

ORIGINAL

Decision No. 67720

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of BARTH, INC., a California
corporation, for authority to
increase its rates for water
service.

Application No. 46185
(Filed February 6, 1964)

Virginia Lower, et al.,

Complainant,

vs

Barth, Inc., a corporation,

Defendant.

Case No. 7945
(Filed July 13, 1964)

Virginia Lower, William B. Burbridge,
Mr. and Mrs. Richard H. Scarborough,
Donald W. Button, and Marion S. Jennings,
in propria personae; complainants.
Freda Barth, for Barth, Inc.; applicant and defendant.
Robert Arvid Johnson, for County of Los Angeles;
interested party.
Jerry J. Levander, for the Commission staff.

O P I N I O N

Barth, Inc., a public utility water corporation, seeks authority to increase its general metered service rates for water service 100 percent, or by an estimated annual amount of \$2,135. A report on the application prepared by a Commission staff engineer and a Commission staff accountant has been submitted as Exhibit No. 1. It is received for the record herein. Said Exhibit shows that the applicant-defendant lost \$4,913 during the year 1963 according to recorded amounts after staff adjustments for items expensed which should have been capitalized in the amount of \$1,088

and after a correction to depreciation accrual in the amount of \$21. The staff estimated that applicant-defendant would lose \$2,350 during the year 1964 at the present rates, and would lose \$50 at the proposed rates.

The above-entitled complaint was filed by a group of 27 consumers, and an emergency public hearing thereon was held before Examiner Warner on July 21, 1964, at Lancaster. Exhibit No. 1 in the application was incorporated in the record on the complaint by reference.

Applicant-defendant was incorporated on January 11, 1947, and was granted a certificate of public convenience and necessity by Decision No. 55444, dated August 20, 1957, in Application No. 38521. Authority was also granted to issue stock to John Barth for working cash, for the purchase and installation of meters, and for the purchase of the assets of Vista Mutual Water Company which had been organized by him, and others, on June 17, 1948, to furnish water service in a tract known as Sunshine Ranchos consisting of 32 lots of 1-1/4 acres each. The certificate granted also included 57 lots in Tract No. 20345 adjacent to the Ranchos. In February, 1957, applicant-defendant estimated an eventual total of 700 customers, but development of the areas has not progressed and, at the present time, metered water service is being furnished to 35 customers. The Commission takes notice of the fact that the Antelope Valley in which applicant-defendant's certificated areas totaling 480 acres are located, approximately 15 miles east of Lancaster, in unincorporated territory of Los Angeles County, has been declared to be an economically depressed area, due principally to the transfer out of the valley of United States Defense Department activities, and the consequent shutting down of aircraft

manufacturing, testing, and operation. This may account for the fact that the number of customers anticipated by applicant-defendant in 1957 has not been realized and this may have been and may be the principal cause of applicant-defendant's financial plight.

Consumers complained that early in June, 1964, excessive amounts of air appeared in their pipes; at times there was no water in faucets and pipes pounded; water which did appear was rusty and unusable; and sand clogged appliances, toilet tanks, shower heads, and meters. One consumer testified that pipes in his house had burst due to sand clogging and had caused \$130 damages to carpets and to the interior of his house.

Exhibit No. 2 is a report on the complaint by a Commission staff engineer. He testified that as of July 17, 1964, the 50 hp electric motor and deep well turbine pump installed in applicant-defendant's one operating well, the water source of supply of the water system, were producing an average of approximately 30 gpm; the pump was breaking suction at intervals of 50 to 90 seconds which created surging and water hammer conditions in the distribution system; the present pumping operations were damaging the existing distribution system and causing line breaks and leaks; the present pump and motor have greater installed capacity than the productive capacity of the well; the well and distribution system would be severely damaged if the pump were continued to be operated in its present condition; water was being pumped from a level of about 8-1/2 feet above the sand in the bottom of the well; and the well could be pumped at an average production of approximately 25 gpm without severe damage. He recommended that the pump be adjusted to reduce its capacity to not more than 25 gpm. If the pump adjustment

were not possible, then he recommended that a forebay accumulator tank of at least 21,000-gallon capacity be installed adjacent to the well into which water from the well would be pumped and in which sand would be accumulated. He further recommended that a booster pump should be installed to take water from the forebay tank and pump through the existing pressure tank into the system. In the event that neither of these recommendations was feasible, he recommended that consideration be given to moving the existing 53,000-gallon gravity storage tank from its present location at elevation 2,625 feet and east of 150th Street East, to the well site west of 140th Street East at elevation 2,420 feet; he recommended that a booster pump then be installed to pump from this storage tank through the existing pressure tank into the distribution system and a second booster pump be installed adjacent to 140th Street East, to provide service to the 4 customers east of said street utilizing the existing 2,000-gallon pressure tank near 150th Street East. Exhibit No. 3 is a schematic diagram of applicant-defendant's water system which also shows the locations of the recommended installations. The staff engineer estimated the cost of his second and third recommendations to be between \$2,200 and \$2,500.

Applicant-defendant's secretary, Barth's widow, testified that neither she, nor the corporation, nor Barth's sister who is its president, nor the latter's daughter who is vice president, had any money or any sources of money. She testified that they had loaned the corporation all they were able to lend totaling approximately \$5,400 and were at the end of their ability either to finance or operate the water system.

Two witnesses, one from the Los Angeles County Engineering

Department, on behalf of Los Angeles County Waterworks District No. 35, and one from and on behalf of Antelope Valley East Kern County Water Agency, testified, respectively, that they were willing to render all possible help to applicant-defendant and its customers, but that annexation of the Barth water system area to District No. 35 would take about 6 months, and formation of a Service Improvement District by the Agency to take over applicant-defendant's operations would take at least 2 months.

Based on the evidence and information before us we find that:

1. Applicant-defendant is a public utility water corporation and has been operating as such since 1957 in two areas comprising 480 acres, located approximately 15 miles east of Lancaster in unincorporated territory of Los Angeles County, pursuant to Decision No. 55444. Water service is furnished to 35 customers. The source of water supply is a well 303 feet deep in which the water level has been dropping at the rate of 12 feet per year; the pump is breaking suction at intervals of 50 to 90 seconds; sand is being pumped into the distribution system; and the operation of the pump, to produce 30 gpm, has been creating a surging and water hammer condition in the distribution system.

2. The recommendation of the staff engineer contained in Exhibit No. 2 that the present pump be adjusted to reduce its pumping capacity to not more than 25 gpm is reasonable.

3. Applicant-defendant's recorded operating loss for the year 1963, after certain accounting adjustments, was \$4,913, and would be \$2,350 in 1964 at present rates and \$50 at rates proposed in the application.

4. Public hearing on the application is not necessary.
5. Applicant-defendant is entitled to the financial relief applied for.
6. The increases in rates and charges authorized herein are justified and they are reasonable. The present rates and charges insofar as they differ from those herein prescribed are for the future unjust and unreasonable.
7. Applicant-defendant's Schedule No. 9MZ, Hauled Surplus Water Service, has not been applied.
8. The hauling of water from hydrants in tank trucks has contributed to the service conditions complained of.
9. Applicant-defendant is financially unable to drill a new well as prayed for.

It is concluded that the application to increase general metered service rates should be granted, and that applicant-defendant should be directed to carry out the staff recommendations for improvement of service contained in Exhibit No. 2, and should be ordered to flush the sand from its distribution system and repair all nonregistering meters. Schedule No. 9MZ should be cancelled, and applicant-defendant should be directed to take whatever steps are necessary to see that hauling of water in tank trucks ceases. In all other respects the complaint should be dismissed.

O R D E R

IT IS ORDERED that:

1. Barth, Inc., is authorized to file the revised schedule of general metered service rates set forth in Appendix A to this order and, concurrently therewith, shall cancel by appropriate

advice letter its presently effective Schedule No. 2RLX, Limited Temporary Residential Flat Rate Service and Schedule No. 9MZ, Hauled Surplus Water Service. Such filing of revised rates and cancelling of Schedules Nos. 2RLX and 9MZ shall comply with General Order No. 96A. The revised general metered service rate schedule shall become effective for service rendered on and after September 25, 1964, or on and after the fourth day following the date of filing, whichever is later.

2. Applicant-defendant shall, within 5 days after the effective date of this order, carry out the recommendations for improvement of service contained in Exhibit No. 2 of the complaint, and, shall within 5 days thereafter, so notify the Commission in writing.

3. Applicant-defendant shall, within 60 days after the effective date of this order flush the sand from its distribution system and shall repair all nonregistering meters, and shall within 5 days thereafter, so notify the Commission in writing.

4. Applicant-defendant shall take whatever steps are necessary to see that hauling of water in tank trucks ceases.

5. In all other respects the complaint is dismissed.

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

Dated at San Francisco, California, this 13th day of AUGUST, 1964.

Frederick B. Halberoff
President
George H. Grover
William L. Beund
Commissioners

APPENDIX A

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area including 480 acres located northeasterly and south-westerly of the intersection of 140th Street East and Avenue G, vicinity, approximately 15 miles east of Lancaster, Los Angeles County.

(c)

RATES

Quantity Rates:

Per Meter
Per Month

First 1,000 cu.ft. or less	\$ 7.00
Next 3,000 cu.ft., per 100 cu.ft.24
Next 16,000 cu.ft., per 100 cu.ft.20
Over 20,000 cu.ft., per 100 cu.ft.16

(I)

Minimum Charge:

For 5/8 x 3/4-inch meter	\$ 7.00
For 3/4-inch meter	8.00
For 1-inch meter	10.00
For 1 1/2-inch meter	16.00
For 2-inch meter	24.00
For 3-inch meter	40.00
For 4-inch meter	60.00

(I)

The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rates.