



GREAT OAKS WATER COMPANY

P.O. Box 23490
San Jose, CA 95153
(408) 227-9540
jliem@greatoakswater.com

January 24, 2025

California Public Utilities Commission
Water Division
505 Van Ness Avenue
San Francisco, California 94102

Re: Advice Letter 329-W: Service Area Expansion

In accordance with General Order 96-B, Industry Rules 7.3.2(8) and 8.1, Great Oaks Water Company submits this Tier 2 Advice Letter requesting approval of the following changes in its service area map.

Summary

Great Oaks requests modifications to the service area boundary and map for its service territory to reflect the extension of service into a contiguous area of unincorporated Santa Clara County.

Background

The revised service area map includes a new area in which an 847-unit residential housing development and related community facilities will be constructed in an unincorporated area of Santa Clara County that is adjacent to the City of Morgan Hill. Due to the City of Morgan Hill's lack of support for supplying services to the development, the developer has requested that Great Oaks provide water and wastewater service.¹

Discussion

Great Oaks currently provides service to the southeast portion of the City of San José in Santa Clara County, and requests a service area map extension consistent with Water Industry Rule 8.1. Expanding its service area to include the Petal Fields Development located nearby in Santa

¹ Great Oaks will submit a separate application requesting a Certificate of Public Convenience and Necessity to provide wastewater service to the development.

Clara County will allow Great Oaks to provide service to a new area of the County via an extension of a main line from Great Oaks' existing service area.

The Development site is located in unincorporated Santa Clara County, adjacent to the City of Morgan Hill. The site lies within the Morgan Hill Sphere of Influence and Urban Growth Boundary, but it is not currently within the City's urban service area. The City of Morgan Hill has informed the developer that it strongly opposes urban development in the unincorporated County areas adjacent to the City and that the City would not support a request for utility services for the development.² While the City has indicated that it will process a request for annexation, the outcome of such a request is uncertain.³ The developer has therefore submitted a request to Great Oaks to provide water and wastewater service to the Development.⁴

As shown in the map in Attachment 3, the Development will be served by an extension of an existing main line in Great Oaks' service territory.⁵ Great Oaks is able to meet the projected domestic water demand for the Development,⁶ and it can significantly exceed the minimum fire flow requirements of 2,000 gpm for a four-hour duration and a 500,000 gallon storage tank.⁷

Authority for Request

The relevant provisions of General Order 96-B are:

Water Industry Rule 4.2, Service Area Extension or Transfer of Ownership. When filing an advice letter for service area extension or transfer of ownership, the utility shall serve it on the Local Agency Formation Commission (LAFCO).

Water Industry Rule 7, Section 7.3.2(8), Tier 2. Service extension into contiguous area or within city in which the utility already provides service, as defined in Industry Rule 8.1 (Water Supply and Certification Questionnaire required).

Water Industry Rule 8.1, Service Extension into Contiguous or Other Area. As relevant here, a service area extension into a contiguous area for purposes of this Rule occurs where service will be provided by the extension of line, plant, or system from the utility's existing service area. At least 30 days before extending service into a contiguous area, the utility must submit a service area map showing the added area, and proof that the utility has or will obtain adequate water supply to serve the area.

Basis for Request

Great Oaks requests extension of its current service area to include the Petal Fields Development. In compliance with the authority cited above, Great Oaks is concurrently serving

² Attachment 2, City of Morgan Hill Letter to Questa Engineering Corporation.

³ *Ibid.*

⁴ Attachment 1, Public Water and Wastewater Service Inquiry.

⁵ Attachment 3, Maps of Service Area with Location of Development.

⁶ Attachment 4, Water Supply Questionnaire.

⁷ Attachment 5, Great Oaks' Fire Flow Calculation; Attachment 1, p. 2; Attachment 4, pp. 9–10.

the LAFCO for Santa Clara County with a copy of this advice letter. This advice letter also complies with the Tier 2 designation requirements.

As is shown in the maps included as Attachment 3 to this advice letter, the requested extension is into an area that is contiguous to Great Oaks' current service area because service will be provided by the extension of line, plant, or system from Great Oaks' existing service area. Great Oaks has also provided the requisite Water Supply and Certification Questionnaire and demonstrated that it has adequate supply to serve the new area.

The Commission should therefore approve the extension of Great Oaks' service area to include the Petal Fields Development.

Tier Designation

Under General Order 96-B, Water Industry Rule 7.3, this service area expansion advice letter is classified as Tier 2.

Effective Date

Great Oaks requests an effective date of February 24, 2025.

Response or Protest

Anyone may respond to or protest this advice letter. A response does not oppose the filing but presents information that may prove useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds may include the following:

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

Any Protest or Response must be made in writing or by electronic mail and must be received by the Water Division of the Commission within 20 days of the date this Advice Letter is filed. The Advice Letter process does not provide for any Protests, Responses or other comments, except

for a reply by Great Oaks, after the 20-day comment period expires. The address for mailing or delivering a Protest or Response is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date any Protest or Response is submitted to the Water Division, the protesting or responding person, entity or party must serve a copy of the Protest or Response on Great Oaks addressed to:

Juan Liem
Great Oaks Water Company
PO Box 23490
San Jose, CA, 95153
408-227-9540
Email: jliem@greatoakswater.com.

With a copy to:

Megan Somogyi
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA, 94105
415-848-4800
Email: msomogyi@downeybrand.com.

Sincerely,

/s/ Juan Liem

Juan Liem
Chief Financial Officer
Great Oaks Water Company

cc: GO 96-B Service List
Santa Clara County LAFCO (lafco@ceo.sccgov.org)
Chris Ghione, Public Services Director, City of Morgan Hill
(chris.ghione@morganhill.ca.gov)
James Boothe, Water Division (james.booth@cpuc.ca.gov)

ATTACHMENT 1

Public Water and Wastewater Service Inquiry



October 1, 2024

John Roeder
Great Oaks Water Company
20 Great Oaks Blvd, Suite 120
San Jose, CA 95119

Subject: Public Water and Wastewater Service Inquiry – Peebles-Burnett Housing Development, Morgan Hill

Dear Mr. Roeder:

It was very good meeting you last week for preliminary discussion with Gino and Chris Borello regarding the water and wastewater utility needs for their planned housing development in Morgan Hill. As their water and wastewater engineering consultant, I am writing to provide some additional project details and to formally inquire about the possibility of Great Oaks Water Company providing water and wastewater management services for their project.

The project site lies within the Morgan Hill Sphere of Influence and Urban Growth Boundary, but it is currently not within the City's urban service area. The project developer has requested extension of City water and wastewater service as the most practical approach for the project; however, the City has not yet responded. Based on other similar projects in the Morgan Hill area, it is anticipated that the City will be unable to annex the property or otherwise provide services due to their prior settlement with LAFCO over annexation issues. In accordance with California Health and Safety Code (Section 116527), before pursuing the establishment of a new standalone water system, the project applicants are also reaching out to Great Oaks Water Company to inquire about the possibility of providing water and/or wastewater utility services for the project.

As you are no doubt aware, Section 116527 requires that before establishing a new public water system the owners are required to explore and evaluate opportunities for service from or consolidation with existing public water systems within a 3-mile distance of the new facility. At a minimum, the applicant is required to ask each public water system if a connection to their existing water supply is feasible and also inquire if managerial and/or operational oversight also might be available. The replies from each identified water system will be included in their application to the Division of Drinking Water if the project ends up pursuing approval for a new public water system.

Following is some project background and details about the water and wastewater requirements.

Overview

Briefly, the planned housing development is on a 131.9-acre site located along Peebles Ave and Burnett Ave adjacent to the City of Morgan Hill. The project, which is being processed under SB 330 (Builder's Remedy) by Borello Asset Management, Inc., encompasses 15 adjoining parcels as listed in **Table 1** and shown in the attached **Figure 1**. The project civil engineer is

RJA Consultants. The project is for the development of 847 housing units, including a mix of single-family and multi-family residences with 20% for sale or rent as below market rate low-income units. Current uses of the property include commercial nurseries, bare land and several single-family residences. Domestic and agricultural water has historically been provided by various existing onsite wells.

Table 1. Peebles-Burnett Lot Summary

APN	Owner	Address	Land Area (ac)
726-37-002	Columbini	350 Peebles	Not Part of Project
726-37-003	Chack	500 Peebles	18.3
726-37-004	Diep	Land	11.8
726-37-007	400 Peebles Ave, LLC	400 Peebles	9.8
726-39-001	610 Burnett	610 Peebles	8.1
726-39-002	Kawahara Nursery	700 Peebles	1.8
726-39-008	ADK Holdings	685 Peebles	8.2
726-39-009	Columbini	675 Peebles	4.2
726-39-010	Anaya	605 Peebles	2.8
726-40-001	Kawahara Nursery	545 Peebles	7.1
726-40-002	Yasui	535 Peebles	2.4
726-40-003	Hughes	395 Peebles	2.4
726-40-006	Kawahara Nursery	480 Peebles	9.9
726-40-007	ADK Holdings	698 Peebles	14.7
726-40-008	Gunapu	Land	8.6
726-40-013	Reggiardo	330 Burnett	21.8
Total Acreage			131.9

Domestic Water Demand

Water demand for the project will consist of domestic water supply for the proposed 847 residential housing units plus allowances for community facilities (~10%) and contingencies (~10%). Major landscaped areas will be irrigated with onsite non-potable well water and treated wastewater (subsurface drip dispersal only). The domestic water demand will typically fluctuate seasonally, with the greatest demand occurring during the summer months due to water use for landscape and garden irrigation and other outside uses. Preliminary water demand estimates developed for the proposed project are as follows:

- Maximum Day Demand (MDD):

847 houses @ 500 gpd each ¹ :	423,500
Community Amenities (~10%):	40,000
Miscellaneous/Contingencies (~10%):	<u>40,000</u>
MDD	503,500 gpd
Rounded:	500,000 gpd

¹ https://stgenpin.blob.core.windows.net/document/StandardsPoliciesManual_Vol2_Water.pdf

- Peak Hour Demand (PHD): 93,750 gal (1.5 x MDD over 8 hours; 1,563 gpm)
- Average Daily Demand (annual): 250,000 gpd (estimated at 50% of MDD)
- Average Pumping Rate (12 hrs/day): 350 gpm
- Total Annual Water Use: 91 million gallons; 280 ac-ft/yr
- Minimum Water Storage for MDD: 500,000 gallons
- Minimum/Target Water Pressure: 50 to 60 psi
- Water distribution mains: 8-inch dia, per Morgan Hill standards

Fire Flow and Storage Requirements

Fire flow requirements for the project will be determined by the Santa Clara County Fire Marshall. Preliminary estimates, based on the largest building (with code compliant sprinkler system), indicate a fire flow requirement of approximately 2,000 gpm for 4 hours duration. Minimum tank size to supply fire flow from storage would be approximately 500,000.

Wastewater System

A conventional gravity sewer system is proposed for the project that could either tie into the City's sanitary sewer system or be handled by onsite wastewater treatment and disposal facilities that would be permitted under waste discharge requirements issued by the San Francisco Bay Regional Water Quality Control Board. The proposed wastewater treatment system is a design-build package plant by Cloacina (<https://www.cloacina.com/>) utilizing membrane bioreactor (MBR) process, capable of producing tertiary-level effluent quality. Wastewater disposal will be provided by a combination of pressure-dosed shallow chamber leachfields and sub-surface drip irrigation-dispersal in dedicated landscape areas.

We would greatly appreciate your response at your earliest convenience. If you have any questions or require additional information about the project plans I may be reached by phone at (510) 236-6114, ext. 214 or by email at nhantzsche@questaec.com

Sincerely,



Norman Hantzsche, PE
Principal/Managing Engineer
Questa Engineering Corporation

Xc: Gino Borello, Borello Asset Management, Inc
Chris Borello, Borello Asset Management, Inc
RJA Engineering

Ref: 2400040_Peebles-Burnett_Great Oaks water & wastewater service

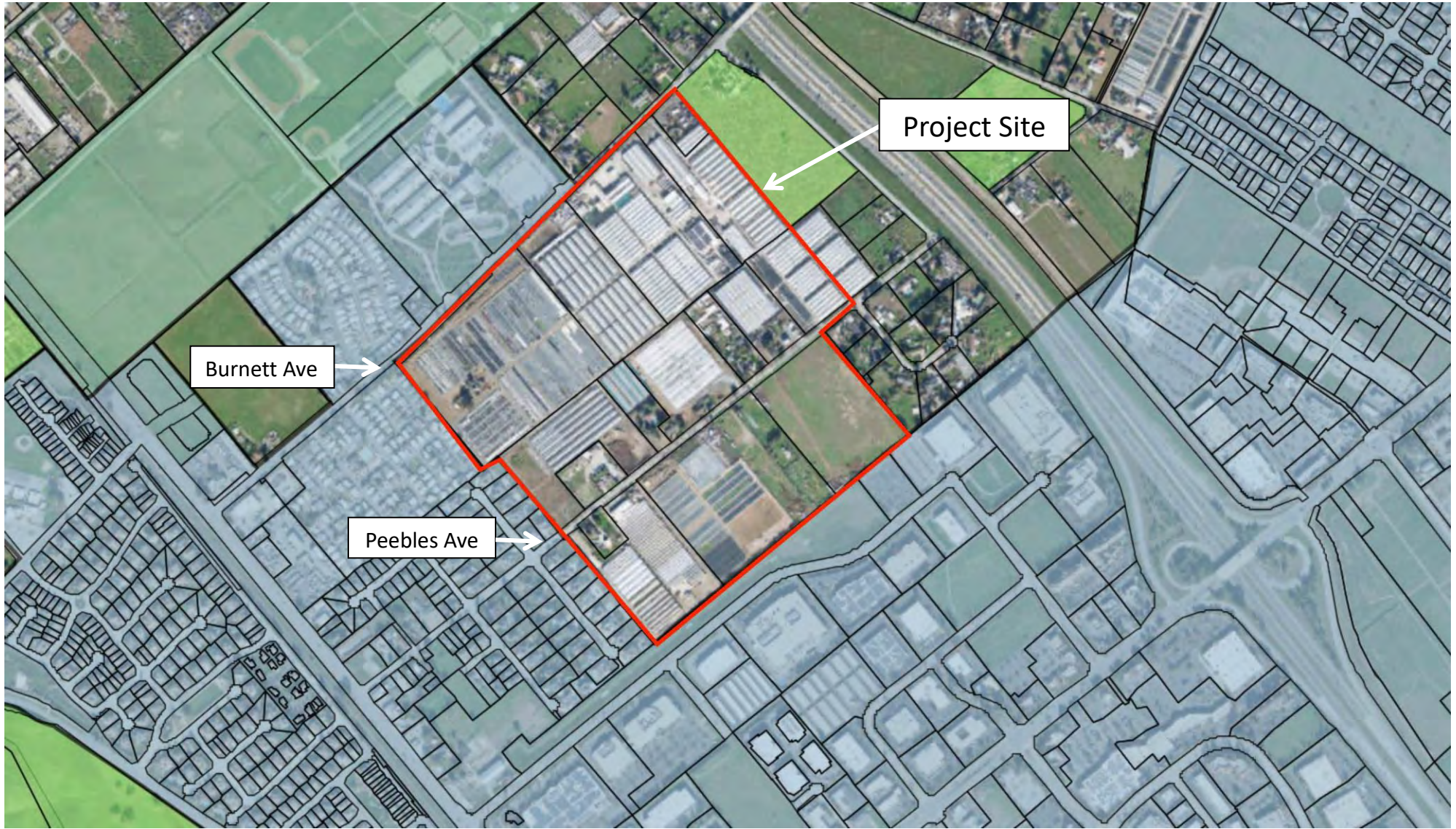


Figure 1. Peebles-Burnett Project Location Map

ATTACHMENT 2

City of Morgan Hill Letter



ATTACHMENT 2

MORGAN HILL PUBLIC SERVICES DEPARTMENT
17575 PEAK AVENUE
MORGAN HILL, CA 95037
PHONE 408-779-727
FAX 408-779-3117

WWW.MORGANHILL.CA.GOV

October 2, 2024

Norman Hantzsche
Questa Engineering Corporation
PO Box 70356
1220 Brickyard Cove Road, Suite 206
Richmond, CA 94807

Re: Response to Public Water and Wastewater Service Inquiry – Peebles-Burnett Housing Development

Dear Mr. Hantzche,

This letter is written in response to your request sent to the City on September 16, 2024. The request was made for the City of Morgan Hill's Water and Wastewater Utility to provide water and wastewater for a proposed development of 847 housing units to be located on a 131.9 acre site along Peebles Avenue and Burnette Avenue. The site is outside the City and outside the City's current Urban Service area.

The City plans for orderly expansion of its utility system based on the City's General Plan and supporting infrastructure plans. The location of this site is pre-zoned within the City's General Plan Urban Growth Boundary and therefore the City has planned for its future development from an infrastructure perspective. However, the current General Plan land use zoning is not for the dense use proposed in this development. For the City to allow utility connections we would require the site to be annexed. The City would not support an out of agency request for utility services. Annexation requests require review and consent by the City Council and approval by the Santa Clara County Local Area Formation Commission. The settlement agreement noted in your letter does not prohibit the City from accepting and processing annexation requests. If an applicant chooses to submit a formal annexation request, the City will process it.

The City strongly opposes urban development in the unincorporated areas of the County adjacent to the City without proper planning and review as components of an annexation process. The City further opposes the conversion of farmland and believes it to be inconsistent with SB 330's Builder's Remedy provisions.

Without the proper review utilizing the appropriate process the City cannot fully evaluate the impacts to the City's infrastructure nor the cumulative impacts on the overall water supply.

If you have any questions, please feel free to contact us for further discussion.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Ghione", is written over a white rectangular background.

Chris Ghione
Public Services Director

ATTACHMENT 3

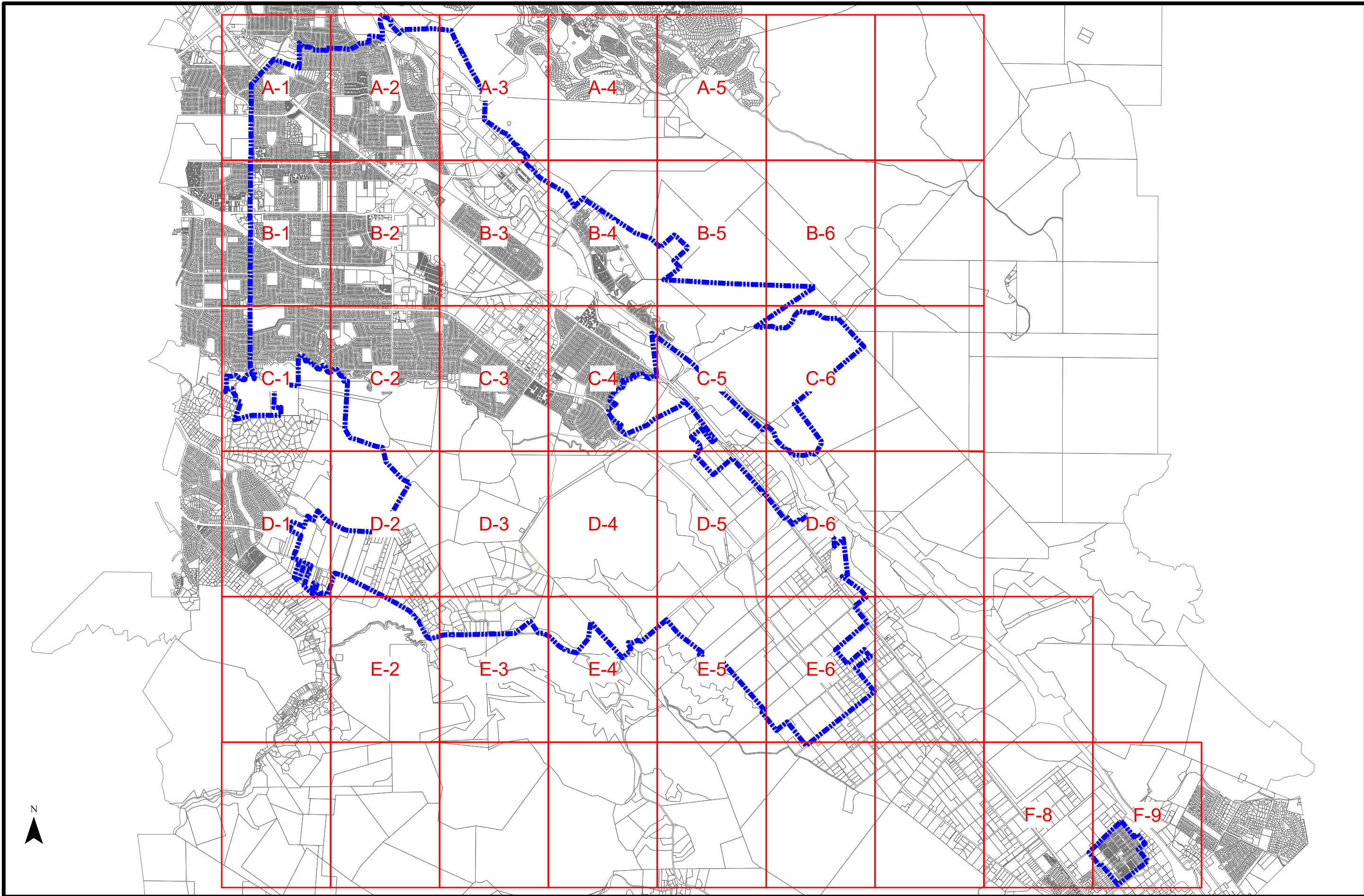
Maps of Service Area with Location of Development



Fire Flow Analysis
12/4/2024

Water Main
Extension

New Development



ATTACHMENT 4

Water Supply Questionnaire

[THIS DOCUMENT IS CONFIDENTIAL IN ITS ENTIRETY]

ATTACHMENT 5

Great Oaks' Calculated Fire Flow

Great Oaks - Fire Flow Calculation

Description		
Step 1	Well 22 Field Flow Fire Test (Residual Hydrant)	
Field Flow Test Results	Static (psi)	62
	Residual (psi)	48
	Flow (GPM)	883
	Diameter Outlet (in)	2.5
	Well 24 Field Flow Fire Test (Known Hydrant)	
	Static (psi)	65
	Pitot-Gauge (psi)	34 - 36
	Flow (GPM)	776 - 799
Step 2	Qm ¹ (gpm)	1,010
Calculate Adjusted Flow at Hydrant	Nozzle coefficient (Assume Rounded Inlet)	0.9
	Qf = Qm * nozzle coefficient/0.9	1010
Step 3	Total Flow Qt = (Well 22 Flow + Well 24 Qf)	1,893
Step 4	Desired Pressure (psi)	20
Pressure drop to desired residual pressure	hr (psi)	42
Pressure drop during test	hf (psi)	14
Flow available at desired residual pressure	Qr = Qt * (hr ^{0.54} /hf ^{0.54})	3,426

Notes:

1. Qm is provided in Table 6-1 in the AWWA M17 Manual. Pitot Tube Pressure Gauge Reading was provided in the Field Flow Fire Test for Well 24. Per pitot-gauge, it was 36 psi for 2.5inch outlet.
2. Calculation and steps are from the AWWA M17 Manual - Chapter 6 Determine Available Flow.

ATTACHMENT 6

Site Plan

Great Oaks Water Co.
Distribution List
December 2024

Municipal Water System
City of San Jose
200 E. Santa Clara St.
1st Floor Tower
San Jose, CA 95113

County Clerk
County of Santa Clara
70 W. Hedding Street
San Jose, CA 95110

Safe Drinking Water Office
Department of Water Resources
1416 Ninth Street, Room 816
Sacramento, CA 94236

Office of Regulatory Affairs (e)
California Water Service Company
1720 North First Street
San Jose, CA 95112
(via email: rateshelp@calwater.com)

Santa Clara Valley Water District (e)
5750 Almaden Expressway
San Jose, CA 95118
(via email: cnarayanan@valleywater.org
and dtaylor@valleywater.org)

State Water Resources Control Board
Division of Drinking Water
850 Marina Bay Parkway
Building P, 2nd Floor
Richmond, CA 94804

Richard Rauschmeier (e)
Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
(via email:
Richard.rauschmeier@cpuc.ca.gov)

Syreeta Gibbs (e)
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505 Van Ness Avenue
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Legal Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Regulatory Affairs (e)
San Jose Water Company
110 West Taylor Street
San Jose, CA 95156
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regulatoryaffaris@sjwater.com)

(e) Sent via email