

Decision No. 61650**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 GARDNER MOUNTAIN WATER CO., a cor- )  
 poration, for a certificate of pub- )  
 lic convenience and necessity to )  
 operate a water system and for )  
 authority to issue stock, and of )  
 GARDNER MOUNTAIN WATER CO. and )  
 SIERRA NEVADA DEVELOPMENT COMPANY, )  
 a corporation, for authority to )  
 buy and sell a water system. )

Application No. 41989  
 Amended

Scott Elder, for Gardner Mountain Water Co.  
 and Sierra Nevada Development Company,  
 applicants.

W. F. Suman, for applicant Gardner Mountain  
 Water Co.

Thomas L. Deal and W. B. Stradley, for the  
 Commission staff.

O P I N I O N

This application was filed February 26, 1960 and an amend-  
 ment thereto was filed September 8, 1960. After due notice, a public  
 hearing was held before Examiner E. Ronald Foster at Tahoe Valley on  
 December 15, 1960, at the conclusion of which the matter was  
 submitted and is now ready for decision.

Applicants' Requests

Applicant Sierra Nevada Development Company<sup>1</sup> was incorpo-  
 rated January 4, 1955 and has been engaged in the business of real  
 estate development and other enterprises. In the course of this  
 business, the Development Company, or its predecessors in interest,  
 subdivided a tract of land called Gardner Mountain Subdivision and  
 as an incident of said development it installed a water system

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<sup>1</sup> Sometimes hereinafter referred to as Development Company.

therein, which was combined with distribution systems in adjacent tracts known as Tamarack and Tucker Subdivisions, all in El Dorado County. For some time it has been operating the combined water system and furnishing domestic and commercial water service for compensation in the three tracts.

The Development Company does not wish to carry on such public utility business and consequently it caused applicant Gardner Mountain Water Co.<sup>2</sup> to be incorporated on January 15, 1960, for the purpose of taking over and operating said water system. Development Company now requests authority to sell the water system to Gardner in exchange for capital stock of Gardner Mountain Water Co.

Gardner requests (1) authority to acquire from Development Company the water system hereinabove mentioned in exchange for Gardner's capital stock and (2) a certificate of public convenience and necessity to render water service in certain unincorporated territory near the community of Tahoe Valley, including the subdivisions hereinbefore named.

The officers and directors of the two applicant corporations are:

<u>Office</u>	<u>Development Company</u>	<u>Gardner</u>
President	Alma M. Hall	Donald L. Martin
Vice President	Donald L. Martin	Stanley L. Martin
Vice President	Stanley L. Martin	
Secretary-Treasurer	Gerald E. Martin	Gerald E. Martin
Asst. Sec.-Treasurer		Donald G. Strand

Alma M. Hall is the mother of the three Martin brothers, and Donald G. Strand is their cousin.

#### Proposed Service Area

The area requested to be certificated, as amended by Gardner at the hearing, consists of some 450 acres lying westerly of

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<sup>2</sup> Sometimes hereinafter referred to as Gardner.

the "Y" forming the junction of U. S. Highway 50 with State Highway 89 and located in portions of Sections 5, 8 and 9, Township 12 North, Range 18 East, M.D.B. & M., as shown on the proposed service area map introduced at the hearing as Exhibit No. 1. The northern portion of this area, consisting of about 250 acres, includes the Gardner Mountain, Tamarack and Tucker Subdivisions, containing over 800 lots, primarily intended for residential purposes, as shown in more detail on the map introduced at the hearing as Exhibit No. 2. The remaining 200 acres of the said area have not yet been subdivided and the major portion thereof, designated as Tahoe Valley Center, is planned as an industrial area for such enterprises as lumber yards, batch plants, warehouses, trailer parks and apartment houses. The most southerly leg of the proposed service area is intended for highly restricted residences.

Angora Water Co., closely affiliated with applicants, recently has been granted a certificate of public convenience and necessity to supply water service in an extensive area near the community of Meyers, the nearest part of which is about one half mile south of the area herein requested. Gardner stated its intention of eventually interconnecting the water systems in these two areas and operating them as a single system.

Other public water utilities operating in this vicinity are the Meyers Water Company, Tahoe-Sierra Water Company and Lukins Brothers Water Company, the latter two of which serve areas located easterly of and contiguous to the area proposed to be served by Gardner, as shown on said Exhibit No. 1. None of the nearby utilities entered an appearance at the hearing in this matter and none has protested the instant application.

### Description of Water System

Construction of the water system was begun shortly before 1952 and additions thereto have generally been made each year thereafter. A permit to operate the water system was granted by the El Dorado County Health Department on December 18, 1958.

The present water supply consists of three wells equipped with electrically driven pumping units of various types and capacities. Wells Nos. 1 and 2 are located on lots within the subdivisions, water from which is delivered into the distribution system through hydropneumatic tanks of 2,700- and 3,400-gallon capacity, respectively. The total capacity of these two wells, as presently equipped, is approximately 300 gallons per minute, with an estimated additional capacity of 200 g.p.m. achievable if the pumping facilities were to be enlarged. Well No. 3 is located on leased government land about one-quarter mile southwest of the subdivisions, which, together with nearby spring sites being developed, could add an estimated additional supply of 50 to 100 g.p.m. in the near future. Water from Well No. 3 and from the springs will be delivered into an existing 125,000-gallon, covered, steel tank located about 100 feet in elevation above the highest point in the service area. A 6-inch steel pipeline, 1,300 feet long, connects the storage tank to the piping in the tracts.

The distribution system consists of about 14,700 feet of 2-inch galvanized, and 22,800 feet of 4-inch asphalt-coated steel pipe, and some 310 services of 3/4-inch galvanized pipe, all laid under about three to four feet of earth cover. The pipelines are laid mostly in the public roads of the subdivisions but some are laid in easements along lot lines.

Presently there are no meters on customers' services, of which about 291 are now active, generally dispersed throughout the

subdivisions. Six fire hydrants are connected to the system, five of which are wharf-type and one is a multiple-outlet type. There is also an elevated stand-pipe used to fill fire department truck tanks. The Lake Valley Fire District, in cooperation with the U. S. Forest Service, provides fire protection for the whole general vicinity.

A substantial warehouse-, shop- and tankhouse-building has been constructed at the site of Well No. 2.

Land for a future well site has been reserved on the southwest corner of the Gardner Mountain Subdivision.

Rates, Present and Proposed

The Development Company has been charging the following rates for water service being rendered to approximately 187 annual customers and about 104 summer season customers:

Annual Residential Flat Rate Service

Rate:	<u>Per Year</u>
Per Service Connection .....	\$70.00

Seasonal Residential Flat Rate Service

Rates:	<u>Per Season</u>	
	<u>Summer</u> May 1 through Oct. 31	<u>Winter</u> Nov. 1 through April 30
Per Service Connection .....	\$40.00	\$30.00

Gardner proposes that the rates to be authorized herein shall be exactly the same as those heretofore authorized and now in effect for its affiliate, Angora Water Co., which include rates for annual and seasonal general metered service as well as for annual and seasonal residential flat rate service.

The effect of applying the rates now requested by Gardner will be to increase the revenues obtainable at the rates heretofore charged by about 5 per cent. The requested rates will be authorized

by the order herein and they are shown in detail in Appendix A attached hereto.

Gardner has also requested that there be authorized a rate of \$3 per month for water service to each steamer-type fire hydrant. In addition to one multiple-outlet fire hydrant on the system herein concerned, there are some wharf-type fire hydrants. The record shows that there is also an elevated stand-pipe used for filling the tanks on fire trucks rendering fire protection service in the area. A lesser rate of \$2 will be established for such wharf-type fire hydrants and stand-pipes.

Anticipating that there may be privately owned fire protection systems installed in warehouses and other industrial enterprises in the area, Gardner further requested that a suitable rate be established for such private fire protection service. A rate of \$1.50 per month for each inch of diameter of the service connection will be authorized, which rate is comparable to those filed by some other water utilities for such service.

Estimated Cost of Utility Plant  
and Proposed Amount of Stock Issue

The actual original costs of the water system facilities were not recorded by the Development Company. Exhibit No. 7 of the amendment to the application consists of a detailed estimate of the costs of the various system components, based upon known material costs to which have been added estimated labor, equipment and overhead costs, with straight-line depreciation computed to June 30, 1960. Following is a summary of Gardner's estimate, rounded to the nearest dollar, as corrected at the hearing:

Intangible Plant	\$ 23,780
Land, Two Well Sites	9,500
Depreciable Tangible Plant	195,975
Total Utility Plant in Service	229,255
Land Held for Future Use	4,500
Materials and Supplies	3,225
Total Estimated Original Cost	236,980
Depreciation Reserve	17,953
Total Depreciated Cost	219,027

On the basis of the foregoing estimated cost, Development Company proposes to sell the water system and appurtenant properties to Gardner in exchange for the latter's capital stock of an aggregate par value of \$219,027, or such other amount as the Commission may determine to be the original cost of the said water system, depreciated to June 30, 1960, plus the inventory of materials and supplies as of the same date.

Gardner's Articles of Incorporation authorize it to issue 10,000 shares of its capital stock all of the same class of the par value of \$25 per share and the aggregate par value of \$250,000. None of said shares is presently issued or outstanding.

Financial and engineering representatives of the Commission staff examined applicants' available accounting records, invoices and other data and analyzed the detailed estimated costs as set forth in said Exhibit No. 7. In its report introduced in evidence as Exhibit No. 5, the staff set forth its estimate of the original cost of plant devoted to public utility water service as of June 30, 1960. In general, the staff accepted Gardner's estimate but differed from it in two particulars:

- (1) As part of intangible plant, applicant included \$20,000 for water rights, easements and U. S. Government use permits. The staff could justify an amount of only \$1,200 for this item, estimated as the actual amount spent in acquiring such rights, easements and permits, a difference of \$18,800.
- (2) In estimating the cost of installing the various portions of the water system, applicant added 10.5 per cent for overhead construction costs and interest during construction, the total of such percentages being \$18,486. In its review of applicant's estimates, the staff eliminated the amount of \$13,718 which applicant had included in the items of transmission and distribution mains and services for overhead and interest, on the grounds that such costs were amply covered in the estimated labor and equipment unit costs for construction of pipelines and services. The remaining amount of \$4,768 for overhead and

interest, which is included in applicant's estimated costs of structures, wells, pumping equipment, and reservoirs and tanks, represents 2.71 per cent of the estimated costs of materials and labor for installing all such facilities including the pipelines and services, which amount does not appear to be unreasonable.

At the hearing, the secretary-treasurer for both applicants gave detailed testimony to partially substantiate the claim of \$20,000 for the item of water rights. For time and expenses for himself and one of his brothers and for various types of equipment at hourly rates, he arrived at a total of \$5,305, to which he added 10.5 per cent for overhead and interest, making a total of \$5,862. It appears that these expenditures, in addition to the cost of acquisition of the necessary water use permits, consisted essentially of the development of springs on U. S. Government land. Therefore, the staff's estimated amount of \$1,200 will be adopted as the amount spent in acquiring water rights and the remainder of the \$5,305, or \$4,105, will be classified as source of supply plant. The nature of the expenditures does not warrant the inclusion of any additional amount to cover overhead and interest. These amounts include no structures or installations involving depreciation.

Except for the item discussed in the preceding paragraph, the staff's estimates of the original cost of utility plant and the related depreciation reserve as of June 30, 1960, appear reasonable and will be adopted for the purposes of this proceeding. The



following tabulation shows the amounts as herein adopted, classified by accounts:

Estimated Cost of Utility Plant as Adopted  
(As of June 30, 1960 Based on P.U.C. Staff Exhibit No. 5)

Ac. No.	Description	Total Estimated Cost	Depre- ciation Reserve	Net Depre- ciated Cost
301	<u>Intangible Plant</u>			
	Organization Expenses .....	\$ 3,780	\$ -	\$ -
	Water Rights, Easements and Permits .....	1,200	-	-
	Total .....	4,980		4,980
306	Landed Capital .....	9,500	-	9,500
311	Structures .....	14,807	2,396	12,411
312	Source of Supply Plant .....	4,105	-	4,105
315	Wells .....	16,216	1,094	15,122
324	Pumping Equipment .....	2,995	349	2,646
342	Reservoirs and Tanks .....	16,162	696	15,466
343	Transmission and Distribution Mains .....	109,326	9,979	99,347
345	Services .....	21,321	1,732	19,589
378	Tools, Shop and Garage Equipment Total Utility Plant in Service .....	1,430 200,842	476 16,722	954 184,120
306	Land Held for Future Use .....	4,500	-	4,500
131	Materials and Supplies .....	3,225	-	3,225
	Total Depreciated Cost ..	-	-	191,845

Based on the foregoing tabulation and in response to applicants' request, the order herein will authorize Gardner to issue not to exceed 7,674 shares of its capital stock at par value of \$25 per share, and at an aggregate par value of \$191,850 in exchange for the water system and appurtenant properties to be received from the Development Company.

Depreciation Expense

On the basis of the estimated cost of utility plant and the related depreciation reserve as shown in the foregoing tabulation, the staff developed, in Table 5-A of Exhibit No. 5, the following rates applicable to depreciable utility plant, which rates the order

herein will require Gardner to use to determine depreciation accruals, by accounts:

<u>Ac. No.</u>	<u>Description</u>	<u>Rate</u>
311	Structures .....	3.0%
315	Wells .....	2.0
324	Pumping Equipment .....	3.0
342	Reservoirs and Tanks .....	2.1
343	Transmission and Distribution Mains .....	2.5
345	Services .....	2.5
378	Tools, Shop and Garage Equipment .....	9.0

#### Results of Operation

The Commission staff's report, Exhibit No. 5, shows the results of operation of the water system for the year 1959 recorded and adjusted and the year 1960 estimated, on a pro forma basis. In estimating the revenues at the rates proposed by Gardner, the staff included revenue from one steamer-type fire hydrant. In the following tabulation revenue is included also for five wharf-type fire hydrants and one stand-pipe at the rates hereinafter authorized. The average depreciated rate base as determined by the staff has also been increased by the amount of the source of supply plant hereinbefore discussed. With these revisions to the staff's amounts, and the appropriate revision in taxes on income, the following tabulation shows the estimated results of operation for the two test years at the rates authorized herein:

#### Summary of Earnings at Authorized Rates

<u>Item</u>	<u>Year 1959 Adjusted</u>	<u>Year 1960 Estimated</u>
Operating Revenues	\$ 15,984	\$ 18,324
<u>Operating Expenses</u>		
Maintenance and Operation	7,020	8,250
Taxes other than Income	1,100	1,200
Taxes on Income	1,112	1,442
Depreciation	4,579	4,614
Total Expenses	<u>13,811</u>	<u>15,506</u>
Net Revenue	2,173	2,818
Average Depreciated Rate Base	189,100	187,300
Rate of Return	1.1%	1.5%

Miscellaneous

The record shows that water service is being rendered to U. S. Forest Service recreation areas outside of and westerly from the proposed service area under contract with the U. S. Forest Service. The order herein will require Gardner to file copies of each contract, in accordance with the requirements of Paragraph X.B. of the Commission's General Order No. 96.

The map filed as Exhibit No. 4 shows the location and relative density of the active services within the subdivisions. The Commission staff engineer pointed out that many of these services are from four runs of 2-inch pipe, the lengths of which are approximately 50 per cent in excess of the maximum lengths of such small diameter pipe permitted by the minimum requirements of the Commission's General Order No. 103. The engineer recommended that no new services should be added to pipelines on certain streets until the capacity of the mains has been suitably increased. Gardner's witness testified that it is planned to replace certain pipelines with larger ones and to reinforce the supply to others by means of cross-connections. The order herein will require the filing of plans for such program.

The staff made certain other recommendations pertaining to plant account records, depreciation accounting practices and the filing of rules, maps and sample copies of printed forms normally used in connection with customer service. The order herein will require that these recommendations be carried out.

None of the existing well sources of applicant's water supply is provided with adequate means for measurement of production. Measurement of production is a prerequisite to efficient water system operation, and is a requirement of General Order No. 103.

The order herein will require that applicant install a suitable measuring device or devices to determine water production at all existing sources of supply connected to the water system. Applicant is hereby placed on notice that General Order No. 103 requires that suitable means of determining production be installed at each future source of supply in order that a record may be maintained of the quantity of water produced by each source.

To set apart the property necessary for utility operations, the order herein will require that there be dedicated to public utility purposes the property on which are located any facilities necessary to the water utility operation, such as wells, pumping units, tanks and related facilities, as well as easements for pipelines which are not located in public streets.

No franchise is required by the County of El Dorado.

There are no outstanding customers' deposits or consumers' advances for construction subject to refund.

#### Findings and Conclusions

The Commission finds and concludes that it is not adverse to the public interest to authorize the transfer of the existing water system and appurtenant properties from the Development Company to the Gardner Mountain Water Co. in exchange for Gardner's stock as proposed.

The Commission finds and concludes that public convenience and necessity require that the requested certificate be granted. The Commission further finds and concludes that the rates set forth in the appendix to the following order are fair and reasonable for the service to be rendered.

The certificate hereinafter granted is subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity for any amount of money in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

The Commission is of the opinion and finds that the money, property, or labor to be procured or paid for by the issuance of the stock herein authorized is reasonably required for the purposes specified and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income. The authorization herein granted is not to be construed as a finding of value of applicant's stock or properties, nor as indicative of amounts to be included in any future rate base for determination of just and reasonable rates.

O R D E R

The above-entitled application having been considered, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED that:

A. Authority be and it is hereby granted to Sierra Nevada Development Company, a corporation, to sell and for Gardner Mountain Water Co., a corporation, to buy the water system and appurtenant properties described in the foregoing opinion in exchange for capital stock of Gardner Mountain Water Co. of an aggregate par value of \$191,850, pursuant to the forms of the grant deed and bill of sale annexed to the application herein as Exhibits Nos. 5 and 6, respectively.

B. On and after the effective date hereof and on or before December 31, 1961, Gardner Mountain Water Co. may issue not to exceed 7,674 shares of its capital stock at par value of \$25 per share, and at an aggregate par value of \$191,850 for the purposes specified in the foregoing opinion.

C. Gardner Mountain Water Co. shall file with the Commission a report or reports as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

D. If the transfer herein authorized is consummated, Gardner Mountain Water Co. shall cause to be filed with the Commission one copy each of the said grant deed and said bill of sale as actually executed, within thirty days after the execution thereof.

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be, and it is hereby, granted to Gardner Mountain Water Co., a corporation, to acquire, construct and operate a public utility system for the distribution and sale of water within the unincorporated territory near the community of Tahoe Valley, El Dorado County, including the areas called Tahoe Valley Center, Gardner Mountain Subdivision, Tamarack Subdivision and Tucker Subdivision, located in portions of Sections 5, 8 and 9, Township 12 North, Range 18 East, M.D.B. & M., as said territory is bounded by hatched lines on the map filed as Exhibit No. 1 herein.

If applicant Gardner Mountain Water Co. exercises the certificate granted herein,

IT IS FURTHER ORDERED that:

1. Said applicant is authorized and directed to file, after the effective date of this order, the schedules of rates and charges set forth in Appendix A attached to this order, to be effective on or before the date service is first rendered to the public under the authority herein granted, together with rules governing service to

customers, a tariff service area map and sample copies of printed forms normally used during the course of business with customers, all in a form acceptable to this Commission, and in accordance with the requirements of General Order No. 96. Such rates, rules, tariff service area map and forms shall become effective upon five days' notice to this Commission and to the public after filing as hereinabove provided.

2. Said applicant shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein, within ten days thereafter.

3. Said applicant shall file, within thirty days after the system is first placed in operation under the rates and rules authorized herein, four copies of a comprehensive map, drawn to an indicated scale not smaller than 200 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

4. Said applicant shall enter in its plant account records the original costs of utility plant at June 30, 1960, and shall set up for utility accounting purposes the depreciation reserve at June 30, 1960, all substantially as shown in the foregoing opinion in the tabulation captioned "Estimated Cost of Utility Plant as Adopted."

5. Beginning with the year 1960, said applicant shall determine the accruals to the depreciation reserve by multiplying the original costs of the plant by the depreciation rates for each plant account as hereinbefore set forth under the caption "Depreciation Expense." These rates shall be used until a review indicates that they should be revised. Applicant shall review the depreciation rates, using the straight-line remaining life method, whenever substantial changes in plant composition occur and for each plant

account at intervals of not more than five years. Results of these reviews shall be submitted to the Commission.

6. Said applicant shall not extend its water system to furnish service outside of the boundaries of the territory for which a certificate is granted herein without further order of this Commission.

7. Said applicant shall dedicate to public utility purposes the land, parcels or areas, other than those covered by U. S. Government leases, on which the wells, pumps tanks and related water facilities are located, and any easements or permits where water mains are located, otherwise than in streets dedicated to public use. Applicant shall file with the Commission, not later than thirty days after the system is first placed in operation under the rates and rules authorized herein, one copy of each appropriate document showing such dedication, easement or permit.

8. Within forty-five days after the system is first placed in operation under the rates and rules authorized herein, said applicant shall file with the Commission one copy of each lease, use permit or agreement by virtue of which said applicant has acquired the right to develop, store and transmit water on and over U. S. Government lands for use in applicant's water system.

9. Within sixty days after the system is first placed in operation under the rates and rules authorized herein, said applicant shall file with the Commission three copies of the contract under which service is being rendered to certain U. S. Forest Service recreation areas, in compliance with the requirements of Paragraph X.B. of General Order No. 96.

10. Within six months after the system is first placed in operation under the rates and rules authorized herein, said applicant shall have installed a suitable measuring device or devices to determine water production at all existing sources of supply connected to the water system and shall report to the Commission in



writing within ten days after such devices have been installed and placed in operation. Thereafter water production shall be recorded and transmitted to the Commission in accordance with the requirements of Paragraph II.4.b. of General Order 103.

11. Said applicant is authorized to deviate from the provisions of Paragraph III.2.a. of General Order No. 103 to the extent that the lengths of certain 2-inch pipelines already installed do not fully meet the minimum requirements of said order; however, within ninety days after the system is first placed in operation under the rates and rules authorized herein, applicant shall submit to the Commission a detailed written program for the replacement, paralleling, or reinforcement of said pipelines in a manner which will insure compliance with the said order; and, in the meantime, applicant shall not serve any new or additional customers from the said pipelines laid along Martin Avenue, Alma Street and Julie Lane until such time as the capacity of such pipelines has been suitably increased in accordance with the program to be submitted by applicant. All future construction shall comply with the Commission's General Order No. 103.

The certificate herein granted and the authority to render service under the rates and rules authorized herein will expire if not exercised within one year after the effective date of this order.

Except to the extent authorized herein, the application is hereby denied.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 14<sup>th</sup> day of MARCH, 1961.

[Signature] President  
[Signature]  
George W. Hoover  
Frederick H. Halbach  
 Commissioners

-17- Commissioner Everett C. McKeago, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A  
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## Schedule No. 1

ANNUAL GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

The unincorporated territory including the areas called Tahoe Valley Center, Gardner Mountain Subdivision, Tamarack Subdivision and Tucker Subdivision, and vicinity, all located in the community of Tahoe Valley, El Dorado County.

RATES

## Monthly Quantity Rates:

	Per Meter Per Month
First 800 cu.ft. or less .....	\$ 6.00
Next 1,200 cu.ft., per 100 cu.ft. ....	.30
Next 3,000 cu.ft., per 100 cu.ft. ....	.25
Over 5,000 cu.ft., per 100 cu.ft. ....	.20

## Annual Minimum Charge:

For 5/8 x 3/4-inch meter .....	\$ 72.00
For 3/4-inch meter .....	88.00
For 1-inch meter .....	120.00
For 1 1/2-inch meter .....	187.00
For 2-inch meter .....	256.00

The Annual Minimum Charge will entitle the customer to the quantity of water each month which one twelfth of the annual minimum charge will purchase at the Monthly Quantity Rates.

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing January 1 and is due in advance.
2. The charge for water used in excess of the quantity allowed each month for the annual minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility on a noncumulative monthly consumption basis.

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## Schedule No. 1S

SEASONAL GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service furnished on a seasonal basis.

TERRITORY

The unincorporated territory including the areas called Tahoe Valley Center, Gardner Mountain Subdivision, Tamarack Subdivision and Tucker Subdivision, and vicinity, all located in the community of Tahoe Valley, El Dorado County.

RATES

Per Meter  
Per Month

## Monthly Quantity Rates:

First	800 cu.ft. or less, included in Seasonal Minimum Charge.	
Next	1,200 cu.ft., per 100 cu.ft.	\$0.30
Next	3,000 cu.ft., per 100 cu.ft.	.25
Over	5,000 cu.ft., per 100 cu.ft.	.20

## Seasonal Minimum Charge:

	<u>Per Meter Per Season</u>		<u>Quantity Allowed Per Month for Seasonal Minimum Charge</u>
	<u>Summer</u> May 1 through Oct. 31	<u>Winter</u> Nov. 1 through April 30	
For 5/8 x 3/4-inch meter	\$ 45.00	\$ 35.00	800 cu.ft.
For 3/4-inch meter	53.00	43.00	1,200 cu.ft.
For 1-inch meter	69.00	59.00	2,000 cu.ft.
For 1 1/2-inch meter	102.00	92.00	4,000 cu.ft.
For 2-inch meter	137.00	127.00	6,400 cu.ft.

SPECIAL CONDITIONS

1. Service may be taken under this schedule for either or both seasons.

(Continued)

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Schedule No. 1S

SEASONAL GENERAL METERED SERVICE  
(Continued)

SPECIAL CONDITIONS

2. The seasonal minimum charge applies to service during the respective 6-month period commencing May 1 or November 1 and is due in advance.
3. The charge for water used in excess of the quantity allowed each month for the seasonal minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility on a noncumulative monthly consumption basis.

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Schedule No. 2R

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service furnished on an annual basis.

TERRITORY

The unincorporated territory including the areas called Tahoe Valley Center, Gardner Mountain Subdivision, Tamarack Subdivision and Tucker Subdivision, and vicinity, all located in the community of Tahoe Valley, El Dorado County.

RATES

	Per Service Connection Per Year
For a single family residence, including premises .....	\$72.00
a. For each additional residence on the same premises and served from the same service connection .....	63.00

SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
2. All annual service not covered by the above classification will be furnished only on a metered basis.
3. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be furnished only on the basis of Schedule No. 1, Annual General Metered Service, or Schedule No. 1S, Seasonal General Metered Service.
4. The annual flat rate charge applies to service during the 12-month period commencing January 1 and is due in advance.

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## Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICEAPPLICABILITY

Applicable to all flat rate residential water service furnished on a seasonal basis.

TERRITORY

The unincorporated territory including the areas called Tahoe Valley Center, Gardner Mountain Subdivision, Tamarack Subdivision and Tucker Subdivision, and vicinity, all located in the community of Tahoe Valley, El Dorado County.

RATES

	Per Service Connection	
	Per Season	
	Summer	Winter
	May 1	Nov. 1
	through	through
	Oct. 31	April 30
For a single family residence, including premises .....	\$45.00	\$35.00
a. For each additional residence on the same premises and served from the same service connection .....	40.00	30.00

SPECIAL CONDITIONS

1. Service may be taken under this schedule for either or both seasons.
2. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
3. All seasonal service not covered by the above classification will be furnished only on a metered basis.
4. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be furnished only on the basis of Schedule No. 1, Annual General Metered Service or Schedule No. 1S, Seasonal General Metered Service.

(Continued)

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Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICE  
(Continued)

SPECIAL CONDITIONS

5. The seasonal flat rate charge applies to service during the respective 6-month period commencing May 1 or November 1 and is due in advance.

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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORY

The unincorporated territory including the areas of Tahoe Valley Center, Gardner Mountain Subdivision, Tamarack Subdivision and Tucker Subdivision, and vicinity, all located in the community of Tahoe Valley, El Dorado County.

RATES

	<u>Per Service Connection</u> <u>Per Month</u>
For each inch of diameter of service connection .....	\$1.50

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the monthly quantity rates under Schedule No. 1, Annual General Metered Service.
2. The minimum diameter of the connection for fire protection service will be 2 inches and the maximum diameter will be the diameter of the main to which the service is connected.
3. The fire protection service connection will be installed by the utility at the cost of applicant. Such cost shall not be subject to refund.
4. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the utility at the cost of the applicant. Such cost shall not be subject to refund.

(Continued)



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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE  
(Continued)

SPECIAL CONDITIONS

5. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water; if so used, such meter installation will be at the cost of the utility.

6. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system from which the fire protection service is furnished.

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Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated territory including the areas called Tahoe Valley Center, Gardner Mountain Subdivision, Tamarack Subdivision and Tucker Subdivision, and vicinity, all located in the community of Tahoe Valley, El Dorado County.

RATES

Per Month

When supplied from a water main  
4 inches or larger in diameter:

For each multiple-outlet or steamer-type hydrant .....	\$3.00
For each wharf-type hydrant or elevated filling stand-pipe .....	2.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the monthly quantity rates under Schedule No. 1, Annual General Metered Service.
2. The cost of installation and maintenance of hydrants and stand-pipes will be borne by the utility.
3. The relocation of any hydrant or stand-pipe shall be at the expense of the party requesting relocation.
4. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.