to the terms of a limited rental agreement for the occasional use of the Recreation/Lodge Hall can and should be resolved separately from the PTM Rule 16.4(b) of the Commission's Rules of Practice and Procedure requires a PTM

to provide support for any factual allegations by official notice, citations to the record in the proceeding, or an appropriate declaration or affidavit.

2. Official notice of the three documents identified in Water Company's April 11, 2017 pleading is legally proper and the documents are relevant.

3. Any unresolved disputes over technical compliance issues raised by parties in this proceeding should be addressed informally or through an advice letter compliance filing with the Commission's Water Division. Such compliance issues are not within the scope of a Petition to Modify Decision 16-01-047.

O R D E R

IT IS ORDERED that:

1. The Petition of Sierra Park Water Company, filed January 26, 2017, for modification of Decision 16-01-047, is dismissed.

2. We take official notice of the documents identified in the Sierra Park Water Company filing of April 11, 2017 and note that each attachment was recorded on March 21, 2017, and that under the legally operative language: (a) the real property on which the Block Building/Shop and Corp. Yard are located has been conveyed to Water Company; and (b) the encumbrances on that real property have been released.

3. Any remaining unresolved disputes which relate to compliance with Decision 16-01-047, or related matters raised by parties through filings in this proceeding, shall be addressed and resolved through a Tier 2 advice letter process filed with the Commission's Water Division.

4. Consolidated proceedings Application 13-09-023 and Case 12-03-017 are closed.

This order is effective today.

Dated _____, at San Francisco, California.