

Decision S3 05 932 May 4, 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 HILLVIEW WATER CO., INC. for)
 approval of Department of Water)
 Resources Safe Drinking Water Con-)
 tract Amendment Number E51014 (A-5))
 dated March 16, 1981 increasing the)
 loan amount authorized by Decision)
 No. 91560 dated April 15, 1980 from)
 \$442,797 to \$572,757 for the purpose)
 of completing the project authorized)
 by that decision. No additional)
 surcharge is to be assessed.)

Application 82-06-73
(Filed June 30, 1982)

- F. Dana Walton and David A. Linn, Attorneys at Law,
and Roger L. Forrester, for Hillview Water Co.,
Inc., applicant.
- Joseph C. Gasperetti, Attorney at Law, for Sierra
Organization of Citizens Committees on Water,
protestant.
- Gunter A. Redlin, for State Department of Health
Services, interested party.
- F. Javier Plasencia, Attorney at Law, and Harry P.
Aubright, III, for the Commission staff.

SECOND INTERIM OPINION

On December 15, 1982 we authorized Hillview Water Co.,
 Inc. (Hillview) to borrow \$135,960 from the State of California for
 improvements to its water system (Decision (D.) 82-12-062). In order
 to ensure that the proposed construction program would be most cost-
 effective and within budget, we ordered a three-stage method proposed
 by staff in which Hillview would first determine the availability of
 additional water from the junction source, an area much closer to the
 customers to be served by the planned improvements and suggested by
 Sierra Organization of Citizen Committees on Water (SOCCOW) as being
 a more cost-effective source of water because such proximity would
 require less trenching.

Hillview's first-stage report, showing that additional water from the junction area specified in our order was not available, was filed and served upon all parties on February 14, 1983. A duly noticed public hearing was held before Administrative Law Judge (ALJ) Orville I. Wright in San Francisco on March 30, 1983.

At the hearing, SOCCOW acquiesced in the unavailability of additional water at the specified junction site but suggested that additional water was probably available in the general vicinity of Hillview's customers. If so, argued SOCCOW, a more cost-effective program of obtaining further water supply could be developed.

Roger L. Forrester testified again for Hillview that the planned development had been fully engineered, that bids had been received, that a stockpile of water pipe was weathering as it awaited installation, that its proposed storage sites and water sites were available, and that it should be allowed to proceed as planned.

SOCCOW next offered to employ an expert geological consultant to explore whether there was an available water source closer to Hillview's body of customers and to prepare and file a project analysis to demonstrate that development of an alternate source to that chosen by Hillview would result in cost savings to the ratepayers. The ALJ permitted SOCCOW to make such a showing by April 11, 1983. This time was extended to April 18, 1983 at the request of SOCCOW.

While no filing was made, the ALJ received a letter dated April 15, 1983 from Melvin C. Simons, a geological consultant retained by SOCCOW, which stated that a cursory evaluation of groundwater conditions did not show that the source of water proposed for development by Hillview was superior to other possible sources in Hillview's service area.

This letter falls short of the SOCCOW offer and affords no basis for delay in permitting Hillview to test the site its own expert hydrologist recommends. Should SOCCOW wish to follow through on its undertaking to demonstrate that a more cost-effective

plan can be engineered, it may file such a plan with us on or before the date Hillview complies with Ordering Paragraphs 5 through 8 of D.82-12-062 and applies for permission to construct the needed improvements in accordance with the engineering program it has previously submitted.

Hillview also requests authority to proceed immediately with repair of Highway 41 which is estimated to cost \$13,950. The repair is necessary as part of the construction project originally approved by the Commission. Hillview laid its main in the shoulder of Highway 41 and did not complete the repaving. This work is separable from other elements of the improvement project and must be accomplished at an early date, according to the testimony.

As the proposed improvements are necessary for Hillview's water supply to meet health standards, this order should be effective immediately.

Findings of Fact

1. Hillview has filed a public report setting forth its efforts to determine the availability of additional water from the junction source and the results of those efforts.

2. The report and testimony show that additional water is not available to Hillview from the junction source.

3. Repairs to Highway 41 are required as soon as possible irrespective of the other elements of the planned system improvements.

Conclusions of Law

1. Hillview should be given authority to test other sites and to file a public report setting forth testing results.

2. Highway 41 repairs should be authorized.

SECOND INTERIM ORDER

IT IS ORDERED that:

1. Hillview Water Co., Inc. (Hillview) shall proceed to comply with Ordering Paragraphs 5 through 8 of D.82-12-062 dated December 15, 1982.

2. Hillview is granted authority to proceed immediately with completion of repairs to Highway 41.

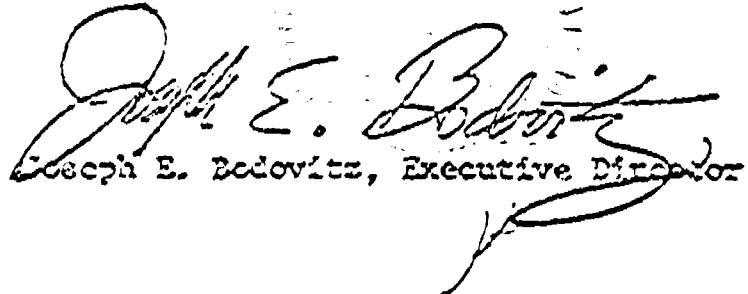
This order is effective today.

Dated MAY 4 1983 , at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bedovitz, Executive Director



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