

W-1

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3373
DATE: November 13, 1987

R E S O L U T I O N

(RES. W-3373) ALISAL WATER CORPORATION (AWC). ORDER AUTHORIZING
A DEVIATION FROM THE MAIN EXTENSION TARIFF RULE NO. 15, SECTION
B.2 APPROVAL OF A PROPOSED MAIN EXTENSION AGREEMENT WITH THE ALISAL
SCHOOL DISTRICT (DISTRICT).

By Advice Letter No. 48, (Exhibit A) filed June 9, 1987, AWC requests authority under General Order 96-A, Section XA to deviate from its filed Tariff Rule No. 15, Main Extensions, Section B.2. The requested modification is for two segments of 2,710 feet of 12-inch water main, and 210 feet of 6-inch main intended to provide fire protection service to Virginia Rocca Barton Elementary School (School) located adjacent to the Natividad Creek in Salinas, Monterey County (Exhibit B). AWC serves about 3,750 metered and 65 flat rate customers in Salinas.

Section B.2 of Rule No. 15 requires that each subsequent customer connected directly to the contributed water main pay to the utility an amount equal to the cost of 50 feet of the main extension. Such amounts are immediately refunded by the utility to its original contributor, in this case, the District. This section also has a provision that the total amount paid by subsequent customers should not exceed the original cost of the main extension, and no refunds are made after 10 years from completion of the main extension.

The proposed main extension agreement (Exhibit C) signed by AWC and District states that District will contribute to AWC \$138,757 for 2,710 feet of 12-inch and 210 feet of 6-inch water mains. These mains are sized to meet the fire flow standards prescribed by the local fire protection agency (Salinas Fire Department) for the School. The agreement also states that the extension of the main to School will benefit an area of approximately 200 acres estimated for potential development of approximately 600 residential units. AWC and District agree that the subdividers of this new area should advance \$50 per new dwelling unit to the utility and that the utility pass these advances on to the District within 60 days.

Deviation from Section B.2 occurs because subsequent customers (developers) benefiting from this \$138,757 main extension will pay a flat fee of \$50 per dwelling unit, rather than paying an amount equal to the cost of 50 feet of the main contributed by the original contributor, District. Retaining the fee up to 60 days as requested by AWC is also a deviation from Section B.2 which requires that the utility must immediately pass the amounts collected from the subdividers to the original contributor, District, which paid for and contributed the main extension to AWC.

The Water Utilities Branch (Branch) believes that the proposed deviations from Rule No. 15 will allow an equitable sharing of development cost by future developers in the area. Also, the Branch believes that this deviation is appropriate because if Section B.2 is strictly followed, subsequent developers connecting new dwellings directly to the 12-inch water main, designed primarily to meet fire flow requirements would be required to pay an unfair portion of the cost, approximately \$2,400 for each dwelling unit. The entire cost of this \$138,757 main extension would be borne by the developers of only 58 dwelling units connected to it. In other words, the \$138,757 for the main extension is approximately equal to 58 dwelling units multiplied by \$2,400 per unit. The Branch believes that this is unfair and that the \$50 per dwelling unit proposed by AWC and District is reasonable and fairly spreads the cost among the broader base of 600 dwelling units in the 200-acre area to be developed.

It is the Branch's view that the total repayments to District by the subdividers will not cover the full cost of the main, nor was it intended that they would. This is not unreasonable to the Branch, especially since the main is not intended for development, although it may be used for that purpose; rather it is for School's fire protection and its entire cost ordinarily would be borne by District. Any sharing of costs by future subdividers is an incidental benefit for District, which in the event of no future development is prepared to bear the full cost.

With respect to the deviation related to the holding period on payments by developers, the Branch has no objection to AWC retaining the payments for 60 days particularly since both AWC and District have agreed to this arrangement.

The Branch has reviewed AWC's request to deviate from Section B.2 of its filed Tariff Rule No. 15 and concludes that it will put no financial burden on AWC, its present or its future customers. The Branch considers the request to be just and reasonable and in the public interest, and recommends that it be granted.

The Commission's opinion, after investigation by the Branch, is that:

1. The proposed deviations from the Tariff Rule No. 15, Main Extensions, Section B.2 as outlined in the agreement between Alisal Water Corporation and Virginia Barton School District for the water main extension shown in Exhibits C is just and reasonable and in the public interest.
2. The proposed agreement between Alisal Water Corporation and Virginia Barton School District attached as Exhibit C is just and reasonable and in the public interest.

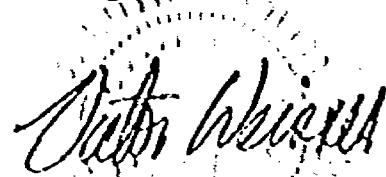
IT IS RESOLVED that:

1. Authority is granted under Section XA of General Order No. 96-A for Alisal Water Corporation to deviate from Rule No. 15, Section B.2 of its filed tariff and to carry out the terms of the proposed agreement with the Virginia Barton School District as set forth in Exhibit C, of this resolution.

2. This Resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on November 13, 1987. The following Commissioners approved it:

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



VICTOR R. WEISSER
Executive Director

Commissioner Donald Vial, being necessarily absent, did not participate.

EXHIBIT A

Alco Water Service

ALISAL WATER CORPORATION

ROBERT T. ADCOCK, PRESIDENT

RECEIVED
JUN 9 1987
WATER UTILITIES BRANCH

EXHIBIT A

TELEPHONE 424-0441
249 WILLIAMS ROAD
SALINAS, CALIFORNIA 93905

MAY 23, 1987

ADVICE LETTER NO. 48

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA:

ALISAL WATER CORPORATION hereby transmits for filing the following tariff sheets which are attached hereto:

<u>CAL P.U.C.</u>		<u>CANCELLING</u>
<u>SHEET NO.</u>	<u>TITLE OF SHEET</u>	<u>SHEET NO.</u>
281-W	List of Contracts and Deviations	253-W
282-W	Table of Contents	280-W

Alisal Water Corporation hereby requests authorization from the Commission to execute a contract deviating from its filed Rule 15, Main Extensions, Section B.2, and accept as a contribution the cost of installing a twelve inch main to provide fire protection service to the Virginia Rocca Barton School. The approximate cost of this line is \$138,000. The proposed line is within the service area boundary of Alisal Water Corporation, see location map attached and marked as Exhibit B.

A deviation to allow the acceptance of these funds as a contribution will put no financial burden on the utility or its present or future customers.

The installation of the twelve inch main will benefit an area adjacent to the Virginia Rocca Barton School, an area comprised of approximately 200 acres, see Exhibit B. This 200 acres is targeted for residential development in the near future. Since this 200 acre area will benefit from the installation of this main, Alisal Water Corporation requests authorization to require any subdivider or developer requesting water

FILED

JUN 9 1987

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

service to any development within the delineated 200 acre area and thereby benefiting from this main to advance an amount of \$50 per dwelling unit for their allocated share of the cost of this main. The advance based on this formula would be in addition to any other advances and/or contributions required of the developer to provide water service to serve his project.

The formula used to determine the amount to be advanced to the utility for the developers allocable share of this main would be:

Number of units x \$50 = Amount to be advanced for main installed
by School

The amount received by the utility based on this formula would be remitted to the school district within sixty (60) days of receipt. The total amount paid to the utility as an advance, based on the formula as stated above, for development within the 200 acre area, shall not exceed the total installed cost of this main.

The term of this contract with the school district advancing the funds for the installation of this main shall be ten (10) years from the date of the enabling resolution, with an option for an extension of ten (10) years. At the end of the term set forth in the contract between the school district and the utility, the utility will no longer require an advance of any subdivider or developer of \$50 per dwelling unit within the delineated 200 acre area for repayment to the school district for this main. This method may not result in a total repayment to the school district. Any balance remaining unpaid at the end of the term will be treated by the utility as a contribution in aid of construction and recorded on the books accordingly. A copy of the contract with the school district is attached hereto and marked as Exhibit A. A copy of the wording to be added to any main extension contracts entered into with any developer or subdivided covering their allocated share of the advance for repayment of this main is attached hereto and marked as Exhibit C.

This filing will not increase any rate or charge, cause the withdrawal of service, nor conflict with any other schedules or rules. It is requested that this filing become effective on the date of the enabling resolution.

ALISAL WATER CORPORATION



Robert T. Adcock, President

ALCO WATER SERVICE
MONTEREY COUNTY

Revised _____ Cal. P.U.C. Sheet No. 281-V
 Canceling Revised _____ Cal. P.U.C. Sheet No. 253-W

Name and Location of Customer	Type or Class of Service	Execution and Expiration Dates	Commission Authorization Number and Date	Most Comparable Regular Tariff	
				Schedule No.	Contract Differences
1. Salinas Union High School District Monterey County	Irrigation	Oct. 31, 1963 to Termination of Main Extention Contract	Resolution No.: W-909 Dec. 11, '63	64-W	60%
2. City of Salinas	Fire Hydrant Service			65-W	
3. Alisal Union School District	Fire Protection	Sept. 18, 1985 to Sept. 18, 1995	Resolution No.: W-3282 Sept. 18, 1985	Form C	no refund
4. Alisal Union School District	Fire Protection	1987 to 1997	Resolution No. W-	Form C	no refund by Alco

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 48

Robert T. Adcock

Date Filed _____

Decision No. _____

President

Effective _____

Resolution No. _____

U-28 701102-10,000

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

<u>Subject Matter of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	192-w
Table of Contents	282-v, 202-v
Preliminary Statement	67-v, 68-w
Service Area Map	256-v, 249-v, 172-w 193-v, 250-v
Rate Schedules:	
Schedule No. 1-Metered Service	261-w
Schedule No. 1-BE Metered Service	259-w
Schedule No. 1-PV Metered Service	255-w
Schedule No. 2-Residential Flat Rate Service	251-w
Schedule No. 4-Private Fire Protection	262-w
Schedule No. 5-Public Fire Hydrant Service	65-w
Schedule No. 6-Privately Owned Fire Hydrant	263-w
Summary List of Contracts and Deviations	281-w
Rules:	
No. 1 Definitions	70-w, 71-w
No. 2 Description of Service	164-w
No. 3 Application for Service	73-w
No. 4 Contracts	74-w
No. 5 Special Information Required on Forms	265 - 267-w
No. 6 Establishment and Re-establishment of Credit	77-w
No. 7 Deposits	198-w
No. 8 Notices	268-w, 269-w
No. 9 Rendering and Payment of Bills	81-w, 83-w
No. 10 Disputed Bills	84-w
No. 11 Discontinuance and Restoration of Service	270 - 277-w
No. 12 Information Available to Public	88-w, 89-w
No. 13 Temporary Service	90-w, 91-w
No. 14 Continuity of Service	92-w
No. 15 Main Extensions	217-w, 230-w
No. 16 Service Connections, Meters, & Customers Facilities	98-w, 99-w 231-w
No. 17 Measurement of Service	101-w, 102-w
No. 18 Meter Tests & Adjustments of Bills for Meter Error	106-w, 108-w
No. 19 Service to Separate Premises & Multiple Units & Resale of Water	109-w
No. 20 Fire Protection	110-w

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 48

Robert T. Adcock

Date Filed _____

Decision No. _____

President/General Manager

Effective _____

Resolution No. _____

EXHIBIT B

THE NEXT

1

DOCUMENTS ARE

POOR ORIGINALS

MICROFILMING SERVICES

will not assume responsibility

for the image quality

Exhibit B

VIRGINIA BARTON SCHOOL LOCATION

Nativityd Creek.

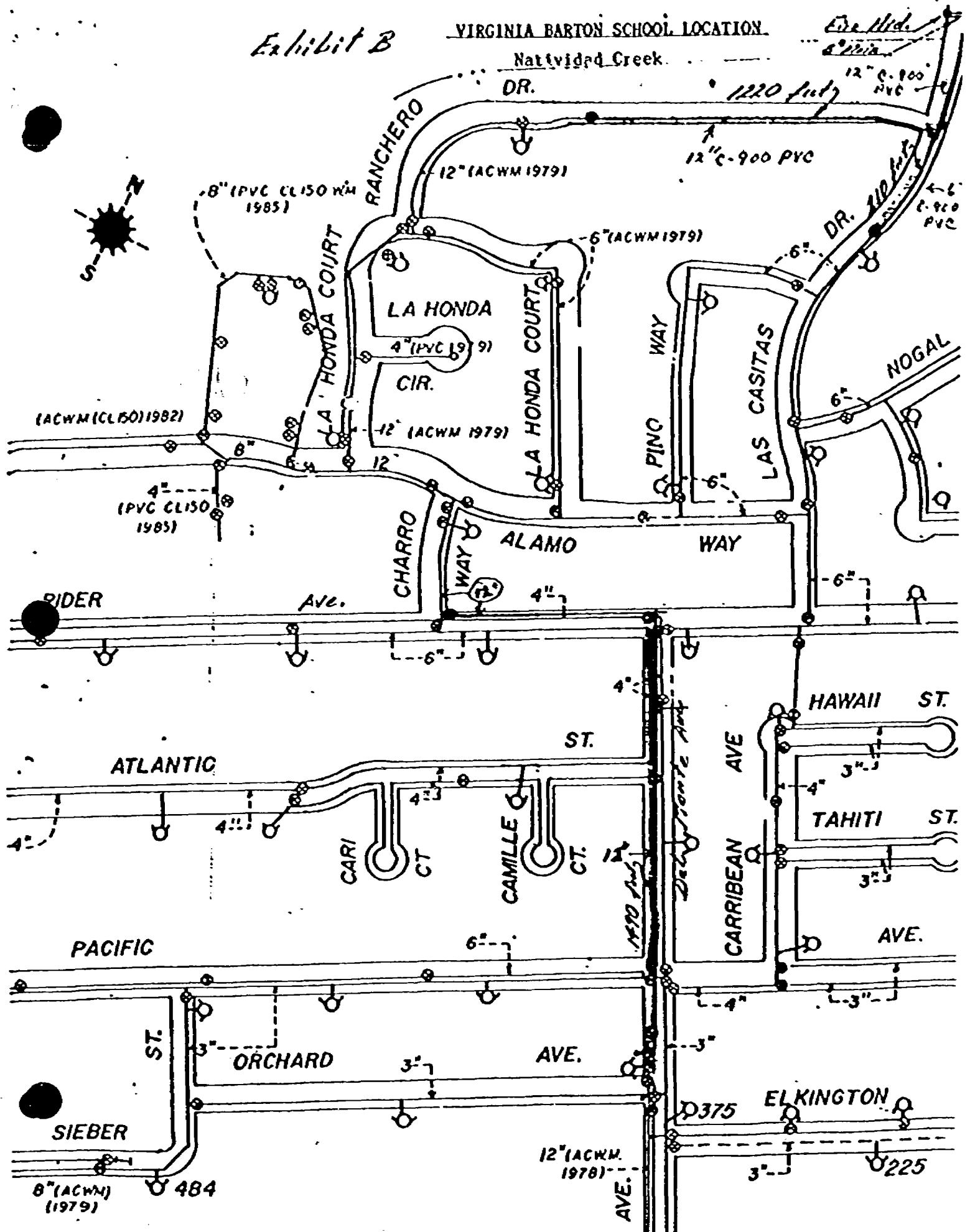


EXHIBIT C

AGREEMENT

This Agreement is made and entered into this 6th day of November, 1986 by and between the ALISAL SCHOOL DISTRICT (hereinafter referred to as "District") and the ALISAL WATER CORPORATION dba ALCO WATER (hereinafter referred to as "Alco").

RECITALS

This Agreement is made with reference to the following facts:

1. District is currently undertaking the construction of the Virginia Rocca Barton Elementary School on a site located adjacent to the Natividad Creek in Salinas, California.

2. The District must insure that an adequate water supply for fire protection and other purposes is provided to the school site.

3. Alco provides the water service to the area in which the school is to be located.

4. The cost of providing the water system necessary to bring water to the school site is estimated to be the sum of One Hundred Thirty Eight Thousand Seven Hundred Fifty Seven Dollars (\$138,757.00). A copy of a drawing of the improvements to be made to the water system, together with a copy of the estimated costs, are collectively attached hereto as Exhibit "A" and incorporated herein by reference.

5. The District, through the State of California, will pay for the improvements set forth in Paragraph "4" above, provided that Alco collects from developers who may later use said water

system an amount equal to the developers proper share of the costs of said system.

6. The architect for the District has found that the non-District property to be benefited by the construction and improvement to the water system is the property outlined on Exhibit "B" attached hereto and incorporated herein by reference.

7. The architect for the District has further found that a proper and fair reimbursement from the developers of the property set forth on Exhibit "B" to the State of California, through the District, would be the sum of Fifty Dollars (\$50.00) per unit for the first 600 dwelling units developed on said property.

8. In connection with Advice Letter W-32-82 dated September 18, 1985, Alco agrees and the California Public Utility Commission found that Fifty Dollars (\$50.00) per dwelling lot was a reasonable charge to be paid by a developer for such an improvement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

A. District hereby applies for a water main extension to provide fire flow to the Virginia Rocca Barton Elementary School. The main extension described on Exhibit "A" shall be understood by Alco as the main that shall be used for the purpose of furnishing fire flow, Alco agrees that it will, as soon as necessary materials and labor are available, and necessary permits, franchises, licenses or other governmental authorizations have been obtained, commence and prosecute to completion with all reasonable diligence the work of installing the facilities and when complete and accepted will provide water service in accordance with Alco's tariffs.

B. The water main is designed to meet the minimum fire flow requirements contained in Section VIII.1(a) in the California Public Utilities Commission General Order No. 103 as ordered by Decision No. 84334, effective June 5, 1975.

C. District shall pay, through the State of California, the amount of One Hundred Thirty Thousand Seven Hundred Fifty Seven Dollars (\$138,757.00) for construction of a twelve inch (12") water main at the time it requests Alco to install said facilities. It is understood that the estimated cost of facilities may increase with each month of delay of the actual construction thereof. Within One Hundred Eighty (180) days after completion of the installation of facilities, Alco shall furnish District an itemized schedule of the total costs of said facilities as constructed. Alco shall then reimburse District in cash any sum of money by which the amount paid by District exceeded actual construction costs. If, instead, the actual construction costs exceed the amount previously paid by District, District shall pay Alco in cash the difference.

D. District shall deed to Alco, free and clear of any liens and encumbrances, at no cost to Alco, such easements for ingress and egress and pipeline purposes as are required.

E. All of the water transmission main installation pursuant to this Agreement shall be the sole property of Alco, and District waives any right or claim to a refund or reimbursement from Alco.

F. The twelve inch (12") transmission line will provide fire protection to an area as outlined in Exhibit "B". This property is situated within the Salinas North-East Development

Plan, and is subject to residential development within the next five (5) years.

Alco will require any developer or developers subdividing the property described on Exhibit "B" to pay to Alco the sum of Fifty (\$50.00) Dollars per dwelling unit for the first 600 dwelling units so developed. Alco agrees that within sixty (60) days of the receipt of said funds it will pay same to District as a reimbursement for the costs of the twelve inch transmission line. Reimbursement by Alco to District of funds received from developers shall not exceed the amount actually advanced by the District. All monies collected by Alco pursuant to this Agreement shall be paid directly to the District and shall not be credited or offset against the District's monthly water charges.

The term of this provision shall be ten (10) years from the completion of the main extension and all monies collected by Alco shall be paid to the District within sixty (60) days of the termination date; provided, however, that if the entire amount of the improvements has not been reimbursed to the District at the end of the term of this Agreement, the Agreement is extended for an additional ten (10) years, or until the entire reimbursable amount has been collected and paid to the District, whichever occurs first.

G. Alco will not be required to make extensions under this contract where the easements, rights of way, or streets are not kept free from other interfering construction or street work during installation of said water system. District agrees to use its best efforts to assist Alco to obtain any and all permits,

franchises or other governmental authorizations which may be required for the installation of the facilities. District will provide any easements or rights of way required for the installation.

H. The obligations of the District shall be joint and several. This Agreement shall bind and inure to the benefit of the heirs, representatives, executors, administrators, successors and/or assigns of the respective Parties hereto.

I. All contracts of Alco are under the jurisdiction of the California Public Utilities Commission, and this Agreement is made subject to and will be effective upon the approval of that Commission.

ALISAL SCHOOL DISTRICT

By 

ALISAL WATER CORPORATION
dba ALCO WATER

By 

Legal Counsel for the District has reviewed the case San Marcos water District v San Marcos Unified School District, 42 Cal 3d 154; Cal Rptr, P.2d (July, 1986). It is the opinion of legal counsel that this decision does not apply to this Agreement.

ABRAHSON, CHURCH & STAVE

By 

PAUL D. GULLION

MODIFICATION AGREEMENT

The undersigned hereby agree to modify the terms and conditions of the main line extension agreement in the following manner:

1. The provision providing for a ten (10) year extension is deleted in its entirety.
2. The main line extension agreement shall be for a term of ten (10) years only.

Except for this modification, all other terms and conditions remain in full force and effect.

DATED: 8.27.87

ALISAL SCHOOL DISTRICT

ALISAL WATER CORPORATION
dba ALCO WATER

By [Signature]

By [Signature]