

Decision No. 82394

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA-AMERICAN WATER COMPANY
for authority to sell property to
Redevelopment Agency of the City of
Seaside.

Application No. 54250
(Filed August 20, 1973)

Dinkelspiel, Pelavin, Steefel & Levitt, by Lenard Weiss
and Claude N. Rosenberg, Attorneys at Law, for applicant.
Boris H. Lakusta and David J. Marchant, Attorneys at
Law, for Standard International Corporation;
Donald G. Hubbard, Attorney at Law, for Standard
International Corporation and Indian Ridge Develop-
ment Corporation; Chickering & Gregory, by David R. Pigott,
Attorney at Law, for Del Monte Properties Company;
L. W. McIntyre, for the City of Monterey; Allan D.
LeFevre, for Gallaway and Sons; Loren E. Smith, for
himself; James Saunders, for Standard International
Corporation; and Edwin B. Lee, for himself; interested
parties.
Cyril M. Saroyan, Attorney at Law, and Melvin Mezek,
for the Commission staff.

O P I N I O N

California-American Water Company (Cal-Am) owns and operates public utility water systems within the counties of Los Angeles, San Diego, Ventura, and Monterey. By this application it seeks authority to sell its Monte Well Site No. 4, located in the Monterey Peninsula Division, to the Redevelopment Agency of the city of Seaside. The site is approximately one-sixth of an acre with a well and pumping equipment located thereon. The agreed sale price is to be \$16,500 and is to be paid in cash at the time title to the property is transferred.

Because of the critical water supply situation in Cal-Am's Monterey Peninsula Division, the application was combined for hearing with Case No. 9530, the Commission's investigation of the Cal-Am's Monterey water supply, and Application No. 53653 for a certificate to serve the Hidden Hills area. Public hearing was held before Examiner Boneysteele at Seaside on October 12, 1973.

A report prepared by the Commission's Hydraulic Branch was received in evidence by stipulation as Exhibit 1. The report recommends that the application be granted. It states that the sale price was based on independent appraisals by both the seller and buyer; that the property is west of Del Monte Boulevard and less than one-quarter of a mile from the ocean; that the quality of the water from the well is not as good as many of the seller's wells in Seaside; that in recent years, the well has been primarily used to monitor the quality and level of water in the ground water basin; that Cal-Am has two other wells of similar nature in the immediate area which are also being used primarily as observation wells; and that Monte Well Site No. 4 is not a vital part of Cal-Am's water supply.

At the hearing, the manager of Cal-Am's Monterey Peninsula Division, Kenneth Fuller, explained that the Redevelopment Agency wanted the property as the site for a shopping center featuring a K Mart. The well itself would be abandoned.

Mr. Fuller testified that during the years 1970 and 1971, the last years for which records of chemical analysis are available, the chloride content of the water produced ranged from 386 to 426 parts per million and total dissolved solids from 698 to 745 parts per million. Acceptable maximum limits are 250 parts per million for chlorides and 500 parts per million for total dissolved solids.

In the last four years that the well was pumped production ranged from 12 acre-feet to 64 acre-feet. Mr. Fuller was of the opinion that, should additional water supply be required to replace the production of the well, it could be obtained by drilling another well in the same vicinity.

There was no opposition to the proposed transfer. The attorney for the developer of Hidden Hills did suggest, however, that a new well be drilled before any sale were to be transacted. We see no reason to accept this suggestion. It is reasonable to expect that any new well in this area would, being so close to the sea, be just as salty as the one being sold. It is the well that is being abandoned, not the aquifer. The water will still be there and can be tapped if and when the situation indicates. In the meanwhile, Cal-Am's funds can better be employed by augmenting higher quality sources of water.

The Commission finds that the proposed sale would not be adverse to the public interest and concludes that the application should be granted.

O R D E R

IT IS ORDERED that the application should be granted in accordance with the terms and conditions set forth therein.

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

Dated at _____, California, this 29th
day of JANUARY, 1974.

Veronica L. Sturgeon
President
William Lyman, Jr.

[Signature]
[Signature]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.