

ORIGINAL

Decision No. 63013

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's )  
own motion into the rates, rules, )  
regulations, service, operations )  
and practices of FRANCIS B. MATHEWS, )  
doing business as OCCIDENTAL WATER )  
WORKS. )

Case No. 6465

Cyril M. Saroyan, for the Commission staff.  
Francis B. Mathews, respondent.  
Maksim Pecelj, for himself and for Community Services  
District, interested parties.

OPINION AND ORDER

This investigation was instituted on the Commission's own motion on April 26, 1960, primarily for purposes of inquiring into the operations, practices and the physical adequacy of the system of Francis B. Mathews who operates a public utility water company in the town of Occidental, Sonoma County. Public hearings in the matter have been held before Examiner F. Everett Emerson on August 3, 1960, November 22, 1960 and September 15, 1961, at Occidental.

Commission records show that the water system in Occidental was originally installed about the year 1894 by M. C. Meeker, who owned large tracts of land in the vicinity. Water was obtained from springs on the Meeker property and was conveyed, through small pipes, by gravity into the center of town, the consumers installing their own service connections to the main pipelines. In 1915, Meeker turned over the pipelines to John Gonnella with the understanding that Gonnella could use the springs on the Meeker property at a monthly rental charge and that Gonnella would assume the obligation

of supplying the community with water. The system was operated on such basis until mid-1943 when Orville S. Clark purchased from the Meeker Estate certain lands on which some of the springs are located, together with all pipelines belonging to the water system. The respondent herein, Francis B. Mathews, acquired the water system and certain lands in the area in 1955.

Respondent's system provides water service to about 57 customers located on both sides of a canyon and on a small flat area between them. The customers are about equally divided between the east and west sides of town. The system obtains its water from a number of springs, as many as eight at one time or another having been used as sources of supply. Generally speaking, the springs have produced a goodly flow during the winter and early spring months and during those years in which rainfall has been plentiful. Almost invariably, however, the summer months have seen some springs go dry and others diminish. When a series of light-rainfall years has occurred, such as the last three years, spring flow becomes very seriously diminished and most of the springs become no more than damp patches of ground.

Water usage on the system averages about 130 gallons per customer per day during periods when the supply is adequate. This amount is no more than one-third of the normal amount used on other water systems in comparable terrain and surroundings and only about one-tenth of the amount normally used by residential customers on systems where lawns, flowers and shrubbery are maintained. Such comparisons rather obviously lead to the conclusion that Occidental has become accustomed to its very limited water supply and over a long period of years has tailored its water consumption accordingly. Even so, during the last three years there have been days without

any water for some customers and repeatedly there have been hours without water for any customers.

By present-day standards, the water system is woefully deficient and inadequate. Indeed, it is within the Commission's knowledge that it has been less than adequate to meet the full needs of the public for more than forty years, despite the repeated efforts of its various operators or owners and their expenditure of funds to improve it. It most probably has never provided more than a minimum grade of service. As above stated, its greatest problem is that of obtaining an adequate supply of water. Numerous suggestions as to how to solve this problem have been made by residents of the area. Many suggestions have been followed. Springs have been cleaned, catch basins have been installed, storage has been increased, horizontal wells have been set into the hillsides, the outputs of private wells and springs have been purchased and water has been hauled into the area by the utility. No more than temporary, short-termed relief has resulted, however.

Respondent has devoted all revenues obtainable from the sale of water to meet out-of-pocket operating expenses and in attempts to obtain more water. If full costs were to be taken into account, the system's books would probably show heavy financial losses in every dry year. With so few customers to support it, a project to permanently solve the supply problem by bringing water into the area from any distance is not economically feasible; nor is seasonal storage economically feasible.

The distribution system also is inadequate. Pipes are undersized and some seem to have internal restrictions which limit the flow of water. Existing storage tanks are not sufficiently elevated to provide normal pressures. Even if the system had an

adequate supply of water, all customers could not receive fully satisfactory water service because of the deficiencies in the distribution system. Some limited improvement is possible and an engineer of the Commission's staff has made a number of recommendations in such regard. Estimated costs of the minimum improvements needed on the distribution system alone range from \$1420 to \$3420. If an additional horizontal well is included, the costs are estimated by the owner of the utility to total about \$4320. Such sum, however, is practically equivalent to two years' gross revenues and almost equivalent to the depreciated historical cost of the entire water system.

From the above discussion, it should be apparent that the utility and its customers face a problem of no little magnitude. Respondent has made every reasonable effort to meet the utility needs of his customers, albeit without success. To "order" him to do that which appears to be a practical impossibility might gratify the punitive desires of some few but vocal customers, but most certainly would prove to be no more than an idle gesture, not only in fact but in law.

The problem presented by lack of water supply for Occidental is not only a utility problem, it is a community problem. It should be accorded whole-hearted cooperative community effort in its solution. Whether the problem is attacked through formation of a mutual water company, through the newly-formed Community Services District, through some other public organization or through earnest and practical assistance to the existing utility, its ultimate solution lies within the community and its financial abilities to work it out.

Under the circumstances, it appears that no further useful purpose will be served by continuing the present investigation and the Commission finds that it is fair and reasonable to terminate it.

Further, however, the Commission finds, in view of the evidence, that respondent's supply of water will not permit the taking on of any additional customers and that respondent should be prohibited from serving or attempting to serve additional customers except upon further order of the Commission. Accordingly,

IT IS ORDERED as follows:

1. Francis B. Mathews (Occidental Water Works) shall not serve, or establish a service connection for, any customer or premises for which public utility water service was not actually being rendered on or before the effective date of this order.

2. The investigation herein, Case No. 6465, is hereby terminated as of the effective date of this order.

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

Dated at San Francisco, California, this 9th day of January, 1962.

*Ernest W. Rago*  
 President

*W. L. Mitchell*

*S. L. Fox*

*George G. Trover*

*Frederick B. Hallock*  
 Commissioners