

Decision No. 32190

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CECIL T. TRUSCHEL, et al, doing business as MOUNTAIN WATER WORKS, for (a) the revocation of the certificate of public convenience and necessity issued in this matter (b) permission to abandon service as public utility.

ORIGINAL

Application No. 22520.

John Amos Fleming, for N. J. Larko.

E. W. Rowe, Chairman for Consumers' Committee.

BY THE COMMISSION:

O P I N I O N

In this proceeding Cecil T. Truschel and N. J. Larko, owners of a water system known as Mountain Water Works supplying consumers in a subdivision known as Chatsworth Lake Manor, Los Angeles County, California, asked the Commission to revoke the certificate of public convenience and necessity heretofore issued to said Cecil T. Truschel and one Roy W. McDiarmid, formerly co-partners operating said Mountain Water Works. Further request is made to discontinue public utility water service.

According to the evidence the Commission in Decision No. 29971 on the 27th day of July, 1937, granted a certificate of public convenience and necessity to Cecil T. Truschel and Roy W. McDiarmid to operate under a copartnership agreement a water system known as the Mountain Water Works which was to rehabilitate a water system then supplying the territory and provide under the jurisdiction of the Railroad Commission a proper water service to members of the community residing in Chatsworth Lake Manor Tract. A schedule

of rates was fixed and under the proposals made by the operators of this water system at the time of applying for certificate a sum of some \$6,000.00 was to be raised by certain of the consumers to install improvements necessary for the continuation of water deliveries in this area. The water works was installed in 1928 and 1929 and consisted mainly of 1/2" mains, two dilapidated water tanks and a well incapable of supplying any adequate amount of water for the requirements of some 125 water users.

Since January of 1938 the original copartnership of Cecil T. Truschel and Roy W. McDiarmid was dissolved. Under present conditions the ownership of the principal properties of the water works is now said to be held in common tenancy by Cecil T. Truschel and N. J. Larko, applicants herein. The record indicates that both Truschel and Larko have expended quite a substantial amount of their own funds in an effort to maintain water service to the consumers in this tract. The efforts to obtain the \$6,000 from certain of the consumers did not materialize and all efforts to obtain both outside financial assistance and donations from water users apparently have failed. At present Larko has assumed the burden of meeting such expenses as cannot be paid out of the meagre revenues now received. Truschel has refused to contribute further financial support.

The present well and spring are wholly inadequate; the system of mains lies upon the surface of the ground unprotected across streets and private lands. The terrain is very rugged, characterized by steep hillsides, sandstone rocks, and rugged gullies. The cost of installing a new water works in this tract has been estimated to be in excess of \$25,000 at a minimum. Neither applicants nor the consumers are in a position to provide funds for such a project; neither of the applicants herein is in a position

financially to advance any more money.

By reason of the limited amount of water available a large number of consumers have refused to pay at all for water service due to the interrupted deliveries. Operating expenses have been continually in excess of the revenues received and receivable under any of the actual and many proposed methods of operating.

Plans for the raising of money to rebuild and operate this water works were suggested by members of the Commission's staff and were based upon the levying of a surcharge on all consumers for water used upon the principle of providing some revenues for much needed repairs and replacements. Because of the purported inability and unwillingness of a large number of the water users to pay any substantial water service charge, this plan was not acceptable to the water users and appears not possible of consummation at present. Under the circumstances there appears to be nothing further that this Commission can do than to relieve the applicants herein of the unreasonable financial burden thrust upon them through their obligations to deliver water under the certificate of public convenience and necessity heretofore granted by the Commission for the supplying of water in the Chatsworth Lake Manor Tract. There appears to be a possibility that if and when applicants are relieved of their responsibilities under the certificate as requested that some of the consumers will join in the formation of either a mutual water company or of some other type of private cooperative organization for the purpose of continuing the operation of the plant upon the basis of supplying those who will agree to pay their fair share of the expenses necessary for the operation and maintenance of the plant. Through this method it may well be that many other consumers will find their way clear to provide

sufficient funds for the necessary reconstruction of the distribution system and storage facilities.

It should be pointed out to the applicants and consumers involved herein that this Commission recognizes the almost unsurmountable difficulties under which all are laboring in this territory as a result of unfortunate conditions of the public utility service resulting from circumstances not within their control and that the technical staff of the Railroad Commission will be at the service of any and all of the residents of this area to the end that all possible assistance will be given for the continuing of water service in Chatsworth Lake Manor.

O R D E R

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

IT IS HEREBY ORDERED that certificate of public convenience and necessity heretofore issued to Cecil T. Truschel and Roy W. McDiarmid, a copartnership doing business under the fictitious firm name and style of Mountain Water Works in Decision No. 29971, dated the 27th day of July, 1937, be and it is hereby revoked and cancelled as of the first day of September, 1939.

IT IS HEREBY FURTHER ORDERED that Cecil T. Truschel and Roy W. McDiarmid and N. J. Larko, as their interests may appear, be and they are hereby relieved as of the first day of September, 1939, of all public utility obligations and liabilities in the service of water to consumers by and through the water system known as Mountain Water Works, used for the supplying of water to residents living in the unincorporated area known as Chatsworth Lake Manor in the County of Los Angeles, California, subject to

the following terms and conditions:

1. Within ten (10) days from and after the date of this Order, Cecil T. Truschel and N. J. Larko shall notify each consumer now being supplied with water, of their intention to discontinue all public utility water service on the first day of September, 1939.
2. On or before the first day of September, 1939, Cecil T. Truschel and N. J. Larko shall notify the Commission in writing that they have complied with the terms and conditions set forth in Paragraph 1 above.

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 25th day of July, 1939.

Robert W. ...
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Justus D. ...
COMMISSIONERS.