

Decision No. 24567

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Welfare League of Camp Meeker,
Complainant,

vs.

F.E. Meeker (sole femme) and
Julia E. Meeker,

Defendants.

ORIGINAL

Case No. 3105.

In the matter of the application of
Effie M. Meeker and Julia E. Meeker,
owners of CAMP MEEKER WATER SYSTEM,
for an order of the Commission estab-
lishing a schedule of increased flat
rates and metered rates for the service
of water to the consumers of Camp Meeker,
Sonoma County, California.

Application No. 17952.

Griffith R. Williams and Alan C. Van Fleet,
for Welfare League of Camp Meeker, complainant.
Alan C. Van Fleet, for St. Dorothy's Rest,
complainant.
Maurice Swim, for Mary L. Zallinger and
Charles Boek, complainants.
W.E. Wescoatt, for defendants.

BY THE COMMISSION:

O P I N I O N

This is a complaint made by a large number of consumers
of the Camp Meeker Water System that for the past several years
the water supply and service rendered has been entirely inadequate
for their needs and requirements and as a result unsanitary and un-
healthful conditions exist. The Commission therefore is requested

to investigate the service conditions on this system and require the defendants to immediately augment and improve its existing water sources, both for present and future use and development and for such further and other relief as may be meet and proper.

In Application No. 17952, as entitled above, Effie M. Meeker and Julia E. Meeker, owners of the Camp Meeker Water System, an unincorporated public utility, make application to the Commission for increased rates.

The application alleges that the gross revenues from the present flat rates charged have in the past been entirely inadequate to enable applicants to properly operate and maintain their system, make the necessary renewals and improvements and provide good service, and that henceforth improved operating methods and practices will be introduced under the direction of a competent superintendent, which will increase considerably the maintenance expenses. Wherefore, the request is made for an order of the Commission granting an increased schedule of flat and metered rates.

Public hearings on Case No. 3105 were held at Camp Meeker before Examiner Satterwhite on November 17, 1931, December 17, 1931, and February 2, 1932, and jointly with Application No. 17952 at San Francisco on February 25, 1932. It was stipulated by and between all interested parties that the evidence submitted in these two matters be combined for hearing and decision.

The original plant of this utility was installed about 1900, with certain springs as the source of supply to provide the necessary domestic water for the original summer-resort subdivision at Camp Meeker. Progressively, from 1901 to 1911, adjoin-

ing lands were subdivided and, as houses were built and service of water required, the distribution pipe mains, practically all 3/4-inch and 1-inch in diameter, were extended and other small springs were developed with appurtenant tank storage. The area served is located along what is known as Dutch Bill Creek and on the hillsides on each side of this gulch, approximately midway between Monte Rio and Occidental, in Sonoma County. The water system as at present has thirteen different spring sources located at elevations from 146 feet to 510 feet, the majority of the services being between the 100 and 250-foot levels. The transmission pipe mains from the springs to the tank total 13,760 lineal feet and the distribution mains 35,090 lineal feet, ranging from two inches to three-quarters of an inch in diameter, 25,310 feet of which, however, are of three-quarter-inch pipe. The water is delivered by gravity on a flat rate basis. Service connections have been installed for 356 houses, there having been 325 active consumers in 1931.

The evidence shows that for several years last past the water service and pressures provided in various sections of the area served have been very poor and entirely inadequate for the needs of the consumers, particularly during the periods of peak demand during the summer months. These unsatisfactory service conditions are due mainly to the insufficient delivery capacity of the distribution pipe mains and also by reason of the partial development only of certain springs. For many years the operations of this water system have been conducted in an inefficient manner, without capable and experienced supervision and management and with no efforts to carry on the necessary work of making repairs,

replacements and enlargements of the system to provide proper and adequate service.

A field investigation of the operations of this utility, together with an inspection of the physical properties, was made recently by H.A. Noble, one of the Commission's hydraulic engineers, and his report and detailed appraisal show a total of \$13,417 for the estimated original cost of the physical properties, exclusive of lands and rights of way, and a depreciation annuity of \$282 as computed by the five per cent sinking fund method. Mr. E.R. Robbins, one of the Commission's land appraisers, submitted a total of \$3,438 for the present value of the various lands reserved for the springs and tank sites and \$250 for certain pipe line rights of way. No appraisal of these properties was submitted by or in behalf of applicants, the report and appraisements of the Commission's engineers being accepted without protest.

The yearly maintenance and operation expenses and revenues of this utility for the past three years, as compiled from the annual reports filed with the Commission, are as follows:

Items	1928	1929	1930
<u>Maintenance & Operation Expenses:</u>			
Labor and Repairs to System	\$ 258.95	\$ 597.25	\$ 409.62
Secretary's Salary and Office Expense	300.00	400.00	200.00
Taxes	500.00	500.00	500.00
Other Expenses	-	-	40.00
Totals	\$1,058.95	\$1,497.25	\$1,149.62
<u>Revenues from Water Sales:</u>	\$1,090.00	\$1,077.50	\$1,182.62

The analysis submitted of the above operating expenses

shows that the item of \$500 for taxes includes charges incurred for applicants' private realty holdings and that the portion properly chargeable to the utility's operations should have been not in excess of eighty dollars annually. However, the correction for this tax item is largely offset by the omission of any charge for depreciation. It appears that the revenues obtained from the flat rates at present in effect have averaged for these years about \$1,100 and have approximately equaled the operating expenses incurred, exclusive of depreciation, and it should also be noted that the only salary item included in the above expenses was for the services of the secretary.

The Commission's engineer submitted an estimate of \$2,488 as a reasonable allowance for the annual maintenance and operation expenses, exclusive of depreciation, for future operation of this system, taking into consideration the increased expenditures required to give efficient supervision and improved service. A careful consideration of the evidence shows that the above amount is fair and reasonable.

The gross annual revenues for the year 1930 amounted to \$1,182, the highest of the above three-year period. It is evident that applicants are entitled to an increase in rates if the past unsatisfactory service is to be properly improved.

From an analysis of the evidence presented in connection with the present inefficient operating methods and service conditions existing on this system, it is apparent that the present plant is wholly of inadequate capacity, especially as to pipe mains, to provide proper and sufficient service to consumers practically the entire summer season. It is absolutely necessary that steps be taken immediately to rehabilitate and generally enlarge the de-

livery capacity of the pipe lines and that such improvement work, together with the operation and general upkeep of the system, in the future should be performed under the responsible charge and direction of a competent superintendent.

The schedule of increased rates established in the following Order has been designed to produce sufficient revenues to properly conduct the affairs of this utility under improved operating methods, together with a reasonable interest return on the cost of the properties devoted to the public use. These rates are to become effective for 1932 with the definite understanding that the work of installing the necessary improvements on the system will be undertaken and carried out by the applicants strictly in accordance with the Order entered herein.

The existing schedule of rates has been in effect on this system for a great number of years and provides for charges ranging from three dollars (\$3.00) to five dollars and fifty cents (\$5.50) per year, the average being less than four dollars (\$4.00) per consumer per year. No real efforts were ever made by the utility to enforce collection of these rates which has resulted in a large proportion of the consumers being delinquent in the payment of their water bills for several years. Practically all the consumers have agreed and are willing to pay a fair and reasonable charge for water service provided the utility will improve its facilities and render an adequate water service at satisfactory pressures. The utility expressed its willingness to make the necessary improvements and to place an experienced operator in charge of the system if it is granted a rate which will produce sufficient returns to warrant the necessary expenditures. Under these circumstances, it is believed that the following schedule of rates will prove just and reasonable

to consumers and utility alike.

O R D E R

The Welfare League of Camp Meeker, an association of consumers, having filed the complaint as entitled above and Effie M. Meeker and Julia E. Meeker, owners of Camp Meeker Water System, having made application to the Commission for an order authorizing an increase in their rates, public hearings having been held in these proceedings and the evidence combined for the purpose of this decision, the matters having been submitted and the Commission being now fully advised in the premises,

It is hereby found as a fact that the present rates of Effie M. Meeker and Julia E. Meeker, owners of Camp Meeker Water System, in so far as they differ from the rates herein established, are unjust and unreasonable for adequate and proper water service and that the rates herein established are just and reasonable rates to be charged for water delivered to consumers for adequate and proper service, and

It is hereby further found as a fact that the service rendered on said Camp Meeker Water System has been inadequate, insufficient and unsatisfactory and that certain replacements and enlargements of the distribution pipe mains and further development of the spring sources of supply and improvement in operating methods and practices are necessary and required in order that adequate, sufficient and satisfactory service may be rendered to consumers, and

Basing this Order upon the foregoing findings of fact and upon the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED as follows:

1. That Effie M. Meeker and Julia E. Meeker be and they are hereby authorized and 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 water delivered to consumers on Camp Meeker Water System, said rates to become effective for the present 1932 season and thereafter until further order of this Commission:

FLAT RATES

Annual charge payable in advance on or before February 1st of each year, which entitles consumer to twelve months' water service-----\$15.00

METER RATES

Annual charge payable in advance on or before February 1st of each year, which entitles consumer to 400 cubic feet of water each month of the year-----\$15.00

For water use in excess of the monthly minimum of 400 cubic feet, payable monthly:

From	400 to 3,000 cubic feet, per 100 cubic feet-----	\$ 0.12
From	3,000 to 10,000 cubic feet, per 100 cubic feet-----	0.15
All over	10,000 cubic feet, per 100 cubic feet-----	0.12

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2. That Effie M. Meeker and Julia E. Meeker be and they are hereby directed to file with this Commission, within thirty (30) days from the date of this Order, rules and regulations governing relations with their consumers, said rules and regulations to become effective upon their acceptance for filing by this Commission.
3. That Effie M. Meeker and Julia E. Meeker without unreasonable delay commence the installation and/or construction of the necessary enlargements, replacements and improvements of the existing water supply facilities substantially in accordance with the list thereof as set forth in defendants' Exhibit No. 2 submitted in Case No. 3105 herein, and prosecute to completion with due diligence the said work of installation and construction.

4. That Effie M. Meeker and Julia E. Meeker employ or cause to be employed regularly a competent superintendent who shall be placed in full and responsible charge of the operation of the water works, including the planning, installing and/or constructing of the necessary enlargements, replacements and improvements as above directed.
5. That Effie M. Meeker and Julia E. Meeker file with this Commission for each six (6) months' period commencing with the period ending June 30, 1932, a detailed and itemized statement setting forth the revenues receivable and operative costs including depreciation, the improvements and replacements which have been completed to date and construction work in progress at the end of each such period, together with the amount of the expenditures therefor and a general report outlining and describing the improvements under construction and proposed, said statements and reports to be subject to the approval of this Commission and to be filed not later than January 31st and July 31st of each year and until further order herein.

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 14th day of March, 1932.

C. Danney
Leon Whaley
W. A. Linn
M. B. Harris
Fred G. Stewart
Commissioners.