

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)	
FRANK GLOBIN)	
for a certificate of public utility)	Application No. 12913.
and necessity in the establishment)	
of a water system at Al Tahoe, Cal-)	
ifornia, and fixing rates thereof.)	

Clifford A. Russell, for applicant.

BY THE COMMISSION:

O P I N I O N

In the above entitled application Frank Globin requests authority to operate a public utility water plant and to distribute and sell water for domestic purposes to consumers in and in the vicinity of Al Tahoe, a summer resort located upon the shores of Lake Tahoe, in El Dorado County, and further asks that a reasonable rate be established for the service rendered.

A public hearing in this matter was held at Al Tahoe before Examiner Satterwhite, after all interested parties had been duly notified and given an opportunity to be present and be heard.

From the evidence it appears that about 1910 the town-site of Al Tahoe was placed upon the market for sale to the general public as a real estate venture, the plan embracing a large summer resort hotel and grounds with many lots surrounding the hotel, laid out for the building thereon of summer homes and cottages. In order to provide water for the hotel premises and the other property a water system was installed, receiving its

supply by diverting water from a small stream called Cold Creek, from which it is conveyed approximately one and one half miles by open canal into a concrete settling basin and thereafter carried to the main distribution system at Al Tahoe through three and one half miles of 9 inch riveted steel transmission pipe. The water supply is ample and of good quality. However, the distribution mains beyond the hotel property are small in size, some of them having been installed by and at the expense of the consumers, which has resulted in poor and inadequate pressure at periods of maximum draft.

This system has always been owned and operated by the owner of the hotel properties and was acquired in 1925 by the present owner, Frank Globin, by purchase of the holdings of the former real estate concern which promoted the project. There are no meters on the system and there are no storage facilities, which facts render it difficult to maintain adequate peak load service. The demands upon the system are mainly for domestic purposes and for the hotel supply, although large quantities of water are used for the sprinkling or irrigation of lawns and garden shrubbery by the hotel and certain of the consumers living immediately adjacent thereto where water pressure is better than in the more remote parts of the system. There are on an average twenty-five consumers including the hotel, which is considered as a single user.

Applicant has asked the Commission for a certificate of public convenience and necessity to operate a water system and for the establishment of rates. It appears from the evidence however that this system was originally installed about 1910 and has furnished water practically continuously since then for compensation. This company having sold water as a public utility prior to the enactment of the Public Utilities Act makes it unnecessary for

it to secure a certificate of public convenience and necessity at this time.

In connection with the establishment of rates a report was presented by M. I. Reed, one of the Commission's hydraulic engineers, in which the estimated original cost of the water system was found to be \$19,600, exclusive of water rights, as of June 30, 1926, with a corresponding depreciation annuity of \$362 computed by the sinking fund method at 5%. Applicant testified that the operating costs amounted to about \$1000 per year for repairs and upkeep, in addition to the service of a man to look after the system during the open season from May first to October thirty-first, for which he pays at the rate of \$6.00 per day. However, according to the testimony of the Commission's engineer no separate records have been kept by applicant of the actual costs of operating the water plant, the accounts being included with those of the hotel and other resort business. It also appeared that only a part of the time of the caretaker of the water plant was devoted to its operation, the remainder of the time being taken up by other duties in connection with the resort. The engineer for the Commission estimated the fair annual costs of maintenance and operating to be \$500. Under the existing conditions and in view of the fact that this system operates entirely by gravity the estimate of \$500 is reasonable and will be used for the purposes of this proceeding.

Various rates have been charged during the past for the service rendered by this utility; the rates now charged are twenty-five dollars per year per consumer, no fixed sum being charged for water delivered to the hotel and its grounds. The revenues receivable for the present season up to the time of the hearing amount to \$425 as closely as can be determined from the available records. This sum does not include any charges

for the hotel.

Considerable complaint was made by some of the home owners residing at the extreme limits of the distribution system that water service was inadequate and pressure very low and that at times during each day there was no water at all. The evidence discloses the fact that this is caused by the small and inadequate sized mains serving those consumers on the far ends of the system and also to the unrestricted use of battery fountain sprinkling systems by certain users. This situation can be remedied by the installation of proper sized mains to supply the homes located near the lake shore, and also by the placing in effect of reasonable hours and rules restricting the use of water for lawn and garden irrigation. Such measures will insure a better service to all the homes and will eliminate the present dangerous sanitary conditions. Provision for these changes will be made in the accompanying order.

A consideration of the evidence presented shows that by making allowance for rates covering the service rendered to the hotel properties and for sprinkling or lawn irrigation, the present base rate of twenty-five dollars per annum can be maintained. It must be remembered that this system is located at an elevation slightly exceeding 6,225 feet above sea level and that the entire system must be drained at the end of each season to prevent damage by freezing, and that the character of service is that of a summer resort where demand for water is for only a few months of the year. Under these conditions of operation the following rate is believed to be fair to all parties concerned provided proper measures are taken by the utility to improve the water pressure to those consumers at the far ends of the distribution system.

O R D E R

Frank Globin having made application to this Commission as entitled above, asking for a certificate of public convenience and necessity to operate a water system for the purpose of supplying water to consumers in and about the townsite of Al Tahoe, in El Dorado County, and for the establishment of rates to be charged therefor, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully informed in the premises,

It Is Hereby Found as a Fact, for the reasons heretofore set out in the opinion which precedes this order, that a certificate of public convenience and necessity is not required for the operation of this utility; and it is hereby further found as a fact that the rates now charged by Frank Globin for water delivered to his consumers are unjust and unreasonable in so far as they differ from the rates herein established.

And basing the order upon the foregoing findings of fact and upon the statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that Frank Globin be and he is hereby directed to file with this Commission within thirty (30) days from the date of this order the following schedule of rates to be charged for all water delivered to his consumers in and in the vicinity of Al Tahoe, El Dorado County, on and after the first day of January, 1927:

FLAT RATES

- | | | | |
|-------|--|---------|------------|
| 1. | Per residence occupied | \$25.00 | per annum. |
| 2. | For each sprinkler head or faucet used
in irrigation of lawns and shrubbery
in addition to residence rate paid | .75 | " " |
| 3 (a) | Al Tahoe Hotel, cottages and out-
buildings. | 500.00 | " " |
| (b) | For each faucet or sprinkler head us-
ed in the irrigation of lawns, shrub-
bery and grounds, in addition to 3(a) | .75 | " " |

METER RATES

1. Metered rates entitling a consumer to a maximum of 3600 cubic feet of water for a period of four consecutive months during any calendar year \$25.00
2. Water used in excess of the above, per 100 cubic feet 0.20
3. The utility may have the right of installing at its own expense a meter on any consumer's service connection and any consumer may demand a meter which shall be installed by the utility upon payment by the consumer of a deposit of \$15.00 for a 5/8" x 3/4" meter, and larger sizes if necessary, in like proportion to their cost. The amount of this deposit shall be refunded to the consumer at the rate of 1/5 of the annual water bill until the deposit is satisfied.

NOTE: All annual payments in the above schedule of flat and metered rates are for the calendar year and payable in advance.

IT IS HEREBY FURTHER ORDERED that Frank Globin be and he is hereby directed as follows:

- (1) To file with this Commission within thirty (30) days from the date of this order rules and regulations governing the relations with his consumers, to become effective upon acceptance by the Commission, said rules and regulations to contain among other things a schedule of hours restricting in a reasonable manner the hours and methods for the sprinkling or irrigating of lawns, gardens and shrubbery.
- (2) To file with this Commission for its approval, within sixty (60) days from the date of this order, plans for improving the inadequate pressure and water service existing at present on this system, said improvements to be installed and in operation not later than the fifteenth day of June, 1927.

For all other purposes the effective date of this order

shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 21st day
of October, 1926.

H. R. ...

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Leon ...

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Commissioners.