

Decision No. 48555**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

KURT SCHAMBER, et al.	)	
	)	
Complainants,	)	
	)	
vs.	)	Case No. 5415
	)	
CLEAR LAKE PARK WATER COMPANY,	)	
	)	
Defendant.	)	

Kurt Schamber, in propria persona, and for complainants; L. V. Starr and James M. O'Brien, for defendant; Henry J. Ongerth, for State Department of Public Health, Bureau of Sanitary Engineering, interested party; Martin Abramson, for the Commission staff.

O P I N I O NThe Pleadings

The complaint of Kurt Schamber and 35 other customers of defendant Clear Lake Park Water Company alleges that the company's water supply is not filtered; that it is doubtful whether it is chlorinated; that occasionally it is dirty and full of algae and has an offensive odor and taste; that, at times, there are interruptions in the supply of water, continuing for several days. Complainants ask for an order directing the company to provide an adequate supply of potable water at all times.

Defendant, by its answer, admits that the water supply is not filtered and that the supply has occasionally failed on some parts of its system, but it denies that such failures have been due to its negligence. Defendant alleges that if the water has been dirty, full of algae, or offensive in odor or taste, such conditions have not been due to the company's neglect, but it denies that the water supply is not potable or that chlorination is doubtful.

In a separate defense, the utility alleges that during the past two years it has caused studies to be made of its system for the purpose of improving its service; that, through no fault of its own, its efforts to finance and install the improvements indicated by the studies have been delayed by increases in costs, by local discussion of plans for formation of a water district and by opposition of a local resident to the utility's plan to construct a new plant on property acquired by it below its present main storage facility; that if plans for formation of the district fail, the company will have to apply to the Commission for a substantial increase in rates in order to secure sufficient revenue to finance its improvements.

#### Public Hearing

Public hearing was held, after due notice, at Clear Lake Park on February 5, 1953, before Examiner Gregory.

#### The Issues

The issues, in view of defendant's answer, are narrowed to those which relate to potability and chlorination of the water supply and to feasibility of improving the service so as to remove the sources for complaint.

#### The Evidence

##### a. Description of System

Clear Lake Park Water Company, a corporation, furnishes domestic and commercial water service as a public utility in an area which extends about seven miles along the shores of Clear Lake in Lake County.

With the exception of the Pine Dell area, which is served through an entirely separate system, the majority of the customers receive their water from Clear Lake through a 4-inch intake about 60 feet out from the lake shore. Two electric pumps with a combined output of approximately 150 gallons per minute are located at the main intake and pump house and supply water to the system. Both

pumps are manually starting but have time switches which automatically shut them off.

Chlorination is accomplished through a hypo-chlorinating unit which feeds a solution made from dry chlorine mixed with water into the transmission mains. This solution must be prepared each day during the summer season and therefore requires at least daily attendance.

Storage facilities include a 42,000 gallon steel tank in the Pine Dell area, two widely separated 42,000 gallon steel tanks, and a newly covered concrete reservoir adjacent to one of the steel tanks, having a capacity of approximately 37,000 gallons. During the summer holiday week ends a 15,000 gallon wood stave tank in poor condition can be placed in service in order to augment the present storage. These storage facilities are located at elevations which vary from 260 to 340 feet above Clear Lake.

The Pine Dell properties of the Clear Lake Park Water Company are operated as an entirely separate water system. One 4 x 6 - 5 horsepower duplex electric pump which takes water from Clear Lake supplies approximately 25 to 30 gallons per minute to the system. The pump is operated automatically by a float valve on the 42,000 gallon storage tank.

At present the company is serving approximately 425 customers through approximately 80,000 feet of mains varying in size from 1/2 to 4 inches in diameter. All service is rendered at meter rates.

b. Supply and Quality of Water

Interruptions to service in 1952 lasted from several hours to as long as several days and were due, primarily, to lack of adequate storage and pumping capacity during peak summertime demand and to breaks in transmission mains. The company has no provision for pumping water in case of power failure as both pumps at the main plant are electrically driven.

Water pumped from Clear Lake contains a large amount of algae and other vegetable matter, especially during summer months and has a high turbidity in winter. Laboratory tests by state and county health authorities and by a commercial laboratory have shown conflicting results. Samples collected by the utility and analyzed by the commercial laboratory indicate a satisfactory bacteriological quality. Numerous samples collected by state and county health officials over the past four years, however, have shown significant coliform densities. Chlorine residual at the pump house is tested, but not recorded, each time a new batch of hypochlorite solution is used.

#### Improvements to System

By Decision No. 43016, dated June 21, 1949, in Application No. 29943, the company was authorized to increase its rates and was directed to file monthly progress reports until the completion of certain improvements, including installation of a 6-inch pump and other facilities at Clear Lake Harbor, connection of the so-called Serra well, electrification of the Pine Dell pumping plant, construction of a new roof on the 37,000 gallon concrete reservoir and the placing of that reservoir in active service. The company has complied with the direction to electrify the Pine Dell pumping plant and to reroof and place in service the concrete reservoir, but it has not installed the 6-inch pump or other facilities at Clear Lake Harbor because of local zoning restrictions against construction of a filtration plant at the site selected by the company and it has not connected the Serra well, due to opposition from state health authorities who were concerned with its possible contamination from surface drainage.

By Decision No. 44952, dated October 30, 1950, in Application No. 31767, the utility was authorized to issue \$20,000 of First Mortgage Convertible 5% Sinking Fund Bonds, due 1975, so as to net it

not less than \$18,500 plus accrued interest, and to use the proceeds, other than accrued interest, for the purpose of financing improvements, including a filtration plant and additional pumping, storage and distribution capacity, estimated to cost \$12,000. The utility has since secured four extensions of time to execute its indenture and issue the bonds, upon the ground that zoning restrictions have been placed on the site of its proposed filtration plant, prohibiting its use for other than resort purposes and that plans are proceeding for formation of a public district to supply domestic water in the area. The record also indicates that another limiting factor on the utility's projected improvements is lack of credit.

The Commission engineer, whose report on an investigation of the system is in evidence, has recommended installation of a filtration plant as the most necessary improvement. He also recommended installation of another 100,000 gallons of storage capacity, or of an additional 100 gallons per minute of guaranteed pumping capacity, in order to insure a continuous supply of water for the foreseeable future. In addition, he recommended installation of another transmission main from the main storage site to the Austins area, to enable the company to isolate and bypass breaks in the present line. A more automatic type of chlorination was also recommended.

The report of an engineer retained by the utility, who was not present, however, at the hearing, among other things recommends installation of parallel mains at certain points along the line between the main pump and the company's east storage facilities, but concludes that present pumping capacity is adequate for services, both east and west of the main production plant, if provision is made for automatic control of overflowing of the east and west storage tanks. He also recommended installation of a standby pumping plant. His report indicates that if his recommendations are carried out the utility would have sufficient production, storage and transmission

capacity for present needs, including peak demands, and for future expansion.

#### Results of Operation

The utility's annual report for 1951 lists undepreciated fixed capital, as of the end of that year, at \$58,013; operating revenues, \$11,214; operating expenses, \$9,044; net operating revenue, \$2,170. The indicated rate of return, unadjusted, was 3.75 per cent.

The company presented statistics for the first six months of 1952 which indicate gross operating revenues - \$5,404.09; expenses - \$5,046.08; net revenue before income taxes - \$358.91 and assets and liabilities as of June 30, 1952, amounting to \$64,331.68, with the water system listed among assets at \$58,551.76. Depreciation reserves are stated to be \$16,939.52 and surplus, as of December 31, 1951, is shown as \$10,708.15.

#### Findings and Conclusions

The record in this case establishes that the water supply of Clear Lake Park Water Company is not filtered but that it is chlorinated. At times, it contains significant quantities of algae and other substances and a high degree of turbidity. On such occasions its potability is doubtful. Occasionally, during the summer months, interruptions in the supply have occurred due to breaks in transmission mains and lack of facilities for bypassing the breaks during repairs.

The conclusion is inescapable that the water service provided by defendant is inadequate and insufficient for the needs of its consumers and that the immediate necessity is for filtration, greater storage capacity and a more automatic type of chlorination. We recognize that the company's plans for filtration and improved pumping facilities have been subject to revisions or interruptions as the result of zoning difficulties and doubt as to whether such improvements would meet the requirements of a public district. The

company, however, has secured from the Commission an additional year's extension of time within which to finance improvements originally ordered in 1949. Some of those improvements have been accomplished. The company should now be directed to install those facilities, mentioned above, which are considered to be necessary and which are reasonably required to supply adequate quantities of potable water to its consumers.

### O R D E R

Public hearing having been held in the instant proceeding, the matter having been submitted, the Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

#### IT IS ORDERED:

(1) That Clear Lake Park Water Company, a corporation, within 120 days from the effective date of this order, shall install on its water system

- a. A filtration plant of a type and size adequate to supply, at all times, water of suitable quality for domestic use;
- b. Additional storage facilities for at least 100,000 gallons of water; or, a standby pump and motor which will deliver an additional 100 gallons per minute during periods of peak demand and the necessary pipe and other facilities to deliver the combined pump capacity of about 250 g.p.m. to the storage reservoirs.
- c. An automatically controlled chlorination unit at the main pumping plant serving the Clear Lake Park - Austins area of the company's system.
- d. Upon completion of the filtration, storage or pumping facilities and chlorinator as above ordered, install an additional main not less than four inches in inside diameter from its concrete reservoir to connect with the existing main as it enters the Manskee Area.

(2) That Clear Lake Park Water Company shall file with the Commission monthly, commencing not later than June 1, 1953, a

report in writing showing progress made in the installations herein ordered, the total cost of each installation and the date of its completion.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of April, 1953.

R. B. Anderson  
President

Harold A. Kula

Samuel H. Patten  
John E. Mitchell

Commissioners