

Decision No. 44303

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the service, rates, contracts, rules, regulations, operations, practices, or any of them, of Sarah Meacham, Administratrix, of the Estate of Effie M. Meeker, and Paul Edwards, Administrator, of the Estate of J. E. Meeker, doing business as Camp Meeker Water System, and operating a public utility water system in Camp Meeker, Sonoma County, California.

Case No. 5155

Barrett and McConnell, by Owen Hottle, for respondent, Estate of Effie M. Meeker; Paul R. Edwards, in propria persona. Mrs. E. K. Lincoln, Horace Willis, Ralph B. Mitchell, R. H. Slocumb, Mrs. M. H. Cohn, Edward C. Lohmeyer, Armand Girard, Mrs. Marian Curreri, John F. McGuire, Bert J. McMurray, for consumers.

O P I N I O N

This case was instituted on the Commission's own motion following the receipt of a petition signed by some 182 customers requesting that an investigation be made of the Camp Meeker Water System for the explicit purpose of ascertaining the possibility of securing an ample water supply for the entire 12 months of each year.

Public hearings in this matter were held at Camp Meeker on April 5, 1950, and at San Francisco on April 6, 1950, before Examiner Kimball.

This case is the latest in a series of formal proceedings, commencing in 1932, involving inadequate water service. The system was installed originally about 1900 by M. C. Meeker for the purpose of supplying domestic water to residents in the original Camp Meeker Subdivision. This area subsequently was enlarged by the addition of further subdivided tracts. Camp Meeker is located in Sonoma County approximately 5 miles south of Monte Rio.

The operations of the water system have always been controlled by one or more members of the Meeker family. The record shows that at the present time a two-thirds interest is vested in the Estate of Effie M. Meeker. Sarah Meacham and Ruth M. Hall are the administratrices of said estate. The remaining one-third interest is owned by Paul R. Edwards, the Estate of J. E. Meeker having been distributed. A superintendent is in direct charge of the operations of the water system but has limited authority as to expenditures to be made for improvements.

The service area comprises some 800 acres of steep hillside located generally on both sides of Dutch Bill Creek. The water supply for this system is obtained from eight groups of springs which are located at various elevations in different areas. The water from these springs is collected and transmitted by gravity to 22 wooden storage tanks with a total capacity of 125,000 gallons. From certain of these tanks, the water is delivered to the consumers by gravity; and, in some instances, pumping is utilized in an attempt to equalize distribution. There are six booster pumps in operation during the periods of peak demands. The consumers are served through approximately

38,000 feet of distribution main varying in size from 1/2 to 3 inches in diameter, 21,000 feet of which is 3/4-inch pipe. There are 345 services connected to the system with 331 being active in 1949. Eight of the services are metered and the remainder are served on a flat rate basis. The service area includes a combination of permanent and summer or vacation residents.

The present owners of the system have failed to recognize their responsibility as operators of a public utility, and the present proceeding and the current record only serve to emphasize that deficiencies long inherent in the system still persist. These defects may be grouped under the two general headings of supply and distribution.

The water supply, while normally adequate for year-round residents during the winter and spring, is subject to frequent shortages during the summer and early fall months. Moreover, due to inadequate size of some of the distribution mains, residents at certain locations in the upper levels of the camp fail to receive any water while other residents at lower levels and on the same lines obtain the available water.

The superintendent of the system, S. C. Holt, testified that during 1948 and 1949 the company installed a 3,000-gallon tank on Hampton Road and another 3,000-gallon tank in Sylvania Tract. This year a 1,500-gallon tank was placed in service below Saint Dorothy's Rest, and the water collected therein is pumped to Tower tanks. He further testified that practically 50% of the 3/4-inch line, together with some 2-inch line, should be replaced with mains of larger capacity. The testimony also indicated that additional cross-connections would aid in the distribution of available water.

It would serve no useful purpose to detail the numerous complaints registered at the hearing. They were of the same general nature and involved inadequate supply of water to individuals located in certain areas in the camp. A number of the customers who appeared at the hearings stated that they recognized the necessity of adequate rates for the company and that they would be willing to pay an additional amount of money if a satisfactory supply of water would be provided.

An engineer of the Commission's Hydraulic Division introduced a study of the results of operations of the system. In this report, which was introduced as Exhibit 1 in this proceeding, the fixed capital of \$30,035 and the depreciation reserve of \$3,404, as shown in the company's 1949 annual report to the Commission, were used to determine a depreciated rate base of \$26,631. The adjusted revenues and operating expenses for 1949 were \$4,932 and \$4,607, respectively, resulting in a net operating revenue for 1949 of \$325. Applying the 1949 revenues to the depreciated rate base, results in a rate of return of 1.2%. The operating revenues for the foreseeable future, under present rates, are estimated in Exhibit 1 to be approximately \$4,930 or the same as received during the past two years, and the corresponding expenses, under present operating conditions and including depreciation expenses computed by the straight-line method, are estimated to be \$4,600.

It is apparent that certain specific improvements should be made to the system. ^{1/} These improvements are estimated to add \$4,200 to fixed capital and to increase the annual expense by \$650.

The record shows that two springs, namely, the Profile Spring ("H" Spring) and Recksecker ("R" Spring) have been removed from the system at some time subsequent to 1932. No authority for the abandonment or transfer of these springs has been sought from nor granted by this Commission. In order to augment the water supply to some extent, the company should place these springs in operation as part of the system and the order will so provide.

In addition to immediate improvements ordered herein to be installed, the company will be expected to make further improvements in the service by installing a 2-inch transmission main between Tower tanks and California tanks, progressively

1/ Improvement

- (A) Clean and restore to service "R" or Recksecker Spring.
- (B) Clean and restore to service "H" or Profile Spring.
- (C) Clean and restore to service "N" Spring.
- (D) Install permanent concrete collecting boxes at the following springs:

Fern Creek Springs

"T" Springs

"S" or Sylvania Spring

"C" Spring

"A-1" Spring

"K" Spring

"B" and "B-1" Spring area.

- (E) Clean and develop all springs where concrete collecting boxes are not recommended.
- (F) Replace pump at Fern tanks with a 3 hp pump and install the old pump at Hampton Road tanks.
- (G) Install meters during 1950 on 20 service connections using abnormally large amounts of water.

install meters on services of those consumers whose use is excessive or wasteful, and further institute a program of relocating and replacing worn-out mains and those of inadequate capacity, and install shutoff valves on all services. Also, the company has the obligation of developing additional water supply to provide adequate service to the present customers and the anticipated further growth of the system.

It is apparent that with the addition of necessary facilities, an even smaller return will be realized by the system, and an increase in rates will be required if the system is to be continued in operation and improved. While it is not the purpose of this Commission to provide earnings whereby a utility may cover all costs of improvements and expansion, recognition must be given to the inadequate return now being obtained on this property. In order that a fair and reasonable return may be earned, the order will provide for a surcharge, in addition to the present rate of \$15 per year, in an amount of \$4.50, effective for the latter part of 1950 only.

Rates to become effective January 1, 1951, are also authorized herein and are estimated to produce total annual operating revenues of approximately \$7,100, which, after deducting estimated operating expenses totaling \$5,250, produce a net operating revenue of \$1,850.

We find from the evidence of record that:

1. The present facilities for procurement, storage, and distribution of water, in connection with the public utility water system owned and operated by the Estate of Effie M. Meeker and by Paul Edwards at Camp Meeker, Sonoma County, California, are inadequate for the present and future needs of the consumers served by said water system.

2. The present methods of operation employed by said Estate of Effie M. Meeker and by said Paul Edwards are inadequate and insufficient to assure said consumers a reasonably continuous supply of water for domestic use.
3. The installation of the facilities, as herein set forth, and the adoption of the indicated practices and procedures in connection with the operation of said water system are necessary and vital for the proper and satisfactory operation of said water system as a public utility.

Based upon the foregoing findings of fact, it is concluded that the Estate of Effie M. Meeker, and Paul Edwards, co-owners of Camp Meeker Water System to the extent indicated above, shall immediately proceed with the construction of the installations herein recommended, and that the said respondents should forthwith adopt the practices and procedures herein recommended for improving the operation and management of said water system. The order to follow will so direct the Estate of Effie M. Meeker, and Paul Edwards, the co-owners and operators of said water system, to carry out this program of rehabilitation as is properly required of them as the owners and operators of a public utility.

O R D E R

Public hearings having been held in the above-entitled proceeding, evidence having been received and considered, and the matter having been submitted for decision; therefore,

IT IS HEREBY FOUND AS A FACT that the increases in rates authorized herein are justified; and basing its order upon the foregoing findings of fact and upon the evidence of record,

RESPONDENTS, Sarah Meacham and Ruth M. Hall administratrices of the Estate of Effie M. Meeker, two-thirds owner of

the Camp Meeker Water System, and Paul R. Edwards, one-third owner of the Camp Meeker Water System, ARE HEREBY ORDERED as follows:

1. Respondents are authorized to file in quadruplicate with this Commission, after the effective date of this order, in conformity with the Commission's General Order No. 96, the schedule of rates shown in Exhibit A attached hereto, and, after not less than five (5) days' notice to the Commission and the public to make said rates effective for services rendered for the balance of year 1950 and for service furnished on and after the first day of January, 1951, more particularly as follows:
 - For Balance of Year 1950
 - Schedule No. A, Emergency Surcharge.
 - For Service Furnished on and after January 1, 1951
 - Schedule No. 1, Permanent Residents Flat Rate Service.
 - Schedule No. 2, Seasonal Flat Rate Service.
 - Schedule No. 3, Permanent Residents Meter Rates.
 - Schedule No. 4, Seasonal Metered Service.
2. Respondents, within sixty (60) days from the effective date of this order, shall file with this Commission four sets of revised rules and regulations governing relations with their customers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon in distinctive markings the boundaries of their present service area and location thereof with reference to the immediate surrounding territory; provided, however, that such filing shall not be construed as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.
3. Respondents, within sixty (60) days from the effective date of this order, shall file with this Commission four copies of a comprehensive map, drawn to an indicated scale not smaller than 400 feet to the inch, delineating thereupon in distinctive markings the territory served and the location of the various properties of applicant.
4. Respondents shall proceed forthwith and complete on or before December 31, 1950, repairs, replacements, and improvements to the water system in the following particulars:
 - A. Clean and restore to service "R" or Recksecker Spring, "H" or Profile Spring, and "N" Spring.
 - B. Install permanent concrete collecting boxes at Fern Creek Spring, "A-1" Spring, "C" Spring, "K" Spring, "S" or Sylvania Spring, "T" Spring, and "B" and "B-1" Spring area.
 - C. Clean and develop all springs used in the system where concrete collecting boxes are not recommended.

- D. Replace pump at Fern tanks with one of larger capacity and install Fern pump at Hampton Road tanks.
 - E. Install meters on service connections using abnormally large quantities of water.
5. Respondents shall file a progress report monthly with the Commission, beginning August 1, 1950, and continuing until completion of the repairs, replacements, and improvements specified in paragraph 4 of this order.

IT IS HEREBY FURTHER ORDERED that if the repairs, replacements, and improvements to the water system, as listed in paragraph 4 of the order herein, have not been installed and constructed to the satisfaction of the Commission on or before January 1, 1951, then the schedules of rates for service furnished on and after January 1, 1951, authorized to be filed in paragraph 1 of the order herein, without further order of this Commission shall not become effective and the rates effective for service rendered on and after that date shall be the existing rates now effective.

The Commission reserves the right to make such further order or orders herein as may be necessary or proper in the public interest, in the exercise of its jurisdiction.

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

Dated at Los Angeles, California, this 13th day of June, 1950.

A. E. Zimmerman
Justice F. Casper
Justice H. Lawrence
Harold P. Hale
Kenneth P. Potter
 Commissioners.

Schedule A

EMERGENCY SURCHARGE

APPLICABILITY

Applicable to all flat and metered water service rendered.

TERRITORY

In and in the vicinity of the unincorporated area known as Camp Meeker, Sonoma County.

RATES

Emergency surcharge payable on or before August 1, 1950,
and when paid in addition to the annual charge of \$15
entitles the customer to water service until December 31, 1950..\$4.50

SPECIAL CONDITION

1. This charge applies only to water service furnished to December 31, 1950, at which time Schedules No. 1, 2, 3, and 4 will become effective.

Schedule No. 1

PERMANENT RESIDENTS FLAT RATE SERVICE

APPLICABILITY

Applicable to all water service furnished to permanent residents on a flat rate basis.

TERRITORY

In and in the vicinity of the unincorporated area known as Camp Meeker, Sonoma County.

RATES

Per Month

For each residence, including an irrigated area, not in excess of 300 square feet	\$ 2.00
For additional irrigation of lawn, shrubs, garden or trees, per month throughout the year, per 100 square feet03

SPECIAL CONDITION

1. Meters may be installed at option of utility or customers for above classifications, in which event service will thereafter be rendered only on the basis of Schedule No. 3, Permanent Residents Meter Rates.

Schedule No. 2

SEASONAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all water service rendered on a seasonal flat rate basis.

TERRITORY

In and in the vicinity of the unincorporated area known as Camp Meeker, Sonoma County.

RATES

For seasonal flat rate service, from March to October, inclusive, for residential use, including an irrigated area not in excess of 300 square feet, payable on the first day of March of each year\$ 20.00 per season

For additional irrigation of lawn, shrubs, garden or trees during the season or year, per 100 square feet36 per year

For each additional off-season month from November to March for residential use 1.75 per month

SPECIAL CONDITION

1. Meters may be installed at option of utility or customers for above classifications, in which event service will thereafter be rendered only on the basis of Schedule No. 4, Seasonal Metered Service.

Schedule No. 3

PERMANENT RESIDENTS METER RATES

APPLICABILITY

Applicable to all water service furnished to permanent residents on a measured basis.

TERRITORY

In and in the vicinity of the unincorporated area known as Camp Meeker, Sonoma County.

RATES

Monthly Quantity Rates:		<u>Per Meter</u> <u>Per Month</u>
First	400 cubic feet or less	\$ 1.75
Next	600 cubic feet, per 100 cubic feet25
Next	2,000 cubic feet, per 100 cubic feet20
All over	3,000 cubic feet, per 100 cubic feet15

Monthly Minimum Charge:		
For	5/8 x 3/4-inch meter	1.75
For	3/4-inch meter	2.50
For	1-inch meter	3.50
For	1 1/2-inch meter	4.50
For	2-inch meter	6.00

The Monthly Minimum Charge will entitle the customer to the quantity of water which the minimum charge will purchase at the Monthly Quantity Rates.

Schedule No. 4

SEASONAL METERED SERVICE

APPLICABILITY

Applicable to all water service rendered on a seasonal measured basis.

TERRITORY

In and in the vicinity of the unincorporated area known as Camp Meeker, Sonoma County.

RATES

Minimum Charges:

Annual charge for a 5/8 x 3/4-inch meter,
payable on the first day of March of each
year and entitling the customer to a
maximum of 400 cubic feet of water per month,
March to October, inclusive \$18.00

Monthly minimum charge for each additional
month from November to March 1.50

Monthly Quantity Rates:

Per Month

For all water used in excess of 400 cubic
feet per month, the following Quantity
Rates shall apply:

First 400 cubic feet, included in annual charge	
Next 600 cubic feet, per 100 cubic feet	\$.25
Next 2,000 cubic feet, per 100 cubic feet20
All over 3,000 cubic feet, per 100 cubic feet15