

WATER/RSK/BMD/PTL/OE2/jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch**

**RESOLUTION NO. W-4898
January 12, 2012**

R E S O L U T I O N

(RES. W-4898), DEL ORO WATER COMPANY, RIVER ISLAND DISTRICT (DEL ORO). THIS RESOLUTION FINDS DEL ORO HAS COMPLIED WITH ORDERING PARAGRAPH (O. P.) NO. 3 OF DECISION (D.) 10-05-004, EFFECTIVE RETROACTIVELY AS OF MAY 19, 2011. DEL ORO HAS PREPARED AND FILED WITH THE COMMISSION PLANS TO AUGMENT THE RIVER ISLAND DISTRICT WATER SUPPLY, PER O.P. NO. 3. THIS RESOLUTION DOES NOT AUTHORIZE FUNDING OR APPROVE PLANS FOR ANY CONSTRUCTION PROJECTS RELATED TO THE PLANS TO AUGMENT THE RIVER ISLAND DISTRICT WATER SUPPLY.

SUMMARY

Del Oro submitted Advice Letter (AL) 300 on May 19, 2011 in order to comply with O. P. No. 3 in D.10-05-004, which directs Del Oro (a class B water company) in consultation with its customers and prospective customers to prepare a plan to augment its River Island District water supply no later than one year from the effective date of D.10-05-004. This resolution finds that Del Oro has complied with O. P. No. 3 in D.10-05-044 and has filed with the Commission its plans to augment the water supply of the River Island District. This Resolution does not authorize funding or approve plans for any construction projects related to the plan to augment the River Island District water supply. Del Oro must file an advice letter and receive a discretionary approval from the Commission before commencing any projects discussed below associated with these augmentation plans.

This resolution finds Del Oro in compliance with the O. P. No. 3 of D.10-05-004, effective retroactively as of May 19, 2011.

BACKGROUND

Del Oro was ordered to file a Tier 3 advice letter to show plans for augmenting its River Island District water supply no later than one year from the effective date of D.10-05-004, which became effective on May 6, 2010. The plans for augmentation are needed to meet water demand and set in motion a lifting of the moratorium¹ in place due to insufficient water supply. Del Oro requested approval to place a moratorium on new water service connections in its River Island District due to limited water supply through Application (A.) 09-08-016. The Commission granted this moratorium in D.10-05-004, which became effective on May 6, 2010. The moratorium is limited to the earlier of three years from the effective date of the decision or the date that sufficient additional water supplies are available.

On December 2010, Del Oro retained the services of Luhdorff and Scalmanini Consulting Engineers (LSCE) to design a surface water treatment plant for the purpose of treating water from the Pleasant Valley Canal, which when completed will augment Del Oro's water supply and meet demand. As of May 2011, LSCE has completed work on the design/plan for the treatment plant, which has led to the filing of AL 300 by Del Oro to show compliance with the O. P. No. 3 in D.10-05-004. O. P. No 3. states:

3. Del Oro Water Company, in consultation with its customers and prospective customers, must prepare a plan to augment the River Island District water supply, and file the plan with the Commission as a Tier III advice letter no later than one year from the effective date of today's decision.

Del Oro acquired the River Island District water system on July 31, 2008. The system is located approximately three miles southwest of Springville in Tulare County, California. At the time of the acquisition, the water system (which was operated by a Class D water utility) had a total of 337 metered water customers and 15 metered irrigation customers. Del Oro now serves 410 metered water customers in the River Island District. Also, the River Island District has two service territories: Territory 1 and Territory 2. Territory 1 has a maximum daily demand of 521 GPM (gallons per minute), but can only reliably produce 414 GPM; Territory 2 has a maximum daily demand of 45 GPM, but only has a capacity of 40 GPM. Given the insufficient water supply and the inability to serve more connections without injuriously withdrawing supply from its current

¹ Del Oro requested a Moratorium via A.09-08-016 on August 21, 2009.

users, Del Oro sought and received a moratorium on new water service connections, effective as of May 6, 2010.

NOTICE AND PROTESTS

AL 300 was served May 19, 2011, in accordance with General Order 96-B. The entities served included adjacent utilities, persons on Del Oro's general advice letter service list, customers seeking new service connections on the waiting list established per Ordering Paragraph 2 of D.10-05-004, and owners of unserved lots within the River Island District service territories.

In consultation with its customers and prospective customers, Del Oro on May 25, 2011, mailed a notice of the proposed plans for water augmentation to the permanent address of its customers in the River Island District and to all the individuals upon which it served AL 300.

No protests were received by the Division or by Del Oro.

DISCUSSION

On August 21, 2009, Del Oro filed A.09-08-016 requesting a moratorium on new water service connections in its River Island District due to limited water supply. The Commission issued D.10-05-004 on May 6, 2010, granting Del Oro a moratorium on new water service connections in the River Island District and requiring preparation of a water supply augmentation plan. Per D.10-05-004, the moratorium shall expire on the earlier of three years from the effective date of D.10-05-004 or the date that sufficient additional water supplies are available.² In order to ensure an adherence to the time line, Del Oro was also ordered to prepare a plan to augment its water supply and file it with the Commission no later than one year from the effective date of the decision.³

² In D.10-05-004, the Commission stated that a moratorium of this time length should provide Del Oro with sufficient time to make the needed improvements to augment its water supply in the River Island District. The Commission also stated that, if needed, Del Oro could file a new application at least one year before the expiration date for an extension of the moratorium. (See D.10-05-004 at page 5.)

³ Del Oro submitted plans to augment its River Island water supply thirteen days after the required date. The Division believes no prejudice or harm was caused by this delay.

The Division examined work papers Del Oro submitted for its plans to augment its River Island District water supply as ordered in D.10-05-004. The water augmentation plans are laid out in two phases:

Phase I plans - Work to be Accomplished and Associated Costs of \$200,000.00

- A detailed design of all facilities (see Phase II below for a description of the facilities to be constructed)
- Plans and specifications for bidding and construction purposes
- An Engineer's Report to accompany the SRF application
- A detailed construction cost estimate
- California Environmental Quality Act (CEQA) (environmental review) for the project
- State Revolving Fund application to be submitted to California Department of Public Health.

Phase II plans - Surface Water Treatment Plant Construction and Associated Costs of \$3,743,025.00

- An intake structure at the Pleasant Valley Canal
- A raw water mainline to convey water to a treatment facility
- Securing and constructing a roadway easement for canal intake structure
- A water treatment facility
- Treated water storage tanks
- A booster station
- A treated water mainline to convey water to the distribution system
- A building to house the treatment and electrical switchgear equipment
- Various site improvements including fencing, paving and drainage
- A Supervisory Control Data Acquisition system for control and monitoring of the facility.

Del Oro has met the requirement in O.P. 3 of D.10-05-004 and has prepared and filed with the Commission plans to augment the River Island District water supply. As we discuss below, in this resolution we do not approve the plans described above. Del Oro must file Tier 3 advice letters to get approval from the Commission before implementing the Phase I and II plans stated above. (See also the discussion in the CEQA section immediately below.) Del Oro Water Company should file the advice letter seeking approval of the Phase I plan as soon as possible.

CEQA

This resolution does not authorize funding or approve plans for any construction projects. Consequently, there is a proper basis for finding that this project is exempt from CEQA review because it can be seen with certainty that there is no possibility that the approval granted by this resolution (i.e., the determination that Del Oro has complied with O.P. No. 3 of D.10-05-004 in that it has prepared and filed a plan with the Commission to augment the River Island District water supply) may have a significant effect on the environment. (California CEQA Guidelines Section 15061(b)(3).) Additionally, Del Oro must receive discretionary approval from the Commission before commencing any projects associated with this Resolution. Thus, the Commission's review of the projects described in Phase II for CEQA compliance would be speculative at this time consistent with CEQA State Guidelines Section 15004(b).

COMPLIANCE

Del Oro has met the requirement to prepare and file a plan to augment the water supply of the River Island District as required by D.10-05-004. Del Oro has provided satisfactory service and has been filing annual reports as required.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to Public Utilities Code Section 311(g) (2), the otherwise 30-day period for public review and comment is being waived.

FINDINGS

1. On August 21, 2009, Del Oro filed A.09-08-016 requesting a moratorium on new water service connections for its River Island District due to limited water supply.
2. On May 6, 2010, the Commission adopted D.10-05-004, which granted Del Oro a moratorium on new water service connections and required (in Ordering Paragraph No. 3) Del Oro to file a plan for augmenting its water supplies in its River Island District no later than one year from the effective date of the decision.

3. On May 19, 2011, Del Oro filed Advice Letter 300 in compliance with Ordering Paragraph No. 3 of D.10-05-004, showing its plans for augmenting its water supply in the River Island District.
4. The Commission finds, after investigation by the Division of Water and Audits, that Del Oro has prepared and filed plans to augment its water supply in the River Island District, in compliance with Ordering Paragraph 3.
5. The plans to augment the water supply of the River Island District are laid out in two phases, Phases I & II.
6. This resolution does not authorize funding or approve plans for any construction projects. Consequently, there is a proper basis for finding that this project is exempt from CEQA review because it can be seen with certainty that there is no possibility that the approval granted by this Resolution may have a significant effect on the environment. (State CEQA Guidelines Section 15061(b) (3).)
7. Del Oro must receive discretionary approval from the Commission before commencing any projects associated with this resolution. Thus, the Commission's review of the projects described in Phase II for CEQA compliance would be speculative at this time consistent with CEQA State Guidelines Section 15004(b).
8. Del Oro must file Tier 3 advice letters for approval from the Commission of its Phase I and II plans, as described in this resolution.
9. Del Oro Water Company should file the advice letter seeking approval of the Phase I plan as soon as possible.
10. The entities served included adjacent utilities, persons on Del Oro's general advice letter service list, customers seeking new service connections on the waiting list established per Ordering Paragraph 2 of D.10-05-004, and owners of unserved lots within the River Island District service territories.
11. This is an uncontested matter subject to the public notice comment exclusion provided in the Public Utilities Code Section 311(g)(2).

THEREFORE IT IS ORDERED THAT:

1. Del Oro Water Company, River Island District, has prepared and filed with the Commission, as directed in Ordering Paragraph No. 3 of Decision 10-05-004, plans to augment the water supply of the River Island District.
2. Del Oro Water Company must file Tier 3 advice letters for approval from the Commission of its Phase I and II plans as described in this resolution. Del Oro Water Company should file the advice letter seeking approval of the Phase I plan as soon as possible.
3. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on January 12, 2012; the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President

TIMOTHY ALAN SIMON
MICHEL PETER FLORIO
CATHERINE. J. K. SANDOVAL
MARK J. FERRON
Commissioners