ORIGINAL

Decision No. 39792

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation into the operations, etc. of CLYDE HENRY (West Sacramento Water Company).	Case No. 4819

Clyde W. Henry in propria persona; Walter C. Frame for West Sacramento Improvement Club, Inc.; Carl E. Rodegerdts for Washington Light & Power Company; Murle C. Shreck for El Rancho Hotel.

MITTELSTAEDT, COMMISSIONER:

O P I N I O N

An earlier decision in this proceeding directed Mr. Henry to make certain improvements in his water system serving West Sacramento, Yolo County. (Decision No. 38982.) The matter was reopened to determine whether that decision should be revoked, altered or amended, and to determine the extent to which service improvements may have been made by Mr. Henry.

The area served is largely residential, with many of the individual homes having gardens and large lawns. It is a growing community, and from fifty to seventy-five new homes have been completed recently or are in the course of construction. A new subdivision is contemplated in the near future, and plans have been made for a shopping center on the west side of Jefferson Boulevard, (1)

The present per capita use of water is exceptionally heavy. (2)

(1) The prospective new subdivision would be west of Jefferson Boulevard and south of West Acres subdivision.

(2) A check made in April of 1946 indicated that the average water use per customer was approximately 4,359 gallons a day, compared with approximately 750 gallons in the City of Sacramento, and 489 gallons in the Oak Park system of Southern California Water Company near Sacramento.

Factors contributing to such high use are extensive lawns, sandy soil, extreme warm weather in the summer, and wastage of water by customers. The only schedule of rates on file with the Commission are the meter rates authorized by a 1939 decision which granted a certificate to Mr. Henry. (Decision No. 31627, Application No. 22206.) However, only four or five meters have been installed, and residential customers are charged $1.50 a month, which is the established monthly minimum charge for a 5/8 x 3/4 inch meter, for which minimum charge a customer is entitled to 600 cubic feet of water.

According to the testimony of the Commission's engineering witness, past experience has shown that metering of a system and the application of meter rates result in a saving in water production of between 40 per cent and 60 per cent. The estimated cost of 525 meter installations at $19.44 each is $10,206. Although the metering of all services would tend to reduce wastage, in my opinion the circumstances do not warrant the issuance of a mandatory order requiring the installation of meters on all residential services. However, meters should be installed on industrial and commercial services.

As noted in the earlier decision herein, the water system was designed to supply the original residential subdivision of the West Sacramento Land Company. Title to the water system, plus $4,500 in cash, was acquired by Mr. Henry in 1938, upon his agreement to assume utility obligations, make necessary improvements, and render adequate service. In addition to the original West Sacramento subdivision, service is furnished to the West Acres subdivision, northwest of and separated from West Sacramento proper by intervening undeveloped territory. Water is also supplied to a number of commercial establishments east of West Acres subdivision and along Highway No. 99.

Water is obtained from six wells. Well No. 5, in West Acres subdivision, a well with crenothrix growth, produces water having an objectionable taste and odor, and is only operated during the summer season. Well No. 3 has traces of leptothrix. Chlorine treatment would be expensive and uncertain. The only storage facilities on the system consist of six pressure tanks at the wells, with a total capacity of approximately 8,000 gallons. Pumps are controlled automatically so as to maintain a pressure of approximately 38 pounds on the distribution system. Pressures are lower in summer and a Commission engineer testified that he had observed pressures as low as four pounds in the West Sacramento residential district.

The distribution system consists of approximately 54,000 feet of pipe ranging from two to eight inches in diameter. Most of the distribution system is constructed of two-inch pipe. Service is inadequate, and is conceded by Mr. Henry to be poor at certain times of the day in summer.

The earlier decision herein directed the installation of a number of physical improvements deemed necessary in order to furnish adequate service. In the reopened proceeding the Commission's engineering witness expressed the opinion that among the first and more important steps necessary to improve the service were the completion of a new well near 17th and Vermont Streets and the installation of a six-inch main along Jefferson Boulevard, thus providing an additional main connection between the separated parts of the distribution system in the West Acres subdivision and in West Sacramento proper. The result would be an improvement of service in both areas and along Highway No. 99, and permit retirement of the objectionable well at West Acres.

Since the first decision in this proceeding Mr. Henry has acquired a parcel of land near 17th and Vermont Streets from West Sacra-

mento Land Company.[3] A gravel envelope type well, drilled at that site, landed in blue sand at a depth of 146 feet. A test pump with a capacity of 600 gallons a minute could not pull the water down below 55 feet. The static water level in the well is fifteen feet, and it is possible that such well will develop a thousand gallons a minute. The earlier decision directed the drilling of a well of sufficient depth and capacity to produce a minimum output of 200 gallons a minute under continuous operation. Two pumps have been ordered from a Sacramento supplier and are on hand in the latter's warehouse. In order to have power service available at the well, it will be necessary for the Pacific Gas and Electric Company to build a power line approximately three blocks long. The power company has indicated that power service would be available within about two weeks after the placing of an order, but depended upon the availability of transformers.

Mr. Henry has placed an order with a Sacramento pipe company for 100 tons of Navy surplus pipe ranging in size from 1-1/2 inches to 8 inches. Mr. Henry testified that he has also placed an order with another company for 8,000 feet of 8-inch transite pipe, 5,000 feet of 6-inch transite pipe, and 5,000 feet of 4-inch pipe, to be delivered in March of 1947, as well as 600 feet of 6-inch transite pipe and 3,000 feet of 2-inch pipe to be delivered in December of 1946.

Pumping equipment of sufficient capacity should be installed in the new well, power service ordered, and a pipe line not less than six inches in diameter installed to connect the well with the distribution system.[4] A main of not less than six inches in diameter

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(3) Purchase price of the land was $745, on which a deposit of $50 has been paid, the balance being payable upon delivery of the deed. Mr. Henry is prepared to pay the balance upon tender of the deed.
(4) Estimated cost of the well and pump is $4,265, and for installation of the connecting pipe line of approximately 400 feet, the cost is $481.32.

should also be installed along Jefferson Boulevard, to provide an additional connection between the two separated portions of the system. Installation cost thereof is estimated as $3,937.94. Upon completion thereof, Well No. 5 in West Acres subdivision should be abandoned. In order to improve pressure in West Acres, a four-inch main should be installed on Capitol Avenue, providing additional connection between the new Jefferson Boulevard main and the West Acres distribution grid. Estimated cost of the Capitol Avenue main is $3,276.06. The record shows that a number of other cross-connecting pipe installations are necessary because of the large amount of two-inch pipe in the distribution system, in order to improve pressure conditions and "loop in dead-ends." Such installations are itemized in Exhibit 20 (Items 6, 7, 8, and 9A through 9H, both inclusive) and the total estimated installation cost thereof is $6,681.54.

As already indicated, there are no storage facilities on the system other than six pressure tanks at the wells, with a total capacity of 8,000 gallons. The record indicates a need for additional storage facilities, and the Commission's engineering witness recommended installation of a 50,000-gallon steel tank with a 100-foot tower near Jefferson Boulevard and Highway 99. A tank construction company submitted an approximate estimating price for such a structure, delivered and erected on other's foundations in West Sacramento, of $15,000. The total estimated cost for such tank installation is $17,700. If an elevated storage tank were not erected, larger pressure tanks on each of the wells would probably operate satisfactorily except in the event of a power failure. Existing pressure tanks are small, and five tanks each having a capacity of between 2,500 and 3,000 gallons would be required. One supply company estimated that a suitable 3,000-gallon tank would cost $550 f.o.b. San Francisco. However, with a pressure system, the water pressure is

"gone" in about ten minutes in the event of a power failure, and the record herein indicates the need for larger and more dependable storage facilities if adequate service is to be furnished to the growing community.

The existing system, with the exception of one or two services, is south of Highway 99. The unincorporated town of Bryte is located north of that highway and approximately two miles northwest of the West Acres portion of the West Sacramento system. The earlier decision herein directed the development of a well at Bryte near Lisbon Avenue and Sacramento Street, and the installation of a transmission line from such well to the system at West Acres. Mr. Henry has drilled a 14-inch well at that site 251 feet in depth. However, work has stopped, the well having passed through 40 feet of blue clay between 195 and 235 feet, and again being in blue clay at 251 feet, which the Commission's engineering witness testified was a poor sign in well-drilling.

Mr. Henry testified that he intends to drill at least another hundred feet at the Bryte well and to install the transmission line between Bryte and West Acres. Mr. Henry also testified that as soon as he has the necessary funds he intends to apply for a certificate to supply the town of Bryte, with 600 potential customers, and Riverloam Acres and Carley Acres. Such extension would require a substantial investment. Mr. Henry agrees that improvement of the existing system should take precedence over any contemplated extension.

Estimated cost of the 251-foot well at Bryte is $2,475.75. Assuming that water could be developed by further drilling, in addition to the cost of such drilling, further expenditure of approximately $18,600 would be required to bring the water to the existing distribution system. It would be necessary to install 7,620 feet of

eight-inch steel pipe, and to acquire rights of way across private property. The transmission main would also cross the Southern Pacific right of way and Highway 99.(5)

In view of the water supply developed by the new well near 17th and Vermont Streets, the practical failure of the Bryte well, and the necessity for immediate improvement of service in the territory now served, the order herein will not require completion of the Bryte well or construction of the transmission line therefrom. The need for an additional supply of water may be reconsidered at a later time.

The improvements which will be required by the order herein, and the estimated cost thereof, are summarized below:

Item	Ex. 20	Cost
Land for well near 17th and Vermont	Item 1	$ 745.00
Well and pump near 17th and Vermont	Item 2-A	4,265.00
Connecting pipe line	Item 3	481.32
Main along Jefferson Boulevard	Item 4	3,937.94
Main along Capitol Avenue	Item 5	3,276.06
Cross-connecting pipe installations	Items 6, 7, 8, & 9A-9H	6,681.54
50,000-gallon elevated storage tank	Item 11	17,700.00
Total estimated cost		$37,086.86

The record in the reopened proceeding shows that Mr. Henry is financially able to make the improvements hereinafter ordered. He testified that before the original hearing in this matter arrangements had been made for a $50,000 bank loan, but that after reading the first decision herein, the bank was of the opinion that the order was too severe and could not be carried out. The bank not being willing to make the loan, application has been made to the Reconstruction Finance Corporation for a $50,000 ten-year 4 per cent loan. That re-

(5) Estimated cost of a pump is $2,482, and the required transmission main is estimated to cost $15,826.10.

quest has been forwarded to Washington, D.C.

Mr. Henry later decided that he would sell one of his other properties in order to obtain capital for improvement of the West Sacramento system. He testified that he has sold his interest in a utility plant in Gold Beach, Oregon, for $95,000, to be paid to him not later than December 24, 1946. He intends to use as much of that money as may be necessary to improve the West Sacramento system so that it will furnish satisfactory service, and no other obligation will be taken out of that money. It will not be necessary to raise funds from outside sources to make the needed improvements.

Moreover, Mr. Henry has arranged a sale of his electric plant at Covelo, from which transaction he expects to receive probably $50,000 net, but which amount will not be available for at least six months. Respondent also owns the Friendly Acres Water Company near Redwood City, the Brisbane Water Company at Brisbane, and the Klamath Water, Light & Power Company at Klamath, California. He testified that there are no recorded items of indebtedness against his California utility properties, in which he has invested approximately $250,000, including about $62,000 in the West Sacramento system.

Mr. Henry testified that he intends to carry out and complete the program described in detail by the Commission's engineering witness.

The order herein will direct the installation of specific improvements. The order will also require that written monthly progress reports, covering each item, be filed as a part of the record in this proceeding.

O R D E R

Case No. 4819 having been reopened for further hearing, such hearing having been had, and good cause appearing, IT IS ORDERED

that the order portion of Decision No. 38982, issued on May 21, 1946, is hereby vacated and set aside.

Based upon the entire record in this proceeding, upon the findings contained in the opinion preceding this order, and finding further that the improvements hereinafter specified are necessary for the furnishing of adequate water service by the West Sacramento water system of respondent, and finding further that respondent Clyde Henry is financially able to make said improvements, said Clyde Henry IS HEREBY ORDERED AND DIRECTED AS FOLLOWS:

1. To file written monthly progress reports, such reports to become a part of the record in this proceeding, not later than February 1, 1947 and not later than the first day of each succeeding month, until otherwise hereafter ordered. Such reports shall set forth in detail the progress made in complying with each numbered item hereinafter specified in this order.

2. To complete purchase of the well site near 17th and Vermont Streets, West Sacramento, complete the well thereat, install suitable pumping equipment, place an order for power service at that location, and install a main not less than six inches in diameter on 17th Street and connecting said well with the existing four-inch main on 17th Street, between Virginia and Vermont Avenues, cross-connecting intercepted mains.

3. To install a main not less than six inches in diameter, along Jefferson Boulevard, connecting the present six-inch main in Alameda Boulevard near Jefferson Boulevard with the present four-inch main on Jefferson Boulevard near Highway 99.

4. To install a main not less than four inches in diameter on Capitol Avenue in West Acres subdivision, connecting the new six-inch main along Jefferson Boulevard with the present two-inch main at Carley Avenue and Sycamore Avenue.

5. To install a main not less than four inches in diameter on 16th Street, cross-connecting all mains between Vermont Avenue and Jefferson Boulevard.

6. To install a main not less than six inches in diameter on Vermont Avenue from the new six-inch main on 17th Street, along Vermont Avenue and 19th Street to the present two-inch main between Alabama and Virginia Avenues, and cross-connecting

two present mains crossing 19th Street between Alabama and Vermont Avenues.

7. To install a main not less than four inches in diameter on 18th Street from the new six-inch main on 19th Street to the present two-inch main between Park Boulevard and Maryland Avenue, cross-connecting present mains crossing or ending near 19th Street between Maryland Avenue and Virginia Avenue.

8. In order to eliminate certain dead-ends and provide for circulation of water in the distribution system, to make the following installations:

   A. Extend the present two-inch main between Delaware and Pennsylvania Avenues to connect with the present four-inch main on 17th Street.

   B. Connect the present six-inch main on Alameda Boulevard, at Delaware Avenue, with the present two-inch main crossing that avenue south of Alameda Boulevard.

   C. Cross-connect present dead-ends of the two-inch mains between Vermont Avenue and Netherlands Boulevard south of 19th Street.

   D. Install a cross-connection not less than four inches in diameter between the new six-inch main on 19th Street and the present two-inch main crossing 19th Street between Vermont and Carolina Avenues.

   E. Cross-connect the present two-inch main between 13th and 15th Streets with the present six-inch main on Michigan Boulevard.

   F. Extend the present six-inch main on Alabama Avenue to 11th Street and thence along 11th Street to cross-connect with the present two-inch line crossing 11th Street between Park Boulevard and Maryland Avenue.

   G. Install not less than a four-inch main on Maryland Avenue cross-connecting the six-inch main on 11th Street with the present two-inch main crossing Maryland Avenue between 10th and 11th Streets.

   H. Install not less than a four-inch main on Circle Street cross-connecting the present six-inch main on Netherlands Boulevard with the present six-inch main at the Circle, also cross-connecting with the present two-inch main on Virginia Avenue.

9. To place orders, within fifteen days after the effective date of this decision, for all material needed for the installations hereinbefore ordered, to commence work on such installations upon the delivery of needed materials, and to complete such installations with all reasonable dispatch.

10. To contract for the earliest possible installation of a 50,000-gallon steel tank on a 100-foot steel tower in the vicinity of Jefferson Boulevard and Highway 99.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Commission.

The Secretary is directed to cause a certified copy of this decision to be served upon Clyde Henry, and this decision shall become effective on the twentieth day after such service.

Dated, San Francisco, California, this 23rd day of December, 1946.

Harold P. Hule

Justus F. Craemer

Franck Clarence

Ira H. Rowell

R. I. [illegible]

Commissioners.