

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Highway 68 Coalition,

Complainant

v.

California-American Water Company (U210W),

Defendant.

C.10-08-022
(Filed August 31, 2010)

**OPENING BRIEF OF CALIFORNIA-AMERICAN WATER COMPANY (U210W)
OPPOSING THE COMPLAINT OF THE HIGHWAY 68 COALITION**

Timothy J. Miller, Esq.
CALIFORNIA-AMERICAN WATER COMPANY
1033 B Avenue, Suite 200
Coronado, CA 92118
Telephone: (619) 435-7411
Facsimile: (619) 435-7434
Email: tim.miller@amwater.com

Attorneys for Defendant
California-American Water Company

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I. INTRODUCTION

Pursuant to Rule 13.11 of the California Public Utilities Commission's Rules of Practice and Procedure, California-American Water Company ("California American Water") files this opening brief in opposition to the form complaint ("Complaint") of the Highway 68 Coalition ("Coalition"). The scoping ruling issued on February 17, 2011 asks the parties to address this question:

Does Ordering Paragraph 9 of Decision 98-09-083 prohibit the shared use of the Ambler Water Treatment Plant between customers in the Ambler Service Territory as it existed when the decision was rendered and customers in areas that have been annexed to the Ambler Service Territory since the 1998 decision was issued?¹

The record in proceeding A.97-07-058 ("Ambler Acquisition Proceeding") is devoid of evidence that the Commission intended to prohibit the use of the Ambler Water Treatment Plant

¹ On February 17, 2011, the Assigned Commissioner issued a Revised Scoping Memo that made this question the only issue to be briefed. On March 9, 2011 the Coalition filed an objection to that scoping memo. Pursuant to Cal. P.U.C. Rules of Practice and Procedure 7.6(a), such an objection was to be filed by February 27, 2011. Accordingly, the Coalition's objection is untimely, and therefore California American Water addresses in this brief only the question set forth in the Revised Scoping Memo.

to serve territory annexed after California American Water acquired the Ambler system. The record in the Ambler Acquisition Proceeding clearly shows the Commission's intent for Ordering Paragraph Number 9 of D.98-09-038 ("Ordering Paragraph 9") was to prohibit California American Water from interconnecting the Ambler water system to its main Monterey system so that water could not be exported from Ambler to the Monterey Peninsula. In the Ambler Acquisition Proceeding, California American Water expressly requested authorization to improve the treatment plant. The record is devoid of evidence that the Commission gave any consideration to limiting the use of the treatment plant, much less evidencing such intent in Ordering Paragraph 9.

Moreover, prohibiting the use of the treatment plant to newly annexed territory is both: (a) an unreasonable difference in service in violation of Public Utilities Code section 453 imposed in violation of Public Utilities Code section 1705; and (b) inconsistent with California American Water's duty to serve pursuant to Public Utilities Code section 451.

II. STATEMENT OF FACTS

A. California American Water's Acquisition of Ambler Water Company Allowed New Territory and Improvement of the Treatment Plant

On July 31, 1997, California American Water and Ambler Park Water filed a joint application seeking Commission authorization for Ambler Park Water to sell and California American Water to buy the assets of Ambler Park Water.² In that proceeding, the Commission was provided a report by the ratepayer advocate, held a public participation hearing and an evidentiary hearing.³

² See D.98-09-038, *Re Ambler Park Water Utility*, 1998 WL 1013130 ("Ambler Acquisition Order" or "D.98-09-038, 1998 WL 1013130").

³ D.98-09-038, 1998 WL 1013130, passim, attached as Exhibit 2 to *Motion of California-American Water Company (U210W) to Dismiss the Complaint of The Highway 68 Coalition ("Motion to Dismiss")*, Attachment A, *Second Request by California-American Water Company (U210W) for Official Notice* (Second Request for Official

In Ambler Acquisition Proceeding, California American Water proposed capital improvements to bring the treatment plant into compliance with health and safety standards.⁴ The Ratepayer Representation Branch requested the Commission impose the following condition on California American Water's acquisition:

CalAm should be required to provide RRB by December 31, 1998, a report on the additional plant improvements, including the capital expenditures related to the plant improvements, which are put in place to bring Ambler service area into compliance with health and safety standards.⁵

Another issue in the Ambler Acquisition Proceeding was a request by the Highway 68 Coalition to limit the number of service connections in the Ambler service area.⁶ At the evidentiary hearing, the then-owner of Ambler Park Water, Mr. Con Cronin testified regarding Ambler Park Water's obligation to serve:⁷

Q. So far as you know, is there any – do you have any obligation to serve customers outside of your service area?

A. No.

Q. And you've made no agreements to do so, I take it?

A. I have made agreements with Bollenbacher and Kelton, and with the Broccoli people. Bollenbacher & Kelton, that agreement was made some twenty-five years ago when Ray Swarner was the personnel for Bollenbacher & Kelton. He has since died. And that commitment was for twenty-five units along San Benancio Road. And they've reduced that to twelve now, I believe. And the Broccoli property, I made that verbal agreement in 1986.

Q. And the Bollenbacher property, is it adjacent to your property?

A. Right across San Benancio Road. And it is adjacent to it on the far end of it, yes.

Q. Is there a written agreement to that effect?

Notice"), filed February 2, 2011.

⁴ D.98-09-038, 1998 WL 1013130, *2.

⁵ *Id.*, *3.

⁶ *Id.*, *2.

⁷ Second Request for Official Notice, Ex. 1, pp. 66-67.

- A. No.
- Q. This is an oral agreement?
- A. It's an oral agreement.
- Q. The identity of the person on the other side of the second agreement was what?
- A. Broccoli, spelled the same as broccoli, B-R-O-C . . .
- Q. We'll do our best.
- A. Alright.
- Q. What is the obligation so far as you understand with regard to the sale of water to the Broccoli property?
- A. Well, they're going to put in, and Bollenbacher & Kelton too, will put in the necessary pipes, pumps and wells to furnish that property water. And we have the water to furnish them.
- Q. How many units would be served on the Broccoli property?
- A. Fourteen, I believe; fourteen or fifteen.
- Q. And you said that neither of these agreements is in writing, is that correct?
- A. No. They have my word on it.
- Q. To your knowledge, is California-American Water Company obligated to perform those oral agreements of yours?
- A. I would say so, yes.

In addition to the evidentiary hearing, the Commission held a public participation hearing.⁸ The Ambler Acquisition Order summarized some of the issues raised at the public participation hearings. One such issue was:

At the PPH, several customers praised the service provided by Ambler. **The customers, however, were concerned that CalAm would divert the water supply in Ambler's service area to CalAm's service area in Monterey through an interconnection and that certain water production costs for service in the Monterey Bay Area, including the cost of construction of the proposed Carmel Dam, would be charged to Ambler's current customers.**

⁸ D.98-09-038, 1998 WL 1013130, *2.

CalAm stated that it was not going to interconnect Ambler's service area with its current Monterey Division service area. CalAm also stated that it would operate the Ambler service area on a stand-alone basis and that no water production cost from the Monterey Division would be transferred to Ambler's customers.

The Commission approved the purchase and sale agreement.¹⁰ In the Ambler Acquisition Order, the Commission addressed the issues of: (a) treatment plant improvements; (b) service area extensions; and, (c) an interconnection between the Ambler water system and California American Water's main Monterey system.

As to the treatment plant improvements, the Commission stated:

RRB requests that CalAm be required to provide RRB with reports on the treatment of acquisition adjustment and system improvements to bring Ambler's service area into compliance with health and safety standards. In its application, CalAm states that it will perform certain plant improvements within three months of acquiring Ambler's system. The proposed plant improvements are listed in Exhibit 9 attached to the application. We expect CalAm to complete the proposed improvements within three months of the completion of the transfer. Within 45 days upon completion of the proposed improvements, CalAm should provide a report to the Director of the Water Division on the system improvements put in place. The report should include the actual costs of the improvements made. If the improvements are not put in place within three months of the effective date of this order, CalAm's report should also include an explanation for the delay.

As to service area expansion, the Commission stated:

Highway 68 Coalition requests that as a condition of approval of the requested transfer of ownership, the Commission impose a moratorium on new service connections in the Ambler service area. According to Highway 68 Coalition, CalAm's proposed acquisition has a hidden agenda to enlarge Ambler's service area to include the nearby, extensive undeveloped acreage owned by Bollenbacher and Kelton, Inc.

Highway 68 Coalition states that water supply in Ambler's service area is limited and that addition of new customers may result in the system running out of water. [¶] [¶]

Next, we will consider Highway 68 Coalition's concern about expansion of Ambler's service area to the property owned by

⁹ D.98-09-038, 1998 WL 1013130, *2.

¹⁰ D.98-09-038, 1998 WL 1013130, *7, Ordering ¶1.

Bollenbacher and Kelton, Inc. Highway 68 Coalition is surmising that CalAm has a hidden agenda to expand its service area. It has not provided any basis to lead us to the same conclusion. **However, even if Highway 68 Coalition's assumption regarding service area expansion is correct, CalAm will still have to seek approval of the Commission for expansion of its service through an advice letter.** Adequacy of water supply would be one of the factors considered by the Commission before authorizing the expansion of the service area. We will not adopt Highway 68 Coalition's recommendation regarding placing a moratorium on service connections as a condition of approving the transfer of the water system.¹¹

The Commission adopted a conclusion of law consistent with this determination.¹² In addressing the issue of interconnecting the Ambler system to other water systems, the Commission stated:

Highway 68 Coalition and Richard Hughett have filed comments on the proposed decision. CalAm filed reply comments. After reviewing the comments, we believe that only one issue needs to be addressed. Richard Hughett points out that during the public participation hearing, Larry Foy, Vice-President of CalAm, stated that:

"...And we have agreed with the individuals with that concern and request that the Commission place as part of this purchase that condition, the water will not be exported from this operating system." (Tr. PHC p. 2)

Richard Hughett requests, among other things, that as a condition of approval of the transfer of ownership of Ambler's water system, the Commission prohibit any interties between Ambler's water system and CalAm's other water systems.

We have verified Richard Hughett's assertion and have added the appropriate Finding of Fact and Ordering Paragraph to prohibit interties between Ambler's water system and CalAm's other water systems.¹³

To address this issue, the Ambler Acquisition Order contains the following ordering paragraph: "CalAm is prohibited to intertie Ambler's water system to any other water system of CalAm."¹⁴

¹¹ D.98-09-038, 1998 WL 1013130, *4 (emphasis added).

¹² *Id.*, at *6, Conclusion of Law ¶7.

¹³ *Id.*, at *6 (emphasis added).

¹⁴ *Id.*, at *7, Ordering ¶9 (hereinafter "Ordering ¶9").

B. California American Water Annexed The Broccoli Development As Allowed By The Ambler Acquisition Order

Prior to California American Water's acquisition of Ambler Water Company, Monterey County approved a lot line adjustment for the Broccoli property.¹⁵ Harper Canyon Realty also sought and obtained concurrence from the Monterey County Local Agency Formation Commission ("LAFCO") that California American Water as the successor to Ambler Park Water was the appropriate water service provider for this property.¹⁶ The Monterey County LAFCO issued such approval on May 24, 2000.¹⁷ On August 11, 2000, after California American Water acquired Ambler Park Water, California American Water submitted an advice letter to annex the Harper Canyon Realty's property into its Ambler service area.^{18, 19} Advice Letter 545 sought to annex 440 acres owned by Harper Canyon Realty, divided into 15 lots.²⁰ Of the 440 acres, approximately 100 acres was divided into 13 lots abutting Meyer Road.²¹ The remaining 340 acres is divided into two lots abutting Meyer Road and Rimrock Canyon Road.²² On September 19, 2000, the Commission approved the Advice Letter 545.²³

¹⁵ Motion to Dismiss, Attachment B, *Declaration of Michael D. Cling in Support of California-American Water Company's Motion to Dismiss* ("Cling Declaration"), p. 1, ¶ 2.

¹⁶ Cling Declaration, p. 2, ¶ 3.

¹⁷ *Id.*

¹⁸ Motion to Dismiss, Attachment C, *Declaration of David P. Stephenson in Support of California-American Water's Motion to Dismiss the Formal Complaint of the Highway 68 Coalition* ("First Stephenson Declaration"), p. 2, ¶. 4

¹⁹ The original advice letter was erroneously enumerated 547. California American Water subsequently sent a correction notice to the service list correcting the identification of that advice letter as number 545, not number 547. Although California American Water's records are incomplete with regard to the processing of Advice Letter 545, California American Water either submitted to the Commission a properly designated advice letter, or withdrew the improperly designated advice letter and resubmitted a corrected advice letter. *See* First Stephenson Declaration.

²⁰ Cling Declaration, Exhibit 1

²¹ *Id.*, Exh. 1

²² *Id.*, Exh. 1

²³ Second Request for Official Notice, Exh. 3

C. **California American Water Annexed The Ambler Oaks Subdivision As Allowed By The Ambler Acquisition Order**

On January 11, 2005, California American Water filed Advice Letter 617 with the Commission.²⁴ Advice Letter 617 requested approval from the Commission to extend the Ambler service area to include a new subdivision, the Oaks Subdivision.²⁵ The Oaks Subdivision is within property owned by Bollenbacher and Kelton.²⁶ It is located across San Benancio Road from the original Ambler Park Water service area.²⁷ Advice Letter 617 was served on California American Water's Monterey Division service list and Monterey County LAFCO.²⁸ On February 17, 2005, the Commission approved Advice Letter 617.²⁹

III. **ARGUMENT**

A. **The Ambler Acquisition Order Does Not Prohibit Using The Ambler Treatment Plant To Serve Subsequently Annexed Territory**

1. **Ordering Paragraph 9 Is Intended To Prohibit Water Export To The Monterey Peninsula; It Does Not Prohibit Water Treatment For New Ambler Customers.**

The question presented in the scoping memorandum is: does Ordering Paragraph 9 of Decision 98-09-083 prohibit the shared use of the Ambler Water Treatment Plant between customers in the Ambler Service Territory as it existed when the decision was rendered and customers in areas that have been annexed to the Ambler Service Territory since the 1998 decision was issued? The answer to that question is: No. Ordering Paragraph 9 prohibits an interconnection between the Ambler water system and California American Water's main Monterey system. The purpose of that prohibition was to prevent water being exported from the Ambler area to solve the Monterey Peninsula's water supply deficit.

²⁴ First Stephenson Declaration, p. 3, ¶ 6.

²⁵ *Id.*

²⁶ First Stephenson Declaration, Exh. 5.

²⁷ First Stephenson Declaration, Exh. 6.

²⁸ *Id.*

²⁹ Second Request for Official Notice, Exh. 3.

The same rules are used to ascertain the meaning of an order as are used to ascertain the meaning of any other writing, and the entire record may be examined to determine the scope and effect of an order or judgment.³⁰ The primary goal of document interpretation is to give effect to the intent of the document.³¹ This is done first through examining the language of the document.³² If possible, significance should be given to every word, phrase, sentence and part of [a document] in pursuance of the . . . purpose; a construction making some words surplusage is to be avoided. [Words] must be construed in context, keeping in mind the nature and obvious purpose of the [document] where they appear.³³ The clear and explicit meaning of the document's provisions, interpreted in their ordinary and popular sense (unless used by the parties in a technical sense or a special meaning is given to them by usage) controls interpretation.³⁴ If the language allows more than one reasonable construction, then it is appropriate to resort to extrinsic aids.³⁵

Ordering Paragraph 9 states: "CalAm is prohibited to intertie Ambler's water system to any other water system of CalAm."³⁶ Giving effect to each word of this paragraph, the key question is the phrase describing what California American Water is prohibited to intertie to the Ambler system – "any other water system of [California American Water]." This paragraph unambiguously prohibits California American Water from connecting the to-be acquired Ambler system to another water system California American Water owned at that time – that

³⁰ *Los Angeles Local Joint Executive Board of Culinary Workers and Bartenders v. Stan's Drive-Ins, Inc.* (1955) 136 Cal.App.2d 89, 94.

³¹ See *Monterey/Santa Cruz County Building and Construction Trades Council v. Cypress Marina Heights, LP* (2011) 2011 WL 63101 (Applying the same principle to both statutory and contract interpretation).

³² *Id.*, *840.

³³ *Id.*.

³⁴ *Id.* citing Civ. Code § 1641.

³⁵ *Id.*

³⁶ D.98-09-038, 1998 WL 1013130, *6, Ordering ¶9.

construction uses the phrase “to any other water system of [California American Water]” in its ordinary sense.

The rules regarding the construction of orders also allow the Commission to look at the entire record of the Ambler Acquisition Proceeding to determine the scope and effect of Ordering Paragraph 9, and the record supports such a limited application that paragraph. The record from the Ambler Acquisition Proceeding shows that Ordering Paragraph 9 was intended to prohibit California American Water from interconnecting Ambler to its main Monterey system, which was in the midst of a water supply crisis. The Ambler Acquisition Order puts the record in context:

At the PPH, several customers praised the service provided by Ambler. **The customers, however, were concerned that CalAm would divert the water supply in Ambler's service area to CalAm's service area in Monterey through an interconnection and that certain water production costs for service in the Monterey Bay Area, including the cost of construction of the proposed Carmel Dam, would be charged to Ambler's current customers.**

CalAm stated that it was not going to interconnect Ambler's service area with its current Monterey Division service area. CalAm also stated that it would operate the Ambler service area on a stand-alone basis and that no water production cost from the Monterey Division would be transferred to Ambler's customers.³⁷

It is in this context that Ordering Paragraph 9 was added to the Ambler Acquisition Order. The Commission further explained the circumstances under which Ordering Paragraph 9 was added:

Highway 68 Coalition and Richard Hughett have filed comments on the proposed decision. CalAm filed reply comments. After reviewing the comments, we believe that only one issue needs to be addressed. Richard Hughett points out that during the public participation hearing, Larry Foy, Vice-President of CalAm, stated that:

³⁷ D.98-09-038, 1998 WL 1013130, *2.

" ...And we have agreed with the individuals with that concern and request that the Commission place as part of this purchase that condition, the water will not be exported from this operating system." (Tr. PHC p. 2)

Richard Hughett requests, among other things, that as a condition of approval of the transfer of ownership of Ambler's water system, the Commission prohibit any interties between Ambler's water system and CalAm's other water systems.

We have verified Richard Hughett's assertion and have added the appropriate Finding of Fact and Ordering Paragraph to prohibit interties between Ambler's water system and CalAm's other water systems.³⁸

Thus, Ordering Paragraph 9 applies only to a connection between the Ambler system and California American Water's main Monterey system to prevent water from being exported to the Monterey Peninsula. The record in the Ambler Acquisition Proceeding is devoid of evidence that the Commission intended Ordering Paragraph 9 to apply to anything other than a connection to the main Monterey system.

2. The Treatment Plant Was An Issue In The Ambler Acquisition Proceeding And The Record Is Devoid Of Evidence That The Commission Restricted Its Use.

That Ordering Paragraph 9 does not apply to the Ambler treatment plant is also supported by the record in that the Ambler Acquisition Order discusses improvements to the treatment plant, yet contains no discussion, finding of fact, conclusion of law, or ordering paragraph that expressly refers to the treatment plant.

In Ambler Acquisition Proceeding, California American Water proposed capital improvements to bring the treatment plant into compliance with health and safety standards.³⁹ The Ratepayer Representation Branch requested the Commission impose the following condition on California American Water's acquisition:

³⁸ D.98-09-038, 1998 WL 1013130, *6 (emphasis added).

³⁹ D.98-09-038, 1998 WL 1013130, *3.

CalAm should be required to provide RRB by December 31, 1998, a report on the additional plant improvements, including the capital expenditures related to the plant improvements, which are put in place to bring Ambler service area into compliance with health and safety standards.⁴⁰

The Ambler Acquisition Order expounded on this request:

RRB requests that CalAm be required to provide RRB with reports on the treatment of acquisition adjustment and system improvements to bring Ambler's service area into compliance with health and safety standards. In its application, CalAm states that it will perform certain plant improvements within three months of acquiring Ambler's system. The proposed plant improvements are listed in Exhibit 9 attached to the application. We expect CalAm to complete the proposed improvements within three months of the completion of the transfer. Within 45 days upon completion of the proposed improvements, CalAm should provide a report to the Director of the Water Division on the system improvements put in place. The report should include the actual costs of the improvements made. If the improvements are not put in place within three months of the effective date of this order, CalAm's report should also include an explanation for the delay.⁴¹

The improvements included in Exhibit 9 included improvements to the Ambler Park Treatment Plant.⁴²

Because the state of the Ambler treatment plant was an issue in the Ambler Acquisition Proceeding that was referred to in the Ambler Acquisition Order, there was ample opportunity for the Commission to express the intent to restrict the use of the treatment plant. The Ambler Acquisition Order and the entire record of the Ambler Acquisition Proceeding contain no indication that the Commission considered restricting the use of the Ambler treatment plant, much less stating that such a limitation was the purpose of Ordering Paragraph 9.

The record in the Ambler Acquisition Proceeding shows that Ordering Paragraph 9 was intended to prevent California American Water from exporting water to the main Monterey system from the Ambler system, and because the state of the Ambler treatment plant was an

⁴⁰ D.98-09-038, 1998 WL 1013130, *3.

⁴¹ D.98-09-038, 1998 WL 1013130, *4.

⁴² *Declaration of David P. Stephenson* ("Second Stephenson Declaration"), attached as Exhibit 1 hereto.

issue in the proceeding, yet there is no discussion regarding limitations on its use, the only construction of Ordering Paragraph 9 that gives effect to every word in the paragraph in its ordinary and popular sense, and is supported by the record of the Ambler Acquisition Proceeding, is that Ordering Paragraph 9 prohibits California American Water from interconnecting the Ambler water system to California American Water's main Monterey system.

Because Ordering Paragraph 9 applies only to an interconnection between the Ambler system and the main Monterey system, it does not prohibit the shared use of the Ambler Water Treatment Plant between customers in the Ambler Service Territory as it existed when the decision was rendered and customers in areas that have been annexed to the Ambler Service Territory since the 1998 decision was issued.

B. The Commission Cannot Construe Ordering Paragraph 9 To Prohibit The Shared Use Of The Ambler Treatment Plant Because That Would Create A Difference In Service Between Localities Without Complying With Public Utilities Code Sections 453 And 1705

The Commission is mandated by Section 761 of the Public Utilities Code to require a utility to provide proper and adequate service to customers in the utility's service area, and by Section 453 of that same code to see that service is available without discrimination.⁴³ Any practice which opens the door to preference and discrimination may be prohibited.⁴⁴

Discrimination by public utility does not mean merely and literally unlike treatment accorded by utility to those who may wish to do business with it, but refers to partiality in treatment of those in like circumstances seeking a class of service offered to public in general.⁴⁵ If the Commission orders a difference in rates or service, its decision must be supported by findings of facts based

⁴³ *In re: Edwards to be Included in the Service Area of California American Water*, (1979) 1 CPUC 2d 587.

⁴⁴ *Parr-Richmond Terminal Corporation, Limited v. Railroad Commission of California*, (1935) 43 P.2d 1088.

⁴⁵ *International Cable T.V. Corp. v. All Metal Fabricators* (1966) 66 Cal.P.U.C. 366.

upon evidence adduced at a hearing held for such purposes and the classification must be reasonable.⁴⁶

Because Public Utilities Code section 453 applies to “any practice,” applying Ordering Paragraph 9 to differentiate the use of the Ambler treatment plant between customers in the 1998 service area and areas annexed subsequent to 1998 is a practice that is subject to Section 453’s prohibition on unreasonable difference in service.

Having established that Section 453 applies here, the Commission cannot in this proceeding find that the intent of Ordering Paragraph 9 is to prohibit the shared use of the Ambler treatment plant because the Ambler Acquisition Proceeding did not include such service difference as an issue in the proceeding and because the Ambler Acquisition Order does not contain findings of fact based upon evidence that such a classification is reasonable. Therefore, applying Ordering Paragraph 9 to prohibit the shared use of Ambler treatment plant between customers in the service territory at the time of acquisition and customers in subsequently annexed territory would violate the requirements of Public Utilities Code sections 453 and 1705, as described by the California Attorney General.

C. Prohibiting the Shared Use Of The Treatment Plant Would Require California American Water To Violate Drinking Water Laws And General Order 103A and Is Inconsistent with Prudent Utility Practices.

1. California American Water Has A Duty To Serve the Broccoli And Oaks Subdivisions

When a public utility voluntarily determines to extend its service into an area heretofore outside its recognized or declared service territory boundaries, the utility concurrently must

⁴⁶ 64 Ops. Cal. Atty. Gen. 405, citing Pub. Util. Code § 1705.

accept an obligation to serve all customers in that area as it has then dedicated its service to said new area.⁴⁷

The record in the Ambler Acquisition Proceeding shows that in the context of approving the application for California American Water to purchase Ambler Park Water, the Commission was confronted with the issue of annexation of new territory.⁴⁸ During the evidentiary hearing, Mr. Con Cronin testified as to his commitments to provide service to both the Broccoli and Bollenbacher and Kelton properties.⁴⁹ In addition, the Coalition had requested the Commission to impose a moratorium in the Ambler service area.⁵⁰

In its decision approving the sale, the Commission rejected the Coalition's request to fix the Ambler service territory at its existing size.⁵¹ To the contrary, the Commission was clear:

Next, we will consider Highway 68 Coalition's concern about expansion of Ambler's service area to the property owned by Bollenbacher and Kelton, Inc. Highway 68 Coalition is surmising that CalAm has a hidden agenda to expand its service area. It has not provided any basis to lead us to the same conclusion. **However, even if Highway 68 Coalition's assumption regarding service area expansion is correct, CalAm will still have to seek approval of the Commission for expansion of its service through an advice letter.** Adequacy of water supply would be one of the factors considered by the Commission before authorizing the expansion of the service area. **We will not adopt Highway 68 Coalition's recommendation regarding placing a moratorium on service connections as a condition of approving the transfer of the water system.**⁵²

Subsequent to California American Water acquiring the Ambler system, California American Water filed Advice Letters 545 and 617 to annex territory adjacent to the then-existing boundaries of the Ambler service area, as was allowed by the Ambler Acquisition Order.⁵³

⁴⁷ *In re: Edwards to be Included in the Service Area of California American Water*, (1979) 1 CPUC 2d 587.

⁴⁸ Second Request for Official Notice, Exh. 2, pp. 66-67.

⁴⁹ *Id.*

⁵⁰ Second Request for Official Notice, Exh. 1, D.98-09-038, 1998 WL 1013130, *4.

⁵¹ D.98-09-038, 1998 WL 1013130, *4.

⁵² *Id.* (emphasis added).

⁵³ First Stephenson Declaration, Exhs. 3 and 4.

California American Water filed those advice letters in accordance with the Commission's Standard Practice U-14-W entitled "Preparing and Processing Advice Letters for Service Area Extensions and Acquisition Of Non-Commission-Regulated and Inadequately Operated and Maintained Small Water Systems, Determination that a Mutual Does not Infringe on the Service Area of a Regulated Water Company and change of Ownership due to Probate."⁵⁴ The Commission duly approved those advice letters, and the validity of those filings is not an issue in this proceeding.⁵⁵

California American Water voluntarily extended service to the Broccoli and Oaks subdivisions, and did so following the appropriate Commission procedures and with Commission approval. Because the Broccoli and Oaks subdivisions have been added to the Ambler service area, California American Water has a duty to serve those developments pursuant to Public Utilities Code section 451 and Commission precedent.⁵⁶

2. California American Water Cannot Fulfill Its Duty To Serve And Comply With Drinking Water Laws Without Using The Treatment Plant.

Water utilities shall comply with applicable state and federal laws pertaining to water quality, and with related regulations of the Department and US EPA and all additional requirements of the Commission.⁵⁷ Public water systems must comply with the primary maximum contaminant level of 0.010 milligrams of arsenic per liter of water.⁵⁸ In 2000, water

⁵⁴ Second Request for Official Notice, ¶ 5.

⁵⁵ Second Request for Official Notice, Exhibits 3 and 4.

⁵⁶ *In re Edwards*, supra; *W. H. Brockmann v. Smithson Springs Water Co.* (1957) 56 Cal.P.U.C. 28. ("A utility must serve all customers within its service area to the reasonable limit of its facilities.")

⁵⁷ Cal. P.U.C. General Order 103A, § II.2.A.2.

⁵⁸ 22 C.C.R. § 64431(a).

quality tests for the Oaks well contained Arsenic at 0.034 milligrams per liter – three times the maximum contaminant level.⁵⁹

Due to Monterey County zoning requirements, the Ambler Oaks and the proposed Harper Canyon Encina Hills development must be served from wells located north of San Benancio Road; the existing Ambler Park wells south of San Benancio Road cannot serve property north of San Benancio Road.⁶⁰ California American Water in conjunction with the developer of the Ambler Oaks subdivision have installed the necessary infrastructure such that the Ambler Oaks well delivers water pumped from that well to the Ambler Park treatment plant, and then treated water is returned to the subdivision.⁶¹ Monterey County has proposed a similar requirement for the proposed Harper Canyon subdivision within the original Broccoli development.⁶²

For California American Water to: (a) fulfill its duty to serve the Oaks and Broccoli developments; (b) comply with Department of Public Health and U.S. EPA drinking water laws; (c) General Order 103A; and, (d) Monterey County zoning laws, it is necessary for California American Water to treat the water from the Ambler Oaks well and the new well proposed for the Harper Canyon subdivision to meet drinking water standards. The Ambler Park treatment plant currently has more than adequate capacity to serve the Ambler Oaks well and the new well for the proposed Harper Canyon subdivision.⁶³ Accordingly, California American Water can fulfill its duty to serve consistent with drinking water standards and Monterey County zoning ordinances without installing significant additional capital.

⁵⁹ Declaration of Craig Anthony (hereinafter “Second Anthony Declaration”), attached hereto as Exhibit 2.

⁶⁰ Request For Official Notice in Response to Complaint by The Highway 68 Coalition Against California-American Water Company (U210W), filed October 18, 2010 (“First Request for Judicial Notice”).

⁶¹ First Stephenson Declaration, Ex. 5

⁶² See First Request for Judicial Notice.

⁶³ See Second Anthony Declaration.

Because California American Water has a duty to serve the Ambler Oaks and Broccoli developments and must treat the water to remove arsenic so that the water meets drinking water standards, and because the Ambler Park treatment plant has adequate capacity to treat the water from additional wells, the prudent utility practice is to permit California American Water to use the Ambler Park treatment plant to treat water for new developments. To do otherwise would require California American Water to violate its duty to serve, drinking water laws, General Order 103A, or some combination thereof, or alternatively, would require California American Water to spend significant capital to construct redundant treatment facilities.

IV. CONCLUSION

The record of the proceedings relating to California American Water's purchase of Ambler Park Water Company clearly shows that Ordering Paragraph 9 of the Ambler Acquisition Order was intended to prohibit California American Water from creating an intertie between the Ambler system and the main Monterey system. There is no record that Commission intended to prohibit California American Water from using the Ambler Park treatment plant to serve new development.

In addition, applying Ordering Paragraph 9 to create such a difference in service would violate Public Utilities Code sections 453 and 1705 by creating an unreasonable difference in service, and doing so without findings of fact supported by evidence. Finally, prudent utility practices weigh against applying Ordering Paragraph to prohibit the shared use of the Ambler treatment plant because California American Water must treat the water provided by the wells for these developments so that the water meets drinking water standards, and the treatment plant has more than sufficient capacity to treat the water demanded by these developments.

Accordingly, the Commission should find that Ordering Paragraph 9 of the Ambler Acquisition Order does not prohibit the shared use of the Ambler treatment plant between customers in the Ambler Service Territory as it existed when the decision was rendered and customers in areas that have been annexed to the Ambler Service Territory since the 1998 decision was issued, and therefore the Commission should dismiss the Coalition's complaint.

Dated: March 21, 2011

Respectfully submitted,

CALIFORNIA-AMERICAN WATER COMPANY

By: /s/ Timothy J. Miller

Timothy J. Miller

Attorneys for Defendant
California-American Water Company

EXHIBIT 1

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Highway 68 Coalition,

Complainant

v.

California-American Water Company (U210W),

Defendant.

C.10-08-022
(Filed August 31, 2010)

DECLARATION OF DAVID P. STEPHENSON

Timothy J. Miller, Esq.
CALIFORNIA-AMERICAN WATER COMPANY
1033 B Avenue, Suite 200
Coronado, CA 92118
Telephone: (619) 435-7411
Facsimile: (619) 435-7434
Email: tim.miller@amwater.com

Attorneys for Defendant
California-American Water Company

Dated: March 21, 2011

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Highway 68 Coalition,

Complainant

v.

California-American Water Company (U210W),

Defendant.

C.10-08-022
(Filed August 31, 2010)

DECLARATION OF DAVID P. STEPHENSON

I, David P. Stephenson, declare as follows:

1. My name is David P. Stephenson. My business address is 4701 Beloit Dr., Sacramento, CA 95838.
2. I make this declaration in support of California-American Water Company's Opening Brief in C.10-08-022 ("Complaint").
3. I am the Director of Rate Regulation for California-American Water Company ("California American Water"). I am responsible for preparing, filing and processing all requests for rate adjustment, financing, acquisition or any other application before the California Public Utilities Commission.
4. In support of California American Water's position in the Complaint, I will summarize information related to the Acquisition of Ambler Park Water Company by California American Water Company in A.97-07-058 ("Ambler Acquisition Proceeding") that is pertinent to the Complaint.
5. Mr. Larry Foy was a witness in the case, as was I. Mr. Foy testified about the intent of California American Water as to interconnections and assured the Commission that water would not be exported out of the groundwater basin underlying the Ambler Park Water

System to the main Monterey District system, which was under order from the State Water Resources Control Board to restrict water consumption and develop a new source of supply.

6. My recollection of the record in the Ambler Acquisition Proceeding resulting in Ordering Paragraph Number 9 of D.98-09-038 ("Ordering Paragraph 9") was that its intent was to give effect to Mr. Foy's assurance and prohibit California American Water from interconnecting the Ambler water system to its main Monterey system so that water could not be exported from Ambler to help solve the Monterey Peninsula's water supply deficit.

7. California American Water never stated that it would not serve new territory adjacent to the Ambler Park System after the Commission approved annexation of that area.

8. My recollection was that at the time of acquisition California American Water provided to the Commission investment plan that included improvements to the treatment plant and other facilities that were necessary to provide service to current customers.

9. After a diligent search, I have been unable to locate a true and correct copy of the application filed in the Ambler Acquisition Proceedings. Attached hereto as Attachment One is a memorandum discussing the needed improvements to Ambler Park Treatment Plant. Either this memorandum or a memorandum substantially similar to that memorandum was included in the application as Exhibit 9.

10. I personally toured all the facilities of the Ambler Park system prior to acquisition and noted many items at the treatment plant that had to be corrected to ensure the health and safety of our operators. One such item was unsafe electrical equipment and housing.

11. I declare that the foregoing is true and correct and that this declaration was executed on March 21, 2011 in Sacramento, CA.

By: 
David P. Stephenson

ATTACHMENT 1



California-American Water Company

880 Kuhn Drive • Chula Vista, California 91914 • (619) 656-2400 • FAX (619) 656-2408

September 11, 1996

File: 443-8362

MONTEREY DIVISION
PROPOSED CAPITAL BUDGET PROJECT
ACQUIRE AND CONSTRUCT IMPROVEMENTS
TO AMBLER PARK WATER COMPANY

Subject of Study

Purchase the assets of Ambler Park Water Company, and construct improvements to its facilities.

Recommendation

It is recommended that the California-American Water Company purchase the assets of the Ambler Park Water Company, and install improvements to source of supply, production, treatment and distribution facilities to provide adequate and reliable water service.

Estimated Cost

Total Estimated Cost	\$ 950,000
Proposed 1996 Expenditure	\$ 350,000
Proposed 1997 Expenditure	\$ 350,000
Proposed 1998 Expenditure	\$ 250,000

Adequacy

The recommended budget project will be adequate to acquire the Ambler Park Water Company and to design and construct some of the necessary facility improvements to provide adequate and reliable water service for its 320 existing residential customers. Funding for additional improvements discussed herein will be requested following the 1999 Monterey General Rate Case.

CAWC - Monterey Division
Proposed Capital Budget Project
Acquire and Construct Improvements
To Ambler Park Water Company
September 11, 1996

Discussion

It is recommended that California-American Water Company purchase the assets of Ambler Park Water Company, a family-owned, private company regulated as a Class D company by the California Public Utilities Commission. Ambler Park Water Company is located in the El Toro area off Highway 68 east of Monterey. It would become the eastern-most customer base along this corridor for the Monterey Division, bordering the Salinas operation of California Water Service Company. The certified development in Ambler Park is 375 residential homes, 320 of which are active connections. Additional annexation and growth opportunities may exist, enabling an ultimate customer base of about 500 customers.

Ambler Park Water Company is supplied by three production wells, having capacities of 350 gpm, 500 gpm and 650 gpm. These are adequate for meeting current and future system demands (historical maximum day demand is 500 gpm). In fact, one of the 3 wells has been held in standby due to a current capacity surplus.

Two of the wells have high iron levels and pump to a treatment plant consisting of aeration, chlorination and green sand filtration. The plant has a capacity of 500 gpm, and potentially could be increased to 1,000 gpm by adding filters. Plant product water flows to a 25,000 gallon vessel that serves as a clear well, from which 2 - 40 hp pumps boost the water into the distribution system. The distribution system consists of 5 pressure gradients, 7 storage tanks, 4 booster stations, and 4", 6" and 8" PVC and AC piping.

A number of improvements are needed to enable providing safe, adequate and reliable water service to the Ambler Park customers. Primary attention should be focused on the treatment plant which is old, inefficient, unreliable, of insufficient capacity and poorly configured. The facility does not comply with a number of Health Department standards. Further, backwash water is currently discharged to the adjacent creek without permit. The treatment plant should be replaced with a new package plant to provide for iron removal, disinfection and pH control. A new larger capacity clear well and booster station is needed for better operational control, and provisions for proper washwater storage and processing is necessary.

One of the pressure gradients is served by a 15,000 gal redwood tank that leaks badly. It should be replaced by a welded steel tank of at least 80,000 gallons to provide adequate fire protection for the zone. The remaining tanks require retrofit of float switches and ladders, at a minimum, plus miscellaneous other modifications to mitigate safety, sanitary and structural deficiencies.

The booster station serving the Myers gradient is pressurized with a hydropneumatic tank that was fabricated by welding two old vessels together. It leaks and is dangerous. A new hydropneumatic tank with pumps, air compressor and controls is recommended for this site.

The production wells are currently oil lubricated, which is not advisable for potable water service. They should be retrofit with water lubricated shafts. In addition, level monitoring equipment should be installed to track static and pumping water levels. Automatic chlorination equipment with leak detection and alarms should be added to Well No. 5, the well that does not pump to the treatment plant.

CAWC - Monterey Division
 Proposed Capital Budget Project
 Acquire and Construct Improvements
 To Ambler Park Water Company
 September 11, 1996

Distribution monitoring and control equipment should be installed to automate and provide alarms to assist with system operation.

A number of mains require reinforcement, including approximately 3,700' of 8" to increase flows to the Lower Rimrock booster station and about 1,200' of 8" to interconnect two pressure zones.

The Ambler Park Water Company will be operated under their existing rates until it can be integrated to the Monterey rate structure in 1999, with the next general rate case. Normal recurring expenditures (1A1-5) will be tracked separately through this budget project until that time. This includes general facility replacements as well as a number of items required in the initial years to address noted deficiencies. These include the retrofitting of valves on hydrants to enable hydrant maintenance without requiring a system shutdown, various other isolation and relief valves, fencing, safety signs and pump enclosures.

Until the Monterey Division rates are put into place, the investment level will be limited to that which will cause the rate increase for Ambler Park Water Company customers to not exceed the Monterey rates. This has been determined to be about \$600,000 over the acquisition cost. A rate filing will be made in association with the application to acquire the company to get approval for that level of investment prior to spending the recommended three year budget. The recommended budget for this project prioritizes several of the above discussed system needs, including making lesser interim treatment plant and chemical feed improvements, improving washwater handling to comply with regulatory requirements, constructing a new 80,000 gallon storage tank, replacing the hydropneumatic pressure vessel with an existing piece of Cal-Am equipment, and installing selected system controls. Additional investments of approximately \$1 million will likely be requested as a future budget project(s) after the next Monterey General Rate Case in 1999. The rate impact, based on current Monterey rates, of this additional investment is projected to be about 0.5% to residential customers.

The \$950,000 project budget will be sufficient to acquire the Ambler Park Water Company and to design, permit and construct the specifically itemized recommended improvements.

Recommended by: 
 Gary R. Silverman, P.E.
 Director, Operations Engineering

BUDGET PROJECT REVIEW		
Department	Reviewed By	Date
Engineering	_____	_____
Water Quality	_____	_____
Other	_____	_____
Recommended For Approval		
President	_____	_____

CAWC - Monterey Division
 Proposed Capital Budget Project
 Acquire and Construct Improvements
 To Ambler Park Water Company
 September 11, 1996

Detailed Cost Estimate

		<u>Budget Estimate</u>
<u>Engineering Services</u>		
Project Administration	WRE	\$ 20,000
Detailed Design	WRE/Contract	40,000
Permits	Company	2,000
Bidding & Contract Award	WRE	3,000
Resident Inspection	Company	<u>10,000</u>
Subtotal-Engineering		\$ 75,000
<u>Purchase</u>		
Purchase Ambler Park Water Company	Company	\$ 346,000
Escrow and Legal Fees	Company	<u>4,000</u>
Subtotal - Purchase		\$ 350,000
<u>Construction</u>		
Treatment Plant and Chemical Feed Modifications	Contract	\$ 100,000
Washwater Handling Facilities	Contract	50,000
80,000 Gal. Storage Tank and Site Work	Contract	100,000
Hydropneumatic Tank and Booster Station	Contract	50,000
Well No. 5 Chlorination Equipment	Contract	20,000
Distribution Monitoring System Facilities	Contract	40,000
Normal Recurring Expenditures (1A1-5)	Company	<u>125,000</u>
Subtotal - Construction		\$ 485,000
Subtotal		\$ 910,000
Omissions and Contingencies		\$ <u>40,000</u>
Total Estimated Project Cost		\$ 950,000
Estimated Cost of Removals		\$ 25,000

The recommended improvements will have no impact on the general rates of the Monterey Division. The Ambler Park Water Company will be operated with a separate rate structure until at least 1999.

EXHIBIT 2

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Highway 68 Coalition,

Complainant

v.

California-American Water Company (U210W),

Defendant.

C.10-08-022
(Filed August 31, 2010)

DECLARATION OF CRAIG ANTHONY

Timothy J. Miller, Esq.
CALIFORNIA-AMERICAN WATER COMPANY
1033 B Avenue, Suite 200
Coronado, CA 92118
Telephone: (619) 435-7411
Facsimile: (619) 435-7434
Email: tim.miller@amwater.com

Attorneys for Defendant
California-American Water Company

Dated: March 21, 2011

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Highway 68 Coalition,

Complainant

v.

California-American Water Company (U210W),

Defendant.

C.10-08-022
(Filed August 31, 2010)

DECLARATION OF CRAIG ANTHONY

I, Craig Anthony, declare as follows:

1. I am employed by California-American Water Company (“California American Water”) as the General Manager of the Coastal Division, which includes the Monterey Peninsula, Ryan Ranch, Hidden Hills, Ambler Park, Bishop, Toro, Ralph Lane and Chualar. I am responsible for water delivery and wastewater services including customer service, regulatory compliance, safety, personnel management and development, the construction, maintenance, and operations of facilities and infrastructure, and the administration of the operating and capital investment budgets.

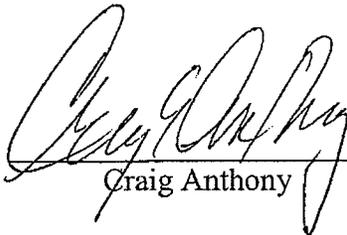
2. Attached hereto as Attachment One is a true and correct copy of laboratory analyses of water samples taken from the Ambler Oaks well. These results show arsenic concentrations at 0.034 milligrams per liter of water. This concentration exceeds the

California Department of Public Health and United States Environmental Protection Agency maximum contaminant level for arsenic. Water with this level of arsenic cannot be legally served to customers receiving water from a public water system, unless the water has been treated to reduce the arsenic levels below 0.010 milligrams per liter of water.

3. The Ambler water treatment plant is currently equipped to reduce arsenic concentrations in water. During peak demand, the Ambler treatment plant currently operates approximately four hours per day. The plant currently has adequate excess capacity to treat water for an additional 40 connections and the volume estimated from the Ambler Oaks well and the proposed well for the Harper Canyon Encina Hills development.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: March 21, 2011



Craig Anthony

ATTACHMENT 1

Pumping Test
"The Oaks" Well
Drawdown Results

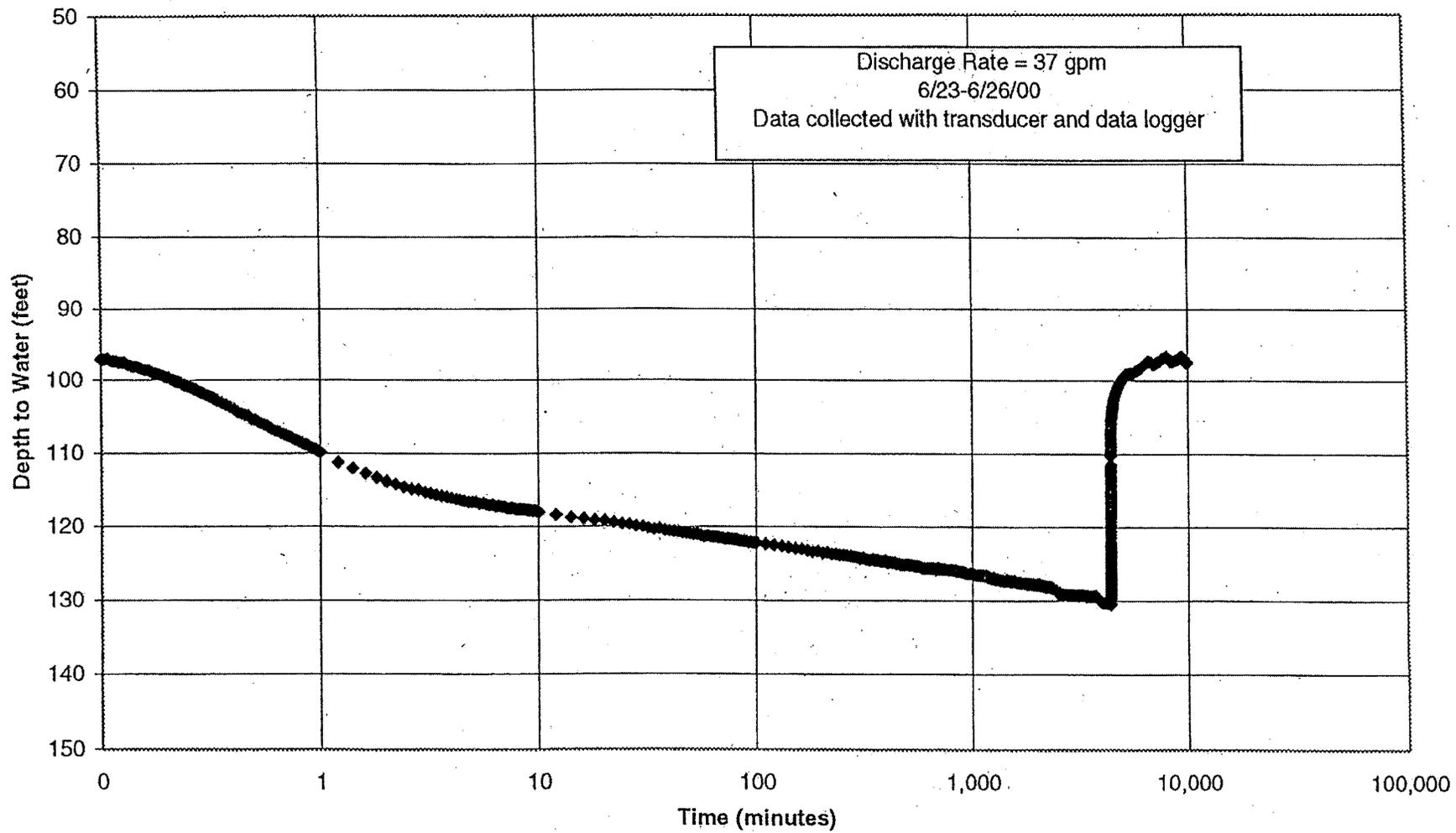


Figure 1

Pumping Test
"The Oaks" Well
Drawdown and Recovery

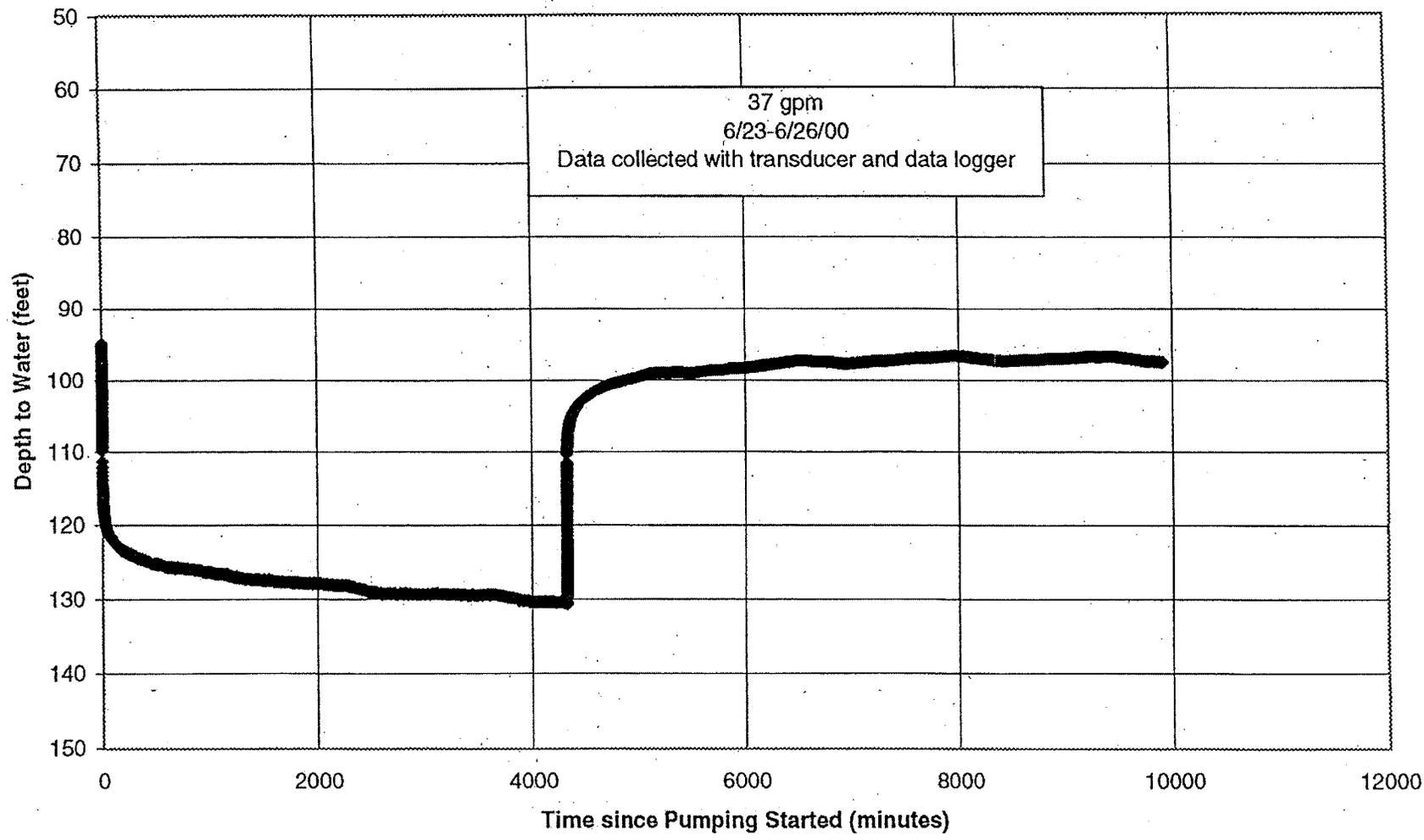
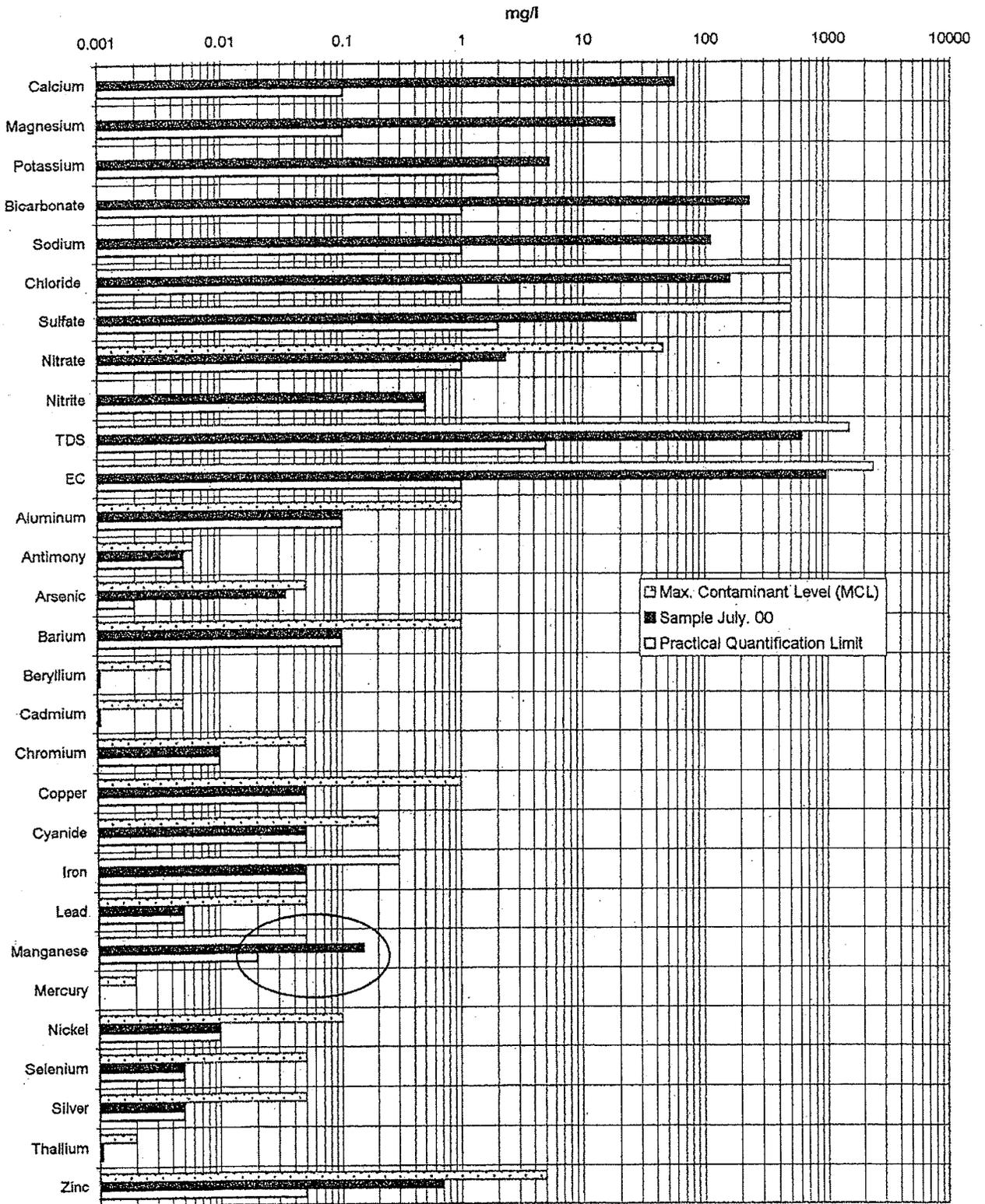


Figure 2

Inorganic Water Quality The Oaks Well



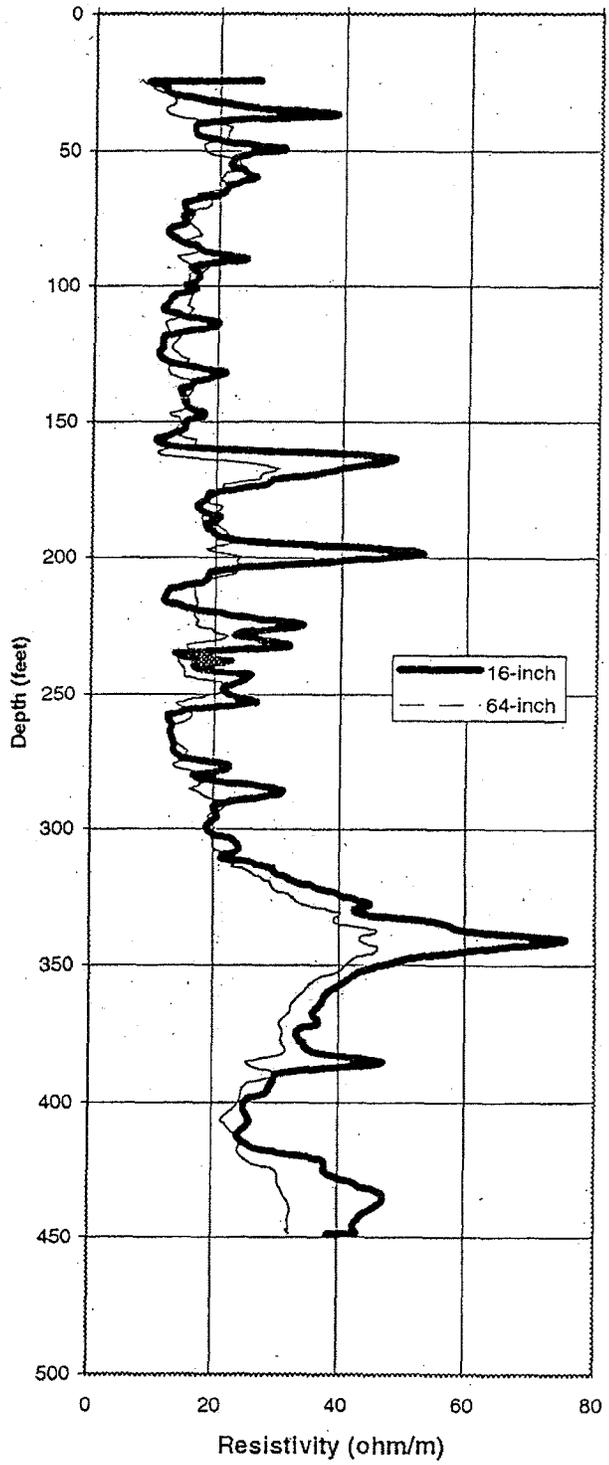
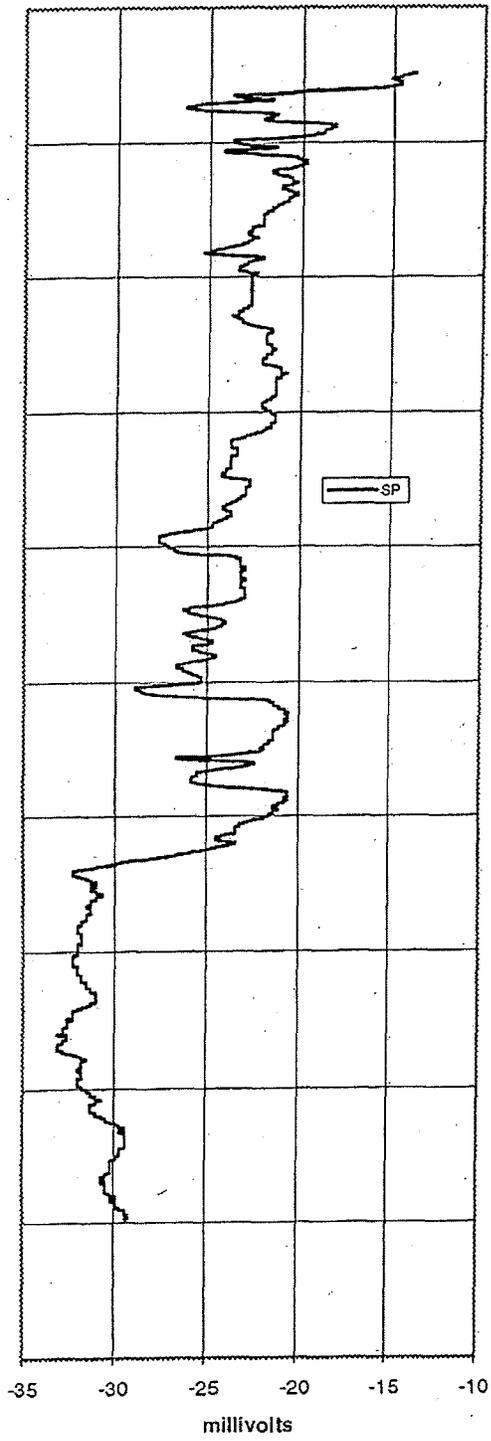
(unshaded MCL indicates secondary (esthetic) MCL)

Figure 3

WELL LOGS

Martin B. Feeney, RG CHg Consulting Hydrogeologist		WELL LOG AND CONSTRUCTION			
		Drill Method: Direct Rotary	Dates: 6/15/00 - 6/24/00	Logged By:	
		Bit Dia: 10 5/8 Inches	Well Name: The Oaks #1	R. Marks/M. Feeney	
ROP (min/foot)	Completion	Depth Feet	Graphic Symbol	Lithology	
				CLAY (CL) - brown, sandy (f-m), low plas., dry,	
		50		SAND (SP) - brown, v. clayey, low plas., dry, CLAY (CL) - brn-org-brn, stiff, w/ minor fine sand SAND (SP) - brown, v. clayey, low plas., dry, CLAY (CL) - brn-org. brn, stiff, w/ minor fine sand	
		100		SAND (SP) - fn-med, sub-ang-sub-ang, w. grd, clasts are pred. qtz w/ some porcelaneous chert (Tm) CLAY (CL) - brn-org. brn, stiff, w/ minor fine sand	
		150		SAND (SP) - fn-med, sub-ang-sub-ang, w. grd, clasts are pred. qtz w/ some porcelaneous chert (Tm) CLAY (CL) - brn-org. brn, stiff, w/ minor fine sand	
		200		SAND (SP) - fn-med, sub-ang-sub-ang, w. grd, clasts are pred. qtz CLAY (CL) - brn-org. brn, stiff, w/ minor fine sand	
		250		SAND (SP) - fn-coarse, sub-ang-sub-ang, w. grd, clasts are pred: qtz and kspar, interbedded with CLAY (CL) @ 243' abun. porc. chert (Tm) and kaolinite	
		300		CLAY (CL) - yellow-brn-org. brn, stiff, w/ minor fine sand and interbeds of "sugar sand"	
		350		SAND (SP) - fn-coarse occ. gravel, sub-ang-sub-ang, w. grd, clasts are pred. lithic ffrags (granite) qtz and kspar, interbedded with CLAY (CL) clay content decreasing with depth.	
		400		SAND (SP) - fn-coarse, sub-ang-sub-ang, w. grd, clasts are pred. lithic ffrags (granite) qtz and kspar increasing CL CLAY (CL) - brn-org. brn, stiff, w/ minor fine sand	
				LIMESTONE (Rx) - tan, platy, effervesence w/ HCL, fresh water limestone of Thorup? SAND (SW) - grey to dk grn, med-coarse, sub-rd to md, poorly graded	
Completion Notes:			SITE:		
Well drilled w/ bentonite based fluid. E-log performed 6/16/00 in 7 5/8 inch pilot hole. Hole reamed w/ 10 5/8-inch bit to 420'. Well is constructed of 6-inch dia. PVC casing with factory perforations between 220-400 feet. 10' cellar. Slot size is 0.040". Gravel Pack is 8-16 gradation Silica Resources. 10-sack concrete seal from 80' to ground surface. Well developed by air-lifting until clear.			UTM Coordinates: 4086800N Meters 602362E Meters		
			Elevation: 270 (topo) Feet Location: San Benancio Rd. El Toro Area, CA		
			Project No.:		Page 1

The Oaks Well
Geophysical Log



PUMP TEST DATA

The Oaks Well - Pump Test Data - June 23-26,2000

37 gpm

1790	127.6	2290	128.261	2790	129.269	3290	129.332
1800	127.6	2300	128.167	2800	129.111	3300	129.332
1810	127.757	2310	128.261	2810	129.143	3310	129.301
1820	127.683	2320	128.167	2820	129.269	3320	129.363
1830	127.663	2330	128.23	2830	129.301	3330	129.458
1840	127.757	2340	128.324	2840	129.143	3340	129.301
1850	127.726	2350	128.387	2850	129.238	3350	129.395
1860	127.694	2360	128.387	2860	129.269	3360	129.301
1870	127.82	2370	128.482	2870	129.269	3370	129.395
1880	127.694	2380	128.45	2880	129.206	3380	129.363
1890	127.757	2390	128.576	2890	129.206	3390	129.458
1900	127.82	2400	128.639	2900	129.301	3400	129.427
1910	127.82	2410	128.576	2910	129.301	3410	129.395
1920	127.663	2420	128.671	2920	129.301	3420	129.427
1930	127.757	2430	128.671	2930	129.206	3430	129.332
1940	127.726	2440	128.797	2940	129.269	3440	129.332
1950	127.683	2450	128.765	2950	129.269	3450	129.363
1960	127.663	2460	128.86	2960	129.238	3460	129.427
1970	127.694	2470	128.966	2970	129.269	3470	129.427
1980	127.852	2480	128.891	2980	129.301	3480	129.363
1990	127.789	2490	128.86	2990	129.269	3490	129.427
2000	127.683	2500	128.966	3000	129.238	3500	129.395
2010	127.789	2510	128.923	3010	129.238	3510	129.395
2020	127.663	2520	128.954	3020	129.269	3520	129.363
2030	127.726	2530	128.954	3030	129.301	3530	129.427
2040	127.852	2540	128.966	3040	129.206	3540	129.332
2050	127.683	2550	129.143	3050	129.175	3550	129.363
2060	127.852	2560	129.143	3060	129.332	3560	129.363
2070	127.683	2570	129.143	3070	129.238	3570	129.332
2080	127.82	2580	129.08	3080	128.175	3580	129.332
2090	128.009	2590	129.269	3090	129.175	3590	129.269
2100	127.846	2600	129.175	3100	129.206	3600	129.427
2110	127.978	2610	129.175	3110	129.175	3610	129.332
2120	127.915	2620	129.206	3120	129.238	3620	129.395
2130	127.683	2630	129.238	3130	129.238	3630	129.332
2140	127.978	2640	129.143	3140	129.206	3640	129.301
2150	128.104	2650	129.143	3150	129.269	3650	129.301
2160	127.946	2660	129.111	3160	129.238	3660	129.332
2170	127.946	2670	129.175	3170	129.238	3670	129.395
2180	128.041	2680	129.206	3180	129.269	3680	129.49
2190	128.009	2690	129.143	3190	129.206	3690	129.427
2200	128.041	2700	129.143	3200	129.269	3700	129.49
2210	128.104	2710	129.111	3210	129.269	3710	129.521
2220	127.946	2720	129.301	3220	129.269	3720	129.49
2230	128.072	2730	129.269	3230	129.269	3730	129.49
2240	128.072	2740	129.206	3240	129.269	3740	129.615
2250	128.009	2750	129.111	3250	129.206	3750	129.553
2260	128.041	2760	129.206	3260	129.238	3760	129.615
2270	128.104	2770	129.175	3270	129.269	3770	129.71
2280	128.009	2780	129.206	3280	129.238	3780	129.615

The Oaks Well - Pump Test Data - June 23-26,2000

37 gpm

3790	129.647	4290	130.403	4320.15	127.883	4320.317	122.246
3800	129.742	4300	130.403	4320.153	127.726	4320.32	122.215
3810	129.773	4310	130.466	4320.157	127.6	4320.323	122.121
3820	129.773	4320	130.528	4320.16	127.506	4320.327	121.994
3830	129.836	4320	130.466	4320.163	127.38	4320.33	121.963
3840	129.836	4320	130.403	4320.167	127.254	4320.333	121.459
3850	129.836	4320.003	130.403	4320.17	127.191	4320.35	120.987
3860	129.899	4320.007	130.497	4320.173	127.033	4320.367	120.546
3870	130.088	4320.01	130.56	4320.177	126.876	4320.383	120.042
3880	129.994	4320.013	130.466	4320.18	126.644	4320.4	119.727
3890	130.025	4320.017	130.434	4320.183	126.624	4320.417	119.255
3900	130.056	4320.02	130.434	4320.187	126.592	4320.433	118.845
3910	130.119	4320.023	130.403	4320.19	126.372	4320.45	118.499
3920	130.025	4320.027	130.497	4320.193	126.34	4320.467	118.184
3930	130.151	4320.03	130.497	4320.197	126.183	4320.483	117.838
3940	130.119	4320.033	130.466	4320.2	125.984	4320.5	117.428
3950	130.056	4320.037	130.466	4320.203	126.028	4320.517	117.113
3960	130.088	4320.04	130.497	4320.207	125.837	4320.533	116.798
3970	130.245	4320.043	130.466	4320.21	125.679	4320.55	116.515
3980	130.277	4320.047	130.434	4320.213	125.616	4320.567	116.169
3990	130.182	4320.05	130.434	4320.217	125.49	4320.583	115.865
4000	130.245	4320.053	130.497	4320.22	125.332	4320.6	115.633
4010	130.245	4320.057	130.528	4320.223	125.269	4320.617	115.35
4020	130.34	4320.06	130.497	4320.227	125.207	4320.633	115.066
4030	130.34	4320.063	130.466	4320.23	125.018	4320.65	114.846
4040	130.277	4320.067	130.497	4320.233	124.955	4320.667	114.626
4050	130.34	4320.07	130.434	4320.237	124.734	4320.683	114.405
4060	130.277	4320.073	130.466	4320.24	124.734	4320.7	114.153
4070	130.245	4320.077	128.482	4320.243	124.577	4320.717	113.964
4080	130.277	4320.08	126.844	4320.247	124.514	4320.733	113.775
4090	130.34	4320.083	127.537	4320.25	124.325	4320.75	113.586
4100	130.34	4320.087	127.832	4320.253	124.231	4320.767	113.334
4110	130.214	4320.09	127.316	4320.257	124.104	4320.783	113.209
4120	130.34	4320.093	128.45	4320.26	124.079	4320.8	113.019
4130	130.277	4320.097	129.521	4320.263	123.916	4320.817	112.882
4140	130.34	4320.1	129.71	4320.267	123.864	4320.833	112.673
4150	130.277	4320.103	129.678	4320.27	123.664	4320.85	112.547
4160	130.277	4320.107	129.773	4320.273	123.538	4320.867	112.358
4170	130.34	4320.11	129.49	4320.277	123.599	4320.883	112.264
4180	130.245	4320.113	129.395	4320.28	123.317	4320.9	112.106
4190	130.245	4320.117	129.269	4320.283	123.254	4320.917	111.98
4200	130.34	4320.12	129.06	4320.287	123.128	4320.933	111.823
4210	130.34	4320.123	128.891	4320.29	123.126	4320.95	111.728
4220	130.403	4320.127	128.418	4320.293	123.002	4320.967	111.634
4230	130.308	4320.13	128.606	4320.297	122.876	4320.983	111.476
4240	130.371	4320.133	128.576	4320.3	122.782	4320.993	110.343
4250	130.34	4320.137	128.293	4320.303	122.624	4321.2	110.028
4260	130.34	4320.14	128.198	4320.307	122.561	4321.4	109.933
4270	130.308	4320.143	128.167	4320.31	122.467	4321.6	109.87
4280	130.308	4320.147	127.978	4320.313	122.404	4321.8	109.807

The Oaks Well - Pump Test Data - June 23-26, 2000

37 gpm

4322	106.713	4350	105.808	4570	101.682	5070	99.195
4322.2	109.616	4352	105.682	4590	101.619	5080	98.163
4322.4	109.324	4354	105.387	4590	101.525	5090	98.131
4322.6	109.428	4356	105.461	4600	101.462	5100	99.1
4322.8	108.335	4358	105.368	4610	101.368	5110	99.088
4323	108.209	4360	105.272	4620	101.304	5120	99.068
4323.2	109.146	4362	105.209	4630	101.21	5130	99.068
4323.4	108.114	4364	105.114	4640	101.147	5140	99.037
4323.6	108.146	4366	105.021	4650	101.084	5150	99.037
4323.8	109.146	4368	104.957	4660	101.021	5160	99.037
4324	109.114	4370	104.894	4670	100.958	5170	99.037
4324.2	109.063	4372	104.831	4680	100.895	5180	99.037
4324.4	109.052	4374	104.737	4690	100.801	5190	99.037
4324.6	109.02	4376	104.674	4700	100.738	5200	99.037
4324.8	108.957	4378	104.611	4710	100.675	5210	99.037
4325	108.926	4380	104.546	4720	100.613	5220	99.037
4325.2	108.863	4382	104.517	4730	100.58	5230	99.037
4325.4	108.851	4384	104.549	4740	100.549	5240	99.037
4325.6	108.798	4386	104.381	4750	100.317	5250	99.037
4325.8	108.705	4388	104.328	4760	100.454	5260	99.005
4326	108.673	4390	104.296	4770	100.423	5270	99.005
4326.2	108.611	4392	104.233	4780	100.381	5280	99.005
4326.4	108.548	4394	104.17	4790	100.358	5290	98.974
4326.6	108.518	4396	104.139	4800	100.297	5300	98.974
4326.8	108.453	4398	104.076	4810	100.265	5310	98.942
4327	108.422	4400	104.044	4820	100.234	5320	98.942
4327.2	108.359	4402	103.981	4830	100.171	5330	98.942
4327.4	108.327	4404	103.95	4840	100.139	5340	98.942
4327.6	108.296	4406	103.918	4850	100.108	5350	98.942
4327.8	108.233	4408	103.855	4860	100.076	5360	98.942
4328	108.201	4410	103.824	4870	100.013	5370	98.942
4328.2	108.17	4412	103.781	4880	99.982	5380	98.942
4328.4	108.107	4414	103.729	4890	99.919	5390	98.942
4328.6	108.075	4416	103.698	4900	99.887	5400	98.942
4328.8	108.044	4418	103.666	4910	99.856	5410	98.942
4329	108.012	4420	103.635	4920	99.793	5420	98.974
4329.2	107.949	4430	103.268	4930	99.781	5430	98.974
4329.4	107.918	4440	103.162	4940	99.73	5440	98.974
4329.6	107.896	4450	103.005	4950	99.667	5450	98.942
4329.8	107.855	4460	102.847	4960	99.635	5460	98.942
4330	107.84	4470	102.722	4970	99.604	5470	98.942
4330.2	107.256	4480	102.596	4980	99.572	5480	98.942
4330.4	107.098	4490	102.501	4990	99.508	5490	98.942
4330.6	106.816	4500	102.375	5000	99.478	5500	99.005
4330.8	106.658	4510	102.281	5010	99.447	5510	99.005
4340	106.469	4520	102.155	5020	99.415	5520	98.974
4342	106.312	4530	102.08	5030	99.352	5530	98.974
4344	106.154	4540	101.98	5040	99.321	5540	98.942
4346	106.08	4550	101.871	5050	99.289	5550	98.942
4348	105.902	4560	101.777	5060	99.226	5560	98.911

The Oaks Well - Pump Test Data - June 23-26, 2000

37 gpm

5570	98.811	6070	98.187	6570	97.337	7070	97.588
5580	98.879	6080	98.155	6580	97.337	7080	97.588
5590	98.848	6090	98.124	6590	97.368	7090	97.557
5600	98.818	6100	98.124	6600	97.368	7100	97.557
5610	98.816	6110	98.082	6610	97.389	7110	97.557
5620	98.785	6120	98.092	6620	97.389	7120	97.526
5630	98.754	6130	98.061	6630	97.431	7130	97.526
5640	98.754	6140	98.023	6640	97.463	7140	97.494
5650	98.722	6150	98.023	6650	97.463	7150	97.463
5660	98.691	6160	97.998	6660	97.463	7160	97.463
5670	98.659	6170	97.966	6670	97.463	7170	97.431
5680	98.659	6180	97.966	6680	97.463	7180	97.399
5690	98.627	6190	97.935	6690	97.463	7190	97.399
5700	98.627	6200	97.903	6700	97.463	7200	97.399
5710	98.627	6210	97.863	6710	97.463	7210	97.399
5720	98.627	6220	97.872	6720	97.463	7220	97.399
5730	98.627	6230	97.84	6730	97.463	7230	97.399
5740	98.627	6240	97.84	6740	97.463	7240	97.399
5750	98.627	6250	97.808	6750	97.463	7250	97.399
5760	98.627	6260	97.777	6760	97.464	7260	97.399
5770	98.627	6270	97.777	6770	97.464	7270	97.399
5780	98.596	6280	97.748	6780	97.484	7280	97.399
5790	98.596	6290	97.714	6790	97.526	7290	97.399
5800	98.596	6300	97.714	6800	97.526	7300	97.399
5810	98.564	6310	97.683	6810	97.537	7310	97.368
5820	98.564	6320	97.651	6820	97.557	7320	97.368
5830	98.532	6330	97.651	6830	97.588	7330	97.337
5840	98.502	6340	97.62	6840	97.588	7340	97.337
5850	98.47	6350	97.588	6850	97.62	7350	97.305
5860	98.439	6360	97.588	6860	97.651	7360	97.305
5870	98.439	6370	97.557	6870	97.651	7370	97.274
5880	98.407	6380	97.526	6880	97.683	7380	97.274
5890	98.407	6390	97.526	6890	97.683	7390	97.274
5900	98.407	6400	97.494	6900	97.714	7400	97.242
5910	98.407	6410	97.463	6910	97.714	7410	97.242
5920	98.407	6420	97.431	6920	97.714	7420	97.211
5930	98.407	6430	97.431	6930	97.714	7430	97.211
5940	98.407	6440	97.431	6940	97.714	7440	97.179
5950	98.376	6450	97.399	6950	97.714	7450	97.179
5960	98.376	6460	97.368	6960	97.714	7460	97.147
5970	98.376	6470	97.337	6970	97.714	7470	97.147
5980	98.344	6480	97.337	6980	97.683	7480	97.116
5990	98.344	6490	97.337	6990	97.683	7490	97.116
6000	98.313	6500	97.305	7000	97.683	7500	97.084
6010	98.313	6510	97.305	7010	97.683	7510	97.084
6020	98.281	6520	97.305	7020	97.651	7520	97.053
6030	98.25	6530	97.305	7030	97.651	7530	97.053
6040	98.25	6540	97.305	7040	97.62	7540	97.021
6050	98.218	6550	97.337	7050	97.62	7550	97.021
6060	98.218	6560	97.337	7060	97.62	7560	96.98

The Oaks Well - Pump Test Data - June 23-26, 2000

37 gpm

7570	96.99	6070	96.769	8570	97.242	9070	96.950
7580	96.958	6080	96.801	8580	97.242	9080	96.927
7590	96.958	6090	96.801	8590	97.211	9090	96.927
7600	96.827	6100	96.832	8600	97.211	9100	96.896
7610	96.898	6110	96.832	8610	97.211	9110	96.896
7620	96.896	6120	96.864	8620	97.211	9120	96.896
7630	96.896	6130	96.896	8630	97.211	9130	96.864
7640	96.896	6140	96.896	8640	97.242	9140	96.864
7650	96.896	6150	96.896	8650	97.242	9150	96.864
7660	96.896	6160	96.896	8660	97.242	9160	96.832
7670	96.896	6170	96.896	8670	97.242	9170	96.832
7680	96.896	6180	96.896	8680	97.242	9180	96.832
7690	96.896	6190	97.021	8690	97.242	9190	96.801
7700	96.896	6200	97.053	8700	97.242	9200	96.769
7710	96.896	6210	97.053	8710	97.242	9210	96.769
7720	96.896	6220	97.064	8720	97.242	9220	96.738
7730	96.896	6230	97.064	8730	97.211	9230	96.738
7740	96.864	6240	97.116	8740	97.211	9240	96.738
7750	96.864	6250	97.116	8750	97.211	9250	96.738
7760	96.864	6260	97.116	8760	97.179	9260	96.738
7770	96.864	6270	97.147	8770	97.179	9270	96.738
7780	96.832	6280	97.147	8780	97.147	9280	96.769
7790	96.832	6290	97.179	8790	97.147	9290	96.769
7800	96.801	6300	97.179	8800	97.147	9300	96.769
7810	96.801	6310	97.179	8810	97.116	9310	96.769
7820	96.801	6320	97.211	8820	97.064	9320	96.769
7830	96.769	6330	97.242	8830	97.064	9330	96.769
7840	96.769	6340	97.274	8840	97.053	9340	96.738
7850	96.738	6350	97.305	8850	97.053	9350	96.738
7860	96.738	6360	97.305	8860	97.053	9360	96.738
7870	96.738	6370	97.337	8870	97.053	9370	96.706
7880	96.706	6380	97.337	8880	97.064	9380	96.706
7890	96.706	6390	97.337	8890	97.064	9390	96.706
7900	96.675	6400	97.368	8900	97.064	9400	96.706
7910	96.675	6410	97.368	8910	97.064	9410	96.706
7920	96.644	6420	97.368	8920	97.064	9420	96.706
7930	96.644	6430	97.368	8930	97.064	9430	96.706
7940	96.644	6440	97.368	8940	97.064	9440	96.738
7950	96.644	6450	97.368	8950	97.053	9450	96.738
7960	96.644	6460	97.368	8960	97.053	9460	96.738
7970	96.644	6470	97.368	8970	97.053	9470	96.769
7980	96.644	6480	97.337	8980	97.053	9480	96.769
7990	96.644	6490	97.337	8990	97.021	9490	96.801
8000	96.675	6500	97.337	9000	97.021	9500	96.832
8010	96.675	6510	97.305	9010	97.021	9510	96.832
8020	96.675	6520	97.305	9020	96.99	9520	96.864
8030	96.706	6530	97.305	9030	96.99	9530	96.864
8040	96.706	6540	97.305	9040	96.99	9540	96.896
8050	96.738	6550	97.274	9050	96.958	9550	96.927
8060	96.738	6560	97.274	9060	96.858	9560	96.927

The Oaks Well - Pump Test Data - June 23-26, 2000

37 gpm

9570	96.958	9670	97.179	9970	97.431
9580	96.958	9680	97.179	9980	97.389
9590	96.958	9690	97.211	9990	97.389
9600	97.021	9700	97.242	9990	97.389
9610	97.053	9710	97.274	9990	97.389
9620	97.053	9720	97.305	9990	97.389
9630	97.084	9730	97.337	9990	97.389
9640	97.116	9740	97.368	9990	97.389
9650	97.147	9750	97.368	9990	97.389
9660	97.147	9760	97.368	9990	97.389
9670	97.179	9770	97.389	9990	97.389
9680	97.211	9780	97.431	9990	97.389
9690	97.211	9790	97.431	9990	97.389
9700	97.242	9800	97.389	9990	97.389
9710	97.274	9810	97.389	9990	97.389
9720	97.305	9820	97.389	9990	97.389
9730	97.337	9830	97.389	9990	97.389
9740	97.368	9840	97.431	9990	97.431
9750	97.368	9850	97.431	9990	97.431
9760	97.368	9860	97.431	9990	97.431
9770	97.389	9870	97.431	9990	97.431
9780	97.389	9880	97.431	9990	97.431
9790	97.389	9890	97.431	9990	97.431
9800	97.389	9900	97.431	9990	97.431
9810	97.389	9910	97.389	9990	97.389
9820	97.389	9920	97.389	9990	97.389
9830	97.389	9930	97.389	9990	97.389
9840	97.431	9940	97.431	9990	97.431
9850	97.431	9950	97.431	9990	97.431
9860	97.431	9960	97.431	9990	97.431
9870	97.431	9970	97.431	9990	97.431
9880	97.431	9980	97.431	9990	97.431
9890	97.431	9990	97.431	9990	97.431
9900	97.431	9990	97.431	9990	97.431
9910	97.431	9990	97.431	9990	97.431
9920	97.431	9990	97.431	9990	97.431
9930	97.431	9990	97.431	9990	97.431
9940	97.431	9990	97.431	9990	97.431
9950	97.431	9990	97.431	9990	97.431
9960	97.431	9990	97.431	9990	97.431
9970	97.431	9990	97.431	9990	97.431
9980	97.431	9990	97.431	9990	97.431
9990	97.431	9990	97.431	9990	97.431

WATER QUALITY DATA

SOIL CONTROL LAB

42 HANGAR WAY
WATSONVILLE
CALIFORNIA
95076
USA

In any reference, please
quote Certified Analysis
Number appearing hereon.

146770-1-1650

Martin Feeney/RG
623 Taylor Street
Monterey CA 93940

A Division of Control Laboratories Inc.

1 AUG 00

CERTIFIED ANALYTICAL REPORT

MATERIAL:	Water sample received 24 July 2000	PUBLIC
IDENTIFICATION:	Oaks Well, 7/24/00, 1115	HEALTH
REPORT:	Quantitative chemical analysis is as follows expressed as milligrams per liter (parts per million):	DRINKING
		WATER
		LIMITS ¹
pH value (units)	6.7	10.6
Conductivity (micromhos/cm)	960	1600
Carbonate Alk. (as CaCO ₃)	0	120
Bicarbonate Alk. (as CaCO ₃)	180	-
Total Alkalinity (as CaCO ₃)	180	-
Total Hardness (as CaCO ₃)	210	-
Total Dissolved Solids	610	1000
Nitrate (as NO ₃)	2.3	45
Chloride (Cl)	160	250
Sulfate (SO ₄)	27	250
Fluoride (F)	0.84	1.0
Calcium (Ca)	56	-
Magnesium (Mg)	18	-
Potassium (K)	5.3	-
Sodium (Na)	110	-
Total Iron (Fe)	< 0.05	0.3
Manganese (Mn)	0.15	0.05

¹California Administrative Code; Title 22

The undersigned certifies that the above is a true and accurate report of the findings of this Laboratory.

Analyst



SOIL CONTROL LAB

42 HANGAR WAY
WATSONVILLE
CALIFORNIA
95076
USA

In any reference, please
quote Certified Analysis
Number appearing hereon.

146770-1-1650

Martin Feeny/RG
623 Taylor Street
Monterey CA 93940

A Division of Control Laboratories Inc.

1 AUG 00

CERTIFIED ANALYTICAL REPORT

MATERIAL: Water sample received 24 July 2000
IDENTIFICATION: Oaks Well, 7/24/00, 1115
REPORT: Quantitative chemical analysis is as follows
expressed as milligrams per liter:
PUBLIC HEALTH DRINKING WATER LIMITS¹

Arsenic (As)	0.034	0.05
Barium (Ba)	< 0.1	1.0
Boron (B)	< 0.1	-
Cadmium (Cd)	< 0.001	0.005
Chromium (Cr)	< 0.01	0.05
Copper (Cu)	< 0.05	1.0
Cyanide (CN)	< 0.05	0.2
Lead (Pb)	< 0.005	0.05
Mercury (Hg)	< 0.0002	0.002
Selenium (Se)	< 0.005	0.05
Silver (Ag)	< 0.005	0.1
Zinc (Zn)	0.7	5.0
MBAS (Surfactants)	< 0.02	0.5
Aluminum (Al)	< 0.1	1.0
Antimony (Sb)	< 0.006	0.006
Beryllium (Be)	< 0.001	0.004
Nickel (Ni)	< 0.01	0.1
Thallium (Tl)	< 0.001	0.002
Nitrite (as NO ₂)	< 0.5	-

¹ California Administrative Code;
Title 22

The undersigned certifies that the above is a true and
accurate report of the findings of this Laboratory.

Analyst



ANALYTICAL CHEMISTS
and
BACTERIOLOGISTS
Approved by State of California

Tel: 831 724-5422
FAX: 831 724-3188

SOIL CONTROL LAB

42 HANGAR WAY
WATSONVILLE
CALIFORNIA
95076
USA

In any reference, please
quote Certified Analysis
Number appearing hereon.

146770-1-1650

Martin Feeney/RG
623 Taylor Street
Monterey CA 93940

A Division of Control Laboratories Inc.

1 AUG 00

CERTIFIED ANALYTICAL REPORT

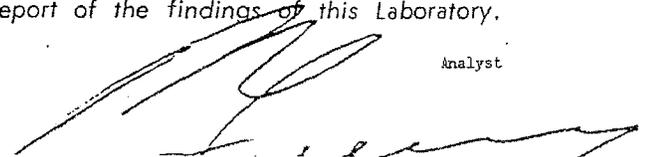
MATERIAL: Water sample received 24 July 2000
IDENTIFICATION: Oaks Well, 7/24/00, 1115
REPORT: General Physical Analysis is as follows:

TEMPERATURE (°C)	COLOR (Co/Pt) (Units)	ODOR (Threshold (Number)	TURBIDITY (NTU)	pH value (units)
	< 3	< 1	0.41	6.7

-not determined
Odor test performed at 60°C

The undersigned certifies that the above is a true and
accurate report of the findings of this Laboratory.

Analyst



CORRESPONDENCE/BACKGROUND

Technical Memorandum.

Subject: Well Location - Hydrogeologic Review
"The Oaks" Subdivision

Date: February 11, 2000

Introduction: This technical memorandum provides a brief overview of the hydrogeologic setting of the proposed well site. The proposed well is to provide water for a 11-lot subdivision with a water requirement of 4.5 acre-feet per year and an instantaneous flow rate of 22 gpm.

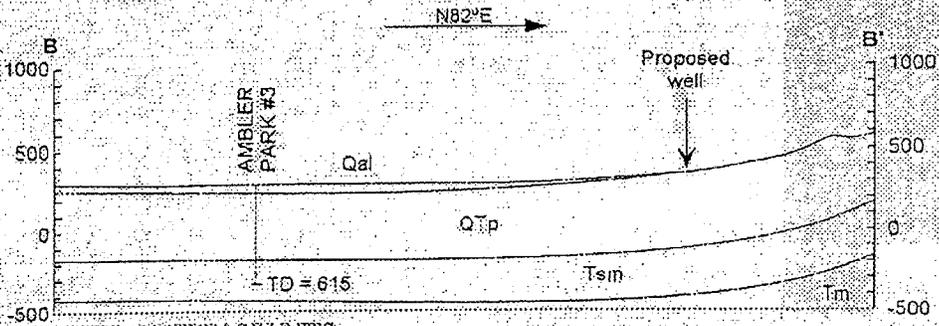
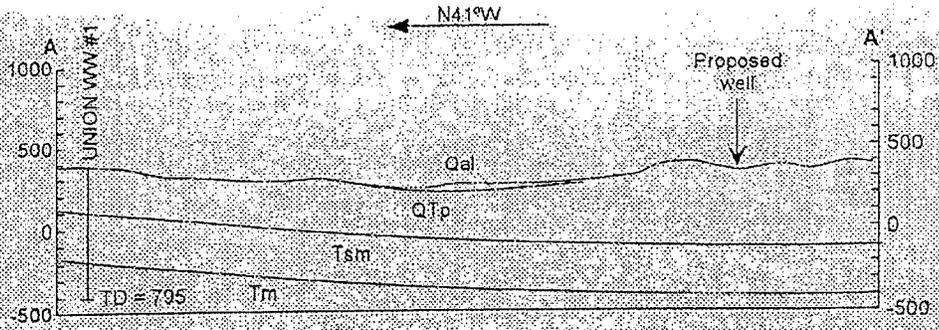
Hydrogeologic Setting: The proposed well location was provided by H.D. Peters and is shown on the attached figure. The surface geology of the site is the Paso Robles Formation. The Paso Robles Formation is a thick sequence of continental deposits consisting of interbedded sand, gravel and clay. The Paso Robles Formation is approximately 400 feet thick at the proposed site. The Paso Robles is underlain by approximately 250 feet of Santa Margarita Sandstone which is, in turn, underlain by Monterey Shale. The stratigraphic relationships are shown in the cross-sections on the attached figure.

Both the Paso Robles and Santa Margarita Formations constitute aquifer systems in the area. The underlying Monterey Shale is considered non-water bearing due to low yields and poor water quality. Well yields in the Paso Robles Formation range up to 200 gpm. Yields in the Santa Margarita are typically higher with discharge rates in excess of 500 gpm. Average specific capacity¹ of wells completed in the Paso Robles and Santa Margarita Formation are 2 gpm/ft and 5 gpm/ft, respectively. Water levels in both aquifer systems are currently about 150 feet below ground surface.

The quality of the water from these two formations is significantly different. Water from the Paso Robles is of a calcium-bicarbonate chemical character with total dissolved solids of approximately 500 mg/l. Water from the Santa Margarita is of a sodium-chloride chemical character and often has concentration of total dissolved solids approaching 1,000 mg/l.

Well Feasibility: Based on the current understanding of the hydrogeology of the area, it should be possible to construct a 400 foot-well at the project site that meets the project goals. A 400-foot well at the site would be completed in the Paso Robles Formation. A well completed solely in the Paso Robles would provide superior water quality when compared to the underlying Santa Margarita Formation. As such, the water quality from the new well will likely be superior to the quality provided to the adjacent Ambler Park customers. Ambler Park wells are completed predominantly in the Santa Margarita.

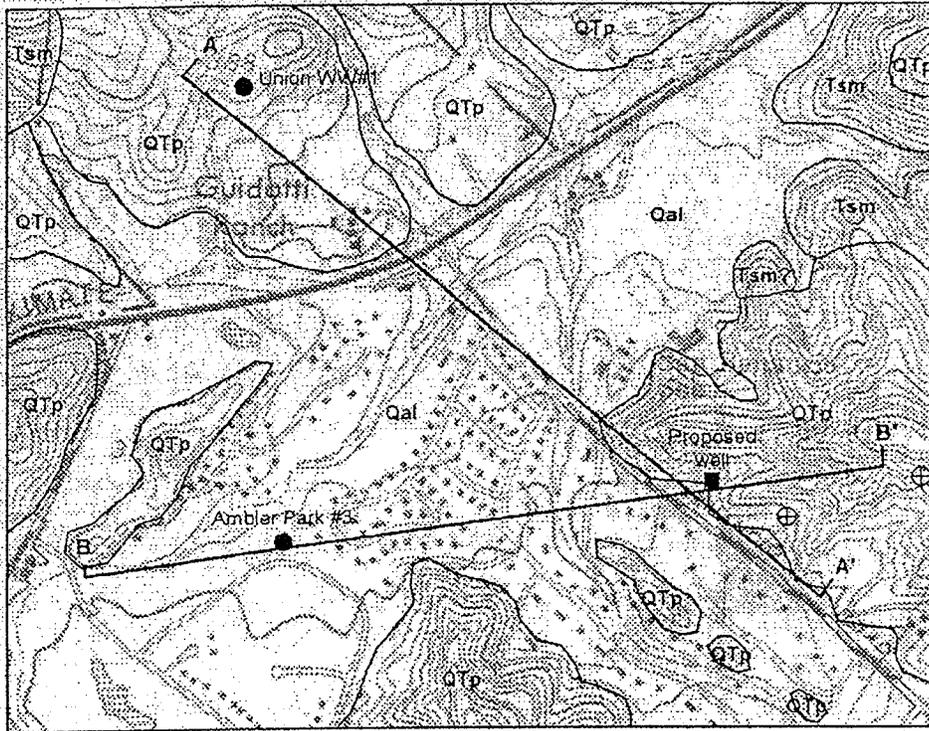
¹ Specific capacity is the ratio of well discharge to drawdown. The conventional units are gallons per minute per foot of drawdown (gpm/ft). A well with a specific capacity of 1 gpm/ft pumping 10 gpm will display 10 feet of drawdown. A well with a specific capacity of 10 gpm/ft pumping 10 gpm will display 1 foot of drawdown.



EXPLANATION OF UNITS:

- Qal Alluvium, undivided (Holocene-Pleistocene)
- QTp Pasa Robles Formation (Pleistocene-Pliocene)
- Tsm Santa Margarita Sandstone (Late Miocene)
- Tm Monterey Formation (Middle Miocene)
- ⊕ Horizontal bedding
- Water or oil well

0 1000 feet
Contour interval = 20 feet



Base: USGS Spreckels 7.5-minute topographic quadrangle (1984). Geology modified from Dupré (1990), Dibblee (1974), and Bowen (1969).

Martin B. Feeney, C.E.G., C.Hg.
Consulting Hydrogeologist

June 17, 2000

Monterey Co. Health Department
Division of Environmental Health
1270 Natividad Road
Salinas, California 93906

Attn: Ms. Elizabeth Karis, Senior Sanitarian

Subject: Bollenbacher and Kelton Project – “The Oaks” Well – Well Permit – 00-092

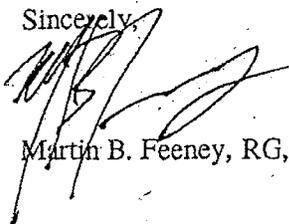
Dear Ms. Karis:

Attached find lithology, proposed well design and geophysical log for the subject well. Borehole was drilled to 450 feet on Friday and geophysical logged. Lithologic samples were collected under my supervision and a lithologic log is attached. Based on interpretation of the lithology and the geophysical log, we will seal to 80 feet. This places the seal into the clay between about 55 and 88 feet.¹ Reaming and well construction will take place Monday. Seal will be pumped on Tuesday morning. If a representative of your department plans to witness the seal, let me or the contractor know. We will update you as to a more precise time for concrete delivery so that your staff doesn't spend more time at the site than is necessary.

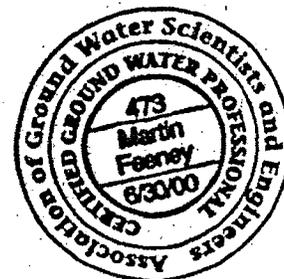
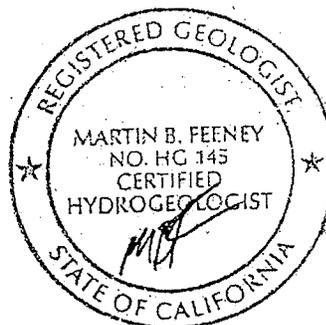
If you have any questions or comments, please call me at my office or on my cell phone (915-1115).

Thanks for your help.

Sincerely,



Martin B. Feeney, RG, CEG, CHg, CGWP



¹ Interpretation of this portion of the geophysical log is difficult, as the formation is unsaturated. This results in clay with the resistivity signature of dirty wet sands. However, I have good confidence in the validity of the ditch samples from the same interval.

MONTEREY COUNTY



DEPARTMENT OF HEALTH DIVISION OF ENVIRONMENTAL HEALTH

1270 Natividad Road
Salinas, CA 93906
(831) 755-4507

WATER WELL PERMIT

WELL PERMIT NO. 00-092

ISSUED: 04-13-00

EXPIRES: 04-13-01

SITE LOCATION: 715 Monterey-Salinas Hwy

RECEIPT: 174960

TYPE: Domestic-Multiple Connection

APN:161-011-078

OWNER: Bollenbacher & Kelton, Inc. ADDRESS: 2716 Ocean Pk Blvd #3006

CITY: Santa Monica, CA 90405

PHONE: (310) 396-4514

DRILLING CONTRACTOR: Alsop Pump & Drilling Inc.

LICENSE: 569945

ISSUED BY: E. Karu

CONDITIONS OF APPROVAL:

1. The well shall be at least 100 feet from any septic tank; any portion of any leach field; 50 feet from any sewer main, line or lateral; and 150 feet from any seepage pit. If type of absorption field is unknown, the distance shall be 150 feet.
2. Location of the well shall not prevent the installation, relocation or expansion of the septic system on any adjoining lot.
3. Notify the Health Department prior to moving on site.
4. Water well permit shall be kept on site at all times while work is in progress.
5. Notify the Health Department 24 hours prior to the time you expect to place any seal.
6. Sanitary seal shall be placed 10 feet into the first SIGNIFICANT impermeable layer (as evidenced by logging) beyond 50 feet. The exact location of sanitary and strata seals shall be approved by the Health Department after review of logs.
7. An electric log shall be performed and it shall be reviewed by the Health Department before the well is sealed. A written water quality report and interpretation shall be provided by the logging firm indicating the best location(s) for sealing off poor quality water.
8. Surface construction features of the completed well shall be in accordance with Bulletin 74-81 (including all supplements), "Water Well Standards: State of California."
10. Any water well on the premises which is to be abandoned, or which has been abandoned already, shall be properly destroyed within six months of the completion of this well.
11. If the seal(s) cannot be witnessed by the Health Department, a detailed, written description of the seal(s) shall be submitted to the Health Department within ten (10) days.

12. Contact the Health Department when the well is ready to use and request a final inspection of the completed well.
13. A 72 hour source production test shall be conducted on the completed well.
14. A water quality analysis that includes the required monitoring for the proposed water system shall be completed on the production well. A "Summary of Routine Monitoring Requirements" is enclosed for your convenience.
15. The well site shall be located a minimum of 50 feet from all sewer lines, mains, or laterals.
16. The well shall be located a minimum of 50 feet from the proposed storm water retention pond, and storm drains.

END

MONTEREY COUNTY HEALTH DEPARTMENT
DIVISION OF ENVIRONMENTAL HEALTH
Resource Protection Branch

APPLICATION TO CONSTRUCT, REPAIR OR ALTER
A WATER WELL, MONITORING WELL OR CATHODIC PROTECTION WELL

Owner Bollenbacher & Kalton, Inc. Contractor ALSOB PUMP & DRILLING, INC.
 Address 2716 Ocean Park Boulevard, Suite 3006 Business Address 1508 ARBORET ST
Santa Monica, California 90405 SALINAS, CA 93901
 Day Phone # 310/396-4514 Phone # 424-3946 C-57 License # 576895

Proposed Site Location (ACROSS FROM 60 S. B. CYN RD) 715 Monterey Peninsula Hwy
 APN 161-011-078 Acres 2541 Within: Pajaro Valley WMA? NO
 Monterey Peninsula WMD? NO Monterey County WRA? YES Zone 6? NO Coastal Zone? NO
 Construction () Repair () Alteration () If repair or alteration, please describe: _____

Intended Use: Irrigation () Single Connection () Multiple Connection (X) Cathodic Protection ()
 Industrial () Monitoring () Other _____
 If well is for multiple connections, give name of water system: _____
 Estimated Work: Start 4.1.00 Finish 4-8-00 GPM needed 204 Permit: Mail (X) Pick Up ()
 How many existing wells on property? NONE In use? _____ Inactive? _____ Abandoned? _____

A map containing the following information must accompany this application: 1) Nearest crossroad and direction of north; 2) Written directions to the proposed site; 3) Property lines; 4) Distance of the proposed well to property lines; 5) Location of all wells on the property; 6) Distance to all septic tanks, seepage pits and leach lines on the property and within 150 ft. of the property line; 7) The precise location of the proposed well site shall be designated with a flagged surveyor's stake with the words "Proposed Well."

- Distance to nearest: Leach line 150 ft. Seepage pit _____ ft. Septic tank _____ ft. Sewer _____ ft.
 Property line 150 ft. Existing well _____ ft.
- Type of well construction: Rotary (X) Reverse Rotary () Air Rotary () Cable Tool () Down Hole ()
 Dug () Other _____
- Bore hole depth 410 ft. Bore hole diameter 10 3/8 in. Seal width 2.25 in.
- Conductor casing to be installed? NO Thickness _____ in. Diameter _____ in. Length _____ ft.
- Production casing: Standard or line pipe () Structural steel () Thermoplastics (X) Thermoset plastic ()
 Diameter 6 in. Single () Double () Type of joint GLUE
- Logging to be used: Electric (X) Calliper () Fluid movement () Geologic () Other _____
- Proposed types and amounts of materials to be used for seals, including length and location:

Material	Volume	Length	Location
<u>NAOT PAINT</u>	<u>1.24</u> cu. yds.	<u>50</u> ft.	<u>0</u> to <u>50</u> ft.
- Proposed location of perforations or screens: 200 to 400 ft., _____ to _____ ft.
- Concrete pump base: Length 18 in. Width 22 in. Thickness 6 in.
- Method of disinfecting gravel-pack and completed well: CHEMICAL
- Pump to be used: Deep well turbine () Submersible (X) Jet () Centrifugal () Airlift () Piston ()
 HP 15 If top mounted pump, what type of seal is to be installed?
 Pump head-base gasket () Pump base-casing rim gasket (X) Well cap ()

I hereby agree to comply with all conditions, laws and regulations of the County of Monterey and the State of California pertaining to well construction. I understand approval of well permit does not indicate whether this property is suitable for an individual sewage disposal system or that a permit to install such a system is granted.

PROPERTY OWNER By: Bollenbacher & Kalton, Inc. CONTRACTOR ALSOB
 Date 3/16/00 Date 3/16/00

OFFICE USE ONLY

Date 3/16/00 Time _____ Receipt # 174562 Amount 426 Clerk DA Violation List ck
 H.D. Approval _____ W.A. Approval _____ CA Well # or Location Coordinates _____
 Conditions: 1 2 3 4 5 6 7 8 _____ 9 _____ 10 11 12 13 _____ 14 _____ 15 _____ 16 _____
 Special Conditions: _____
 Site Inspection: Date _____ EHS _____ Construction Inspection: Date _____ EHS _____
 Seal(s) Inspection: Date _____ EHS _____ Date _____ EHS _____ Date _____ EHS _____
 Final Inspection: Date _____ EHS _____ Comments: _____

Copies: White (File) Yellow (Water Agency) Pink (Contractor) Gold (Building Department)

ENVIRONMENTAL HEALTH OFFICES

(MONTEREY) 1200 Aguajito Road (SALINAS) 1270 Natividad Road, #102 (KING CITY) 1180 Broadway
 Monterey, CA 93940 Salinas, CA 93906 King City, CA 93930
 (408) 647-7654 (408) 755-4507 (408) 385-8350

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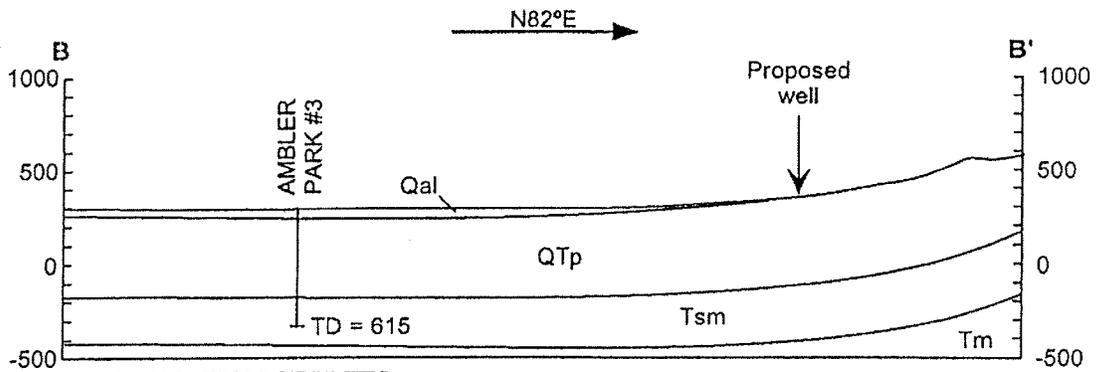
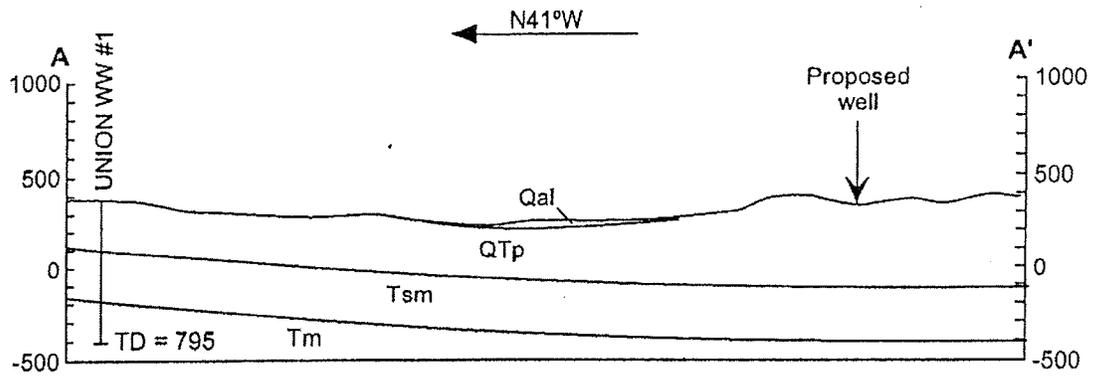
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