

ORIGINAL

Decision No. 57095

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

LAWRENCE E. PALMER, ABIGAIL H.
HUTH, GEORGE CHARBONNEAU, ETHEL
TRUCKS and MARION BIGGY,

Complainants,

vs.

Case No. 6060

DESERT BEACH CORPORATION, a California
corporation, DESERT BEACH CO., DESERT
BEACH GAS & WATER CO., ALVA W. HUNTER,
KENNETH P. HUNTER and JOHN DOE I,

Defendants.

Gordon Cologne, for complainants.
Best, Best & Krieger, by Arthur L. Littleworth,
for defendants.
James G. Shields for the staff of the Public
Utilities Commission of the State of
California.

O P I N I O N

Public hearing in this matter was held before Examiner Grant E. Syphers on May 26, 1958, at Indio, California, at which time evidence was adduced and the matter submitted. It now is ready for decision.

The complainants are property owners and residents of a subdivision known as Desert Beach which is located on the northern shore of the Salton Sea near State Highway 111 in Riverside County. The subdivision consists of 237 lots and is more particularly described as Date Palm Beach Unit No. 1, Section 34, Township 7 south, Range 10 east, and is recorded in Book 13, Page 9 of Maps, Official

Records of Riverside County. This area was subdivided by the Desert Beach Corporation, and as of the date of the hearing 194 lots had been sold and 43 were still owned by the corporation. The subdividing corporation has installed water distribution facilities which consist of two wells with a 20,000-gallon reservoir located near the side of one of the wells, and a 4-inch water main leading to the subdivision. To this main are connected laterals leading to each of the 16 properties now receiving water. In addition to this there is a 2-inch pipe line connected to a spring located in Section 35. This pipe line brings the spring water into the subdivision.

The complainants contended that the corporation should be declared a public utility and should be required to make certain improvements in the system.

The evidence discloses that the water received from the wells is not fit for human consumption, having such a high mineral content that it corrodes the pipes and fixtures through which it passes. The water from the spring is more satisfactory, although it will not pass the standards of the Health Department of the State of California. A consulting engineer testified that the water from the wells could not economically be treated since the cost of removing the chemicals therefrom would be prohibitive. For example, he estimated that to treat the water from the No. 2 well, the only well now usable, would require equipment costing at least \$40,000 and a maintenance cost of about 10 cents per 1,000 gallons. To treat the spring water to make it satisfactory for human consumption would require equipment costing approximately \$34,500 and a maintenance cost of approximately 6-1/4 cents per 1,000 gallons.

As of the present time the water is used principally for sanitary purposes and it is necessary for the residents to haul in their drinking water.

It was the position of the defendant corporation that this water system had never been dedicated to the public use. The defendant corporation acquired title to the subdivision in 1952. Its predecessors in interest acquired the property in October of 1946. At that time there was a recorded subdivision but no water system. The purchasers secured approval of the Real Estate Commissioner of the State of California to sell lots in this subdivision subject to the following conditions which were contained in the inspection report of the Real Estate Commissioner and also printed on the back of each sales agreement used in the sale of any properties in the subdivision:

"At the time of inspection no water was available to this subdivision. The subdivider advises that arrangements have been made to serve water for domestic purposes to this subdivision if and when it becomes available through the Coachella Valley County Water District. According to resolution of that District, the owner is to install the necessary distributing system to take the water from the canal. The subdivider agrees that, pending the securing of water from the Irrigation District, he will furnish water for domestic purposes in 100 gallon containers at 3¢ per gallon."

The testimony further discloses that the predecessor in interest built a motel, cafe, bathhouse and other facilities on the shore of the Salton Sea expecting at the time to obtain water from the Coachella Valley County Water District. When it became apparent that this water was not available, the spring, previously referred to, was leased from the Southern Pacific Company and a 2-inch pipe line installed to transport water to the motel and cafe.

In a further effort to obtain water the subdivision began using the well water but the water received therefrom is not satisfactory, and, as previously indicated, is not fit for human consumption.

In 1952 the motel, cafe, and other beach properties were inundated by the Salton Sea and are not now usable.

A consideration of all of the testimony presented in this proceeding leads us to conclude, and we now find, that the water from the wells and the water from the spring is not satisfactory for human consumption, and in view of the number of consumers here involved it would not be economically feasible to install purification systems. It is evident that there is no existing satisfactory source of water for this subdivision.

The purchasers of property in this subdivision were only promised that they would be furnished domestic water "in 100 gallon containers at 3c per gallon." This record indicates that none of these users now desire to receive such water and, in any event, furnishing water in such containers does not constitute public utility service.

O R D E R

Complaint as above entitled having been filed, public hearings having been held thereon, the Commission being fully advised in the premises and hereby finding it to be not adverse to the public interest,

IT IS ORDERED that the complaint herein be, and it hereby is, dismissed.

Dated at Los Angeles, California,
this 5th day of August, 1958.

L. Lee Fox
President
Paul L. Scherer
William J. ...
Thomas J. ...
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.