

Decision 84 09 093

SEP 19 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Camp Meeker Water System, a
corporation, for an order authorizing
it to increase rates charged for
water service.

} Application 83-11-54
(Filed November 14, 1983)

Bullen, McKone, McKinley, Gay, Keitges & Pach, by
Thomas E. Hookano, Attorney at Law, and John D.
Reader, for Camp Meeker Water System, Inc.,
applicant.

David Clark, for Department of Health Services,
interested party.

Alberto C. Guerrero, Attorney at Law, and Thomas
Thompson, for the Commission staff.

O P I N I O N

Camp Meeker Water System, Inc. (Meeker, Inc. or applicant) filed this application on November 14, 1983, requesting authority to increase its revenues for water service from \$34,200 to \$53,800 in test year 1984, a 57.3% increase. Since that filing, applicant received an offset rate increase of 12.74% by Resolution No. W-3146 dated November 22, 1983. The balance of the requested rate increase - 39.52% (accumulated) - is considered in this decision.

Application (A.) 83-11-54 also seeks lifting of the restriction against adding new customers which was first imposed in 1960 by Decision (D.) 60283 and which was reaffirmed in 1963 by D.65119. An attrition increase request of 6.5% at the close of the first and second years following this case completes the prayer of the application.

A duly noticed public hearing was held in Camp Meeker on April 9, 1984 before Administrative Law Judge Orville I. Wright. Further hearings were conducted in San Francisco on April 10 and 11, 1984. The matter was submitted upon the filing of concurrent briefs on June 6, 1984.

John D. Reader, William C. Chenoweth, Leslie C. Chenoweth, and Larry Elder testified for applicant. Thomas W. Thompson testified for staff. David Clark testified for the Department of Health Services (DOHS).

County Supervisor Ernie Carpenter, Joan Getchell, Frances Gallegos, Dina Andress, Jacques Levy, and Richard Sam Salmon appeared at the hearing in applicant's service area and testified as concerned citizens.

Summary of Decision

Applicant's requested rate increase is \$19,600 (57.3%) in 1984 over 1983 rates. It received an offset rate increase of 12.74%, by Resolution No. W-3146, November 22, 1983. Hence, hearings were held on the balance requested, being 39.52% of rates in force in 1983.

Of the \$15,940 revenue increase sought, applicant is authorized \$7,409, being a 19.46% increase over revenues at 1983 rate levels. The rate increase is made conditional as to its effective date on applicant's fulfilling water testing requirements of the DOHS.

Since the water supply at Camp Meeker remains inadequate for existing customers, the ban on new connections first established in 1960 is ordered to remain in effect.

When operated by its predecessor owners, the water system at Camp Meeker was located upon a parcel of land of approximately 800 acres. In 1951, the predecessor owners conveyed the entire 800 acres to the present owners by two separate deeds. The first deed contained about 16 acres and was authorized by the Commission on representations by the buyers and sellers that it contained the entire water system. The second deed, containing the balance of 800 acres, was not presented to the Commission for authorization.

In this proceeding, the owners of the 800 acres sought to charge \$3,850 for well sites used by applicant to supply water to its customers. Staff suggests that these well sites should reasonably

belong to the utility as they are water resources used or useful to the water system.

We decide that the deed of the 800 acres is void as the Commission had no opportunity to decide the question of fact raised by staff when the deed was executed in 1951. Buyers and sellers should file an application with the Commission for approval of the unauthorized deed and present evidence in support of their contention that only nonutility private property was included in the 800-acre deed.

Present System

Meeker, Inc. provides flat rate water service to 360 customers in the town of Camp Meeker, located on the Bohemian Highway, several miles north of Occidental and south of Monte Rio in Sonoma County.

Water supply is provided by 12 wells and 10 springs. Storage capacity is 215,500 gallons. The transmission and distribution system consists of about 82,000 feet of small mains, 74,000 feet of which are of 2-inch diameter. Recent improvements financed by a Safe Drinking Water Bond Act loan added two wells and six springs to water sources and a net of six new tanks to storage; these improvements are included in the given figures.

System Background

Camp Meeker and its water system came into being shortly after the turn of the century, but we commence our background review in the 1930s.

In D.24567, dated March 14, 1932, Effie M. Meeker and Julia E. Meeker, doing business as Camp Meeker Water System, were granted a rate increase and ordered to enlarge, replace, and improve existing water supply facilities substantially in order to properly serve its customers who, at that time, numbered 356. This decision noted that the water system consisted of 13 different spring sources and that the water supply was entirely inadequate for the needs of

the consumers. (In the Matter of the Application of Meeker et al., A.17952.)

D.34244, dated May 21, 1941, again found the Camp Meeker water supply and storage inadequate and ordered improvements. The decision notes that there were 240 customers in 1940. (London. et al. v Meeker. et al., Case (C.) 4465.)

In D.44303, dated June 13, 1950, the Meekers' estate representatives were given a rate increase and ordered again to improve service. Both the distribution mains and available water were found to be inadequate to serve the then-connected 345 services. Significantly, the service area was described as consisting of 800 acres and a detailed system map was ordered to be prepared and filed with the Commission. (Investigation on the Commission's own motion..., C.5155.)

Public Witnesses

The public witness testimony offered at the well-attended day of hearings on this application at Camp Meeker provided valuable insight to the Commission.

Supervisor Ernie Carpenter objected to the idea of utility owners renting well sites to themselves, criticized the system as being chronically bad, and took issue with the applicant's concept that 50 new services could be added. It is a disservice to the community to think about shipping water to new connections so long as the people at Camp Meeker are having chronic water shortages and are considering moving out of the community, according to this witness.

Frances Gallegos, a 12-year homeowner and water customer, critiqued the parties' cost of service studies, generally agreeing with the staff recommendations. She was not prepared to address the increases sought by applicant which were not included in the application. She opposes any attrition allowance, requesting public hearings instead. This witness believed that the major thrust of the application was to lift the ban on additional hookups and strongly urged that the Commission endorse the recommendations of DOHS. She

stated that her experience is that water shortages invariably occur in August and last until November, when rains commence.

Dina Andress testified that the ban on new connections should be retained because of the lack of water and that the utility owners' land apart from the water system might well be sold as open space.

Joan Getchell opposed lifting the ban on new connections. Based upon her experience as a realtor, this witness testified that Camp Meeker's appreciation has been severely retarded compared to the rest of the county because of the vagaries of the water system.

Jacques Levy questioned whether ownership of a water utility and ownership of adjacent undeveloped lands in the same person could promote impartial utility decisions.

Richard Salmon testified to his belief that a thorough study of applicant's costs was in the public interest.

New Connections

Meeker, Inc. seeks to have the Commission lift the restriction upon new services imposed in D.60283, June 20, 1960, as a result of continuing findings of inadequate water supplies to serve customers at Camp Meeker. Inadequate supply has been a constant condition of the water system since its inception.

Recent additions, funded by the Department of Water Resources loan, include eight wells, 82,000 gallons of new storage, and 10 automatic chlorinators. Applicant suggests that these improvements should permit removal of the new services moratorium and the addition of 50 new customers.

DOHS opposes this request, and it is joined by staff and the public witnesses testifying in this proceeding. It contends that no new customers should be added to the system until 400 gallons of water per customer per day is available at Camp Meeker and the distribution system is improved to acceptable standards. Other water companies in the Russian River area offer the water supply

recommended by DOHS, and that is the quantity customarily demanded by the users, according to the DOHS witness.

Applicant relies upon a 1981 water usage table which shows that water rationing did not commence so long as 204 gallons per day per customer was available. It states that new facilities now bring the water availability level up to 255 gallons per day.

DOHS testified, however, that 1981 recorded water flows and usages at Camp Meeker do not correlate with its recommendations as the water customers were conserving and rationing on their own account because of their knowledge that shortages were imminent. To adopt applicant's estimate of sufficient water quantity per connection would be to design a system with a built-in water rationing program, testified DOHS.

It seems abundantly clear that no new services should be authorized at Camp Meeker until DOHS standards, both of supply and of system capability, are met.

Results of Operation

Table 1 shows the estimates of applicant and of staff, and it shows adopted revenues and expenses for test year 1984 at the 11.25% rate of return approved in this decision.

Table 1
Summary of Earnings
Test Year 1984

Item	Present Rates			Authorized Rates
	Applicant	Staff	Adopted	
Operating Revenue	\$34,200	\$38,080	\$38,080	\$45,489
<u>Deductions</u>				
<u>Operating Expenses</u>				
Purchased Power	4,400	4,780	4,780	4,780
Employee Labor	13,700	13,700	13,700	13,700
Materials	1,550	1,500	1,550	1,550
Vehicle Expense	4,250	3,900	3,900	3,900
Contract Work	1,300	1,200	1,300	1,300
Management Salaries	4,450	4,300	4,450	4,450
Office Supplies	430	430	430	430
Insurance	1,680	2,200	2,200	2,200
Accounting	4,500	3,500	3,500	3,500
Legal	2,125	1,360	1,360	1,360
Regulatory	1,280	1,070	1,070	1,070
Storage Rental	1,620	360	360	360
Well Site Rental	3,850	400	-	-
General Expense	500	500	500	500
Bad Debts	500	500	500	500
Subtotal	46,135	39,700	39,600	39,600
Depreciation	795	500	500	500
Taxes Other Than Income	3,555	3,550	3,609	3,609
Income Taxes	200	200	200	412
Total Deductions	50,685	43,950	43,909	44,121
Net Operating Revenue	(16,485)	(5,870)	(5,829)	1,368
Rate Base	21,030	12,160	12,160	12,160
Rate of Return	Loss	Loss	Loss	11.25%

(Red Figure)

Purchased Power

Applicant concurs with staff's higher estimate of power usage and the use of February 2, 1984 Pacific Gas and Electric Company rates.

Vehicle Expense

Staff estimated vehicle expense at \$0.30 per mile as opposed to applicant's \$0.35 per mile. The difference is interest charged to finance purchase of the vehicle used in system operations. We agree with staff that the cost of vehicle loans should not be included in the calculation of mileage costs.

Insurance

Applicant concurs with staff's higher estimate which is based upon a new policy not available at the time the application was prepared.

Accounting

This category of expense includes bookkeeping, billing, telephone answering services together with financial accounting, tax work, and regulatory assistance.

Meeker, Inc. has assigned all office work to its certified public accounting firm in Sebastopol, a few miles from the service area. For 1983, the accountant's report shows 40.5 hours @ \$40 per hour for financial accounting and tax return preparation for a total billable amount of \$1,620. He also shows 95.2 hours of general bookkeeping service @ \$25 per hour and 72.1 hours of computer time at \$42.50 per hour for a total billable amount of \$5,444.25.

Of a total billable amount of \$7,064.25 at standard rates, applicant was actually charged \$3,468, indicating an unexplained loss on the account of \$3,596.25. In light of the above, the accountant states that he is requesting \$5,200 for all services for Meeker, Inc. for 1984.

Applicant's estimate for 1984 is \$4,500, made prior to receipt of the accountant's report detailing his costs and fees.

Staff accepts the estimate for accounting services, but believes that Meeker, Inc. cannot reasonably justify \$25 per hour bookkeeping and \$42.50 per hour computer time. It states that comparable small water companies contract with a local resident for billing and bookkeeping services at an hourly rate, suggested to be \$10 per hour. Staff estimates that 143 hours would be required to do all billing, answer calls, and keep the books in the service area.

We think that the staff estimate is the more reasonable and would provide customer contact beyond the usual business hours of the accountant's firm, an advantage testified to by one of the public witnesses at the hearing in Camp Meeker. We are somewhat doubtful of estimates provided by correspondence which indicate that applicant's accountants are charging only 50% of their standard rates and propose to continue to lose money into the future.

Legal

Applicant estimates \$2,125 in legal expenses for 1984. This estimate is derived by amortizing a total of \$16,989 for legal services and the services of an engineering witness over a period of eight years.

Staff's estimate of \$1,360 is derived by factoring up the \$1,000 allowed by the Commission in applicant's 1980 rate case.

It is sufficient to note that, as staff asserts, the legal costs sought to be recouped by applicant are past costs of complaint proceedings, and to allow their amortization through rates would be retroactive ratemaking. The Commission does not give added rates for the future to correct errors in the past anymore than it would reduce rates in the future to take away excess profit earned. (In Pacific Telephone and Telegraph, 77 CPUC 117, July 23, 1974.)

In its closing brief, Meeker, Inc. suggests that its retention of legal counsel on the well site rental issue in this case justifies the legal expense estimated by it for 1984. We do not agree, because we do not consider that expense of counsel to defend a

utility's transfer of its property without Commission authorization is an ordinary and reasonable cost of water service.

We adopt staff's estimate.

Regulatory Expense

The difference between staff and applicant for regulatory expense is not the amount but, rather, time of amortization. We adopt staff's suggestion of five years in lieu of applicant's requested three years.

Storage Rental

A building in applicant's service area used for material storage and owned by the Chenoweths was determined to be worth \$30 per month rent in D.92450, applicant's last rate case. Staff estimates propose that figure in this proceeding.

Applicant argues for an increase in rent from \$360 per year to \$1,620 per year, but it admits that its estimate is based only upon its belief that a higher rental would be required if it had to rent other property.

As staff states, traditional ratemaking principles place the burden on the applicant to prove that expenses are reasonable and prudent and that the ratepayers will benefit from them. In the event that the applicant fails to carry its burden, the Commission must disallow the claimed expense for ratemaking purposes.

We adopt the staff estimate.

Well site Rental

Hardin T. Chenoweth, William C. Chenoweth, and Leslie C. Chenoweth (Chenoweths) seek approval of \$3,850 rental paid by Meeker, Inc. for well sites located on property they claim to own through a corporation named Chenoweth, Inc. These well sites are an increasingly important source of water supplied to Meeker, Inc. owned by the same Chenoweths, applicant in this proceeding.

Staff opposes this proposed charge on the ground that the property on which the well sites have been developed is and has been

utility property, used and useful for purposes of providing water service and for future expansion. Since the property is useful, states staff, it remains as part of the company's property and no lease is necessary. Staff seeks to limit this type of expense to the \$400 approved in Meeker, Inc.'s last rate case. (D.92540, December 2, 1980.)

Applicant strenuously objects to staff's argument. Its owners contend that the well sites in question are private property they own through Chenoweth, Inc. which has never been dedicated to public use. The staff's recommendation, if accepted, would be tantamount to appropriating privately owned property - that of the Chenoweths - for a public purpose without just compensation, states applicant.

The evidence does not disclose whether the well sites were in actual use as spring water supplies or were undiscovered reserve supply sources during ownership of the system by the Meeker family. Plainly, however, the well sites and supporting watershed lands were and are valuable water system resources of Camp Meeker, the transfer of which has never been approved by the Commission.

In an investigation on its own motion into Camp Meeker water service in 1950, the Camp Meeker water system service area was described as comprising some 800 acres of steep hillside located generally on both sides of Dutch Bill Creek. Sarah Meachen and Ruth M. Hall, administratrices of the estate of Effie M. Meeker, and Paul Edwards, administrator of the estate of J. E. Meeker (Meekers), were parties to that investigation. (D.44303, June 13, 1950.) These 800 acres appear to be the approximate total land area owned by the Meekers at that time, and it includes the watershed and well sites at issue in this case.

On or about October 9, 1951, Meekers and Chenoweths filed a petition with the Commission seeking approval of a proposed sale of some 16 acres, more or less, of the 800 acres owned by Meekers at

Camp Meeker. It was alleged in the petition that "the deed to be executed, if permission is granted, will convey not only the water works with its distribution system, but will also convey all land upon which is situated the source of water used by and available to the Camp Meeker water system..." (Exhibit 14, Petition, paragraph III.) This partial sale was approved without a public hearing in D.46373, November 6, 1951, and the approved deed was executed on November 26, 1951.

The November 26, 1951 deed did not include the watershed lands and well sites at issue in this application. These lands, and the balance of the properties owned by the Meekers, were conveyed by a separate deed to the Chenoweths on November 29, 1951. No Commission approval was sought or given for this latter conveyance which was, for the first time, received in evidence in this case.

No public utility shall sell or dispose of the whole or any part of its system or other property necessary or useful in the performance of its duties to the public without first having secured from the Commission an order authorizing it to do so. Every such sale or disposition made other than in accordance with the order of the Commission authorizing it is void (Public Utilities Code § 851).

Is the deed of November 29, 1951 from the Meekers to the Chenoweths void for want of Commission authorization? It clearly is.

Applicant argues against the proposition, stressing that the watershed and well sites were private rather than public property and were segregated by the Meekers from utility property, although no evidence was adduced to prove such assertions. Indeed, the record demonstrates that Meeker's water system was in chronic short supply, from its inception until the present time, hardly a situation to allow a public utility to classify part of its water reserves as not useful to its operations.

Here we find the owners of some 800 acres of land upon which they own and operate a water utility dividing up their holdings

as between public and private property and selling off both parcels without allowing the Commission to determine whether their division between public and private is correct or incorrect.

Whether property has been devoted to a public use is, of course, a question of fact (Slater v Shell Oil Company, 1940, 39 CA 2d 535, 545). That question of fact is to be determined by the Commission for the purposes of the exercise of its jurisdiction to regulate a public utility by the fixing of rates, subject to such power of review as is possessed by the Supreme Court (Limoneira Co. v Railroad Commission, 1917, 174 Cal. 232, 242).

As the deed of November 29, 1951 was unauthorized by the Commission, it is void. Accordingly, the Chenoweths have no property in the well sites for which to contract with applicant.

We find no basis for any well site rental charges by the Chenoweths or Chenoweth, Inc.

Minor Variances

We adopt applicant's estimates in those instances where the difference is small, is due solely to judgmental differences between it and staff, and regulatory principles are not involved. These are materials (\$50), contract work (\$100), and management salaries (\$150).

Depreciation

Applicant seeks to adjust depreciation reserves by about \$9,000 as it appears that excess depreciation was charged between 1959 and 1972. Staff opposes this request as being a retroactive rate increase. It proposes a new depreciation rate of 1.07% based upon the remaining lives of assets which yields a \$500 annual depreciation expense.

The staff approach is adopted.

Rate of Return

Staff states that the Commission's Revenue Requirements Division has reviewed the accounting and financial records of Meeker, Inc. and concluded that a rate of return of 11.25% is reasonable. Applicant requests a 12% return as being the approximate return that

equity financed utilities of comparable size are being authorized by the Commission.

Applicant's poor, although improving, service record persuades us to adopt staff's recommendation of 11.25%.

Rate Design

Applicant serves approximately 360 flat rate and no metered customers. Therefore, the increase in rates granted by this decision is uniformly applied to flat rate schedules. Since there are no (and never have been any) metered customers, the metered rate schedule is adjusted to be compatible with the newly authorized flat rate schedule. This is to ensure that an average flat rate customer will not receive an excessive increase or decrease in his bill if a meter is installed.

Staff's Service Recommendations

Staff testified that applicant's efforts to perform routine water testing in the past have been minimal, and, while those efforts have been recently accelerated, applicant does not yet fulfill all DOES testing requirements. It recommends that any rate increase granted in this case should not become effective until all testing requirements are being satisfied. Staff requests the same condition precedent be imposed upon any attrition allowance increases we may order, as well.

At the hearing, applicant indicated its intention to fully comply with DOES requirements. We will adopt the staff recommendations as to tests.

Staff recommends that applicant be ordered to bury exposed mains in the residential regions of the service area in conformance with General Order 103. We will adopt this recommendation.

Applicant agrees with staff's recommendation that it establish a schedule for periodically flushing distribution mains of accumulated sediment.

Attrition Allowance

As our findings closely parallel staff estimates in 1984, we adopt the 4% attrition allowance developed by staff in comparing 1984 and 1985 estimates.

Issues Deferred

At the opening of hearings in this case applicant sought to amend its application by increasing expenses as follows:

<u>Item</u>	<u>Application</u>	<u>Increase</u>
Employee labor	\$13,700	\$3,350
Materials	1,550	2,070
Insurance	1,680	580
Regulatory	1,280	500

It was stated that these amendments are required to reimburse applicant for higher anticipated costs associated with additional testing and related activity stemming from the construction of new facilities financed by the Department of Water Resources. DOHS supports applicant in its expense estimates.

These increased estimates necessarily increase applicant's request for revenues over the levels noticed to all parties to the proceeding and to the public. Accordingly, except for insurance, which was adjusted by staff, we do not consider expense increases not included in the application, but leave them for possible offset advice letter treatment if they qualify under General Order 96-A after one year of experience of increased costs.

Declaration of L. G. Hitchcock

Applicant attached the declaration of L. G. Hitchcock to the deeds contained in late-filed Exhibit 16. This declaration was not received in evidence but treated as a supplemental brief by applicant on the issue of well site rentals.

Findings of Fact

1. The adopted estimates of operating revenues, operating expenses, rate base, and rate of return for test year 1984 shown on Table 1 are reasonable.

2. A rate of return of 11.25% on the adopted rate base of \$12,160 for test year 1984 is reasonable.

3. Applicant's earnings under present rates for test year 1984 would produce a loss to applicant.

4. The authorized increases in rates are expected to provide \$7,409 (19.46%) in additional revenue annually over present revenues of \$38,080 with attrition allowances of 4% after 12 and 24 months.

5. Applicant's level of water service is adequate.

6. Customer-financed improvements have resulted in increased water production and storage, but applicant continues to have inadequate supply to meet customer demands.

7. The increases in rates and charges authorized in Appendixes A, B, and C are just and reasonable, and the present rates and charges are for the future unjust and unreasonable.

8. Applicant is not fulfilling all DOHS testing requirements.

9. Some distribution mains in residential areas of applicant's service area project above the ground in violation of General Order 103.

10. Applicant reasonably should provide 400 gallons of water per customer per day, and improve its distribution system to accommodate such supply before any new connections are authorized at Camp Meeker.

11. Members of the Meeker family, original owners of the water system at Camp Meeker, executed a deed conveying all but approximately 16 acres of the land on which the water system was located to members of the Chenoweth family on November 29, 1951 without Commission authorization.

12. The question of fact as to whether the property described in the Meeker deed of November 29, 1951 contained only private nonutility property and not public utility water resources has not been presented to the Commission for its determination.

13. A composite depreciation rate of 1.07% is reasonable.

Conclusions of Law

1. The application should be granted to the extent provided in the following order.

2. The deed from the Sonoma County Land Title Company to Hardin T. Chenoweth, William C. Chenoweth, and L. C. Chenoweth dated November 29, 1951 is void for want of authorization by the Commission.

3. No new connections should be authorized at Camp Meeker.

O R D E R

IT IS ORDERED that:

1. Camp Meeker Water System, Inc. is authorized to file the revised rate schedules set forth in Appendixes A, B, and C to this decision. The effective date of the revised schedule in Appendix A shall be the first day of the month following the effective date of this decision. The effective date of the revised schedule in Appendix B shall be 12 months from the effective date of the schedule in Appendix A. The effective date of the revised schedule in Appendix C shall be 24 months from the effective date of the schedule in Appendix A. The revised schedules shall apply only to service rendered on and after their effective dates. The filing shall comply with General Order 96-A.

2. Each of the foregoing revised schedules shall not be filed unless accompanied by a statement of the Department of Health Services that its water testing requirements of applicant are being fulfilled.

3. The restriction on new connections contained in D.60283, June 20, 1960 is continued in force.

4. Exposed distribution mains in applicant's service area shall be buried.

5. Applicant shall use a 1.07% composite depreciation rate for the future.

6. Applicant shall establish a schedule for periodically flushing the distribution mains to purge the mains of accumulated sedimentation.

7. The application is granted as set forth above.

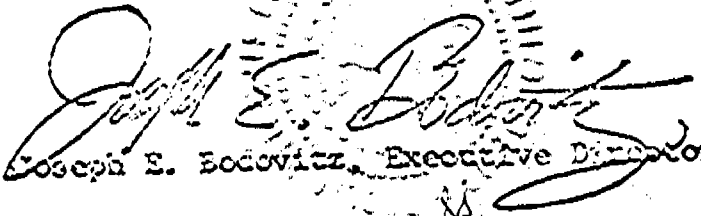
This order is effective today.

Dated SEP 19 1984, at San Francisco, California.

Commissioner William T. Bagley
being necessarily absent, did
not participate.

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

APPENDIX A

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Camp Meeker Water System, Inc.

Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Camp Meeker and vicinity, Sonoma County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Monthly Quantity Rates:	
All Water, per 100 cu.ft.....	\$ 0.55 (D)

	<u>Per Meter</u> <u>Service Charge</u>	<u>Per Month</u> <u>Surcharge*</u>
Service Charge:		
For 5/8 x 3/4-inch meter.....	\$ 6.50	\$ 5.00
For 3/4-inch meter.....	7.20	7.50
For 1-inch meter.....	9.80	12.50

The Service Charge applies to all metered service connections. To it is added the charge for water used during the month at Quantity Rates.

SDWEA SURCHARGE

NOTE: *This surcharge is in addition to the regular metered water bill. The total surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision 93594.

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Camp Meeker Water System, Inc.

Schedule No. 2AR

ANNUAL RESIDENTIAL FLAT RATE SERVICEAPPLICABILITY

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

TERRITORY

The unincorporated area known as Camp Meeker and vicinity, Sonoma County.

RATES

	<u>Per Service Connection</u>	
	<u>Per Year</u>	
	<u>Charge</u>	<u>Surcharge*</u>
For a single-family residential unit, including premises.....	\$124.25 (I)	\$60.00
For each additional unit on the same premises.....	95.00 (I)	46.15

SDWBA SURCHARGE

NOTE: *This surcharge is in addition to the above regular service connection charge. The total yearly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by D.93594.

SPECIAL CONDITIONS

1. The above flat rate charges apply to service connections not larger than one-inch in diameter.
2. For service covered by the above classification, if the utility so elects a meter shall be installed and service provided under Schedule 1A, Annual Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.

(END OF APPENDIX A)

APPENDIX B

Page 1

Camp Meeker Water System, Inc.

Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Camp Meeker and vicinity, Sonoma County.

RATES

Monthly Quantity Rates:

Per Meter
Per Month

All Water, per 100 cu.ft. \$ 0.55

Service Charge:

	Per Meter Per Month	
	<u>Service Charge</u>	<u>Surcharge*</u>
For 5/8 x 3/4-inch meter	\$ 6.80 (I)	\$ 5.00
For 3/4-inch meter	7.50 (I)	7.50
For 1-inch meter	10.20 (I)	12.50

For 5/8 x 3/4-inch meter

For 3/4-inch meter

For 1-inch meter

The Service Charge applies to all metered service connections. To it is added the charge for water used during the month at Quantity Rates.

SDWBA SURCHARGE

NOTE: This surcharge is in addition to the regular metered water bill. The total surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision 93594.

APPENDIX B
Page 2

Camp Meeker Water System, Inc.

Schedule No. 2AR

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area known as Camp Meeker and vicinity, Sonoma County.

RATES

	<u>Per Service Connection</u>	
	<u>Per Year</u>	
	<u>Charge</u>	<u>Surcharge*</u>
For a single-family residential unit, including premises.....	\$129.25 (I)	\$60.00
For each additional unit on the same premises.....	98.75 (I)	46.15

SDWBA SURCHARGE

NOTE: *This surcharge is in addition to the above regular service connection charge. The total yearly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by D.93594.

SPECIAL CONDITIONS

1. The above flat rate charges apply to service connections not larger than one-inch in diameter.
2. For service covered by the above classification, if the utility so elects a meter shall be installed and service provided under Schedule 1A, Annual Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.

(END OF APPENDIX B)

APPENDIX C
Page 1

Camp Meeker Water System, Inc.

Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Camp Meeker and vicinity, Sonoma County.

RATES

Monthly Quantity Rates:	<u>Per Meter Per Month</u>	
All Water, per 100 cu.ft.....	\$ 0.60	(I)
Service Charge:	<u>Per Meter Per Month</u>	
	<u>Service Charge</u>	<u>Surcharge *</u>
For 5/8 x 3/4-inch meter.....	\$ 7.00 (I)	\$ 5.00
For 3/4-inch meter.....	7.70 (I)	7.50
For 1-inch meter.....	10.50 (I)	12.50

The Service Charge applies to all metered service connections. To it is added the charge for water used during the month at Quantity Rates.

SDWBA SURCHARGE

NOTE: This surcharge is in addition to the regular metered water bill. The total surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision 93594.

APPENDIX C
Page 2

Camp Meeker Water System, Inc.

Schedule No. 2AR

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area known as Camp Meeker and vicinity, Sonoma County.

RATES

	<u>Per Service Connection</u>	
	<u>Per Year</u>	
	<u>Charge</u>	<u>Surcharge*</u>
For a single-family residential unit, including premises.....	\$134.40 (I)	\$60.00
For each additional unit on the same premises.....	102.75 (I)	46.15

SDWBA SURCHARGE

NOTE: *This surcharge is in addition to the above regular service connection charge. The total yearly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by D.93594.

SPECIAL CONDITIONS

1. The above flat rate charges apply to service connections not larger than one-inch in diameter.
2. For service covered by the above classification, if the utility so elects a meter shall be installed and service provided under Schedule 1A, Annual Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.

(END OF APPENDIX C)

APPENDIX D
Page 1

Camp Meeker Water System, Inc.

ADOPTED QUANTITIES

Net-to-Gross Multiplier - 0.0
Federal Tax Rate - 15.0%
State Tax Rate - 9.6%
Local Franchise Tax Rate - 0.0
Business License - 0.0
Uncollectibles - 1.1%

Offset Items

Test Year 1984

1. Purchased Power:

Electric:

Pacific Gas and Electric Co.

Total	\$ 4,780
kWh	60,800
Effective Schedule Date	2/2/84
\$/kWh Used	0.07807

2. Purchased Water: None

APPENDIX D
Page 2

Camp Meeker Water System, Inc.

ADOPTED QUANTITIES

	<u>Test Year 1984</u>
3. <u>Payroll and Employee Benefits:</u>	
Operation and Maintenance	\$ 13,700
Administrative and General	4,450
Total	<u>\$ 18,150</u>
Payroll Taxes	\$ 1,634
4. <u>Ad Valorem Taxes:</u>	
Ad Valorem Taxes	\$ 1,970
Tax Rate	1.0235%
Assessed Value	\$192,480

ADOPTED FLAT RATE SERVICES

	<u>Test Year 1984</u>
Residential	360
Additional Residential	8

APPENDIX D
Page 3

Camp Meeker Water System, Inc.

	<u>1984</u>
Operating Water Revenue	\$45,489
<u>Deductions</u>	
Operating Expenses	39,600
Taxes Other Than Income	3,609
Depreciation	<u>500</u>
Total Deductions	43,709
State Taxable Income	1,780
State Income Tax 9.6%	171
Federal Taxable Income	1,609
First \$25,000 Taxed at 15%	<u>241</u>
Total Income Taxes	412

(END OF APPENDIX D)

APPENDIX E

Camp Meeker Water System, Inc.

Schedule No. 2AR

ANNUAL RESIDENTIAL FLAT RATE SERVICE
COMPARISON OF PRESENT AND ADOPTED RATES

APPLICABILITY

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

TERRITORY

The unincorporated area known as Camp Meeker and vicinity, Sonoma County.

RATES

	Per Service Connection Per Year			
	Present Rates		Adopted Rates	
	Charge	Surcharge*	Charge	Surcharge*
For a single-family residential unit, including premises.....	\$104.00	\$60.00	\$124.25	\$60.00
For each additional unit on the same premises.....	80.00	46.15	95.00	46.15

SDWBA SURCHARGE

NOTE: *This surcharge is in addition to the above regular service connection charge. The total yearly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by D.93594.

SPECIAL CONDITIONS

1. The above flat rate charges apply to service connections not larger than one inch in diameter.
2. For service covered by the above classification, if the utility so elects a meter shall be installed and service provided under Schedule 1A, Annual Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.

(END OF APPENDIX E)