

Decision No. 41351

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

WILLIAM A. FORREST, BEN KRETZINGER,
MRS. MABEL FORREST, BEN I. MUNGER,
F. A. CANDY, E. R. LONG, MRS. C. C.
CLAYTON, MRS. R. W. MESENERINK,
MRS. J. B. SANDSTROM, MRS. CLAUDE
HARRIS, BEATRICE PALME, J. D. AHL,
D. W. AHL, ALBERT J. MALOUF, JESSE
ANGLIN, MELVIN JONES, MILTON
WELLER, JOHN GIL, and VESTER
RICHARDSON, FRED G. WILDT, W. W.
McWILLIAMS, W. E. THOMPSON, CLENN
W. DOUGLAS, MRS. DAN R. HODGE,
MRS. BILLIE REUTER,

Complainants,

vs.

ARVIN RICHARDSON, doing business
as MESA ACRES WATER COMPANY,

Defendant.

ORIGINAL

Case No. 4904

West, Vizzard and Howden,
by Gordon L. Howden, for complainants.

Burum, Woodruff and Young,
by John B. Young, for defendant.

POTTER, COMMISSIONER:

O P I N I O N

William A. Forrest together with 24 other water customers have filed this formal complaint against Arvin Richardson, doing business as Mesa Acres Water Company, operating a small public utility water system near Bakersfield, alleging that the water sold and delivered to them by the defendant is unsuitable for domestic use; that it has a strong unpleasant odor, contains petroleum, and is unfit for domestic consumption. It is further alleged that the rates charged are unreasonable; and that the rates are discriminatory, because some customers are on meters, while others pay a fixed charge each month for all water consumed.

The defendant by way of answer entered a general denial of all essential allegations of the complaint.

A public hearing on this matter was held at Bakersfield.

The Mesa Acres Water Company supplies water for domestic and commercial purposes to residents of an unincorporated area located southeasterly of and adjacent to the City of Bakersfield in Kern County.

This Commission in Decision No. 33107, dated May 21, 1940, granted Mr. Arvin Richardson a certificate of public convenience and necessity to operate this water system and established a schedule of meter and flat rates. The water supply is obtained from four drilled wells, varying in depth from 485 feet to 700 feet, all equipped with deep-well turbine pumps. The total pump capacity is 425 gallons per minute, with an average lift of 385 feet from the ground surface. The distribution system consists of 62,582 feet of pipe ranging in diameter from one to twelve inches, and two storage tanks with a combined capacity of 546,000 gallons. There are 449 active consumers now served.

The evidence shows that in certain districts of the service area the water at times develops an unpleasant odor and taste and becomes highly discolored. The direct cause has not been definitely determined but may be oil leakage in a submerged pump. This can be remedied by isolating the pump causing the trouble and removal for inspection and repair. Another bad water problem has arisen from dead-ended mains which are not properly flushed or even equipped for clearing deposited sediment. All dead-ended mains should be connected for circulation as soon as possible. In the meantime such mains should be flushed regularly at least once each month through permanent or portable blow-off valves.

Several witnesses complained of the fact that some consumers were charged under a meter rate, while others enjoyed the use of all water they cared to use at a single flat rate charge. In this connection it should be pointed out that all water on this system must be pumped from very deep wells, is costly to pump, and must not be wasted. While all services should have been equipped with meters, and the applicant so intended, the state of the market has been such that it has not

been possible to obtain delivery of but a very few meters at a time. This system should be fully metered and Mr. Richardson has agreed to complete the program of metering at the earliest date possible.

The testimony shows that originally meters were installed to reduce the general waste of water under flat rate service, especially waste resulting from the general use of non-circulating water coolers. After considerable complaint by consumers on measured service about high water bills, the defendant filed and placed in effect a reduced meter schedule, approximately 30% less than the established rate. This was the same meter schedule in effect in the City of Bakersfield, excluding, however, a discount provided therein for prompt payment of monthly bills in excess of \$1.00.

Mr. D. L. Duncan, one of the Commission's engineers, presented a report covering an appraisal of the system and a study of the operating performance of the system covering the twelve-month period from November 1, 1946, to November 1, 1947. The appraisal, prepared on the basis of estimated original cost as of November 1, 1947, shows a total fixed capital installed of \$86,771; the annual depreciation annuity, computed by the sinking fund method at 5%, amounts to \$1,815. The report shows results of operation summarized as follows:

Fixed Capital.....	\$86,771
Operating Revenues.....	15,882
Operating Expenses, (including depreciation .. 5% sinking fund)	12,794
Net Operating Revenues.....	3,087
Rate of Return.....	3.56%
Number of Consumers.....	449

Complainants claim that the present rates are excessive and request a reduction thereof. However, the evidence presented shows that at present defendant's net earning is less than 4% on the investment. Operating costs will again be increased by the new 16", 350 gallons-per-minute well now ready for operation. The former cost for electric power alone for the pumps in operation during 1947 amounted to 42% of expenses. Under these circumstances a reduction in rates at this time is not warranted.

In conclusion it should be noted that defendant has been ready and willing to install practically all of the requested improvements but has been severely handicapped by inability to obtain distribution pipe and other waterworks materials and supplies. Mr. Richardson has agreed to make these improvements as soon as the pipe is available, and will do so to the full extent of his financial resources and the system returns permit. Certain temporary installations which should be made to remedy localized poor service conditions, in the interval, will be set out in the Order below.

O R D E R

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

IT IS HEREBY ORDERED that Arvin Richardson, doing business as Mosa Acres Water Company, be and he is hereby ordered and directed as follows:

1. To install, within 90 days from the effective date of this Order, a pipeline not less than 3 inches in diameter and approximately 650 feet in length, in or adjacent to Isabel Road; said pipeline shall be interconnected with the three existing distribution mains located in the alleys or rights of way between Lexington Street and Culver Street;
2. To install valves, within 90 days from the effective date of this Order, for main flushing purposes on all "dead-ends" of distribution mains larger than 1½ inches in diameter, the flushing valve and other facilities to be of a diameter not less than the main and so installed that all 90 degree turns are eliminated to provide free and unrestricted flow;
3. To establish and put into immediate effect a main flushing schedule providing for the flushing of all dead-ended water mains at least once each thirty days for the year 1948;
4. To install, within 90 days from the effective date of this Order, pressure-controlled electric switches on all deep-well pumping equipment.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Public Utilities Commission of the State of

California.

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 23rd day of March, 1948.

~~R. J. [unclear]~~
Justus J. Gallen
Joseph H. Powell
Margaret H. [unclear]
Hesseth [unclear]
Commissioners.