

Decision No. 61062**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
 own motion into the operations,)
 service and practices of the)
 HAPPY VALLEY WATER COMPANY, a cor-)
 poration, and into the adequacy of)
 its finances, water supply and)
 facilities.)

Case No. 6679

Robert I. Plotts, Thomas P. Plotts and L. C. Smith,
 for Happy Valley Water Company, respondent.
William L. Knecht, for California Farm Bureau
Federation, and Jack Lee Burford, for Department
of Water Resources; interested parties.
Elmer Sjostrom, for the Commission staff.

FIRST INTERIM OPINIONNature of Proceeding

The Commission on its own motion on July 29, 1960 instituted the above-entitled investigation into the operations, service, and practices of the Happy Valley Water Company to determine:

1. Whether respondent is rendering adequate service to its customers;
2. Whether respondent has complied with the directory language set forth in Decision No. 55447, dated August 20, 1957;
3. Whether respondent has undertaken such steps as were necessary toward the improvement of water service, as ordered by said Decision No. 55447; and
4. Whether any appropriate order or orders should be issued by this Commission in the lawful exercise of its jurisdiction.

Public Hearing

After due notice, public hearing was held on this investigation at Olinda on August 29, 1960 before Examiner William W. Dunlop. The hearing was continued to November 3, 1960 at Olinda and later reset to November 30, 1960 at Olinda.

At the initial hearing on August 29, 1960 testimony was presented by a senior hydraulic engineer for the Department of Water Resources concerning the deteriorated condition of the outlet pipes at respondent's earth-fill Messelbeck Dam; a financial examiner for the Commission staff testified concerning respondent's failure to file its annual report for the year 1959 as required by General Order No. 104; three public witnesses testified concerning inadequacies of water service supplied by respondent; and respondent's acting secretary was examined concerning respondent's operations, service and facilities.

While all aspects of this investigation have not been concluded, the evidence of record with respect to the deteriorated condition of the outlet pipes at Messelbeck Dam and other phases of respondent's operations is such as to require the issuance of an interim opinion and order in this matter at this time.

Historical Note

The water system now owned and operated by respondent, Happy Valley Water Company, was originally established about 1870 by Dry Creek Tunnel and Fluming Company in order to provide water for its mining operations. In 1907 the lands and water rights were acquired by Happy Valley Land and Water Company, a public utility corporation which operated the system until 1917, when it was transferred to Happy Valley Irrigation District. The District became bankrupt and was dissolved in 1925. Upon dissolution of the District, respondent herein was formed to take over the water system and has since continuously operated the system.^{1/}

^{1/} A complete description of the system is set forth in this Commission's Decision No. 42594, dated March 8, 1949, in Application No. 29577, 48 CPUC 547.

Messelbeck Dam

The evidence of record reveals that the main storage reservoir of Happy Valley Water Company is located on the North Fork of Cottonwood Creek and is formed by an earth-fill dam, known as Messelbeck Dam. The dam is formed by two earth fills with a total length of 1035 feet, a height of 100 feet plus 15 feet of freeboard, and a width at the crest of 20 feet. The reservoir has a capacity of 4,300 acre feet. The dam is equipped with two outlet pipes, each thirty inches in diameter and 245 feet in length, made of riveted steel plate 5/16 of an inch in thickness. The outlet pipes are located in a 12-foot diameter tunnel, exposed and resting on concrete pedestals about 20 feet apart. Each outlet pipe is equipped with a downstream gate valve and consequently the pipes are under continuous pressure. There is no way of controlling the flow of water in the pipes from the upstream end.

A senior hydraulic engineer for the State Department of Water Resources, Supervision of Dams Section, testified that he considered the two outlet pipes of Messelbeck Dam in extremely bad shape in that rust and corrosion has become steadily worse from a lack of maintenance in recent years to a point where one can poke about 4/16 of an inch into the pipes leaving about 1/16 of an inch of metal that holds the pipes from complete failure. He further testified that while there were no spurting leaks as yet, there are several seeping leaks in the pipe where the metal is getting quite thin; that on December 22, 1958 the Department of Water Resources issued an order to Happy Valley Water Company to render the dam safe and fixed time for completion of work; that three specific items of work were ordered; that two of the items have been completed; and that the third work item requiring the utility to conduct a thorough investigation of the condition of the outlet pipes and prepare plans and

specifications for the replacement or repair of said pipes as found necessary by the investigation has not been done.

The witness for the Department of Water Resources recommended that either the outlet pipes be fixed immediately or the dam be removed from service and the reservoir drained and operated empty.

Service Conditions

The evidence of record is convincing that respondent has not been and is not now rendering adequate service to its customers and that water deliveries are irregular, erratic, and undependable. In fact, respondent's acting secretary admitted on cross-examination such to be the case. At the continued hearings on this investigation, respondent will be expected to come forward with improvement plans, specifications, cost estimates, and feasible financing plans for remedying inadequate service conditions on its system.

Findings and Conclusions

Based upon the evidence of record, the Commission finds and concludes as follows:

1. That the two outlet pipes of Messelbeck Dam are in such a deteriorated condition as to constitute a hazard to the continued operation of the dam.
2. That Happy Valley Water Company, though directed by the Department of Water Resources, State of California, on December 22, 1958 to conduct a thorough investigation of the condition of the outlet pipes at Messelbeck Dam and prepare plans and specifications for the replacement or repair of said outlet pipes as found necessary by such investigation, has not done so.
3. That public convenience, necessity, and safety require the replacement or repair of said outlet pipes at the earliest practicable date.

4. That an order should be issued requiring Happy Valley Water Company to submit to the Commission detailed plans and specifications for the replacement or repair of said outlet pipes, together with a definite time schedule for accomplishing the work, the estimated cost thereof, and a feasible method of paying for such replacement or repair. A copy of said detailed plans and specifications should also be filed with the Department of Water Resources.

5. That Happy Valley Water Company has failed to file with the Commission its annual report for the year 1959 in violation of General Order No. 104.

6. That Happy Valley Water Company should forthwith correct its violation of General Order No. 104 by filing with the Commission its annual report for the year 1959.

FIRST INTERIM ORDER

Public hearing in the above-entitled investigation having been held and based upon the showing made in the record thus far and the findings and conclusions set forth hereinabove,

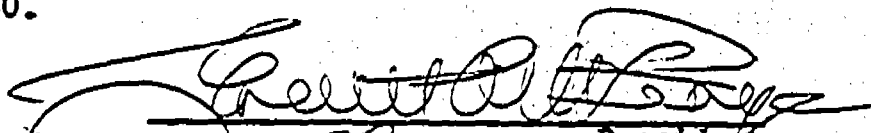
IT IS ORDERED as follows:


1. Not later than January 31, 1961, Happy Valley Water Company shall file with this Commission its detailed plans and specifications for replacement or repair of the two outlet pipes at Messelbeck Dam, together with a definite time schedule for commencing the work to be finished no later than December 31, 1961, the estimated cost thereof, and a feasible method of paying for said replacement or repair. A copy of said detailed plans and specifications shall be filed concurrently with the Department of Water Resources, State of California.


2. Happy Valley Water Company shall forthwith, but not later than thirty days from the effective date of this order, file with this Commission its 1959 annual report which was due to be filed on March 31, 1960 pursuant to General Order No. 104.

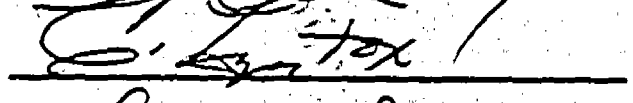
The effective date of this order shall be twenty days after the date hereof.

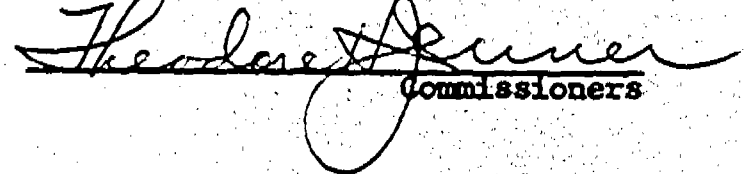
Dated at San Francisco, California, this 15th day of NOVEMBER, 1960.



President








Commissioners