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ORIGINAL

Decision No. 61857

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the safety, operation and maintenance of storage reservoir of Boulder Creek system of CITIZENS UTILITIES COMPANY.	Case No. 6627

Orrick, Dahlquist, Herrington & Sutcliffe, by Warren A. Palmer and Ruffo & Chadwick, by Robert S. Chadwick for Citizens Utilities Company of California, respondent; San Lorenzo Valley Chamber of Commerce and Ben Lomond Recreation District, by Alice Earl Wilder; Santa Cruz County Health Department, by Clyde V. Larsen; Rainbow Trout Park, by Peter J. Horvath and Patrick J. Creegan, interested parties. Hector Anninos and David F. LaHue for the Commission staff.

OPINION AND ORDER

This proceeding was instituted on July 26, 1960, for the general purpose of enquiring into the safety of a water reservoir on the Boulder Creek system of respondent. Public hearings in the matter commenced on August 31, 1960, following which the Commission issued Decision No. 60897 as an interim opinion and order which limited respondent's use of the reservoir pending completion of the Commission's investigation. Thereafter, on October 27, 1960 and on April 11, 1961, additional days of hearing were held primarily for the purpose of establishing that reservoir reconstruction necessary to assure the safety of the structure was being undertaken and proceeding in accordance with proper engineering and construction principles. Both documentary and oral reports from competent engineers, including those from an engineer of the State's Department of Water Resources, Division of Dams, were received in

evidence at such hearings.

From the date of first hearing in this matter until the present, respondent and its independent engineering firm, especially engaged for the purpose of supervising the reservoir reconstruction, have made regular reports to the Commission on the progress of the work and the structural safety of the reservoir. Respondent's engineering firm has reported that the reservoir may safely be filled to its full capacity. Respondent's final report, under date of March 2, 1961, indicated that all reconstruction work had been completed. On the last day of hearing, the final report of the State's engineering expert advised the Commission that the reservoir is in such condition that it may now safely be used for the purpose originally intended, provided respondent carefully observes the physical conditions at the site and take immediate further corrective action should the need arise. Respondent has now in force such a program of daily observation and will continue to utilize the services of the consulting engineers.

The action of the Commission and of its staff in this matter has been directed towards protection of the public from possible destruction of or damage to life and property. The safety of the structure and its safe operation and use have been of paramount concern. We note that respondent's employees who designed the original structure are not registered as professional engineers in the State of California. We also note that the cost of the reservoir as now reconstructed is more than three and one-third times the cost anticipated for a completed structure. The ultimate responsibility for the errors and omissions which created the dangers

and structural deficiencies and which has finally produced an excessively costly reservoir lies with respondent's management. We shall not in this proceeding attempt to determine what proportion of the costs of reconstruction, if any, may become a part of respondent's rate base.

In view of the evidence, the Commission finds that the existing restriction on the operation and use of respondent's Big Concrete Reservoir near Boulder Creek may now be lifted. Further, the Commission concludes that this investigation may now be terminated. Because of existing conditions of unusual rainfall deficiencies it is essential that a maximum storage of water be accomplished at the earliest possible date. The urgency of such situation warrants making the order herein effective on the date hereof.

Accordingly,

IT IS ORDERED that the restriction on the operation and use of respondent's Big Concrete Reservoir, set forth in this Commission's Decision No. 60897 is hereby removed; and,

IT IS FURTHER ORDERED that this investigation, Case No. 6627, be and it is hereby terminated.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 19th day of April, 1961.

Everett C. Ring
President

C. Lyn Fox

George G. Grover

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.