

ORIGINAL

Decision No. 57817

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of RAYMOND A. LURING for a certificate of public convenience and necessity to operate a water system and to establish rates for water service at Luring Pines, an unincorporated resort area, in the San Bernardino Mountain, San Bernardino County, California.

Application No. 29457  
(First Petition for Modification of Order in Decision No. 42127)

In the Matter of MOUNTAIN PROPERTY OWNERS ASSOCIATION,

Complainant,

vs.

LURING PINES WATER COMPANY,

Defendant.

Case No. 5835  
(Second Petition for Modification of Order in Decision No. 55367)

In the Matter of the Application of RAYMOND A. LURING, doing business as LURING PINES WATER COMPANY, for a certificate of public convenience and necessity to extend its water system to territory in the vicinity of Running Springs, San Bernardino County.

Application No. 40254

Dally and Saulque, attorneys, by Richard E. Saulque, for applicant and defendant.  
Loneragan, Jordan and Sessions, by A. M. Sessions, for Fred Auerbacher and Carl Menke; Lt. Col. Jack J. Greger, U.S.A.F.; interested parties.  
Donald B. Steger for the Commission staff.

O P I N I O N

Raymond A. Luring, an individual, doing business as Luring Pines Water Company, by the above-entitled First Petition for Modification of Order in Decision No. 42127 filed August 1, 1958, and the

above-entitled Second Petition for Modification of Order in Decision No. 55367 filed August 1, 1958, and the above-entitled application filed July 7, 1958, seeks a reversal of the order in paragraph 2 of said Decision No. 42127, dated October 11, 1948, which denied applicant a certificate of public convenience and necessity to extend its water system into Tracts Nos. 2129 and 3339, and a 19-acre unsubdivided parcel contiguous to Tract No. 3339 and seeks the granting of such certificate; seeks the lifting of the restrictions imposed by Decision No. 55367, dated August 5, 1957, against applicant furnishing water service to additional customers in Tracts Nos. 2276 and 2553; and seeks authority to extend its water system into the 19-acre unsubdivided parcel contiguous to Tract No. 3339, heretofore referred to, and into an additional 10-acre parcel of land contiguous to applicant's present service area which latter two parcels of land now comprise tentative Tract No. 5814 as shown on the map, Exhibit "A", attached to Application No. 40254, and described by metes and bounds on Exhibit No. 1.

A public hearing was held before Examiner Stewart C. Warner on November 13, 1958 at Running Springs. No protests to the granting of either the petitions or the application were entered although counsel for the interested parties Auerbacher and Menke urged that the Commission be cautious in authorizing an extension of Luring's water system, due to his past poor operating practices and service and his limited water supply.

#### General Information

In the year 1948, the applicant sought a certificate of public convenience and necessity to construct and operate a public utility water system in Tracts Nos. 2276, 2553, 2919, and 3339,

comprising a total of 747 lots and an unsubdivided 19-acre parcel contiguous to Tract No. 3339, all in unincorporated territory of San Bernardino County on the Rim of the World Highway west of Running Springs in the San Bernardino Mountains. By Decision No. 42127, a certificate was granted for Tracts Nos. 2276 and 2553, but the balance of the application for a certificate was denied except that said decision stated in the order therein that upon a sufficient showing by applicant of an ample water supply for the additional tracts, request for a modification of the order might be made. In the year 1956, a group of property owners filed the above-entitled complaint against the applicant alleging poor water service and inadequate supplies of water. By Decision No. 55367, dated August 5, 1957, the defendant was ordered to effect certain improvements to his water system and was prohibited from furnishing water to any new or additional customers or from effecting any further or new connections to his water system in Tracts Nos. 2276 and 2553 and those portions of Tracts Nos. 2919 and 3339 not theretofore being served. By Decision No. 57310, dated September 10, 1958, in the above-entitled complaint, the defendant was authorized to furnish water service to 14 additional customers in the afore-mentioned tracts, but to no others.

Exhibit No. 2 is a map of tentative Tract No. 5814, the location of which, in relation to the tracts in which Luring is and has been furnishing water service, is shown on Exhibit "A", supra, and on the map 1-A of Exhibit No. 7. Said tentative tract comprises 101 lots. Luring proposes to extend his water system and effect the installations in said tentative tract pursuant to its regularly

filed water Main Extension Rule No. 19. The approximate cost to, and required advance by, the subdivider would be \$4,640 as shown in Exhibit No. 6. At the present time no lots have been sold, no houses have been constructed, and no water service is being furnished therein.

Past Operating Practices and Improvements Thereto

As set forth in Decisions Nos. 55367 and 57310, the petitioner-defendant-applicant's past operating practices have been exceedingly poor, and low water pressures, inadequate water supplies, frequent outages, poor water system maintenance, and inadequate pumping and storage facilities were common. However, pursuant to orders of the Commission contained in said decisions, such water system operating insufficiencies and inadequacies have been eliminated, improved, and supplemented by the addition and installation of storage tanks, pumps, booster pumps, new pipe lines, the waterproofing of a storage reservoir, the installation of automatic electric telephone controls on pumps and tanks, and the drilling of five horizontal wells, the approximate cost of all of which amounted to \$41,000.

Sources of Water Supply

Exhibit No. 5 is a memorandum report, dated July 11, 1958, submitted by the petitioner-defendant-applicant's consulting engineer. Said report shows, among other things, that with the addition of the proposed 29 acres comprising tentative Tract No. 5814, 848 lots would then be included within the service area; that as of July 16, 1958, there was a total of 195 service connections; that with the addition of the 14 connections authorized by Decision No. 57310, supra, total connections as of the November, 1958, hearing

were 209; that Luring's water supply facilities, as of July 16, 1958, comprised 10 sources from 5 springs and 5 wells with an aggregate tested production capacity of 357 gallons per minute; that wells Nos. 10 and 14 were not needed, were not connected to the water system, but were being held as stand-by sources of water supply; that the usable distribution storage capacity of the tanks and reservoir was 226,000 gallons; that the water storage in said tanks and reservoir was controlled by automatic electric telephone equipment connected to the pumps at the springs and wells and to intervening booster pumps; and that according to the demand curves of customers, as shown on Graphs A and B of Exhibit No. 5, based on the witness's estimates of customers' water usages and the witness's experience with other mountain resort water systems average demands and usages, it was his conclusion that with the ultimate development of 848 connections, the peak month's consumption would be 2,900,000 gallons and that a water supply of 357 gallons per minute was equivalent to about 15,400,000 gallons per month, and that thus the petitioner-defendant-applicant's water supplies were adequate for present needs and would be adequate therefor, at an estimated growth rate of 19 connections per year, for approximately 19 years before any additional pumping capacity would be necessary to obviate any depletion of reservoir storage.

Exhibit No. 7 is a report, dated October 31, 1958, of Luring's operations submitted by a Commission staff engineering witness. Said exhibit shows the results of tests of the sources of supply, as of October 4, 1958, to have been 207 gallons per minute. Said witness, in his testimony, took no particular issue with the

customer demand curves and the calculated water availability heretofore referred to, but it was his opinion that the noticeable reduction in tested production capacities of the springs and wells between the July, 1958, and October, 1958, dates was due, at least in part, to seasonal variation. The record shows no operating and production experience with Luring's horizontal wells covering more than the immediate 12 months past.

#### Staff Recommendations

The Commission staff witness recommended that if permission were granted to serve additional customers and areas, Luring be ordered to inspect all electric switches for motors, and all automatic controls each 30 days, and to provide them with preventative maintenance two times each year; to inspect the "Big Reservoir" annually for treatment to reduce storage losses to a minimum; and to institute a strict program of husbanding water at the source so that, when required, the source may be shut off.

#### Rates

No change in rates is sought herein.

#### Findings and Conclusions

It is evident from the record that the petitioner-defendant-applicant has very greatly improved his operating practices and supplemented his sources of water supply. The Commission notes that although notice of the hearing in these matters was sent to each customer, none appeared to protest the granting of the petitions and application nor complained of present service conditions.

Notwithstanding the water system betterments and operating practices evident herein, the Commission finds as a fact that

Luring's experience with the use of horizontal wells has been so limited and the evidence with respect to possible future experience is so insufficient that it would be adverse to the public interest to grant the petition in Application No. 29457 and the Application No. 40254 to extend petitioner-applicant's water system into tentative Tract No. 5814. When Luring is prepared to submit more sufficient evidence on the sustained production capacity of said wells, covering a longer period of time, a supplemental application may be filed for reconsideration and modification of the ensuing order which will grant the First Petition in part and deny it in part, will grant the Second Petition, and will grant the application in part and deny it in part. ✓

The order hereinafter will further provide that Luring shall carry out the staff recommendations hereinbefore referred to and shall report annually, in writing, to the Commission with respect thereto.

O R D E R

First Petition for Modification of the Order in Decision No. 42127, Second Petition for Modification of the Order in Decision No. 55367, and application as above-entitled, having been filed, a public hearing having been held, the matters having been submitted and now being ready for decision,

IT IS HEREBY ORDERED as follows:

1. a. That the First Petition of Raymond A. Luring, an individual, doing business as Luring Pines Water Company, for Modification of Order in Decision No. 42127 in Application No. 29457 be granted

in part and denied in part as follows:

That ordering paragraph No. 2. in Decision No. 42127, dated October 11, 1948, be and it is modified, and that Raymond A. Luring, an individual, doing business as Luring Pines Water Company, be and he is granted a certificate of public convenience and necessity to extend, construct and operate a public utility water system in Tracts Nos. 2219 and 3339.

b. That the First Petition of Raymond A. Luring, an individual, doing business as Luring Pines Water Company, for Modification of the Order in Decision No. 42127 to extend his water system into a 19-acre unsubdivided parcel contiguous to Tract No. 3339 be and it is denied.

c. That in all other respects Decision No. 42127 shall remain in full force and effect.

2. a. That the Second Petition of Raymond A. Luring, an individual, doing business as Luring Pines Water Company, for Modification of the Order in Decision No. 55367 in Case No. 5835 be and it is granted and that the restrictions imposed by ordering paragraphs Nos. 3. and 4. in Decision No. 55367, dated August 5, 1957, as modified by Decision No. 57310, dated September 10, 1958, be and they are removed.

b. That in all other respects Decisions Nos. 55367 and 57310 shall remain in full force and effect.

3. a. That that portion of Application No. 40254 of Raymond A. Luring, an individual, doing business as Luring Pines Water Company, to extend his water system into and to serve the 19-acre and



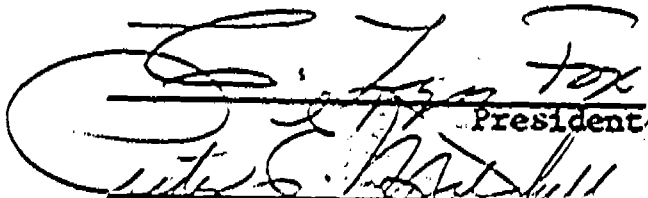
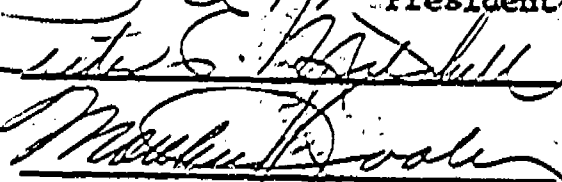
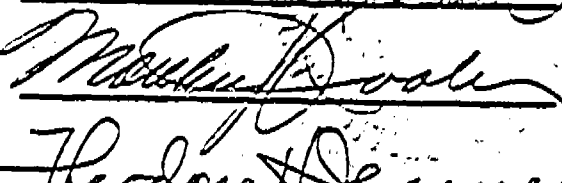
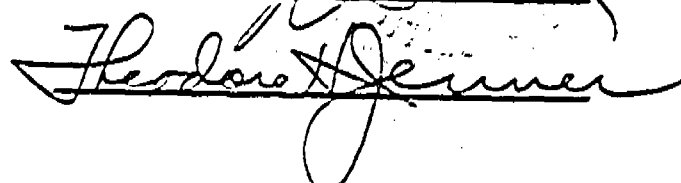
10-acre parcels contiguous to Tract No. 3339 and his service area, respectively, comprising tentative Tract No. 5814, be and it is denied.

b. That when applicant shall have shown, by more sufficient evidence, covering a longer period of time, the adequacy of the production capacity of its five horizontal wells, a modification of this ordering paragraph may be made.

4. That the petitioner-defendant-applicant shall carry out the recommendations of the staff contained herein, as also set forth on page 13 of Exhibit No. 7, and shall report annually, in writing, to the Commission its compliance herewith.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of JANUARY, 1959.

  
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President  
  
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Commissioners