

ORIGINAL

Decision No. 91072 NOV 30 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

AMBLER PARK WATER UTILITY, a corporation,
 for a certificate of public convenience
 and necessity to extend a public water
 utility system to serve The Meadows of
 Corral de Tierra (formerly known as
 "Corral de Tierra Villas II") and vicinity,
 Monterey, California.

Application No. 58684
 (Filed February 16, 1979)

O P I N I O N

Ambler Park Water Utility, a corporation, seeks a Certificate of Public Convenience and Necessity (CPCN) to extend water service into a residential condominium development known as The Meadows of Corral de Tierra, hereinafter "The Meadows". The utility also seeks authority from the Commission to deviate from its main extension rule (Rule 15). The development will consist of 121 residences, a recreational common area, and 21 acres of natural permanent open space. The Meadows will be developed to a density of two units per acre. Ambler Park Utility presently furnishes water service to approximately 205 residential customers in the Ambler Park and Rim Rock Subdivisions located approximately 9 miles southwest of the City of Salinas in Monterey County. The proposed extension is contiguous to the existing service area, but because Ambler Park was restricted in a prior proceeding from extending without first having Commission authorization to do so, it is filing this application.

Present Facilities and Operations

The present system consists of three wells which produce a total of 600 gpm, seven storage tanks with a combined capacity of 125,000 gallons, and a 5½-mile distribution system consisting

of 4-, 6-, and 8-inch asbestos cement pipe. The present sources of water supply are adequate for the existing customers and for the proposed 121 additional customers, but pressures in some areas during periods of maximum demand are reported to be around 37 psi and do not satisfy some of the customers. The existing pressures do, however, exceed the requirements of G.O. 103 and the staff believes that proposed new pumping, treatment and storage facilities will upgrade service to the existing customers in addition to meeting the needs of The Meadows. During a staff field investigation, several customers complained of a disagreeable taste of the water which later was attributed to the mandatory post chlorination of the water after pressurized iron filtration treatment of the well water. In general, service is considered to be satisfactory by the customers and the staff of the Hydraulic Branch.

Proposed Water Supply and Distribution Facilities

Applicant states the water supply and distribution facilities to serve The Meadows are anticipated to be constructed over a period of approximately four years in four phases as shown in Table I. Due to increasing costs and additional improvements required by G.O. 103 and the Monterey County Health Department, the original estimate of \$292,000 has now been increased to \$367,000.

The developer, El Toro, Ltd., will construct new water facilities and main line extensions to provide flow for a total of 121 units and fire flows in accordance to G.O. 103. The construction will be carried out in four phases as follows:

Phase I	30 units
Phase II	30 units
Phase III	30 units
Phase IV	<u>31 units</u>
Total	121 units

TABLE I

PROPOSED EXTENSION TO SERVE
THE MEADOWS OF CORRAL DE TIERRA

Phase	Items To Be Constructed For Water System	Contributions : Initial Cost : Construction	Advances : For Construction	Total
I				
30 Units	Two new storage tanks 110,000 gallons	\$ 60,000		\$ 60,000
	Deed new storage tank site.	5,000		5,000
	Two new 30 h.p. booster pumps	5,000		5,000
	Offsite transmission main to storage tank site - 550 l.f.		\$ 12,000	12,000
	On site distribution mains, services and meter boxes		55,000	55,000
	3 Fire hydrants		3,000	3,000
	2 Pressure reducing valve stations (serve Corral de Tierra Villas and San Benancio Village)	12,000		12,000
	Engineering expense	11,000		11,000
	SUBTOTALS Phase I	\$ 93,000	\$ 70,000	\$163,000
II				
30 Units	New water treatment plant facilities to increase capacity to 500 g.p.m.	60,000		60,000
	On site distribution mains, services and meter boxes.	26,000	2,000	28,000
	2 Fire hydrants.	2,000		2,000
	Engineering expense	7,000		7,000
	SUBTOTALS Phase II	\$ 95,000	\$ 2,000	\$ 97,000
III				
30 Units	New well	25,000		25,000
	Transmission main from well to treatment plant	10,000		10,000
	Deed well site and transmission line easement	7,000		7,000
	On site distribution mains, services and meter boxes.	28,000		28,000
	1 Fire hydrant	1,000		1,000
	Engineering expense.	4,000		4,000
	SUBTOTAL Phase III	\$ 75,000		\$ 75,000
IV				
31 Units	On site distribution mains, services and meter boxes.	29,000		29,000
	1 Fire hydrant	1,000		1,000
	Engineering expense.	2,000		2,000
	SUBTOTAL Phase IV	\$ 32,000		\$ 32,000
121 Units TOTAL - ALL PHASES		\$ 295,000	\$ 72,000	\$367,000

The proposed additions are summarized in the application and in Table I.

A majority of the facilities listed in Table I will be constructed in Phase I of The Meadows, with exception of the following items:

- a. Additional water treatment plant facilities, which will be installed during Phase II construction period.
- b. Portions of the water distribution system will be installed as needed for Phases II, III, and IV.
- c. New well, which will act as reserve source of supply.
- d. Four fire hydrants will be installed as needed for Phases II, III, and IV.

The new storage tank and lines will be installed concurrently with construction of Phase I. The new well will be installed prior to occupancy of the 61st unit in the subdivision. The facilities installed at each phase of the subdivision will be adequate to serve that phase as built, without deviation from G.O. 103.

The utility will provide domestic and fire flows in conformity with G.O. 103 without any deviations. The combination of the present and proposed facilities will provide a flow of approximately 1,400 gallons per minute from the wells and new storage tanks to meet maximum water system demands for the domestic and fire flows.

Permits

Applicant has applied for a water supply permit from the State Department of Health to serve this extension and has also applied for a use permit from the County of Monterey to construct the water storage facilities. These facilities will be constructed in accordance with G.O. 103 and the building code of Monterey County, where applicable. Applicant is franchised by Monterey County to serve the proposed extension.

Effect on the Environment

It was found in Decision No. 87780 dated August 30, 1977, in Application No. 56721, that the County of Monterey was the lead agency for this complete condominium development and the Board of Supervisors on November 12, 1975, certified a Final Environmental Impact Report (File No. 631, EIR No. 75-102) on the project. A Hydraulic Branch staff member reviewed the environmental report prepared by the County of Monterey and in compliance with Section 1001 of the Public Utilities Code, has made an independent consideration of the effect of this extension upon community values, recreation and park areas, historical and aesthetic values and its influence on the environment. As a result, the staff concluded that this development will not adversely affect the environmental qualities of the community.

Contributions and Advances

The developer, El Toro, Ltd., elects to construct the facilities in conformance with Section C.1.c. of Rule No. 15. Based upon the latest figures supplied by applicant, the total cost is now estimated to be \$367,000, of which \$295,000 is proposed to be classified as contributions in aid of construction (not subject to refund) and \$72,000 classified as advances for construction (subject to refund). El Toro, Ltd., has also agreed to waive Section C.2.d. of Rule No. 15 which would assure full refund to all advances in aid of construction when 80% of the bona fide customers for which the extension or special facilities were designed are being served therefrom. The reduction in allowable advances is agreeable to staff and applicant and is based upon a realistic appraisal of the amount of money that can be refunded from revenues generated from water sales over a period of 20 years. The ratio of outstanding advances to total capital will be (\$92,000 + \$242,000) or 38 percent which is within the 40 percent limit set forth in Section A.2.a. of Rule No. 15. We shall order

that should this utility be acquired by a public agency, it shall convey the plant dollars (\$295,000) contributed herein to the public agency without compensation.

Water Supply

The source of water supply is groundwater from a local aquifer. This supply was considered in the applicant's prior Application No. 53848, filed February 20, 1973, and found to be more than adequate. Since then, service to single-family residential customers has approximately doubled but the groundwater level has remained fairly stable. Based on information received from the Monterey County Flood Control and Water Conservation District about the level of water in the basin, the staff believes the water supply is adequate to meet the increased demands of the proposed extension.

Applicant should be required to perform a 72-hour stabilized drawdown test on the new well that is to be constructed in Phase III before connecting into the system. The results of the drawdown test should be submitted to the Commission staff.

Removal of Restriction

Applicant was last authorized to extend its service area by Decision No. 81575, dated July 3, 1973, in Application No. 53848. Ordering Paragraph 6 of that decision restricted applicant from extending service outside its now present service area. At that time, the staff recommended the restriction as a condition granting the Certificate of Public Convenience and Necessity, in order to effectively enforce General Order No. 103 and Rule No. 15 of the utility's filed tariffs. It now appears that the utility has gained sufficient experience with the Commission's rules and regulations, has adequate facilities and provides good service; therefore, it is the staff's recommendation that the restriction referred to in Ordering Paragraph 6 of Decision No. 81575 be removed. The staff's recommendation is reasonable and will be adopted.

Rates

Applicant proposes to apply its existing tariffs and rates to the proposed new service area. The staff of the Hydraulic Branch concurs with applicant's proposal on the basis that the class of customers in the existing and proposed area is the same (single-family residential) and the service conditions are similar.

Adjacent Utilities

There are two water utilities within 2 miles of the applicant's service area: (1) Salinas Hills Water Company and (2) Toro Water Service, Inc. The proposed extension is contiguous to the existing service area. A copy of the application has been served upon the County Clerk, the County Counsel of Monterey County, and the above-named utilities.

Public Hearings

There have been no protests to this extension. The service provided by the utility is satisfactory. The proposed facilities are well planned and the water supply source is believed adequate. No public hearing is believed necessary.

Findings

1. Service rendered to the present customers is satisfactory.
2. Public convenience and necessity require the installation of the proposed extension.
3. The proposed extension meets the design requirements of General Order No. 103.
4. The proposed facilities will be constructed in four phases and each phase, as constructed, will provide service equal to or exceeding the standard of service required by General Order No. 103.

5. There is an adequate water supply to serve the existing customers and the proposed expansion.

6. The existing rate schedules should be applied to the new area.

7. Applicant has applied for a water supply permit from the State Department of Health Services to serve the proposed extension.

8. The County of Monterey is the lead agency under the California Environmental Quality Act (CEQA) and has prepared a Final Environment Impact Report (FEIR).

9. The Commission is the responsible agency under CEQA, has reviewed the FEIR, and finds that the proposed extension will not have a significant impact on the environment.

10. This proposed expansion of service area will not have an adverse affect on community values, recreational and park areas, historical and aesthetic values.

11. It is reasonable to modify the main extension agreement to provide that the estimated total main extension cost of \$367,000 be classified as \$295,000 in contributions in aid of construction and \$72,000 as advances in aid of construction.

12. It is reasonable to modify the main extension agreement to provide that Section C.2.d. of Rule No. 15 be waived.

13. The ratio of outstanding advances in aid of construction to total capital will be 38 percent and within the limit set forth in Section A.2.a. of Rule No. 15 if the agreement is modified in accordance with Finding No. 11.

14. Since there were no protests to this extension, good service to existing customers and full agreement between the utility and developer on all matters, a public hearing is not necessary.

15. A 72-hour drawdown test should be performed on the new well, and the results of the test should be submitted to the Commission.

16. It is no longer necessary to restrict the utility from extending its service area contiguously in the normal course of business, without first having obtained authority from the Commission to do so.

Conclusion

The authority sought by Ambler Park Water Utility to extend service to "The Meadows of Corral de Tierra" and to deviate from its main extension rule should be granted to the extent set forth in the following order.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Ambler Park Water Utility, a corporation, authorizing it to extend facilities to serve the contiguous development known as The Meadows of Corral de Tierra.

2. After the effective date of this order, applicant is authorized to file revised tariff sheets including tariff service area maps, to provide for the application of its present tariff schedules to the area authorized herein. Such filing shall comply with General Order No. 96-A, and shall be filed within 90 days after the effective date of this order. The effective date of the revised tariff sheets shall be four days after the date of filing.

3. Ordering Paragraph 6 of Decision No. 81575, dated July 3, 1973, the restriction relating to contiguous extensions, is rescinded.

4. Applicant shall prepare and keep current the system of maps required by paragraph I.10.a. of General Order No. 103. Within six months after the water system is placed in operation under the authority granted herein, applicant shall file with the Commission two copies of the maps.

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5. Applicant shall have a 72-hour stabilized drawdown test made on the new well that is to be constructed in Phase III before tying into the system and shall submit written notice of the results to the Commission.

6. The main extension agreement between Ambler and El Toro, Ltd., shall show that of the total estimated facility cost of \$367,000 to serve this extension, \$72,000 shall be classified as advances in aid of construction and the remaining \$295,000 shall be classified as contributions in aid of construction.

7. Should this utility be acquired by a public agency, the plant contributed herein (\$295,000) shall be conveyed to the public agency without compensation.

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

Dated NOV 30 1979, at San Francisco, California.

John E. Bryson
President
Richard D. Hoode
Samuel M. Dennis
Commissioners