

Decision 87 11 051 NOV 25 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Hillview Water Company, Inc., for)
 authority to enter into an agreement)
 with the State of California under)
 the auspices of the Safe Drinking)
 Water Bond Act for a loan, and to)
 increase rates for water services)
 in the Indian Lakes System by means)
 of a surcharge on existing rates for)
 developed lots and a surcharge)
 applicable to undeveloped lots to)
 repay the principal and interest on)
 such loan. U-194-W)

ORIGINAL

Application 86-03-059
(Filed March 2, 1986;
amended May 22, 1986)

ORDER EXTENDING TIME

On October 14, 1987, Hillview Water Company, Inc. (Hillview) filed with the Commission a petition dated October 8, 1987 for a 30-day extension of time to comply with Ordering Paragraphs 1 and 4 of Interim Decision (D.) 87-09-029. The effective date of the decision is the date of signing, September 10, 1987.

Ordering Paragraph 1 states:

"1. Hillview Water Company, Inc. (Hillview) is authorized to enter into a loan agreement under the Safe Drinking Water Bond Act (SDWBA) with the State of California Department of Water Resources (DWR) for the \$263,268 sought in Application 86-03-059, together with its commitment and/or the commitment of its owners to provide \$14,729 to complete the construction of the facilities contained in its revised improvement plan and to pay DWR's administrative fees or to enter into a revised loan agreement with DWR for \$277,997. Hillview shall file a copy of the loan commitment required based on one of the alternatives described above within 30 days after the effective date of this order."

Hillview avers that it "has filed the required papers with the Department of Water Resources and [has] received verbal commitment for the revised loan amount, but the revised loan commitment and the loan contract are still in their administrative paper processing. They are scheduled to be sent out next week."

Ordering Paragraph 4 states:

"4. Within 30 days after the effective date of this decision Hillview shall install an emergency standby source of power to operate its hydropneumatic booster system."

Hillview avers that it "has located a standby generator for the hydropneumatic booster system. It is currently being checked out and is scheduled for installation during the week of the 26th of October."

On October 20, 1987, the Commission received a letter from the Indian Lakes Estates Water Committee (Water Committee), recommending denial of Hillview's request because of its past history of procrastinating. Water Committee avers that standby generators are readily available. Water Committee also questions why Hillview delayed its notification of the Madera County Engineering Department of an Indian Lakes Estates (Lakes) system new customer moratorium until 15 days after the effective date of the decision.

Discussion

In D.87-09-029, the Commission concluded that the revised improvement plan proposed by Hillview is needed to alleviate potential contamination of the Lakes water supply; Hillview should file a revised loan commitment from DWR to complete the revised improvement plan or file a commitment from Hillview or its owners to guarantee that they would provide additional funds needed to complete those improvements. It would be reasonable to extend the time to permit Hillview and DWR to complete and execute the revised loan agreement. Water Committee did not specify its objection to

Hillview's request for an extension of time to comply with Ordering Paragraph 1.

As an interim arrangement, Hillview was ordered to install an emergency standby source of power to operate its hydropneumatic booster system. This installation is needed to avoid the dewatering and possible contamination of the system during short-term power outages pending construction of the permanent improvements.

The need for the emergency standby installation remains whether or not Hillview procrastinated in obtaining and installing a standby generator. Since Hillview should have installed this equipment by October 24 by its own assertion, its request for an extension of time will be granted. However, we will require Hillview to explain the reason for the delay in obtaining, installing, and testing its standby power source and will not permit further delay.

Ordering Paragraph 7 of D.87-09-029 directed Hillview not to serve any additional customers unless they had secured a building permit by the September 10, 1987 effective date of the order. The decision further directed Hillview to notify the Madera County Building Department of the restriction. The moratorium was not to be lifted until Hillview was able to demonstrate its ability to serve more customers to the Commission. Ordering Paragraph 7 does not specify a time for notification of the County Building Department. If Hillview delayed in notifying the building department, it may also have added customers to the Lakes system who had not secured a building permit by September 10, 1987. We will order Hillview to furnish the Commission Advisory and Compliance Division (CACD) and Water Committee with a list of water customers added to its Lakes system since September 10, 1987, at locations not previously served by it, and the dates those customers obtained building permits. ✓

Findings of Fact

1. Hillview and DWR were unable to complete and execute an amended loan agreement as provided for in Ordering Paragraph 1 of D.87-09-029. DWR has agreed in principle to increasing the loan amount. DWR is preparing the new agreement.

2. Hillview did not install an emergency standby source of power to operate its hydropneumatic booster system within the 30-day time limit ordered in D.87-09-029. That equipment is needed until the facilities funded with the proposed DWR loan are placed in service to reduce outages, which could result in contamination of the Lakes water supply.

Conclusions of Law

1. Hillview's request for an extension of time to enter into a revised loan agreement with DWR should be authorized. The facilities are needed to reduce outages which could result in contamination of the Lakes water supply.

2. Hillview's request for an extension of time to install an emergency standby source of power to operate its hydropneumatic booster system should be authorized to meet the needs described in Finding 2. No further extension for this purpose should be granted.

3. Hillview should provide the CACD and Water Committee with a written explanation of the reasons for its delay in complying with Ordering Paragraph 4 of D.87-09-029. ✓

4. Hillview should furnish the Commission and Water Committee with a list of water customers added to its Lakes system since September 10, 1987 at locations not previously served by it, and the dates those customers obtained building permits.

IT IS ORDERED that:

1. Interim D.87-09-029 is modified by changing the number "30" to "120" on:

- a. Line 10 of Ordering Paragraph 1.
- b. Line 1 of Ordering Paragraph 4.

2. Within 15 days after the effective date of this order, Hillview Water Company, Inc. (Hillview) shall provide the CACD and Indian Lakes Estates Water Committee (Water Committee) with its explanation of the reasons for its delay in compliance with Ordering Paragraph 4 of D.87-09-029.


3. Within 15 days after the effective date of this order, Hillview shall furnish the CACD and Water Committee with a list of water customers added to its Lakes System since September 10, 1987, at locations not previously served by it, and the dates those customers obtained building permits.

4. Hillview's request is granted as set forth above.
This order is effective today.

Dated November 25, 1987, at San Francisco, California.

STANLEY W. HULETT
President
FREDERICK R. DUDA
DONALD VIAL
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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


Victor Weisser, Executive Director

Hillview's request for an extension of time to comply with Ordering Paragraph 1.

As an interim arrangement, Hillview was ordered to install an emergency standby source of power to operate its hydropneumatic booster system. This installation is needed to avoid the dewatering and possible contamination of the system during short-term power outages pending construction of the permanent improvements.

The need for the emergency standby installation remains whether or not Hillview procrastinated in obtaining and installing a standby generator. Since Hillview should have installed this equipment by October 24 by its own assertion, its request for an extension of time will be granted. However, we will require Hillview to explain the reason for the delay in obtaining, installing, and testing its standby power source and will not permit further delay.

Ordering Paragraph 7 of D.87-09-029 directed Hillview not to serve any additional customers unless they had secured a building permit by the September 10, 1987 effective date of the order. The decision further directed Hillview to notify the Madera County Building Department of the restriction. The moratorium was not to be lifted until Hillview was able to demonstrate its ability to serve more customers to the Commission. Ordering Paragraph 7 does not specify a time for notification of the County Building Department. If Hillview delayed in notifying the building department, it may also have added customers to the Lakes system who had not secured a building permit by September 10, 1987. We will order Hillview to furnish the Commission and Water Committee with a list of water customers added to its Lakes system since September 10, 1987, at locations not previously served by it, and the dates those customers obtained building permits.

Findings of Fact

1. Hillview and DWR were unable to complete and execute an amended loan agreement as provided for in Ordering Paragraph 1 of D.87-09-029. DWR has agreed in principle to increasing the loan amount. DWR is preparing the new agreement.

2. Hillview did not install an emergency standby source of power to operate its hydropneumatic booster system within the 30-day time limit ordered in D.87-09-029. That equipment is needed until the facilities funded with the proposed DWR loan are placed in service to reduce outages, which could result in contamination of the Lakes water supply.

Conclusions of Law

1. Hillview's request for an extension of time to enter into a revised loan agreement with DWR should be authorized. The facilities are needed to reduce outages which could result in contamination of the Lakes water supply.

2. Hillview's request for an extension of time to install an emergency standby source of power to operate its hydropneumatic booster system should be authorized to meet the needs described in Finding 2. No further extension for this purpose should be granted.

3. Hillview should provide the Commission and Water Committee with a written explanation of the reasons for its delay in complying with Ordering Paragraph 4 of D.87-09-029.

4. Hillview should furnish the Commission and Water Committee with a list of water customers added to its Lakes system since September 10, 1987 at locations not previously served by it, and the dates those customers obtained building permits.

IT IS ORDERED that:

1. Interim D.87-09-029 is modified by changing the number "30" to "60" on:

- a. Line 10 of Ordering Paragraph 1.
- b. Line 1 of Ordering Paragraph 4.

2. Within 15 days after the effective date of this order, Hillview Water Company, Inc. (Hillview) shall provide the Commission and Indian Lakes Estates Water Committee (Water Committee) with its explanation of the reasons for its delay in compliance with Ordering Paragraph 4 of D.87-09-029.

3. Within 15 days after the effective date of this order, Hillview shall furnish the Commission and Water Committee with a list of water customers added to its Lakes System since September 10, 1987, at locations not previously served by it, and the dates those customers obtained building permits.

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