

# CALIFORNIA PUBLIC UTILITIES COMMISSION WATER DIVISION

## Advice Letter Cover Sheet

<b>Utility Name:</b> Mecchi Water Company	<b>Date Mailed to Service List:</b> June 1, 2021
<b>District:</b>	
<b>CPUC Utility #:</b> WTD 321	<b>Protest Deadline (20<sup>th</sup> Day):</b> June 21, 2021
<b>Advice Letter #:</b> 27-W	<b>Review Deadline (30<sup>th</sup> Day):</b> July 1, 2021
<b>Tier</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3 <input type="checkbox"/> Compliance	<b>Requested Effective Date:</b> July 12, 2021
<b>Authorization</b> D92-03-093	
<b>Description:</b> URCMA – In line service study project	<b>Rate Impact:</b> \$0 0%

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

**Utility Contact:** Gary Ledesma  
**Phone:** 408-926-1322  
**Email:** garyled7@aol.com

**Utility Contact:**  
**Phone:**  
**Email:**

**DWA Contact:** Tariff Unit  
**Phone:** (415) 703-1133  
**Email:** [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

### DWA USE ONLY

DATE	STAFF	COMMENTS

APPROVED

WITHDRAWN

REJECTED

**Signature:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_

**Mecchi Water Company**  
14500 Monterey Hwy., San Martin, Ca. 95946

June 1, 2021

Advice Letter No. 27-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Mecchi Water Company (MECCHI) hereby transmits for filing one original and one copy of this advice letter (AL) and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
271-W	Schedule No. 1, General Metered Service	260-W
272-W	Schedule No. 2, Flat Rate Service	261-W
273-W	Table of Contents	270-W

**REQUEST**

By AL No. 27-W MECCHI seeks to recover costs charged to the Unanticipated Repair Cost Memorandum Account (URCMA). The recorded costs in the memorandum account were incurred to address the issues raised in the State Water Resources Control Board Division of Drinking Water 's (Division) Citation #02\_ 17\_20C\_013. The SWRCB ordered that MECCHI to engage an engineering firm to study and create a plan to replace the user lines that do not meet materials and standards required by the State. As of April 30, 2021, the total amount to be recovered is \$10,212.75. MECCHI requests that the URCMA balance be transferred to a balancing account to be amortized with a surcharge of \$13.30 to each customer's bill for 24 months. This amount is equal to 28% of gross annual revenues (\$36,377) adopted for the most recent general rate case, test year 2013, Resolution W-4887, December 1, 2011, and 31% of MECCHI'S present rates (\$32,995.09). MECCHI'S present rates became effective June 22, 2012, through Advice Letter No. 21-W CPI offset.

**BACKGROUND**

On July 8, 2020, the Division directed MECCHI to engage and work with an engineering consulting firm to develop a plan to investigate and determine the material of the user service lines. The plan must be submitted to the Division by

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August 8, 2020. As a minimum, MECCHI must pothole at the connection between the water main and certain user service lines to determine their materials and content.

MECCHI reported on July 9, 2020 that it has twenty-eight user service lines whose content cannot be determined in its distribution system. In response to the citation, MECCHI submitted a replacement plan on October 8, 2020. However, the October 8, 2020 plan was not approved by the Division as the proposal did not adequately address all unknown user service line material. In addition, the plan did not include a schedule to replace lead pipe material, if found during the investigation. MECCHI was required to submit a revised plan by November 18, 2020.

On September 16, 2020, Citation #02\_17\_20C\_013 was issued to MECCHI for failure to comply with California Health and Safety Code, Section 116885 which requires the utility to compile an inventory of user service lines of unknown material and provide a timeline to the Division by July 1, 2020, for replacement of those user service lines.

On November 4, 2020, the Division reviewed the proposal and found that plans for Phase 1 acceptable but not Phase 2. Under Phase 2, all unknown service lateral material must be identified through potholing regardless of the age of the home. The proposal did not include a schedule to replace lead pipe material if found during the investigation. The proposal did not satisfy the requirements of Section 116885 and therefore not acceptable. By November 18, 2020, MECCHI was ordered to submit a proposal that identifies the material of all user service lines and a schedule to replace any lead pipe material.

On November 16, 2020, a plan was submitted by MECCHI that proposed to identify the user service line material in two phases. Phase 1 includes mapping and inventorying the MECCHI distribution system using a pipe detector instrument that detects steel pipe material, such as galvanized steel. Water main and service lines that cannot be detected will be investigated in Phase 2. Under Phase 2, all service laterals of unknown pipe material will be potholed, and the pipe material determined. If any lead was found after potholing the service lateral, the lead pipe material will be replaced with pipe materials meeting NSF/ANSI 61 standards. The utility anticipates additional expenses related to this replacement of service lines project.

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A detailed summary of the engineering costs is attached with the invoices. The total cost of the project as of April 30, 2021, is \$10,212.75.

**TIER DESIGNATION AND REQUESTED EFFECTIVE DATE**

This AL and enclosed tariffs are submitted pursuant to Water Industry Rule 7.3.3(5) of General Order (GO.) 96-B and this AL is designated as a Tier 3 filing. This advice letter will become effective upon approval through a Commission Resolution. <sup>1</sup>

**NOTICE**

A copy of this AL has been served to all parties listed on the service list<sup>2</sup> on the last page of this AL. This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

**RESPONSE OR PROTEST<sup>3</sup>**

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the advice letter;
2. The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the advice letter contain material error or omissions;
4. The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
5. The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
6. The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a Prior order of the Commission).

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<sup>1</sup> GO. 96-B, Water Industry Rule 7.3.3

<sup>2</sup>GO. 96-B, Water Industry Rule 4.2

<sup>3</sup> GO. 96-B, General Rule 7.4.1

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A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. The WD must receive a response or protest via email (**or** postal mail) within 20 days of the date the AL is filed. The addresses for submitting a response or protest are:

**Mailing Address:**

Tariff Unit  
Water Division, 3rd Floor  
California Public Utilities  
Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**Email Address:**

[Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

On the same day the response or protest is submitted to WD, the respondent or protestant shall send a copy of the protest to MECCHI at:

**Mailing Address:**

MECCHI Water Company  
Attn: Gary Ledesma  
14500 Monterey Hwy.,  
San Martin, Ca. 95946

**Email Address:**

[garyled7@aol.com](mailto:garyled7@aol.com)

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform WD, within the 20-day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

## **REPLIES**

The utility shall reply to each protest and may reply to any response. Each reply must be received by WD within five business days after the end of the protest

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period and shall be served on the same day to the person who filed the protest or response.<sup>4</sup>

## CERTIFICATE OF SERVICE

I hereby certify that the service list from Advice Letter #27-W has been served a copy of this AL on June 1, 2021.

Executed in San Jose, California on June 1, 2021.

MECCHI Water  
Company

By: /s/GARY LEDESMA

Gary Ledesma  
Owner

Enclosures

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<sup>4</sup>GO. 96-B, General Rule 7.4.3

# Mecchi Water Company

14500 Monterey Hwy., San Martin, Ca. 95946

## Advice Letter #27-W

### Service List

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Christopher Hauge  
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Santa Clara Valley Water District  
Susan O'Neal  
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California Department of Health Services  
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