

Decision No. 32109

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
FRANK B. PATTEE operating under the  
name and style of VALLEY SPRINGS  
WATER WORKS for adjustment of rates  
for Public Utility Water Service in  
Valley Springs, Calaveras County,  
California.

ORIGINAL

Application No. 22122.

Frank B. Pattee, for Applicant.

BY THE COMMISSION:

O P I N I O N

Frank B. Pattee, operating a public utility water system under the fictitious name of Valley Springs Water Works, in Valley Springs, Calaveras County, asks the Commission to adjust the rates for water service.

A public hearing on this matter was held before Examiner M. R. MacKall at Valley Springs.

The evidence presented in this proceeding shows that water service in Valley Springs formerly was supplied by the Mokelumne River Power and Water Company from an extensive system which included in its service area the towns of Mokelumne Hill and Campo Seco. Water from the South Fork of the Mokelumne River was conveyed to these towns and distributed to the consumers by gravity. As a result of the loss of revenues suffered through the decline of mining activities in this area, the Commission in Decision No. 13599, dated May 24, 1924, authorized discontinuance of water operations for that part of the system serving from Mokelumne Hill to Valley Springs. Thereafter many residents of Valley Springs were forced to haul water from outside sources

until John K. Pattee, now deceased, a brother of applicant, permitted Messrs. Wilds and Pennington to dig a well on his ranch and construct a transmission pipe line through the property to Valley Springs for the purpose of supplying water to the community. In 1925 said John K. Pattee purchased the then existing water system of Wilds and Pennington and entirely reconstructed it. A new well was dug, a pump installed, and a reinforced concrete reservoir of 100,000 gallons capacity was constructed on a hilltop south of the well. This system was operated by John K. Pattee until his death in 1936. Thereafter and until final distribution of the estate on May 1, 1938, the system was operated by the administrators of his estate, the law firm of Levinsky and Jones of Stockton. Applicant Frank B. Pattee then came into possession of certain of his brother's estate which included the water utility and the ranch at Valley Springs on which the wells are located.

The present monthly charges for water service were arbitrarily adopted about 1925 and are as follows:

Apartments.....	\$1.00
Residences, according to size.....	\$2.00 to \$3.00
Business places, according to water use.....	\$1.00 to \$10.00

Because of the limited water supply at that time it was not intended to furnish water for other than purely household and domestic purposes and no charge was included for sprinkling of lawns and gardens. The water at present is pumped from two wells into the 100,000 gallon reservoir and thence delivered to the townsite by gravity through 1,400 feet of 4-inch and 3-inch O.D. casing. The distribution system consists of about 5,600 feet of pipe two inch standard and three inch casing. There are eighty consumers being served by the system. The townsite of Valley Springs contains 46 acres more or less.

Owing to the difference in elevation in the area served

the static pressure varies from 25 pounds per square inch in the business district to about 8 pounds and less in the residential area. Evidence shows that some consumers have been compelled to install their own water storage tanks to collect water when sufficient pressure is available, while other consumers have installed booster pumps in order to be assured of a continuous water supply to their premises. Service to the Grammar School has also been intermittent, which resulted in serious inconvenience to the pupils and at times endangered the health of the entire community. However, this interrupted service will be eliminated by the installation of certain improvements including a booster plant, under recommendations of the Commission's engineers. Since submission of this case we have been advised that these new improvements have been practically completed.

One of the major causes of complaint on the part of the consumers arose over the fact that during the summer of 1938 applicant arbitrarily applied to certain of his consumers an additional sprinkling and irrigation charge ranging from one to eight dollars per month. The record shows that these charges not only were excessive and unreasonable but were unauthorized by the Commission. Applicant will be directed in the following order to refund the entire amount of all such moneys so collected.

According to the evidence applicant claims that the actual cash invested by his brother in the water works was in excess of \$10,000, but was unable to present any evidence to substantiate this claim. While the annual operating expenses reported by the administrators of the estate averaged approximately \$1,012 for a two-year period, these expenditures were not sufficient to properly maintain the system and furnish adequate service. A report by E. L. Clark and J. C. Luthin of the Commission submitted at the hearing shows that the estimated original cost of the physical

properties as of December 1, 1938, is \$8,607; that the revenues for the year 1937 totalled \$1,648. The future annual operation and maintenance expenses based on past operations of the system were estimated to be \$1,515, which sum included \$160 as an allowance for depreciation. However the results of operation based on the 1937 revenue of \$1,648, together with the additional charges for operating the booster plant and other additional facilities, show that applicant would be operating the system at an out-of-pocket loss. It is therefore apparent that some adjustment in rates is necessary in order that the applicant may obtain sufficient revenue to provide the required service to his consumers and to obtain some return on the investment in physical properties. The rates set out in the following order are designed to meet these financial requirements.

#### O R D E R

Application having been made as entitled above, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises,

It is hereby found as a fact that the rates now charged by Frank B. Pattee, operating a public utility water system under the name and style of Valley Springs Water Works in Valley Springs, Calaveras County, are unjust and unreasonable in so far as they differ from the rates herein established and that the rates herein established are just and reasonable rates to be charged for the service rendered and, basing its Order upon the foregoing finding of fact and upon the statements in the Opinion preceding this Order,

IT IS HEREBY ORDERED that Frank B. Pattee be and he is hereby authorized and directed to file with the Railroad 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 on and after the 1st day of July, 1939:

MONTHLY FLAT RATES

<u>Classification</u>	<u>Per Month</u>
1. Residence or Apartment of 3 rooms or less.....	\$1.50
Additional for each bathtub, shower or flush toilet....	.25
Additional for each room in excess of 3.....	.25
For each detached room occupied as living quarters.....	.25
2. Private boarding houses, for each roomer or boarder in addition to the residence rate.....	.10
3. Sprinkling or irrigation of lawns, shrubbery, gardens, etc., payable every month in the six months' period April to September, both inclusive, per 100 square feet of surface watered.....	.05
4. Restaurants and cafes, at 10 cents per unit of seating capacity, minimum charge.....	3.00
5. Soda fountains and bars, either alone or in connection with other business.....	2.00
6. Doctors', dentists', or other offices, not exceeding 2 rooms, with water service.....	1.50
For each additional room with water service.....	.50
7. Barber or beauty shops, for single chair or booth.....	1.25
For each additional chair or booth.....	.25
8. Churches, reading rooms, clubs, lodges, etc., minimum charge.....	1.00
9. Warehouses, garages, machine shops, lumber yards, automobile service stations-minimum charge.....	1.50
10. Hotels, minimum charge.....	3.00
Additional for each room in excess of 8.....	.30
11. Retail markets, stores, shops and other business establishments not otherwise listed, according to expected use of water, minimum charge.....	2.00
12. Living quarters in connection with stores, offices, etc., in addition to rate for business, per room.....	.25
13. Camp grounds and cabins in courts, for each cabin or tent cabin, per room.....	.25
14. Additional for each flush toilet, bath tub or shower in items 4 to 13, inclusive.....	.25
15. Flush toilets, urinals, showers or bath tubs open to public use, each.....	.50
16. Valley Springs Grammar School.....	3.00
17. Southern Pacific Railroad Freight Depot.....	3.00
18. Private fire hydrants, each.....	.50
19. Air conditioning units, recirculating type, each.....	.50
20. Public parks, playgrounds, etc., to be charged for on basis of items 3 and 15, above.	

METERED RATES

Monthly Minimum Charges

3/4" meter.....	\$2.00
1" meter.....	3.00
1-1/2" meter.....	5.00
2" meter.....	8.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following monthly quantity rates:

Monthly Quantity Rates

First 600 cubic feet, or less.....	\$2.00
600 - 1000 cubic feet, per 100 cubic feet.....	.25
1000- 2000 cubic feet, per 100 cubic feet.....	.20
Over 2000 cubic feet, per 100 cubic feet.....	.15

IT IS HEREBY FURTHER ORDERED

- (1) That Frank B. Pattee be and he is hereby directed to make such improvements in his water system on or before the 31st day of July, 1939, as will provide throughout his distribution system in Valley Springs townsite a working pressure of not less than twenty-five (25) pounds per square inch, said improvements to be satisfactory to and subject to the approval of this Commission.
- (2) That Frank B. Pattee be and he is hereby directed to refund all money collected during the summer of 1938 for irrigation of lawns and gardens, or either, in cash to those consumers who have since discontinued service and in credit on the water bills to those consumers now connected to his distribution system and receiving water service.
- (3) That on or before the tenth day of July, 1939, said Frank B. Pattee be and he is hereby directed to file with the Commission a statement giving the name and address of each consumer charged for irrigation of lawns and gardens, or either, during the summer of 1938, the amount of money collected from each and the manner in which the full amount so collected will be refunded to each individual consumer.

(4) That Frank B. Pattee be and he is hereby directed to file with the Commission on or before the tenth day of August, 1939, an affidavit to the effect that he has complied with the provisions of above paragraph one (1) of this Order.

(5) That Frank B. Pattee be and he is hereby directed to submit within thirty (30) days from the date of this Order to this Commission for its approval, rules and regulations governing the service of water to his consumers.

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 27<sup>th</sup> day of June, 1939.

Robert W. Allen  
Frank B. Pattee  
Ray A. Tracy  
H. J. Allen  
Justus J. Cooney  
COMMISSIONERS.